

# NEED *not* GREED OXON

Planning for Real **NEED** not Speculator **GREED** in Oxfordshire

## Response to Raynsford Review

### **‘Towards a Narrative for The Next Phase (1941)’**

The root of the problem with the planning system is not just the greed of developers here and there, but the general breakdown of the traditional local democratic control of town and country development. The development free-for-all which now threatens to destroy our communities and environments comes not from random opportunism in this, that or the other Oxfordshire village, but comes from Whitehall.

This is not a party-political matter. No manifesto at recent elections promised to hand over local and democratic control of development to private and commercial interests. But that is what is happening - behind a fog of evasion and misinformation.

In Oxfordshire, as in other counties, a new-fangled cartel, an almost Orwellian monster, of private interests misnamed a Local Enterprise Partnership (LEP) has been appointed by Whitehall to drive through a so-called ‘strategic economic plan’ over the heads, behind the backs and against the wishes of local people and their elected representatives. To be sure it boasts an arm called a Growth Board, on which the leaders of elected local councils sit.

But they have no power to overrule the economic plan, which is written by private consultants, many of whose day jobs consist of richly funded contracts from developers and landowners. The only job of the local council leaders in this scheme of things is to see that the growth plans are implemented; and the growth plans are written to justify the wildest ambitions of the consultants’ real pay-masters for the largest possible number of developments, whether in the Green Belt, in Areas of Outstanding Natural Beauty, in green fields or to fill up the open areas that mark the distinctive character and personality of separate towns and villages in Oxfordshire.

The councils which these leaders represent have no say at all in these strategic economic plans. In short, the LEPs and their 'Growth Boards' are a front organisation for unbridled developers and development - private, undemocratic and unaccountable.

In West Oxfordshire, a government inspector has recently been conducting a public examination into the Council's Local Plan. The Plan is intended to promote "sustainable development that reflects the vision and aspirations of local communities", balancing social, economic and environmental considerations.

However, the large majority of participants in the examination were developers and house builders, represented by highly paid lawyers and consultants, who have no great interest in the future planning of the area. They simply want to ensure that their land will be allocated for development, thereby guaranteeing a handsome profit simply as a result of this allocation.

The people who are really concerned about the future of their area, local residents and indeed the local authority itself, are heavily out-numbered and certainly out-resourced by the development lobby. The most important and contentious matter to be decided is the number of homes that should be built over a twenty-year period.

In the past, this would have been determined by an impartial technical process involving co-ordination between local and regional authorities, to ensure that local needs were consistent with national projections of household growth. Now, determining the housing requirement is almost invariably farmed out to consultants who look only at the area in question and in isolation from the rest of the country.

They are free to make a number of 'adjustments' to the household projections to determine what is called in official guidance "an objective assessment of need". However, in reality this is likely to be far from objective.

The Government says it is putting planning back in the hands of local people. In truth, it is putting planning firmly in the hands of the developers and their highly paid consultants. The wishes of local people are ignored. It seems to think that by doing this more houses, and especially more affordable houses, will be built. They will not.

The development industry will cherry-pick the most profitable sites, not usually the most suitable ones and our district and county council planning officers (woefully understaffed and underfunded) will all too often allow planning permission - afraid to refuse it because of the appeal process. As a result, large areas of countryside will remain blighted by the threat of unsuitable and unnecessary development.

**We need an impartial, co-ordinated and properly resourced planning system under which the housing numbers are generated transparently by public authority, duly accountable to those who elect them.**

There are often claims in the local press that this uncontrolled free-for-all for developers is justified by the national housing shortage and that anyone who opposes it is a NIMBY, denying to others the homes that they themselves enjoy. This is simply not true; and they come not from the mouths of the poor and the homeless, but from the PR staff of the developers and landowners, who expect to make gargantuan profits from ruining the homes and communities and environments of ordinary people all over Oxfordshire and beyond.

The houses these property developers want to build will rarely provide a home for a single homeless or needy family in our county. According to the government's own website a person in Oxfordshire on average earnings and with cash reserves sufficient to put up a 20 per cent deposit could get a mortgage sufficient to afford a house priced at between £120,000 and £140,000 thousand pounds. Two such average earners in a partnership could possibly afford a house of up to £260,000.

Very few houses have been advertised in new developments in Oxfordshire at prices like that. The justification for the free-for-all by reference to the 'housing shortage' is a falsehood. The developers are no more interested in helping the homeless than they are in any other charitable works.

They simply want profits. And they do not care how many of our homes, our communities and our environments they destroy in the process.

Another version of this untruth is that the free-for-all in development, unconstrained by normal planning principles, is justified by high land prices in places like Oxfordshire. But these prices are inflated by the developers themselves and by the racket known as the 'viability' test.

There is no lack of land, even in Britain. But developers acquire portfolios of developable land with planning permission from which they then eke out a constrained supply to the housing market, at a rate which maintains artificial scarcity and so swells their profits on eventual sales.

More broadly, the supply of developable land has been constrained by the need for planning permission. It is the granting of that permission which generates the astronomic increases in land value. This is an act of public authority and owes nothing to any effort or investment, let alone labour, by the land-owners.

The argument has long and rightly been made that this increase in value, created by public authority, should accrue to the public, whether through a land-value tax or by otherwise enabling public authority to acquire such land for development, at prices which do not include the uplift in land value engendered by the grant of planning permission. There would then be no inflated land value element in the prices at which such

housing could be sold – and therefore no circular ‘self-justification’ for a planning free-for-all because of high prices in places like Oxfordshire.

The developers have added another wheeze to the free-for-all racket by arguing that because land is so expensive they should be excused from the normal obligations to provide a proportion of affordable houses or to contribute to the costs of the infrastructure required to service the houses they are building. Because they know this, they can and do offer prices for land which already take into account the benefits they will enjoy as a result of applying this so-called ‘viability’ test.

So, they make the land unaffordable so that they can demand that planning authorities make it affordable by excusing them from normal developer obligations. The inability of the system to see the obvious logical absurdity of this circular reasoning (known as ‘the La-La Loophole’) is a powerful contributor to the nation’s housing problems.

The solution is simply not to allow developers to count whatever inflated price they have promised or paid into ‘viability’ calculations, which should instead be based on an independently calculated pre-development value.

What this free-for-all offers is the wrong houses, in the wrong places, for the wrong people, at the wrong prices. What we need is the right houses, in the right places, for the right people, at prices which those who need homes can afford.

**We demand that normal democratic and local control over development be restored, striking a proper balance between the genuine requirements for homes and places of work on the one hand and the principles of sound planning, infrastructure and environment on the other.**



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