Housing Supply and Planning Controls

The impact of planning control processing times on housing supply in England

NHPAU
Building Awareness For The Future

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Foreword

This research study develops the evidence base on the planning control system and is relevant to both the Killian Pretty Review[1] and the National Audit Office study of planning applications.[2] Following publication of these reports, the NHPAU commissioned Professor Michael Ball of Reading University to carry out an independent empirical study of sites approved for major residential housing development during 2005 and 2006.[3]

The primary objectives of the study were two-fold. Firstly, to allow much firmer conclusions to be drawn about the time it was taking for sites to gain planning permission. Secondly, to construct a sample large enough to enable a statistical analysis of the factors that might explain the differences in time taken.

The focus on sites as opposed to planning applications is important. It is sites that generate housing, and sites that must be managed through to development. It is concluded that the time taken was extremely variable, and often lengthy. This has important implications for the housing supply pipeline, and for the structure and behaviour of the industry.

The statistical analysis looks for patterns in terms of the type of development proposed, the type of developer, and the characteristics of the local planning authority. It uses an easily replicated and scaleable technique that could be developed further to incorporate additional factors where data is available. It concludes that a limited number of factors affecting the time taken for sites to gain planning permission can be identified.

The study does not measure the end-to-end process of housing construction. It measures the time taken between a site having a full planning application submitted and then subsequently gaining planning permission. This stage of the overall process is generally referred to as 'development control' within the report. Sites that required more than one planning application, or that spent time in appeal, are included. Data has been collected and analysed for over 900 sites in 45 local authorities.

The study found that much of the difference in time taken for sites to gain permission takes place within authorities, rather than between them. It is based on data for 2005 and 2006 and as such it provides a benchmark and suggests lessons that can be learnt even though market conditions are very different now. Many of these lessons support current initiatives.

During the course of the last year, the Government has responded to the findings and recommendations of both the Killian Pretty Review and the NAO study. Indeed, in the last month, CLG have published a second progress report[4] and begun a related consultation into the establishment of a new planning policy statement on development management.[5] This will facilitate the move away from a traditional 'development control' approach to development proposals towards the more end-to-end process of 'development management'.

1 *Planning applications: A faster and more responsive system. Final Report Executive Summary and Recommendations*, Killian Pretty Review, CLG, Dec 2008

2 *Department for Communities and Local Government. Planning for Homes: Speeding up planning applications for major housing developments in England*, National Audit Office, Dec 2008

3 major residential developments are classified as those involving 10 or more new dwellings

4 *Taking forward the Government's response to the Killian Pretty Review: Second Progress Report*, CLG, Dec 2009

5 *Development management: Proactive planning from pre-application to delivery – Consultation*, CLG, Dec 2009

Contents

Summary of all findings

- Development control is a **high cost** process for all parties. Transaction costs alone are likely to be in the order of £3bn a year
- Examining the experience of development sites rather than simply looking at individual planning applications reveals a system that takes **longer**
  - Determination of planning permission for development that actually occurs takes far longer than the 13 week planning application target in most cases – with a median of 30 weeks and a mean of 43 weeks
  - Pre-application discussions and post-determination meeting of conditions adds further to planning time
  - Developers of even small schemes must expect the planning process as a whole to last at least a year and face the risk that it could take far longer
  - Appeals greatly add to development control processing time
  - Developers are often slow in resubmitting applications or in submitting changes to previous applications
- Examining the experience of development sites also reveals an **uncertain** system for applicants
  - There is substantial variation in the time sites take to pass through development control
  - Much of the difference in times takes place within each local authority, so uncertainty and time variability seem inherent in development control practices
  - The general feature of widespread uncertainty means that limited case studies of development control, and anecdotal evidence regarding it, may easily misinterpret the true causes of delay
  - Slow and uncertain development control leads to large increases in housebuilders' land banks
  - Slow and uncertain development control limits start-ups of new housing providers and constrains the ability of existing ones to expand
- A limited number of **factors affecting the variability of development control time** can be identified
  - Development control time increases substantially with the size of the development as measured by the number of dwellings, but is not affected by other features of schemes
  - Larger projects take longer to process through development control but less time per dwelling built
  - Trophy (prestige) projects tend to go through development control faster than others, as does social housing

  - Development control takes longer in more affluent localities and where there are hung councils
  - Development control slows when there is a surge of applications
- Development control bottlenecks are **likely to slow housebuilding recovery** and any further desired increases in housebuilding once recovery has occurred

Introduction: laying out the issues

By far the largest category of land-use change in England is associated with housebuilding, with around half of all land built on in the past decade used for residential purposes.[1] This development is regulated by the planning system. Regional and local plans are made which fix targets for housebuilding. Often, the targets set are well below the levels of building that would occur in their absence. This has given rise to a debate that has been going on for many years about whether such restrictions provide overall net benefits and, in particular, if they enable enough homes to be built. That debate centres on the *principle* of development: the costs and benefits of development versus the land-use status quo and who gains or loses from either option.

However, there is also a *process* of regulating development applications through development control that has impacts on housing supply. There is a growing understanding of the scale of the financial resources and time absorbed by development control but less on its substantial impacts on the housebuilding industry and on the responsiveness of supply to increases in housing demand and house prices. The results of this study suggest that the consequences may be substantial with much longer times to undertake development control and greater variation in them than is widely believed. These findings suggest a worrying picture for future housing delivery. The chances of there being substantia`l increases in housing supply following the current crisis could be stymied once existing sites with planning permissions run out, because of the bottlenecks of development control. As a consequence increases in housing supply may take some time to materialise, even if housing output targets are raised within the planning system to meet predicted imbalances between housing demand and supply.[2]

There are two core issues with development control from the perspective of the developer. One is the length of time it takes for proposed developments to obtain planning permission, which is far longer than is currently believed. However, at least as important are the complexities and uncertainties associated with development control. These force some developers to build up substantial land banks, whether they want to or not, and for others to abandon the idea of building houses altogether. Over the past 15 years or so, the requirements in development control that need to be met to achieve successful applications have grown, while the capacity of many planning departments to deal with them has not kept pace. Generally, developers complain of the increased volume of paperwork associated with development control plus higher transactions costs and uncertainty.[3]

Development control is often referred to as the Cinderella of the UK planning system, because of its relative status in the planning profession. Any literature search would reveal a relative paucity of studies compared to the mountains on planning principles, plan design and evaluation. Development control is not where disputes over planning are focused. Its role in England's planning system is relatively poorly understood in contrast to the flurry of studies, policy effort and debate about how much land should be assigned in local plans for housing. That debate is obviously important but the story of Cinderella is not simply that she was neglected, but rather that precisely because just about everyone ignored her she had the greatest impact in the end. Of

1 1995-2004, CLG data.

2 *More homes for more people: advice to Ministers on housing levels to be considered in regional plans,* NHPAU, 2009.

3 *Homebuilding in the UK. A Market Study,* Office of Fair Trading, 2008.

course, Cinderella was an ideal, wonderful person who, once recognised, was accepted by all as truly exceptional. Can the same exceptionalism be said of English development control?

Obviously, planning authorities do not initiate development but rather designate preferred amounts, types and locations of dwellings. They are indicated in formal planning frameworks and associated statements of policy. Actual outcomes depend on developers applying for planning permissions for schemes they wish to initiate. Applications to build are evaluated by local authorities through the process of development control. It is in this arena that local planning principles and politics are played out. Prior planning statements are influential on development control outcomes but, even within the formal framework of planned development, other factors may be instrumental. Development control is a discretionary system, dependent on the judgement of professional planners, local planning committees and others from whom advice or statutorily required comment are sought. One consequence is that neither development control outcomes, nor the time it will take to reach them, can easily be predicted prior to submitting an application to build homes.

Views are divided about development control. Planners are generally passionate about their mission and development control is clearly at the front line in the process of steering and regulating land-uses. Yet, developers are equally passionate about what they see as shackles and complain about not only the denied opportunities resulting from planning constraints but also the cost, time and uncertainties associated with conforming to planning and its ways of operating. Who is right?

Though relatively limited, all the same, the literature about development control now stretches over many decades.[4] Interest tends to be greatest in the final years of housing booms when great demands are put on the planning system to deliver extra housing. The last boom was no exception. The lines of debate have recently been well-aired, as shown in the recent Killian-Pretty Review.[5] Yet, despite the rekindling of an on-going debate, analysis generally remains in the realm of the opinion of participants not in the facts of development control. The history of medicine and the tragedy of Galileo, amongst a myriad of other events, show the danger of relying on prevailing opinion rather than dispassionate facts.

Development control inevitably takes time, but the question is how long should it take? From an efficiency perspective, trade-offs abound. When do diminishing returns to additional investigative effort start and at what point do the extra costs outweigh the benefits of thorough scrutiny? When and how does extensive consultation truly reflect local and other interests and whose views should be given greater priority? Are the lengths of consultation periods appropriate? Can processes be undertaken more simply and quickly to achieve broad aims? Is development control utilised by some authorities to discourage development by making it slower, more uncertain and costly? Is the system administratively efficient or does it have a wide variety of practices that have grown up by default? Are incentive structures right? The answers to these questions are not easy. The purpose of this study is to present some evidence to highlight the current high levels of time absorbed by development control and to explore statistically why they exist.

[4] *Development Control: Principles and Practice*, K. Thomas, UCL Press, London, 1997.

[5] *Planning applications: A faster and more responsive system. Final Report Executive Summary and Recommendations*, Killian Pretty Review, DCLG, 2008.

Major residential developments are classified as those involving 10 or more new dwellings. They represent a tiny portion of the total planning decisions made by district level planning authorities, only 1.6% in 2007/8. However, they have a substantial impact on local housing supply and land-use change.

At present, the procedure of development control is essentially the same for small-scale building works as it is for major ones but divisions obviously exist. Direct 'affected party' consultation is regarded as essential in English development control – though many other countries limit it to the plan formulation stage only or never contemplate it at all. Consultation also tends to be greater, more time consuming and important with respect to major schemes. Typically, local people and a variety of agencies are consulted during assessments of planning applications and a series of discussions take place with developers. The latter may have to resubmit proposals, or appeal to planning inspectors, before being given final approval. Many will have their schemes rejected altogether.

Concern has been voiced for a long time by developers and others about the time required for applications for planning permissions to be approved. The Barker Review of Housing Supply raised the issue in 2004. Subsequently there have been three influential reports and government has published a response and initiated consultation to the latest of the three.[6] Planners have tended to be defensive of the status quo in the face of such criticism. They argue that they fulfil the requirements and processes laid down by law in a democratic society; do their best in difficult circumstances; face a variety of resource problems, especially chronic shortages of qualified staff; and have to deal with developers who are often ignorant of detailed procedures or ones who try to game-the-system.

What is most noticeable is how the debate is driven by opinion rather than detailed empirical investigation. Data are published on the proportion of major residential planning applications processed within 13 weeks but that does not reveal how long a site takes to go through development control. In fact, as the data from this study will demonstrate, the relationship between the two is weak. Anyone's experience of development control, from whatever perspective, provides a rich personal understanding but the sum of such experience does not necessarily add up to a complete picture. A survey of London developers in 2007, for example, suggested that they were most concerned about the delays caused by section 106 agreements in relation to developer contributions; whereas the empirical evidence gathered in the survey suggested that s106 issues were by no means the major influence on development control time.[7]

The purpose of this study and report is to add some analysis based on quantitative information to the debate. It reports on research information gathered on the time it took to progress more than 900 sites through development control in 45 boroughs spread across England.

[6] *Barker Review of Housing Supply. Interim Report,* HM Treasury, 2004; *The planning system. Matching expectations and capacity*, Audit Commission, 2006; Killian-Pretty, *ibid; Planning for Homes: Speeding up planning applications for major housing developments in England*, National Audit Office, 2008; *Taking forward the Government's response to the Killian Pretty Review Progress Report, Department for Communities and Local Government*, DCLG, 2009.

[7] *Development Delay*, J. Neale & T. Craine, London Development Research, 2008.

What happens in development control?

All residential developments proposing to build 10 or more dwellings (or that use more than 0.5 hectares of land) are defined as major developments in the UK planning system. Developers have two options when submitting proposals. They can either apply for 'outline permission' and then re-apply for permission related to unresolved 'reserved matters', which are items the planning authority stipulates must be considered in greater depth after outline permission is given; or, alternatively, they can make a 'full' application covering all items within the same decision-making process. The outline route tends to be used for large-scale projects as not all of the detail has to be agreed at the initial stage but dealt with via reserved matters. Even with the full permission route, subsequent changes to proposals often arise which the planning authority deems to constitute significant changes to the original submission, so the developer will need to apply for additional permissions with regard to them. With both routes, applicants may resubmit or go to appeal.

UK development control encompasses highly detailed evaluation of building and site layout and negotiations over a range of issues, such as environmental factors, design, dwelling density, highways, parking and open space provision. As a result, seemingly insignificant matters may require further applications for permission. Overall, resubmissions and additional submissions can be regarded as similar in intent in that the mix of the two reflect developer strategies with respect to trying to achieve approval for a viable project and planner strategies with regard to the progressing of any scheme according to local planning principles, practices and politics.

A typical major residential planning application follows a standardised process (Figure 1). There are four identifiable parts:

1 *Pre-application discussions*: When developers informally discuss proposals with planning authorities for preliminary exploration of what is likely to be approved or rejected. Such discussions are now encouraged, commonplace and may take several months or longer to complete.

2 *Planning application evaluation:* This aims to provide the planning authority with an understanding that the application is complete in all its details, a range of consultation information from a variety of relevant bodies and local residents, analysis, opportunities to discuss and negotiate with applicants and time to make reasoned decisions either by a professional officer or a planning committee consisting of appointed local councillors.

3 *Section 106 agreements:* Additional time may be spent outside of that recorded in planning applications negotiating development contributions. However, final planning permissions are not issued until s106 agreements are finalised, so most of such negotiations will be encompassed within the time applications are outstanding.

4 *Completion and approval of stipulated requirements:* Planning permission often comes with stipulated requirements and conditions, which may themselves lead to further development control time, as applicants have to demonstrate that the conditions have been met and planners have to agree that is the case and discharge the conditions before full permission is granted. However, it is difficult to track down records of when and whether conditions are discharged.

Figure 1 Planning process major developments: pre-application & application

major applications process map: application stage

Days 1-4 Week 1	Completed application received →	Application checked validated and registered/ returned for more information, cheque etc.	Case officer allocated within 2 days	Validated in 24 hours if simple. If complex/ controversial case officer needs to see prior to validation	Consultations needed identified and sent out for return in 21 days. Can be carried out concurrently with validation	Notification of EIA
Days 2-10 Week 1-2	Case history and development plan data sent to case officer →	Preliminary view reached →	Amendments to make acceptable Likely to be recommended for refusal		Applicant advised if S106 needed and LPA's requirements if not done at pre-application and timetable →	Legal services advised
Days 5-10 Week 1-2	Site visit by case officer	Assessment of need for minor amendments/ further information	If ES attached is it acceptable?	Discussion with line manager re amendments/ refusal/delegation etc.	Identify if part if 60% target or 40% (if longer than 13 weeks)	If member site visit necessary arrange within next 4 weeks
Days 6-10 Week 2	Letter to applicant requesting additional information/amendments/S106 contribution(?). Applicant to respond within 10 days					
Week 2 & 3	Meeting held with applicant if necessary					
Week 4-5	Consultations returned →	Need for further amendments established and applicant advised accordingly for response within 10 days				
Week 6-7	Further amendments/ information received		Members site visit if necessary		Development Forum held if appropriate	
Week 6-11	Delegation/committee report drafted including conditions		Draft report checked by line manager, signed off if delegated and issued in 24 hours		If to go committee material needed gathered, those who have made representations advised. Report sent to Committee Clerk	
Week 7-13	Report to Committee and decision notice issued within 24 hours		If S106 applicant to sign within 2 weeks		If application part of 40% more time allowed	

major applications process map: pre-application stage

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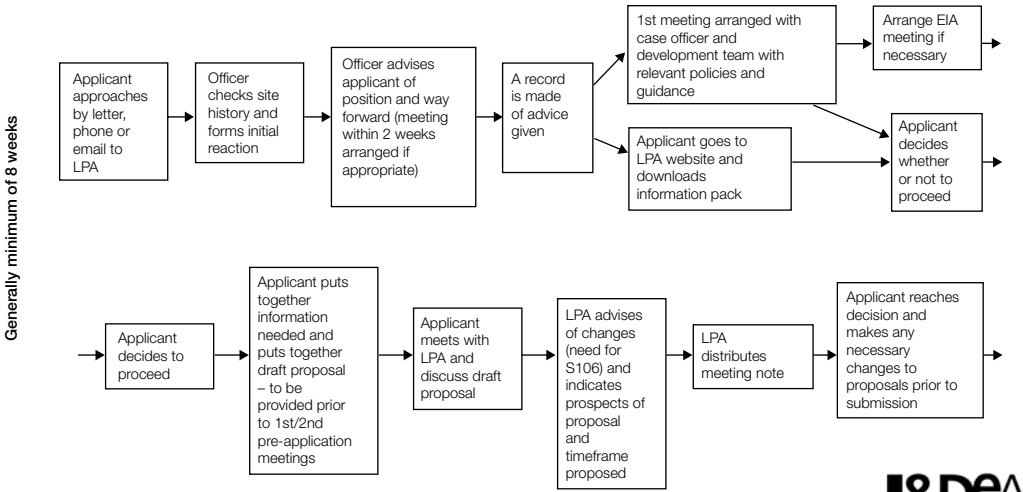


I&DeA improvement and development agency

Prepared by **Addison & Associates**: 020 7087 4123

Note: The 60% target refers to that for major applications. Very large, complex applications are likely to take longer and the target is designed to take account of that.
Source: CLG Planning Advisory Unit

Why is development control important for housing supply?

1. The high cost of development control

Local authority development control is expensive to operate. Around 600,000 planning applications were received in 2007/8. Most of them were minor but there were around 19,000 major ones, half of which relate to housing (Table 1). To deal with them and other development control matters, costs local authorities more than £750m a year.[8] Statutory agencies, such as the Environment and Highways Agencies, are also substantially involved in development control. They incur substantial costs: for example, the Environment Agency employs 250 planners to scrutinise around 50,000 applications annually. Planning applicants pay estimated fee costs of £232m (£40m from households), which go towards funding local authorities' expenses. In addition, they have their own costs of submitting an application and they also pay more than £750m annually in consultants' and legal fees.[9]

Table 1: Planning applications in England 2007/8

	NE	NW	Y&H	E Mid.	W Mid.	East	London	SE	SW	England
Thousands										
MAJOR DEVELOPMENTS										
Dwellings	0.4	1.0	1.0	0.8	0.8	1.2	1.1	1.9	1.3	9.5
All major development	0.8	2.2	1.9	1.6	1.8	2.2	2.2	3.4	2.5	18.7
MINOR DEVELOPMENTS										
Dwellings	1.7	4.0	6.9	6.2	4.9	9.5	10.1	13.9	12.4	70.1
All minor development	5.8	16.2	15.9	13.4	13.6	18.8	23.6	27.6	23.5	160.3
ALL DEVELOPMENT	22.8	61.6	52.9	44.9	50.0	72.7	91.3	114.9	78.4	595.7

Source: Development Control Statistics, England, 2007-08, CLG

Taken altogether these costs are likely to exceed £2bn a year. It is difficult to know how much of those development control costs are attributable to major residential developments but the share is likely to be substantial.

