

Committee: Planning & Transportation Committee	Date: 27/10/2020
Subject: City Corporation response to the Planning White Paper	Public
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Summary

On 6th August 2020, the Government published for consultation a Planning White Paper, 'Planning for the Future'. The White Paper sets out the Government's proposals for reform of the planning system to streamline and modernise the planning process, bring a new focus to design and sustainability, improve the system of developer contributions to infrastructure, and ensure more land is available for development. The proposed reforms are described under 3 Pillars: Planning for Development, Planning for Beautiful and Sustainable Places, and Planning for Infrastructure and Connected Places.

The principle of reform to the planning system is supported in order to deliver necessary housing, commercial and other development, through speeding up the planning system, providing certainty to developers, engaging communities earlier and more fully in the development of local plans and emphasising the importance of high quality design in new buildings and spaces. However, the ambitions underpinning the White Paper can be delivered through evolution of the existing planning system, or through selective reform, rather than through a wholesale replacement of existing mechanisms and an increase in central government direction. Alongside reform, a commitment from Government is needed to provide the necessary resources to local planning authorities to deliver timely local plans and planning decisions.

Recommendation

Members are asked to:

- Agree the overall approach set out in this report and in Appendix 1 in relation to the City Corporation's response to the MHCLG consultation on the Planning White Paper: Planning for the Future.

Main Report

Background

1. For a number of years, the Government has pursued a planning reform agenda, intended to modernise the planning system, remove unnecessary bureaucracy and provide flexibility to deliver new development, particularly housing development. Most recently, in August 2020, new permitted development rights

for the upwards extension of buildings and the demolition of commercial buildings and their replacement with residential were brought forward. In September 2020, a revision to the Use Classes Order came into effect, creating a new Commercial, Business and Service Uses class, Class E, which replaces the B1 business use class and the A1, A2 and A3 retail use classes. The implications of these changes for the City of London were considered at the 8th September 2020 meeting of this Committee.

Current Position

2. On 6th August 2020, the Government published for consultation a Planning White Paper, 'Planning for the Future'. The consultation period ends on 29th October 2020. The White Paper sets out the Government's proposals for reform of the planning system to streamline and modernise the planning process, bring a new focus to design and sustainability, improve the system of developer contributions to infrastructure, and ensure more land is available for development.
3. The White Paper recognises the importance of planning and its central role in addressing national challenges, including the economic recovery from the Covid-19 pandemic, delivering housing, sustainable development, combating climate change and improving biodiversity. Whilst acknowledging that there are examples of good planning and high performing planning departments, the Government's view is that the system is often too complex, discretionary, too slow, has insufficient focus on design, is reliant on out of date technology, and fails to deliver sufficient housing to meet needs.
4. The White Paper sets out 3 Pillars and 24 specific proposals for planning reform:
 - Pillar 1: Planning for Development
 - Pillar 2: Planning for Beautiful and Sustainable Places
 - Pillar 3: Planning for Infrastructure and Connected Places
5. This report outlines the key proposals for reform in each of the 3 Pillars and a suggested response. Appendix 1 sets out a more detailed response to each of the 24 reform proposals.

Overarching comments

Level of Detail

6. The planning system is constantly evolving as it responds to changes in the external political, financial, environmental, social and health and wellbeing environments. It is essential therefore that the system evolves to meet changing demands and the City Corporation supports in principle the need for review. To ensure support for, and buy-in to, proposed changes, there needs to be a sufficient level of detail to understand what is proposed, how it will work and its implications. The White Paper sets out radical proposals for change, but a number of its proposals appear as headlines, with little supporting information or detail, for example there are broad statements about reducing the length and complexity of planning applications and reducing the size of planning statements, but no explanation as to how this accords with national or local evidence requirements or local validation requirements. Similarly, Pillar 3 on planning for infrastructure is very light on detail as to how the proposed Infrastructure Levy will be delivered in practice or what will replace existing, non-financial, s106 planning

obligations. Without this detail, it is difficult to provide positive comments on a number of aspects of the proposed planning reform. Further explanation is needed alongside a commitment to further collaboration with planning authorities and consultation once this detail has been worked through.

