

BRIEFING



22 May 2007

PLANNING FOR A SUSTAINABLE FUTURE THE PLANNING WHITE PAPER

On Monday 21st May the government published its long awaited White Paper on planning. The full 220 page document is available at www.communities.gov.uk/planningwhitepaper.

This briefing note summarises and comments on the implications of the White Paper for the industry. HBF's response to the Government's proposals will, of course, be formulated over the coming weeks in full consultation with members. The proposals in the paper are open for consultation until 17th August 2007.

Content

The document is divided into 10 chapters with two Annexes. Annex A summarises the White Paper's proposals and consultation questions. Annex B sets out a schedule of the Government's responses to each of the recommendations made by Kate Barker in her 2006 report on land use planning.

In addition, the Government has published four supporting consultation documents on:

Planning Performance Agreements

<http://www.communities.gov.uk/index.asp?id=1510548>

Planning fees in England

<http://www.communities.gov.uk/index.asp?id=1510550>

Changes to permitted development

<http://www.communities.gov.uk/index.asp?id=1510507>

Improving the appeal process in the planning system

<http://www.communities.gov.uk/index.asp?id=1510509>

We will shortly produce a separate briefing note on the details of these proposals for members.

Chapter 1: Executive summary

This is an overview of the challenges faced by the planning system, particularly the balance that must be struck between the interests of national and local priorities. The actual summary of the proposals is set out in a box on pages 24 and 25 of the document. These are addressed below on a chapter by chapter basis.

Chapter 2: Improving the way nationally significant infrastructure projects are dealt with.

Receiving all of the national news headlines prior to the publication of the White Paper this section will have, perhaps, the least impact on the housing industry.

The proposals are:

- Government to produce national policy statements for key sectors to ensure that there is a clear policy framework for decisions on nationally significant infrastructure. Further guidance on such policy statements are set out in Chapter 3.
- Require promoters of major infrastructure projects to consult local communities effectively and require early engagement with key parties.
- Creation of an independent infrastructure planning commission to take the decisions on nationally significant infrastructure
- Rationalise the consent regime for infrastructure projects of national significance
- Provide better opportunities for public engagement at each stage of the development consent process
- Explore the devolution of decisions on smaller infrastructure projects to local authorities.

HBF COMMENT

Although the proposal of an Infrastructure Planning Commission (IPC) to make decisions on national infrastructure has attracted the criticism of environmental groups the commitment of the Government to publishing national policy for such infrastructure is a positive step in its own right. There are many examples of housing growth being rejected by local communities due to a lack of both local and national infrastructure and housing growth to support major economic hubs such as airports and ports being delayed due to uncertainty over the commitment to the infrastructure. The proposals may, therefore, assist in bringing forward land for housing associated with such projects.

Chapter 3: National Policy Statements

As described above, National Policy Statements would be produced by the Government and would set the policy framework for the Infrastructure Planning Commission's decisions. The proposals would be open to full public consultation procedures.

The full scope of the sectors that will benefit from such statements is not made clear in the White Paper. However, airports, ports, strategic road networks, major new power plants and strategic energy infrastructure, major reservoirs and waste water plants are mentioned.

Draft national policy statements would be endorsed by Parliament taking account of all public consultation.

Chapter 4: Preparing applications for nationally significant infrastructure projects

The requirements to be undertaken by promoters of nationally significant infrastructure are set out in some detail. Promoters would have to undertake public consultation in line with requirements set down by the IPC.

Statutory consultees will have a responsibility to respond to consultation within a prescribed timescale.

Chapter 5: Determining applications for nationally significant infrastructure projects

This chapter sets out the role and function of the IPC and the weight that it will place on different aspects of the evidence base, including the procedures undertaken by the promoters of infrastructure projects.

Chapter 6: Improving the town and country planning system

Of much greater significance to the housebuilding industry, this chapter explains that the following two chapters contain a number of proposals that seek to improve speed and efficiency within the planning system.

Chapter 7: A positive framework for delivering sustainable development

Proposals to reform the planning system will:

Help **address climate change** by

- Finalising the PPS on climate change and legislating to set out clearly the role of LPAs in tackling energy efficiency and climate change
- Extending permitted development rights on micro-generation proposals
- Working with the industry to deliver reductions in carbon emissions from new commercial buildings within the next 10 years.

HBF COMMENT

The first of these is clearly an issue for the industry and HBF. We are currently working with Government to establish clear rules over how planning should tackle energy efficiency measures. We will seek early clarification of the Government's thinking and intentions on legislating in this field.

