

### Leaders' Committee

### The Planning White Paper Item no:

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**Summary** The report details the draft London Councils response the Planning White

Paper consultation, which outlines some significant proposed changes to the Planning system, and the role of Local Authorities as key decision

makers on local development.

**Recommendations** Leaders' Committee is asked to:

a. Give comments and feedback on key lines and the draft response itself (appended)

### The Planning White Paper

#### Introduction

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

- (i) streamline and modernise the system,
- (ii) improve design and sustainability standards,
- (iii) reform developer contributions and
- (iv) increase land availability.

While there is support for these overall aims, the proposals themselves that sit underneath represent a significant centralisation of control, with greater focus on national direction for example in terms of development policies, housing targets and Infrastructure Levy (IL) rates, and 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 we anticipate further opportunities to provide feedback on said detail in addition to this initial, high level consultation.

London Councils has worked to compile our draft consultation response which, given the strategic importance of the topic is now being presented in full to Leaders' Committee. In the drafting, officers liaised with the Royal Town Planning Institute, the Planning Officers' Society, the Association of London Borough Planning Officers, the Housing and Growth Lead from CELC, the West London Alliance and the Highbury Group, which included individual borough feedback at a variety of forums, including in addition to the above, the Low Carbon Development working group hosted by London Councils.

The below outlines are the main concerns expressed in the response, we also contend that some elements could be introduced positively and potentially sooner – for example around digitisation.

# 1. <u>The White Paper proposals would increase national control over local</u> 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. We have 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. We are concerned that imposing a centralised policy that removes local tailoring and local checks and balances could lead to inappropriate development. We are also concerned that the proposed nationally prescribed 'growth', 'renewal' and 'protection' 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.

# 2. <u>Local democratic accountability and resident engagement could be undermined by the proposed changes.</u>

The White Paper has the potential to downgrade the role of local councillors and reduce resident consultation in respect of applications for individual sites. We are 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.

# 3. 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

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

We are concerned about the White Paper proposals for allocating housing targets. The White Paper 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.

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

There are concerns over proposals in the White Paper to remove Section 106 agreements and the Community Infrastructure Levy. Councils already have limited mechanisms for ensuring affordable housing targets are met and these measures could put boroughs in an even weaker position, thereby exacerbating the housing crisis in London. Whilst reforms which 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 White Paper Infrastructure Levy (IL) proposals as set out currently do not give confidence that such a test can be passed. We are 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.

### 6. 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. The proposed consultation response therefore encourages 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.

Whilst 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 may 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 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 they low carbon targets can be met and may constrain those boroughs that wish to set more ambitious goals locally in this regard.

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

The 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 to probe 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.

#### 8. 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 reflecting 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. We are 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.

The draft consultation response is set out at appendix A.

#### **Financial implications for London Councils**

There are not immediate financial implications for London Councils as a result of this report.

#### **Legal implications for London Councils**

None

#### **Equalities implications for London Councils**

There are no direct equalities implications for London Councils as a result of this paper (our thoughts on the implications of the proposals are included in the appended response)

Appendix A: London Councils Draft Consultation Response

### **London Councils Consultation Response**

### Introduction

London Councils represents London's 32 borough councils and the City of London Corporation. It is a cross party organisation that works on behalf of all its member authorities regardless of political persuasion. We welcome the opportunity to respond to MHCLG's consultation on the White Paper: 'Planning for the Future' published on 6 August 2020.

The White Paper proposes radical reforms to town planning in England (replacing the existing system introduced in 1947). The replacement planning system proposed in the White Paper involves greater centralisation at a national level and reduces the role of councils. 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. While we support the overarching principles, the proposed changes raise important concerns and pose a number of risks.

As the proposals centralize control nationally with a predominantly one size fits all approach, they would undermine the role of councils in managing development in their areas. The changes would also reduce limit resident engagement, particularly in the consideration of individual development proposals. The three prescribed 'growth', 'renewal' and 'protected' zones would be very difficult to apply in a complex urban setting like London, where there is potential for adjoining streets or even buildings to be differently zoned.

We are concerned that the proposed mechanism for distributing a nationally set housing target between authorities would be prescriptive and not reflect local needs. Also, replacing the current arrangements for achieving affordable housing (through section 106 and CIL) with a new Infrastructure Levy risks reduced affordable housing delivery, exacerbating the homelessness crisis in London. The proposed Infrastructure Levy raises other concerns, including the national setting of levy rates and increased financial risk for councils.

The White Paper attributes the lack of housing delivery to the planning system. We consider that the obstacle to housing delivery is not the planning system, but failure to build out unimplemented planning permissions and lack of government funding for affordable housing. We are also concerned that the proposals would narrow the focus of Local Plans to housing, crowding out other important issues, such as the delivery of low carbon development to meet national and borough level climate change targets.

