



Planning for the Future

This briefing examines the recent government White Paper: 'Planning for the Future' and summarises London Councils' response to the White Paper consultation.

Introduction

In August 2020, the government published its White Paper 'Planning for the Future' which proposes radical reforms to town planning in England, replacing the existing system introduced in 1947. The government consultation ran for 12 weeks, closing on 29 October 2020.

Overview

The White Paper proposes radical reforms to town planning in England with the stated aim to:

- streamline and modernise the system
- improve design and sustainability standards
- reform developer contributions and
- increase land availability.

It includes 24 sets of proposals organised under three 'pillars': (1) planning for development (2) planning for beautiful and sustainable places and (3) planning for infrastructure and connected places.

The reforms seek to streamline the planning system, mainly to attempt to increase housing delivery via new nationally defined targets. The proposed changes are transformative, moving away from councils determining individual planning applications to a 'zoning' style system where planning approvals are automatic in 'growth' and 'renewal' areas, provided development complies with standards set within prescribed, more restricted Local Plans and associated design codes. In the third proposed area type, 'protected' areas (which would for example include conservation areas), more stringent development controls are envisaged.

It also proposes replacing the current arrangements for achieving affordable housing through section 106 and CIL with a new Infrastructure Levy, with nationally set levy rates. The changes seek to bring resident engagement forward to the plan-making stage, but limit resident involvement in individual planning applications, in order to streamline the process. Proposals are also included for greater digitisation of the planning system.

While the White Paper outlines a new planning framework for England, it leaves a significant amount of detail still to be determined.

Other recently announced planning changes

Over summer 2020, the government announced other far-reaching planning reforms:

- Extension of Permitted Development Rights (PDR) and Use Class Order changes, both implemented from 1 September 2020.
- MHCLG consultation on 'Changes to Current Planning System', which London Councils has also responded to in particular, the government's proposals for:
 - changes to the standard method for assessing housing need (which, in subsequent independent modelling, has generated unrealistic housing targets for London)
 - a stipulation that 'First Homes' would take up the first 25 per cent of the affordable housing requirement on sites
 - temporarily increasing the site threshold for affordable housing from 10 units to 40 or 50 units.

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London councils response to white paper consultation

Given the strategic importance of the White Paper proposals, the draft London Councils consultation response was presented to Leaders' Committee on 13 October 2020. London Councils' final submitted response includes the following key messages:

The proposals would increase national control over local planning issues

The White Paper proposals focus on national direction via for example, prescribed development policies and Infrastructure Levy rates, as well as a diminution in the role of local planning authorities. London Councils has serious concerns as to what this would mean in practice for the standard of development brought forward and what limitations would exist on such developments. While councils would be required to develop design codes, it is not clear what mechanisms would be in place to ensure compliance prior to development, particularly in designated 'growth' areas. London Councils is concerned that imposing a centralised policy that removes local tailoring and local checks and balances could lead to inappropriate development. London Councils is also concerned that the proposed nationally prescribed 'growth', 'renewal' and 'protected' areas may be less relevant in a dense, complex urban environment like London, where there is potential for adjoining streets, or even individual buildings, to be allocated to different zones.

Local democratic accountability and resident engagement would be undermined by the proposed changes.

The White Paper has the potential to downgrade the role of local councillors and reduce resident consultation in respect of applications for individual sites. London Councils is concerned that many residents will find it difficult to engage in the development of Local Plans and design codes, as envisaged by the White Paper, but will feel disenfranchised in respect of being able to influence individual planning applications.

Cutting the requirement for planning permission in 'growth' and 'renewal' areas would represent an expanded planning free-for-all, even when compared to the recent extension of Permitted Development Rights.

The proposal to move to zoning arrangements, with more availability of automatic planning approvals in 'growth' and 'renewal' areas and fewer opportunities for local oversight, makes it much harder for councils to manage development in their areas, for example making sure the right sort of homes are built to the right standard in the right places. This could exacerbate some of the problems that councils have experienced with the extension of Permitted Development Rights and the proliferation of lower quality development in unsuitable locations and posing additional challenges for future residents and local communities.

The impact of the proposed mechanism for distributing a nationally set housing target between authorities in reflecting local needs.

London Councils is very concerned about the White Paper proposals for allocating housing targets. The proposals envisage a national process for allocating targets to boroughs taking into account a range of prescribed factors, rather than being generated locally to reflect and help meet local needs. Given this reliance on a national prescribed policy, more detail is needed on how local circumstances would be reflected in development. In particular, detailed policies on affordable housing targets, tenure splits and dwelling mixes would need to be established.

The abolition of section 106 and CIL risks a major reduction in affordable housing delivery and housing standards.

