



PLANNING FOR THE FUTURE AND CHANGES TO THE CURRENT PLANNING SYSTEM

QUOD BULLETIN

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A Quod Bulletin

1. Introduction

- 1.1. The Government has published **two consultations** on proposed changes to the planning system in England. *Changes to the Current Planning System* sets out short-term measures aimed at enhancing the contribution the planning system can make to the economy's recovery from the Covid-19-induced recession. The White Paper *Planning for the Future* is far more wide-ranging and extensive. Together, they set out aspirations for major reforms to legislation, policy and guidance with a view to addressing perceived weaknesses.
- 1.2. It would be wrong to overlook the proposed immediate changes amongst the excitement of the more sweeping changes heralded in the new White Paper, particularly as, when combined with recent changes to permitted development (PD) rights and the Use Classes Order they would themselves have been regarded as very radical changes to the planning system.
- 1.3. Importantly, these are consultations, and the scale and scope of interventions will no doubt evolve as responses from industry, interest groups and local government are received, and the economic landscape continues to change. However, these consultations demonstrate the Government's significant appetite and ambition to make planning simpler and faster – and an apparent drive for government to be more directive to achieve its “build, build, build” agenda.

Overview

- 1.4. The Prime Minister, in his forward to the White Paper promises, “*Radical reform unlike anything we have seen since the second world war.*” At first glance it retains the familiar building blocks of the planning system – Local Plans, Neighbourhood Plans, applications, appeals, Environmental Impact Assessment (EIA), Infrastructure Levy, affordable housing all remain but the “rules” for each are proposed to change – in most cases substantially so that the planning system as we know it today would indeed be fundamentally different. The extent of the Government's ambition is to be admired. However, whether the package of proposals all work together to achieve the aims of the White Paper will largely depend upon the practicality of some of the reforms.
- 1.5. Our note examines key components at a fairly high level – starting, as always seems to be the way in planning reform, with housing numbers which, along with design quality appears to be the driving force behind the reforms: we are not building enough homes.





2. Calculating Housing Need

- 2.1. Here, it is particularly important to recognise that two consultations have been published on the same day – a short term proposed reform, which has been worked up in some detail (and which, therefore, may be more serious) and a longer term, more fundamental reform which is not yet fleshed out but which would be more far reaching.
- 2.2. In the short term, the Government is proposing changes to the standard method for calculating the level of housing need local authorities need to plan for, suggesting both short-term changes and longer-term reform.
- 2.3. The standard method produces the starting point for a local authority's housing need, using household projections which are then adjusted to account for affordability and capped to limit the increase in any one area. The resulting figure is then adjusted further to account for constraints on housing land supply based on environmental considerations, often following considerable assessment and debate, to give the housing target for inclusion in the Local Plan.
- 2.4. Whilst the current method brings relative simplicity and certainty, it has been criticised for its perceived volatility, with artificially low projections in some areas due to overcrowding, concealed households suppressing the numbers and the artificial nature of including a cap on total numbers.

