



Government response to the Levelling Up, Housing and Communities Select Committee report on The Future of the Planning System in England

CP 673



Government response to the Levelling Up, Housing and Communities Select Committee report on The Future of the Planning System in England

Presented to Parliament
by the Secretary of State for
Levelling Up, Housing and Communities
by Command of Her Majesty

May 2022

CP 673



© Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at

Department for Levelling Up, Housing and Communities
Fry Building, 2 Marsham Street
London SW1P 4DF
Tel: 0303 444 0000

ISBN 978-1-5286-3322-2
E02746787 05/22

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of Her Majesty's Stationery Office.

Contents

| | |
|-----------------------------------------------------|----|
| Introduction..... | 4 |
| Our Current Planning System..... | 5 |
| The Government’s Three Areas Proposal | 5 |
| Local Plans | 7 |
| Public Engagement | 10 |
| The Standard Method..... | 11 |
| How to deliver new homes | 12 |
| Omissions..... | 16 |
| Land capture and the funding of infrastructure..... | 16 |
| Resources and skills..... | 17 |
| Design and beauty..... | 18 |
| Green Belt | 19 |
| Environmental and Historical Protections..... | 19 |
| Conclusion..... | 21 |

Introduction

1. The Government is grateful to the Levelling Up, Housing and Communities Select Committee and all those that provided evidence for their report, published on 10 June 2021. The Government has carefully considered the evidence, findings and recommendations of the report and set out our response to its findings below.
2. Since June 2021, the Government has undertaken significant further work to level up the country and regenerate our forgotten towns and cities. As part of this it has made fundamental changes to its planning system to restore local pride in places by improving design, enable the homes and infrastructure which communities need and allow our high streets to adapt and flourish.
3. This period followed a year of an unprecedented crisis of public health, which touched all areas of Government policy, including planning, regeneration and housing, requiring policy, funding and regulatory intervention to keep places afloat, and subsequently, pave the way for our greatest ambition, levelling up. Over the past two years the Government has:
 - a. Supported local government and local economies to respond to and recover from the COVID-19 pandemic including by bringing forward the Business and Planning Act 2020 and other measures to extend planning permissions, allow more digital services, encourage pragmatic enforcement and permit more markets and making al fresco dining permanent.
 - b. Supported housing delivery and the diversification and viability of our town centres by introducing a permitted development right for the range of uses in the Commercial, Business and Service use class (E) to change to residential.
 - c. Announced the interim Office for Place to support the delivery of design codes to ensure there is the capacity and capability locally to raise design standards and the quality of development.
 - d. Promoted the recovery of our high streets, by giving greater freedom for small business owners to change to another commercial use without the need for planning permission through the creation of the Commercial, Business and Service (E) use class - which includes a wide range of uses found on our high streets including retail, gyms, and offices etc.
 - e. Published the landmark Levelling Up White Paper and announced the £4.8 billion fund to support town centre and high street regeneration, local transport projects, and cultural and heritage assets.
 - f. Brought greater democracy to placemaking through the PropTech Engagement Fund, helping to increase community participation in shaping and regenerating places, through funding 41 pilots.
 - g. Enabled local leaders through an ambitious programme of nine devolution deals, over £7.5bn worth of investment funding is being unlocked over 30-years to the directly elected combined authority mayors.
 - h. Launched a consultation to increase local democracy on street naming, to ensure everyone has a say in protecting local heritage.

Government Response to the Committee's recommendations

4. The Select Committee Inquiry has looked at issues which are central to ensuring an improved planning system that puts local people in charge of shaping their communities, and delivers development that is beautiful by default, green and accompanied by new infrastructure – supported by local communities.
5. This document mirrors the structure of the Select Committee report, it sets out the Committee recommendations in italics and our response is set out underneath.

Our Current Planning System

The Government should consult on the details of proposed reforms to prevent unintended consequences and harms resulting from them. Given the complexity of the issues, and the possibility that its contents will differ from the proposals contained in the White Paper, the Planning Bill announced in the Queen's Speech should be brought forward in a draft form, and be subject to pre-legislative scrutiny. We stand ready to undertake such scrutiny. (Paragraph 16)

Response:

6. The Government agrees with the Committee's view that the complexity of issues in planning require significant engagement with stakeholders in Parliament and beyond. For this reason, the Government has conducted significant engagement with a broad range of stakeholders including industry experts and the general public. The Government has held forums with local authorities and conducted user research to test the impact of our proposed measures. The original Planning for the Future consultation received over 44,000 responses which we have carefully considered. The Government listened to the concerns of stakeholders and since then has significantly revised its plans for planning reform. Bringing forward legislation in this parliamentary session will help ensure the effects of the reforms are felt as soon as possible, while not sacrificing parliamentary oversight.
7. The Government will also engage the Committee on any subsequent regulations that set the detail of measures in the Bill as necessary.