There are serious concerns over proposals to remove Section 106 agreements and the Community Infrastructure Levy. Councils already have very few mechanisms for ensuring affordable housing targets are met. The abolition of these measures risks putting boroughs in an even weaker position, thereby exacerbating the housing crisis in London. While reforms that provide greater certainty in the development process may potentially be helpful, any changes to S106 need clear, robust mechanisms in place which guarantee that at least the same amount of affordable housing can be secured. The Infrastructure Levy (IL) proposals as set out currently do not give confidence that such a test can be passed. Under the current section 106 and CIL arrangements, London generates more funding than anywhere else in the country, so by taking a national rather than local view of planning, London stands to lose funding to other areas, depleting the essential infrastructure needed to support the high levels of development in the capital. London Councils is also concerned about the wide range of activity that the new IL could be expected to fund, as well as the potential crowding out of projects if the new arrangement cannot deliver the necessary funding. Some of the IL items may be better funded centrally, with developer contributions focused on affordable housing and ensuring low carbon development. There is also a risk of moving payment of the new Infrastructure Levy to the occupation stage when councils have borrowed against it, with levy payments potentially not forthcoming should viability reduce below a threshold. This arrangement effectively transfers risk from developers to financially hard-pressed councils.

The role of the planning system in housing delivery

There is significant challenge to the implication in the White Paper that the planning system is the principal barrier to development. The 2018/19 pipeline of permitted homes in London is 305,289, the highest ever recorded. If all these permitted homes were actually built, they would deliver over half of London's new 10-year housing target. According to figures from the Home Builders Federation, 69,300 new homes were granted planning permission in London in the year to September 2019, which is higher than the annual target of 52,000 homes in the 'Intend to Publish' version of the London Plan. The Letwin Review, explained the challenges of delivery after planning permission is granted and outlined recommendations for diversifying the housing sector and completing more homes. The White Paper's contention that reducing local planning powers would lead to a substantial increase in housebuilding is not supported by current evidence. London Councils would therefore encourage the government to revisit the Letwin Review, re-analyse the reasons for insufficient housing delivery and reflect on whether the scale and nature of the White Paper reforms are warranted.

The impact of the White Paper proposals on other issues, for example environmental concerns.

While London Councils strongly supports increased housing delivery, particularly affordable housing, we are concerned that the narrower focus of Local Plans as envisaged by the White Paper would crowd out other issues important to boroughs and relevant to the wider role the planning system plays in balancing competing demands in places. This includes a wide range of social, economic and environmental issues, including in particular policies to fulfil local climate change targets. London boroughs have been at the forefront of declaring climate

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emergencies and putting in place planning policies to deliver low carbon development. There is a concern that the proposals, insofar as they limit councils' ability to influence individual development proposals, will affect the degree to which low carbon targets can be met and may constrain those boroughs that wish to set more ambitious goals locally in this regard.

Increased costs and new burdens on councils flowing from the White Paper.

The White Paper proposals do imply some significant new burdens on councils, such as the need to develop new Local Plans and design codes, potentially masterplans for larger sites and new lists of heritage assets. A key question going forward will be: *What level of new burdens funding may be available to councils to support this work?* The government envisages that councils will have time freed to focus more on the enforcement of planning and building regulations (in addition to an undefined proposal to establish a new centre of expertise for design within Homes England). However, these are not necessarily comparable disciplines. This is particularly in relation to building regulations, where there are painfully few qualified officers and significant capacity pressures.

The risk to investment and development at a critical time

The government's ambition is for reform to be introduced by the end of this Parliament, in December 2024. It is proposed that councils would have 30 months to adopt their new Local Plans to reflect the planned legislation (unless their existing Plan was adopted within the past three-years, in which case a 42 month timeframe is proposed). This is seen as ambitious by the sector, particularly given the need to develop new nationally defined policies through a revised NPPF. London Councils is concerned that there is insufficient recognition of the role of planning in providing a stable platform for investment by developers and landowners, and that the uncertainty that such proposals introduce, particularly in a period of wider challenge to the economy, could have an adverse impact on the trajectory of development before 2024.

Commentary

The White Paper proposals represent a significant centralisation of control, with greater focus on national direction, for example, in terms of development policies, housing targets and Infrastructure Levy rates. Alongside this, the proposals envision a paring back of local planning authorities to a high level role, designating land uses and developing design codes. Much of the detail is still to come, and London Councils anticipates further opportunities to provide feedback on more detailed proposals, in addition to the government's initial, high level consultation.

Author: Nick Smith, Principal Policy & Project Officer (T: 020 7934 9578)

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Links:

[Planning for the Future \(closed consultation\)](#)

[London Councils' response in full](#)

This member briefing has been circulated to:

Portfolio holders and those members who requested policy briefings in the following categories: Housing & Planning