

Report to	Sustainable development panel 01 October 2020	Item
Report of	Director of place	5
Subject	Government Consultations on the Planning White Paper and Changes to the Current Planning System	

Purpose

To inform members about two current government consultations with major ramifications for the planning system, and to seek members' views on the proposed consultation responses.

Recommendation

To comment on the emerging response to be submitted to government by the end of October on the Changes to the Current Planning System consultation, and to recommend that cabinet approves the proposed consultation response on the Planning White Paper to be submitted by 29 October.

Corporate and service priorities

The report helps to meet the corporate priorities for great neighbourhoods, housing and environment, inclusive economy, and people living well.

Financial implications

None directly as a result of this report. Although there is limited detail at this stage the proposals, if introduced, will impact upon planning fees and on infrastructure levy receipts, with implications for the capital strategy.

Ward/s: All Wards

Cabinet member: Councillor Stonard - Sustainable and inclusive growth

Contact officers

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Background documents

None

Report

1. The government published two consultation documents on 6 August:
 - the [Planning White Paper](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907647/MHCLG-Planning-Consultation.pdf) (Planning for the Future¹) consultation which runs for 12 weeks until 29 October; and
 - the [Changes to the current planning](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907215/200805_Changes_to_the_current_planning_system_FINAL_version.pdf) system consultation² which runs for 8 weeks until 1 October.
2. Both these consultations propose major changes to the planning system, with far-reaching implications for plan making, development management and infrastructure delivery, if implemented.
3. This report sets out relevant background to the current proposals, summarises the main elements of each consultation, sets out key issues and implications for Norwich and Greater Norwich, and proposes responses to each consultation.
4. The approach taken in terms of the council's responses is not to complete the lengthy response forms provided in the consultation documentation, as these are designed to lead respondents rather than to engender an intelligent and informed response. They are also time-consuming to complete and experience to date indicates that the government pays little regard to their content. Instead the proposed approach is to include the council responses in the main body of this report, set out below, with the intention of giving a clear and succinct message to government.
5. The Planning White Paper consultation response will be discussed by both Sustainable Development Panel and cabinet (meeting on 14 October), whilst the Changes to the Current Planning System consultation response will be considered by sustainable development panel only, given that consultation ends in advance of the cabinet meeting, but will be reported to cabinet for information.

Wider context

6. Over recent years the government has placed increasing emphasis on housing delivery with the aim of significantly raising housing delivery nationally to 300,000 units per annum. It has consulted on a range of housing related issues over the past 4 -5 years including Starter Homes (2017), the Housing White Paper (2017), Planning for the right homes in the right places (2017), First Homes (2020) and Future Homes (2020). Policy measures introduced in this period aimed at increasing housing numbers

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907647/MHCLG-Planning-Consultation.pdf

2

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907215/200805_Changes_to_the_current_planning_system_FINAL_version.pdf

include the Housing Delivery Test and the standard method for assessing housing need.

7. Alongside these measures the government has also been relaxing planning controls through changes to permitted development rights, in order to provide greater flexibility in terms of changes of use without the need for planning consent. Further changes to permitted development were enacted on 1 September resulting in new use classes and greater flexibility in changes of use. The overall effect of changes to permitted development rights and use classes has been to reduce local authorities' control over new development. In addition it should be noted that the community infrastructure levy is currently not payable on housing development through permitted development.

Planning White Paper: Planning for the Future

8. In its 84-page 'Planning for the Future' White Paper consultation document, the government sets out a range of proposals to radically reform the current system of local plans, development and developer contributions. Its case for such radical reform includes the following criticisms:
 - (a) the existing planning system is too complex and inflexible;
 - (b) local plans taking too long to prepare, and assessments of key matters such as housing need, viability and environmental impacts are too complex and opaque;
 - (c) the system does not facilitate enough homes being delivered and it is ineffective in providing the infrastructure needed to support them;
 - (d) the process for developer contributions for affordable housing is complex, protracted and unclear;
 - (e) the planning system, which is based on 20th century technology, does not engage effectively with communities who could be more meaningfully engaged if the system were more digitally focused
 - (f) planning decisions are discretionary;
 - (g) there is not enough focus on design and little incentive for high quality new homes and places; and
 - (h) there has been a loss of trust in the system.
9. Despite the range of issues identified as requiring reform, the white paper does however acknowledge that "planning matters" and stresses the importance of a planning system in creating great places.
10. The government sets out 25 separate proposals in the white paper, encompassing a new, simplified approach to plan-making, a streamlined development management system, speeding up delivery of development, planning for infrastructure, and delivering change. The white paper is a very high level document with little detail provided for many of its proposals. The proposals are summarised below under five main headings (reflecting the structure of the Proposals section of the white paper).
11. The white paper states that its proposals would require primary legislation followed by secondary regulation. The timing for bringing forward this legislation is not clear though the expectation is that new local plans would

be in place 'by the end of the Parliament'. This would mean the legislation would need to be in force by mid-2022 at the latest.