Plan for a **sustainable supply of land for development** by:

- Prioritising the use of previously developed land
- Implementing measures announced in the 2007 Budget

HBF COMMENT

It should be noted that no specific mention is made of the proposed Planning-gain Supplement under the measures announced in the 2007 Budget. These are directed at empty property relief and a proposed consultation on land remediation relief.

Positive planning for sustainable economic development by:

- Revising PPG4 on economic development

This new PPS on planning for economic development will be published in draft in Summer 2007 with adoption in Spring 2008.

Improve the effectiveness of town centre planning policy by:

- Reaffirming the strong focus on a town centre first policy
- Replacing the current need and impact tests with a new test promoting competition and consumer choice.

HBF COMMENT

As with the proposals for an IPC, this change in emphasis will be much debated in planning and retail circles but has little effect on the housebuilding industry other than perhaps placing more pressure on potential housing land in and around town centre locations.

Produce a **more strategic and clearly focused national policy framework** by:

- Separating out policy from guidance and limiting central guidance to strategic matters
- Devolving decision making to the local level where appropriate
- Ensuring the scale and complexity of evidence required for plan making and planning decisions is proportionate
- Encouraging positive and proactive planning

HBF COMMENT

The first of these principles builds on the objective of Planning Policy Statements superseding Planning Policy Guidance and responds to Kate Barker's recommendation of reducing the plethora of such guidance.

Interestingly the Government states quite categorically that no revisions will be made to Green Belt policy as set out in PPG2.

Chapter 8: Strengthening the role of local authorities in place shaping

This chapter sets out proposals for:

- Continuing to encourage positive planning based on "place shaping" by local authorities
- Promoting community engagement – including through a "duty to involve"
- Streamlining local development frameworks
- More freedom for local authorities to adopt Supplementary Planning Documents without reference to Government
- Focusing incentives on delivery of local area agreements
- Introducing Planning Performance Agreements for major planning applications (eg 200 units or more for housing development)
- Supporting changes to planning fees, including consultation on devolution of the setting of fees to LPAs and removing the current cap of £50,000
- Expansion of e-planning

HBF COMMENT

These proposed changes are, perhaps, the most significant issue for housebuilders in the whole White Paper.

The increased involvement of communities and a new "duty to involve" has been criticised in the past as potentially slowing down rather than speeding up the planning system. However, the detailed proposals relate more

specifically to the plan preparation process suggesting that decisions on planning applications may become quicker where they are in conformity with the plan.

The proposal to allow LPAs to produce Supplementary Planning Documents without reference to Government (para 8.21) is, however, of great concern to HBF and appears to run against much of the discussion we have been having with CLG officials.

Planning Performance Agreements for major applications is an issue that HBF has supported through the pilot projects in 2006. A separate consultation is being issued on this subject.

Changes to the planning fees are always of concern to the industry. Previous suggestions that additional fees will result in better performance have not always been honoured. Proposals to remove the cap on the maximum fee and the suggestion to charge for compliance with conditions attached to an application will do little to encourage speedier application processing rather they will result in more cumbersome consents.

Chapter 9: Making the planning system more efficient and effective

This chapter discusses a number of changes to the consents and appeals regime that, the government believes, may improve the efficiency of the planning system.

Many of the suggestions are related to the removal of smaller applications from the system through extension of permitted development rights.

HBF COMMENT

Two of the proposals are of interest to the industry.

The first suggests allowing minor amendments to be made to planning permissions. This has been an issue of great concern to many housebuilders and is a positive move that may assist in a very practical way.

The second, the proposed standard application form refers also to the proposed changes to the requirements for validating applications on which HBF has been holding extensive discussions with government officials and has also recently written to the Housing Minister.

Proposals to modify the appeals procedures are also of concern, particularly the suggestion that the Inspectorate should have the power to determine the appeal method. The suggestion that a charge for appeals should be introduced is the subject of a separate consultation and, while this would be

resisted, the suggestion that the costs regime should be revised will be welcome.

Chapter 10: Devolution, transitional arrangements and implementation

This final chapter is, perhaps, the most important in terms of promising delivery of substantive change.

The Government has set itself a challenging target that the proposals in the White Paper should be fully in place before 2009. A full programme for further consultation is set out to achieve this target.

Conclusion

Although the headline changes proposed by the White Paper, such as the IPC, may have only indirect impact on the industry some of the more minor proposals for change have the potential to significantly affect the operational effectiveness of the industry. Many of the proposals will, on the face of it, significantly reduce, rather than increase, the efficiency and speed of the planning system.

HBF will need to continue to lobby Ministers and officials to ensure that these potential shortcomings are identified and omitted from the changes actually introduced.