The proposed changes would involve the development of new prescribed Local Plans and detailed design codes to support the new zoning arrangements, which would require substantial new burdens funding.



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There are a number of positive proposals in the White Paper which London Councils would support or warrant further exploration including:

- Simplification of s106 and CIL and the removal or downgrading of viability appraisals in the planning process
- Some of digital reforms which offer improved access to the planning process for residents, provided existing methods of resident involvement are retained for those without digital access.

However, these changes could be easily introduced without the wholesale reform of the planning system.

The White Paper also omits changes which would improve the current system, notably providing councils with powers to ensure unimplemented permissions are built out. London's planning system is not the barrier to development portrayed in the White Paper. In fact, 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. It is widely recognised that a lack of planning permissions is not the brake on housing delivery. Indeed, the Letwin Review, commissioned under a previous Chancellor, 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 evidence. We 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.

We are 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.

The White Paper leaves a significant amount of detail still to be determined. We look forward to responding therefore to future consultation on key details. This includes policies such as the Infrastructure Levy rate and arrangements; the creation of housing targets and the implications for failing to meet these locally; a replacement for the Duty to Cooperate; environmental improvement mechanisms; a replacement for building sustainability appraisals; the creation of a new expert body to 'monitor and challenge' design standards; and proposals to increase build out rates. What role the Mayor of London will have within the new system is also an outstanding question, as well as the scale at which plan making will occur in London and the wider South East to meet local needs.

The White Paper omits changes which would improve the existing system. This includes providing councils with powers which can require developers to build out the planning permissions they have been granted. Such powers would provide an early, substantial boost to housebuilding.

We are aware that our concerns about these far-reaching proposals are shared across wider local government and among many housing and planning experts.



### Key messages

#### 1. The White Paper 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. We have 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. We are concerned that imposing a centralised policy that removes local tailoring and local checks and balances could lead to inappropriate development. We are also concerned that the proposed nationally prescribed 'growth', 'renewal' and 'protection' 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.

### 2. <u>Local democratic accountability and resident engagement could be undermined by the proposed changes.</u>

The White Paper has the potential to downgrade the role of local councillors and reduce resident consultation in respect of applications for individual sites. We are 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.

# 3. 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

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

We are concerned about the White Paper proposals for allocating housing targets. The White Paper 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.



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

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#### 9. 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 reflecting 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. We are 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.

### **Responses to Consultation Questions**

# Question 1: What three words do you associate most with the planning system in England?

#### **Response to Question 1:**

N/A – this is a local government stakeholder response

# Question 2: Do you get involved with planning decisions in your local area? [Yes / No]

#### **Response to Question 2:**

This question is directed to local people. However, we have provided comments below related to resident and community involvement with planning decisions, to which local government is central.

London Councils represents the 32 London boroughs and the City of London Corporation who are all Local Planning Authorities responsible for making planning decisions in their areas.

The White Paper would establish a significant democratic deficit in relation to planning, through downgrading the role of local councillors, reducing resident consultation and streamlining applications for individual sites. We are concerned that residents will find it difficult to engage in the development of Local Plans and design codes, as



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envisaged by the government, and will feel disenfranchised in respect of individual planning applications, from which the government proposals seek to largely exclude them. This disenfranchisement would be mostly likely in the 'growth' and 'renewal' areas, rather than in 'protected' areas where it appears the current arrangements for resident engagement on individual applications for planning permission would be maintained. This two tier approach to the determination of individual development proposals has important equalities implications, as disadvantaged groups are likely to disproportionately reside in 'growth' and 'renewal' areas, whereas more affluent households are likely to disproportionately reside in 'protected' areas, such as conservation areas and higher value locations near protected green spaces.

#### Question 2(a): If no, why not?

[Don't know how to / It takes too long / It's too complicated / I don't care / Other – please specify]

#### Response to Question 2(a):

As above, we have provided comments below related to resident and community involvement with planning decisions.

We consider that residents are most likely to get involved with individual planning applications which directly affect their home, local street or neighbourhood, rather than the development of their Local Plan and associated documents, like design codes. Consequently, whilst we would support greater resident involvement in Local Plan formulation, we are concerned that resident involvement in individual planning decisions is being minimised by the government's proposals, particularly in 'growth' and 'renewal' areas. We consider that this approach could erode public confidence in the planning system, particularly in 'growth' and 'renewal' areas, which would outweigh the justification of 'streamlining' the planning decision making process presented in the White Paper.

Question 3: Our proposals will make it much easier to access plans and contribute your views to planning decisions. How would you like to find out about plans and planning proposals in the future?

[Social media / Online news / Newspaper / By post / Other – please specify]

#### **Response to Question 3:**

Again, we have provided comments below related to resident and community involvement with planning decisions.