Short term interventions

- 2.5. The Government has a strategic objective to deliver 300,000 new homes per annum, whilst achieving a more appropriate distribution of homes, targeting areas with the least affordability.
 - 2.6. To assist in meeting this target, and to address the criticisms of the standard method, the Government proposes a revised formula for calculating housing need in *Changes to the Current Planning System*. This is essentially a new “blended” approach which, whilst still based on household projections, factors in existing housing stock, which means that low projections based on previous under-performance are effectively cancelled out. The baseline figure is proposed to be whichever is the higher of 0.5% of existing housing stock or average annual housing growth over a 10-year period. As before, the baseline figure is adjusted for affordability but importantly, **the new method removes the cap.**
 - 2.7. The table overleaf shows the resultant housing targets for each English region. The overall result is a **significant increase on the 300,000 homes per annum objective.**
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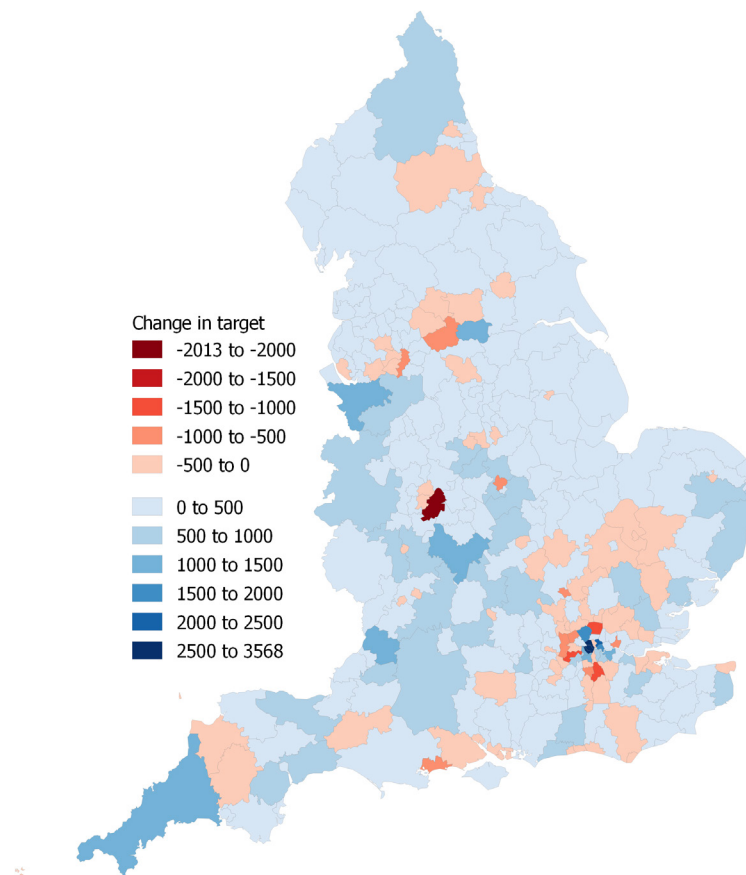


Table 1: Revised housing targets by region

Region	New Housing requirement
North East	7,286
North West	24,632
Yorkshire & The Humber	17,871
East Midlands	27,948
West Midlands	27,500
East of England	40,453
London	93,532
South East	61,274
South West	36,731
England	337,227

- 2.8. **Figure 1** below shows the change this revised method would result in, compared to the existing methodology. It should be noted that the figure for Objectively Assessed Housing Need is calculated by just directly applying the existing formula, whereas in reality many will have a transitional target, adjusted according to previous adopted figures.

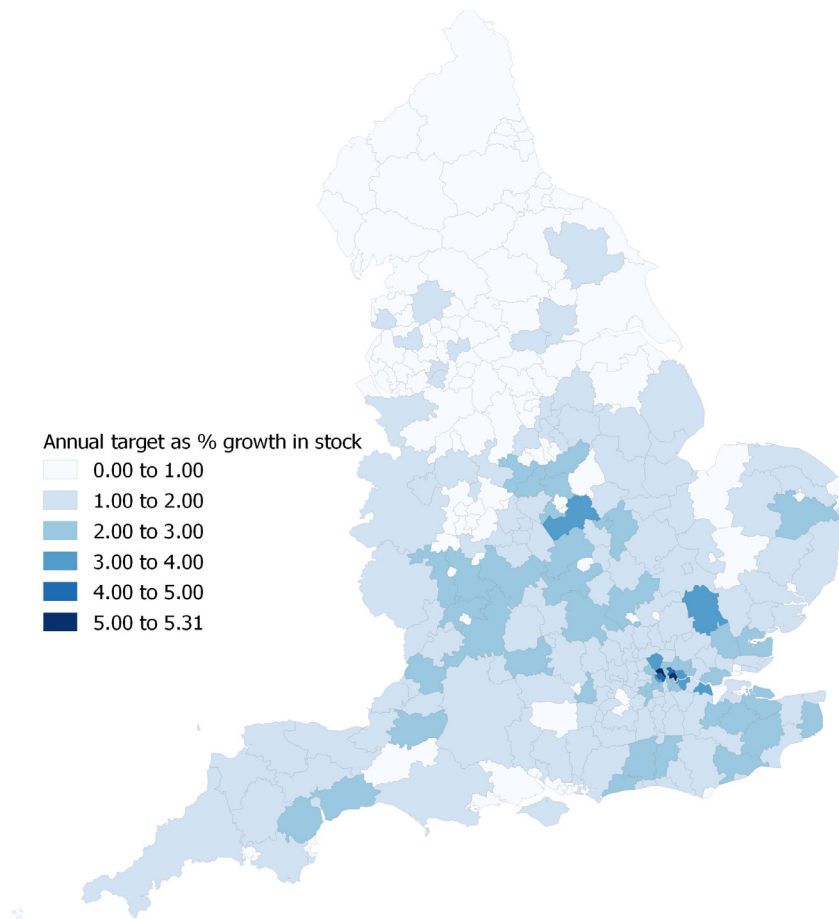
Figure 1: Change in Annual Objectively Assessed Housing Need target





