

# All-Party Parliamentary Group on Housing and Planning

## Response to *Planning for the Future*

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29.10.2020

This report by the APPG on Housing and Planning presents the findings from an evidence session held on the topic of the *Planning for the Future* White Paper.



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## APPG on Housing and Planning

The APPG on Housing and Planning is chaired by Cllr David Simmonds CBE MP. The Vice Chairs are Lord Best, Mark Pawsey MP, Fleur Anderson MP, Gagan Mohindra MP, Andrew Lewer MP, Jane Hunt MP, Ben Everitt MP, Jerome Mayhew MP and Tony Lloyd MP. Karen Buck MP, Paul Howell MP and Helen Hayes MP are officers.

The most up-to-date registration form for the APPG can be viewed [here](#). The Royal Town Planning Institute (RTPI) provides the Secretariat to the group.

# Addressing the housing crisis

Addressing the housing affordability crisis means far more than just focusing on unit numbers; equally crucial is *what* it is we need to be building and *where*. Our priority must be to build *the types of homes people actually need, and the communities in which they want to live*.

Crucially, we must tackle head-on the issues of build-out and related problems with the housing market, as many permissions each year go unbuilt. According to the Local Government Association, this amounts to some one million units since 2010.<sup>1</sup> The goal of reform is to see more of the right homes built, not just more permissions granted.

**Housing and planning are the crucial building blocks to dealing with many societal issues. We need to address the shortage of social housing, as well as sheltered housing for vulnerable individuals, as part of our approach to tackling homelessness.**

We need to explicitly plan for more “downsizer” homes and sheltered housing, to prompt churn in housing stock as more appropriate options become available. Enabling residents to stay local encourages support for new development and wider community buy-in.

The APPG has identified a number of areas within *Planning for the Future* where the evidence basis for reforms is lacking, and where MHCLG will need to do further work as a matter of priority. Community engagement, “Renewal” zones, and changes to developer contributions are key areas where we lack detail and full assessments of potential impact.

Experts have repeatedly highlighted to the APPG that the “devil will be in the detail” when it comes to many of the issues. Some proposals are currently too imprecise for stakeholders to give a full view of their impact, and in some cases there are oversights that must be addressed.

## The purpose of planning

**Planning—when done well—has far more than a purely regulatory function, and can deliver benefits to health, quality of life and local economics. We must broaden the Key Performance Indicators for planning, and be more ambitious about positively shaping places.**

We need to reframe how planning is discussed and its ambitions, so it can deliver wider benefits around health, quality of life and local growth. Planners must be given the tools and resources to take a more visionary approach to places and unlock potential.

**Communities like to live in places that have been actively shaped to provide public amenities and infrastructure. Public transport, access to greenspace, play areas for children, attractive development and a whole host of other elements of the built environment that planning supports form a basis for happy, healthy lives.**

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<sup>1</sup> <https://www.local.gov.uk/housing-backlog-more-million-homes-planning-permission-not-yet-built>

We need to reframe the Key Performance Indicators (KPIs) of planning: the environment, quality of housing, play areas for children as well as proximity to employment and public amenities are as important as speed and the number of units permitted.

Planning really adds value when it comes to the quality of place and the quality of space. Where Local Planning Authorities are doing this well, planning brings many benefits for the local community. However, in many cases the good examples are in wealthier, better-resourced areas, while areas with lower land value experience fewer benefits. Government needs to ensure the potential of planning to deliver public good is unlocked for the whole of England.

## Changes to developer contributions

**The proposed replacement of CIL schedules and S106 agreements with a flat-rate Single Infrastructure Levy is too simplistic, lacks a solid evidence base and requires fundamental work. This area is immensely technically complex, and any errors in policy or implementation will have far-reaching impact. Care must be taken to get reform right.**

*Planning for the Future* does not deal with the complexity of the issue of developer contributions adequately. We have seen numerous attempts at reform in this area over the decades, and are yet to see a solution that lasts the test of time.