Developers face further financing costs in holding onto land and other assets while their projects are being evaluated, this runs into £billions. Estimates provided later in this report suggest that this was running at £1bn a year just for the sites in England that successfully achieved permission at the end of the last housing boom (and there are further substantial holding costs associated with

[8] *Planning Costs and Fees: Report, DCLG, 2007.*

[9] *Killian-Pretty Review, ibid.*

the land banks required by the uncertainty of development control and for sites that were rejected, which push those costs to over £2bn).

Although other land-use activities require development control, the transaction costs of development control for major housing projects are likely to be of the order of £3bn or more annually.

Additional costs are incurred through the consequences of uncertainties and delays in building projects, or through those that are abandoned or never get off the drawing board because they are rendered economically unviable. Estimates of these costs to the economy of the delay associated with development control as a whole are inevitably approximate but may be up to £3bn a year.[10]

Any form of land-use regulation needs some form of scrutiny, so unless planning is abandoned altogether – which few would support – some system of development control is necessary but what? Many countries use simple building control systems to assess whether developments conform to zoning regulations as laid out in local master plans.[11] The UK planning system puts great emphasis on the planning control of the detail of individual developments but, for better or worse, that principle does not lay down the actual content of development control; this has grown incrementally over time rather than through any rational, first principles evaluation of what is essential to it.[12] The Killian-Pretty Review estimated that their reforms, if fully implemented, would save at least £300m a year. Whether their estimates are correct is a matter for debate. But the overarching point is that there is a growing consensus that not only is development control extremely expensive but also substantial savings can be made within development control without altering its fundamental nature and intent. For example, Killian-Pretty argue that the quality of development control could be improved at the same time as reducing its cost burden.

2. Development control contributes to the low responsiveness of housing supply to demand increases

As noted in the introduction, the chronically weak and slow responsiveness of English housing supply to increases in demand and house prices is likely to be partly attributable to planning delay; both because of the time it takes to get extra land supply through development control and because of the uncertainty surrounding that process. In so far as delays in development control restrict housing supply, the consequences of it are far greater than suggested in the section on cost elaborated above.

The weak responsiveness of housing supply can be seen in the years of recovery in the mid-1990s with output only picking up after 2001 (Figure 2). A major concern now must be that a similar experience will occur in the next recovery, with development control a contributory factor.

[10] *Barker Review of Planning: Interim Report,* UK Treasury, 2006.

[11] A. Evans & O. Hartwich, *Bigger Better Faster More – Why some countries plan better than others,* Policy Exchange, 2005.

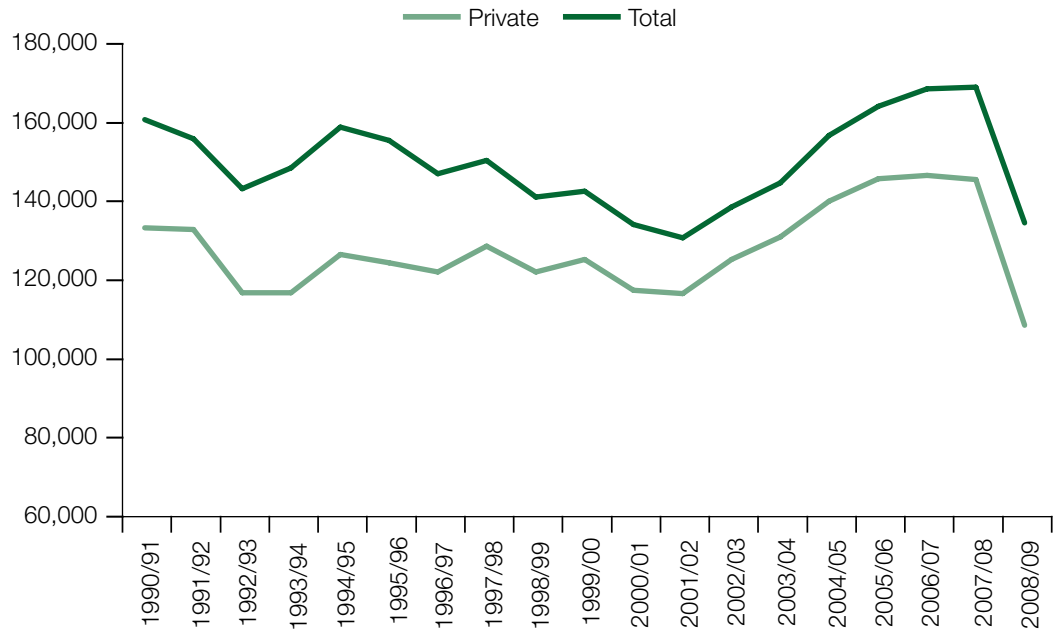
[12] Ball, M., Allmendinger, P. & Hughes, C. 'Housing Supply and Planning Delay in the South of England', *Journal of European Real Estate Research,* July, 2009.

Nevertheless, falling planning allocations of land to housebuilding are still demonstrably the most important influence on poor supply responsiveness. Despite the recent record housing market boom, the amount of land used for housebuilding fell by a quarter between the late 1980s and 2006 on a trend basis (Figure 3). However, there is not actually a sharp divide between planning land allocation and development control effects, particularly as feedback effects from development control reverberate on strategic planning. For example, planning delay can hide land shortage problems for some years, with them only becoming apparent when residential land does not come through the pipeline as quickly or in such volumes as expected. Moreover, if delay has been rising as has been suggested, some landowners might have been increasingly deterred from selling land for housing development by the extra costs and uncertainties, which lower the return they would get below those necessary for them to sell the land for housing. Housebuilders might also be put off and will have to build up land banks at a faster rate than any increases in their housing output.

An important feature of the changes occurring in land allocations for housebuilding has been the shift towards brownfield development, which has altered substantially the types of housing schemes being considered in development control. The overall percentage of new dwellings built on brownfield land rose from 55% to 79% between 1989 and 2008 (Figure 4), comfortably surpassing government planning targets. However, because brownfield land was being built on at much higher densities, there was not actually an increase in the brownfield land acreage used.

Looking at previous land-uses overall, a convergence had occurred in the broad types of previous use of land used for housebuilding , with the acreage of greenfield land falling to become virtually the same as that from previous housing land and that from other previous brownfield uses (Figure 5). Consequently, development control was by the mid-2000s focused on much less land than a decade before but far more on brownfield sites and many of them were small in scale. Many were also controversial, high density, infill developments within existing housing areas.

Figure 2 Housebuilding in England, 1990/1-2008/9

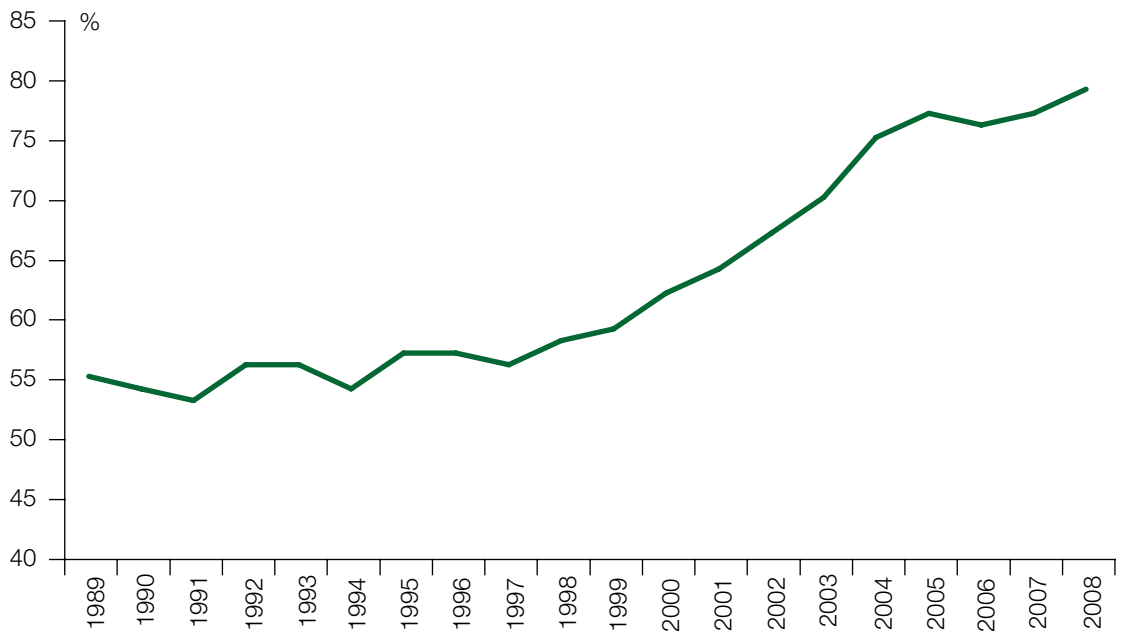


Source: CLG

Figure 3 Amount of land used for housebuilding in England, 1989-2006

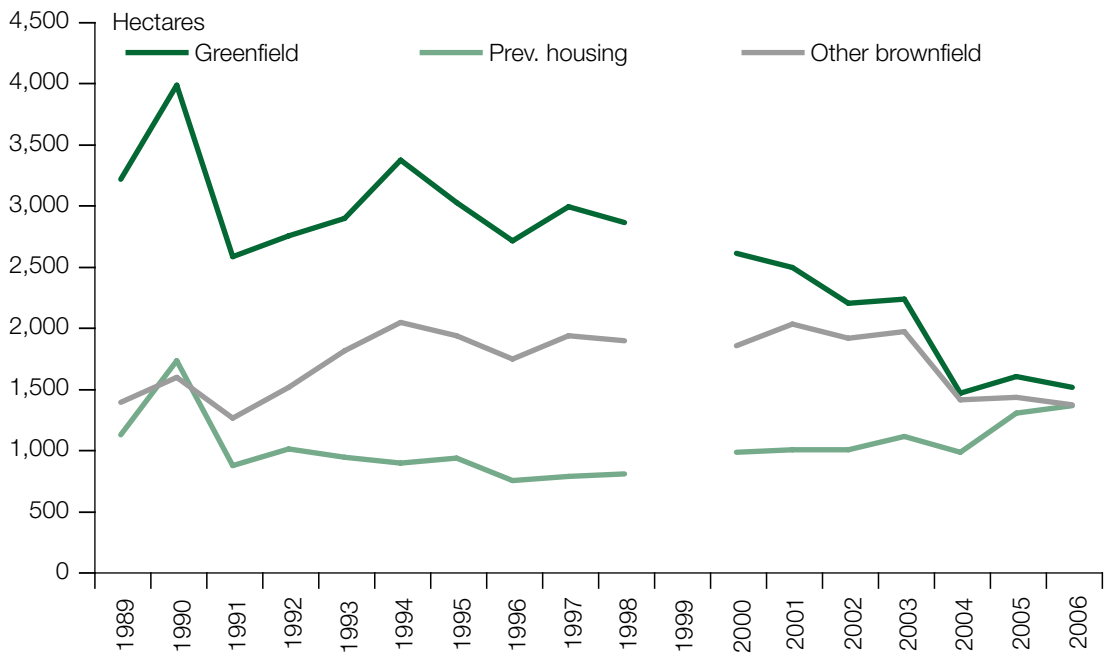
Note: Data unavailable for 1999. Source: CLG

Figure 4 Share of new dwellings built on brownfield land, 1989-2008



Source: CLG

Figure 5 Previous uses of housebuilding land, 1989-2006



Note: Data unavailable for 1999. Source: CLG

3. The consequences of high uncertainty in development control

Whether or not any particular application for planning permission is successful in the UK framework is subject to considerable uncertainty, as the outcome is the product of protracted and complex negotiations between developers and planners over the content of any proposed scheme. Additional uncertainty arises because any site may be subject to multiple applications for planning permission. Mayo and Sheppard, in an analysis of international planning systems, refer to this type of planning as stochastic development control, as outcomes are uncertain and the parties are not operating in contexts of full information.[13]

One area of uncertainty is whether a project will be approved but another is the time it takes to pass through development control. The survey results discussed later highlight that two ostensibly similar projects on different sites may have differences in development control processing time of more than a year. There are 'long-tails' in the distribution of development control processing times and these in several ways are as important for housing supply as average processing times.

Housebuilders want to ensure continuous production and that affects their behaviour with respect to development control. They will be interested in the distribution of development control times and 'long tails' will matter because they do not want to be stranded with insufficient land, because some sites have taken longer than expected to pass through development control. If developers are risk adverse and do not wish to find themselves without land with planning permission in a locality, they are likely to be far more cautious than accepting, say, a 50% chance of a site not being ready for development. For sake of argument, assume that they are prepared to take a 20% chance of delay (beyond a target/expected time) for any site but no more. This implies that developers do not plan their land development pipelines solely on the basis of the typical (median) time to pass through development control but on expected probabilities up to the 80th percentile amount of development control time per site. More risk-averse developers will base their land strategies on even longer expected development control times.

High uncertainty in development control and 'long tails' of sites which take particularly extended times together lower supply responsiveness considerably below an ideal world of, say, a certain 13 week turn-round development control time. Heightened uncertainty in development control raises land banking requirements, increases the number of planning applications associated with a given level of output, and slows builder's responses to increases in demand by a matter of years. It also raises the capital that they must commit to their businesses in the form of larger land banks and expenditure on development control applications.

These impacts on builders' land requirements feed back into development control, because planners now have to deal with more planning applications for a given amount of housebuilding output. Local people are faced with the prospect of a significantly larger number of proposals to develop, with uncertainty running into years over when or whether they will actually be built. This scale effect is likely to raise local resistance to additional development.

[13] Malpezzi, S. and Mayo, S. K. (1997) 'Getting housing incentives right; a case study of the effects of regulation, taxes and subsidies on housing supply in Malaysia', *Land Economics, 73,* 3, pp. 372-391.

It could be argued that the principle of central limit theorem comes into operation here in that larger producers by putting a higher number of sites through development control should be able to lower the risk of being left with insufficient sites to build on because of a chance bunching of development control delays. However, this argument is weakened by the fact that even the largest developers have relatively few sites active at a time in any particular housing market area.

Reaction to potential development control delays may help explain the propensity for developers to buy land with planning permission from each other. But such a response has limits because the sites under development control examination at a given time is quite small even in the largest local authorities, so that most housing market areas will have insufficient sites going through development control to have much of an impact in narrowing the problems associated with uncertainty over development control time.

4. Lengthy and uncertain development control restrains competition in housebuilding

The impact of development control on competition in housing supply in part relates to the heightened need for land banks discussed in the previous point. That discourages small firms, which may not have the capital or be able to borrow to finance land banks. But, furthermore, the time required to enter the housebuilding industry or to expand within it becomes more extended and expensive, with a slow and uncertain development control process. This then acts as a major disincentive for market entry and output expansion.

The only way to obtain land with planning permission quickly is to take over existing firms in order to acquire their land banks. As a result of diminished entry and takeovers of existing producers, the largest firms' market shares increase, as has been experienced in the UK over the past few decades.[14]

[14] M. Ball, *Firm size and competition: a comparison of the housebuilding industries in Australia, the United Kingdom and the USA,* RICS Research Report, 2008.

Measuring development control processing time

The research strategy of this study

The easiest part of the development control process to measure is planning application evaluation: that is, the time from when a planning application is received to the time a letter with the decision is sent to the applicant. Written records are kept of these dates and most applications are available for examination on the web. Any one application can also be linked to others which may have arisen with respect to the same proposed development. Consequently, the use of the internet has now made possible the study of development control processing time in a way that would have been far more difficult previously.

It is more difficult to track down times for pre-application discussions, because not all authorities keep records of the relevant conversations and dates. It is also hard to obtain records of whether and when conditions were accepted as being met by the planning authority. In addition, Section 106 negotiations information is not always easy to find.[15]

As a result, the research reported here only collected in-depth information on planning application evaluation of major residential schemes, the core of the development control process. However, some ancillary information is reported on stipulated conditions, and the time between the granting of planning permission and the commencement and completion of building on site. So, a broader picture can also be obtained of the time that the development process as a whole takes but with less rigour than the actual application determination stage.

Only projects that eventually gain planning permission are included in the analysis, because rejected proposals are more likely to contain a wide range of atypical features. What is more, local authorities generally decide to reject applications more quickly than approvals. For example, the National Audit Office study of 11 local authorities' applications during 2006-7 found that 98% of rejections were decided within 13 weeks, compared to only 49% of approvals.[16]

All relevant planning permissions pertaining to a specific development proposal for a site were traced back through time, and recorded, to an initial first application. A variety of information about the nature of the development, the developer, the local area and the local authority was collected, enabling exploration of some of the influences on development control time.[17] Development proposals may change in detail through the negotiation process between developer and planner but are easy to identify from planning records in their broad outlines. There were some cases of changes in developer during the course of the planning process for particular sites, though such changes were rare, so that the final developer only was recorded in every case.

Focusing on sites

Emphasis here is put on the development control of proposed housebuilding schemes, rather than on planning permissions themselves. Sites generate housing output, so that if concern is with the impact of development control on housing supply it is more useful to look at the time it

[15] c.f. Crook, ADH, Monk, S, Whitehead, C and Rowley, S *Delivering affordable housing through S106: outputs and outcomes,* York, Joseph Rowntree Foundation.

[16] NAO, *ibid.*

[17] A full list of the information collected is shown in Appendix 1.

takes sites to progress through development control than at individual planning permissions. Projects may require multiple planning applications and applications may be of varying degrees of importance. It may be the case that some sites are in fact parts of wider schemes. Generally, the procedure was to treat independent phases of developments as separate schemes. However, in practice few schemes turned out to be sub-sections of wider projects but rather stand alone schemes in their own right.

Resource and information constraints inevitably limit sample sizes but a large sample was collected. Data on the time taken in development control was sampled for over 900 sites from 45 English local authorities. Sites were identified which were successful in achieving planning permission in a two-year period, 2005 and 2006. This time was near the peak of the last housing market boom, when all English regions were experiencing strong housing demand and rising prices. Consequently, the period measures development control time when planning authorities were uniformly busy and unlikely to have many idle resources as they may have done two years later during the onset of the credit crunch.[18]

Strictly speaking, the approach adopted here is to sample sites that achieved planning approval in a specific two year period, so it may not be fully representative of the time all sites take to be processed through development control. Slacker times may lead to quicker approval, for example, although that should not be taken for granted. In addition, sites approved in those two years may have somewhat distinctive characteristics. Nevertheless, there is no *a priori* reason to doubt the general applicability of the results, especially given the large sample size, its spread across England and the two year sampling period.

Local diversity and the bench-marking of development control

There are hundreds of planning authorities in England, ranging from large non-metropolitan cities, such as Birmingham and Manchester, to small local district councils. So, wide variations in practice may be expected to occur between them. The number of major residential planning decisions having to be made by most authorities is, in fact, quite low: only 8 English ones, out of a total of 374, made more than a 100 major residential planning application decisions in 2006. What is more, only 30 authorities made more than 1 decision a week on average and 40% of all of them made 30 or less decisions throughout the whole year.[19] Moreover, these numbers refer to planning decisions not to residential sites under evaluation. The latter are going to be significantly less in number because of multiple planning applications per site.