- 2.9. **Figure 2** below shows the new target as a percentage of current stock, showing how fast housing needs to grow each year, proportionately.

Figure 2: New Annual Objectively Assessed Housing Need target, as percentage growth in stock



- 2.10. What is however noteworthy is that despite the Government's objective of 'levelling up' the regions, the new method, if adopted, would only selectively address the levelling up agenda in the north.
- 2.11. Although there is no stated programme for its introduction, it is quite possible that the new standard method could be deployed as swiftly as the autumn by way of a Written Ministerial Statement. Proposed transitional arrangements for emerging Local Plans are set out in the consultation.

Quod's View

- 2.12. The new standard method has significant benefits, in particular:
- It would result in a large increase in the overall target for England, better reflecting actual housing need.
 - Because of the link to existing stock, every area is required to contribute to some degree.



- It has a straightforward and clear methodology.
- It has a greater emphasis on affordability with the omission of a cap facilitating substantial increased need in areas with high and rising affordability problems. As a result, it targets new homes where they are most needed.

- 2.13. There are some potential pitfalls on which further clarification would be welcomed. Most obviously, it is not currently clear what would happen in places that are unaffordable but heavily constrained. Such areas would be subject to significant increases in housing demand which they may be unable to satisfy. For example, the housing requirement goes up by nearly 700% in Kensington and Chelsea but it is not likely that new 'requirement' will be met, nor obvious how it would be transferred to other areas, rather than simply not delivered.
- 2.14. The increases are controversial in many areas, notably in London and the south east, but also on the edges of the large conurbations including politically sensitive seats in the north of England. It is not clear if the Government are fully aware of that and willing to 'ride the storm' or whether the ambition will be moderated through the consultation.

Longer term reform

- 2.15. In the longer term, the White Paper proposes to introduce a binding housing requirement that local planning authorities would be required to deliver through their Local Plans. The consultation does not detail how this nationally determined housing requirement would be calculated, though it confirms that constraints to development in an area would be factored in. *Changes to the Current Planning System* is careful to emphasise that the new formula proposed will not "tie the Government's hands" when it comes to determining the methodology for calculating the binding housing need envisaged in the Planning for the Future consultation.

Quod's View

- 2.16. In theory, directing housing numbers cuts out the 'middle man' (developers, the community and the Local Plan process) and cuts through the sort of uncertainty described briefly above, which is inherent in any process moderated through the plan-making process, even if it is informed by a standard methodology.
- 2.17. Even to consult on this basis is a remarkable step and represents an apparent attempt to return to a stronger 'top down' process than was apparent through regional plans before they were abolished in favour of localism - such is the determination of Government to rid itself of the frustrations of the planning process and take back control.
- 2.18. **Can it be delivered?** The politics of this approach need to be tested but so do the practicalities. Is there, in fact, a standard methodology that can calculate precise housing requirements in every local planning authority, which takes account of their unique environmental capacity and which can fairly share unmeetable needs between districts of different capacity? If there is, surely there will need to be some form of transparent process which the public can trust when the number is set – the White Paper does not explain that process. Handed down binding targets are
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otherwise unlikely to be accepted. The Government should consider some form of county or regional mediation in which each authority can state its case before binding decisions are made.