Emphasis on Housing

7. The White Paper's proposals, whilst addressing all aspects of the planning system, are focussed on changes needed to deliver new housing to meet the Government's 300,000 homes a year target. There needs to be a greater recognition that the planning system is critical in bringing forward other development which is essential to deliver and sustain economic growth. The White Paper's proposals and detailed changes to planning guidance must address these wider development needs, including the need for commercial development, social and community facilities and transport and the need for open and green space and space for wildlife. The suggestion of pattern books to enable the replication of popular forms of development, for example, may be relevant to certain house types but cannot be applied to the variety of commercial buildings in the City.

Resources

8. The White Paper recognises that there are resource constraints within local planning authorities and that additional resource is needed, but fails to acknowledge the scale of additional resource or provide specific funding. Reference is made to the continuing need to part fund planning through taxation, but also to using Infrastructure Levy funding, planning application fee funding or pre-application advice funding. A clear, sustainable approach is needed, where costs are met partly by applicants and partly by general taxation, but with a commitment to ensure fees and grants are sufficient to cover costs on an ongoing basis. The White Paper also suggests that staff resources may be released for reallocation by the simplification of processes and procedures, but fails to recognise that the revised local plan process will require additional resource and new skills to deliver within the shortened timescales. Similarly, resource will be needed to develop and deliver design guidance and design codes. The financial and staff/skills resource implications need to be addressed to provide the certainty to residents and business that the new planning system is effective and responsive to their needs.

Pillars of Planning Reform

Pillar 1: Planning for Development

9. This sets out a new role for local plans as the foundation of a new rule-based planning system. Local plans will be required to allocate all land as either:
 - Growth Area – areas suitable for substantial development, such as urban extensions or new towns. Land allocated as a growth area would have outline approval for the specified development, with only detailed site or technical matters determined through a reserved matters application or a local development order.
 - Renewal Area – areas suitable for development, including built up areas where small scale development or “gentle densification” (as described in the White Paper) would be appropriate. There would be a statutory presumption

in favour of development being granted in these areas for uses specified in the local plan. The planning application process would be simplified and speeded up. There would be potential for schemes which meet defined design criteria to gain automatic consent.

- Protected Area – sites where control of development is justified due to environmental or cultural designations, such as conservation areas and listed buildings, flood risk zones, important green spaces or Green Belt. Development would be subject to the grant of planning permission, as currently, by the local planning authority.

10. The local plan would be a simplified document. Standard development management policies would be set out in national guidance and would not be repeated at the local level. The local plan would continue to identify land to meet a range of development needs. There would be a new national standard methodology for setting housing targets which would be binding on the local planning authority. This methodology would have regard to the size of existing urban areas, housing affordability, nationally identified development constraints, the need for other land uses and the need to ensure sufficient land is identified to meet the wider Government target of 300,000 new homes a year.

11. The preparation of local plans would be shortened, to 30 months, with public consultation at 2 stages: initial suggestions for land allocations and consultation on the full draft plan. This 30 month period would include the collection and analysis of evidence to support the plan, local committee approval processes and time for the Examination in Public. Plans that take longer than 30 months would be liable for government intervention.

12. Planning applications would be shorter and standardised with a planning statement of no more than 50 pages. There would be greater digitisation of the planning process with applications determined within set 8 or 13 week time limits. Local planning authorities would be expected to delegate more decisions to planning officers.

Comments on Pillar 1

13. There are a number of key proposals within the White Paper which can be supported in principle. The ambition to provide greater certainty to developers and residents over what development will be permitted, the ambition to speed up the system, to reduce unnecessary bureaucracy and to reduce the length and complexity of planning applications, are all worthy ambitions that can be supported in principle. There are, however, significant concerns around how the Government propose to realise these ambitions.