Many planning departments are quite small. On average they had 29 staff posts in development control in 2006 and much of the work was dealing with minor rather than major applications. Recruitment difficulties were common at the time – with half of local authorities reporting problems, 8% of staff were employed on a temporary basis to cover vacancies, and an average of 4 development control vacancies existed per authority (14% of establishment).[20]

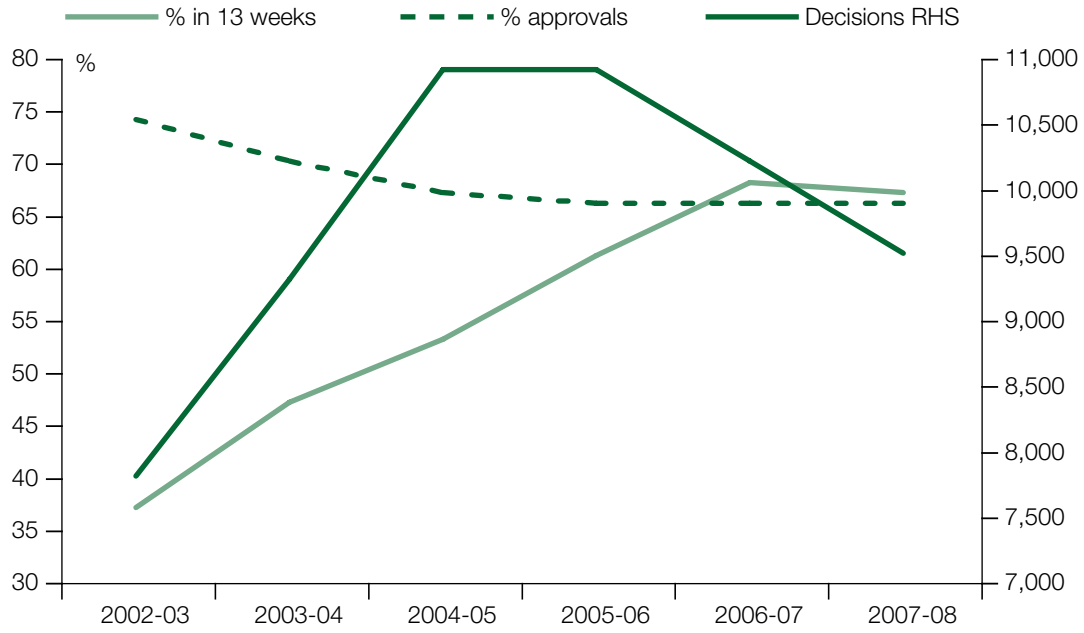
[18] The National Audit Office, a number of local authorities, and the Greater London Authorities' Planning Monitoring Team kindly made some information available for this study. Data from a previous study at Reading University, funded by ESRC, was used and further information was also derived from Experian Ltd. Additional information was gathered from local authority planning websites, ONS and DCLG.

[19] DCLG planning data.

[20] *Mind the Skills Gap. The skills we need for sustainable communities*, The Academy for Sustainable Communities, 2007.

Government monitoring of development control is based on the percentage of planning applications decided upon within a 13 week target period, with adjustment made for very large, complex applications that are likely to take longer. Figure 6 shows that local authorities responded quickly to the target between 2002-3 and 2006-7, with a relatively modest increase in rejections, despite a substantial increase in workloads with the property market boom. Nonetheless, there remains considerable variation between authorities on the proportion of applications meeting the target[21] and concern over whether the targets fully reflect developer experience of development control.

Figure 6 Planning decisions, outcomes and time targets, major residential developments 2002-08



[21] DCLG planning data.

Local variations

Selecting the sample of local authority areas

This chapter describes the process of selection of the 45 local authority areas from which the evidence was gathered on development control processing time. It also identifies some of the characteristics of those areas themselves. The aim is not provide an in-depth profile of those areas but i) to highlight their diversity – from major cities to small suburban-rural communities and ii) to identify measurable local characteristics and their diversity because they may provide clues about reasons for variations in development control times.

Local characteristics represent a potentially important group of causes of differences in development control times for a variety of reasons. They may relate to the Local Authority itself or to other characteristics of the area, such as whether it is an urban or commuting locality or the degree of homeownership amongst the local population, because they may influence the attitude of local authorities towards development and its control.

Studying a diverse range of localities helps to draw out such potential influences and permits investigation of whether or not particular types of local authority achieve quicker or slower development control processing times. For example, it may be thought that large local authorities' planning departments are able to process schemes quicker because of their greater access to specialist skills or, alternatively, that small ones are faster as they are less encumbered by bureaucratic constraints. A variety of other local features may also be relevant, ranging from the extent of the use of delegation to planning officers to make decisions, to the amount of local housebuilding, and the political composition of the local authority.

In practice, only a few of these characteristics are likely to have much influence on development control processing times. The actual identification of which ones turned out to be important in this study is left until Chapter 6: Explaining Development Control Time.

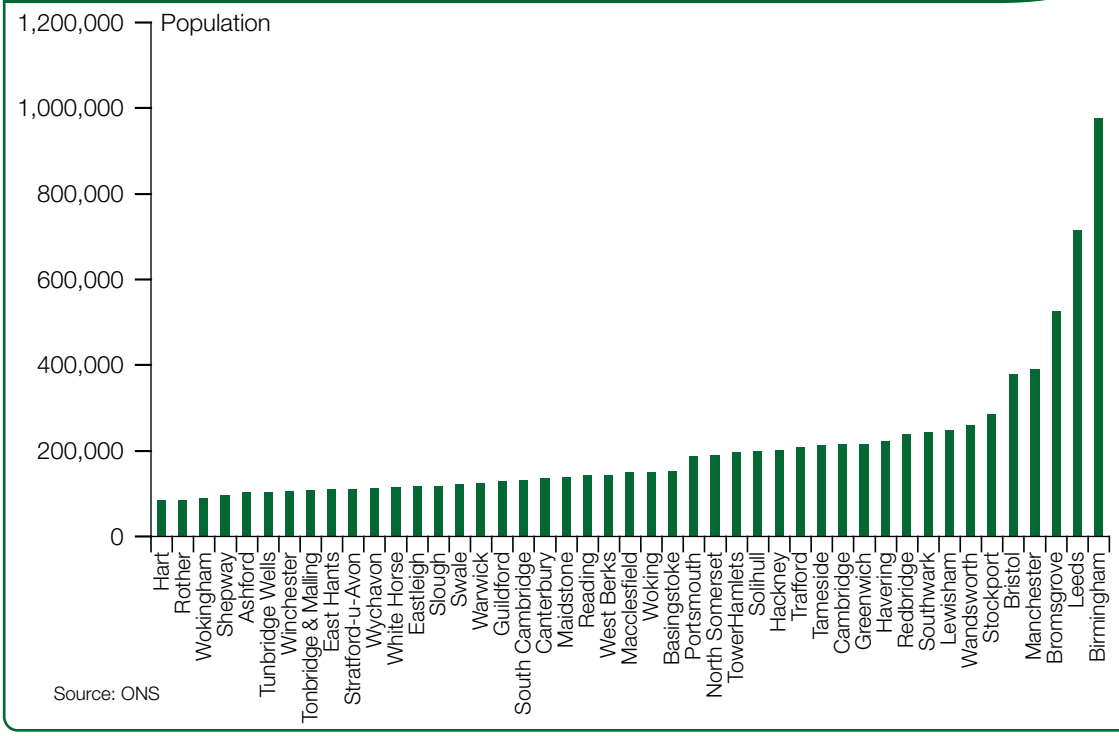
The sample of site development control processing times was taken from the planning records of 45 English local authorities with a total population of 9.3 million (Table 2). Several of the country's largest cities were included but also a range of areas with much smaller populations (Figure 7). There are several London boroughs in addition to Birmingham, Bristol, Leeds and Manchester. Most other localities were areas adjacent to those cities. Commuter localities were represented, so that there is a wide range of average commuting distances (Figure 8). The sample also covered a wide range of local authorities in terms of their place on the government's planning delay rankings, as measured by the percentage of planning permissions processed within 13 weeks (Figure 9). Overall, the mix of areas gives a range of localities from inner-city regeneration ones through to rural places near to major conurbations with high degrees of planning constraint and strong pressures for further housing growth. The bias in the sample was deliberately set towards areas of housing shortage and London and the south because it is there that planning pressures are believed to be the greatest, although as it transpired regional factors did not feature strongly in the results.

Table 2: Local authorities in the sample[22]

1. Ashford	24. Rother
2. Basingstoke	25. Shepway
3. Birmingham	26. Slough
4. Bristol	27. Solihull
5. Bromsgrove	28. South Cambridge
6. Cambridge	29. Southwark
7. Canterbury	30. Stockport
8. East Hants	31. Stratford-upon-Avon
9. Eastleigh	32. Swale
10. Greenwich	33. Tameside
11. Guildford	34. Tonbridge and Malling
12. Hackney	35. Tower Hamlets
13. Hart	36. Trafford
14. Havering	37. Tunbridge Wells
15. Leeds	38. Wandsworth
16. Lewisham	39. Warwick
17. Macclesfield	40. West Berks
18. Maidstone	41. White Horse
19. Manchester	42. Wychavon
20. North Somerset	43. Winchester
21. Portsmouth	44. Wokingham
22. Reading	45. Woking
23. Redbridge	

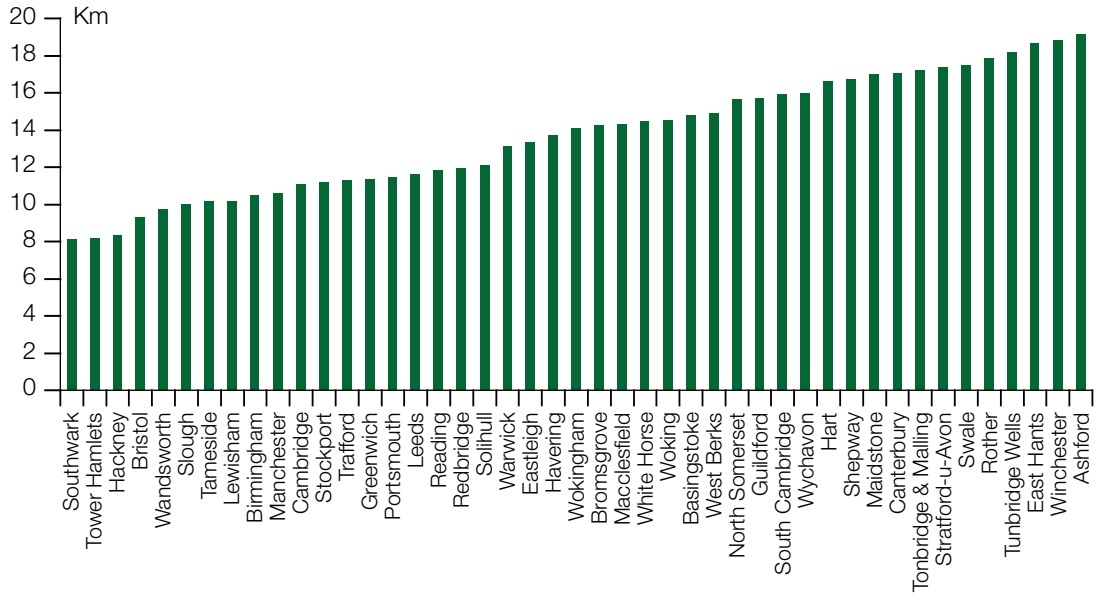
[22] A map identifying each local authority can be found at http://www.statistics.gov.uk/geography/maps.asp.

Figure 7 Local authority populations



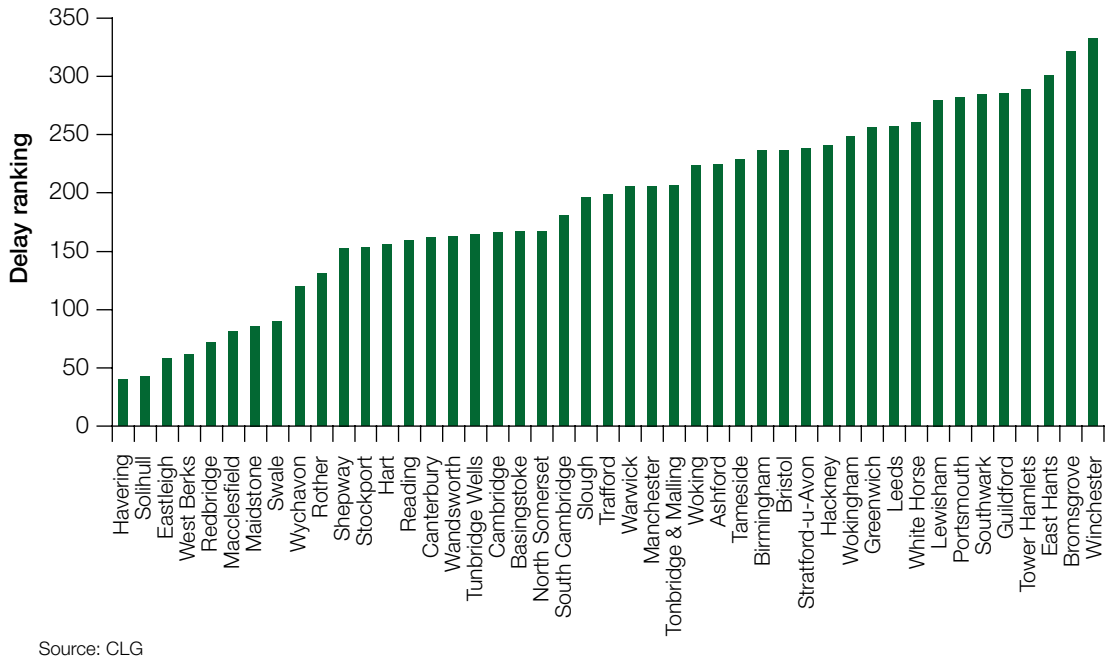
Source: ONS

Figure 8 Local authority average travel-to-work distances



Source: ONS

Figure 9 Planning delay rankings, average score for 2005-2006



Source: CLG

The potential impact of local variations on development control time

An obvious hypothesis is that differences in the characteristics of local areas and councils may affect development control times. For example, larger authorities will have bigger planning departments and be able through their size to employ greater specialisation as a result. For this and other reasons, there may be scale economies in development control. If scale economies exist, they may in turn lead to faster development control processing times. A variety of other local factors can also be hypothesised to affect development control time. As a result, it is worth examining some general characteristics of the sample of local authorities to see the extent of variations and explore hypotheses related to them.

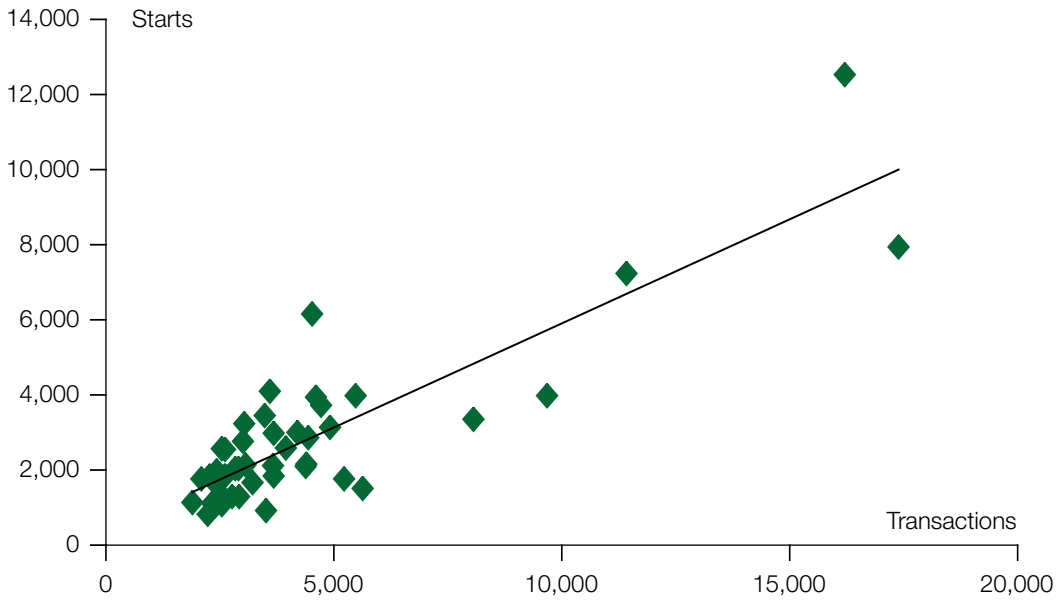
The scale of residential activity varied substantially across local authorities, with the amount of housebuilding ranging from only 800 dwellings over the four year period 2004/5-2007/8 in Wychavon to over 12,500 in Leeds. In general, the amount of housebuilding taking place in each area was related to its size and the general level of housing market activity, when comparisons are made across several years in order to smooth out short-run fluctuations. Figure 10 shows a close linear relationship between the total number of housing starts and the average annual number of housing market transactions in each local authority. The number of planning decisions made was also generally closely correlated with housebuilding activity (Figure 11).[23] The two most notable

[23] The Pearson rank correlation coefficient between housing starts (2004/5-2007/8) and the number of major residential planning decisions (2005-2006) was 0.79.

exceptions were Bristol and Birmingham. There, planning decisions were running far ahead of building during the study period.

Absolute levels of building were highest in the largest towns and cities and some adjacent areas. However, the share of new housing in total housing stock had a distinct rank order from that of new building,[24] because even relatively low absolute amounts of building can have a substantial impact on local total housing supply when the existing stock is relatively small (Figure 12). London's Docklands apart, several smaller localities with high levels of commuting feature as having the highest ratios of new build to stock.

Figure 10 Relationship between housing starts and housing market turnover in the sample local authorities

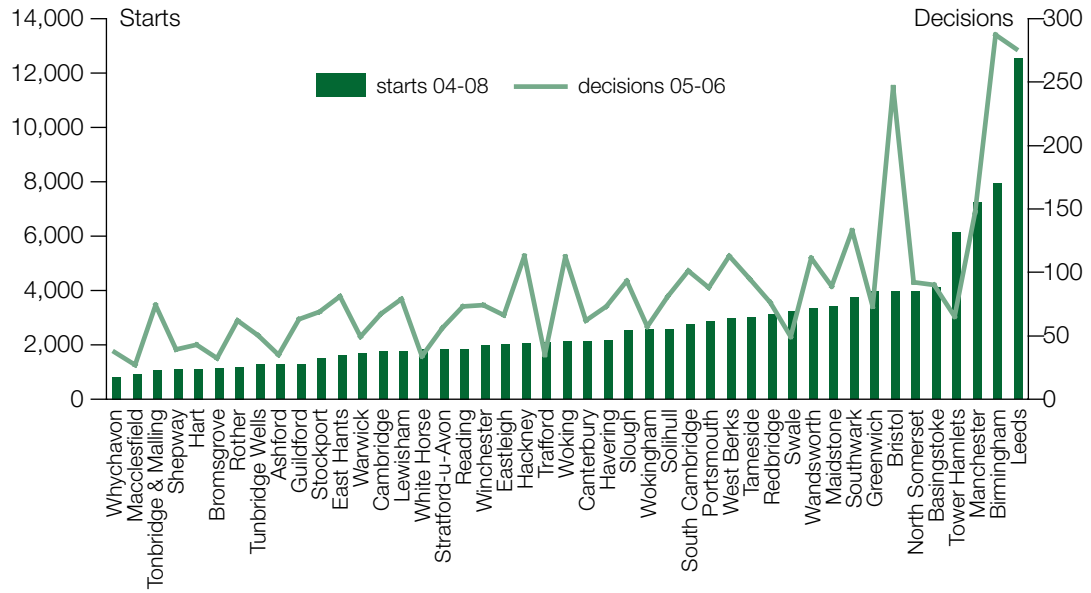


Source: xxx

[24] The Pearson rank correlation coefficient between the two was only 0.29.