Streamline the planning process with more democracy taking place more effectively at plan-making stage.

12. This includes:

- (a) Simplifying the role of local plans. Their primary role would be to identify areas for development and protection, identifying land under three categories. **Growth areas** are described as being suitable for 'substantial development', to be defined in policy but including land suitable for comprehensive development and areas for redevelopment, urban regeneration sites etc, where outline approval for specified forms or types of development would be automatically secured. **Renewal areas** are described as suitable for some development, for example gentle densification of residential areas, development in town centres, and there would be a statutory presumption in favour of development being granted for uses specified as being suitable in these areas. **Protected areas**, including conservation areas and areas of outstanding natural beauty, would be identified where development is restricted as a result of their particular environmental and or cultural characteristics.
- (b) Local Plans will be required to set out clear rules rather than policies for development. General development management policies would be set nationally with a more focused role for Local Plans in identifying site or area-specific requirements (for example broad height limits, scale and or density limits for Growth / Renewal areas). The National Planning Policy Framework (NPPF) would become the primary source of policies for development management. The proposal is to turn plans from long lists of general policies to specific development standards.
- (c) Introduction of design codes which would be prepared locally with community involvement, ideally on a twin track with local plans, either for inclusion in the plans or as supplementary planning documents. The aim is to provide certainty and reflect local character and preferences about the form of development. These will follow a national design code setting out rules for development across the country.
- (d) Public and stakeholder engagement would take place mainly at plan-making stage, and consultation at planning application stage would be streamlined.
- (e) Introduction of a streamlined development management process to make the system faster and more certain:
 - (i) In Growth areas, automatic grant of outline consent agrees principle of development, with further details / full permission to be agreed through streamlined and faster consent routes (reformed reserved matters process; local development order which could be prepared alongside local plan; or Development Consent Order for very large sites under the nationally significant infrastructure regime (NSIP); or possibly using planning powers of Development Corporations)

- (ii) In Renewal areas, there would be a general presumption in favour of development established in legislation, with a new permission code for pre-specified forms of development; a faster planning application process for other forms of development in context of local plan description and the National Planning Policy Framework (NPPF); and a local or neighbourhood development order.
- (iii) In both the above, a different proposal could come forward (by exception) but would require a planning application.
- (iv) In Protected areas, any development proposals would be subject to planning applications as now and judged against NPPF.
- (v) The current time limits for determination of planning applications of 8 or 13 weeks should be a firm deadline, not an aspiration. Penalties for councils that fail to determine an application within the statutory time limits could involve automatic refund of the planning fee for the application.
- (vi) Where applications are refused there will be automatic rebate of the fee if an appeal is successful.
- (f) Local plans would be subject to a single statutory 'sustainable development' test, replacing the test of soundness, and would incorporate a slimmed down assessment of deliverability.
- (g) The Sustainability Appraisal system would be abolished and replaced by a simplified process for assessing the environmental impact of local plans.
- (h) The legal 'duty to cooperate', which requires local planning authorities to continually engage with neighbours on strategic issues such as housing numbers, is proposed to be abolished. However the white paper states that further consideration will be given to the way in which strategic cross boundary issues, such as major infrastructure or strategic sites, can be adequately planned for.
- (i) Local Plans should be visual and map-based, standardised, based on the latest digital technology and supported by a new standard template.
- (j) Plans should be shorter in length and limited to no more than setting out site-specific parameters and opportunities.
- (k) Councils and the Planning Inspectorate would be required through legislation to meet a statutory timetable for local plan preparation of 30 months maximum, with sanctions for those who fail to achieve this.
- (l) Under proposed transitional arrangements, there is a statutory duty to adopt a local plan by a specified date, either 30 months from legislation being brought into force, or 42 months for authorities who have adopted a LP within previous 3 years or where a local plan has been submitted to the Secretary of State for examination.
- (m) Seek to strengthen enforcement powers and sanctions, moving towards a rules-based system.

- (n) Develop a comprehensive resources and skills strategy for the planning sector to support implementation of reforms. The document notes that proposals for 'improving the resourcing of planning departments' will be published later this year.
- (o) It proposes that councils should be subject to a new performance framework to ensure continuous improvement across all planning functions, and to enable early intervention if problems emerge with individual authorities.

