

The Rt Hon. Angela Rayner MP

Secretary of State for Housing, Communities and Local Government

Sent via Email to:

PlanningPolicyConsultation@communities.gov.uk

24 September 2024

Dear Sir/Madam,

RE Response to National Planning Policy Framework Consultation 2024

As chair of the Essex Planning Officers Association (EPOA), I am responding to the National Planning Policy (NPPF) and other changes to the planning system consultation on behalf of the 15 Chief Planners from Greater Essex. This response represents the professional officer views of the senior chartered Town Planners in Essex, it does not represent the views of any Essex local authority or group of local authorities.

<u>Importance of Planning – Changing the Narrative</u>

We welcome Government's recognition that the planning system is a power for good, and the important role it has in place-making and shaping the future, for housing and economic growth opportunities. We welcome the support and Government's understanding that Local Planning Authorities (LPA) need to be properly resourced in order to undertake the work required. As planners we are the frontline officers dealing with so many competing societal challenges including creating healthy places, climate change mitigation, creating the land supply for economic opportunity and housing growth to name a few. Over these past years, planning departments have and continue to contract, which has reduced our capacity and capability, particularly with the loss of and inability to retain the most experienced officers. In 2023 the East of England Local Government Association undertook a survey of the Essex LPAs' and published their report on the serious challenges the Essex LPAs' faced in being able to recruit and retain town planners, particularly senior and experienced officers. The report identified a "brain drain" issue, with most planners who leave choosing to join private practice where the renumeration packages are significantly better.

Increase the Planning Officer Capacity

In order to respond positively to address what is required, namely Local Plan delivery, and more planning applications, this does require an increase in officer capacity. The creation of 300 Government funded town planner posts is welcomed but is very modest compared to what is needed. Much more LPA planning capacity will be needed to strengthen what is seen as a critical frontline service delivering on both the economic and housing growth ambitions. There is a lot of optimism and desire, but a more realistic resource capability is fundamental to be able to deliver success.

There are however other measures that will help increase LPA capacity and therefore delivery, which include increasing planning fees to a level which reflects the true cost of providing the service. This fee increase measure is certainly supported. Currently planning application fees, accounting for the last fee increase, are still below the market rate and therefore the work is being subsidised by council tax payers. Planning fees need to be increased further, and these fees need to be ring fenced to planning departments, or otherwise there are no guarantees this fee income will be invested in planning departments. Likewise, the requirement to advertise planning applications in the local newspapers in an age where all the information is made available online needs to stop. This one simple measure would free-up much needed additional funding for all local planning authorities to invest in, in-house information technology improvements for customers etc. In summary EPOA welcomes Government's understanding that it is critically important we build the town planning capacity and capability in local authority planning departments in order to respond to the growth agenda, to produce Local Plans and create quality places for people to live, work and enjoy. However more measures are needed to generate the additional funding which is needed to pay for increased officer capacity which then matches the service expectations our paying customers and local communities require. Now is the time to invest in local authority planning departments to help meet society's future growth needs.

The Importance of Local Plans

As Chief Planners we fully support Government's requirement and need for local authorities to produce a Local Plan. It is said that, if you fail to Plan, you plan to fail, which is true when it comes to providing a planning service. Having an up to date Local Plan is absolutely fundamental if we want to shape the future and quality of the places we live, work, and enjoy. In Essex we still have 20% of new development to plan for and build by 2050 (based on current housing requirements - even more so with the new housing targets), which is a considerable amount of new development. It is important that this scale of growth is carefully planned for to identify the absolute best sites, to set the new policy requirements which address climate change and health considerations, the types of housing needed, the infrastructure required etc. Local Plans are the democratic means for local communities to engage with, they are forward looking considering the need of existing as well as the needs of future generations. Local Plans are externally scrutinised and examined, they help us plan our path into the future. A Local Plan provides market certainty for developers, they are economic plans for investors which are worth many billions. Local Plans provide the programme for growth in any area, they help set the land price, identify where development should take place and equally important determine where development should not take place. Without a Local Plan all areas are at risk of development' and without a plan the "planning by appeal" route is extremely expensive in officer time invested, particularly for those local authorities with outdates or non-existent local plans. Where there is no Plan, planning by appeal is common place and rarely generates quality outcomes or the infrastructure required, indeed infrastructure deficit is the most likely outcome.