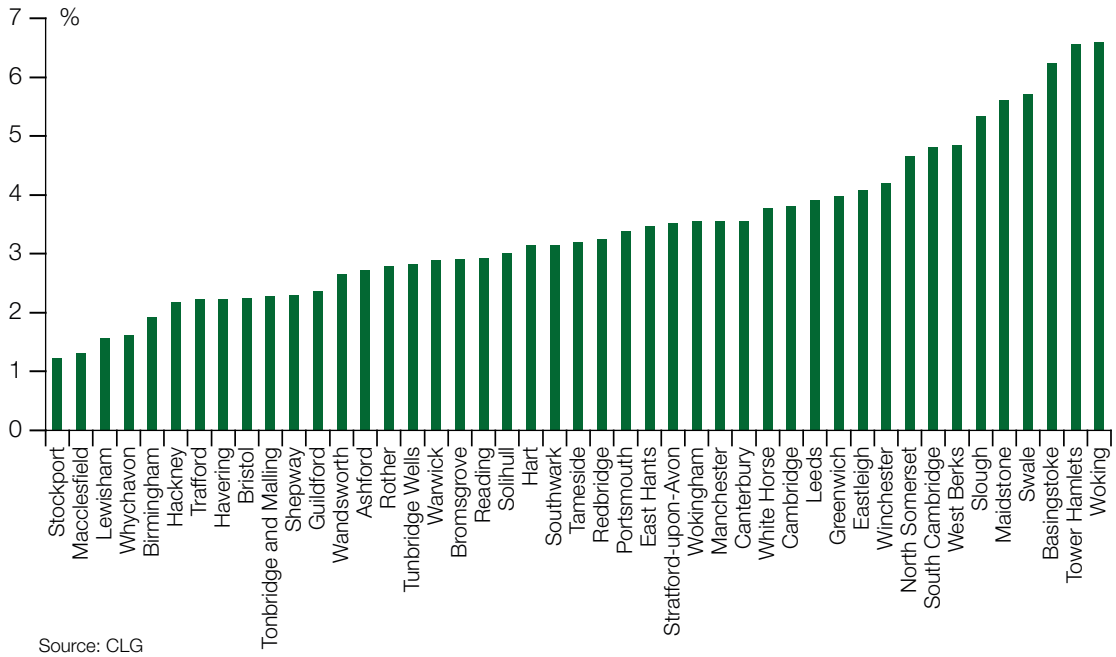
Figure 11 Recent starts and the number of planning decisions compared

Total starts (2004/05 to 2007/08) and housing market transactions (2005-2006 average)



Trend line: Starts = 0.55 Transactions + 354.18, $R^2 = 0.73$
Source: CLG, ONS

Figure 12 The share of new building in the total housing stock



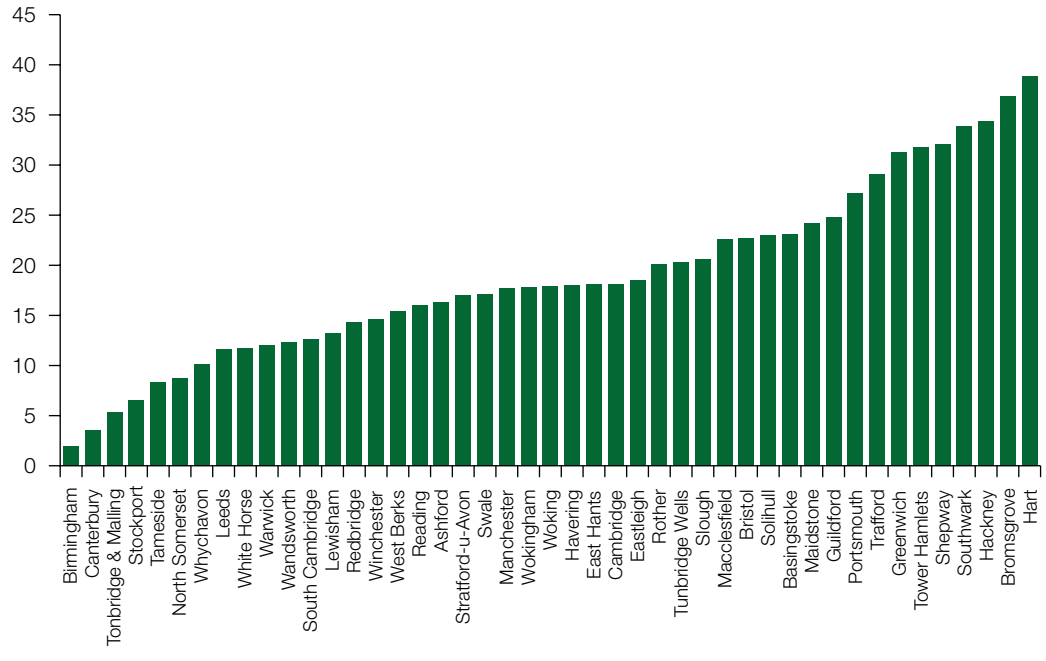
Source: CLG

This relative size effect may be important when examining attitudes to development as new building is more visible and proportionately a greater change in land-use in smaller communities, which may lead to much greater resistance to, or scrutiny of, new residential development planning applications.

Housebuilding numbers tend to vary considerably from year to year in specific localities. They typically do so far more than at the national level, due to demand fluctuations and through the consequences of the general flow of building as some sites are built out and others started. As annual building rates in many local areas are quite small, such variations can be large proportionately and vary considerably between localities. This can be seen in Figure 13, which uses coefficients of variation (standard deviations divided by means) as a measure of the relative volatility of local housebuilding rates. A plausible hypothesis is that areas with high rates of housebuilding volatility experience greater fluctuations in planning applications and those situations are more difficult to deal with than smoother rates of applications. Therefore, more volatile rates of local housebuilding may lead to slower overall development control processing times.

Local authorities that are keen to encourage development in regeneration areas may put more effort into ensuring the speedy processing of planning applications in order to avoid deterring development; whereas more affluent areas may be reluctant to see much new building and slow the process down. Therefore, the rank of local authorities on deprivation scores may be of significance to the length of development control time.

Figure 13 Variability in annual amounts of housebuilding 2004/5-2007/8



Source: CLG

Another feature of interest is the political composition of the local authority. The classic broad-brush association of local authorities with anti-residential development planning policies is that with Conservative-run suburban and rural councils. US literature also suggests that local political composition is significant in influencing pro-or anti-development attitudes.[25] Unfortunately, the picture is one where national politics has an important effect on local election outcomes. During the period under investigation, nationally the Labour Party won a general election in 2005 with a reduced majority and then became less popular through 2006.[26] Local political allegiances were changing as a result. Consequently, there is not a clear-cut rigid set of local divisions delineated by political parties. Nevertheless, it seemed worthwhile exploring the hypothesis that local political control may influence the degree of scrutiny faced by development proposals. In 2006, 17% of the sampled local authorities were run by Labour; 46% by the Conservatives; 5% by the Liberals; and 32% had no overall control.

[25] R.E. Saks 'Job creation and housing construction: constraints on metropolitan area employment growth', *Journal of Urban Economics*, 64, 2008, 178-195.

[26] See http://www.guardian.co.uk/politics/interactive/2009/jan/26/icm-polls-uk-voting-intention.

Findings: developments, developers, & development control time

What types of development?

The sample reflected the changing environment for housebuilding in England over the past decade in that 91%of sites were brownfield ones. As greenfield sites tend to be larger in size, the proportion of dwellings on brownfield was slightly less at 86%. The amount of brownfield building was somewhat higher than the national total for England of 77% of dwellings, which probably reflects the urban bias of the sample.

Overall, the number of dwellings to be built on the sampled sites was substantial, involving the construction of 51,000 dwellings. Most developments were small, reflecting the predominantly brownfield infill character of the land. The mean size was 55 dwellings but this figure was influenced by a number of larger projects and half of sites involved the construction of 21 dwellings or less. The smallest sites involved 10 dwellings, the lowest unit size to constitute a major residential development, and the largest was for 1,600 dwellings. As noted earlier, a small number of sites represent phases of much larger schemes. Almost two-thirds of projects (63%) involved the construction of 25 dwellings or less. 60% of schemes were of flats only and 23% of developments were mixed commercial and residential schemes, reflecting an emphasis on flat building and mixed-use urban regeneration at the time.

What type of developer?

A wide range of enterprises undertake housing development and housebuilding. Periods of boom tend to be times with the greatest range and during 2005-6 housebuilding was a highly profitable activity. The basic entry requirements to become a housebuilder are a development idea, a plot of land and the finance with which to develop. Finance as the subsequent Credit Crunch revealed was unusually easy to obtain at the time. Skill sets and specialist providers could easily be hired for design, building and marketing purposes.

As part of the planning application survey, the names of all applicants were collected and an internet search of their identities and characteristics undertaken. Respondents were grouped into five categories: large developers building more than 1000 dwellings annually; medium sized ones with a 200-999 dwelling annual output; small developers constructing less than 200 dwellings a year; non-developers, with a main activity outside of housebuilding, usually building only one residential scheme possibly as part of a mixed development; and non-profit social housing providers. Inevitably, there is some potential for overlaps and misclassifications between the categories. For example, social housing provision may be included within an application of other type of developer; developers may use nominees when making applications or be part of consortia with a specific company set up for a particular development site, which then appears in the records to be a small or non-developer; and non-developers may also sell on land once they have gain planning permission for a scheme. However, perusal of the overall sample did not indicate that these issues negated the exercise but rather that overall the categorisation seems to provide a reasonably good picture of the housing development industry.

The relative importance of different types of developer in the sample is reported in Table 3: by the percentage of total schemes undertaken by each developer category and, also, by their share of the total number of dwellings to be built. There is a substantial difference between the site and dwelling shares, because smaller sites tend to be developed more often by smaller producers.

The shares of the larger firms are consequently far higher in terms of dwellings than of sites. Broadly, the shares of each category were in line with national data, once adjustment is made for known biases in the sample.

Table 3: Developer type shares of sites and dwellings (%)

Developer Type	% of Schemes	% of Dwellings
Large developer	19	38
Medium developer	9	12
Small developer	40	31
Non-developer	20	12
Social housing	12	8

Of course, the main interest here is in the development control process and what is noticeable from the results shown in Table 3 is the greater contact planners have with smaller producers than would be suggested from national data on dwelling output shares. 40% of sampled schemes were associated with small developers building less than 200 dwellings a year. These developers came in two main forms: traditional-style local housebuilders and more pure developer enterprises that typically bought brownfield sites and demolished or part-converted existing buildings in order to erect one or more blocks of flats.

A note of caution may be worthwhile in pointing out the meaning of the term 'small'. A single block of flats by itself can be worth millions of pounds. For example, building 15 flats selling for an average price of £150,000 each would generate revenue of £2.25m, so even small developers can be quite substantial businesses in terms of their turnover. They are classified as small here relative to other larger producers and in relation to the business models and limited specialist in-house staff they are likely to have.

Traditional small housebuilders are fairly well-known entities. They are local firms that undertake either housebuilding only or a mix of construction work. The other type of small developer, the pure developer type of enterprise, has flourished with the growth of brownfield developments of blocks of flats for sale. This type of private housebuilding was rare in the UK from the 1950s to the 1980s, with social housing agencies being the main providers of urban flats, but since then it has grown up to be a major form of housing provision. Often developers undertake only one scheme or a handful of them before closing up or selling on their activities, although some have grown to become well-known developers, such as Urban Splash. They generally undertake little or no design or building work themselves but use architectural practices and building contractors instead. As with traditional large-scale housebuilders, they retain ownership of buildings through to the point of sale, rather than sell on serviced sites; marketing the constructed properties to individual owner occupiers and investors. Usually, they will require a certain proportion of the planned units to be sold prior to commencement of building work but will still have properties to sell as building work proceeds and often after the completion of construction as well, depending on the contemporary level of housing demand.

A further fifth of producers were non-developers. Non-developer may seem an oxymoron, given that they are undertaking property development. But the use of the title is aimed at distinguishing such producers from specialist developer firms. They are firms or other landowners with a predominant activity in a non-property sphere but have some land suitable for residential development. These enterprises could range from supermarket chains building mixed-use schemes through to schools to existing businesses that have land available for housing. What distinguishes them all is that they preferred to develop the site themselves than sell it on to a developer. Some were individuals interested in developing land adjacent to their own dwelling, such as a large garden; or, less commonly because of conservation restraints, demolishing a spacious family home and using the site for new dwellings. In practice, such non-developers may work in conjunction with a developer, with the latter's identity not appearing on the planning applications, but many may simply wish to cut out the middleman. Some of the housing built may not be for the general market but rather for the enterprise's employees but the vast majority is put up for sale. Whatever their motivation, non-developers are clearly a significant factor in land development for housing.

There is common view that small-scale and novice developers are ignorant of planning requirements and procedures. However, in practice, the very complexity of the development control process necessitates that even the most experienced of developers hire specialists to progress sites through planning and novices have virtually no choice but to follow the same route. A wide range of specialists offer such planning services, including planning and property consultants, architectural practices and surveyors. As part of the data collection exercise, the name of the agent used by applicants was recorded. The initial expectation was that the use of a specialist might indicate quicker progression of planning applications through development control but, in reality, virtually all applicants used them. So, the use of planning specialists seems to be axiomatic rather than a potential explanatory variable.

How long to gain planning permission?

The mean time taken to achieve planning permission for sites was almost 43 weeks (Table 4). However, there were a number of sites that took a particularly long time to process through development control, so it is worth examining the median time as well. It shows that only half of the sites were processed in less than 30 weeks. As over half of schemes were for 25 dwellings or less, the size of the scheme is likely to be important in the substantial difference between the two average measures of the mean and median. So, it may be misleading simply to use the median measure as an indication of development control time. What is more, if the time held by the developer between submissions is included for sites requiring more than one planning permission the mean time rises to almost 66 weeks and the median time to 39 weeks. These results suggest that a broad rule-of-thumb average measure would be that it takes sites around a year to achieve development control approval, excluding pre-application discussions and the time required to discharge conditions attached to permissions.

Table 4: Time (in weeks) to progress sites through development control

Weeks per Site	Planning Weeks	Total Weeks
Mean	42.7	65.7
Median	29.9	39.1
Standard Deviation	38.9	79.4
Coefficient of Variation	0.9	1.2

These results show far higher times than revealed by government figures for the share of major residential planning permissions processed within 13 weeks, which as noted earlier was almost 70%. It highlights that the 13 week figure should not be interpreted as the typical time required for a major (i.e. more than 10 dwelling) residential development to pass through development control. In part, the greater time occurs because of the frequent requirement for more than one planning application per site. Yet, even for those sites approved in one application – 56% of the cases in the survey (Figure 14) – the mean time was still 27.7 weeks and the median time 19.2 weeks. The latter alone is almost 50% higher than the government target.

It may be asked why the government target results seem so much better than the ones reported in this survey. This may be because many applications which are refused outright are rejected quite quickly and the 13 week target statistics include such unsuccessful applications, whereas only successful sites are included here. The Ball et al. and NAO studies, cited earlier, also discuss evidence of strategies of gaming-the-system in order to meet targets, which affect planning permission times but may actually increase the time sites are processed. Furthermore, quite a number of major applications are in fact of relatively easy to assess matters rather than detailed evaluation of schemes.

The Killian-Pretty Review has already made recommendations with regard to assessing what goes in the performance statistics, but these results suggest that it might be useful to put emphasis on the time it takes to progress particular developments through development control, if a meaningful understanding of development control time and its impact on housing supply is to be achieved.

Figure 14 Number of planning applications per site

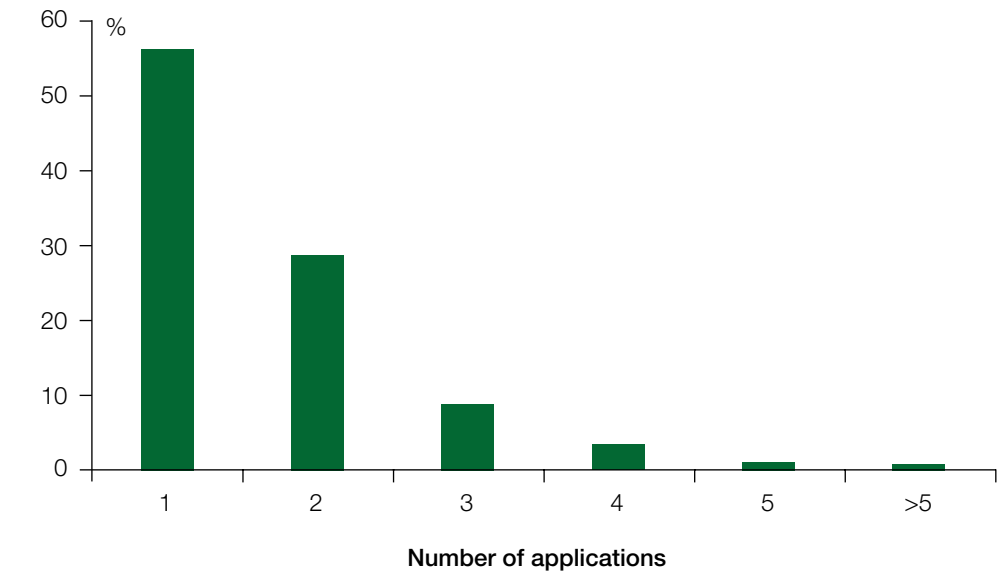
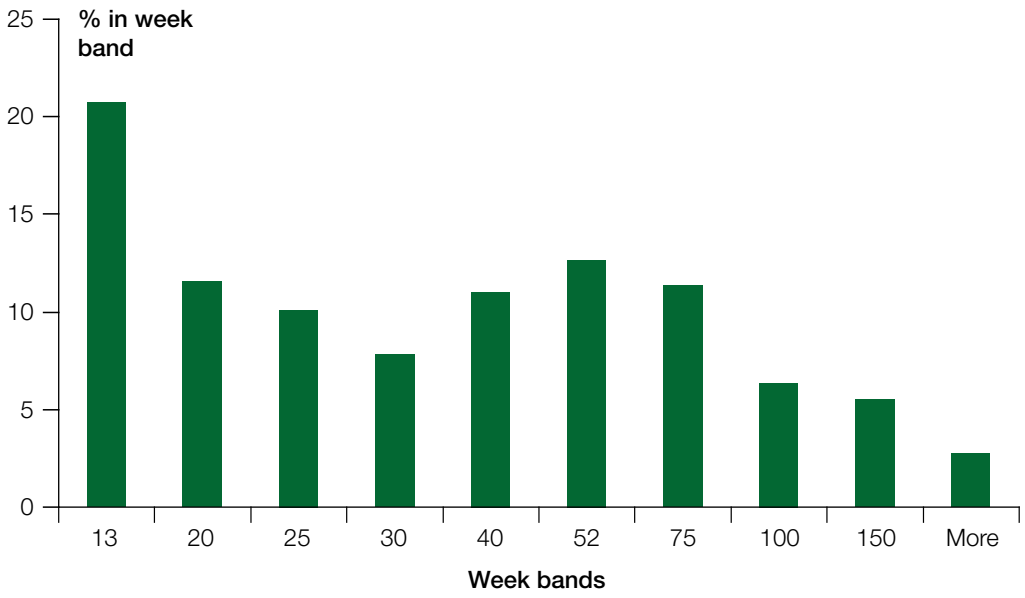
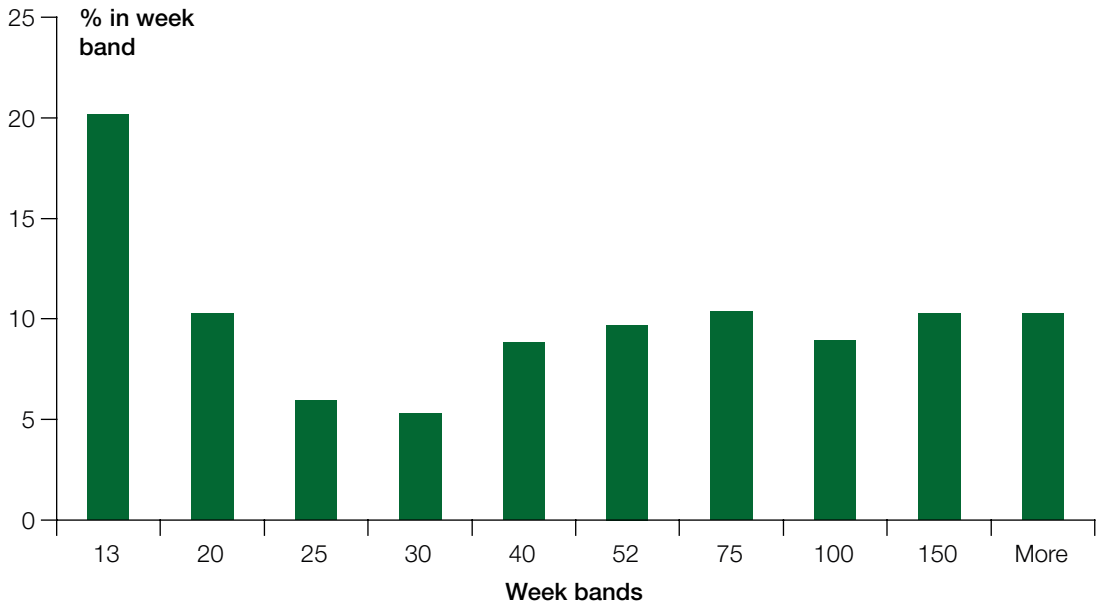


Figure 15 Time taken for development control of sites – % of sites by weeks taken



Note: The week bands do not have standard sizes in order to better describe the distributions of development control times

Figure 16 Time taken for development control of sites, including developer only time – % of sites by weeks taken



Note: The week bands do not have standard sizes in order to better describe the distributions of development control times

Breaking down development control process times into periods for the whole sample of sites provides further understanding of the impact of development control time, as shown in Figure 15. Only a fifth of sites were approved within the 13 week planning permission target. A further 30% are approved within 30 weeks and, then, there is a bunching of the remaining site approval times between 40 and 75 weeks, and the remaining 15% of sites take still longer, 8% more than two years.