Take a radical, digital-first approach to modernise the planning process, driven by data.

13. This includes:

- (a) Supporting local planning authorities to use digital tools to support a new civic engagement process for plan-making and decision-making. The planning process would be increasingly digitised moving from 'a process based on documents to a process driven by data';
- (b) Standardising and making publicly accessible the critical datasets that planning relies upon including planning decisions and developer contributions; and
- (c) Modernising software for making and managing planning applications.

Bring a new focus to design and sustainability

14. This includes:

- (a) Ensuring planning systems combat climate change and maximises environmental benefits. The NPPF will focus on areas where planning system can do this;
- (b) Facilitating 'ambitious' improvements in energy efficiency standards by 2050 including net zero carbon-ready new homes by 2025;
- (c) Under a proposed new 'fast-track for beauty', proposals for high quality developments that reflect local character and preferences and comply with local design codes and the revised NPPF, would benefit from 'automatic permission'. New development would be expected to create a 'net gain' to areas' appearance;
- (d) For growth areas, the government will legislate to require that a masterplan and site-specific code are agreed as condition of permission in principle which is granted through the plan;
- (e) Introduction of a simpler framework for assessing environmental impacts / assessment opportunities;
- (f) Design guidance and codes, produced with local input, would set rules for design of new development, and a new body established to support delivery of design codes;

- (g) Each local planning authority would be required to have a chief officer for design and place-making;
- (h) Protect historic buildings and areas whilst ensuring consent framework is fit for 21st century; and
- (i) The government will legislate to widen and change nature of permitted development to enable popular and replicable forms of development to be approved easily / quickly in accordance with design principles. A pilot project will be developed to test this concept.

Improve infrastructure delivery

15. This includes:

- (a) A new single 'infrastructure levy' (IL) would replace the existing developer contributions system of Section 106 agreements and the community infrastructure levy. This would be a nationally set, flat rate charge, and based on the final value of a development above a minimum viability threshold to avoid making development unviable. The intention is that this will raise more revenue than under the current system and deliver at least as much affordable housing. The white paper states that the new levy could be used to capture a greater proportion of the land value uplift that occurs through grant of planning permission and use this to enhance infrastructure delivery, but that this 'would need to be balanced against risks to development viability';
- (b) Increased flexibility for local authorities on how the Levy is spent: local planning authorities will have more powers to determine how developer contributions are used and expand scope of IL to include affordable housing provision;
- (c) Local authorities can borrow against the new levy; and
- (d) The scope of the new levy could be extended to capture changes of uses through permitted development rights, allowing these developments to better contribute to infrastructure delivery.

Ensure more land is available for homes and development that people need and to support renewal of towns and urban centres.

16. This includes:

- (a) The standard housing need method would be changed so that the housing requirement is binding on local planning authorities who would have to deliver it through their local plans. The new method is a means of distributing the national housebuilding target of 300,000 new homes annually. This nationally identified requirement would be focused on areas where affordability pressure is highest and having regard to a range of other local factors including the size and capacity of existing settlements, opportunities for better use of brownfield land, and inclusion of an appropriate buffer to take account of lapse rate and to offer sufficient choice to market. There is a current consultation on the new

standard methodology, alongside the white paper consultation, which is discussed below at paragraphs 50-55;

- (b) The government is considering getting rid of the five-year housing land supply requirement. It states that 'its proposed approach should ensure that enough land is planned for, and with sufficient certainty about its availability for development, to avoid a continuing requirement to be able to demonstrate a five year supply of housing land'. However it proposes to maintain the Housing Delivery Test and presumption in favour of sustainable development;
- (c) Speeding up construction where development has been permitted, by allowing for big building sites to be split between developers to accelerate delivery. The NPPF would be revised to ensure that masterplans and design codes should seek a variety of development types from different builders to allow for more phases to come forward together; and
- (d) Providing better information to local communities and promote competition amongst developers.

Council's response to Planning White Paper

17. Some criticisms of the current planning system as set out in the white paper are well founded, including the length of time it takes to produce a local plan for example, and the need for better use of technology in planning processes. However many of the proposals raise serious concerns for the council.

18. The council's response to the white paper consultation is set out below.

Plan-making

19. The council has major concerns at the proposed zoning of growth, renewal and protection areas, particularly given that there is little information provided about how this would work in practice. The proposals would appear to over-simplify how zoning might operate, for example in defining the zones. For example, Norwich city centre is a major focus of growth in the adopted and emerging local planning framework but is also a conservation area, so it is not clear how it would be defined in the new-style local plans. It is important that the proposals do not undermine Norwich's established role as a regional centre for retail, leisure, employment and housing development.

