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FOR LONDON

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Your ref: UDP/PIM/AHT

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15<sup>th</sup> December 2005

Dear Madam

**Town and Country Planning Act 1990 (as amended)**  
**Town and Country Planning (Development Plan) Regulations 1999**  
**London Borough of Barnet Unitary Development Plan**

1. I am directed by the First Secretary of State ('the Secretary of State') to inform you that your Council's proposals for the London Borough of Barnet's Unitary Development Plan (UDP) appear to him to be unsatisfactory. Accordingly, in exercise of the powers conferred on him by section 17(1) of the Town and Country Planning Act 1990, as amended ('the 1990 Act'), the Secretary of State hereby directs your Council to modify the proposals so that:

- a) the threshold at which affordable housing will be expected in compliance with policy H5 is set so that the policy applies to proposals of 10 or more units and sites of 0.4 hectares or more;
- b) the UDP employment parking standards are brought into line with the London Plan policy; and
- c) it will also be necessary to make consequential changes to the reasoned justification for these policies and any related policies and accompanying reasoned justification in the UDP.

2. The background to this is as follows:

**i) Affordable housing – site size threshold**

The modified policy H5 and supporting reasoned justification paragraph state that the Council will seek to negotiate the maximum reasonable amount of affordable housing on sites of 15 or more units gross or 0.5 hectares or more. It is noted that further guidance on the circumstances in which

the Council will expect contributions towards affordable housing will be clarified in the forthcoming SPD on affordable housing. The qualifying site threshold was revised from sites of 10 or more units gross or 0.4 hectares and the Inspector supported this pre-inquiry change in his recommendations at paragraphs 8.74(v) and (vi) in his report (IR8.74).

The Inspector concluded (IR8.60) that with the London Plan in place there is now a new planning framework against which the threshold should be set. He commented that under this framework boroughs are to set this at no greater than 15 units and that they are encouraged to seek a lower one through the UDP process where this can be justified. But the Inspector considered that an increase in affordable housing needed to be balanced against the effect that a lower threshold might have on overall housing delivery. Evidence before the Inquiry suggested that lowering the threshold from schemes of 15 units to those of 10 would increase the supply of affordable housing by just over 9%. Given the level of need in the Borough, the Inspector acknowledged that this may be seen as a significant amount (IR8.62). However, he was not persuaded that directing public subsidy to smaller sites was the most effective use of investment and took the view that attempts to do so could undermine the potential for output from larger sites. This led the Inspector to conclude that the Council should concentrate on negotiating as high a level of affordable housing as possible from sites of 15 units or more (IR8.64).

### Government Policy

Circular 6/98, paragraph 8, indicates that in preparing plans, authorities should ensure that planning policies for affordable housing are "compatible with their objectives for land-use planning and economic development". One implication of this advice is that thresholds, set to determine the size of scheme to which policies seeking affordable housing will apply, should not frustrate delivery of housing more generally, by inhibiting smaller schemes.

National policy on affordable housing has evolved since the UDP review commenced and when the Inspector produced his report. Consultation draft *PPS3, Housing: (ODPM December 2005)* states that local planning authorities should set minimum site-size thresholds, expressed as numbers of homes or area, above which affordable housing will be sought. It sets an indicative national minimum threshold of 15 dwellings but states that local planning authorities may set a different threshold or series of thresholds where this can be justified.

The document associated with *PPS1 – The Planning System: General Principles* says (Para 14) that emerging Government policies in the form of draft circulars and policy guidance can be a material consideration depending on the context. "Their existence may indicate that a relevant policy is under review; and the circumstances which have led to that review may need to be taken into account."

### The London Plan

The London Plan, published in February 2004, is now part of the development plan under section 38 of the Planning and Compulsory Purchase Act 2004 Act. It has a strong emphasis on the delivery of affordable housing. The London Plan does not stipulate a London wide affordable housing site size threshold but states that boroughs should set thresholds above which affordable housing requirements will apply at no greater than 15 units and that they are encouraged to seek a lower threshold through the UDP process where this can be justified (Paragraph 3.46 of the London Plan).

## Housing Delivery in Barnet

Your Council's letter of 17<sup>th</sup> August 2005 to GOL states the Inspector endorsed Barnet's approach to affordable housing and that your Council does not consider it wise in terms of the likely effects on housing supply to lower the threshold; nor does the Council have any positive evidence to support the lowering of the threshold. The Secretary of State notes from the letter that the 2004 London Housing Capacity Study shows that 83% of the Borough's housing supply between 2007 and 2017 will be from large sites of 0.5 hectares and above. He also notes from the same letter that your Council has examined housing permissions over the last 3 years and that on the basis of a historic trend it shows that lowering the threshold to 10 units may increase the potential for affordable housing by 13%. However, your Council contends that the implementation of a 50% target could reduce this much further as the draft UDP figure in operation covering this time was 30 to 50%.

## The Secretary of State's consideration of Policy H5

The Secretary of State considers that his policy on thresholds is under review. He notes from evidence presented to the inquiry the significant level of housing need in the borough, particularly in view of recent house price rises (IR8.37-8.41). This represents one of the reasons for undertaking a review of policy on affordable housing, including thresholds. He therefore attaches weight to the consultation document of December 2005, cited above, that was produced after the UDP Inquiry ended and therefore was not available for the Inquiry Inspector to take into account. He has also given very careful consideration to the further representations made to him in your Council's letters of 17<sup>th</sup> August and 4<sup>th</sup> November 2005.