The Government's Three Areas Proposal

The Government should reconsider the case for the three areas proposal. Any new proposals can be considered in detail if the Planning Bill is published in draft form and we undertake pre-legislative scrutiny, as we recommend. (Paragraph 32)

Response:

8. The Government agrees with the recommendation of the Committee and will not be pursuing three area types in the reformed planning system. The Government have listened carefully to feedback from the consultation, sector stakeholders, the public and other interested parties.

If after reconsideration the Government does continue with the three areas approach, we recommend that as a minimum:

- The Government should clearly explain how Local Plans will impose requirements on developments in an area. At present it appears to be proposing the current planning application system will continue to be available in growth and renewal areas for proposals that would not conform to the local plan requirements. The Government should set out what level of detail will be needed in the Local Plans to ensure that developers and other stakeholders have certainty as to whether prospective developments would be permitted.*
- Local authorities should set out detailed plans for growth and renewal areas which specify heights of buildings, density of development, minimum parking standards, access to retail, education, transport, health facilities and other local amenities. This may be by way of a planning brief for particular sites, which may be undertaken subsequent to the local planning process and which is subjected to detailed consultation with local people. Developers that propose developments in accordance with such planning briefs would then be invited to undertake such developments. In all such areas, local authorities must be enabled to prevent overdevelopment, particularly in areas of existing housing such as suburban settings. Any proposal deviating from the standards proposed at a local level would otherwise be subjected to the current full planning application process.*
- The Government should consider the proposals for sub-areas within the 'renewal area', where permission in principle would not apply and individual planning permission would be required.*
- The Government should implement a 'highly protected' alongside a 'protected' area category. This would enable strong protections for areas that local authorities think need such a shield against development, whilst ensuring development can still happen in rural areas.*
- The Government should clarify who will have the power to decide whether a development, particularly in growth and renewal areas, has met the requirements laid down in the Local Plan.*
- The Government must clarify the role of statutory consultees. It should explain how organisations that are statutory consultees for individual planning applications, but not for Local Plans, will be able to express their views. The Government should also set out how statutory consultees will be able to comment on individual sites where they have particular concerns. (Paragraph 33)*
- The Government should explain how it sees vital infrastructure being affected by its proposals. This should include whether there would be special designations for such infrastructure and whether it will be possible to comment on different specific infrastructure proposals. It should also explain how infrastructure providers will be able to comment on and influence emerging proposals for specific projects. (Paragraph 34)*

Response:

9. The Government agrees with the Committee that the relationship between plans, national policy and the requirements placed on new development should be made clear. One way the Bill does this, and strengthens democracy as a result, is through giving local plans more weight in law. This will make it harder for local authorities or planning inspectors to make decisions

that are contrary to the local plan, which the community will have had opportunities to engage with. Additionally, a new set of National Development Management Policies in the NPPF will save local authorities time, removing the need to repeat things which apply universally, helping them to get plans in place quickly and allowing local leaders to focus on issues that matter most locally.

10. It is widely acknowledged that meaningful and early engagement with local communities and statutory consultees can have many benefits, including the potential to identify and address problems early in the application process which can help speed up decision-making. Statutory consultees will be able to comment on individual sites where they have concerns, as they do in the current system.
11. To support better infrastructure provision through plan making, the Government is introducing a new requirement for Infrastructure providers to provide assistance to Local Authorities in drafting their local plans. This will ensure local authorities get the information they need in a timely manner so that they can identify how infrastructure and new housing development should be sited and provided.

Local Plans

The Government should extend the 30-month timeframe for the initial production of Local Plans as it is too short for creating new plans from scratch. The Government must ensure that statutory consultees have time to comment on Local Plans. The Government should consider a staggered roll-out of the new types of Local Plans across the country. It should be permissible and straightforward to undertake quick updates of Local Plans every two years, including with appropriate time for public consultation. The Government should consider the case for confirming that the National Grid is a statutory consultee in new Local Plans. (Paragraph 45).

Response:

12. The Government does not accept the recommendation to extend the 30 month timeframe to produce new Local Plans. Currently only 41% of England's local authorities have a local plan that was adopted in the last five years; meaning there are swathes of the country where the public have little confidence in where development is going to happen. Because it takes over 7 years on average to put a plan in place, many councillors are unlikely to see the benefits of a plan during an electoral cycle.
13. The Government considers that it is important to retain ambitious timetables for plan production and that because of a number of reforms – including removing the duty to cooperate, reducing the evidence burden, changing the soundness tests at examination - 30 months is achievable. The detail of these changes will be set out in regulations made under the Levelling Up and Regeneration Bill. The Government will consult on the detail of these regulations in due course. The Government is also considering how best to support local authorities in being prepared to meet this aim.
14. Local Authorities will be required to keep local plans up to date and will retain the flexibility to carry out partial updates. They will also be able to adopt new 'supplementary plans' as

part of the development plan for their area. These plans will be subject to consultation and independent examination and will provide flexibility to introduce new policies for particular locations outside of the local plan-making cycle.