Figure 16 includes the time sites are held by developers between planning submissions as well as in development control. The most noticeable difference from the time actually in development control is that the times of sites requiring over 40 weeks before the final planning permission is granted grows longer. Now, a fifth of sites are associated with total development control periods of over 100 weeks (i.e. circa two years plus).

As pointed out earlier, the majority of the sites in the sample are quite small, with half having plans to build to 25 dwellings or less. So, these results suggest that the time required for development control represents a major barrier in getting sites up and ready for significant increases in aggregate house building levels, which requires the mobilisation of significant numbers of large sites subject to long periods of time in development control.

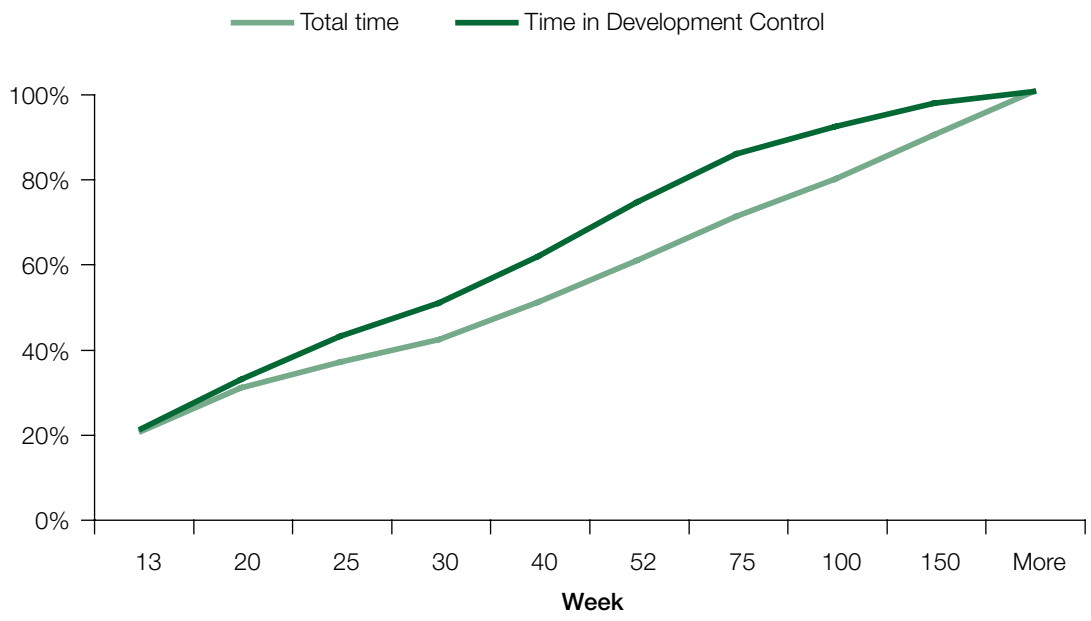
The all sample results show that uncertainty with respect to development control time seems to be high. This is shown by the high variance in development control times across sites, with the standard deviation approximately the same as the mean. As noted earlier, this finding has important implications for understanding housing supply responsiveness to increases in demand and developer's planning application and land banking strategies.

A way of looking at the uncertainty issue is to treat the cumulative frequency percentages of development control times as probability distributions. Assume for ease of argument that the time for a site to pass through development control for any housing project is random along the distribution of site times reported in the survey, as shown in Figure 17. If this is the case, the cumulative frequency distribution tells developers how long they can expect their applications to be in development control. Thus, there is a fifty per cent chance of a site passing through in the median time and so on. If developers are risk adverse and do not wish to find themselves without land with planning permission in a locality, they are likely to be far more cautious than accepting a 50% chance of a site not being ready for development. For sake of argument, assume that they are prepared to take a 20% chance of delay beyond a target time but no more. This implies that developers do not plan their land development pipelines solely on the basis of the typical time to pass through development control but on the 80th percentile time: 70 weeks rather than the 30 week median for net time in development control reported here, or more likely on the basis of a 100 weeks rather than the 39 week median reported for total processing time including expected developer holding time.

The implication is that developers wishing to have continuous housing output have to hold much higher land banks than they would do if there was greater certainty. Consequently, the *shape* of the distribution of development control times as well as any mid-point values matter considerably. And development control time distributions have significant tails of sites that take a long time to gain approval.

As the analysis below shows, it is by no means clear that sites which take a long time to pass through development control are necessarily 'difficult' or 'controversial' rather than 'unlucky' ones. So, the long tails of development control time are relevant to all developments, rather than identifying developers out to game-the-system in some way or another. Whether a particular site passes through on average time or one that is far longer seems to be contingent on chance rather than under the control of the applicant; a point which is taken up further in the next chapter.

Figure 17 Cumulative frequencies of total time and time in development control



Note: The week bands do not have standard sizes in order to better describe the distributions of development control times

Pre-application times

It was not possible to gather robust information on pre-application discussions. The National Audit Office in its study of 100 sites suggested they took 30 weeks, whereas the Planning Advisory Service expects them to take only 8 weeks (see Figure 1).

The time between planning permission and building

The time from the final planning permission to the commencement of building was available from the GLA and Glenigan[27] data sets for 190 of the sites. The average time was 26 weeks and the median only 16 weeks – or half a year and 4 months respectively. As the survey period was one of booming market conditions, these times may be shorter than is often the case

Sites varied considerably in the time between planning permissions and the start of building with a standard deviation of 43 weeks. Such variability may arise from differences in the discharge of the conditions associated with planning approval, or due to waiting for supporting infrastructure, such as link roads or bridges, or to a wide variety of other factors including finance and market conditions. Target pre-sales on most schemes will have to be met and contracts to build have to be let; all of which can take a considerable time.

[27] www.glenigan.com

If these times were representative, overall they do not suggest a hoarding of sites with planning permissions as was argued to be prevalent at the time by some, including the RTPI.[28]

As noted above, uncertainty in development control processing times requires builders to hold land banks and the average 2.7 years of supply of the large house builders found to exist by RTPI in 2007 are explicable as a direct cause of development control uncertainty.

The costs of obtaining planning permission are high, which weighs against holding onto sites. Moreover, particularly in non-recession housing market conditions, developers are likely to have to commit to a start date once having sold a reasonable proportion of dwellings off plan. Developers will be interested in maximising returns and may have expectations of continued rises in property prices. But even with such expectations builders are likely to be credit-constrained, so that land value uplift is likely to be maximised by realising capital by building out existing sites when feasible rather than holding onto those with existing planning permissions for speculative reasons. Only, the uncertainty effects of development control processing time are likely to make holding onto sites with planning permission for a period worthwhile.

Build out time from the start of a project to its completion was 55 weeks mean and 52 median, with a 27 week standard deviation.

[28] *Opening up the Debate. Exploring housing land supply myths*, RTPI 2007.

Explaining development control time

Introduction

So far, the results on development control processing time have been discussed as averages and distributions around them. Yet, it is reasonable to expect that specific features of development projects, such as their size, will have an influence in the time it takes planners to evaluate them. There may also be differences between local authority practices that affect the speed and efficiency with which development control takes place. The characteristics of developers may also have an influence. Such features suggest that a statistical modelling approach may be useful in identifying the relative importance of any hypothesised influence and the underlying degree of uncertainty in development control times for relatively similar developments.

Potential influences on development control time

In principle, there are many potential influences on the time taken to progress sites through development control, especially as UK planning policy gives considerable discretion to individual planning authorities over the granting of planning permissions and how they operate development control. However, the main influences can be grouped into three main categories:

1. Site and building characteristics

Obvious potential influences include the scale of the development as determined by site area, the number of dwellings to be built, height of the proposed buildings and the density of the development. Specific building types, or mixes of them, may take longer to evaluate, e.g. one-off apartment blocks designed to fit particular sites as opposed to standard type single-family houses.

2. Local authority and other agency characteristics

Although development control involves an essential common set of procedures, there are considerable differences in practices between local authorities. They derive from their general institutional characteristics and those of their planning departments. Organisational cultures vary and, by the nature of local government bureaucracies, there are limited pressures to standardise practices across councils, either in terms of planning committee operations or officer and managerial practices within planning departments.

One recommendation of Killian-Pretty is that more development control cases should be decided by officers rather than planning committees of local councillors. It highlights such potential variability. For the sample collected here, 80 to almost 100% of cases have been decided by officers while one outlier had only 59% (Wychavon, a greenbelt dominated authority in the West Midlands).

As noted earlier, scale may also be an issue, with smaller local authorities facing problems in processing major planning applications through their constrained development control capacities. Some local authorities may face much higher levels of building than others or, alternatively, experience more volatile new build housing markets which leads to fluctuations in the number of applications they have to deal with. Furthermore, some local authorities may have difficulty in recruiting development control staff or be overloaded with applications at specific points in time.

Reports are frequently required for specific development proposals from other departments in the local authority, e.g. education and highways, and from a variety of statutory authorities, regarding infrastructure, services and environmental matters, so the speed of response of those institutions may matter as well. In non-unitary authorities, some matters may also need to be referred to the county level.

Of importance may be the explicit or implicit strategic behaviour of local authorities with regard to development. Some may wish to encourage more affordable housing and, so, expedite its progress while looking less favourably on other schemes. In a similar vein, there might be greater preference for some developers over others, such as small local firms over larger national ones in order to promote local businesses.

More generally, if a local authority wishes to limit development in its area, it may choose to signal this subtly by slowing down the planning permissions process.[29] Such a strategy would also discourage developers from submitting applications because it raises the costs of them doing business in the area. Local authorities may explicitly reject developments which then have to be won by developers through the national appeal process in a time and cost consuming way.

By contrast, some local authorities may be keen on encouraging housebuilding and, so, may speed up development control processes. This may occur, for example, with urban regeneration schemes in areas of high deprivation, or with particular prestige projects, such as high rise blocks of flats – which became fashionable local urban status symbols in the 2000s.

The political composition of local authorities may be an indicator of pro- or anti-development emphasis. The proportion of planning applications which are granted or rejected may be another indicator. So, may other general features of the locality: including whether it is a higher house price area, the share of homeownership (which ranged from 52 to 92% in the sample), and whether it is a commuter type of locality. The share of new housebuilding in the total housing stock may be influential as well because, as noted earlier, that affects the visibility and the scale of impact of new building on the character of the locality.

3. Developer characteristics

Some developers may gain planning permission quicker than others for a variety of reasons. For example, they may have more skilled personnel or have valuable previous experience of dealing with a particular local authority. Some may also be more concerned with progressing applications more rapidly than others. Such factors may vary systematically with firm size. For example, local firms may have superior knowledge, while larger national concerns may be more willing to submit repeat applications or to use the appeals process to achieve the preferred developments they want to build in a locality.

[29] Audit Commission 2006, *ibid.*

Explaining development control processing time

Each of the nests of characteristics described above provides potential explanations for the amount of development control processing time and differences in it between residential development proposals. Each one can be treated in a modelling framework as a testable hypothesis. There are a large number of potential causes of variations in development control processing time, some of which can be better quantified than others. For those that can be measured, it is easier to collect information on some factors associated with that potential influence than others. Fortunately, overall, it is possible to collect a considerable amount of information about site, developer and local authority characteristics in order explore their influences on development control time.

Even where data could not be collected on certain potentially important influences, inferences may still be possible from the information available. For example, it was not possible to collect detailed information on staff shortages in planning departments across local authorities. Yet, if staff shortages are a major influence on development control, the modelling results would show that differences between local authorities were important, on the grounds that labour shortages differentially affect local authorities. Only half of English planning authorities were reporting such problems at the time, as noted earlier. So, there were great variations across local authorities in skilled planners' availability. Other factors may explain such local authority differences, so there can be no positive identification of the labour shortage effect. Nevertheless, if local authority variables turn out to be insignificant that would suggest a questioning of the hypothesis that shortages are a significant cause of identified delays. Therefore, it is still possible to provide a weak test of that issue.

For other topics, such as the potential effects of larger firm skill sets and local firm superior knowledge, information limitations mean they again cannot be investigated in detail, though in principle it should be possible to measure such effects. All the same, if developer size does not register as being a significant influence at all that would suggest there is little point in exploring the issue in greater depth.

Although this study was able to derive information on around 50 factors potentially related to development control processing time for over 900 sites, even richer data sets could obviously add further insights. For example, additional information could be derived qualitatively from discussions with participants in development control and their opinions on key influences. However, any type of information has to be treated with great care. An important benefit of the approach adopted here is that although it is a micro-study of individual developments, it is designed in a way that produces statistically robust conclusions. Descriptively based case studies of individual developments and reliance on people's perceptions of necessity are likely to be unrepresentative, anecdotal and heavily reliant on researcher interpretation of information; all of which is highly likely to affect the achieved results and their interpretation. The statistical approach may seem unnecessarily technical and abstract to some but it is a powerful discriminator between potentially competing hypotheses. As the findings described in the following chapter show, many frequently cited causes of planning delay do not seem that influential; whereas the general degree of uncertainty seems much higher than is often believed.

Measuring development control time

Two broad measures of development control time were estimated for each site and they were calibrated in days for the modelling work and scaled up to weeks for presentational purposes. The first measure, termed net planning days, identified the total amount of time a planning permission was pending i.e. the sum of the dates between when an initial application for a development on a site had been lodged and a decision sent out (overlapping dates were not double-counted). Appeals were included within this time frame. The second, termed gross planning days, identified the full period from the first planning application to the final approval of the last planning application made with respect to the development. This second measure includes the time when developers had no outstanding applications for sites but were either preparing resubmissions or strategically holding onto land for such reasons as current market conditions, land banking influences or in the hope of changes in planning policies that would enhance the chance of a successful re-application. Where applications were reserved matters, both the initial outline planning application and the reserve matters application itself were included. A few sites were phases of particular large-scale schemes that were being built out over a period of years and with them the initial outline application and applications related to the phase itself were included. As well as calculating development control processing time per site, an alternative measure was used which took account of the number of dwellings to be built on sites.

Factors affecting the Variability of Development Control Time

Introduction

This chapter reports on the results of the statistical modelling of influences on development control processing time and the implications they have for an understanding of development control. The results are presented in a descriptive form, while the models themselves can be found in the appendix to this chapter and the full list of variables is given in Appendix 1 of the report.

Key influences on development control time

The three most important findings of the modelling exercise were:

1. Only a limited number of factors seem to influence development control processing times. This helps to simplify understanding of the issues surrounding planning delay. Those which were of relevance are discussed in greater detail below.

2. Much (70%) of the variability in development control time could not be explained by the models. This could be due to the existence of missing variables which have an important influence of development control time. However, a wide range of information was included and the nature of results precluded the possibility of a strong influence of a number of potentially core factors that were not directly included in the framework. A more likely explanation is that a great deal of randomness exists in the time projects take to be evaluated in development control.

3. There was limited variation between local authorities in the lengths of development control times. While some factors were of importance, these results suggest that there is a great deal of variation of development control times for ostensibly similar projects within individual local authorities themselves. This implies that there may be only limited scope for identifying 'best practice' planning authorities and applying their procedures to more tardy ones. This result also reinforces the conclusion that there seems to be a great deal of randomness in development control times.

Core factors

1. Planning process

With respect to the planning process itself, two factors were significant. Both of them concern the relationship between planning authorities and developers and their relative negotiation strategies.

The time in development control increased substantially when developers had to appeal to the planning inspectorate against a rejection by the local authority of their scheme. As only successful schemes have been sampled, the appeals led to the overruling of the local authority's decision. The additional time for the preparation and submission of an appeal adds considerable cost to developers and to planning authorities. (The burden may be shifted because planning inspectors may award some of the costs against one party if they judge them to have acted unreasonably). The outcome of appeals is by no means certain when an appeal is made, so going to appeal adds further uncertainty to the application, both in terms of the outcome and the time development control will take.

Only a relatively small number of sites, 4% of the total, went to appeal in the sample and those that did vary substantially in their characteristics. This may only be a small proportion of all the cases but the threat of being forced to appeal hangs over a much larger group of schemes. That threat may deter potentially successful applications for some developable sites altogether; or encourage developers to bid less for land to compensate for the risk, which will discourage some landowners from selling; or lead to developers not contesting rejections of applications in development control, when they might had succeeded through appeal.

Under UK planning law, there is no fixed time within which reapplications have to be made. When sites are subject to more than one application, or to an appeal, there will be a certain amount of time when there are no active applications. Such holding times may occur for a variety of reasons.

- The developer may be preparing for a new application, which can take considerable time. That time will depend on factors such as the scale of the objections given earlier in planning application rejections, the need for redesign and rethinking, the viability of a development, providing new supporting material and the drawing up of a wide evidence base when opting for appeal.
- There may also be a substantial time gap between an initial outline application and subsequent applications for reserved matters, especially when the latter relate to a particular phase of a large-scale development as that may only be activated once a large number of properties have been sold on earlier phases.
- Finally, developers may decide to hold onto the site waiting for better market conditions, or for signs of a change in local planning policy, before resubmitting.

The particular cut-off point used here was when non-active time is more than a third of the total time to pass through development control. Over half of those sites requiring more than one planning application fell within this category (23% of all the sampled sites had non-active time of more than 30 weeks and only a handful of them were because they were phases of larger developments). Rejection or modification of schemes consequently has a substantial impact on total planning time and the *net* time of evaluation in the planning system.

Interestingly, choosing either the full application or outline/reserved matters routes did not seem to influence the length of development control times.