14. The White Paper proposes a fundamental change to the planning system in England, moving from a discretionary system which allows the individual impacts and merits of a scheme to be considered, to a rule-based system where proposals which accord with the local plan will be permitted. Allocating land to one of 3 designations in a central urban area such as the City of London, where there are multiple, overlapping planning, heritage and environmental designations, often on individual sites, is likely to be difficult and time consuming. The greater certainty of development attached to an allocation also requires a close assessment of the capacity for development and the detailed design of

development on individual sites at the local plan stage, effectively moving some of the role of the private developer to the public planning authority. Whilst this would give some certainty to developers, it would also limit their capacity for innovation in the form, layout and design of development, resulting in a more uniform character across an area. Simplification in the way proposed would not allow for legitimate local characteristics or local ambitions to be realised, even where such ambitions have local support.

15. The White Paper suggests that effective consultation at the local plan preparation stage would build in local support for development. However, the scaling back of the local plan process, the restriction to defined periods of local consultation and the long standing difficulty most local planning authorities have faced in engaging at the local plan stage, means that this approach is likely to result in less, not more, local support for necessary development. This would be exacerbated by the reduced capacity for member involvement within local planning authorities and the reduction in scope for comment and objection to individual applications and individual scrutiny of applications at committee.
16. The City Corporation has for many years adopted a positive approach to planning for new development, working pro-actively with developers to deliver nationally significant and important development, enhancing economic growth. This process has engaged local residents and members at plan production and individual application stages. The City Corporation considers that this current discretionary approach should continue, providing clear and transparent opportunities for democratic input, but with greater weight attached to local plan policy in the determination of applications, to provide a greater degree of certainty and expectation over acceptable forms of development.
17. Pillar 1 contains a specific proposal to move from the provision of national advice and guidance on housing needs to a mandatory target for housing delivery set by national government. An initial analysis of the methodology proposed has been undertaken by Lichfields. This suggests that the City of London's housing target could be 116, compared with the current draft London Plan target of 146 dwellings per year. Across London, however, housing delivery targets would increase from 53,000 in the London Plan to 93,500 (an increase of 79%), with some boroughs experiencing increases of several hundred percent. There appears to be no mechanism for local planning authorities to challenge the nationally set target or for local resident or business input. The City Corporation recognises that there is a shortage of housing across London and that this is impacting economic and business growth, but it remains important for local communities to be involved in decisions on the scale of new development. Nationally set targets cannot adequately reflect local circumstances, opportunities or needs. The Government methodology therefore should remain guidance, not prescription, with the local planning authority then justifying variation through the local plan process and examination.

Pillar 2: Planning for beautiful and sustainable places

18. Local planning authorities will have to prepare local design guides and codes for specific areas in consultation with the local community, having regard to the National Design Guide published in 2019 and a new National Model Design Code expected later in 2020. To assist local planning authorities a national design body

will be established. Local design guides and codes should ideally be prepared alongside the local plan to inform the local plan process.

19. There will be an expedited planning process and greater certainty for high quality development which accords with the design guides and codes. Permitted development rights will be extended within renewal areas to enable popular and replicable forms of development to be approved easily and quickly. The Government will also prepare a limited set of form-based development types/pattern books to enable increased density of development.
20. As part of this design-based approach, existing sustainability appraisal methods will be simplified and made easier to understand, whilst continuing to meet national and international environmental protection obligations. Local plans will be required to consider how land allocations can support climate change mitigation and adaptation. To complement planning reform, energy efficiency standards for buildings will be revised to help deliver the national target of net zero carbon emissions by 2050.
21. The simplification of local plan and development management processes will enable local planning authorities to reassign resources and focus more fully on enforcement of planning requirements and building regulations.