The digital reforms proposed in the White Paper could offer improved access to the planning process for some residents which we would support, subject to existing methods of resident involvement being retained and enhanced for those without digital access. This has important equalities implications for disadvantaged households and communities who are less likely to have digital technology and knowledge of how to use it. We would also note that the digital changes proposed in the White Paper could be easily introduced without wholesale reform of the planning system.

#### Question 4: What are your top three priorities for planning in your local area?



[Building homes for young people / building homes for the homeless / Protection of green spaces / The environment, biodiversity and action on climate change / Increasing the affordability of housing / The design of new homes and places / Supporting the high street / Supporting the local economy / More or better local infrastructure / Protection of existing heritage buildings or areas / Other – please specify]

#### **Response to Question 4:**

Again, we have provided comments below related to resident and community involvement with planning decisions.

In our view, planning priorities are best decided locally and democratically at Local Authority level, following consultation and engagement with local communities. In this context, we consider that a negative impact of the White Paper proposals is that they would undermine the role of councils in managing development to meet the needs of their local areas. For example, it would be a retrograde step if the ability of London boroughs to ensure that new development includes affordable homes were undermined, exacerbating the homelessness crisis in the capital – a key concern of boroughs and Londoners. London has already had the negative experience of Permitted Developments Rights (PDR) undermining the role of boroughs, creating sub-standard homes in unsuitable locations with no affordable requirement, and PDR now being extended from 1 September 2020 despite strong opposition. The White Paper changes risk magnifying these problems.

# Question 5: Do you agree that Local Plans should be simplified in line with our proposals?

[Yes / No / Not sure. Please provide supporting statement.]

#### **Response to Question 5:**

No. We do not support the government's proposals which would transform the role of Local Plans within the planning system. The White Paper proposals suggest that a primary role of Local Plans (with associated documents, such as design codes) would be to set the standards which development proposals in 'growth' and 'renewal' areas would need to meet in order to receive an automatic permission (In the case of 'renewal' areas this would be an automatic outline approval and in 'renewal' areas, an automatic presumption in favour of development). The greater centralisation of policy making nationally, would also limit the scope for Local Plans to deviate from national prescription in order to meet local priorities and promote local ambitions. The document length and timescales for the production of a Local Plan are also curtailed in the government's proposals.

We consider that the government has underestimated the work involved in establishing the policy framework required within a Local Plan to administer the new 'zoning' style system being proposed i.e. the government's 'growth', 'renewal' and 'protected' areas. Consequently, the government has proposed an unrealistic timeframe of 30 months for Local Plan formulation, when borough planners with experience of zoning systems in other countries have suggested that this would be insufficient. The government proposals appear to be based on an unrealistic expectation that it would be possible to cut back the time needed to decide individual development proposals via the use of automatic permissions whilst, at the same time, cutting back on the time needed to prepare the complex guidance needed to operate such a system. This similarly applies to government suggestions that less planners would be required to operate a 'zoning' style system, when in our view additional resources and new burdens



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funding would be required. Additionally, experience from abroad suggests that developers would regularly submit development proposals which do not conform to the standards set for the proposed 'growth' and 'renewal' areas, resulting in complex negotiations and the processing of a full planning application.

The White Paper proposals are heavily focused on increasing housing delivery. We are therefore concerned that housing could become the main focus of Local Plans, crowding out other important local issues, for example, social, economic and environmental concerns, including policies to fulfil local climate change targets. Whilst London Councils strongly supports increased housing delivery, particularly affordable housing, we are concerned that the scope of Local Plans is being limited and narrowed, diminishing the importance of other issues important to boroughs and relevant to the wider role the planning system plays in balancing competing demands.

We consider that boroughs would face substantially increased costs in managing the changes envisaged in the White Paper. The government claims that councils will be "freed from many planning obligations" through the reforms. However, rather than freeing up officer time, the proposals create significant new burdens, including the need to develop new Local Plans and design codes described above, and potentially masterplans for larger sites and new lists of heritage assets. A key question will be what level of new burdens funding would be made 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.

Question 6: Do you agree with our proposals for streamlining the development management content of Local Plans, and setting out general development management policies nationally?

[Yes / No / Not sure. Please provide supporting statement.]

#### **Response to Question 6:**

No. As set out in our response to question 5 above, we do not support the government's proposals for Local Plans and consider that the proposals for greater centralisation with more nationally set policies is too prescriptive, thereby restricting boroughs in setting local policies which best meet the needs of their areas.

Question 7(a): Do you agree with our proposals to replace existing legal and policy tests for Local Plans with a consolidated test of "sustainable development", which would include consideration of environmental impact?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 7(a):

There are a number of areas within the White Paper where we consider the government has provided insufficient information on which to comment. The government's proposals for a consolidated test of 'sustainable development'



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falls in this category. Therefore, we would ask the government to provide more clarification of its proposals in this area, particularly how establishing the proposed single statutory 'sustainable development test' would align with replacement of the current test of soundness and deletion of the Duty to Cooperate.