Strategic Planning

As Chief Planners we welcome strategic thinking and Strategic Planning. There is consensus that the loss of strategic planning was a retrograde step, and serious error. By not having a bigger than local element of planning to set the strategic direction and big picture, this has been a "drag anchor" in being able to move society forward. There are many reasons why the reintroduction of Strategic Planning is important. It is however a sad fact that too few experienced strategic planners remain, which does mean we will need to rebuild this capability from a low base. University planning schools should be adequately resourced to provide both undergraduate and masters planning courses, as well as cover strategic planning. Too many planning schools have closed over the past 20 years. We would welcome universities providing much needed courses and receiving Government support to provide town planning courses. We would support Anglia Ruskin University (Chelmsford) being financially supported by Government to reintroducing their undergraduate planning degree.

Infrastructure Levy

We welcome Government removing the Infrastructure Levy, this was in our view and most of the professions view, unworkable. There is a need to retain both planning obligations (S106) as these are legal documents, and the Community Infrastructure Levy (CIL). Whilst a S106 will have important funding formulae and specification requirements, it is a legal documents which has teeth and applies to the land. Its sets timescales, trigger points and a means to help manage the delivery of the development. This is especially important as councils have very few levers currently which manage the rate of delivery once a development has been granted planning permission. There is however an opportunity to revisit CIL, to replace the meaningful proportion with an equivalent level of funding for strategic infrastructure (15%-25%).

Development Viability

Development viability negotiation are often complex and challenging particularly where there is no up to date Local Plan or clear policy basis on which to work from. However, the fundamentals of the RICS profit margin expectations being set at 20% is far too high. Any review of the wider policy and planning guidance needs a fundamental revisit of this point as this profit margin is increasingly being used to argue down the delivery of development schemes which are neither policy compliant or delivering the required affordable housing numbers. Much more rigour needs to be applied to review this profit margin in the context of development requirements. The level requires a reset to bring this down to within a more realistic 12-15% range. We need to be able to plan for and deliver quality developments for communities, rather than allowing development which places a cost burden or infrastructure deficit on them.

Five year land supply and the 'tilted balance'

We consider Government's consultation on the requirement for LPAs' to demonstrate, on an ongoing basis, a 5-year supply of deliverable housing sites – irrespective of whether a Council has an up-to date Local Plan is problematic and unnecessary for those councils with up to date Plans.

It is important that LPAs' provide a good and effective planning services which ensures a Local Plan is put in place and keep up to date, and the service offered delivers quality well considered planning decisions. In doing so LPAs' where they have a up to date Plan should be exempt from the 5 year housing land supply test for a period of 5 or better still 6 years, as a means of incentivising the main objective of preparing a Local Plan to identify a supply of land for the best sites for development. We would encourage Government to apply incentives to encourage the positive change required. Without such provisions and the breathing space to progress a strategy within sensible timescales, we will find that the valuable resources needed to make growth happen in a proper coordinated way could be squandered on dealing with speculative planning applications and appeals – with hugely negative and damaging results.

By introducing increased mandatory housebuilding targets as well as re-introducing the requirement to maintain a 5-year housing land supply against those targets will result in many authorities, being forced into a position — literally overnight — of having a comfortable 5-year housing supply against existing targets on one day and having a significant shortfall against the new targets the next — thus immediately falling prey to a period of potential planning by appeal. Government will appreciate the limited resources available to most LPAs' to deal with a planning by appeal scenario, but also the significant number of additional Planning Inspectors that would need to be trained and employed to deal with such a likely increase in appeals. Without such provisions and the breathing space to progress a strategy within sensible timescales, we will find that the valuable resources needed to make growth happen in a proper coordinated way could be squandered on dealing with speculative planning applications and appeals — with hugely negative and damaging results at a national level and counter to the government's aims and objectives to delivering good quality homes and economic growth.

For many LPAs,' it will not be practical nor possible to identify enough sites with reasonable prospect of housing delivery within five years to address the 5-year land supply requirement. Whilst we understand Government's urgency in wanting to increase housing delivery, there needs to be transitional arrangements put in place - firstly to allow Councils to move smoothly from existing to new targets without fear of speculative development, planning by appeal and the huge damage it does to the effective use of the limited town planning capacity available, which would be deployed to dealing with planning appeals rather than plan-making and result in generally much poorer quality planning outcomes, and a reduction in the public's confidence in the planning system.

