



Supporting housing delivery and public service infrastructure
G15 response

About the G15

The G15 is the group of London’s largest housing associations. Our members house one in ten Londoners and own or manage more than 600,000 homes across the country. We’re independent, charitable organisations and all the money we make is reinvested in building more affordable homes and delivering services for our residents. Each G15 member is different, but we’re all striving towards the same goal – to solve the capital’s housing crisis and improve the lives of Londoners.

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Consultation response

Part 1 – On Class E to Residential

The G15 welcomes mechanisms to increase the supply of housing, such as the Government's proposal to accelerate the process of repurposing commercial spaces when there is an evidenced surplus of retail floorspace, as long as quality standards around building safety and design are properly enforced through the prior approval process.

We are in favour of policy reforms that ensure additional housing is provided in the right places, and that should include the provision of much needed affordable housing.

Recognising that the high street has been suffering since long before the coronavirus outbreak – and that in some cases the decrease in local retail has been a structural phenomenon over the last decade – we agree that bringing empty spaces into a different use might partly alleviate the issue of decline. Potentially, housing has a role to play in reimagining our town centres and, given the pervading housing crisis we are currently witnessing, it is reasonable to assume that conversions to residential can indeed contribute to increased housing supply in our cities.

However, we have concerns about the proposals, as they currently stand, particularly the lack of any reference to potential contribution the permitted development rights (PDR) route should make towards affordable housing. Furthermore, we are concerned over the impact of a widespread recourse to permitted development rights on the National Planning Policy Framework's requirement to achieve healthy, inclusive and safe places with the mix of housing, amenities, facilities and services a community needs.

In this regard, local high streets deserve more credit in relation to the role they can play in delivering the 'building back better' agenda, contributing to the creation of healthy neighbourhoods and thriving communities – in line with Policy Proposition 25 from the Building Better, Building Beautiful [Commission](#).

We believe the following issues deserve reconsideration:

Contribution towards affordable homes. It is imperative that permitted development rights (PDRs) contribute towards affordable housing and local infrastructure, either through Section 106 or cash-in-lieu payments to local authorities. PDR is currently providing a route for developers to convert commercial buildings to residential without requiring a contribution to affordable housing.

This 'loophole' means that this route is more likely to be pursued by private developers, rather than registered providers. The former are more likely to win land acquisition bids for sites that can be converted via PDR as they will not have an incentive to allow for affordable housing in the appraisals.

Although PDRs have indeed [contributed](#) to increased overall housing supply in recent years – with 54,162 homes been converted from offices across England between 2015 and 2019 – none of these conversions featured any affordable housing provision. The Local Government Association (LGA) has estimated that this has potentially led to the loss of 13,540 affordable homes over the same period.

In our previous [response](#) to the Planning White Paper, we agreed that any reformed Infrastructure Levy should capture changes of use through permitted development rights.

Good quality and building safety. It is crucial that new homes delivered through the PDR route are good quality. A [report](#) on the subject, commissioned by MHCLG and released in July 2020, concluded that *'new housing created through permitted development rights in England since 2013 is more likely to be characterised by worse quality residential environments than housing created under the full planning permission process in relation to a number of factors vital to the health, wellbeing and quality of life of future occupiers.'*

In relation to exterior alterations, access to local services and environmental performance, the research study captured a more positive picture than has generally been suggested in national press, with evidence reporting similar energy performance ratings and similar levels of access to neighbourhood services for permitted development and planning permission schemes.

However, with respect to space standards, only 22.1% of the analysed permitted development dwellings met the Nationally Described Space Standards – with the majority of sampled homes falling considerably below – compared to 73.4% of planning permission homes. Furthermore, worse arrangements of windows were detected in homes created under PDR, with a large majority reporting inadequate access to natural light.

It is generally hard to adapt typical commercial buildings to suit residential and particularly family dwellings, due to a different set of parameters at the design stage – e.g. office buildings assume evacuation in case of fire while flats require proper compartmentation. Furthermore, typical cafes and restaurants on the high street are often set up within street-level buildings with narrow frontages and constrained interior space, which makes it hard to achieve good levels of ventilation and natural lighting.

Other common issues experienced in the past had to do with a failure to meet residential-building services standards. For instance, conversions often require the installation of multiple drainage stacks that feed into drains originally designed to service commercial office blocks. This can result in converted flats suffering regular waste back-ups to baths, sinks and toilets, with negative impact on the health of occupants and ongoing management costs.

Acknowledging the above concerns, a strong emphasis on the quality of conversions will be essential in order to deliver homes which are fit for purpose and meet

servicing standards. In this regard, we welcome Government's decision to introduce new quality requirements for homes delivered under PDR, making sure that building and safety regulations are met regardless of the route to planning permission. We agree that all new homes delivered under such rights should meet the Nationally Described Space Standards and provide for adequate natural lighting.

Another key concern with regards to the overall quality achieved through PDR conversions is the lack of requirement to provide on-site private and communal amenity space. Whilst we recognise some existing buildings will not lend themselves to provide balconies or winter gardens, there should be a push, where feasible, to provide some on-site amenity space for new residents.