20. Detailed guidance from MHCLG is required to assist local planning authorities in this new process. It is essential that the creation of a rigid planning zone approach must not be at the expense of rich pattern, character and diversity of place, and existing levels of environmental protection and enhancement.

21. The introduction of zoning is potentially very disruptive to the plan making process, particularly for those authorities with plans that are reasonably well advanced, such as the Greater Norwich Local Plan. The process of altering

the course of a local plan may be just as disruptive as starting the process again.

22. The statutory 30 month time limit for preparation of local plans appears highly unrealistic based on the city council's experience of plan-making, and hard to reconcile with the proposal to have more public involvement at plan-making stage and less at development management stage (also see 'Local democracy and consultation' section below). Whilst a reduction in local plan timescales is desirable the proposed timescales for each stage seem overly optimistic and little evidence is provided to illustrate how this approach will speed up planning. For example the 'Call for areas' element of the plan making process is likely to be contentious and time-consuming and likely to exceed 6 months. Also, for Growth areas, whilst the provision of masterplans and design codes should help reduce uncertainty for those wishing to bring sites forward, it must be acknowledged that it will take significant time to develop new allocations, masterplans and design codes. It is not clear how the required level of detail needed to deal with complex sites will be achievable under the new streamlined local plan process, given the time limits and emphasis on up-front community engagement.
23. The proposed streamlining of the local plan and development management process, with nationally set general development management policies, will reduce the flexibility of councils to set policy to respond to local issues and to reflect local market conditions, and will only increase the pressure for national regulation. It is very important that local planning authorities can respond effectively to local issues by bringing forward appropriate policies in their local plans. For example, local planning authorities may wish to develop policy to address local issues such as the growing impact of short-term lets and holiday homes, or to (in the context of increasing deregulation of planning controls) include policies in their local plans to control changes of use under permitted development rights relating to C/U from office to residential use where appropriate.
24. There is concern at how a rules-based local plan approach would deal with specific site issues particularly in allocating sites in city centres, such as Norwich, with a complex range of site specific constraints. Some issues may not be identified at site allocation stage unless potentially detailed concept designs are first progressed. The proposals also appear to naively assume that if a clear rules based policy is adopted that all developers will stick to those rules and that the decision making process will be no more than a tick box exercise. This might be more realistic for large urban extension projects but less realistic for urban areas with complex sites, constraints, and viability considerations. Indeed in an urban area there can be vast differences in what is appropriate from one site to the next. Whilst adopting masterplans as part of a permission in principle on a site allocation may go some way to dealing with this, it would not address the numerous windfall developments which come forward in urban areas and which are not always foreseen at the planning making stage.

Strategic planning

25. In response to previous government consultations on the planning system, the council has stressed the need for effective long-term strategic planning across appropriate geographical areas, to ensure that that economic, infrastructure and environmental priorities of local authorities and other stakeholders are aligned. The white paper proposes to abolish the duty to cooperate but provides no clear indication of the future approach to strategic planning beyond a proposal that local authorities can participate in joint planning arrangements “to agree an alternative distribution of their [housing] requirement”.
26. Without a strategic planning framework it will be difficult to see how strategic cross boundary issues are going to be effectively addressed and how sustainable patterns of development will be arrived at. This is particularly pertinent when considering the implications of the revised method for assessing housing need – see paragraphs 50-55 below – which underscores the need for ongoing effective cross-boundary working. The Norfolk local authorities have established cross-boundary working arrangements which have resulted in the production of a Norfolk Strategic Planning Framework to support local plan production. This addresses cross-boundary strategic issues such as housing distribution and infrastructure delivery, as well as production of joint evidence studies such as the most recent Strategic Housing Market Assessment and the Green Infrastructure and Recreational and Mitigation strategy currently in preparation. It is also difficult to see, in the absence of strategic planning and cooperation, how local areas can align their Infrastructure Funding Statements and Infrastructure Levy contributions with strategic infrastructure investment.