3. The role of Local Plans

The proposed reforms

- 3.1. Planning for the Future proposes fundamental changes to the role and preparation of Local Plans in England.
- 3.2. The role of Local Plans is to be more focused on the allocation and “annotation” of land by type and the specification of rules on scale, mix and design. Development Management policies are to be set out in the NPPF and it is proposed that they would not be replicated or amended locally. **All land is to be categorised as part of a “Growth” area, a “Renewal” area or a “Protected” area.** Land within a Growth area would be “suitable for substantial development” (with that term to be defined) and would benefit from automatic outline planning permission for the principle of development upon adoption of the plan (see below). Renewal areas would be those “suitable for development” – expected to be mainly existing urban areas that are otherwise unprotected – and the plan would specify uses that would benefit from a presumption in favour of development. Protected areas would include existing protective designations such as Green Belts, Areas of Outstanding Natural Beauty, conservation areas, Local Wildlife Sites, areas at significant risk of flooding and important green space.
- 3.3. The purpose of this approach is simplification, in the interests of reducing delays to development and restoring public confidence in the planning system. These reasons are also the motivation for the strong desire throughout Planning for the Future to see much greater use of digital tools, shorter plans (ideally two-thirds shorter) and mapping to make the system more accessible to all users.
- 3.4. As well as simplifying the plans themselves, Planning for the Future sets out a streamlined process for producing them. **The process would be limited to 30 months** with the planning authority producing only one version of its plan before simultaneously submitting it for examination and public consultation. The Inspector would then have the task of considering both the plan and any representations. Instead of the current tests of “soundness”, there would be a single “sustainable development” test, and no Sustainability Appraisal, Strategic Environmental Assessment or Duty to Cooperate, all of which would be abolished.

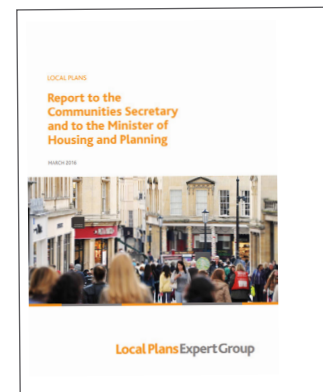
Quod’s view

- 3.5. There is no doubt that the current Local Plans system can be improved. In 2015 the Local Plans Expert Group (LPEG) set out a series of measures for shorter, quicker and more accessible plans. It is pleasing to see many of those recommendations picked up in the White Paper – including a statutory duty to prepare a plan, compulsory five year reviews, a timetabled process, a dramatically reduced evidence base, reliance on the NPPF for general management polices, stronger upfront public engagement and the scrapping of Sustainability Appraisals.
 - 3.6. Achieving the holy grail of faster, fairer, more effective Local Plans requires resources, clarity and consistent enforcement from government. It also requires effective co-operation. The White Paper proposes to remove the Duty to Cooperate
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recognising that it is not successful in its current form, but no alternative process is suggested, beyond a mention of a role for mayors in combined authorities. LPEG's proposal was to strengthen and enforce the duty. The Government will need to consider such 'strategic planning' in its wider devolution and local government reform agenda. Mooted changes including merging District and County Councils into larger unitary authorities could in part address these issues.

- 3.7. The current soundness tests are to be replaced by a single Sustainable Development test, the terms of which are yet to be defined. Those terms will attract significant concern if they do not provide a meaningful opportunity for those who do not accept the Local Plan to influence it once it is published. The White Paper even muses that local authorities might self-certificate their own plans.
- 3.8. At the same time, the delivery test is to be eased and the five-year housing test removed. The development industry should be concerned if the consequences are that housing delivery obligations can be ducked, which would undermine the principal purpose of the reforms.
- 3.9. The White Paper promises that local councils will "radically and profoundly re-invent the ambition, depth and breadth with which they engage with communities as they consult on Local Plans", which again reflects LPEG's advice. The deal is that the community is more engaged in plan-making so that it can have confidence in policies and so it then needs to be less involved in faster decision making because development will meet those policies – see below. But it is not clear how this is to be achieved. Aside from community engagement before the plan is prepared, it appears that public consultation does not actually start before the plan has already been submitted for examination. With a fixed housing number and a new lighter test for soundness, opportunities to actually affect the plan appear very limited. **The principle of genuine community engagement is to be encouraged but the practicalities need to be substantially developed.**