There is general consensus in the sector that a single national levy is not the correct approach. The full impact of this on different areas in England, as well as the knock-on effects, have not been adequately researched at this point. This approach may end up incentivizing certain types of more profitable development over better development, one example of which is greenfield over brownfield.

The APPG heard evidence from Duncan Neish of the National Housing Federation about what affordable housing providers make of the new levy. There are issues both with the overall approach, as well as a lack of detail on how it would work in practice, in particular around the effects on different areas of England. Aspects of the proposal do not appear to reflect the findings of the CIL Review Team's 2017 report for MCHLG.<sup>2</sup>

**Delivering the necessary infrastructure for local communities to accompany development and delivering affordable housing are two issues that we cannot afford to get wrong. Experts foresee a range of undesirable incentives with how the proposals may work in practice.**

This new system may discourage complex and expensive brownfield regeneration, while making urban sprawl and greenfield sites cheaper to build. Further work to explore the potential impact is needed.

The breaking of the link between developer contributions and the development itself is an approach that may alienate developers and local government alike. It is essential that new homes means new infrastructure investment for the local community, both to ensure it alleviates the pressure of new inhabitants on existing infrastructure and achieve community support for projects.

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<sup>2</sup> <https://www.gov.uk/government/publications/community-infrastructure-levy-review-report-to-government>

The idea of Local Authorities borrowing against this future income allocates the risks and responsibilities to the local community. If development doesn't go ahead, or if there are funding issues, communities may end up left the bill. On the other hand, some developers may be concerned that if this infrastructure is not delivered, their work becomes devalued and houses harder to sell.

## Regional disparities, “levelling up”

**Planning reform should be more directly connected to the goals of the Industrial Strategy. As seen in debates around the Changes to the Standard Methodology for Housing Need (“the housing algorithm”), goals for regional economic growth have not been directly overlain with plans for new housing.**

An impact assessment of *Planning for the Future*'s proposals on different regions in England is essential but currently lacking. Some proposals may work in specific types of areas (for example those with higher land values), while doing little to address the challenges faced by areas in the midlands and the north.

***Planning for the Future* does not adequately address many of the fundamental regional disparities that affect the experience communities have of development. The current system is not dealing with this adequately, and it remains an oversight in the proposals.**

The APPG identified a number of areas where this issue emerges. The new single Infrastructure Levy, for example, would capture land value uplift for the local community, giving helpful support to places with high land values. However, areas with lower land value will see little benefit for local communities from new development, while equally needing investment in community infrastructure. Many Local Authorities in England do not even currently have CIL schedules, as expected returns are low.

Under this proposed levy, a development in London may pay for a new school while an area in the midlands will see far less return for the community. This entrenches existing imbalances, giving less funding to areas with lower land value, which in many cases also have more outdated infrastructure. A serious approach to supporting these areas with lower land values will require commitment and resourcing from central government, to work out a mechanism for ensuring left behind areas don't get further left behind.

## Delivering Housing

***Delivering more planning permissions does not automatically equal delivery of many more homes. There must be greater consideration of how to address the broader issues with the housing market, and the range of delivery models, to ensure we build more homes and address housing affordability.***

Greater certainty for development is a solid goal, but the difficulty is how to achieve this while still reflecting the needs of the community and the nuances of the place. Crucially, new development should be the type development the community actually needs, including downsizer homes and sheltered housing that form the basis of addressing wider issues like homelessness, poverty and overcrowding.

*Planning for the Future* sets out a goal of making the planning system more accessible, efficient and user friendly. Decades of tweaks to the planning system means there is potential for rationalization, but questions remain about whether this reformed system would be more straightforward, and whether it would solve the difficulties faced by SME builders and other smaller parties.

The APPG's panel were unconvinced that these reforms would be a silver bullet for ensuring the planning system is easier to navigate for smaller parties. Adequate resourcing—of either the current or a new system—was highlighted as the key means of ensuring greater efficiency.