This is issue is high importance given the priority attached to sustainable development by London boroughs, a priority we share with government.

## Question 7(b): How could strategic, cross-boundary issues be best planned for in the absence of a formal Duty to Cooperate?

#### Response to Question 7(b):

This is another area within the White Paper where we consider the government has provided insufficient information on which to comment. The government's proposals do not provide sufficient information on a replacement for the 'Duty to Cooperate' which it proposes to abolish. However, we would reflect that the government's separate proposals for a new standard method for assessing housing need ('the standard method') would, according to the calculations by Lichfield's (see link: <a href="https://lichfields.uk/grow-renew-protect-planning-for-the-future/how-many-homes-the-new-standard-method/">https://lichfields.uk/grow-renew-protect-planning-for-the-future/how-many-homes-the-new-standard-method/</a>)

generate an unrealistic housing target of 93,500 homes per annum for London, raising the question of how unmet need would be met in the absence of a Duty to Cooperate.

In respect of wider strategic issues, we would note that other areas where the White Paper has provided insufficient information include what role it is envisaged the Mayor of London will have within the new system, as well as the scale at which plan making will occur in London and the wider South East to meet local needs.

# Question 8(a): Do you agree that a standard method for establishing housing requirements (that takes into account constraints) should be introduced? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 8(a):

No. We are concerned that the proposed mechanism for distributing a nationally set housing target between authorities would not reflect local needs. The current national target is not based on a robust, transparent assessment, but is essentially a politically set target which, under the White Paper proposals, would be allocated to boroughs nationally taking into account a range of prescribed factors, rather than generated locally to 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.

We are concerned that the White Paper proposals contain insufficient information on how the local housing targets would be calculated and the degree to which this process would rely upon the proposed new standard method for assessing housing need ('the standard method') included in the previous consultation on 'Changes to the current planning system' which closed on 1 October 2020. In our response to that consultation, we expressed serious concerns over the new standard method – our immediate primary concern being the unrealistic annual target of



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93,500 homes (161% increase) generated by Lichfield's analysis as compared to the reduced London Plan target of 52,000 homes.

Question 8(b): Do you agree that affordability and the extent of existing urban areas are appropriate indicators of the quantity of development to be accommodated? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 8(b):

No, this is too simplistic. We are concerned about the White Paper proposals for assessing the quantity of development to be accommodated in a local authority area. For example, the proposed standard method for establishing the 'housing requirement' for a particular local authority applies a nationally generated target, rather than a target produced locally to meet needs in that area, as described in our response to question 8(a) above. We are also concerned about the lack of clarity over how the new standard method for assessing housing need would be relied upon – again this covered in our response to question 8(a). As regards the proposed indicators of the quantity of development to be accommodated, we do not support the approach being proposed and do not consider that the use of indicators to adjust the targets will make this approach acceptable.

Question 9(a): Do you agree that there should be automatic outline permission for areas for substantial development (*Growth* areas) with faster routes for detailed consent? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 9(a):

No. The White Paper proposals represent a significant centralisation of control, with greater focus on national direction, for example prescribed development policies and Infrastructure Levy rates, and a paring back of local planning authorities to a high-level role designating land uses and developing design codes. We have 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. We are concerned that imposing a one-size fits all, centralised policy that removes local checks and balances would lead to inappropriate development, including over-priced and poor-quality homes. We are also concerned that, whilst the nationally prescribed 'growth', 'renewal' and 'protection' areas could theoretically be applied outside London to create meaningful zones, it is difficult to see how this would work in a dense, complex urban environment like London, where the patchwork of individual buildings in a locality would need to be allocated to different zones.

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 White Paper proposals seek to weaken local scrutiny by moving to zoning arrangements, with more availability of automatic planning permission in 'growth' and 'renewal' areas and fewer opportunities for local accountability and oversight. As a result of these changes, it would become much harder for councils to manage development, for example making sure the right sort of homes are built to the right standard in the right places, adding to the problems



caused by PDR. This all points to a proliferation of lower quality development in unsuitable locations, with repercussions for future residents and local communities.

### Question 9(b): Do you agree with our proposals above for the consent arrangements for *Renewal* and *Protected* areas?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 9(b):

No. We consider that the proposals for consent arrangements in 'Renewal' areas would weaken local accountability and oversight of planning decisions as described in our response to question 9(a) above. We consider that maintaining current arrangements for deciding planning applications in 'protected' areas whilst automatic permissions apply in 'growth' and 'renewal' areas is problematic, as this effectively creates a two tier system with equalities implications for communities in different parts of a borough, as fully described in other response to question 26 below.