15. The Government agrees that local authorities should have time to transition to the new system and will be setting out further details shortly.

The Government should clarify how it will promote greater involvement by the public in Local Plans. The public should be consulted about a draft version of the Local Plan before, not concurrently with, its submission to the Secretary of State. This would enable their views to be more effective in influencing the final version of the plan. The Government should also be very cautious about watering down the ‘right to be heard’. (Paragraph 46)

Response:

16. The Government agrees with these recommendations and confirms that as part of the statutory 30-month timetable for plan-making, there will be requirements for two rounds of community engagement and consultation before local plans are submitted for independent examination. The Government also intend to increase the current statutory minimum duration for consultation.
17. Through the use of new technology that will be enabled through our digital reforms, communities will have easier, more accessible ways to engage. There will also be simpler and more transparent processes, and an important role for neighbourhood planning groups and communities more widely in preparing design codes, which will mean local people will have more opportunity to shape how their areas look.
18. We will retain the ‘right to be heard’ as an important part of the Local Plan examination process. We will also prepare new guidance regarding best practice in community engagement with sector experts which will be used by Inspectors during the new gateway checks that will be carried out as plans are prepared.

Local authorities and existing neighbourhood forums need to strive to ensure a representative range of voices are heard in the production of neighbourhood plans, and there should be a timeframe for producing and revising them to ensure they remain relevant. Ahead of the Planning Bill, the Government must clarify the role and status of neighbourhood plans in the proposed system. The Government should consider how to make the neighbourhood planning more relevant to local people and how to ensure that residents feel empowered to both contribute to and own the plan. (Paragraph 52)

Response:

19. The Government agrees with this recommendation. It recognises the value of Neighbourhood Plans and will strengthen the role of neighbourhood planning, giving local communities better opportunities to influence future development in their area. The Government is keen to see more communities making use of neighbourhood plans and it has already taken steps to achieve this. In January 2022, the Government awarded funding to a select number of local authorities to test new ways to support the uptake of neighbourhood planning in underrepresented areas.

20. The Bill does not change the ability which communities have to prepare their own neighbourhood plan. Alongside this, the Bill introduces a simpler neighbourhood planning tool called a 'neighbourhood priorities statement' (NPS). This is designed to be a more accessible, cheaper and faster way for communities to get involved in neighbourhood planning, particularly in areas that currently have low levels of take-up. NPSs will allow communities to identify key priorities and preferences for their area and may potentially act as a launchpad to preparing a full neighbourhood plan, design code or another community initiative. NPSs would also be used as a formal input to the local plan process with local authorities required to consider them.
21. To give local people even more say on development in their area, the Bill would also allow communities to implement 'street votes' should they wish to. These will allow residents to propose development on their street and hold a vote to determine whether it should be given planning permission.

The Government should only abolish the duty to cooperate when more effective mechanisms have been put in place to ensure cooperation. Whilst the duty to cooperate remains in place, the Government should give combined authorities the statutory powers to oversee the cooperation of local authorities in their area. Longer term reforms could include greater use of joint plans, of plans overseen by mayors and combined authorities, and of development corporations. The Government should seek to apply the lessons from successful strategic plans devised by local authorities in certain parts of the country in devising more effective mechanisms for strategic planning. (Paragraph 61)

Response:

22. The Government agrees with the Committee that the Duty to Cooperate should not be abolished without a clear understanding of how it will be replaced with a new mechanism to ensure cross-boundary cooperation. The Bill does abolish the Duty, but it will be replaced with a new 'alignment policy' in a revised NPPF following the Bill's passage. The Government recognises the importance of cooperation between authorities, and has worked closely with authorities to understand how best we can encourage cross-boundary working without the unnecessarily burdensome Duty to Cooperate.
23. Spatial development strategies can play a valuable role in considering strategic priorities across functional geographies. The Bill gives powers for all authorities to prepare one if they believe it would assist the long-term planning of their wider area, and would focus on genuine strategic priorities.
24. The Government agrees that in the longer term there could be a greater use of development corporations. Development corporations can be powerful tools for delivering large or complex regeneration and housing schemes. Development corporation legislation was designed at different times in response to different circumstances and as a result they have varying powers and remits which may inhibit their use today. The Bill ensures there are consistent locally led delivery options available to support local areas' plans for regeneration and growth.

Public Engagement

The Government must commission research about the extent of public involvement in the planning system. This should precede the collection from local authorities and publishing of statistics about public involvement in Local Plans and in individual 1 planning applications. Such research would give a clearer picture of the current situation and, in particular, at which point in the process people are most engaged. (Paragraph 76)

25. The Government believes that engagement with communities and neighbourhoods is a central pillar of an effective planning system. The Government agrees with the Committee's recommendation on the importance of understanding the extent of public involvement in the planning system. University of Reading [research](#) revealed how communities and other user groups engage in the planning and development process¹. This research included looking at how current community involvement operates and how changes to the system could be approached with frontloading and deliberation in mind. This has supported the policy work to ensure community engagement is central throughout the planning system, and will inform future planning practice guidance, which we plan to consult on in due course. The Government has also worked closely with experts across the planning system to understand the barriers to engagement and explored ideas for increasing the quality, quantity and diversity of engagement across the system.

