

Housing & Land Delivery Board 2 November 2020

Date	2 November 2020
Report title	Planning Reform Paper: Key messages and issues that informed responses across the region to the consultation
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Report has been considered by	14 October 2020: Housing & Land Delivery Steering Group October 2020: Housing & Land DSG Working Group(s)

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is asked to:

- a) **note** some of the key issues, messages and points of clarification raised by the Delivery Steering Group to the consultation on the White Paper entitled '*Planning for the Future*' which closed on the 30th October.
- b) **note** that officials across the region will continue to raise these key messages, issues and points with Government in different fora together with any other points raised in today's meeting.

1.0 Purpose

1.1 Central Government (HMG) recently consulted on a set of landmark reforms to the planning system. Such changes were always likely to be highly controversial and it has

been proven to be the case. The consultation began on 6th August and closed on the 29th October 2020.

- 1.2 This paper reports on the ask from the Housing & Land Delivery Board, at the meeting in July 2020, for WMCA officials to work closely with local authority officials to discuss any regional impacts from the proposed planning reforms, and to identify any consistent messages or points of clarification.
- 1.3 This report reports on collaborative officer discussions held by WMCA with local authorities on key issues and points raised by the consultation as requested by the Board in July 2020.

2.0 Background to the Consultation

- 2.1 Through the White Paper Central Government has proposed extensive changes to the planning system. The proposals cover plan making, development management and development contributions alongside other related policy proposals. This new system has been devised by an expert panel working with MHCLG and Treasury officials and retains local plan making at the heart of the system.
- 2.2 The White Paper sets out the proposed reforms through three ‘pillars’ entitled ‘*planning for development*’, ‘*planning for beautiful and sustainable places*’ and ‘*planning for infrastructure and connected places*’.
- 2.3 Following the request of the Housing & Land Delivery Board in July 2020, two separate workshops were held with members of the Delivery Steering Group to discuss the proposals set out in the White Paper. The views heard were wide ranging and varied and highlighted some gaps and possible unintended consequences arising as a result of the White Paper proposals. Key messages were recorded and discussed at DSG on 14 October 2020.
- 2.4 The Delivery Steering Group reviewed and endorsed this paper and the points raised, recognising the general consensus with individual local authority responses on the same matters. The Group recommended that the Mayor and WMCA officials might wish to relay some of these key points in their conversations with Whitehall.

3.0 Observations of Delivery Steering Group

- 3.1 The workshops were helpful in discussing the proposals and led to a general consensus on the key messages that the region should relay in different ways back to Government. **The key messages from the workshops fall into two groups:** gaps in the new system and potential unintended consequences of some of the reforms.

These are reported for information to the Housing & Land Delivery Board below as agreed by the Delivery Steering Group on 14th October 2020.

Specific Gaps in the new system

- ***Strategic planning:*** The abolition of the ‘duty to co-operate’ raises a number of questions. It is far from ideal but it was a mechanism through which agreement could be reached on the distribution of local housing need as we have achieved here in our region.

- **A vision for the future:** Articulating a future vision should remain a requirement of a local plan. Developers, investors and strategic infrastructure providers need to understand the long-term vision for an area so that they can invest with confidence.
- **Employment and other land uses:** The consultation paper focuses on a system that delivers new homes but does not deal adequately with its relationship with other land uses e.g. employment, transport, healthcare, education and the environment.
- **Effective infrastructure planning:** The reduction in the period covered by a Local Plan that is proposed, from 15 to 10 years, may hinder the potential for long-term infrastructure planning and strategic investment decision-making. The system needs to be able to identify long-term transport and other infrastructure requirements if it is to plan effectively and maximise private sector investment.
- **Adequate resources and skills:** The Secretary of State's recognition of the need for additional resources and a different skill set is welcomed.
- **Delivery of allocations and permissions:** The new system ramps up the requirements of the Housing Delivery Test but needs to do more to tackle the non-delivery of consented sites.