# Question 9(c): Do you think there is a case for allowing new settlements to be brought forward under the Nationally Significant Infrastructure Projects regime? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 9(c):

Not sure. The White Paper proposes that for exceptionally large sites, such as a new town, the government intends exploring whether a Development Consent Order under the Nationally Significant Infrastructure Projects regime may be an appropriate route to secure the consents needed to overcome land assembly and planning challenges. As this is unlikely to apply in London, we think other stakeholders are better placed to comment.

### Question 10: Do you agree with our proposals to make decision-making faster and more certain?

[Yes / No / Not sure. Please provide supporting statement.]

#### **Response to Question 10:**

No. We consider whilst that the government's proposals aim to make decision-making faster and more certain, this would only be achieved under these proposals by undermining local democratic control of planning decisions, weakening resident involvement in the planning process, risking poor standard development, and narrowing the scope of Local Plans. In addition, the greater centralisation of planning policy nationally, which these proposals involve, would further undermine the ability of local councils to manage development in their areas in consultation with local communities who, under current arrangements, are subject to the same planning decision making process and resident consultation arrangement irrespective of where they live in the area.

Question 11: Do you agree with our proposals for accessible, web-based Local Plans? [Yes / No / Not sure. Please provide supporting statement.]



#### **Response to Question 11:**

Yes. We would support digital improvements including more accessible, web-based Local Plans provided that the planning system remains accessible to planning applicants, local residents and communities without access to digital technology or knowledge. This has equalities implications as set out in response to question 26.

## Question 12: Do you agree with our proposals for a 30 month statutory timescale for the production of Local Plans?

[Yes / No / Not sure. Please provide supporting statement.]

#### **Response to Question 12:**

No. We consider that a 30 month timescale for the production of the new style Local Plans envisaged by the government is unrealistic, as explained in our response to question 5.

The government ambition is for its proposals to be in place by the end of this Parliament, in December 2024. This timetable for introducing the planned legislation is partly reliant on the proposal that councils would have 30-months to adopt their new Local Plans (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, given the need to also develop new nationally defined policies through a revised NPPF.

We are concerned that the government has not recognised the role of planning in providing stable platform for investment and has not anticipated the reaction of developers, investors and landowners to the uncertainty of its proposals. Consequently, the White Paper changes risk disrupting investment and delaying development at least until 2024.

# Question 13(a): Do you agree that Neighbourhood Plans should be retained in the reformed planning system?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 13(a):

Not sure. We consider that Neighbourhood Plans have a role to play within the current system, but it is unclear how this would continue under the proposed new arrangements with nationally prescribed policies and a more restricted role for Local Plans.

Question 13(b): How can the neighbourhood planning process be developed to meet our objectives, such as in the use of digital tools and reflecting community preferences about design?

#### Response to Question 13(b):

Please see our response to question 13(a) above.



Question 14: Do you agree there should be a stronger emphasis on the build out of developments? And if so, what further measures would you support?

[Yes / No / Not sure. Please provide supporting statement.]

#### **Response to Question 14:**

Yes. We consider that the build out of unimplemented planning permissions is a key obstacle to housing delivery. However, the White Paper attributes lack of housing delivery to the planning system itself, but does not provide evidence to support this view. London's planning system is not the barrier to development portrayed in the White Paper. In fact, 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. It is widely recognised that a lack of planning permissions is not the brake on housing delivery. Indeed, the Letwin Review, commissioned under a previous Chancellor, 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 evidence. We 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 White Paper omits changes which would improve the existing system. The most obvious omission is providing councils with powers which can require developers to build out the planning permissions they have been granted. We would support such powers as they would provide an early, substantial boost to housebuilding. This approach would also be based on the evidence, which shows it is not a lack of planning permissions holding back delivery, but delays in building out the large number of unimplemented permissions.

We consider that inadequate funding lies at the heart of housing delivery shortfalls. Funding a wider range of providers delivering a more diverse range of tenures, in particular more affordable housing provided by local councils, would increase build-out rates. We consider that this approach would accord with the Letwin review findings and, in response to the covid-19 crisis, would produce both more homes to meet increasing homelessness demand and more jobs to tackle increasing unemployment. Significant, large-scale housebuilding is expensive and over many years local government has not been funded as a major supplier of public housing. National house building completions have only previously reached the levels currently sought by the government, when council house building made up a substantial proportion of completions (check data). London boroughs have been making the case for more government investment and a boost to council housebuilding, recently approaching the government for financial support to build 50,000 homes. London is experiencing the most severe homelessness crisis in the country due to a chronic shortage of genuinely affordable homes. The capital accounts for two-thirds of homelessness in England, with 58,000 homeless households placed in temporary accommodation by London boroughs. There are currently 243,000 London households on council housing waiting lists and boroughs collectively spend around £1 billion each year on homelessness services. Last year, the Mayor started more than 17,000 new affordable homes and boroughs started more than 3,300 new council homes, the highest of any year since 1983. Greater funding of new affordable homes by London boroughs would both increase this housing delivery and reduce homelessness, thereby supporting the government's planning and housing objectives.