Therefore, all individuals must still be able to comment and influence upon all individual planning proposals. (Paragraph 77)

Response:

26. The Government agrees with the Committee's support for ensuring individuals can comment on all individual planning proposals. We will retain this ability in the reformed system.

27. Digital reforms will make it easier for people to be aware of and comment on proposals in their areas. The changes to the system will give more people the opportunity to shape their community – through new digital ways of engaging with local plans and planning applications, as well as new policy tools, such as design codes that set clear design standards for development and have legal force.

28. It is widely accepted that meaningful and early engagement with local communities and statutory consultees has many benefits. The Bill will make permanent the existing powers which allow pre-application engagement to be required for specified forms of development.

We recommend that the Government set out how the valuable role of local councillors will be maintained in the planning system. (Paragraph 78)

Response:

29. The Government recognises the critical role that local councillors and leaders play in meeting communities' needs. Local Authorities and democratically elected councillors will maintain

¹ [Parker, G.](#), Dobson, M. and Lynn, T. (2021) Community involvement opportunities for the reformed planning system: frontloading and deliberative democracy. Report. Henley Business School, University of Reading. pp61

democratic control and provide transparency, while also upholding the integrity of planning decisions.

30. Local authorities – elected councillors – will approve plans, and will continue to make decisions on planning applications, balancing the interests of the community with the rights of the landowner, drawing on advice from local Government planning officers as required.

The existing statutory notices should be retained for all local authorities, to be used alongside technology. We propose the use of virtual participation in planning meetings continue alongside in-person meetings after the COVID-19 restrictions have been lifted. We also propose that local authorities should experiment with novel ways of engaging the public with the wider planning system, for instance through the use of citizens assemblies. (Paragraph 88)

Response:

31. The Government recognises the importance of having a range of mechanisms in place to facilitate engagement with all users of the planning system and agrees with the Committee's recommendation. The Government wants to encourage greater engagement in the planning system and the Bill will enable innovative digital tools to be developed through the provision of powers around data standardisation. These should modernise the way communities engage on planning applications. Traditional methods of publicity – the neighbour letter, site notice or local newspaper notice – will be retained so those without digital access are aware and can still comment on applications.
32. The Government agrees that local authorities should trial new ways of engaging the public with the wider planning system and has therefore funded 41 pilots through two rounds of the 'PropTech Engagement Fund' and will prepare new guidance on best practice in community engagement with sector experts.
33. From 25 March to 17 June 2021 the Government ran a call for evidence to hear views on the use of remote meetings which were implemented during the pandemic. We will respond in due course.

The Standard Method

The Government should:

- *Provide an explanation of what criteria were used by the Government to both identify the 20 urban centres being subject to the uplift, and the scale of the uplift.*
- *Clarify the rationale for the local targets in those places subject to 'urban uplift', given the need to also consider geographical barriers such as the seas and rivers, Green Belt and other protected places, and the availability of brownfield sites. The Government should set out the impact on the Green Belt in areas where there will be urban uplift.*
- *Reconsider the increase proposed for London, in light of its lack of feasibility, especially given the need to protect important Metropolitan Open Land, and the potential impact of COVID on patterns of commuting and work.*

- *Explain how it will ensure that its new approach does not lead to a significant reduction in the annual construction of dwellings in northern England and the Midlands. (Paragraph 111)*

In addition:

- *We broadly agree with the Government's general approach of using workplace-based earnings. But for specific local authorities the Government should consider using residence-based earnings to ensure the housing targets accurately reflect local circumstances. The Government should also publish what the housing targets would be using each type of earning would use of each type of earnings would result in.*
- *The Government should commission and use new household projections. These should take account of the criticisms of the current approach made by the Office for Statistics Regulation; and take account of the impact of the COVID-19 pandemic. Calculations of housing need should also incorporate properties that could be converted and repaired. The Government should also take account of criticisms of the existing 'standard method' and directly incorporate availability of brownfield sites, environmental and other constraints on developable land, and the wish to level up into the standard method formula.*
- *The Government should permit local authorities to undertake their own assessment of housing need for inclusion in the Local Plan, if they disagree with the nationally set figures for their local area (which would be accepted by the Planning Inspectorate). Local authority's assessment could then be evaluated by the Planning Inspectorate. (Paragraph 112)*

Response:

34. The Government welcomes the Committee's support for the principle of using a standard method (established in planning policy and guidance) that applies across England. The changes in the Levelling Up and Regeneration Bill will require a new National Planning Policy Framework for England. The Government continues to listen to the representations of MPs, councillors and others on the effectiveness not only of the formula but the surrounding policies. Alongside Committee stage of the Bill, it intends to publish an NPPF prospectus setting out further thinking on the direction of such policies.