It proved hard to identify whether sites were already in local plans. In part, this is because procedures were changing at the time and many local authorities did not have new planning frameworks in place. However, perusal of the information associated with planning applications did not suggest that sites taking more time were necessarily those over which there was a great deal of controversy and dispute. The need for reapplications, when they occurred, was generally not about the principle of development but concerned details regarding its nature. Most sites in the sample in any case were brownfield ones, where there is a general presumption that development is permissible. Modelling work for the sub-sample of sites where only one planning application was required did not reveal a greater consistency in explanation of development control processing times for those than for the sample as a whole.

2. Developer characteristics

Turning to developer characteristics, only large developers and housing associations were significant but with opposite effects. Large developers experienced longer times and housing associations and other social housing institutions had shorter ones.

No other type of developer seemed to have much influence on differences in development control processing times. This last result suggests that concerns about smaller firms or non-developer ones slowing development control down through inexperience did not seem to be borne out, which may be accounted for by the fact that they virtually all used agents with considerable expertise when making applications.

The finding that social housing providers had shorter times was consistent across all the estimated models. It may be due to some planning authorities' preferences for speeding up the provision of affordable homes or because housing associations provide less controversial schemes and are more prepared to go along with planning advice. Some of these developments may also be sites given as part of s106 agreements so that planners are already familiar with them, although visual perusal of the data suggested that most were standalone projects.

The large developer result may be due to the fact that they were more challenging to local authorities or it may be that they tend to be involved more frequently with larger, more complex, sites. On average (as measured by both for the mean and median) the sites they built on were associated with over twice as many dwellings as those of other developer enterprise types. (This colinearity with larger sites probably accounts for why the large developer dummy variable is insignificant in the models based on dwellings per site (see Tables 5 and 6 in the chapter appendix)).

3. Site characteristics

With respect to site characteristic variables, two factors were strongly significant: the number of dwellings to be built; and whether the development was a brownfield or greenfield one, with brownfield sites being processed quicker than greenfield ones. Other potential site characteristics had no significance: including whether the site was for a mixed-use development; whether it was flats only; the number of floors in the proposed buildings; the density of the development; and the site area.

The number of dwellings to be built on a site was important, at the rate of half a day extra per dwelling, indicating that larger schemes are subject to greater scrutiny. There seem some non-linearities in the size relationship, as shown by the fact that small schemes of between 10 and 15 units experienced quicker processing times. This may be because they typically fall below s106 developer contribution requirements or simply because their size raises fewer issues. There were over 300 of such small-scale developments in the sample, representing 37% of all cases surveyed, so this type of development is a common one. Greenfield sites are often subject to greater scrutiny than brownfield ones, as perhaps is to be expected, given the scale of many and their often controversial nature. The results suggested that larger sites required less development control processing time per *dwelling*, even though as *sites* they took noticeably longer in development control.

Another site related variable was only weakly significant (i.e. at the 10% rather than the 5% level) in the site local authority model but it is worth some commentary. Buildings with more than 5 floors seemed to be processed somewhat quicker than others. In the 2000s, high-rise urban development became fashionable and very tall buildings were regarded as iconic symbols for cities. There were 71 examples of buildings with over 5 stories in the sample (8% of the sample) and 4 of them were over 40 stories high. A result showing that high buildings are processed faster may indicate that in some local authorities, at least, greater attention is paid to prestige schemes which helps them pass more quickly through development control. Unfortunately, a clearer identification of prestige structures could not be built up from the available data. If high profile buildings do go through development control more rapidly, even though they are likely to be far more complex and controversial than many other structures, this would suggest that there is scope for speeding up development control in general.

4. Local authority and local area characteristics

With regard to local authority effects, 10 local authorities stood out as being particularly slow. Interestingly, all but one was in the South. For the rest there did not seem any difference between the times development projects could expect to be processed through development control. This suggests that there is a great deal of variation of development control times for ostensibly similar projects within individual local authorities themselves.

A number of local area characteristics were explored, descriptive information regarding which were presented in Chapter 4. Some related to house building, such as new housing as a percentage of the existing stock and the volatility of house building output, which was shown earlier to be quite substantial in some localities. Other variables concerned planning matters: the number of major decisions made weighted by local housing output; the percentage of major residential planning applications granted; and the extent to which officers rather than local councillors make final development control decisions. Another group related to area characteristics: the degree of local deprivation, measured by standard national scores; the share of owner occupation, often regarded as an important variable;[30] the level of local house prices relative to the regional average to indicate the income and social status of the locality; and the average travel to work time – to pick up whether the locality was a suburban/rural commuter or core urban one.

Two other local factors were also examined. The first was the area's regional location. There may be cultural and institutional behavioural differences across regions. It is commonplace to believe in such factors, even if they are often exaggerated in effect in a geographically compact country such as England. From a more classically economic point of view, regional differences might be significant if they highlight known labour market differences. For example, shortages of planning staff are likely to be less in the Midlands and North, because of their less overheated general labour markets. The second factor was the political composition of the local authority. A common interpretation is that Conservative politics are less supportive of development than are others. This may show up in development control processing times.

[30] It is often argued that homeowners are more likely to oppose additional housing development, e.g. W. Fischel, *The homevoter hypothesis,* 2001, Harvard University Press.

Having gathered information on all of these factors, in reality few turned out to be significant in explaining development control times.

One significant area variable was local house prices relative to regional ones, with more expensive neighbourhoods having slower development control processing times. (The causality could be two-way here with higher income households preferring to live in areas where new housing development was limited, with development control used as a way to discourage development being an indicator of such neighbourhoods.)

Councils with no overall party political control also had longer development control times. This may be because in a rapidly changing local political context, local councillors are more concerned about the impact on votes of potentially controversial local developments and want each investigated thoroughly to make sure that few would antagonise local voters.

The final important local factor was the number of major planning applications relative to contemporary building rates. Relatively high levels of applications may have been hitting development control processing capacity constraints.

Differentiating local areas on this basis unsurprisingly lowers the number of atypical local authorities. Only five remained as being unusually long in evaluating developments for areas with their characteristics. All five were relatively wealthy commuter areas in the south east. Another one, Cambridge, was faster *relative* to other areas with its broad characteristics.

Information was gathered from LDF local monitoring reports for this group of atypically slow local authorities and some relevant information is posted in Appendix 2. This shows that most of them were experiencing shortfalls of housing output against planned targets during the housing boom period surveyed. West Berkshire did not have a shortfall but relied heavily on small brownfield sites for a relatively rural area, ones which were subject to lengthy development control scrutiny. South Cambridge changed its planning strategy in 2006 and also hired consultants to advise them on recruitment problems in the planning department. Implementation of the consultant's recommendations largely resolved staffing problems, the consultants subsequently claimed.

Correspondence with other studies

The study has been a statistical one and the benefits of that approach were outlined earlier. None of the other recent reports on development control have adopted such a framework but, all the same, it is useful to compare the findings here with those that adopted a more qualitative framework.

The National Audit Office[31] in its recent study summarised the views of planners that they had contacted and compared them to the views of housebuilders surveyed by the Office of Fair Trading. Their findings are reproduced in Figure 18.[32] The main issues they found relate to

[31] Department for Communities and Local Government. Planning for Homes: Speeding up planning applications for major housing developments in England. Report by the Comptroller and Auditor General, HC 15 Session 2008-2009, National Audit Office, 2008.

[32] ref OFT

development control capacity; the involvement of councillors and statutory authorities; the attitude of applicants; and the absences of approved plans under the new spatial planning procedures.

Figure 18 Planner and housebuilder views on factors affecting development management

5 Factors affecting development management

Identified by Local Planning Authorities	%	Identified by Homebuilders	%
Attitude of applicants	83	Administrative efficiency of the authority	84
More authority planning staff	83	Excessive information requirements	84
Better quality of applications	82	Capacity of authority planning departments	82
Better engagement by statutory consultees	81	Authorities seeking unrealistic obligations in section 106 agreements	80
Attitude of councillors	73	Involvement of statutory consultees	74
Adoption of agreed Local Development Framework	70	Involvement of councillors	72
Increased fee income	63	Unclear planning policies	69
		Intentional delay by authority	64

Source: National Audit Office survey of local planning authorities and Office of Fair Trading survey of housebuilders
Source: NAO Report, see footnote 16.

So, the sorts of issues raised by those opinion surveys differ in some respects from those examined here, but are not inherently incompatible with this study's findings. For example, the emphasis on efficiency and capacity is clearly at the heart of the findings here of the long and variable development control processing times. The builders' complaints about intentional delay find echo here in the fact that the social and political characteristics of localities affect development control times.

Where, perhaps, there is a difference in conclusions is the emphasis in other studies that is put on the need for additional resources. This is not entirely borne out here for the following reason. Distinct local authorities inevitably are going to have different resource levels in development control and variations in the number of planning applications they receive, due to the size of the authority and its resource allocation policies. In consequence, some will have better balances between the resources available and the demands on their development control operations than others. This implies that if development control capacity to throughput levels matter, better resourced local authorities should have been identified in the analysis as being quicker than others. However, the results showed no such effect. The few local authorities that were significant were so because they were exceptionally slow and had specific sets of characteristics. Only the surge in applications variable identified capacity issues but they are, by definition, of a temporary nature only.

Perverse effects could also arise from extra funding. Additional resources by themselves could encourage and be absorbed by greater complexity and scrutiny rather than necessarily lead to faster development control processing times. Moreover, there may be diminishing returns to the application of further resources, even if such effects do not arise. Subsidising local authorities' development control operations out of national taxation clearly gives local authorities incentives to expand the resources used in development control but that does not in itself imply that development control will become quicker.

Complexity and uncertainty in development control

One clear feature that comes out of recent studies of development control is that the process is complex and involves much consultation, documentation and scrutiny as well as extensive negotiation. The study here has identified the lengthy time required by development control and the degree of time and decision uncertainty associated with it. Moreover, only a relatively limited and simple set of factors seem to explain the different evaluation times experienced by projects. A plausible hypothesis that can be derived from such a context is that there is a considerable degree of randomness in development control times, due to the sheer complexity of development control, including the range of procedures that have to be gone through and the number of people that have to become involved in one way or another.

What randomness implies is that any particular development proposal may sail through some aspects of the process but become snarled up in others on a chance basis. If a detailed investigation of the events is undertaken the cause of the snarl up on that occasion may be identified, but that does not imply that changing development control procedures in consequence will necessarily improve matters, because some other essentially random event may come along instead. In other words, it is the sheer complexity of development control that generates the chance of additional delay not necessarily particular events within the process itself.

If this hypothesis is correct and the evidence does tend to support it, two important implications follow. The first is methodological. Detailed case studies of development control are not the way to investigate the issue of planning delay. Rather the type of statistical approach adopted here is preferable. The second is policy-related. The overriding aim of reforms to development control should be to reduce radically the complexity of the process in order to speed it up and lower the high degree of uncertainty.

The costs of land holding caused by development control

It is widely believed that development costs do not matter much because land values are high, so that they can easily be absorbed in somewhat lower land prices. Consequently, they are simply a burden on already well-compensated landowner and, so, of little general concern. Unfortunately, as was argued earlier, some real and substantial effects arise from the costs and uncertainties associated with development control.

Having undertaken the empirical analysis of development control here, it is now possible to quantify roughly the financial holding costs of land that arise as a consequence of the existence of development control in England. For the development control process, aggregate *yearly* housing output land holding costs were *£1bn* and for the implied land bank as a whole *£2bn*. These

figures, though large, are produced on fairly conservative assumptions.[33] However, they will vary with the price of land. Currently, land prices and interest rates are low but as the recovery gets underway this shall no longer be case. Forecasts of trend land prices in the future suggest that implied development control costs will rise significantly over time.

7 Appendix: development control time modelling results

Estimation procedures

Hedonic regressions are particularly suited to the problem of measuring the causes of time in development control, because they enable the identification and quantification of specific characteristics that may affect that time. The null hypothesis assumed here for the time it takes for the planning system to process any development proposal is that it is random. If the null proved to hold, the modelling results would show that none of the variables aimed at measuring potential influences on the time taken would have significant coefficients and the overall goodness of fit of the estimated models would be low.

The relative importance of potential influences on development control processing time can be evaluated through standard hedonic regressions of the following type:

$$NDY_i = c + \alpha_h S_h + \gamma_k L_k + \delta_l D_l + \phi_m P_m + e_i \qquad (1)$$

where: NDY_i is the time taken in the planning approval process from initial submission of a development proposal to final planning permission for the i^{th} observation; c is a constant; S_h is a vector of site and building characteristics; L_k is a vector of planning authority characteristics; D_l is a vector of developer characteristics; and e_i is an error term.

The dependent variable was the days in the planning approval process. However, in some modelling formulations the dependent variable was changed from that in equation 1 to the number of days the planning approval process per dwelling on each site (i.e. days a site was in the planning system divided by the number of dwellings to be built on it). This was done in order to take account of some potential non-linearities in the influence of the size of developments on development control time.

A stepwise methodology was adopted towards the groups of variables. The variables first introduced into the model were those associated with site characteristics; then the planning process; developer characteristics; and, finally, local authorities and areas. In reality, co-variances were not sufficiently high for most variables to make this procedure particularly important. However, grouping variables into their broader categories does assist explanation of the model results, so that is done below.

[33] The calculation was based on the following. In 2005/6 approximately 4,500 hectares of land were used for new housing and the average cost of that land was £1.8m a hectare, excluding London, according Valuation Office data. The time estimates here suggest that sites are in development control for an average of 1.25 years, while other studies suggest that pre-application discussions and discharge of conditions add at least a further 6 months. At the end of 2006, bank rate was 5% to which should be added 2% to reflect developers like cost of finance.

Local authority influences were introduced in two ways. In the first approach, dummies for each authority bar one were used. The consequence is that the coefficients are indicators of whether a local authority was better or worse than the excluded one. Birmingham was chosen as the comparator authority. The other approach was to treat each local authority area as a bundle of characteristics, so that variables for those characteristics were used. Some local authority dummies were introduced on a stepwise basis as well, in an attempt to identify ones that were atypical of local authorities with their local area characteristics mix. In this framework, the local authority dummies are time deviations from those 'normal' ones.

Initial tests indicated that semi-log formulations performed worse than unlogged ones. Furthermore, a parsimonious strategy was adopted in the choice of final models, so that they contain only a limited number of key variables.

Results

Four models were estimated: one with local authority dummies and one using identifiers of local characteristics with either net days of development control processing time per site or per dwelling per site as the dependent variable. The decision to estimate models with the dependent variable as the net number of days per dwelling on each site was influenced by the existence of non-linearities in the dwelling size series. The overall fit of such models was similar to that of site time based ones.

Table 5 provides the results for the final models with the dependent variable being net days of development control processing time. Neither formulation explains a particularly large part of the variance with adjusted r-squared of 0.29 or 0.30. All variables are listed that were significant at the 10% level as well as at the 5% level. The local authority model suggests that variables related to the planning process, developer characteristics, site characteristics and local authorities respectively all play a part in variations in development control processing time.

In the 'local authority' model, only local authority dummies were included (i.e. not area characteristics) with Birmingham omitted so that it became the comparator. As it transpired, most of the local authority dummies were insignificant. Only fourteen were significantly different from Birmingham's performance and all of them slower, apart from the London Borough of Redbridge. Moreover, three of those fourteen were only significant at the 10% level.

There may have been a potential bias across local authorities, because some may have had a greater proportion of large sites than others and larger sites tend to take longer in ways that may not be fully picked up by the number of dwellings variable in the model. When the dependent variable was changed to net days of development control processing time per dwelling per site measure to explore this potential effect, some changes in local authority dummies did occur (Table 6). Those that were only weakly significant in the site time model became completely insignificant in the dwelling per site model and two further local authorities dropped out as well (Portsmouth and Redbridge). This suggests that research concern over site mixes in local authorities was relevant, but only for a few of them. To conclude on local authority effects, looking at the models overall, 10 local authorities stood out as being particularly slow. Interestingly, all but one was in the South.

Table 5: Net days of development control processing time

Dependent variable: Net days of development control processing time

A. LOCAL AUTHORITY MODEL **B. LOCAL CHARACTERISTICS MODEL**

Variable	*Coefficient*	*t-Statistic*	*Variable*	*Coefficient*	*t-Statistic*
C	307.03	9.85	C	145.27	2.58
APPEAL	164.60	3.90	APPEAL	191.95	4.62
DDY50	71.89	3.95	DDY50	65.95	3.60
LARDEV	86.13	4.02	LARDEV	84.67	3.93
HA	-61.51	-2.53	HA	-58.15	-2.40
BROWN	-100.34	-3.51	BROWN	-95.01	-3.29
DWELL	0.50	5.95	DWELL	0.46	5.68
DWLT15	-47.60	-2.68	DWLT15	-45.08	-2.55
FLR5	-50.31	-1.66	REGHPR	98.47	2.36
ASH	371.47	4.95	NOC06	63.54	3.20
BASING	184.65	4.14	MJDEC/TOTST	1682.12	2.52
BRIST	88.80	2.79	ASH	406.09	5.35
EHANTS	109.56	1.84	BASING	148.90	3.12
GUILD	174.66	2.50	CAM	-142.10	-2.80
LEEDS	204.85	2.48	LEEDS	156.46	1.84
PORT	140.20	2.18	SCAM	560.49	7.76
REDB	-109.55	-1.94	WBERK	205.16	3.39
SLOUGH	94.33	1.71	WOKH	151.40	2.50
SCAM	645.06	9.24			
SWARK	71.09	1.64			
WBERK	219.32	3.64			
WYCH	145.69	2.77			
WOKH	192.29	3.28			
Sample: 908			Sample: 908		
R-squared	0.31		R-squared	0.30	
Adjusted R-squared	0.30		Adjusted R-squared	0.29	

Notes: The progressively darker shades of grey indicate variables associated with the planning process, developer characteristics, site characteristics & local authorities respectively. The group in white on the right hand side represent local characteristics. Details of the variables are as follows, with dummy variables identified by (D) and set at 1 for the statement specified:

APPEAL = Successful planning appeal (D); DDY50 = over half total time had no planning application active (D); LARDEV = developer builds over 1000 units a year (D); HA = developer is a social housing body (D); BROWN = brownfield development (D); DWELL = number of dwellings to be built; DWLT15 = planned units between 10 & 14(D); FLR5 = block of flats 5 or more storeys high (D); ASH = Ashford (D); BASING = Basingstoke (D); BRIST = Bristol (D); EHANTS = East Hampshire (D); GUILD = Guildford (D); LEEDS = Leeds (D); PORT = Portsmouth (D); REDB = London Borough of Redbridge (D); SLOUGH = Slough (D); SCAM = South Cambridgeshire (D); SWARK = London Borough of Southwark(D); WBERK = West Berkshire (D); WYCH = Wychavon (D); WOKH = Wokingham (D); REGHPR = local average house price relative to region; NOC06 = No overall control of council by a political party in 2006 (D); MJDEC/TOTST = Major residential planning decisions in 2005 and 2006 divided by total housing starts in local authority area 04/5 to 07/8.