Question 15: What do you think about the design of new development that has happened recently in your area?

[Not sure or indifferent / Beautiful and/or well-designed / Ugly and/or poorly-designed / There hasn't been any / Other – please specify]

#### **Response to Question 15:**

In their development of Local Plans, supplementary planning documents and design codes London boroughs consult widely with local communities and residents on a wide range of issues, including design quality and we support these arrangements continuing.

Question 16: Sustainability is at the heart of our proposals. What is your priority for sustainability in your area?

[Less reliance on cars / More green and open spaces / Energy efficiency of new buildings / More trees / Other – please specify]

#### **Response to Question 16:**

We are pleased the government considers sustainability to be at the heart of their proposals, and we share their ambitious carbon reduction targets. London boroughs have been at the forefront of declaring climate emergencies and putting in place planning policies to deliver low carbon development. London Councils itself has launched a Climate Programme to support boroughs in this area. For the government to achieve its sustainability ambitions, and embed them as part of these proposals, we would expect carbon reduction policies to feature far more prominently throughout. As it stands, we are concerned that the White Paper would weaken Local Plans and boroughs' management of individual development proposals and the degree to which they meet low carbon targets. We are also concerned that nationally prescribed targets would hold back boroughs who have set more ambitious local goals.

# Question 17: Do you agree with our proposals for improving the production and use of design guides and codes?

[Yes / No / Not sure. Please provide supporting statement.]

#### **Response to Question 17:**

No. The government's proposals for design guides and codes form part of the wider proposal to introduce a 'zoning' style approach which we do not support. We anticipate that the improved design guides and codes required to support the operation of the government's 'zoning' style 'growth', 'renewal' and 'protected areas' would need to be tailored to each local authority area and to the distinct localities within each borough. This would be a time consuming and costly process for which new burdens funding would be required, as described in our response to question 5.



Question 18: Do you agree that we should establish a new body to support design coding and building better places, and that each authority should have a chief officer for design and place-making?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 18:

There are a number of areas within the White Paper where we consider the government has provided insufficient information on which to comment. The government's proposals for the creation of a new expert body to 'monitor and challenge' design standards falls in this category. Therefore, we would ask the government to provide more clarification of its proposals in this area.

The proposal for a Chief Officer for design and place-making in each local authority also requires clarification, for example whether this equates to a Chief Planner in each authority, managing a single department, and whether funding would be made available by the government for these posts.

Question 19: Do you agree with our proposal to consider how design might be given greater emphasis in the strategic objectives for Homes England?

[Yes / No / Not sure. Please provide supporting statement.]

#### **Response to Question 19:**

We would support proposals which improve the design of new affordable homes, particularly in terms of better meeting the needs and aspirations of residents and achieving low carbon development to address climate change and fuel poverty.

Question 20: Do you agree with our proposals for implementing a fast-track for beauty? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 20:

Our concerns with this proposal relate to how the definition of beauty would be established taking into account different views of what constitutes 'beauty' and how this would be applied in different local authority settings. Also, a fast-track arrangement for one category of development proposals would put further pressure on hard-pressed planning authorities dealing with other proposals. This is, therefore, another area where new burdens funding would be required.

Question 21: When new development happens in your area, what is your priority for what comes with it?

[More affordable housing / More or better infrastructure (such as transport, schools, health provision) / Design of new buildings / More shops and/or employment space / Green space / Don't know / Other – please specify]



#### **Response to Question 21:**

As referred to in other responses, our main concern is that the process for determining the priorities for planning gain should be at a local authority level, taking into account community input.

Question 22(a): Should the Government replace the Community Infrastructure Levy and Section 106 planning obligations with a new consolidated Infrastructure Levy, which is charged as a fixed proportion of development value above a set threshold? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 22(a):

No. We have serious concerns over proposals to remove section 106 agreements and the Community Infrastructure Levy as this risks a major reduction in affordable housing delivery and housing standards. 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. Whilst reforms which provide greater certainty in the development process may potentially be helpful, any changes to s106 will be opposed unless there is a clear, robust mechanism in place which guarantees that at least the same amount of affordable housing can be secured. The White Paper Infrastructure Levy (IL) proposals do not pass this test. We are also concerned about the wide range of activity that the new IL could be expected to fund, and 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 hard pressed councils, for example, London boroughs currently face a £1.4bn funding shortfall due to pandemic pressures.

Question 22(b): Should the Infrastructure Levy rates be set nationally at a single rate, set nationally at an area-specific rate, or set locally?

