

Item

GOVERNMENT WHITE PAPER & CHANGES TO THE CURRENT PLANNING SYSTEM CONSULTATION RESPONSES

To:

Councillor Katie Thornburrow, Executive Councillor, Planning Policy and Open Spaces

Planning & Transport Scrutiny Committee [29/09/2020]

Report by:

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Wards affected:

All

Not a Key Decision

1. Executive Summary

- 1.1 The purpose of this report is to inform Cambridge City Council's response to the Government's White Paper - Planning for the future consultation, the deadline for responses is 29 October and the Changes to the Current Planning System consultation, the deadline for responses is 1 October.
- 1.2 This report sets out, for both consultation responses the key response points and the direction of the response for discussion, to be refined following the meeting. The full responses are being developed with a range of officers and departments. Discussion with South Cambridgeshire District Council suggests that there is potential to prepare a joint response on some or all issues for both consultations. The final response to the White Paper will be agreed

by the Executive Councillor in an out of cycle decision in consultation with Chair and Spokes and submitted ahead of the consultation deadline.

2. Recommendations

- 2.1 The Executive Councillor is recommended to:
- a) To note the initial response to the Government's White Paper (Planning for the future) consultation as set out in appendix 1.
 - b) To note the initial response to the Government's Changes to the Current Planning System consultation as set out in appendix 2.
 - c) Agree, for each consultation the wording of a final joint response and/or any individual response through an out of cycle decision, in consultation with Chair and Spokes.

3. Background

White Paper – Planning for the Future consultation

- 3.1 The Government is consulting on a draft White Paper ([Planning for the future](#)) between 6 August and 29 October 2020. The five main proposals are described as:
- A streamlined planning process with more democracy taking place more effectively at the plan-making stage replacing the entire corpus of plan-making law in England
 - A radical, digital-first approach to modernise the planning process moving from a process based on documents to a process driven by data.
 - To bring a new focus on design and sustainability:
 - To improve infrastructure delivery through reform of developer contributions.
 - To ensure more land is available for the homes and development people and communities need, and to support renewal of our town and city centers.
- 3.2 The issues are grouped under three themes (or pillars), listed as follows:
- Planning for Development
 - Planning for beautiful and sustainable places; and
 - Planning for infrastructure and connected places.

Changes to the Current Planning System consultation

- 3.3 The Government is also consulting on [changes to the current planning system](#) between 6 August and 1 October 2020. The four main proposals are:
- Changes to the standard method for assessing local housing need, which as well as being a proposal to change guidance in the short term has relevance to proposals for land supply reforms set out in 'Planning for the Future' consultation paper;
 - Securing of First Homes, sold at a discount to market price for first time buyers, including key workers, through developer contributions in the short term until the transition to a new system;
 - Temporarily lifting the small sites threshold below which developers do not need to contribute to affordable housing, to up to 40 or 50 units to support SME builders as the economy recovers from the impact of Covid-19;
 - Extending the current Permission in Principle to major development so landowners and developers now have a fast route to secure the principle of development for housing on sites without having to work up detailed plans first.

4. Proposed Response to the White Paper– Planning for the Future consultation

- 4.1 An initial draft response to each question in the White Paper is included in appendix 1 to this report.
- 4.2 Due to the timing of this meeting, and the significant level and range of input required for the responses, and the opportunity to develop a joint response with South Cambridgeshire District Council, the draft responses provide a 'direction of travel' to capture the key response points, and allow debate on these prior to finalising a comprehensive response for sign off via an out of cycle decision by the Executive Member nearer the deadline.

General Comments

- 4.3 Overall, officers' emerging views are there are opportunities to improve the planning system that should be welcomed, such as simplifying processes and taking advantage of more digital approaches. There may

be opportunities for the Councils to work with government as a pathfinder on these, as they reflect many of the goals we have for the Greater Cambridge Local Plan.

- 4.4 However, the consultation also raises many uncertainties and concerns, about how the system would enable consideration of the particular characteristics, issues, and opportunities facing the Greater Cambridge area. There appear to be many unanswered questions, and limited details on many aspects of the proposed changes to the planning system.