4. Permissions in principle

- 4.1. The Permission in Principle (PiP) process already allows a local authority to establish via their Brownfield Land Register or in response to an application, the acceptability in principle of housing-led development. Its use, however, has been limited to small sites of less than 10 houses. Non-residential elements of any proposal are also currently limited to a maximum of 1,000 sqm.
- 4.2. The Government proposes in *Changes to the Current Planning System* to remove these restrictions and allow PiP to apply to major development, with no limit on commercial space provided the proposal remains "housing-led". The consultation paper notes that the Environmental Impact Assessment (EIA) Regulations effectively limit the scope of PiP to sites of less than 150 dwellings or five hectares, unless a screening opinion rules out the need for EIA.
- 4.3. The White Paper goes much further still and would allow the equivalent of outline planning permission to be 'granted' for all specified development in designated Growth Areas and automatic approval for pre-established development types in other areas identified as being suitable for building.



- 4.4. **The quality of that development is to be assured by the use of masterplans and Design Guides or ‘pattern books’ which would be specified in the Local Plan.**

Quod’s View

- 4.5. The **fundamental nature of this change must not be underestimated**; if implemented as expressed, it would indeed transform the planning system. The ‘rules’ or parameters for development would be established in the Local Plan, not through the pre-application process. Applications for detailed design only would be needed and they could then be shorter, quicker and easier to determine because this would be a question of checking against the Design Guide whether a proposal conformed. The White Paper even refers to “machine readable” policies to help automate the process of determination.
- 4.6. Permission in Principle can be useful in some cases. It provides confidence to investors – but to date it has only been used for smaller sites. If it is to be extended to all of a local authority’s Growth areas (at the same time), it represents **a herculean challenge for plan-makers**, and it challenges head on the idea of faster, shorter plans.
- 4.7. It also assumes that the painstaking process of options testing, viability appraisal, design review and community engagement which has become essential best practice for high quality large scale development, crafted to meet multiple objectives (and which challenges the best in the private and public sectors) can be collapsed and replicated across all sites in the rapid preparation of the Local Plan with outcomes at least as economic, deliverable and high quality as those delivered by a longer, better resourced, site specific process.
- 4.8. One idea is that landowners and promoters could submit their draft masterplans and parameters as representations at the early stages of Local Plan production, thereby relieving the pressure on the local authority. Even then, however, the proposals need to be received, negotiated and tested. **The potential task facing the authority is literally equivalent to granting outline planning permission on every significant development site in their area at exactly the same time.**
- 4.9. If there is value in the proposal, it may be appropriate to try to apply the idea more selectively only to strategic sites and to defer the ‘planning’ of others to a more traditional planning process.
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5. Planning applications

The proposed reforms

- 5.1. Planning for the Future proposes a swathe of reforms to the application process, all intended to allow swifter decision-taking. The main premise is that Local Plans and design guides will be so clear that the application process will be about conformity rather than interpretation of policy.
- 5.2. For sites in Growth areas where the principle of development has been established, consent will still be needed for design and technical issues. Planning for the Future proposes three ways of granting detailed consent. An application similar to the current reserved matters process; a Local Development Order (LDO) by the local authority; or for exceptionally large sites, use of the Development Consent Order (DCO) regime. The latter is currently unavailable to large-scale housing schemes and has significant potential to speed up housing delivery if implemented correctly. For Renewal areas there would be a different process. Proposals for acceptable uses (defined by the Local Plan) would automatically receive consent if the design and technical details complied with the plan's requirements. Again, LDOs remain an option for the local authority. In Protected areas a planning application as currently defined would be required and, indeed, these would remain options in Growth or Renewal areas for types of development not defined by the plan.
- 5.3. The Government has also expressed its intention to toughen the sanctions on local authorities if they fail to determine applications within the statutory timeframes of eight or 13 weeks (which would remain). **Options being considered include deemed consent upon the expiry of the statutory period for some types of application and an automatic rebate of the application fee if the deadline is not met or a refusal is overturned at appeal.** Interestingly, the White Paper states firmly that decisions on detailed matters should be delegated to planning officers *“as detailed matters for consideration should be principally a matter for professional planning judgment.”* In other words, members should not get involved where the principle is not in question. The Secretary of State would retain call-in powers and there would remain a right of appeal. This represents a significant shift of the democratic process away from decision-taking and further towards plan-making.
- 5.4. As with plan-making, the Government is looking to technology to help streamline the application process. Digitisation, improved case management systems, easier access to data and standardised digital applications are to have a role.