Table 6: Net days of development control processing time per dwelling per site

Dependent variable: Net days of development control processing time per dwelling per site

A. LOCAL AUTHORITY MODEL **B. LOCAL CHARACTERISTICS MODEL**

Variable	Coefficient	t-statistic	Variable	Coefficient	t-statistic
C	11.11	6.60	C	3.17	1.28
APPEAL	8.13	3.51	APPEAL	8.91	3.81
DDY50	3.64	3.57	DDY50	3.51	3.41
HA	-2.42	-1.81	HA	-2.55	-1.89
BROWN	-3.13	-1.96	DWELL	-0.03	-6.25
DWELL	-0.03	-6.43	DWLT15	9.32	9.58
DWLT15	9.21	9.57	REGHPR	5.02	2.16
ASH	22.08	5.23	NOC06	3.24	3.00
BASING	8.28	3.32	ASH	23.99	5.70
BRIST	3.99	2.23	BASING	5.69	2.18
GUILD	8.46	2.15	CAM	-8.50	-2.98
LEEDS	9.84	2.13	SCAM	28.31	6.94
SLOUGH	5.99	1.93	WBERK	10.15	2.97
SCAM	32.43	8.25	WOKH	8.92	2.78
WBERK	10.51	3.10			
WYCH	10.05	3.40			
WOKH	7.99	2.42			
Sample: 908			Sample: 908		
R-squared	0.31		R-squared	0.29	
Adjusted R-squared	0.29		Adjusted R-squared	0.28	

Notes: The progressively darker shades of grey indicate variables associated with the planning process, developer characteristics, site characteristics & local authorities respectively. The group in white on the right hand side represent local characteristics. Details of the variables are as follows, with dummy variables identified by (D) and set at 1 for the statement specified:

APPEAL = Successful planning appeal (D); DDY50 = over a third of total time had no planning application active (D); HA = developer is a social housing body (D); BROWN = brownfield development (D); DWELL = number of dwellings to be built; DWLT15 = planned units between 10 & 14(D); ASH = Ashford (D); BASING = Basingstoke (D); BRIST = Bristol (D); GUILD = Guildford (D); LEEDS = Leeds (D); SLOUGH = Slough (D); SCAM = South Cambridgeshire (D); WBERK = West Berkshire (D); WYCH = Wychavon (D); WOKH = Wokingham (D); REGHPR = local average house price relative to region; NOC06 = No overall control of council by a political party in 2006 (D).

Local authority case studies

During the summer of 2009 the NHPAU undertook a small additional research project with four local authority development control departments in England. Semi-structured interviews were carried out to provide further insight into the processes of development control and its impact on housing supply. The local authorities involved were sampled from the wider project.

Aim and Objectives of the Project

The aim of the project was to:

- Further examine the relationship between planning control and housing supply through dialogue and analysis of development control.

The objectives were to understand:

- Why and when planning controls impact on housing supply, and
- Why the planning process produces the results it does at the local level.

The research questioned:

- The scale and complexity of local planning controls and why delay may occur;
- The uncertainty associated with the planning application process in terms of outcomes, focussing in particular on the products of negotiations between developers and planners such as planning obligations and conditions;
- The extent of delay on sites and proposals for which permission is sought and achieved.

Methodology

The project used the initial findings of the empirical Housing Supply and Planning Controls research to investigate patterns of behaviour within the political and administrative frameworks of development control departments. This allowed some understanding of the regulatory processes, their relationships and interdependencies. The research process was inductive, the emphasis being one of discovery.

A web based search of each of the four planning authorities enabled a policy review of information relating to regional and local housing planning policy. This provided the necessary background preparation for each interview. An interview guide was drafted to question:

- Patterns of daily work within the development control department;
- Engagement with applicants in the process of obtaining a planning permission;
- Public attitudes to development; and
- The facilitation of change to development management.

Interviews were undertaken with either the planning manager or other senior development control team leaders.

Research Findings

Analysis of the data identified three research themes with related causal factors of planning delay, see figure 19. Each is discussed below, with findings summarised.

Figure 19 – Research Themes

		Causal Factors of Planning Delay:
Emerging Research Themes:	**The Provision of a Regulatory Service**	*Staffing Skills* *Knowledge of the economics of housing development* *Staffing Levels* *Development Control to Management* *Benchmarking & Monitoring*
	Engagement with Planning Applicants	*Negotiation of Planning Applications* *Re-negotiation, Planning Obligations and s106 Agreements* *Use of Planning Conditions*
	Public Attitudes to Development	*Public Perception* *Processes of Consultation*

The Provision of a Regulatory Service

Staffing Skills & Knowledge of Economic Development

According to officers interviewed for this research, around 95% of all planning applications received are decided under 'delegated' officer powers. Only a small proportion of these are for major development applications, classified as developments of 10 or more new dwellings. Many major applications are decided by local authority planning committee.

As a result, officers felt that there was "a very real need to understand the complexities of site viability and development finance if they were to present a reasoned case at committee". A number of officers described the problems that this was currently presenting, particularly in terms of understanding financial spreadsheets that demonstrated viability. One large urban authority now bought in expertise from the private sector. This increased the time and cost involved in preparing and presenting a case. However, this was currently the best option because of a lack of in-house skills.

Other local authorities reported using in-house resources, for example utilising the district valuer and estates departments to estimate financial appraisals. This was almost certainly a cheaper option in terms of planning budgets, but still created delay in terms of briefings, meetings and reports.

Development Control Staffing Levels

Development control departments vary in size and structure. This reflects the very different nature and size of local authorities, which may itself be reflected in the type of applications received. The research included a department with over 100 full time posts and another that had reduced to 5. It is obvious from such diversity that the scale and culture of departments is very different. However, of significance, many of the staffing issues identified in the research were very similar.

The current economic climate has reduced the number of planning applications. This has impacted fees, budgets, and the day to day work of departments. There were reports of re-deployment, of redundancy, and of reduced fee structures.

However, one local authority was trying to use the current down-turn to provide development control staff with opportunities for secondment to local plan making teams. This was seen as an opportunity to link up Core Strategy teams with development control – an important area of change in terms of development management.

Development Control to Management

Development management is the end to end chain for sustainable development and has been sub-divided by the Planning Advisory Service[34] into five stages as demonstrated below:

- Initial stages
  - Input into policy formulation and ensuring that policies are deliverable
  - Scoping development proposals and partnership working;
- Pre-application discussions – the iterative process of evaluation, negotiation and shaping, to meet the vision of the local authority plan;
- Planning application process – the statutory process for considering the planning application;
- Post decision – facilitating delivery by brokering and facilitating partnerships, compliance checking;
- Post development – monitoring and reviewing the outcomes from development.

The process signals a cultural change, underlining the role of the local authority as a place shaper in partnership with local policy planners, developers and others.

[34] Planning Advisory Service (2008) development management guidance and discussion document.

Development management therefore requires impact analysis and judgement. The policy framework is set out in terms of the outcomes sought rather than the regulatory standards and policies to be applied. Although as one respondent to the research stated:

> *"We have still got a regulatory function which we have tried to get involved with pre-apps and to widen enforcement out – we need more knowledge of viability – but we have changed our name, we see this as works in progress".*

The key words in the above quote are 'works in progress'. Most authorities recognise that this is in many ways a culture change, particularly in terms of working practice. Although some officers spoke of joint working on development plan documents, others spoke of a lack of integrated working. They saw this as a missed opportunity to add value to the plan making process. Development control officers felt that as they had to work with the plans, advising and negotiating prospective development, that they should have had an input into the discussion and drafting of policies and plans.

Benchmarking and Monitoring

The *Housing Supply and Planning Controls* research found that there were circa 5,000 sites being processed annually through development control at cycle peaks. It therefore seems entirely practical to measure sites at the local level.

However, this project found that there was to date little commonality of benchmarking practice amongst the authorities interviewed. Larger authorities, particularly in urban metropolitan areas, benchmarked through Core Cities Groups where there was deemed to be a commonality of interest – this was thought preferable to benchmarking across wider geographic areas. For smaller authorities there was an awareness of neighbours in terms of "seeing how they were doing", particularly if the authority was undertaking a service review. This appeared to be mainly a qualitative exercise with little formal measuring of performance. One respondent referred to this as a "health check" on quality (as opposed to an empirical evidence based approach to service delivery). The process involved a monthly review against past performance.

All authorities interviewed commented upon the statutory requirement to meet CLG service targets in terms of the planning application process, and most were "comfortable" that they were achieving the required 8 or 13 week targets for a high proportion of applications. Also of interest, some authorities reported that whilst there was no formal monitoring of policy delivery, they worked to targets on pre-application meetings, site visits and the discharge of planning conditions. This was described as part of the performance management culture and separate from the monitoring of the service.

In summary, investigation of the Provision of a Regulatory Service found that:

- The current economic climate has resulted in a reduction of planning applications leading to redundancy and redeployment of staff;
- One respondent planning department had started to use the current down-turn to provide development control staff with opportunities for secondment to local plan making teams;

- Officers reported that they lacked the skills and experience of understanding and using viability assessments and an in-depth knowledge of the economics of housing development;
- Officers wanted early advice on the viability of sites. Some are buying in that advice from outside contractors;
- Officers reported that the development management approach signalled a significant cultural change;
- The research found little evidence of proactive monitoring or benchmarking with other local authorities.

Engagement with Planning Applicants

Negotiation of Planning Applications

Today viability is a central theme of national housing policy as contained within PPS3.[35] Local authorities are required to develop policy for affordable housing supported by a robust evidence base. New planning policies must therefore be deliverable, not merely aspirational. They must be based on an assessment of housing market demand and need, and an assessment of land value which can sustain 'planning gain'. This includes the percentage and type of affordable housing, in the context of both the costs and constraints of development.

Viability negotiations are therefore a central tenet of successful development. Local development control departments must make decisions based upon the outcome of a viability appraisal. Understanding and good working practice in terms of appraising applications are crucial factors in conducting housing negotiations, but often the dialogue between planners and developers was cited as difficult and protracted. As already noted, the project found that development control officers reported a lack of knowledge and skill in terms of understanding financial viability appraisals. This has not been a traditional planning role. There was a view that, as a result, developers were often less than open in discussions.

Of concern it was also reported that little active dialogue was occurring with regard to sites that have 'frozen' in the current economic climate. In some cases it was cited that this was outside the scope and role of development control – as such sites had successfully achieved permission. However, if a developer was proactive and returned to the negotiating table, further talks can and do take place. To enable the planning system to work as it is intended the process has to enable post decision and post development working. In practice this means developing partnerships with applicants.

Re-negotiation, planning obligations and s106 Agreements

To achieve a planning permission a local planning authority may have reached an agreement with the developer about planning obligations or 'planning gain', where the developer pays for related works. Such planning gain typically covers the provision of specific infrastructure, public open spaces, or other improvements as 'compensation' for loss through development. It has also become increasingly common for a major cost on development to be the provision of affordable

[35] DCLG (2006) Planning Policy Statement 3 Housing.

housing. For local planning authorities, such planning obligations (or s106 Agreements) are increasingly important, particularly in terms of large scale developments.

The project identified that the effects of recession on the development sector have resulted in increasing calls from developers for the re-negotiation of s106 Agreements. Existing agreements are no longer seen as viable. One large urban authority discussed its "innovative and proactive working practice". The local planning authority is currently "open to creativity" from developers. Officers reported being content to re-negotiate the terms of the legal agreement to allow extensions of the planning permission from three to five years – therefore being flexible over development timing; introducing payment phasing – therefore reducing immediate financial burdens; but of significance, the authority is not prepared to reduce the quantum of the burden as a result of the economic downturn and financial loss.

In consequence, it appears that: (1) in correlation with the provision of a regulatory service, a lack of knowledge and skills concerning economic viability within development control could be inhibiting and slowing the negotiation process; and, (2) there are reports of a number of unviable sites being re-submitted to planning via a new application, which may cause further delay.

The Use of Planning Conditions

A local planning authority can grant planning permission subject to conditions and this is often a very well used way of granting a permission that would otherwise be unacceptable. Many conditions are simple and for example may refer to local or vernacular building materials, others are more complex. However, planning conditions must always be appropriate from a planning perspective – they must not be an aspirational list of local requirements. If used correctly, they can enhance the quality of a development.

The project found that it was not unusual for a large complex urban scheme to have up to 30+ planning conditions, many to be achieved prior to development commencing. As stated conditions have to be enforceable, a significant amount of officer time is currently devoted to monitoring and discharging conditions. Some respondent authorities required both a discharge fee and a notice period of circa 8 weeks. Others stated that "it was easier to condition, than negotiate" – that it "smoothed" development and reduced "gaming" by developers. Larger urban authorities reported having dedicated compliance officers with over 2,000 live cases, however it was stated that conditions were often thought of as "onerous and time consuming".

In essence the use of conditions was thought of as an integral part of the planning permission. Of interest some authorities linked the through-put of conditions to performance management targets for officers. This meant that discharge of conditions was being monitored and officers were incentivised to reach agreed targets. The use of conditions increased the number of acceptable applications; however it was often burdensome on the planning service increasing the volume of regulation and intervention within the process. The net result is increased resource requirements and increased planning time.

In summary investigation of the Engagement with Applicants found that:

- Housing negotiations between the local planning authority and developers were reported as sometimes difficult and protracted;
- Understanding and good negotiating skills, particularly in terms of financial viability, are crucial factors in conducting housing negotiations;
- The use of conditions was thought of as an integral part of the planning permission and increased the number of acceptable applications;
- Planning conditions were reported as burdensome on the planning service, increasing the volume of regulation and intervention within the process.

Public Attitudes to Development

Public Perception and the Processes of Consultation

Development control planners are not simply problem solvers. In complex political situations, planners often need to assemble information, data and importantly support. Arguably they are coalition builders as well as information accumulators because they have to shape the expectations of elected officials, developers, residents and others – planners cannot just render detached, distant analyses.

It was reported that there were a number of different approaches used to develop understanding of re-development and new projects. One local authority reported setting up community forums and public participation interest groups. The aim was to engage with particular communities and residents' groups, to build an understanding of particular projects and to raise the public perception of planning. In particular, the community forums were a new innovation, the idea being to bring together a range of individuals, stakeholders and consultees to shape local development, therefore achieving the core vision. Members included: residents' groups, ward councillors and statutory consultees – English Heritage, Environment Agency and the Highways Department. The formal meeting of interested parties was deemed good practice and seen as a reasoned communication channel.

Other new ideas included a local newsletter and an open day with other service areas of the council. However, it was reported that it was difficult to "get people involved in strategic planning" and as example, only one member of the public turned up to the affordable housing development plan consultation. In terms of town centre regeneration a "road show" approach had been tried, the idea being to gain people's interest as they "passed by". In this way engagement could occur and interest develop. This process was advertised in the local paper and articles written for the council's magazine.

However, new house building in middle-class neighbourhoods, or in what were seen locally as areas of "architectural interest and heritage", was vociferously opposed and local meetings well attended. It was stated that although there was local sympathy with the issue of housing need, there was little direct support for the need to build new housing. For many people the link between local housing affordability and housing supply was not clear. It was difficult to get individuals to share a common ground – for many people these issues appeared to relate to their own pre-conceived ideals.

Development control planners did though appear to have a good relationship with their members and there were reports of “good debates”, although there were some concerns relating to knowledge and engagement. Most officers used practical tours as a technique to “review development on the ground”. In this way a dialogue was created to discuss quality and outcomes. Planners were creating and co-ordinating goodwill and support within the local political arena.

In summary the research found that planners were engaging with the difficulties of protracted negotiation with customers, stakeholders and citizens. They had set up strategic partnerships with statutory consultees, although there were issues relating to response times and the quality of the responses. One local authority reported using what they described as a “project team approach” to development. This team met regularly and working relationships had been built.

In summary investigation of Public Attitudes to Development found that:

- There were a number of different approaches used to develop understanding of re-development and new projects;
- Planners’ aim was to build an understanding of particular projects and to raise the public perception of planning;
- It was reported that it was difficult to get people engaged with strategic planning;
- Opposition to housing development in ‘middle-class’ neighbourhoods was vociferous and local meetings well attended;
- Planners reported having a ‘good relationship’ with members;
- Planners were engaging with the difficulties of protracted negotiation with customers, stakeholders and citizens.

In Conclusion

This project found significant synergy with the wider research findings. The time absorbed by development control appears to be having a substantial impact on the house building industry. There are major differences in working practice and the project has revealed that successfully negotiating schemes can be time consuming, expensive and difficult. Blockages in development control could impact upon the delivery of new housing supply.

Further work with both local planning authorities and developers would be useful to build up a fuller picture of the specific issues being experienced at site level. This may allow sites to be classified by their likelihood of development, and ultimately provide evidence which enables more effective monitoring and management of the delivery pipeline.

Appendix 1: Information collected for each site

Variables collected

1. case #
2. Local Authority
3. Application number
4. Full or Reserved matters/Outline
5. Date of permission
6. Pre-application date
7. Submission/decision dates for each application
8. Submission/decision dates for appeals
9. Number of Conditions
10. Previous successful applications
11. Net days in planning system from initial application to final permission granted (i.e. an application awaiting a decision)
12. Total number of days from initial application to final permission granted (i.e. includes developer response time)
13. Developer name, size & location
14. Agent name & location
15. Predominant existing use
16. Proposed use: Mixed or residential
17. Brownfield or Greenfield
18. Gross site area
19. Amount of residential floor space
20. Density per hectare
21. Amount of non-residential floor space
22. Number of dwellings
23. If flats – number of floors
24. If single family houses: no of Terraced
25. If single family houses: no of Semi-detached
26. If single family houses: no of Detached
27. Number of Parking Spaces
28. Contractors stage
29. Construction start date
30. Difference between final permission and start date
31. End date
32. Site Postcode
33. OS North, OS East
34. Consulted Highways Agency
35. Consulted Natural England
36. Consulted English Heritage
37. Consulted Environ, Agency
38. Consulted others
39. Local Authority total starts 2004/5-2007/8
40. Coeff. variation starts 04-08
41. Local Authority population 2006
42. Local Authority homes 04-08 as % stock
43. Local Authority total major decisions 05-07
44. Local Authority av. Perm. granted 05-07 %
45. Local Authority delegated to officers 06 %
46. Local Authority av. delay ranking 05-06
47. Local Authority deprivation rank 06
48. Local Authority av. house price 06
49. Regional av house price 06
50. Local Authority Av Housing market trans 05-06
51. Local Authority % owner occupation 06
52. Local Authority av. travel to work distance

NB: Several variables only collected for subsets due data limitations.

Source: Planning authorities, Glenigan & GLA

Appendix 2: Information from LDF local monitoring reports for a selection of local authorities

South Cambridgeshire Annual Monitoring Report

December 2008

Covering the period 1st April 2007 – 31st March 2008

Contents

4.22 The Council's **Core Strategy** requires in **Policy ST/2** that the Council will make provision for 20,000 new homes in the district during the period 1999 to 2016. The Council is also required by **Policy H1** of the **East of England** Plan (the Regional Spatial Strategy for the East of England) to provide 23,500 dwellings in South Cambridgeshire during the period 2001 to 2021. These two requirements are summarised in figure 4.4.

Figure 4.4: Plan periods and housing targets (indicator CO-H1)

	Adopted / Published	Period of Plan	Housing Provision Required	Annualised Requirement
Core Strategy DPO	January 2007	1 July 1999 – 31 March 2016	20,000 dwellings	1,176 dwellings
East of England Plan	May 2008	1 April 2001 – 31 March 2021	23,500 dwellings	1,175 dwellings

4.21 Since the start of the plan period, 7,366 net additional dwellings have been completed in the district; this is an under performance of 3,218 dwellings compared to the cumulative annualised strategic requirement ()10,584 net additional dwellings) (see figure 4.3, below). However, **Regional Planning Guidance 6**, which originally set current development strategy for the Cambridge Sub-Region, has always recognised that the early part of the plan period would not achieve the annualised completion rate. The strategy includes a relatively small number of large developments, focused on the urban extensions to Cambridge and the new town of Northstowe, that will provide for a sustainable form of development with high quality services and facilities accessible both locally and by high quality public transport. There is longer lead in time for major developments and it was accepted by the Planning Inspectors holding the Core Strategy examination that there would be higher build rates towards the latter part of the plan period to make up for a lower rate of development in the early years.