**More attention needs to be paid to the issue of ensuring build out, to address issues around land banking and selling permissions on rather than developing. The Letwin Review examined these questions in detail, and its conclusions would be worth further attention.<sup>3</sup>**

This is also an opportunity to examine the link between Building Regulations and Planning Permissions, to ensure approval is only granted to premises built to plan and in accordance with the rules. A more holistic view of the two issues together can help ensure quality is delivered.

## Zoning/ areas

**There are examples of countries where zonal systems deliver excellent results, with the Netherlands frequently touted. However, equally there are counter examples where zonal systems deliver significantly poorer results.**

Any consideration of a zoning system must give greater weight to studying the lessons from international comparisons. Different systems worldwide work in very different ways, and can give us a guide to how these approaches may look if applied in England. For example:

- Japan operates a “pure as-of right” system, which leads to crude design outcomes, little public support for the process or the end product.
- New York utilizes “zoning overlaid” with large amounts of very specific regulation, in an attempt to avoid poor design outcomes.
- Many continental European countries, such as the Netherlands operate sophisticated zoning systems, where you have a design-led layer to zoning with site-specific design codes.

**Whether the system is zonal or discretionary will not decide how successful it is. Implementing even the best-designed zonal system will require serious resourcing to function to a high standard. To achieve greater certainty for development while ensuring high-quality places and spaces, corners cannot be cut.**

In reality, most zonal systems build in elements of discretion, and most discretionary systems build in elements of codification. The general academic consensus is that whether a system is zonal or discretionary is not the critical factor in outcomes and design quality. In some areas of England the current planning system— where well-led and well-resourced— delivers excellent outcomes, and similar is true under a zonal system.

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<sup>3</sup> <https://www.gov.uk/government/publications/independent-review-of-build-out-final-report>

Generic local design codes and local patterns books are tools that to some extent we already have within the system, and by themselves have not led to great design. Two tools have been shown empirically to link to good design: site-specific design codes, and a design review.<sup>4</sup>

Professor Matthew Carmona distilled this to a formula for the APPG:

Plan (or zone) + site specific code + design review + culture change (greater demand for design quality) + investment in planning = excellent design outcomes

**A shift to a zonal system in England would be a major cultural shift. Government needs to pay significant attention to the details, funding and implementation of a zonal system if they want to achieve both greater certainty and higher standards of design. Any corners cut here will affect outcomes.**

Achieving widespread buy-in and confidence in the new system would be crucial to ensuring support for the results, as well as ensuring the longevity of reform. This would require a major public awareness campaign, as well as experts in community involvement.

**“Growth” and “Protect” areas will need finessing, however there are more fundamental issues with “Renew” areas that must be addressed.**

- “Growth areas” can go further to be proactive about supporting development, with dedicated teams to support the project pipeline.
- “Protect areas” can also be more ambitious, and treat the natural environment as something to be enhanced and improved, rather than static. Protect areas should support climate resilience and help to deliver environment net gain.
- “Renew areas” have been highlighted with the APPG as an area of concern. They are excessively simplistic, bundling together areas from suburbs to industrial sites that have very different needs.

## Local plans

***Planning for the Future* puts local plans at the centre of a reformed planning system. There is almost unanimous support across the sector for comprehensive and accessible Local Plans in all areas of England being a key goal of reform. We will need to see more detail around the resourcing for delivery.**

There is almost universal agreement across all stakeholders of the important of strong local plans, regularly reviewed and updated, and the necessity to have these across the entirety of England.

The APPG welcomes the commitment to ensure local plans for all areas in England. Delivering on this will be the essential basis for any reforms. It would be helpful for MHCLG to consider the details of the resourcing required for this at an early stage, and ensure this is sorted at the earliest opportunity.

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<sup>4</sup> <http://placealliance.org.uk/research/national-housing-audit/>

# Community engagement

**The issue of community engagement is crucial to the success or failure of any reforms to the planning system. Deepening community engagement while ensuring greater certainty for development can be done, but is more complex than acknowledged.**

Public trust in the community engagement aspect of the process will be one of the most crucial factors in the longevity of any reforms. It is worth deeper study, and must be done right.