Impact on healthy neighbourhoods and sustainable communities. In our previous response to the Planning White Paper we reiterated the importance of clear rules within forthcoming local plans to support the delivery of successful mixed-use neighbourhoods, which include essential commercial and community amenities. Proposals to enable fast track conversions of any type of premises within the Commercial, Business and Service use (E) class to residential represent a significant extension of the current scope of permitted development rights.

The implementation of changes of uses should take regard of the long-term impact of conversions on the provision of essential local facilities. We have concerns over the potential loss of important existing community facilities, such as nurseries. Currently, as part of their wider development masterplans, many housing associations routinely build in resident amenities. This is a precedent that could be extended to PDR schemes with a focus on community requirements – dentists, doctors, nurseries etc.

In addition, although we recognise that high street retail has been undergoing a severe decline in recent years – with many shops across the country lying empty – and that the Covid19 crises has in many cases exacerbated a longstanding phenomenon, it is also important to highlight that the extent of such a trend does vary significantly, depending on the type of commercial specialisation of different cities and town centres.

Centre for Cities has been [collecting](#) data on high streets across the UK, covering a time range between 2013 and 2021. According to their analysis, cities featuring high proportions of high-skilled and export-oriented services – such as Cambridge, York and London – have actually seen their high streets expanding in recent years, with an increased variety of activities in the hospitality, cultural and entertainment sectors taking over spaces traditionally reserved to retail. In London, the high street vacancy rate in the pre-pandemic period stood at 7%, one of the lowest levels in the country. Despite being severely hit by the pandemic – and related lockdown measures – there are valid [reasons](#) to predict that the capital's dynamic high streets – with their successful mix of skills and high-quality office space – will bounce back over the longer term, once a significant share of people begin moving back to office-based work, albeit on a more flexible basis.

At the same time, London is experiencing an unprecedented housing crisis, which in itself risks undermining its future position as an inclusive and liveable city. As well as preventing many people and families from accessing a decent home, house prices and rents at the current levels could make future job opportunities in the capital out of reach for younger generations. Striking the right balance between the unquestionable need for thousands of new and affordable homes and considerations on a fair share of commercial and social/health amenities – of key importance to local communities – might help London increase its housing supply while preserving the dynamism of its economy. In this context, allowing local authorities in London to put forward at least one town centre that they want to exclude from PDR would preserve their ability to grant local people and communities a space for investing in future business and social care opportunities.

Removal of size limit on the scale of the conversions allowed. This proposed reform essentially opens up significantly more potential for the PDR route to residential conversions. It might provide significant opportunities for converting larger retail spaces into much needed housing, especially as big commercial brands – currently struggling with the pandemic-induced crisis – vacate large blocks in town centres. There is a risk that this might accelerate the loss of retail where residential properties have higher value, or that inappropriate locations on industrial, retail or leisure parks become homes. Again, this would only provide successful homes as long as revised regulations were put in place to ensure improved design and build standards.

There is the more strategic risk that removing the size limit might result in reduced opportunities for wholesale redevelopment/re-masterplanning that regenerate and improve the built environment overall, as more developers go down the conversion route. It should be clear at the outset what is expected under the PDR conditions and what matters should not be left for prior approval.

Fees. It is sensible to propose that conversions through the PDR route should attract a fee, considering standard planning applications also attract a fee per new dwelling house - up to 50 homes. However, the proposed fee of £96 is considerably lower than the cost of a standard planning application. Given the high number of prior approval matters to be assessed by local planning authorities (LPAs), resourcing requirements are still likely to be high. Hence, fees should be the same as other standard planning applications, at £462 per house.

Although the proposed reforms are intended to reduce workload for the LPAs, significant review of proposals are still required. LPAs would receive a lower 'application' fee at a time when they are under resourced and still facing budget cuts. Moreover, the reduction of resources at the level of LPAs will in turn impact quality because there will be less scrutiny of proposals.

Potential impact on people who share a protected characteristic. Current proposals fail to account for the provision of affordable housing, which would indirectly damage who is in urgent need for a decent and affordable home. Considering that the pandemic-induced crisis has been having a disproportionate [impact](#) on BAME communities – both in terms of health issues and financial repercussions – larger proportions of BAME people might be in higher need for affordable housing once the pandemic is over.

Moreover, whilst the pandemic represents another blow for communities with protected characteristics, there is a long history of structural inequality which coincides with poorer economic outcomes and poorer housing. Along with concerns around quality, design and commercial amenities, unfettered conversions to residential could further entrench inequalities.

Part 2 – Further flexibilities for public service infrastructure

We agree with Government’s proposals to provide further flexibility for additional educational and hospital capacity on existing sites in order to enable public infrastructure to respond quickly to the social and economic impact of Covid19. There is the assumption that this rapid process is acceptable as there will already have been substantial public consultation on these types of public buildings. However, we are concerned that prioritisation of these applications could further delay other type of applications that deliver important benefits for society – i.e. tackling the housing crisis.

We propose that housing schemes delivering over 50% of affordable housing by unit/habitable room are also added to the list of major developments to be prioritised through a more flexible planning route, along with hospitals, schools and prisons extensions.

For more information, please contact:

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