Local democracy and consultation

27. The focus on participation at the plan-making rather than at the application stage is a major cause for concern and will severely curtail opportunities to engage in the system. Local communities may not feel able to respond effectively at plan-making stage when proposals may be less tangible than at decision-making stage. It is generally only when a proposal is being actively discussed at planning application stage that people are motivated to engage in the process.
28. The proposed approach also raises serious concerns about the role of local authority planning committees in providing democratic oversight, and how accountable the new system would be. If the proposals are implemented, the current approach where local councillors decide planning applications with opportunities for the public to make representations would effectively be at an end. For example there is no detail provided under the proposals clarifying how neighbours and other interested parties can comment on proposals where the principle of development has been accepted (as in the case of an allocation in a Growth area). It is important that this process is clarified to ensure that the process is fully inclusive and democratic, rather than taking a top-down approach.
29. Under the proposed streamlining of the local plan system there would be ‘meaningful public engagement’ at two points in the process – at the initial

Regulation 18 stage when the plan is in its early stages, and the later Regulation 19 stage just before it is sent to the Planning Inspectorate for examination. It is debateable whether this is sufficient opportunity for the public and stakeholders to be meaningfully involved in the plan making process, especially given the reduced opportunities at planning application stage. The Greater Norwich Local Plan has had a 'call for sites' consultation and three subsequent Regulation 18 consultations to date, which have ensured stakeholder input into the process and helped to shape the emerging plan.

30. Although public examinations are proposed to continue, a potential option is proposed to remove this process, instead requiring local planning authorities to undertake a process of self-assessment against a set of criteria and guidance, which would result in the removal of the right to be heard. This raises the concern that communities would have less of a say than under the present examination process. It also raises the possibility that a local authority (in the absence of the duty to cooperate) could adopt a plan that would have significant implications for its neighbours, for example where a rural district adjacent to a city allocates land for major out of centre development sites which would impact on the vitality of city centres.

Place-making and sustainability

31. There is little reference to ensuring that local plans are 'climate ready'. For example whilst the zoning proposals make no mention of how low and zero carbon infrastructure will be dealt with in the different zones (the assumption being that this will be addressed by design codes).
32. There is a need for greater clarity and certainty of how the impacts of new development will be assessed under the new proposals. Under the current system of environmental assessment, which includes Strategic Environmental Assessment / Sustainability Appraisal (SEA/SA) of local plans, and Environmental Impact Assessment (EIA) of development proposals, there is potential for duplication, delay and lack of transparency. However in proposing the abolition of sustainability appraisal of local plans the white paper provides no detail as to how the simplified assessment process would work and the implications for SEA and EIA. For example for Growth areas, allocations confer outline consent upon adoption of a local plan. However by avoiding the outline application stage, it is not clear how environmental impacts will be screened, scoped and assessed in Growth areas (especially if SA is abolished) and whether EIA will be required at the detailed application stage. The white paper does however state that the new system will need to ensure that "we take advantage of opportunities for environmental improvements while also meeting our domestic and international obligations for environmental protection". It notes that this will be the subject of a separate and more detailed consultation in the autumn, which will be awaited with interest.
33. The proposal in the white paper for new homes to be carbon neutral by 2050 lacks ambition, given that this has been pushed back from 2016 as originally intended by the government. Whilst the ambition that homes built under the new system will not need retrofitting is welcome, there is no

mention of how housing delivery will be complemented by a national retrofit strategy to reduce energy demand and support place-based regeneration.

Digital transformation of planning

34. The white paper's proposals for a more digital planning system has many potential benefits. For example the ability to access real-time data on many fronts including for example pedestrian footfall or air quality will help transform how these issues are taken account of in development proposals. Also the ability to ensure more effective input from a wide range of participants and stakeholders through improved consultation methods, will be beneficial to planning.
35. Whilst the white paper's proposals in this respect are largely welcomed, it is important that they complement and do not replace existing approaches to planning. It is important that engagement still includes those who lack the confidence, skills or resources to use digital technology.

Design

36. The white paper has a strong focus on design quality and "beauty", with a requirement for local authorities to produce design codes as noted above. These design codes need to be responsive to the local environment as what works in one setting may not be appropriate in another. They need to be context-specific and more detail is required on how they can be sensitively applied to different areas and contexts. Once a design code is established as the basis for development, opposition against proposals designed in compliance with the relevant design code is likely to be stifled. Stakeholder and local community input into the design code development process is therefore critical, though it should be noted that this will inevitably have impacts on timescales.
37. Significant resourcing will be needed to ensure that design codes address critical issues including decarbonisation, climate resilience, health and equality, and to ensure meaningful local community and stakeholder involvement. It is very difficult to reconcile the focus in the white paper on the quality of design with the ongoing deregulation of the planning system which has resulted in much poorly designed housing being delivered.

Housing delivery

38. Issues relating to housing delivery are also addressed under the section relating to the 'Changes to the current planning system' consultation including the new standard methodology for assessing housing need, the proposals for First Homes and the raising of threshold for affordable housing delivery on sites (see paragraphs 50-63 below).
39. The imposition of binding housing requirement figures, based on a revised standard method, will not guarantee delivery of significantly raised levels of housing. It is not the planning system that is preventing delivery of new housing, but other factors such as developers land-banking sites.