Professor Gavin Parker, Director of Planning Studies at Henley Business School, pressed this point to the APPG. There is a strong link between trust in process and trust in outcomes, and care must be taken to ensure community engagement adds genuine value to the process, rather than being an afterthought.

Frontloading community engagement will be resource-heavy, but if this process is not run with adequate resources and expertise there is little hope for achieving public buy-in to the wider reforms.

**We must see significant further thinking on community engagement, and the APPG believes it is worthy of consideration as a topic in its own right. Any errors here will shape public perception of the new planning system, and this issue has proved challenging in previous attempts at reform.**

*Planning for the Future* both recognises the importance of the issues, while also trying to compartmentalize this into a frontloaded system. Great care must be taken in writing the terms of engagement offered to the local community, as this shapes whether they feel they have genuinely contributed or whether they have been disempowered. The public must be able to actively shape their area, not just respond at set points.

Neighbourhood planning is unlikely to be comprehensive across the entirety of England, therefore whatever system we have must ensure end results are high quality without assuming neighbourhood planning.

**A primarily frontloaded model of community engagement could be welcomed, provided it is delivered to a high standard. This will crucially require both resourcing and specialist skills.**

Delivery of community engagement across England is currently a very uneven picture, and it must be borne in mind that any new system will have to be able to be rolled out in all areas, suitable for the entirety of the population.

To change the entire national cultural approach to community engagement will require both a significant national campaign, and new resourcing for community engagement in Local Authorities. The expertise of planners specializing in community engagement should be drawn upon, as there is an art to doing this.

More work needs to be done to deal with safeguards downstream. It is not enough to simply frontload community engagement, and issues here remain to be resolved.

# Beauty and design

**The APPG welcomes the focus on building beautiful places and spaces. Beauty helps a community feel pride in their area, and feel invested in its future. Beauty” must also be complemented by other values such as accessibility, liveability, sustainability and inclusiveness.**

Design standards much prioritise sustainability, and consider energy efficiency. The homes we build now will have a crucial impact on our ability to reach net zero by 2050.

Our homes and communities needs to be inclusive, and accessibility standards are crucial for elderly and disabled residents. We also need to see that thought is given to ensuring homeless and vulnerable residents are considered in the design of places.

Considering how a space looks and feels from the inside is just as crucial for residents, as it will be where they spend most of their time. High quality, well-lit, practical and adequately spacious homes are what communities want.

**Active placemaking can turn new development into new communities. Thriving local highstreets, housing within easy reach of employment, accessible green spaces and areas for children to play form an excellent basis for a built environment that supports physical and mental health.**

We need to set a national ambition for a higher quality of design, and the details of achieving this will be crucial. However, some areas within and outside of the white paper are a cause of concern.

**Permitted Development Rights (PDRs) run counter to the narrative of “beauty”. Stakeholders, industry and local communities have repeatedly highlighted the issues with these mechanisms.**

An independent report commissioned by the MHCLG highlighted a number of significant concerns with PDRs, concluding that “permitted development conversions do seem to create worse quality residential environments than planning permission conversions in relation to a number of factors widely linked to the health, wellbeing and quality of life of future occupiers.”<sup>5</sup> Notably, the Building Better Building Beautiful Commission found that PDRs risked creating “slums.”<sup>6</sup>

*Planning for the Future* makes references to exploring the expansion of PDRs. This should be reconsidered in the light of expert reviews of the topic and the industry consensus that these measures do not support a “beauty” agenda.

# The Environment

***Planning for the Future* could be significantly more ambitious with regards to the environment, and must put climate resilience at the heart of reforms. Changes to**

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<sup>5</sup> <https://www.gov.uk/government/publications/quality-standard-of-homes-delivered-through-change-of-use-permitted-development-rights>

<sup>6</sup> <https://www.gov.uk/government/publications/living-with-beauty-report-of-the-building-better-building-beautiful-commission>

## **planning now will play a crucial role in whether we can succeed in hitting net zero by 2050.**

The Committee on Climate Change's Progress Report to Parliament (2020) highlighted a number of areas where planning reform could support net zero.<sup>7</sup> A detailed analysis of this impact of these recommendations to planning by Isabella Krabbe can be read below.<sup>8</sup>

Spatial planning and patterns of development make a significant impact on how sustainable a settlement is. This issue has been underplayed across the reforms.