How to deliver new homes

The Government should publish the evidential basis for its 300,000 housing units a year target and set out how this target will be achieved, both by tenure and by location. (Paragraph 116)

Response:

35. The Government is determined to create a market that builds the homes this country needs. Our ambition is to deliver 300,000 homes per year on average and create a market that will sustain delivery at this level. There is compelling evidence that increasing the responsiveness of housing supply will help to achieve better outcomes. There seems to be consensus that 250,000 to 300,000 homes per annum should be supplied to deliver price and demand stability. For example, a 2014 joint KPMG and Shelter report highlighted that 250,000 homes per annum were needed to address price and demand pressures.

36. From April 2019 to March 2020 over 242,000 homes were delivered – the highest level for over 30 years. Over the past 5 years, extra homes from new build completions have averaged 201,000 per annum (between 2015-16 and 2020-21). 2019-20 was the highest year, with 219,000 completions. In addition, there have been 36,000 extra homes per year on average from conversions and change of use, many of which have been the result of new deregulatory permitted development rights.

The Government should produce a strategy for increasing the extent of multi-tenure construction on large sites in line with the Letwin Review's recommendations. It should explore the greater use of Development Corporations that are transparent and accountable, alongside incentivising the use of smaller sites and SME builders.

Response:

37. The Government acknowledges the conclusions of the Letwin Review and agrees that increasing diversification on very large sites is important to support the rate of build out. The Government is committed to ensuring SMEs have the right support in place. This includes making the planning system more certain, streamlined, proportionate and digitally enabled, and through the provision of SME loans funds, such as the £1.5bn Levelling Up Home Building Fund, which launched earlier this year to build on the success of the Home Building Fund.

38. Very large sites (10,000+ homes), including urban extensions and standalone new settlements, face significant challenges in the current planning process, but in some areas these sites are essential to meet housing ambitions. To improve delivery, changes to the planning system will maximise what can be done through the local plan process, including revising the tests of soundness, and introducing powers for authorities outside of Mayoral Combined Authorities to voluntarily produce a Spatial Development Strategy. The Bill will also improve the system of locally led development corporations to support local areas' plans for regeneration and growth.

We also recommend introducing, in the first instance, time limits for the completion of construction and non-financial penalties where those limits are exceeded without good cause. The Government should set a limit of 18 months following discharge of planning conditions for work to commence on site. If work has not progressed to the satisfaction of the Local Planning Authority then the planning permission may be revoked. An allowance of a further 18 months should be allowed for development to be completed, after which the local authority should be able, taking account of the size and complexity of the site, and infrastructure to be completed by other parties, to levy full council tax for each housing unit which has not been completed. (Paragraph 129)

Response:

39. **The Government agrees with the Committee that it is critical to ensure construction begins as soon as possible once planning permission is granted. Developers and authorities should work closely together at a local level to ensure that communities have access to the homes they need.**

40. In recognition of the importance to communities of bringing forward new development in a timely manner, the Bill gives authorities stronger tools to respond when build rates are unreasonably slow. Housing developers will be required to formally notify local authorities,

via a Development Commencement Notice (DCN), when they commence development and provide a trajectory setting out annual rates of housing delivery to completion.

41. In addition, it streamlines the process for local authorities to serve completion notices on development to give authorities more control and make them a quicker, more attractive option to pursue. The effect of a notice is to impose a deadline for completion, after which the remaining unfinished parts of a development will lose planning permission. This will give greater control and certainty to local planning authorities when serving notices.

The Government should create a C2R class for retirement communities to ensure clarity in the planning process. There should be a statutory obligation that Local Plans identify sites for specialist housing. We repeat our recommendation in our 2020 social housing report that the Government should publish annual net addition targets for the following tenures over the next ten years: social rent, affordable rent, intermediate rent and affordable homeownership. (Paragraph 136)

Response:

42. The Government acknowledges our planning system needs to help ensure that we build the right type of housing for the right people. Our National Planning Policy Framework makes clear that local authorities should assess the size, type and tenure of housing needed for different groups in the community and reflect this in planning policies. We have committed to launch a cross-Government taskforce to look at improving the choice and quality of housing for older people.
43. The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as 'Use Classes'. It is for a local planning authority to consider into which use class a particular development may fall; whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwellinghouse) use class will depend on the individual circumstances of the development. This will be for the local planning authority to determine on a case-by-case basis.
44. The Government already [publishes annual statistics](#) on affordable housing supply in England. The Government is committed to increasing the supply of affordable housing and are investing over £11.5bn in affordable housing over 5 years, the largest investment in affordable housing in a decade. This is expected to leverage £35 billion in private investment. This builds upon the success of our £9bn Shared Ownership and Affordable Homes Programme, running to 2023, which will deliver up to approximately 250,000 new affordable homes should economic circumstances allow.
45. In addition, the Bill makes changes to self and custom build housing and policy will continue to encourage housebuilding on small sites through local SMEs and specialist builders, helping to build a more diverse and resilient housebuilding sector utilising a local workforce.