The Secretary of State has considered the appropriate threshold for affordable housing within the Borough in the light of the Inspector's recommendations, the changed policy context, together with the significant level of affordable housing need in the Borough, and the apparent potential to increase supply by lowering the threshold and the other matters referred to above. The Secretary of State has also had regard to the evidence on thresholds in London, (*Thresholds for Application of Affordable Housing Requirements, Three Dragons et al, March 2003*), which suggests that in terms of development economics, thresholds lower than 15 are capable of delivering affordable housing without reducing overall supply.

Having taken all the above considerations into account the Secretary of State has concluded that the policy should be modified to provide a threshold of 10 dwellings or 0.4 ha. In reaching his conclusion he recognises that Barnet are not dependent mainly on small sites for housing and affordable housing delivery. However, he considers the contribution from smaller sites to affordable housing is significant. The Secretary of State therefore considers that such a change to the policy site size threshold is essential to secure the maximum affordable housing provision in the Borough that can be achieved through the grant of planning permission. It will also assist in increasing the Borough's contribution to the fulfilment of the strategic affordable housing target in the London Plan.

The Secretary of State's concerns would be met by modifying the policy so that the affordable housing policy H5 applies to sites capable of providing 10 or more units gross or of 0.4 hectares or more. It will also be necessary to make consequential changes to the reasoned justification for this policy and any related policies and accompanying reasoned justification in the UDP.

## ii) Car parking standards – employment uses

At the UDP inquiry your Council sought to maintain car parking standards for employment generating uses within use class B1 commencing at a level of 1 parking space per 50m<sup>2</sup>. In its evidence to the Inspector the Council argued that since the location policies of the UDP make sites with a greater accessibility the preferred locations for development of this type, the standard being applied in most cases will be within the range in RPG9; and that a more restrictive provision will be expected as changes in people's travel habits occur and the infrastructure for non-car modes is developed. Also, restrictive standards for such uses could create a perverse situation whereby locations outside the Borough could be preferred for development.

In his report the Inspector concluded that the proposed standard for B1 uses in low accessibility areas is significantly out of line with the London Plan standard. The starting point for the range is 1:50m<sup>2</sup> gross floor area but would need revising to 1:100m<sup>2</sup> to accord with the London Plan. The Inspector considered that B1 uses in such locations may be exceptional because under PPG6 (now PPS6), offices, certainly, would be primarily located in town centres. However, were such uses found to be acceptable in low accessibility areas the car parking standard would need to reflect the range in the London Plan. He therefore recommended that a minimum standard for Class B1 uses be set at one space per 100m<sup>2</sup> of gross floorspace. [Inspector's Report Para 7.79]

In deciding whether to direct that a modification be made the Secretary of State has taken account of policy T3 in RPG9 (*Regional Planning Guidance for the South East March 2001*) and policies 3C.22/23 of the London Plan. Policy T3 states that local authorities should adopt maximum parking standards for B1 uses and that in outer London Boroughs the range of off street parking spaces for employment generating development is from 1:100 to 1:600m<sup>2</sup> of floorspace. The London Plan policies and table A4.1 in annex 4 on parking standards are consistent with those in RPG9. The Secretary of State has also had regard to the advice in PPG13: in particular the principles set out in paragraph 51 in developing and implementing policies on parking; and paragraph 53 which indicates that Regional Planning Bodies and local authorities may adopt more rigorous standards than the levels set out in Annex D where appropriate. He also considers that neither of the provisions for departure from standards set out in PPG13 (Para 54) and Annex 4 (Para 11) of the London Plan is intended to justify a general loosening of standards, since both provide only for departure from those standards only in individual circumstances where a case can be made. In this instance the Secretary of State is satisfied that insufficient evidence has been produced to warrant an exception being made. Furthermore, the Secretary of State considers that the proposed B1 parking standard risks creating incentives against the location of employment uses in areas with better public transport accessibility.

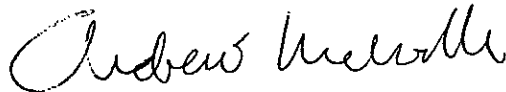
Having taken all these considerations into account, the Secretary of State has concluded that, in the particular circumstances of this Plan, there is insufficient justification for the standard to vary from those in the London Plan. The UDP standard should therefore be brought in line with the London Plan. He considers that such a change is important to promote sustainable transport choices and reduce reliance on the car for work and other journeys.

The concern would be met if the car parking standard for B1 development in low accessibility locations was amended in line with the UDP Inspector's recommendation 7.85(v) so as to reflect the

advice in RPG9 and the London Plan which makes clear that the standard for B1 uses be set no lower than at one space per 100 sqm of gross floorspace.

3. By virtue of section 17(1) of the Town and Country Planning Act 1990 your Council shall not adopt the proposals for the London Borough of Barnet Unitary Development Plan unless the Secretary of State is satisfied that the modifications necessary to conform with the direction have been made or the direction is withdrawn. Your Council's attention is drawn to regulation 33 of the above mentioned Regulations.

Yours faithfully

A handwritten signature in cursive script, reading "Andrew Melville".

**Andrew Melville**

Director of Planning, Government Office for London