

# Agenda Item IMD16

## INDIVIDUAL EXECUTIVE MEMBER DECISION REFERENCE IMD: IMD 2020/13

|                                        |                                                                |
|----------------------------------------|----------------------------------------------------------------|
| <b>TITLE</b>                           | Planning for the Future White Paper Consultation               |
| <b>DECISION TO BE MADE BY</b>          | Executive Member for Planning and Enforcement<br>- Wayne Smith |
| <b>DATE,<br/>MEETING ROOM and TIME</b> | 27 October 2020<br>Online, 3:30pm Tuesday 27 October 2020      |
| <b>WARD</b>                            | (All Wards);                                                   |
| <b>DIRECTOR / KEY OFFICER</b>          | Director, Place and Growth - Chris Traill                      |

### PURPOSE OF REPORT (Inc Strategic Outcomes)

To consider the councils response to the government consultation 'Planning for the Future' white paper (MHCLG, August 2020).

### RECOMMENDATION

The Executive Member for Planning and Enforcement agrees that Wokingham Borough Council submit the comments contained in Enclosure 1 as this council's response to the government consultation 'Planning for the Future' white paper (MHCLG, August 2020).

### SUMMARY OF REPORT

The government published the 'Planning for the Future' white paper for consultation on 6 August 2020. The consultation document is available to download [here](#).

The white paper proposes fundamental changes to the way the planning system operates. The proposals are high level and in many places there is a simply lack of detail to understand the government's intentions from which to consider local implications or provide meaningful comment. Notwithstanding, some of the key themes running through the white paper are as follows:

- A move away from decisions based on guiding principles, towards specific rules and standards, many of which will be set by government.
- A move of key parameters being set by the government, including the housing requirement and an Infrastructure Levy (incorporating affordable housing).
- A focus of democratic oversight and consultation on planning being at the plan-making stage, with slimmed down engagement at subsequent development management stages.
- A focus on electronic forms of engagement and shorter timeframes.

The consultation runs until Thursday 29 October 2020 and asks 26 specific questions. The recommended response to the questions set out in the consultation document is provided in Enclosure 1 to this report.



## **Background**

The government published the ‘Planning for the Future’ white paper for consultation on 6 August 2020. It proposes fundamental changes to the way the planning system operates.

The proposals are based around what are described as three pillars:

- Pillar One – Planning for Development.
- Pillar Two – Planning for Beautiful and Sustainable Places.
- Pillar Three – Planning for Infrastructure and Connected Places.

The consultation runs until Thursday 29 October 2020 and asks 26 specific questions. The consultation document is available to download [here](#).

## **Business Case (including Analysis of Issues)**

The Planning for the Future white paper proposes the complete replacement of the current planning system which the government view as too complex, inaccessible and takes too long.

The rhetoric of the government in the white paper, and the separate ‘Changes to the current planning system’ consultation which proposed shorter term reforms, is that the planning system is the fundamental block to delivering development, and in particular housing. This focus is misplaced.

Proactive and positive local authorities, such as Wokingham Borough, have shown that high quality developments of a strategic scale can be planned for, funded and delivered alongside substantial infrastructure investment under the current system. The introduction of mechanisms such as the five year housing land supply test and the presumption in favour of sustainable development have not worked to resolve focused issues of delivery in a few areas, but have instead acted to obstruct proactive, plan-led developments through undermining public confidence in the planning system.

The real block to delivery is the development industries appetite to build at a level which will affect reduce house prices and their profit margins. The white paper make no substantive proposals to unblock the on the ground delivery of housing, e.g. through incentives or penalties. Changes to the structure of the planning system will not resolve this.

The white paper proposals are high level and in many places there is a simply lack of detail to understand the government’s intentions from which to consider local implications or provide meaningful comment. Notwithstanding, some of the key themes running through the white paper are as follows:

- A move away from decisions based on guiding principles, towards specific rules and standards, many of which will be set by government.
- A move of key parameters being set by the government, including the housing requirement and an Infrastructure Levy (incorporating affordable housing).

- A focus of democratic oversight and consultation on planning being at the plan-making stage, with slimmed down engagement at subsequent development management stages.
- A focus on electronic forms of engagement and shorter timeframes.

The timetable for introducing changes is not set out in detail, but the government have stated that they would like to see the new generation of local plans in place by the end of this parliament, which would require legislation to be in place by the beginning of 2022 at the latest.

The recommended response to the 26 specific questions set out in the consultation document is provided in Enclosure 1 to this report. An overview of key changes is set out below.

### Local Plans and consenting development

Local Plans would be fundamentally changed. Their focus would be identifying area types to reflect a nationally set housing requirement and other needs.

All areas of land would be put into one of three categories (many commentators refer to zones):

1. Growth areas.
2. Renewal areas.
3. Areas that are protected.

Permissible uses will be set for each area, with some parameters (e.g. density and maximum height).

Land for ‘growth’ would be suitable for substantial development. Inclusion in the local plan would automatically confer outline permission or permission in principle.

Land for ‘renewal’ would be suitable for development and would likely cover most existing urban and other built-up areas. There would be a statutory presumption in favour of development for the uses specified.

Land for ‘protection’ will be land where more stringent controls apply. This would likely cover countryside areas where no substantial development is proposed. Some forms of development would still be supported, with suitability assessed through a planning application process.

Policy in the Local Plan be restricted to clear and necessary site or area-specific requirements, including broad height limits, scale and/or density limits for land included in Growth areas and Renewal areas. The National Planning Policy Framework would become the principal source for general development management policies.

Neighbourhood plans would be retained, but how they would fit in an entirely new system is unclear.

## Plan-making

The preparation of local plans will be subject to a statutory timeframe covering five stages and takes no more than 30 months in total, and there will be sanctions when this isn't met.