40. There are no proposals to support construction innovation and little recognition of factors that lead to rising house prices such as speculation in land and property markets and loss of grant funding for social housing.
41. The delivery of affordable housing will be affected by the requirement to grant discounts for First Homes and the proposed flexibility to spend Infrastructure Levy receipts on “improving services and reducing council tax”.
42. As with previous reforms there is a narrow emphasis on increasing the supply of land for market housing which risks crowding out other important planning objectives. The lack of any enhanced powers in order to deliver planned development is a serious weakness in the white paper’s proposals.

Infrastructure delivery

43. Through the creation of the new Infrastructure Levy (IL) by merging the existing community infrastructure levy (CIL) and section 106 planning obligations systems, the white paper aims to “raise more revenue than under the current system of developer contributions, and deliver at least as much - if not more - on-site affordable housing”. It is agreed that the existing system of CIL and S106 is extremely complex and time consuming and can significantly delay decisions being issued on fundamentally acceptable developments. However the council has a number of concerns in relation to the proposals as outlined below.
44. The later timing of payments under the new system, at completion of development rather than commencement, presents a major issue in terms of delivery of infrastructure. Information is required on how this would impact on land values and viability of development.
45. The proposals include a threshold below which IL would not be sought on developments of marginal viability. There are no proposals for redistribution of IL meaning that in high value areas there would be far greater IL receipts whereas in lower value areas with marginal viability there is likely to be a shortage of IL receipts and in turn affordable housing.
46. Although the white paper proposes that local authorities will be able to borrow against the new Infrastructure Levy it provides no details of how investment will be coordinated strategically.

Resources

47. Whilst the white paper acknowledges that reforms will require resourcing, and states that a comprehensive resources and skills strategy will be produced by government for the planning sector, there is little detail about the specific skills gaps that will be addressed. This is particularly required in areas such as digital planning, net zero carbon and climate resilience, design, and master planning. There is an urgent need for local planning authorities to be properly resourced to implement the proposed major changes to the planning system.

48. The white paper suggests that fees will continue to be set nationally, however it is noted that the week prior to the issue of the white paper that the Housing, Communities and Local Government Committee recommended that the ability to set planning fees should be devolved to local authorities. The ability for planning authorities to be funded from planning fee income varies significantly from one authority to another, often due to circumstances outside an individual planning authorities control. Typically authorities with large urban extensions can drive significant planning fees from larger developments with less resource required to determine such applications. Conversely we have found in Norwich that brownfield urban sites require far greater resource commitment and are often smaller driving lower planning fees. In addition more minor applications (such as householders) fall some way short of covering the costs of determination. The ability to set fees locally is therefore advocated.

Changes to the current planning system consultation

49. The council's response to this consultation document is set out below, from paragraph 50 on. Its key proposals are:

- (a) changes to the standard method for assessing local housing need (i.e. the method for setting housing targets in each district)
- (b) securing of First Homes (a type of market discount affordable housing) through developer contributions
- (c) lifting the 'small sites' threshold below which developers do not need to contribute to affordable housing, from 10 to 40 or 50 homes.
- (d) extending the current Permission in Principle (PiP) to major development

Revised methodology for assessment local housing need

50. The government proposes out a revised methodology for calculating local housing need which will be the basis for local plan housing requirements. The original standard method was introduced in 2018 with the aim of "speeding up the planning system" and planning for delivery of 300,000 new homes annually. This method has already been revised once since its introduction, and the government has acknowledged that the current method is not considered capable of delivering the 300,000 new homes target.

51. The new method firstly involves setting the baseline by blending the existing housing stock with household projections, acknowledging the shortcomings of the existing method which uses only household projections. This method is intended to lead to more stability and less variation. Step 2 is to adjust the baseline by taking account of market signals using affordability data. The Planning white paper proposes that the standard method will generate a local housing need figure which will then be adjusted further by councils taking into account various constraints in their areas, which would be a 'binding figure' on local authorities.

52. The impact of the new method of calculating housing need is that there is huge variation in local housing need across local authorities locally and nationally. See appendix 1 which shows the variation between the existing and proposed methods for the East of England. This shows that housing need Norfolk-wide would rise by 45% under the revised method. In Greater Norwich the rise is even more significant, with a rise of over 60% for the whole area (from 2,008 units per annum under the current method to 3,256 units under the revised method). Within Greater Norwich there is significant variation, with a doubling of need in South Norfolk district, an almost 80% rise in Broadland, and a fall of 16% in Norwich. This is likely to have a major impact on the Greater Norwich Local Plan on which a verbal update will be given to this panel. The difference between the current and proposed methodologies are summarised below for the Greater Norwich authorities. The degree of change evident in the figures does not assist coherent strategy planning. It also should be noted that in relation to the urban area the methodology calculates a level need that is considerably below the Council's previous assessments of housing needs.