## **Addressing the housing crisis cannot be siloed off from net zero. The white paper should make net zero by 2050 a core priority of planning reform, and strengthen the detail in this area.**

Government needs to work with stakeholders to develop more detail on issues including: sustainable locations for development, integration of low-carbon infrastructure, and the delivery of climate adaptation and mitigation.

The idea that Local Plans should be subject to a Single Sustainable Development Test is a big ask and a lot of further work is needed here between Government and stakeholders.

Planning reform needs to remove the barriers to the environment being at the heart of planning, by: having clear policies, putting the environment on same level as housebuilding and economics, and ensuring adequate resourcing for local authority planners.

Our environment is not something static: we should not only seek to "protect" our countryside and our environment, but be more ambitious about enhancing it. "Protect" areas should not be about simply "protecting" the environment, but should put a greater focus on enhancing and improving it.

# **Cooperation across boundaries**

**Duty to Cooperate failed to deliver as required, however the proposal involves abolishing it without putting in place a new mechanism to deal with strategic planning. The built environment sector frequently raises this as the most significant oversight within the paper. The APPG has not heard any disagreement that a new mechanism is needed, and there have been some suggestions about how this could be formulated.**

Many issues crucial to planning do not respect Local Authority boundaries, and many issues are best dealt with on a regional or sub-regional level; as an illustration, dealing with flood plains requires cooperation. Key infrastructure like transport, health and education also require joined-up thinking, to ensure new housing is matched by the necessary supports.

Where development is located is crucial, to avoid sprawling, dispersed and car-reliant settlement. Cross-border cooperation and strategic planning can help Local Authorities to prioritise ideal locations for development.

<sup>7</sup> <https://www.theccc.org.uk/publication/reducing-uk-emissions-2020-progress-report-to-parliament/>

<sup>8</sup> <https://www.rtpi.org.uk/policy/2020/july/rtpi-response-to-committee-on-climate-change-2020-progress-report-to-parliament/>

The APPG heard a suggestion from Richard Blyth from the RTPI of a possible new model for dealing with this issue, called *Green Growth Boards*, which would bring together a wide range of stakeholders including health, education, transport and waste. MHCLG should consider the different models available for dealing with strategic planning.

## Technology and digital

**Planning for the Future is ambitious with regards to the role of technology and digital to free up the backroom business of planning, allowing planners to take a more active, visionary role. With investment in Local Authority digital capabilities, there are big opportunities here.**

The APPG heard evidence from Nissa Shahid of the Connected Place Catapult, who works on digital planning topics. The system is not intended to be a digital and automated system replacing planners, but is rather about digitizing and automating processes to free up their capacity for more specialist work. The reforms aim to make the planning system more accessible with greater consistency of process, allowing decision-makers to focus on planning rather than administration.

**However, the white paper needs to be sensitive to issues around digital exclusion, and in particular the democratic implications. There are also practical issues around both skills and existing Local Authority digital capacity that may affect different regions differently.**

Digital has the potential to open planning to new demographics, but care must be taken to ensure previous groups are not excluded—this is a fundamental democratic issue. The digital divide must be understood and we need to see clear safeguards here, with users put at the heart of digital. Digital should be seen as a tool, not an end goal.

There are potential issues to be ironed out, including a significant skills gap and the divide between various Local Authorities in terms of digital and technology. The practicalities of implementation will be complex, and will require investment.

## Heritage

**Heritage does not respect zones, and the white paper makes a number of important oversights in terms of protecting this critical aspect of place. Government must continue to work with experts in this area to address the unintended impact of planning reforms on archaeology and our built heritage.**

As highlighted by heritage groups, there are a number of areas of oversight in this regard in the white paper. These loopholes must be closed, as existing heritage safeguards are removed with reforms to planning. The historic environment does not occur in geographically discrete areas, and cannot be considered only when designated.