1. [6 months]: A call for suggested areas under the three categories.
2. [12 months]: A Draft Local Plan is produced with evidence to inform and justify the plan.
3. [6 weeks]: Submission of Draft Local Plan to government with an explaining 'statement of reasons' and consult on the Draft Plan.
4. [9 months]: An Inspector considers whether the three categories in the Draft Local Plan are sustainable and makes binding changes as necessary.
5. [6 weeks]: The Local Plan map, key and text are finalised and come into force.

Many of the current plan-making requirements would be removed, for instance sustainability appraisal, duty to co-operate and the tests of soundness. These would be replaced with a simpler 'sustainable development' test, although no information is provided.

## Housing requirement

A binding housing requirement would be set at a national level through a standard method. This would take account of constraints and opportunities. It would distribute to the government's housebuilding target of 300,000 new homes annually having regard to:

- The size of the existing urban settlements.
- The relative affordability of places (the government states that this is so that the least affordable places where historic under-supply has been most chronic take a greater share of future development);.
- The extent of land constraints (the government refer to designated environmental and heritage areas, Green Belt and flood risk).
- The opportunity to better use brownfield land.
- The need to make an allowance for land required for other uses.
- The inclusion of a buffer to ensure enough land is provided to account for the drop off between permissions and completions, and choice to the market.

The removal of the five year housing land supply test, but the retention of the Housing Delivery Test and the presumption in favour of sustainable development.

Wokingham Borough Council submitted a detailed response regarding the standard method to the government consultation 'Changes to the current planning system' (MHCLG, August 2020). It is the council's strong view that the standard approach fails to address the question 'where should housing go?' and is based on the wrong premise that market-led housebuilding will address affordability issues. Concerns were also raised as to the unqualified use of household projections provide a sound basis for considering local housing need.

With regards to constraints, there is no way for these to be accurately assessed at the national level for each local authority. Whilst it may be possible to use broad definitions such as Green Belt, AONB and designated wildlife sites in part, it is not possible to assume that these will accurately reflect opportunity of supply.

## Infrastructure delivery

The Community Infrastructure Levy and Section 106 agreements are proposed to be abolished and replaced with a new consolidated Infrastructure Levy. The Infrastructure Levy would be charged as a fixed proportion of the development value above a threshold and at a rate set nationally. Currently CIL is charged per sq m of floorspace with rates set locally.

The Infrastructure Levy would cover affordable housing, which could be secured on-site through the levy or be an off-site payment. Currently affordable housing is secured through S106 agreements and is in addition to CIL.

The recommended response highlights a number of issues regarding the proposed new Infrastructure Levy.

A nationally set levy lends itself to being set at a level to suit the lowest common denominator, or at the very least, a wide number of local authorities. It is likely that some local authorities will see lower income to fund infrastructure compared to the existing CIL/S106 approach, whilst others may gain. Where insufficient funds are received, a disproportionate amount will be required to deliver physical infrastructure, reducing that available for affordable housing and lead to lower delivery. The current CIL/S106 system has been proved to be highly effective in Wokingham Borough.

A levy which is calculated at the stage of a developments completion will be hard to predict. Decision makers will need to assess a development without it being clear how much, if anything, will be contributed either in-kind (acknowledging that in kind payments are not currently possible under the CIL Regulations) or as a payment, including affordable housing).

Public consultations have demonstrated how the provision of infrastructure remains a key priority for local communities, which must be supported by an appropriate and robust funding mechanism.

## **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

|                                   | How much will it Cost/ (Save)               | Is there sufficient funding – if not quantify the Shortfall | Revenue or Capital? |
|-----------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------|
| Current Financial Year (Year 1)   | Nil                                         | Not relevant                                                | Not relevant        |
| Next Financial Year (Year 2)      | Potentially substantial but not enumerated. | Not relevant                                                | Not relevant        |
| Following Financial Year (Year 3) | Potentially substantial but not enumerated. | Not relevant                                                | Not relevant        |

**Other financial information relevant to the Recommendation/Decision**

No financial implications arise directly as a result of this consultation exercise.

The proposals within the consultation to combine S106 and the Community Infrastructure Levy (CIL) into a single new Infrastructure Levy which is nationally set and value-based flat rate charge, could have potentially substantial impacts on the council's ability to secure contributions from developments towards necessary infrastructure and increase risks to the council around borrowing to provide early delivery of infrastructure. It is not possible to enumerate the impacts at this time.

#### **Cross-Council Implications** (how does this decision impact on other Council services, including property and priorities?)

National planning policy and guidance strongly influence the council's statutory planning function and other services which involve changes to the use of land or buildings.

If confirmed, the proposed changes relating to the new Infrastructure Levy will impact the ability of the council to secure sufficient financial contributions to secure necessary infrastructure and deliver affordable housing.

#### **Public Sector Equality Duty**

This report relates to proposed changes to the planning system promoted and consulted on by government, and does not directly relate to actions of the council. As such an equality assessment has not been undertaken.

An equality assessment will be undertaken by government and views have been specifically invited as part of the consultation process on potential impacts of the proposals in this regard.

#### **SUMMARY OF CONSULTATION RESPONSES**

|                                      |                                                                         |
|--------------------------------------|-------------------------------------------------------------------------|
| <b>Director – Corporate Services</b> | No comments.                                                            |
| <b>Monitoring Officer</b>            | No comments.                                                            |
| <b>Leader of the Council</b>         | Minor comments received and incorporated into the recommended response. |

#### **List of Background Papers**

1. National Planning Policy Framework (MHCLG, February 2019).
2. Planning Practice Guidance (MHCLG, online resource).
3. Changes to the current planning system (MHCLG, August 2020).
4. Planning for the future white paper (MHCLG, August 2020).

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