District	Current methodology	Proposed new methodology
South Norfolk	893	1,832
Norwich	598	502
Broadland	517	922
Greater Norwich total	2,008	3,256

53. The revised method does not take local circumstances or local authorities' ambitions for growth into consideration. This results in some anomalies where some areas with significant growth ambitions would see a decrease in housing need (eg Norwich) whereas others without such growth ambitions would see increases in need. These anomalies may be due to the use of household projection figures in the methodology that fluctuate very markedly based on recent build rates.

54. For those areas with increased housing requirements, local authorities will also have to address the implications for additional infrastructural requirements, including transport and community infrastructure, and potential impacts on the environment. It is also important to note that there is little evidence to suggest that the development industry has the ability or desire to deliver the increased levels of housing.

55. There has been much discussion about the revised housing targets in the national and planning press in recent weeks and a government minister has recently indicated that proposed new housing numbers will not be “set in stone”. It is also possible that there may be a further revision to the standard method in response to the consultation which adds to the uncertainty facing planning authorities and is unlikely to help ensure increased housing delivery.

Developer contributions for First Homes

56. Earlier this year the government consulted on initial proposal for its First Homes policy seeking to introduce a new form of discounted market housing for first-time buyers through the planning system. The current consultation proposes that 25% of all affordable housing secured through developer contributions will be for First Homes (ie houses or flats on new developments, sold with a discount of 30% to local first-time buyers) and that First Homes will take priority over other affordable tenures.

57. The 25% requirement is lower than that proposed in the earlier consultation, however it still does not take account of local circumstances such as local affordability, or the overall amount / types of affordable housing needed in a local area. Therefore the new proposals continue to raise serious concerns that local authorities will effectively lose control over the type of affordable housing delivered in their areas and reduce their ability to meet their local needs and may effectively displace other affordable tenures such as affordable rent.

58. The current Strategic Housing Market Assessment for Central Norfolk (2017) identifies a need for 38% of new homes in Norwich over the period 2015-35 to be affordable; the greatest affordable housing need in Norwich is for affordable rented homes (84%) compared to intermediate housing tenures at 16%. This starkly illustrates why policy prescription is incompatible with meeting identified local housing need.

59. The council has ambitious plans for housing delivery in the city as agreed by cabinet in July. The council already works with a range of providers to bring forward much needed affordable housing in the city. It is therefore critical that the council's efforts in this respect are not curtailed by the proposed changes. Progress to date includes working with Registered Providers to redevelop redundant or under-used council owned land. For example, our partnership with Orwell Housing Association in recent years has delivered over 150 new affordable homes in the city. Since 2012 the council has also launched its own house building programme and last year won the prestigious Stirling prize for Goldsmith Street, its first major development in over 20 years.

Increasing the threshold for delivery of affordable housing on sites

60. The consultation proposes raising the threshold for delivery of affordable housing from sites of 10 or more units (in the current NPPF) to sites of either 40 or 50+ units. This measure aims to stimulate economy recovery with a particular focus on reducing ‘burdens’ (ie developer contributions) on small and medium sized enterprises (SMEs), in response to the Covid-19

pandemic. The policy would be introduced for an initial period of 18 months before being reviewed by ministers to ensure that it supports the country's economic recovery after the pandemic but does not inflate land prices in the longer term.

61. This is likely to have major impacts on the delivery of First Homes and affordable homes given that they would now only be required on large sites of over 40/50 units. The consultation document acknowledges that the measure will lead to a reduction of between 7-14% of affordable housing delivery per annum if applied to sites of 40+ units, and a reduction of 10-20% for sites of 50+ units.
62. Given that the proposed threshold will be nationally applied, it does not reflect local circumstances and characteristics, and will make it much harder for Norwich and many other local authorities to deliver their affordable housing requirements, particularly for those authorities that have a high proportion of housing developments on smaller sites. Between 2011-12 and 2019-20, 18 Section 106 schemes in Norwich delivered affordable housing, but only 12 of the sites were for schemes of 40+ units (66%) which means a third of our AH homes were delivered on sites below 40 units.
63. The benefits of the policy change in bringing forward some housing schemes may be quite minor when set against the loss of affordable housing. The proposals may also dis-incentivise some developers from bringing forward schemes slightly larger than the revised threshold and to focus on smaller schemes which would be more profitable and in doing so not make best use of the available land.