Theme 1: Planning for Development

- 4.5 **Consultation Proposals:** Under this theme a new approach to local plans is proposed. They would become more map based documents which would identify land in three classification – growth, renewal, and protected. Development management policies would be created at the national level. Plans would be tested using a consolidated ‘sustainable development test’, replacing existing mechanisms like sustainability appraisal and duty to cooperate. Housing requirements would be set nationally. Growth areas (suitable for substantial development) would automatically be granted outline planning permission for the principle of development through the local plan. The reserved matters process is envisaged to be a quick and streamlined process analysing compliance with agreed design codes and central national development management policies. The plan making timeline would be streamlined, with a 30 month period for the creation of new local plans.
- 4.6 **Summary of Proposed Response:** There are opportunities to speed up plan making. The Councils have already embracing digital opportunities through its plan making process, and would be keen to work with government towards achieving best practice. However, there are significant concerns with the proposals.
- 4.7 A local plan where development levels and planning policy were set nationally, with three area classifications available to determine locally, would reduce the ability to develop a vision and shape the development of an area based on the local communities' aspirations, or to fully reflect local concerns.
- 4.8 The new style local plans would be challenging to create in the 30 month time period proposed. This is particularly concerning given the added significance of them, in effect granting outline level permission

for the principle of development in identified 'growth areas' on the adoption of the local plan. It also has significant resource implications for Councils, with the front loading of tasks previously done through the development management process into the plan making process. It is not clear how this is reconciled with the reduced income such a system could bring. Many significant developments are also already underway and will continue to go through the current development management process while the new style planning making would be taking place.

- 4.9 Appropriate transitional arrangements need to be in place if plan making is not to be delayed with the uncertainty the proposals would create.

Theme 2: Planning for beautiful and sustainable places

- 4.10 **Consultation Proposals:** Climate change would be addressed at the national level though ambitious improvements to energy efficiency standards. It proposes to strengthen the use of design guidelines and design codes, with an expectation that they would be prepared locally, and be given greater weight.
- 4.11 **Summary of Proposed Response:** Changes to the process would reduce the ability of Local Planning Authorities to respond to climate change through their local plans, so national policy changes would be crucial. Design Codes can help the quality of development and they provide certainty for developers. However, there is a significant financial cost in producing these guides for different areas of the districts, and with the changes to the planning process proposed this cost could lie with the Councils.

Theme 3: Planning for infrastructure and connected places

- 4.12 **Consultation Proposals:** that the Community Infrastructure Levy and the current system of planning obligations will be reformed as a nationally set, value-based flat rate charge (the 'Infrastructure Levy'). It proposes to give local authorities greater powers to determine how developer contributions are used.
- 4.13 **Summary of Proposed Response:** There is agreement, in principle, that the current use of Community Infrastructure Levy and Section 106 planning obligations are not fit for purpose and should be replaced with a new system where the contribution is charged as a fixed proportion of

development value that is invested in new infrastructure and public services. The scope of the reformed Infrastructure Levy should capture changes of use through permitted development rights, to finance direct mitigation the cost of which is currently borne by the taxpayer. There should be flexibility regarding how funding is spent. Local authorities should be permitted to borrow against the Infrastructure Levy, to support infrastructure delivery in their area ahead of Infrastructure Levy receipts from being received.

5. Proposed Reponse to the Changes to the Current Planning System consultation

- 5.1 A draft response to each question is included in appendix 2 to this report.
- 5.2 As the response is required shortly after this meeting, the response is in a more complete form. Again the aim is to develop a joint response with South Cambridgeshire District Council.