We recommend that the Government lay out its timetable for when First Homes will become available. To reflect the needs for different types of affordable housing in different areas, local authorities should have discretion over what proportion of houses built under Section 106 agreements must be First Homes. (Paragraph 139)

Response:

46. First Homes are an important part of our plans to make home ownership more widely available and affordable for local people and key workers. The Government has already changed national planning policy and issued guidance to secure First Homes as part of planning applications, which came into effect on 28 June 2021. Through an early delivery programme First Homes are already available at four sites in Derbyshire, Staffordshire, County Durham and Cheshire, and Homes England are working with developers and local authorities to deliver a further pilot programme of 1,500 First Homes over the next year.
47. The speed at which the new national policy takes full effect, and First Homes start to be delivered across England as planned, is dependent on planning decisions made at local level; decisions on the tenure mix of any given site will be determined at local level, taking national planning policy into account. Given the time it usually takes from the grant of planning permission to homes going on sale, the Government expects First Homes to start to become available through the planning system imminently at a relatively small scale, and to ramp up to become a major component of new affordable housing within the next few years.
48. While local authorities retain discretion to meet the local need for different types of affordable housing, the First Homes policy aims to ensure that first-time buyers across England are able to benefit from the discounts provided through First Homes. To ensure that First Homes are delivered consistently, the Government has set out in policy that they should account for at least 25% of all affordable housing units delivered by developers through planning agreements. Under our reformed approach, the Infrastructure Levy will become the leading mechanism for delivering onsite affordable housing in the long-term.

Accordingly, the Government should publish the evidence showing why the level of house building that could be supported by brownfield sites alone are insufficient to delivering the required homes. The Government must also explain why the proportion of new residential address created on previously developed land has fallen in recent years. In addition, Local Plans should be able to prioritise the use of brownfield sites for development ahead of other sites. (Paragraph 144)

Response:

49. Alongside responding to the needs of communities for housing and other uses, Government policy that follows the Bill, along with policies and funds already in place, will allow authorities to prioritise re-using brownfield land as much as possible. As well as relieving pressure on the countryside, prioritising brownfield development can support efforts to focus growth where there is existing infrastructure and employment, and help to reduce the need to travel by private vehicles, contributing to efforts to combat climate change. Regenerating brownfield sites is also critical to town centre regeneration, allowing eyesore and empty buildings to be replaced or upgraded, and support the creation of attractive, thriving urban centres. The proposed changes will enable local authorities to consider re-using all suitable brownfield land for development and encourage regeneration of our towns and cities.

Omissions

Therefore, in advance of a Planning Bill, the Government should include within consultations the expected impact of its proposed reforms to the planning system on:

- *The ‘levelling up’ agenda including the promotion of employment*
- *The economic recovery from the COVID-19 pandemic*
- *The high street*
- *Addressing climate change and creating sustainable development*
- *Bolstering sustainable transport*
- *The delivery of commercial and industrial property, including leisure facilities, mineral extraction, and energy networks*
- *Policies on social exclusion and on particular groups including Gypsy and Traveller Communities*
- *The environment—in particular the proposed reforms to environmental impact assessments, the designation of protected areas and species, and the proposals for a net gain in biodiversity in the Environment Bill currently going through Parliament (Paragraph 148)*

Response:

50. The Government thanks the Committee for its recommendations. The subjects it raises are central to achieving our aims for levelling up. The government’s reforms address the issues of climate change, sustainability, the environment, delivery of commercial and industrial property with a new focus on regeneration and levelling up. The combination of Bill and associated policy now address many of these issues and the Government looks forward to discussion with the Committee how these can be developed further through the National Planning Policy Framework. Environmental protection, in particular, is at the heart of national planning policy, setting clear expectations about biodiversity net gain and the provision of green infrastructure when new development is planned.

Land capture and the funding of infrastructure

We call upon the Government to act upon the whole range of recommendations in our predecessor committee’s Land Value Capture report. (Paragraph 154)

The Government must clarify how it will replicate the binding nature of Section 106 agreements and which parts of the approach will be retained. If they cannot be easily replicated, especially without creating additional complexity, then we recommend retaining Section 106 agreements. (Paragraph 161)

The Government should reconsider the proposals of the 2017 review of the Community Infrastructure Levy as an alternative to their national Infrastructure Levy.