Comments on Pillar 2

22. The emphasis on achieving design quality through planning, including the use of design guides is supported in principle. The City Corporation has a highly regarded design team that works closely with developers to ensure new development is of a high quality, delivering urban greening and good growth. The proposal for further national guidance is supported, provided that it remains guidance and specifically allows flexibility for local planning authorities to reflect local character and the views of local residents and businesses. Similarly, the use of design codes for specific sites is supported, but the need for design codes should be a matter for local determination and there should not be a requirement for design codes to be prepared for all sites.
23. The production of design guidance and codes, where necessary, will have resource implications for local planning authorities, which do not appear to be adequately recognised within the White Paper. Specific information on how local planning authorities will be resourced to meet these additional requirements is needed to ensure that this emphasis on design can be effectively implemented.
24. The planning system is supported by a wide range of environmental, heritage and other assessments which are essential to ensure good planning decisions and high quality development. It is accepted that the processes underpinning such assessments have grown in complexity to the extent that the assessment becomes an end in itself rather than informing decisions and development. Simplification of the processes underpinning assessment is therefore supported, provided that the underpinning rationale for assessment and identification of impacts are retained as key parts of the planning system. A particular focus should be on making appraisals accessible to all communities to enable a wider discussion of impacts and informed decision making.

25. The emphasis on ensuring alignment of planning with actions and targets to mitigate and adapt to climate change is strongly supported. The City Corporation has adopted a Climate Action Strategy which puts climate impacts at the heart of the Corporation's activities, including planning. Nationally, guidance on climate change must allow for flexibility to align with locally agreed targets, such as the City Corporation's evidence-based net zero target for the City of London of 2040. It is also important that net zero is defined in relation to the full range of emissions, including scopes 1, 2 and 3 emissions.

Pillar 3: Planning for Infrastructure and Connected Places

26. The current system of s106 planning obligations will be abolished and the Community Infrastructure Levy replaced with a new Infrastructure Levy. This will be a flat-rate charge applied as a fixed proportion of development value and paid on completion of development. The charge rate would be set nationally. Revenues will continue to be collected and spent locally. There would be greater local discretion on how Levy funds could be spent once core infrastructure obligations have been met, including potentially being used to fund council services or reduce the level of council tax.
27. A small proportion of the Levy would be earmarked to fund the activities of the local planning authority, including the costs of preparing and reviewing the local plan, design guides and codes and enforcement.
28. Local authorities would be able to borrow against projected Infrastructure Levy receipts to forward fund the provision of infrastructure. There may be provision for the Mayor in London to continue to operate a levy to fund strategic infrastructure.
29. The new Levy would replace s106 planning obligations in the delivery of affordable housing, either through an in-kind delivery of affordable housing units on-site or a financial contribution to fund delivery elsewhere. If the Levy is insufficient to fund the delivery of the required number of affordable units on-site, the local planning authority would be able to 'flip' required affordable units to market units to ensure delivery on the site as a whole.

Comments on Pillar 3

30. This section of the White Paper is significantly less well developed and less detailed than the others proposals for reform. Although it sets out a number of principles underpinning the proposed Levy, more detailed information is needed to understand how the new Infrastructure Levy would work and, specifically, how the current wider range of non-financial s106 planning obligations used by local planning authorities can continue to be delivered.
31. The City Corporation has operated a CIL since 2014 alongside s106 planning obligations. This approach has worked effectively and more recent changes to CIL, such as removing the restriction on the mixing of s106 and CIL to fund infrastructure, will allow more effective infrastructure delivery going forward. The requirements for CIL and s106 in the City are well known and understood by most developers and wholesale replacement with a new system would be a retrograde step. Evolution and refinement would provide continuity and certainty. It would also enable the continued use of s106 to deliver site specific mitigation

and non-financial mitigation such as contributions towards training and skills provision, which could potentially be lost under the White Paper proposals.