Proposed changes to the methodology for calculating the standard method housing requirement

- 5.3 **Consultation Proposals:** sets out a revised methodology for calculating the standard method minimum housing requirement which it intends will be used as the basis for plans created prior to any wider reforms being introduced. It proposes changes to the baseline data used, and the approach to how market signals are used to adjust for affordability.
- 5.4 Changes to the standard method would slightly reduce the minimum housing need for the Greater Cambridge area to 1,518 dwellings per annum, compared with 1,748 under the current standard method (and 1,675 in the 2018 Local Plans). It is slightly higher for Cambridge and lower for South Cambridgeshire. The consultation is clear this remains a minimum and that other factors may need to be taken into account as is currently the case.
- 5.5 **Summary of Proposed Response:** Support the principles on which the proposed changes to the Standard Method are aimed, but the volatility in the figures is likely to remain. It is noted that the standard method provides the starting point and not the final housing

requirement. Implications would be more significant if the proposals in the white paper are implemented.

Setting developer contributions for ‘First Homes’

- 5.6 **Consultation Proposals:** ‘First Homes’ are flats and houses built on new developments, sold with a discount of at least 30 percent. Through the current consultation, the government proposes a national threshold requiring a minimum of 25 per cent of all affordable housing units secured through developer contributions to be First Homes. First Homes will take precedence over other affordable housing tenures.
- 5.7 **Summary of Proposed Response:** Replacing shared ownership with First Homes would also impact on providers’ ability to deliver social/affordable rent, as shared ownership is often used as cross-subsidy. Also, as it is likely to be the Councils who will oversee the allocations of First Homes, this process will create a huge burden.

Supporting small and medium-sized developers – raising the affordable housing threshold

- 5.8 **Consultation Proposals:** Current national policy is that affordable housing contributions should not be sought for developments of fewer than 10 units. The consultation proposes to raise the threshold to either 40 or 50 dwellings, to ‘stimulate economic recovery with a particular focus on SMEs’. This would be for an initial period of 18 months.
- 5.9 **Summary of Proposed Response:** Increasing the threshold, even for a temporary period, is not supported. Again, it will reduce the Councils ability to deliver affordable housing in an area where there is a high level of need. It is particularly concerning for rural areas, where in many villages few schemes reach this scale. There is no evidence locally that schemes below 40 or 50 homes are not viable, or that developers are being put off by the affordable housing requirement. There is a risk of schemes being resubmitted in the period this applies, to avoid the affordable housing requirements.

Extension of the Permission in Principle consent regime

- 5.10 **Consultation Proposals:** ‘Permission in Principle’ (PiP) is comparable to outline planning permission, in so far that PiP establishes that development of the site is appropriate, with technical details reserved

for a future application. At present, PiP applies only to sites for minor development of less than 10 dwellings. Through the consultation, the government proposes extending this to include major developments (up to 150 dwellings).

- 5.11 **Summary of Proposed Response:** The changes are not supported. They would mean a significant scale of site to go through this process, where many issues of technical detail would not be explored until after the principle has been established.

6. Implications

a) Financial Implications

- 6.1 There are no direct financial implications. However, the outcome of the consultation and changes to the planning system could have financial staffing and other implications.

b) Staffing Implications

- 6.2 There are no direct staffing implications. However, the outcome of the consultation and changes to the planning system could have staffing and other implications.

c) Equality and Poverty Implications

- 6.3 There are no direct equality and poverty implications.

d) Environmental Implications

- 6.4 There are no direct environmental implications. However, the outcome of the consultation and changes to the planning system could have environmental and other implications.

e) Procurement Implications

- 6.5 There are no direct procurement implications.

f) Community Safety Implications

- 6.6 There are no direct community safety implications.

7. Consultation and communication considerations

7.1 Government White Paper - Planning for the future: Public consultation on the draft Government White Paper: 'Planning for the future' takes place from 6 August running for 12 weeks until October 29 2020.

7.2 Changes to the current planning system: Public consultation on Changes to the current planning system takes place from 6 August running for 8 weeks until October 1 2020.

8. Background papers

Background papers used in the preparation of this report:

The following documents are available to view on the Government's Website:

Government White Paper: Planning for the future

<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

Changes to the current planning system consultation

<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

9. Appendices

Appendix 1 Outline Proposed Response to the White Paper– Planning for the Future consultation

Appendix 2 Changes to the Current Planning System - Council's Initial Draft Response.

10. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jonathan Dixon, Planning Policy Manager, tel: 07514 925952, email: jonathan.dixon@greatercambridgeplanning.org