If the Government does proceed with its Infrastructure Levy proposal, a localised rate should be set reflecting local land values. The Government needs to clarify who will set these localised rates, and whether these will differ by local authority or some other sub-national area. The Government must guarantee there will be no reduction in the amount of affordable housing, including social housing, being delivered as a result of their proposed changes. The Government must recognise

that the Levy will not raise enough money to pay for all infrastructure, especially large scale sub-regional and regional investments across much of the country. Further inequalities will need to be addressed through redistribution of Levy funds and through increases in infrastructure spending from central Government. We also recommend leaving the Mayoral Infrastructure Levies in place. (Paragraph 176)

Response:

51. The Government has considered the recommendations in the predecessor Land Value Capture report and the 2017 review of the Community Infrastructure Levy alongside the responses to the white paper. The proposal for a new Infrastructure Levy, which we have developed in the light of consultation responses and engagement with experts, will reform the existing system of developer contributions, with Section 106 agreements retained as a means to pay the Levy in limited circumstances. The new non-negotiable and locally set Infrastructure Levy will be introduced through a phased ‘test and learn’ rollout and, in the long term, give a greater say to local councils on how they deliver their infrastructure priorities and how they secure affordable housing while increasing transparency for local people about how funds will be spent and what infrastructure will be delivered.
52. The Infrastructure Levy will be designed to deliver at least as much affordable housing as under the current system. The Government is providing a range of infrastructure funds for local areas, aiming to provide certainty and control over the funding available. This includes:
- a. Devolved intra-city transport funds to combined authority areas, offering £4.2 billion England-wide.
 - b. Single investment pot offers to several local authorities which is made up of Investment Funds, Transport Grants and Adult Education Budget.

Resources and skills

The Ministry should now seek to obtain a Treasury commitment for an additional £500 million over four years for local planning authorities. Providing this certainty of funding should precede the introduction of the Planning Bill. (Paragraph 185).

The Government must undertake and publish a resources and skills strategy in advance of primarily legislation, to clearly explain how the various skill needs of the planning system will be met. (Paragraph 186)

Response:

53. The cost to local authorities of administering the existing planning system in England is estimated to be £1 billion. The 2021 Spending Review demonstrates the Government’s commitment to investing in safe and affordable housing by confirming a settlement of nearly £24 billion for housing, up to 2025-26. As part of this, the settlement provides an additional £65 million investment to improve the planning regime, through a new digital system which will ensure more certainty and better outcomes for the environment, growth and quality of design.

54. The Government will take forward increases in fees to ensure the planning system is better resourced. We intend to increase planning fees for minor and major applications by 35% and 25% respectively, subject to consultation. This will be consulted on in the summer before changes are made through secondary legislation at the earliest opportunity following the consultation.
55. The Government agrees with the Committee and recognises that these reforms will require an increase in skills for local authorities, for example digital and design skills. The Government is also aware of the demands that the new system will put on professionals in the private sector, and recognise the need for both private and public sectors to have sufficient skills, capability and talent for the new system to run effectively.
56. The Government is working with representatives from local government, the private sector and the professional bodies to develop a comprehensive skills strategy. This will seek to attract, develop and advance those into and within the profession, and to support local authorities to retain and grow from within.

Design and beauty

The Government must ensure that its national design code, advice for local authorities about local design codes, and other aspects of design policy reflect the broadest meaning of design, encompassing function, place-making, and the internal quality of the housing as a place to live in, alongside its external appearance. Given the problems with defining beauty, and to ensure a wider approach to design, there should also not be a 'fast track for beauty'. Many discussions about beauty and design are very localised, concentrating a specific site, building or street. We do not think these discussions can be incorporated into Local Plans covering an entire local authority. Therefore, the Government must clarify how the public will be able to offer views about developments at this small scale. This is doubly significant given the Government's proposed reduction in the opportunities for people to comment on individual planning proposals. (Paragraph 203)

Response:

57. The Government agrees that design in the planning system has a broad meaning. The National Planning Policy Framework explains that good design is a key aspect of sustainable development, and that the planning system should seek to achieve the creation of high quality, beautiful and sustainable buildings and places in which to live and work. The National Design Guide and National Model Design Code set out how councils, through effective engagement with local communities, can deliver healthy, greener, environmentally responsive, sustainable and distinctive places. Local councils can use this detailed guidance to define what good design means in their local area.
58. The Government also agrees that design issues are very localised, and that is why locally set design codes, based on effective community engagement and reflecting local character and design preferences, will become integral to the new planning system. The Bill requires all local councils to produce local authority area-wide design codes, which will act as a framework for subsequent detailed design codes, prepared for specific areas or sites and led either by the

local planning authority, neighbourhood planning groups or by developers as part of planning applications. This will help ensure good design is considered at all spatial scales, down to development sites and individual plots.