Quod's view

- 5.5. The ambition of making application target dates more robust is welcome, but local authorities routinely request applications to be withdrawn or the target date extended if they are unable to make a decision in time and it is not clear what measures would be in place to prevent this.
 - 5.6. In terms of increasing planning application fees, developers have often been vocally receptive to such reform, provided this actually results in additional resource for their planning applications and it may be that the question of resources lies at the heart of both the current slowness often found in the determination of applications but also in any prospect that a revised system would genuinely deliver quality outcomes sooner.
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- 5.7. Whether the Government's ambitions for the application process will be met will be largely determined by how successful their reforms to Local Plans are and how long it takes to produce them: if design codes and pattern books are not developed and adopted as part of the plan, it will not be possible to assess conformity with them and scheme proposals would need to be considered in the traditional way.
 - 5.8. Similarly, if the Local Plan process is not successful in fully engaging communities to settle locally agreed policies and Design Codes, **the lack of democratic accountability inherent in the proposals could create severe community resistance.**
 - 5.9. One notable reform is **the proposed use of DCOs for large scale housing-led developments.** Quod have long argued for this and its inclusion in the White Paper is very welcome as the current system is not conducive to successfully promoting large-scale housing proposals such as new settlements and urban extensions. It has long seemed wrong to us that the most powerful delivery tool known to planning is not available for development for which there is the greatest national need. We will continue to work to generate detailed proposals for how this power can be used by the private sector to promote faster and better delivery of large scale development. While wider use of development corporations would also help it is right that there should be a mechanism by which the private sector can propose and deliver new housing at scale.
 - 5.10. As with plan-making, the greater use of technology is overdue and its greater use in the application process is welcome. Covid-19 has already accelerated the planning system to rapidly adopt new technology, in contrast to its previous caution, and there is more that can be done. However, the interpretation of policy and the exercise of planning balance in a discretionary system involve substantial nuance and care must be taken in trying to include a binary pass-fail assessment of compliance with Local Plans and design guides.
 - 5.11. It appears that there will continue to be a 'departure' route for proposals that are not consistent with the Local Plan to be considered where they do not comply with or were not anticipated by the plan. However, the White Paper suggests that there may be a presumption against the grant of consent for such proposals.
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6. Environment and sustainability

The proposed reforms

- 6.1. The Government's ambition for a simpler, quicker system extends to environmental and sustainability assessment. *Planning for the Future* notes that there is duplication of effort between the current Strategic Environmental Assessment, Sustainability Assessment and Environmental Impact Assessment processes, but leaves detailed reform of this to a future consultation this autumn.
- 6.2. Again, technology is expected to have a significant role in speeding up assessment and decision-making. Greater and easier availability of data is expected to reduce the need for site-specific surveys.
- 6.3. There is a general expectation that development should create "net gain" rather than "no net harm" to both the built and natural environments. This aligns with the mandatory requirements set out in the Environment Bill and the 25-year Environment Plan.

Quod's view

- 6.4. The White Paper is short on detail of how the various assessment regimes will be streamlined. However, the Government is clear that it sees Environmental Regulation as an area that can be improved and become more focussed as a result of the UK leaving the EU. There will be a specific consultation on proposals in the autumn. Whilst greater speed in any part of the planning system is to be welcomed and the demise of a tick box approach to Sustainability Appraisal is long overdue, **a smarter but more effective assessment process will be an essential replacement if the nation's objectives for sustainability and the enhancement of our natural environment are to be married with an agenda for more development.**