Removal of restriction in regulation to allow for Permission in Principle on major development

64. Under the current system, Permission in Principle (PiP) currently applies only to minor development schemes (sites of under 10 units of housing). PiP is equivalent to outline planning consent and establishes acceptability of development in principle, with technical details reserved for future application. There are two routes to grant of PiP, either by application for PiP by a developer, or through local authorities identifying sites for PiP on their Brownfield Register.
65. Again, this proposal aims to benefit smaller developers by reducing upfront costs and by providing greater certainty.
66. Given that the scope of the technical details stage of PiP is more limited than for a normal planning application, there is concern at the potential for harm to arise from such development. There is also potential for reduction in planning fees for councils.

Overall conclusions

67. These radical proposals are coming forward at a time of unprecedented economic, societal and market instability. Although some aspects of proposals have merit, the council is concerned that, overall, they will have negative effects in a number of key areas.

68. The council therefore does not support most of the proposals in the two consultation papers as noted above. In summary, the proposals would undermine the ability of local authorities to produce plans that respond effectively to local need, through the zoning approach and streamlining of local plans. They would also threaten delivery of affordable housing, curtail local democracy, and impact on effective stakeholder engagement in the planning process. The council is also concerned at the proposals' implications for effective cross-boundary working on strategic planning issues in the absence of the duty to cooperate. Furthermore, there is no guarantee that the proposals will deliver the required new homes and may indeed give rise to greater uncertainty in relation to housing need.

APPENDIX 1 – Changes to housing need in East of England by district as a result of the revised standard method

	Avg delivery (last 3 years)	Current Standard Method	Proposed new Standard Method	Actual Change	% Change
East of England	30,612	38,971	45,383	6,412	16.5%
Hertfordshire	4,143	8,074	6,909	- 1,165	-14.4%
Dacorum	627	1,023	922	- 101	-9.9%
Hertsmere	524	716	668	- 48	-6.7%
St Albans	450	893	997	104	11.6%
Three Rivers	186	624	588	- 36	-5.8%
Watford	309	787	533	- 254	-32.3%
North Hertfordshire	347	973	625	- 348	-35.8%
East Hertfordshire	666	1,145	1,122	- 23	-2.0%
Broxbourne	337	594	465	- 129	-21.7%
Stevenage	350	444	322	- 122	-27.5%
Welwyn Hatfield	347	875	667	- 208	-23.8%
Bedfordshire	4,080	4,286	4,618	332	7.7%
Bedford	1,321	1,305	1,153	- 152	-11.6%
Central Bedfordshire	1,993	2,386	2,752	366	15.3%
Luton	766	595	713	118	19.8%
Norfolk	4,215	4,116	5,969	1,853	45.0%
Kings Lynn and West Norfolk	404	538	540	2	0.4%
Breckland	692	661	1,070	409	61.9%
Broadland	673	517	922	405	78.3%
North Norfolk	505	552	730	178	32.2%
Norwich	529	598	502	- 96	-16.1%
South Norfolk	1,164	893	1,832	939	105.2%
Great Yarmouth	248	357	373	16	4.5%
Suffolk	5,214	5,759	7,701	1,942	33.7%
Ipswich	2,769	3,142	3,755	613	19.5%
Babergh	379	416	789	373	89.7%
Mid Suffolk	474	535	754	219	40.9%
West Suffolk	737	800	743	- 57	-7.1%
East Suffolk	855	866	1,660	794	91.7%
Cambridgeshire	5,658	6,053	6,944	891	14.7%
Peterborough	2,241	2,199	3,009	810	36.8%
Cambridge	1,069	658	745	87	13.2%
East Cambridgeshire	298	597	554	- 43	-7.2%
Fenland	418	538	844	306	56.9%
Huntingdonshire	823	976	1,019	43	4.4%
South Cambridgeshire	809	1,085	773	- 312	-28.8%
Essex	7,302	10,683	13,242	2,559	24.0%
Southend-on-Sea	498	1,181	1,324	143	12.1%
Thurrock	623	1,147	1,483	336	29.3%
Brentwood	191	453	393	- 60	-13.2%
Maldon	250	308	623	315	102.3%
Braintree	439	857	776	- 81	-9.5%
Chelmsford	1,089	946	1,557	611	64.6%
Colchester	1,045	1,078	1,612	534	49.5%
Tendring	713	866	1,141	275	31.8%
Basildon	364	1,001	820	- 181	-18.1%
Castle Point	160	354	386	32	9.0%
Rochford	226	360	586	226	62.8%
Epping Forest	380	953	868	- 85	-8.9%
Harlow	432	473	442	- 31	-6.6%
Uttlesford	892	706	1,231	525	74.4%