Green Belt

A review should examine the purpose of the Green Belt, including whether it continues to serve that purpose, how the public understand it, what should be criteria for inclusion, and what additional protections might be appropriate. The creation of new Local Plans also provides an opportunity for local reviews of Green Belts and the Government should help identify those local authorities where such reviews are particularly urgent. Local Plans can also relieve pressure on Green Belts by prioritising developments on brownfield sites. The Government should ensure there is sufficient funding provided to support their decontamination. (Paragraph 210)

We therefore recommend that the Government extend the same protections that are provided under any new planning system to Metropolitan Open Land as apply for Green Belt. (Paragraph 212)

Response:

59. The Government has no plans for a national review of the Green Belt. The Government remains committed to protecting and enhancing the Green Belt, as set out in its manifesto. The National Planning Policy Framework includes clear protections for the Green Belt that will remain. This land is important for preventing urban sprawl into the countryside, while ensuring that towns and cities grow in a sustainable way.
60. In the Levelling Up White Paper, we made a commitment to further improvements to Green Belt land, in order to make green space and natural beauty accessible to all. In the Greater London area, Metropolitan Open Land has long been designated and protected for its landscape, recreational value, nature conservation or scientific interest. The London Plan provides Metropolitan Open Land with the same level of protection as Green Belt.

Environmental and Historical Protections

The Historic Environment Records dataset should be put on a statutory basis. The Government should assess the merits of providing additional protections for other sites, such as those of local interest and World Heritage Sites. We also recommend that the Government publish an assessment of the impact of its proposed changes on historic buildings and sites. This should include the impact on undesignated and future archaeology, and on heritage sites situated in growth areas. (Paragraph 223)

Response:

61. The Government will continue to conserve and enhance the historic environment, from listed buildings to archaeology, building on the strong protections currently in place. Whilst the current framework has been proven to work well, we want to bring greater clarity by ensuring that plan making and planning decisions are underpinned by up-to-date information about

the historic environment and by ensuring a greater alignment between heritage policy and legislation. We also intend to extend the enforcement tools available to local authorities to protect historic assets and bring greater certainty to decision making through clearer national guidance.

62. The Government agrees with the recommendation to ensure that Historic Environment Records are put on a statutory basis and the Bill includes provision requiring this so that up to date information about the historic environment is integrated with the new digital planning system.
63. The Bill also aligns legislative protection for key designated heritage assets by introducing a duty to have 'special regard' to a number of heritage assets and sites, bringing them in line with protections that exist in the planning system for listed buildings and conservation areas.
64. The Government recognises that many historic buildings will need to adapt to changing uses and to respond to new challenges, such as climate change. In our recently published [British Energy Security Strategy](#), we have committed to reviewing the practical planning barriers that households can face when installing energy efficiency measures, including in conservation areas and listed buildings. This review will be completed by the end of 2022 and ensure protection of local amenity and heritage, whilst making it easier to improve energy efficiency.

The Government should clarify how it intends to define flood risk in the planning system. This includes clarifying how this will take account of the possible impact of climate change and how it fits within wider flooding policy. (Paragraph 225)

Response:

65. In July 2021 the Government updated the National Planning Policy Framework (NPPF) placing a stronger emphasis on the importance of delivering sustainable development to help ensure developments respond to the impacts of climate change, are energy efficient, and reduce carbon emissions. As part of the changes to the planning system the status of national policies used for development management purposes will be elevated, meaning that environmental policies have greater weight in the system.
66. The NPPF explains that all sources of flood risk need to be considered (including areas that are at risk of surface water flooding due to drainage problems), taking into account future flood risk, to ensure that any new development is safe for its lifetime without increasing the risk of flooding elsewhere. The NPPF is clear that areas at little or no risk of flooding from any source should always be developed in preference to areas at a higher risk of flooding.
67. In addition, through enhanced long-term water industry planning processes, the Environment Bill will support our ambition to increase resilience to extreme weather events and the risk of sewer and surface water flooding.

The planning system should pay greater attention to the importance of green spaces and to wildlife near to people's residences. The Government should reconsider the retention of sustainability assessments and ensure that the operation of Environmental Impact Assessments on the planning system is covered in its further consideration ahead of the Planning Bill. (Paragraph 232)

Response:

68. The Government agrees that the impact of development on the natural environment needs to be factored into decision-making at both a strategic and project level. To achieve this, the Bill introduces a new framework of environmental assessment to replace the EU systems of Environmental Impact Assessment and Strategic Environmental Assessment. The Government is clear that these reforms will not result in a weakening of environmental safeguards and will provide the Government with the tools it needs to deliver more for the environment.
69. The new framework will be founded on the UK's international obligations and will place environmental considerations at the centre of the reformed planning system. The new framework will introduce an outcomes-based approach to assessment which will ensure that assessment properly reflects our environmental priorities and will be more effective in addressing the impacts of development. It will support better decision-making by providing decision-makers with the information they need to ensure the environment is placed at the heart of decision-making.

Conclusion

70. The Government is grateful to the Levelling Up, Housing, and Communities Select Committee for their interest in the Planning System and welcomes the opportunity to continue to work with the Select Committee to ensure the success of the reforms in empowering local leaders to regenerate towns and cities as well as restoring pride in local places.