Figure 4.3: Cumulative net additional dwellings completed compared to the cumulative annualised requirement

	1999-2000	1999-2001	1999-2002	1999-2003	1999-2004	1999-2005	1999-2006	1999-2007	1999-2008
Cumulative net housing completions	787	1,573	2,087	2,742	3,714	4,275	5,152	6,075	7,366
Cumulative annualised requirement	1,176	2,352	3,528	4,704	5,880	7,056	8,232	9,408	10,584
Shortfall/surplus	-389	-779	-1,441	-1,962	-2,166	-2,781	-3,080	-3,333	-3,218

Source: Research & Monitoring – Cambridgeshire County Council

Ashford Housing Trajectory 2001-2021 (Ashford Growth Area)

AMR 2006/07	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
Under construction on small sites							4	11													15
Completed on sites excluding sites below	516	487	564	484	207	96															2,354
Exant units on large sites							33	113													146
Templar and Rowcroft Barracks				71	12		100	200	200	200	200	200	67								1,250
Park Farm (Local Plan)	130	71	77	23			125	300	300	55											1,081
Cheeseman's Green (Local Plan)								50	150	200	200	150	150	150	150	80					1,280
Ashford Hospital									60												60
Singleton		58	146	220	189	124	81	115	155	62											1,150
Lower Queen's Road											30										30
Tile Kiln Road											10										10
Brisley Farm	51	87	62	58	83	86	2														429
Town Centre	2	3		4	1	8	133	205	228	332	310	335	326	296	248	122	86	100	50	50	2,839
New Town Works										50	150	150	150	150	150	128					928
Hunter Avenue								75	100	75											250
Bockhanger Wood								50	50	50	50	50	50	50	75	75	75	75	75	75	800
Chilmington Green									50	150	320	320	320	320	320	320	320	320	320	320	3,400
Cheeseman's Green Extension												60	150	200	250	250	250	250	250	250	1,910
Discovery Park									50	100	100	100	100	100	100	100					750
Chart Estate																		50	50	50	150
Cobbs Wood																		25	50	25	100
Canal District (existing area)																50	100	150	150	50	500
Waterbrook									100	100	100	100	100	100	100	100	100	130	130	140	1,300
Kennington												100	100	100	100	100	105				605
William Harvey Area													50	50	50	50	50				250
Jemmett Road									41	100	100										241
Warren Park & Ride								100	123	100											323
Past Completions	**699**	**706**	**849**	**860**	**492**	**314**															3,920
Projected Completions							**478**	**1,219**	**1,607**	**1,574**	**1,570**	**1,565**	**1,563**	**1,516**	**1,543**	**1,375**	**1,086**	**1,100**	**1,075**	**960**	18,231
Cumulative Completions	699	1,405	2,254	3,114	3,606	3,920	4,398	5,617	7,224	8,798	10,368	11,933	13,496	15,012	16,555	17,930	19,016	20,116	21,191	22,151	22,151
Core Strategy (RPG9 + RSS) **Ashford Growth Area Allocation**	**790**	**790**	**790**	**790**	**790**	**1,040**	**1,040**	**1,040**	**1,040**	**1,040**	**1,040**	**1,040**	**1,040**	**1,040**	**1,040**	**1,200**	**1,200**	**1,200**	**1,200**	**1,200**	**20,350**
MONITOR - No. dwellings above or below cumulative allocation	-91	-175	-116	-46	-344	-1070	-1632	-1453	-886	-352	178	703	1226	1702	2205	2380	2266	2166	2041	1801	

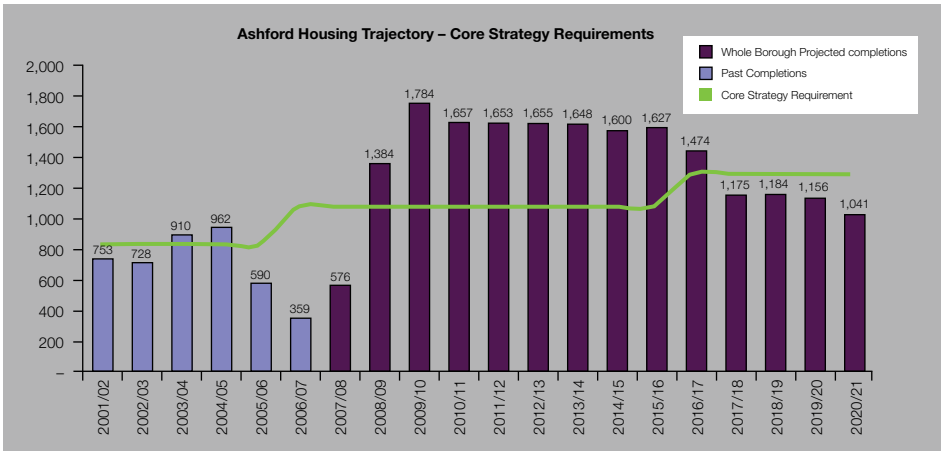
Ashford Borough Council Annual Monitoring Report 2006/2007

Dwelling Completions

The total number of dwellings completed on all sites in the year ending 31st March 2007 was 359. There were 314 completed in the growth area, with 45 being completed in the rest of the borough. This brings the total number of completions since 2001 to 4,300 units, an annual completions rate of 716.

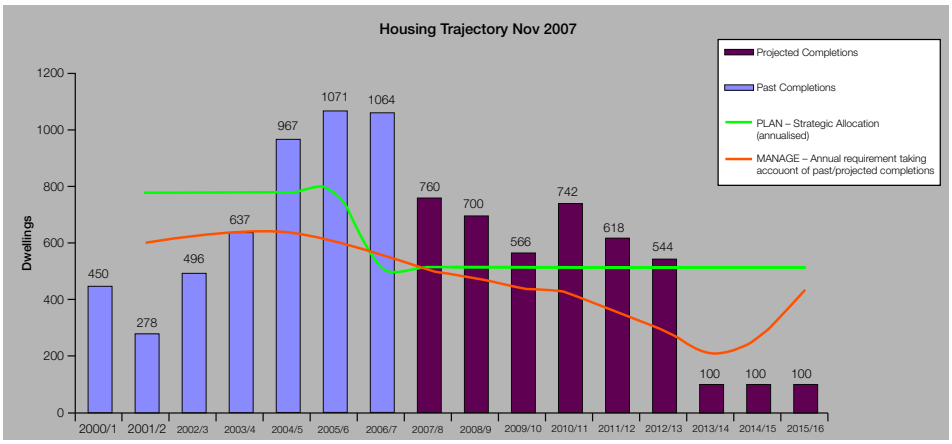
In order to meet the Core Strategy growth area target of 20,350 by 2001, a further 16,430 units need to be completed in the next 14 years. To meet the rest of the borough target of 1,500 a further 1,118 units need to be completed in the next 14 years.

The graph below shows the past and projected completions for the whole borough against the strategic target.



West Berkshire Annual Monitor report 2006/7

Figure 4.1 Housing Trajectory 2007



B Population and Housing

Table B12 Large and Medium Housing Sites Completed in 2006/07

Parish/Ward	Address	GF/PDL	Gross Units	Net Units	Net Density/ Units/ha
Cold Ash	Land off Yates Copse	GF	80	80	31
Greenham	Racecourse	GF	180	180	35
Newbury	Newbury Hospital	PDL	115	115	72
Purley	Purley Park (conversion + new build)	PDL	14	14	5
Stratfield Mortimer	Mortimer Hill	GF	120	120	27
Thatcham	Kennet Heath Pods A and B	PDL	259	245	52
Thatcham	Kennet Heath Pod C	PDL	118	118	43
Thatcham	Kennet Heath Pod D1	PDL	70	70	48
Basildon	Stone House, Reading Road	PDL	12	11	30
Lambourn	Freeway Electronics, Baydon Road	PDL	12	12	44
Lambourn	Station Road Garage	PDL	11	10	85
Newbury	13, Boundary Road	PDL	60	60	105
Newbury	Land off Cherry Close	PDL	29	29	100
Newbury	Birchwood Road	PDL	24	24	92
Newbury	Land at West Berkshire Bowls	PDL	14	14	49
Newbury	Eurofi House (Change of use)	PDL	14	14	200
Purley	68-72 Long Lane	PDL	33	30	41
Thatcham	15 Park Lane	PDL	11	10	61
Thatcham	25 & 27 Pound Lane	PDL	14	12	156
Tilehurst	Land at Bittern Avenue	PDL	14	14	49

Source: JSPU Planning Commitments for Housing 2007: Planning Applications Data

Note: GF Greenfield & PDL previous developed land

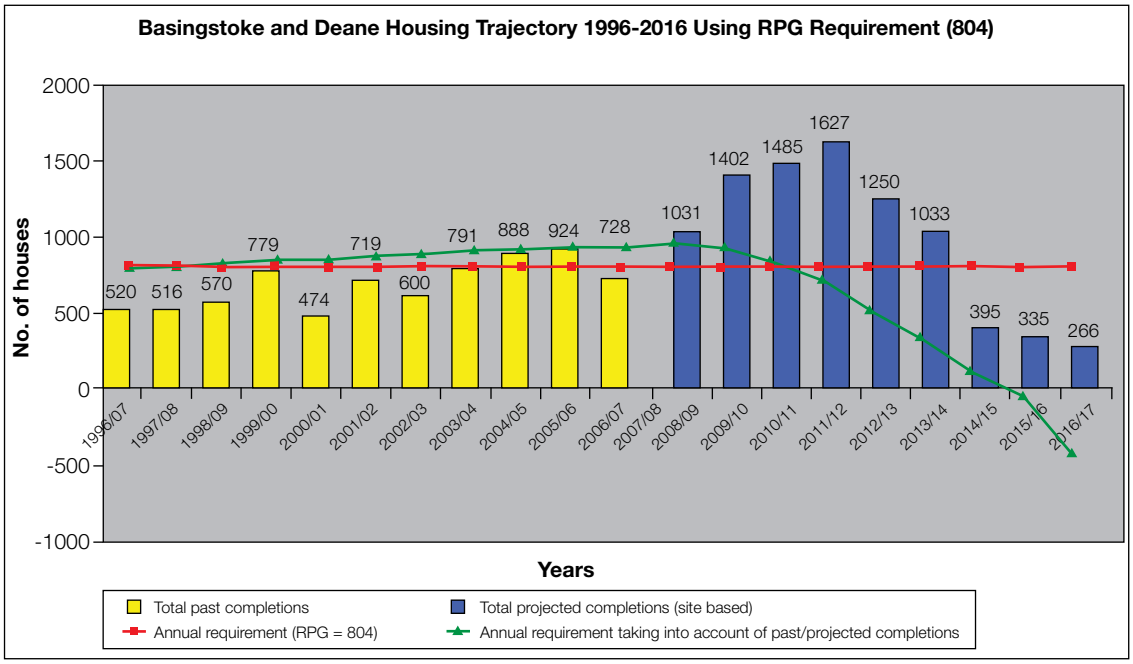
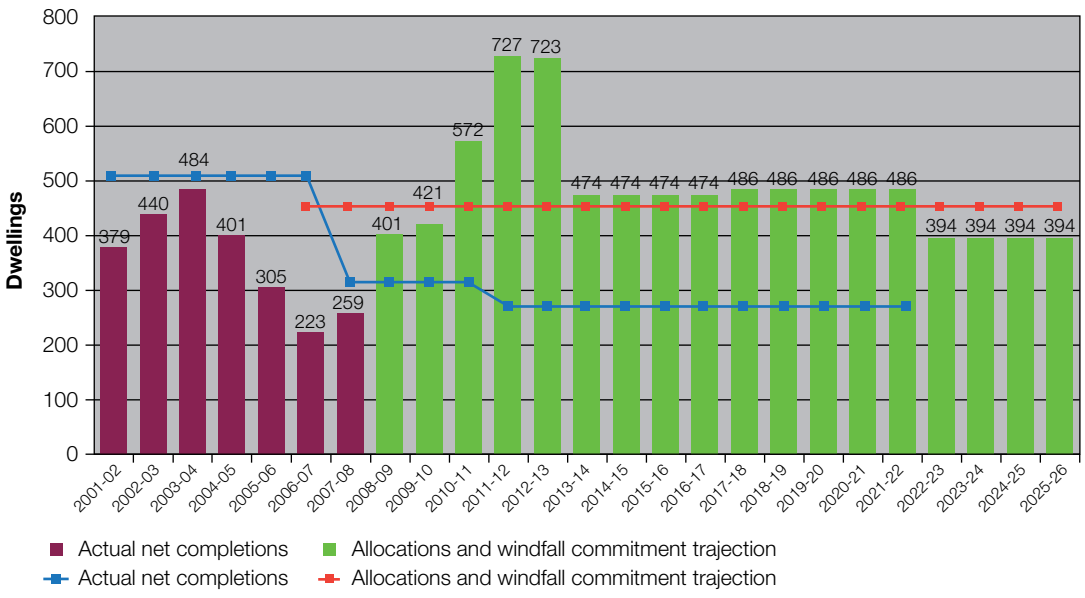


Figure 2


Wychavon District Housing Trajectory 2008
Dwellings
800
700
600
500
400
300
200
100
0
379
440
484
401
305
223
259
401
421
572
727
723
474
474
474
474
486
486
486
486
486
394
394
394
394
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
2020-21
2021-22
2022-23
2023-24
2024-25
2025-26
Actual net completions
Allocations and windfall commitment trajection
Actual net completions
Allocations and windfall commitment trajection

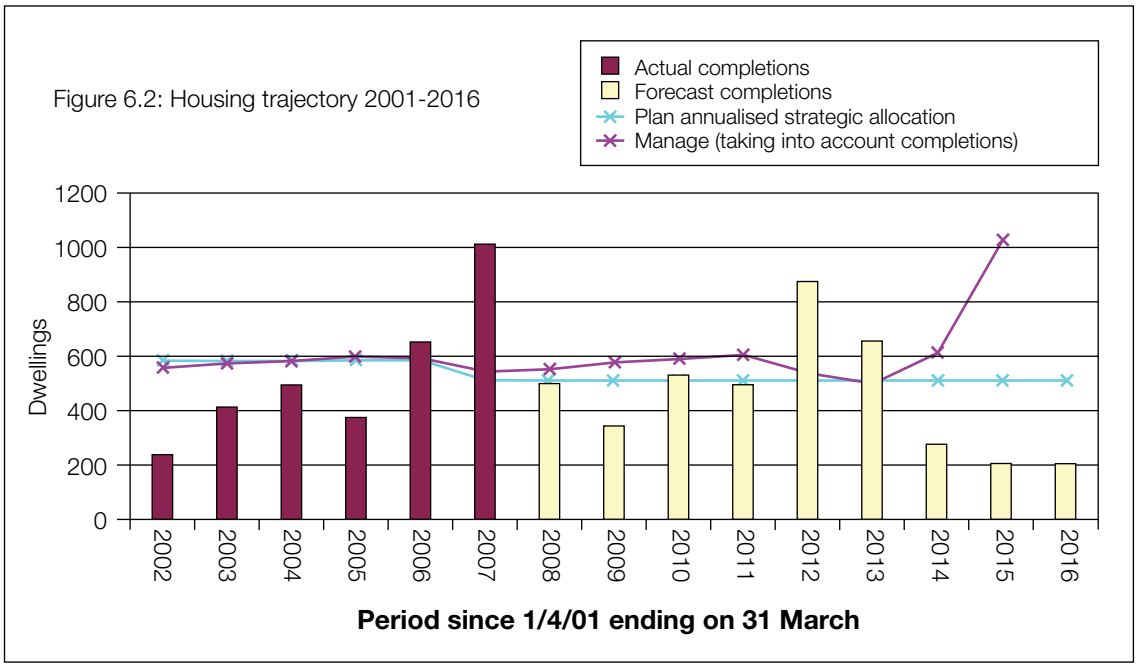
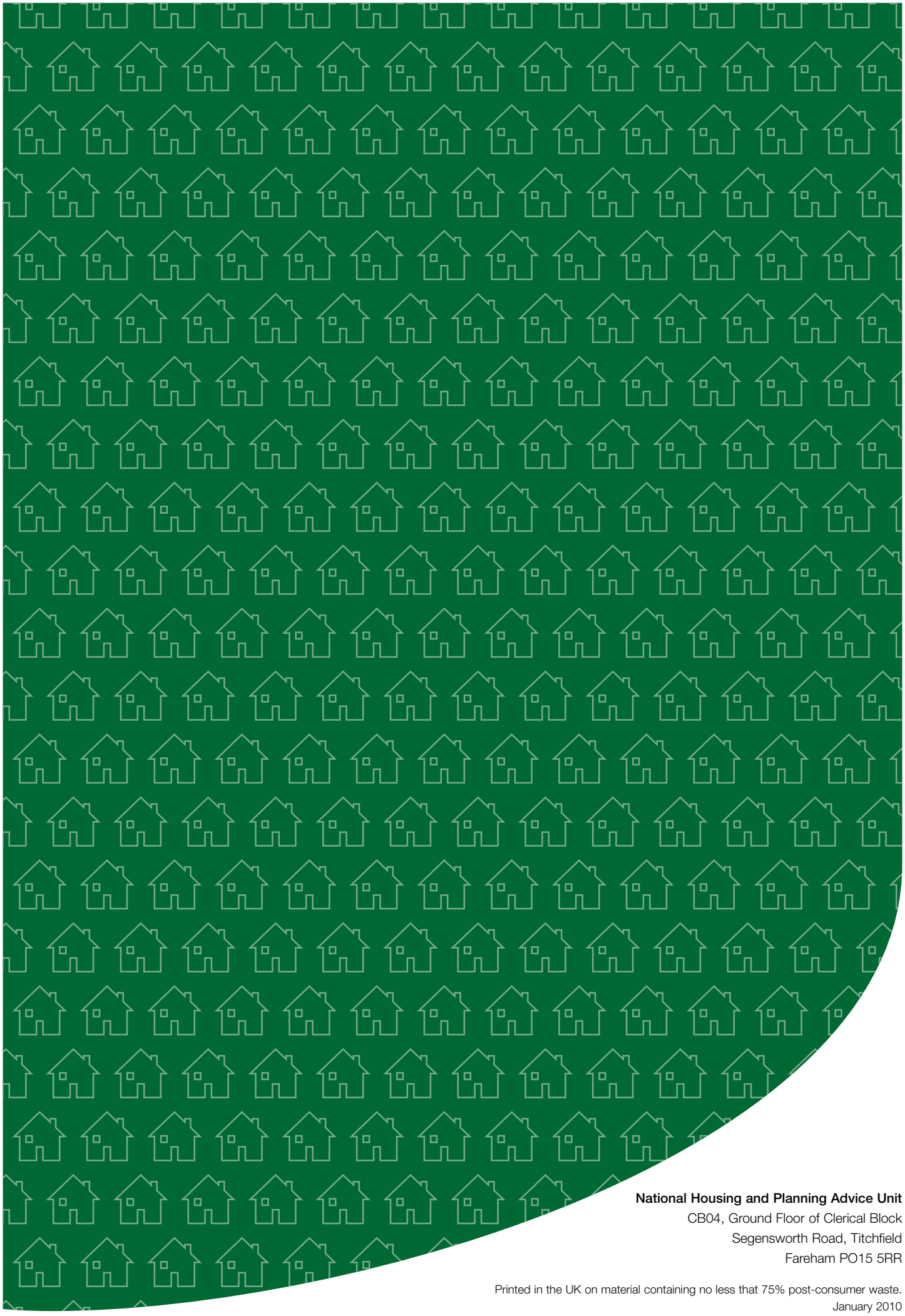


Figure 6.2: Housing trajectory 2001-2016
Actual completions
Forecast completions
Plan annualised strategic allocation
Manage (taking into account completions)
Dwellings
1200
1000
800
600
400
200
0
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
Period since 1/4/01 ending on 31 March



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