Unintended consequences of the new system

- **Delivering new homes:** As widely reported, the new methodology for calculating local housing need will result in a redistribution of new homes, maintaining or reducing overall need in metropolitan areas and at the same time increasing the need in the non-metropolitan authorities. This will result in additional demands being made on greenfield land for development and the likely consequential loss of Green Belt.
- **Prejudicing our 'brownfield first' policy:** Release of greenfield and Green Belt land is likely to make brownfield sites less attractive, adversely affect viability and ultimately require greater subsidy levels to achieve viable developments.
- **Planning obligations:** Section 106 agreements ensure that infrastructure and affordable housing is provided when and where it is needed. The risk with the proposed system is that financial contributions for infrastructure will not be provided when needed.
- **Affordable housing:** The new system raises the threshold for provision of affordable housing and, by removing the requirement from many small sites, is likely to reduce overall provision. The provision of affordable housing could also be adversely affected by the new infrastructure levy.

4.0 Suggested points to raise in consultation responses

- 4.1 Many of the principles proposed in the new system have been long discussed by the planning and development industries, this Housing and Land Board and were seen by the Delivery Steering Group discussions as long overdue. To name a few these included the focus on the importance of local plans, shorter, more focused and plan-based; the ambition to provide greater certainty following the inclusion of a site in a plan; the need to raise design standards and quality of the built environment; the need to better capture the increase in land value from development schemes.
- 4.2 However, DSG also collectively identified some **concerns about how the principles are framed and translated into practice**. Especially on the housing numbers and the new national methodology.

4.3 To address some of the issues identified and maximise the new system's ability to deliver on the intent, the following points were suggested by the Delivery Steering Group that could be highlighted in different responses to the consultation and engagement with Whitehall:

- **The abolition of the Duty to Co-operate** will need to be replaced with an alternative coherent approach for strategic planning. The DSG suggested that there may be merit in Mayors and combined authorities helping to facilitate cross-boundary discussions on major development proposals and strategic infrastructure provision.
- The White Paper has a heavy focus on housing so an important amendment will be to **incorporate other non-housing land uses into the proposals**. Two key areas of land use that were identified by the DSG as needing particular attention are employment land needs and the future of town and city centres.
- The newly proposed local plans will have a much shorter preparation time compared to the current system. So, DSG was clear that **it is vital that local authorities have the resources and capacity to be able to prepare local plans** within the specified timeframes. This is essential if we are to ensure that we can continue the West Midlands' record over recent years on delivery and local plan progress.
- The new infrastructure levy is promoted in the White Paper as being able to provide more affordable housing compared to the current system of planning obligations. **The group felt the region needed more clarity as to precisely how this levy proposal will lead to more affordable housing in our region.**
- **Development of brownfield sites must remain an absolute priority** at the heart of the planning system. This doesn't come across sufficiently in the White Paper.
- The new system will require primary and secondary legislation and thus DSG felt it will **need adequate time to work through the details**

4.4 In terms of next steps, we propose to:

- Await the outcome from HMG of this consultation and any legislation and policy changes to be brought forward to change the planning system
- Offer to support HMG in identifying how to ensure the system works in practice and delivers on its stated intent

5.0 Financial Implications

5.1 There are no direct financial implications from the information contained in the report. The Single Commissioning Framework provides a single set of criteria and governance systems that will be applied to all applications for available devolved WMCA Housing, Land and Property Development funds, together with a consistent process and timelines for decision.

5.2 WMCA investment in any Planning Reform projects, due diligence, feasibility or studies would be governed and administered through the Single Commissioning Framework,

WMCA Single Assurance Framework, Commission Pathway and in line with the accounting and taxation policies of the WMCA and HMRC.

6.0 Legal Implications

6.1 Section 113A(1)(a) of the Local Democracy, Economic Development and Construction Act 2009 gives the CA a power of competence appropriate for the purposes of carrying-out any of its functions. Part 4 of The West Midlands Combined Authority Order 2016 (2016 No 653) confers that the functions relating to any Economic development and regeneration in the constituent councils are exercisable by the CA. Part 3 of The West Midlands Combined Authority (Functions and Amendment) Order 2017 confers the functions corresponding to the functions of the Housing Community Agency has in relation to the combined area.

6.2 The contents relate to informal discussions which may or may not lead to the need for further legal input and contractual arrangements. Legal Services will provide assistance and support as and when requested.

7.0 Equalities Implications

7.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes developed through the delivery vehicle benefit local residents, including harder to reach groups. To that effect equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps. Engagement and consultation with key equality stakeholders is also crucial.

8.0 Inclusive Growth Implications

8.1 None at this stage.

9.0 Geographical Area of Report's Implications

9.1 The recommendations of this report apply to the whole of the WMCA area.

10.0 Other implications

10.1 None.

11.0. Schedule of Background Papers

11.1 None.