[Nationally at a single rate / Nationally at an area-specific rate / Locally]

#### Response to Question 22(b):

There are a number of areas within the White Paper where we consider the government has provided insufficient information, this includes clarity on the proposals for Infrastructure Levy rate setting. However, we would be concerned about a nationally set rate and would in principle prefer a locally set rate. It is important that local government is fully involved in developing any potential changes in this complex area.

Question 22(c): Should the Infrastructure Levy aim to capture the same amount of value overall, or more value, to support greater investment in infrastructure, affordable housing and local communities?

[Same amount overall / More value / Less value / Not sure. Please provide supporting statement.]



#### Response to Question 22(c):

We recognise that developer contributions are not being maximised under the current arrangements, partly due to viability assessments, with affordable housing and other community benefits not being fully realised as a result. However, we are not convinced that the proposed Infrastructure Levy will improve the situation. On the contrary, we consider that it puts at risk what is already being achieved via the existing s106 and CIL arrangements. We would also note that CIL has taken a number of years to adjust and refine. Therefore, it is important to not underestimate the complexities of change in this area.

Question 22(d): Should we allow local authorities to borrow against the Infrastructure Levy, to support infrastructure delivery in their area?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 22(d):

We note the proposal to obtain Infrastructure Levy payments at occupation stage, as this would potentially provide more certainty over the amounts payable. However, it should not be forgotten that under current arrangements any discrepancy between developer contributions agreed in advance and an increased amount payable at occupation (due to increased sales values for example) can be recovered through claw-back arrangements. If the Infrastructure Levy were to be introduced with payment on occupation, it may be appropriate to provide councils with the option of borrowing. However, there is clearly a risk to councils in this situation that the levy payments they have borrowed against are not forthcoming. We are concerned that the proposed arrangements for a new Infrastructure Levy effectively transfer risk from developers to hard pressed councils. In London, for example, boroughs currently face a £1.4bn funding shortfall due to pandemic pressures.

Question 23: Do you agree that the scope of the reformed Infrastructure Levy should capture changes of use through permitted development rights?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 23:

Yes. We are strongly opposed to residential Permitted Development Rights and consider that they should be subject to an affordable housing requirement and other planning obligations. Therefore, should the proposed Infrastructure Levy proceed, we would support this being applied to PDR in principle, but would wish to comment further on the outputs, particularly in terms of affordable homes and housing standards.

Question 24(a): Do you agree that we should aim to secure at least the same amount of affordable housing under the Infrastructure Levy, and as much on-site affordable provision, as at present?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 24(a):

Not sure. We consider that an <u>aim</u> to secure at least the same amount of affordable housing under the proposed Infrastructure Levy, and as much on-site affordable provision, as at present is too weak. In our view, this would



need to be a guaranteed commitment with failsafe mechanisms in place before we could consider supporting the proposed changes. We are also concerned that the government's current policy direction is reducing the delivery of affordable housing, in particular sub-market rented housing, as evidenced by the recent extension of PDR with no affordable housing requirement, together with the government's separate new proposals for 'First Homes' (which would displace other more affordable tenures) and temporarily increasing the site threshold for affordable housing from 10 units to 40 or 50 units.

Question 24(b): Should affordable housing be secured as in-kind payment towards the Infrastructure Levy, or as a 'right to purchase' at discounted rates for local authorities? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 24(b):

As noted, this is further area within the White Paper where we consider the government has provided insufficient information, this includes clarity on the proposals for affordable housing to be secured as in-kind payment towards the Infrastructure Levy rate and 'right to purchase' proposal. From the information provided, we would be concerned that these proposals transfer financial risk to councils and involve additional work for councils in managing this risk and ensuring that housing standards are maintained.

Question 24(c): If an in-kind delivery approach is taken, should we mitigate against local authority overpayment risk?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 24(c):

Please see our response to question 24(b) above. As described above, we are concerned that the in-kind delivery approach further increases the financial risk for councils. These risks would need to fully mitigated.

Question 24(d): If an in-kind delivery approach is taken, are there additional steps that would need to be taken to support affordable housing quality?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 24(d):

Please see our responses to questions 22(a), 24 (a) and 24(b) above.

Question 25: Should local authorities have fewer restrictions over how they spend the Infrastructure Levy?

[Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 25:

Not sure. We are concerned about the wide range of activity that the new Infrastructure Levy could be expected to fund, and the potential crowding out of projects if the new arrangement cannot deliver the necessary funding. Some



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of the Infrastructure Levy items may be better funded centrally, with developer contributions focused on affordable housing and ensuring low carbon development.

## Question 25(a): If yes, should an affordable housing 'ring-fence' be developed? [Yes / No / Not sure. Please provide supporting statement.]

#### Response to Question 25(a):

We consider that affordable housing needs to be protected and at least current levels of delivery guaranteed under any changes.

# Question 26: Do you have any views on the potential impact of the proposals raised in this consultation on people with protected characteristics as defined in section 149 of the Equality Act 2010?