Within a plan-led system, it is important that there is public confidence that planning authorities are able to defend unallocated sites from speculative development. To that end, there is a need for clear guidance in the NPPF setting out what is considered to be a 'deliverable' site. This is evident with the example of APP/J1915/W/24/3340497 - Land east of A10, Buntingford, Hertfordshire. Within this decision, the Inspector considered one site which has not yet been considered by the Planning Committee to be deliverable in 5 years. In contrast, other sites which have a resolution to grant, and work is being done to finalise a S106 agreement are discounted. It is considered that this appeal decision alone highlights the difficulties for LPAs' to pass the 'clear evidence' test. More

transparency around what is considered deliverable would be helpful in terms of public confidence. Further, in terms of LPA resourcing, uncertainty increases appeal work and takes resources away from the much more important initiative-taking planning work (e.g. negotiating high quality development through PPAs).

LPAs' should also have more power when it comes to delivering homes beyond allocating and granting planning permissions. Currently Local Authorities have a duty to maintain a 5 year housing land supply but do not have the powers to make a development come forward once a permission has been granted. In our experience some sites whilst these have 'technically' commenced, stalls despite all permissions being in place. Developers should be under an obligation to both deliver on planning permissions they have been given - and there should be greater consequences for developers that do not implement planning permission. Furthermore, developers should be required to provide accurate and updated information to Local Authorities on the progress of their sites. Currently LPAs' are dependent on developers providing information to show the likelihood of a site coming forward, and often they do not. The absence of this information then helps them gain more permissions through 5 year housing land supply appeals were the LPA is unable to provide information on delivery, or the information they provided is not considered credible by a Planning Inspector. There is a level of abuse of the system and this needs to stop. LPAs' need more powers and or sanctions applied to those who do not comply, for example a non-reply by a developer should be accounted for as coming forward and deliverable. Alternatively, it would be fairer and more practical for housing land supply to be monitored against the amount of land allocated or granted planning permission, and less against actual delivery – which is largely beyond a local authority's control. Local Authorities are responsible for identifying the land supply and for granting permissions, it is the role of developers and house builders to build, councils cannot be measured on the success of failure or inactivity of house builders.

We need to plan for quality and quantity

Planning and plan-making is much more important than simply the numbers or pace of housing delivery. As mentioned earlier, based on current housing requirements we still have 20% of Essex to plan for and deliver by 2050. It is critically important that the quality in what we grant permission for and where development is located is carefully considered. Creating well balanced sustainable places which address our housing, employment, leisure, and environmental needs are equally important. The ambition in the NPPF relating to both healthy place making, and climate change need to be strengthened. There is an opportunity for Government to make positive changes to both of these issues by revisiting the 2025 Future Homes Standard (FHS) building regulations. If Government in 2025 through the building regulations required all new homes to be built to a Passivhaus standard, this would improve the air quality in these new homes, remove the issue of fuel poverty by reducing energy costs by over 90%, and would be capable of being delivered at less than £2k per new home over and above the current FHS new home price. And unlike the proposed FHS, these homes would not need to be retrofitted to make these Net Zero carbon in operation nor rely on

decarbonising the grid. We have the technical evidence to underpin our work, which is held on the Essex Design Guide <u>Climate Change</u> page.

Homes England need to have a much bigger role

It is no longer good enough for Homes England (HE) simply fulfilling a funding role, and Government evaluating HE progress on the quantum of housing delivered. Whilst important, we need HE to undertake a much bigger role. Why would Government put public money to bring forward "stuck sites" that do not deliver healthy, net zero new homes, or the right proportion of affordable houses. HE intervention should deliver multiple benefits. There are fundamental issues with the construction industry as highlighted in many reports including the 2016 Farmer Review. There are too few genuine master developers in the UK, HE needs to be given a master developer role, to bring large strategic sites forward, support strategic infrastructure and most importantly provide development opportunities for SME house builders. We need more diversity in the system and the ability to improve the quality of houses being built. If we do not use HE in a much more dynamic way to support SMEs,' require net zero house building, and bring forward strategic sites, etc, the sector will continue to contract and squeeze out the very few SME house builders that remain. We need diversity and innovation to address the quality, health and climate change challenges that are directly in front of us.

Yours sincerely

Graham Thomas.

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