7. Consolidation of CIL and planning obligations into a single Infrastructure Levy

The proposed reforms

- 7.1. In the immediate term the Government is proposing minor changes to the CIL regulations to allow First Homes to be eligible for relief like other affordable housing.
 - 7.2. In the longer term, however, *Planning for the Future* sets out proposals to bring Section 106 contributions and CIL together into a consolidated Infrastructure Levy. This would:
 - **be nationally set as percentage of development value;**
 - **be paid at the point of occupation (not commencement);**
 - **cover all use classes and development above a certain threshold; and**
 - **include affordable housing and other planning obligation contributions.**
 - 7.3. The Mayor of London's CIL and potential Combined Authority CIL would, however, still be retained.
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- 7.4. *Planning for the Future* states the Government's intention that affordable housing would continue to be delivered on site "at least at present levels" with this being delivered through an "in kind" mechanism and therefore traded off against the Levy.
- 7.5. Other proposals in relation to the Levy include:
- It being payable on permitted development – which is currently not subject to S106 obligations and usually not CIL.
 - Funding may be used more flexibly than CIL including on council services or reducing Council Tax.
 - A proportion may be used to fund core planning services.

Quod's view

- 7.6. Like all of the proposed reforms in the White Paper much detail will be required to demonstrate that this is indeed more effective than the current arrangements. After all, the introduction of CIL was intended to result in a "*faster, fairer and more efficient*" system of obligations but has resulted in over 100 regulations which are regularly amended, and still operates alongside Section 106 agreements.
- 7.7. Leaving aside the obvious issues of transition, matters the Government will need to grapple with include:
- How to replace the practical as opposed to financial elements of S106: **contrary to many 'think tank' observations Section 106 is not primarily (or legally) a tax but is intended to mitigate impacts of development and make it acceptable in planning terms.** Unless local authorities are going to take on responsibilities for planning and delivering all infrastructure for development, practical agreements will still be required. Section 106 agreements were introduced to formalise and make more transparent legal agreements that applicants and local authorities had found necessary in order to deliver acceptable development.
 - The calculation formula for the new Levy: including the appropriate percentage of development value, how development value will be defined, who will calculate it, will it vary over time, how will local circumstances be accounted for?
 - Whether a percentage of development value is the most appropriate basis for the Levy and whether that increases "land value capture", which is also referred to in the White Paper. This may have different answers for the different types of sites – for example, a greenfield Growth site with low existing value versus an urban Renewal site with high costs and/or competing values. This relates in part to the 'averaging' problem – different sites have different characteristics (both costs and values) so for a standard rate to apply to all it needs to be relatively low (like the Mayor of London's CIL). This inevitably results in some sites contributing less than in a discretionary system. The alternative is a higher rate that allows exceptions but that then re-introduces discretion and negotiation.
 - Phasing and timing of payments for large and phased developments, and how amended permissions are dealt with – one of the trickiest issues in relation to CIL.
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- The approach to “in kind” on-site provision of affordable housing. In the current situation, even when an applicant is providing policy-compliant affordable housing, legal agreements are required to define types, tenures, affordability and timing. **If there are no Section 106 agreements it is likely that ad hoc “In-kind Housing Agreements” will spring up in their place.** These will need to deal with the specification of the housing and the terms/value of transfer (particularly as it appears that the proportion of the Levy used for on-site affordable will be based on the differential between affordable offer prices and market values, which could vary substantially, leaving more or less value for other uses). Local authorities will want to continue to be able to meet NPPF requirements to deliver mixed and balanced communities.
- There is a risk that if the scope of use by local authorities of the Levy is widened, that in a time of scarce resources it will be used to pay for core services and not to meet the ‘additional’ needs generated by development or provide on-site affordable housing. This was a major concern of the industry when the Barker Review proposed a Planning Gain Supplement.

7.8. The White Paper has been deliberately light touch and the changes proposed will require both primary legislation and then detailed regulations. The legislative basis of CIL was contained in the 2008 Planning Act, Regulations were published in 2010 and the first Charging Schedules were introduced in 2012. It is therefore likely to be some time before a new regime comes into force. Quod will be working with clients and stakeholders to offer its experience in seeking to ensure the new system is practical and avoids some of the pitfalls of the current regime.