32. There are elements of the proposed Infrastructure Levy that could usefully be incorporated into the existing system, such as the potential to borrow against future levy receipts and greater flexibility on how the Levy could be spent, albeit that this should continue to emphasise the need for the Levy to be used to fund necessary infrastructure and not wider council services. Extending funding beyond infrastructure and mitigation breaks the link between development and infrastructure improvements which is necessary to not only mitigate the impact of development, but also to make development acceptable to local communities.
33. In relation to affordable housing, the White Paper refers simply to affordable housing, defined in its widest sense and including a range of low-cost home ownership products. The housing need in the City of London is primarily for social rented housing, with even low-cost home ownership out of reach of many people on the City Corporation's housing register. Clarification is needed that the White Paper's definition of affordable housing includes social rented housing and provides flexibility for local definitions to meet local needs. The Levy would also significantly impact on the ability of local planning authorities to require affordable housing on site. Although there is provision for in-kind delivery, the focus appears to be on a financial contribution to enable development elsewhere. The provision within existing s106 mechanisms to require affordable housing on-site and to specifically link the delivery of market housing to on-site affordable housing provision needs to be retained. Whilst it is accepted that there are difficulties with the existing s106 mechanisms, not least extended arguments over the impact on development viability, refinement of existing mechanisms is considered to be a more effective approach than the proposed replacement.

Detailed Comments

34. The White Paper sets out 24 detailed proposals to implement the three Pillars of Reform. Appendix 1 to this report sets out a more detailed response to these 24 individual proposals. It is recommended that these detailed comments be submitted to the Government alongside the comments in this report as the City Corporation's response to the White Paper.

Next Steps

35. Implementation of the White Paper's proposals will require primary and secondary legislation and revised national planning practice guidance. The Government's ambition is for the new style local plans and reformed planning system to be in place before the next General Election in 2024. Meeting this timetable would require legislation to be in place by late 2021 at the latest.

Corporate & Strategic Implications

36. The Government's proposed changes will deliver a reformed planning system which is underpinned by national policy requirements, with a particular emphasis on housing delivery. The proposals would reduce the scope for local flexibility to respond to local needs, including the need for commercial development to ensure economic growth, and reduce opportunities for community engagement in planning. This could impact on the City's ability to deliver an appropriate balance of development and contribute to a flourishing society, supporting a thriving

economy and shaping outstanding environments, as set out in the Vision and Objectives of the 2018-23 Corporate Plan.

Implications

37. There are no direct financial, resource or legal implications arising from this report. The report identifies a number of potential resource and financial implications that could arise if the reform proposals are taken forward, but these implications cannot be assessed until Government confirms funding measures as part of its reform package.
38. There are no equalities, climate change or security implications arising from this report.

Conclusion

39. The Government is consulting on fundamental reforms to the planning system in England. The proposed reforms are described under 3 Pillars: Planning for Development, Planning for Beautiful and Sustainable Places, and Planning for Infrastructure and Connected Places.
40. Pillar 1 would place much greater emphasis on the role of the local plan in managing development, requiring all land to be allocated as either a Growth Area, a Renewal Area or a Protected Area, with a much reduced requirement for the submission and determination of detailed planning permissions. Pillar 2 sets out an approach to planning which emphasises a need for a high quality of design, with local planning authorities required to prepare design guides and codes, informed by national guidance. Pillar 3 sets out new approach to the funding of infrastructure, with the replacement of s106 planning obligations and the Community Infrastructure Levy with a new Infrastructure Levy, with rates set nationally.
41. The principle of reform to the planning system to deliver a mechanism that delivers necessary housing, commercial and other development, whilst engaging with local communities and addressing key environmental requirements is supported. However, the ambitions underpinning the White Paper can be delivered through evolution of the existing planning system, or selective reform, alongside a commitment to provide the necessary resources to local planning authorities to deliver timely local plans and planning decisions.

Appendices

- Appendix 1 – City of London Corporation response to the Planning White Paper's detailed proposals

Background Papers

<https://www.gov.uk/government/consultations/planning-for-the-future>

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