Protections for buried heritage assets have been particularly overlooked. The APPG heard from Dr Rob Lennox of the Chartered Institute of Archaeologists about the requirement for site-specific investigation, which cannot be purely frontloaded. Archaeology very rarely prevents development

going ahead, but care must be taken in reforms to ensure we don't inadvertently lose lessons from the past, or nationally significant Roman mosaics.

## Resourcing

**Resourcing cannot be divorced from wider discussions of the *Planning for the Future* reforms. Many of the ambitions are simply unachievable without significant extra investment. *Planning for the Future* acknowledges this, although the detail is still to be made public.**

Throughout the various topics discussed by the APPG, the issue of resourcing remained a common thread. Many elements of the reform work *in principle, but are not achievable without investment*. As some examples: high-quality upstream community engagement; local plans for the entirety of England and local design codes are all broadly welcomed, but resource-heavy and unachievable without support from central government.

**For planning to deliver its potential in terms of benefits to health, the environment and the wellbeing of local communities, the current funding settlement is simply not sufficient.**

The APPG heard from James Patterson-Watterston of Vivid Economics on this topic, and he particularly highlighted the divergence in funding for planning across England, as well as the corresponding variable outcomes. Significant extra resourcing is required for planning, even to ensure the current system can operate efficiently.

The value of greenspaces, active travel and other benefits of good planning are set out in more detail in a recently published economic report, *Invest and Prosper*.<sup>9</sup> Planning shapes spaces and is the basic building block for our entire built environment, so good planning has significant knock-on effects on the health of the population as a whole—for example by encouraging active travel, or easily accessible play areas for children.

**More attention needs to be given to the uneven resourcing of planning across England. Major reforms to planning would also require a period where two systems are run simultaneously, which would be especially resource-heavy as the new reforms involve a heavily frontloaded system.**

Resourcing will be one of the crucial factor to the success of any planning reforms. This will require real and substantial long-term investment, of the sort set out in the RTPI's Comprehensive Spending Review submission.<sup>10</sup>

A new frontloaded planning system of the sort set out in the white paper would require two systems to be run in parallel, and much of the expense of the new planning system to be taken on before the hope for an increased number of applications down the line. Major policy and process changes are also time and resource heavy.

<sup>9</sup> <https://www.rtpi.org.uk/investandprosper>

<sup>10</sup> <https://www.rtpi.org.uk/consultations/2020/september/comprehensive-spending-review-rtpi-response/>

# Skills

**Chief Placemakers in all Local Authorities are to be welcomed, however we must ensure these individuals have the appropriate expertise. The new national body for design is a positive step that should be a practical help to Local Authorities, as well as raising the status and profile of good design.**

The Chief Placemaker proposal is also a positive step, that many in the sector have long supported. This role seems designed for the skillsets of trained town planners, and it would be best practice to ensure these are Chartered Planners, operating with the highest level of expertise.

***Planning for the Future* rightly recognises the existence of a skills gap in many crucial areas, in particular around design. Government should work with stakeholders in the formation of a comprehensive status to address this.**

Design capacity in local authorities is particularly low, and this will be a key challenge to address. Without upskilling here, we risk reactive development management instead of a real ability to deliver the homes people want to live in.

*Planning for the Future* references the need for a comprehensive skills strategy, and MCHLG should start the process of engaging on this with haste. This is also a perfect opportunity to support the diversity of the sector, by broadening awareness of planning as a career path and expanding access to the apprenticeships already on offer.

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- Isabella Krabbe, Environment Research Officer at the RTPI
- Professor Gavin Parker, Professor of Planning Studies, University of Reading
- Nissa Shahid, Senior Urbanist at the Connected Places Catapult
- Dr Rob Lennox, Senior Advocacy Co-ordinator at Chartered Institute of Archaeologists
- Robin Hayden, Senior Public Affairs Officer at the RTPI