

Local Government Association briefing

The role of local residents and developers in the planning system

House of Commons

12 June 2018



Key messages

- The planning process needs developers, councils and local communities to work together to create effective partnerships. The earlier in the planning process these relationships are built, the more likely it is that positive outcomes will be achieved for local communities from new development.
- Councils are working hard to use planning effectively to deliver the right kind of homes. However, planning departments are severely under-resourced. Taxpayers are subsidising the costs of planning applications by around £200 million a year.ⁱ
- Planning is not a barrier to building. Councils are approving nine in 10 planning applications and last year worked with developers to permission over 350,000 homes, an 11 year high. House builders currently have 423,000 homes with permission that they are still to build.ⁱⁱ
- We welcomed the opportunity to contribute to the revised draft National Planning Policy Framework (NPPF). The revised NPPF must ensure that nationally-prescribed targets for housing do not impact on local community support for development.
- There are clear benefits to a standardised methodology for assessing housing need. Within this the Government must ensure that the revised NPPF puts a strong emphasis on plan-making involving communities, in order to create attractive, high quality and sustainable places to live.
- There are a number of changes to the draft revised NPPF and accompanying draft national planning practice guidance that are welcome and well-intentioned. However, through discussions with councils, it has become clear that there are a number of key concerns shared by the sector.
- A proactive, well-resourced planning system could do far more to deliver the additional homes the country desperately needs. It could also help to deliver them in ways that meet wider national objectives on infrastructure, public health and the environment.

Briefing

Background information

Involving local communities in planning

The planning process needs developers, councils and local communities to work together to create effective partnerships. The earlier in the planning process these relationships are built, the more likely it is that positive outcomes will be achieved for local communities from new development.ⁱⁱⁱ

Early discussions between councils, developers and communities during local plan-making is important for the direction and scale of future development in an area. Where developers are engaged in the local plan process, they have an increased understanding of plan policies. This means that development proposals that meet the plan's objectives can be brought forward more quickly, and be less subject to delays.

It is important to actively involve communities and ward councillors at an early stage of the planning process. As well as providing an opportunity to inform the community about proposals, it is an ideal time to seek views on local needs, which can help to shape content and design. This can build trust and acceptance from local communities, as well as leading to better quality development and improvement in the quality of place.

The overarching role of democratically-elected councillors in planning is crucial. Elected members are active at every stage of the planning process. They do this as representatives of their communities and democratically accountable decision makers.

National Planning Policy Framework (NPPF)

There are a number of changes to the draft revised NPPF and accompanying draft national planning practice guidance that are welcome and well-intentioned. Through discussions with councils, however, it has become clear that there are a number of key concerns shared by the sector.

These reflections can be summarised as:

- **Shifting accountability without enabling accountability, and in ways that penalise communities.** The proposals can be deemed to: impose a house building target on communities; give councils no new levers to deliver that target, and; penalise communities should independent private developers not deliver sufficient units, by allowing the presumption of sustainable development. This is not a reasonable position and will likely have unintended consequences, including on impacting upon community support for development.

There are benefits to setting a standardised methodology, and for requiring collective local action planning to understand and resolve issues. However the threat of presumption of sustainable development should be replaced with other more positive measures, such an offer for external expert advice on local action planning, and new accountabilities must be accompanied with tools to deliver.

- **National prescriptions rather than local planning.** While often well-intentioned in meeting a need identified nationally, the NPPF seeks to mandate policy in ways that will not be appropriate in many local housing markets. This includes proposed requirements for 10 per cent affordable home ownership on major sites, exception sites for development with 'entry level' products, and the requirement for 20 per cent of allocated sites to be less than 0.5 hectares. Councils must retain flexibilities to plan for local need, and perhaps prescriptions could be replaced with measures that encourage councils to plan for priorities –

such as allocating sites reflecting capacity of local SME builders – as part of the local planning process.

- **Confused definition of affordable housing that does not include social rent.** Affordable housing is required to comply with one or more definitions provided in the glossary. These definitions are unclear, overlapping, and there is no mention of social rent for which there is significant need in many markets. It is not sufficient to assume that social rent could be included within the definition of affordable rent, which is not affordable in many housing markets, without explicitly referencing it. Social rent must be included within a simpler definition of affordable housing.
- **Viability reforms that are unlikely to deliver their intentions.** Many of the proposals for reforming viability are welcome, for instance increasing transparency, empowering policy requirements, and emphasis on pre-application. Despite this, proposals that require councils to develop site by site policy, while ensuring landowners and developers should expect returns they might already achieve, risk maintaining a level of uncertainty. Coupled with the 10 per cent low cost home ownership requirements, these proposals could allow 'gaming' amongst developers that undermines investment in affordable homes. It is extremely important that the Government properly test and understand what behaviours the proposals incentivise, and the impact of these on the policy ambitions.

Permitted development rights

In our response to the Government's consultation on the National Planning Policy Framework last month, we argued that permitted development rights which allow the change of use from a number of different types to residential use should be removed.

These have a number of unintended consequences including housing that does not meet local need, housing in unsustainable locations, reduced levels of affordable housing, reduction in availability of commercial premises in town centres and no contributions towards infrastructure. Permitted development rights undermine communities' trust in the planning system and can put communities off actual new development.

There are alarming numbers of net additions in housing units being created through permitted development rights. Our analysis shows that since 2015, a total of 30,575 housing units in England have been converted from offices to flats alone, without having to go through the planning system. While this amounts to approximately 8 per cent of new homes nationally, in some parts of the country it is responsible for around two thirds of all new housing.

The benefits of a well-resourced planning system

A proactive, well-resourced planning system could do far more to deliver the additional homes the country desperately needs. It could also help to deliver them in ways that meet wider national objectives on infrastructure, public health and the environment.

We are pleased that the Government has passed regulations enabling planning authorities to raise fees by an initial 20 per cent.^{iv} A further 20 per cent increase, which the Government has recently consulted on, should be allowed for all local planning authorities, so that councils are fully able to facilitate local housing and infrastructure development.

This flexibility should not be dependent on meeting nationally-set performance criteria which risk creating perverse incentives and unintended consequences. Alongside this, government should test a fair and transparent scheme of local fee setting, giving councils the flexibility to set appropriate fees to reflect local circumstances.

The recruitment and retention of trained planning officers is also a challenge for local planning authorities. To address some of these issues the Ministry for Housing, Communities and Local Government (MHCLG) should work with councils, national and local partners to attract and retain the next generation of planners and place-makers. A collective effort would increase the capacity of planning services to deliver housing growth.

Planning is an exciting and meaningful profession with a range of career development opportunities that should be better promoted to young people. Assistance in raising the profile of local authority planners as a desirable career and promoting the opportunities that exist for driving forward best practice and innovation, could bring significant benefits in addressing recruitment and retention issues. Initiatives could include building on the approaches adopted by TeachFirst or FrontLine, or the Come back to social work programme run jointly by the LGA, Department of Health and Department for Education.

ⁱ LGA, 'Development deadlock: council planning departments 'hampered' by missing out on £70 million' (<https://www.local.gov.uk/about/news/development-deadlock-council-planing-departments-hampered-missing-out-ps70-million-lga>)

ⁱⁱ LGA, Planning Positively through Partnership, February 2018
(https://www.local.gov.uk/sites/default/files/documents/5.24%20Planning%20positively_v06.pdf)

ⁱⁱⁱ LGA, Planning Positively through Partnership, February 2018
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^{iv} The Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) (Amendment) Regulations 2017
(<http://www.legislation.gov.uk/uksi/2017/1314/introduction/made>)