#### Response to Question 26:

We are concerned that proposals in this consultation will have a negative impact on people with protected characteristics as defined in section 149 of the Equality Act 2010.

#### Affordable housing

The proposal to abolish section 106 and CIL risks significantly reducing the delivery of affordable housing, in particular sub-market rented housing, with a negative impact on the disadvantaged groups who disproportionately require such accommodation. We are very concerned that the proposals for a replacement Infrastructure Levy do not guarantee at least the same amount affordable housing as currently being delivered via section 106 and CIL. These proposals would compound a group of other government measures/proposals which also reduce the delivery of affordable housing, specifically sub-market rented housing, including:

- the extension of Permitted Development Rights with no affordable housing requirement from 1 September 2020
- proposals which stipulate that 'First Homes' would take up the first 25% of the affordable housing requirement on a site, displacing other affordable housing tenures including sub-market rented housing (as proposed in MHCLG consultation 'Changes to the current planning system' which closed on 1 October 2020)
- proposals to temporarily increase the small sites threshold (below which developers do not need to contribute to affordable housing) from 10 units to up to 40 or 50 units, in order to support SME builders (as proposed in MHCLG consultation 'Changes to the current planning system' which closed on 1 October 2020)

The over-representation of disadvantaged groups amongst homeless people and other lower income households is well established. Therefore, an Equalities Impact Assessment which compares the impact of the government's section 106 and CIL proposals with a 'no change' option would be appropriate. This assessment should also calculate the combined impact of the government's section 106 and CIL proposals plus the three other measures/proposals listed above. We suggest that BAME households, people with disabilities and other groups are likely to be significantly disadvantaged by all these changes.



#### Resident and community involvement in planning decisions

The White Paper proposals for 'growth' and 'renewal' areas would allow policy compliant developments to proceed without the need for planning permission and, consequently, with little or no opportunity for resident engagement on individual schemes in these areas. By contrast, it appears that planning permission and the associated resident engagement on individual schemes would continue as currently in 'protected' areas. We consider it likely that disadvantaged households and communities would disproportionately reside within 'growth' and 'renewal' areas with less opportunity to influence development nearby, whilst more affluent households and communities would disproportionately reside in 'protected' areas, such as conservation areas and higher value locations close to Metropolitan Open Land, Green Belt, parks and other green spaces, thereby benefitting from a greater say on development proposals which may affect them. This would risk compounding inequality and the disenfranchisement of disadvantaged groups. Therefore, an Equalities Impact Assessment which compares the impact of the government's proposals with maintaining the current system (the 'no change' option) would be appropriate.

#### Digital reforms

The digital reforms proposed in the White Paper could offer improved access to the planning process for some residents which we would support, subject to existing methods of resident involvement being retained and enhanced for those without digital access. This has important equalities implications for disadvantaged households and communities who are less likely to have digital technology and knowledge of how to use it. We would also note that the digital changes proposed in the White Paper could be easily introduced without wholesale reform of the planning system.

#### Conclusions

From our review of the proposals in this consultation we have reached the following conclusions:

- the proposals would centralize control nationally with a predominantly one size fits all approach, thereby undermining the role of councils in managing development in their areas.
- the proposed changes would reduce democratic accountability and limit resident engagement, particularly in the consideration of individual development proposals.
- the proposed 'growth', 'renewal' and 'protected' areas would be very difficult to apply in a complex urban setting like London.
- the proposed mechanism for distributing a nationally set housing target between authorities would be prescriptive and not reflect local needs.
- The proposals for replacing the current arrangements for achieving affordable housing (through section 106 and CIL) with a new Infrastructure Levy risks reduced affordable housing delivery, exacerbating the homelessness crisis in London. The proposed Infrastructure Levy raises other concerns, including the national setting of levy rates and increased financial risk for councils.
- the White Paper justifies the proposed reforms by attributing lack of housing delivery to the planning system, but does not provide evidence to support this view. We consider that the obstacle to housing delivery is not the planning system, but failure to build out unimplemented planning permissions and lack of government funding for affordable housing.
- the proposals would narrow the focus of Local Plans to housing, crowding out other important issues, such as the delivery of low carbon development to meet borough climate change targets.



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- the proposed changes would involve the development of new prescribed Local Plans and detailed design codes to support the new 'zoning' style arrangements, which would require substantial new burdens funding.
- The White Paper provides little or no information in a number of key areas, creating uncertainty. We consider that the limited number of positive proposals in the White Paper could be introduced without wholesale reform. The White Paper also omits changes which would improve the current system, notably providing councils with powers to ensure unimplemented permissions are built out.
- Importantly, the planning system provides a stable platform for investment, which the White Paper proposals would dismantle at a critical time, when the country is facing covid-19 recovery and Brexit implementation, risking upheaval and delayed development.