8. Affordable housing

Short term interventions

- 8.1. In order to support smaller house builders, the Government is proposing to increase the threshold below which developments are not liable to provide affordable housing contributions. Currently, schemes delivering fewer than 10 homes are not required to make a contribution, provided these are to be on a site which has an area of less than 0.5 hectares.
 - 8.2. It is **now proposed to raise this threshold to either 40 or 50 new homes** on a temporary basis through changes to national planning policy, with the Government seeking views as to the appropriate increase. This change would also see the site size threshold proportionally increased. If pursued, it is quite possible for these changes to be introduced as early as the autumn, as they would not require legislative changes.
 - 8.3. The Government have also published a response to the previous First Homes consultation. The desire to support home ownership through the First Homes discounted market sale product is maintained in the *Changes to the Current Planning System consultation*, with the discount secured in perpetuity. The default discount is 30%, but this can be increased up to 50% with these homes being CIL-exempt.
 - 8.4. It is proposed that 25% of any affordable housing secured would comprise First Homes and that initially existing Local Plan policies would be adapted formulaically to determine a financially equivalent new policy, including 25% First Homes.
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Longer term reform

- 8.5. The Government says that it will ensure that the new Levy would allow local planning authorities to secure more on-site housing provision, as payment in kind.
- 8.6. The consultation refers to the Government's desire to capture a greater share of the uplift in land value that comes with development, noting that the value captured will depend on a range of factors including the development value and the existing use value of the land.
- 8.7. It also outlines the desire to bring forward reforms to make sure that developer contributions are responsive to market conditions, with developers and local authorities sharing the consequences of both price falls and rises.

Quod's view

- 8.8. The proposed time limited increase in the threshold to 40 or 50 homes below which sites are exempt from affordable housing would potentially have a huge positive impact on the land values of these sites. Alongside the new Use Class flexibilities¹ it could radically change the use of sites in favour of residential. It is not clear, however, what this would mean for the delivery of extant consents for these sites which **may be at risk of being put on hold** to benefit from the relaxation. Nor is it clear whether permissions secured will translate into actual delivery.
- 8.9. In theory, the requirement that 25% of any affordable housing secured would comprise First Homes would be financially neutral for developers albeit there may be concerns in terms of cashflow and risk (where First Homes substitute shared ownership which is cash-flowed by a Registered Provider) and competition with market sale products.
- 8.10. We think there are further contradictions, which suggest on-site affordable housing may decrease, whilst a **“top up” from the Levy may not materialise if there are other priorities**. This is an area of significant complexity. For example, the shift of payments to occupation would require some careful consideration and could bring uncertainty to developers where value is to be assessed, particularly for Build to Rent operators. The references to land value capture, existing use value and sharing in the downsides as well as upsides will no doubt raise interest and would be welcomed by developers but currently lacks detail.

1 See Quod's note on changes to the Use Classes Order and permitted development rights.



9. Conclusions

- 9.1. Whilst *Planning for the Future* will be seen by some as a continuation of the periodic scapegoating of the planning system to explain failures which have a more complex origin, the changes proposed cannot be accused of lacking ambition and a genuine desire to make a difference. There is a clear appetite to grapple with some of the fundamental issues that have dogged the planning system for decades, including plan production, certainty for developers, determination delays, and funding infrastructure.
 - 9.2. It is important to remember that these are only consultations – nothing has changed yet, and it remains to be seen how many of the proposed reforms survive the review process.
 - 9.3. **The scope of the changes is enormous and it would require an exceptional, sustained focus to bring all of these ideas to fruition.** There is also a risk that uncertainty caused by the consultation brings paralysis as the development industry and plan-makers wait for clarity – exactly the opposite of what the Government is trying to achieve with its short-term reforms.
 - 9.4. Whether the Government's ambition will be tempered by the consultation responses from industry, interest groups and local government remains to be seen but the White Paper is a clear indication that this Government will not be content playing around the edges of the system.
 - 9.5. Our view is that, while the proposed reforms are not fully formed, there is much to be welcomed in the ambition that lies behind them. The principles of shorter Local Plans, focused EIA, high design standards, more timetabled plan delivery, the use of DCOs for faster delivery of large housing schemes and faster application determination cutting away many of the frustrations of the current system can be readily supported – particularly if they are to be accompanied by better resourcing for the sector. But other 'big ideas' need significant work before it is apparent that they warrant the disruption inherent in the wholesale reinvention of the planning system. Constructive engagement from all those with an interest in the future of the planning system should help to hone the best ideas.
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