

# Lib Dems 2014: 'Perverse' residential conversion rules are destroying jobs, says Cable

7 October 2014 by John Geoghegan

**'Perverse' new rules easing the conversion of offices and shops into homes are destroying jobs and are a 'bad example' of central government control over planning, business secretary Vince Cable has said.**

Business secretary Vince Cable speaking at the Localis fringe event

Speaking yesterday at a Liberal Democrat conference fringe event, hosted by think tank Localis, Cable said the new rules, in which offices and shops can change use into housing without the need for planning permission, was leading to "unbalanced development".

Cable, MP for Twickenham, said the permitted development rights, which he said communities secretary Eric Pickles had "brought in", were a result of a "recentralisation of some decision-making" on planning and a "particularly bad example of central imposition".

He said: "In my area of south-west London, large swathes of commercial property are in the process of disappearing into converted flats.

"There's nowhere for small firms to operate in. So we are creating homes but driving out employment which is perverse.

"And it means we are getting unbalanced development."

In response to a question by *Planning* on how much central government should lead the development of new settlements, Cable said a degree of "top-down" planning by central government was needed to get garden cities built.

A purely "bottom-up", locally-led approach was insufficient, he said, adding: "If you just hope that local planning will generate lots of houses, well it's not happening.

"We've got to get the best of both."

Cable went on to say that "an element" of the old "Stalinist" top-down method of house-

building by Labour-run councils in the 1960s and 1970s was required, involving methods such as development corporations and giving councils greater powers to acquire land.

"You are going to need that element of stick as well as carrot," he added.

Cable said the party was still in favour of land auctions as a way of developers and local authorities buying land at its original value before planning permission is granted, but said Pickles was "pathologically hostile" to the idea.

The business secretary admitted that the Lib Dems "disagree" with the Tories on the garden cities issue, while their coalition partners also "loathe" social housing, he added.

He further criticised government policies making it easier for developers to ask for section 106 planning gain agreements to be revised.

Cable said this would make it harder to provide the range of housing needed to meet demand, such as social rent and shared ownership.

He said: "We've been urged to shed section 106 agreements.

"I'm not sure if it has improved supply but it's been at the expense of making this imbalance [of housing supply] even worse."

Meanwhile, Cable also warned that brownfield land alone was not a solution to the housing crisis because it is often expensive to develop and leads to higher housing densities in urban areas.

He described another approach, building on the edges of towns and cities, as "urban sprawl" and "bad development" if there was no supporting infrastructure.

While garden cities can run into the opposition of rural conservation, the idea "probably represents the best possible outcome in combination with other things", Cable concluded.