



Planning Policy Consultation Team
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Submitted electronically via planningpolicyconsultation@communities.gsi.gov.uk

Dear Sir Madam,

ADEPT response to the Government's consultation on '*Planning for the right homes in the right places: consultation proposals*'

The Association of Directors of Environment, Economy, Planning & Transport (ADEPT) is an active and growing organisation, with membership up 30% in the past year. Our members are drawn from 'Place' Directors in upper tier local authorities, Local Enterprise Partnerships (LEPs) and commercial partners. Partnership is at the centre of everything we do, working to solve complex political and policy problems while constantly looking for innovative solutions. We develop the policies and initiatives that we take to Government, representing the views of our members to Whitehall and Westminster, working alongside key Government departments and agencies.

One of the standing Boards within ADEPT is the Housing, Planning and Regeneration Board and we welcome this opportunity to respond to the Government's consultation on '*Planning for the right homes in the right places: consultation proposals*'. ADEPT fully supports the government's aspiration to deliver housing and considers that the best way to achieve this is a strategic approach to planning and infrastructure. We consider this is fundamental to delivering the government's ambition for housing development. We work to get the balance between social, economic and environmental objectives that are at the heart of creating vibrant sustainable places for all.

Viability is a vital consideration in delivering the housing needed. There must be transparency about the viability of development, and the issues of land value capture must be properly and fully addressed. It is not just about the costs of delivering housing, but also in terms of the burden on local authority budgets of housing developments once built.

ADEPT members are at the very heart of maximising sustainable growth in communities throughout the UK. We are delivering projects and initiatives that are unlocking broader economic success and creating more resilient communities, economies and infrastructure.

Attached is our response to the detailed questions. We would take this opportunity, whilst responding, to extend to government, the offer of working together to take forward these issues and exploring what initiatives might achieve our shared aspiration of providing sustainable homes and places our communities need.

Yours sincerely,

Peter Geraghty
Chair, Planning, Housing & Regeneration Board
For and on behalf of ADEPT and the Housing, Planning and Regeneration Board.

ADEPT Response to the Consultation: Planning for the Right Homes in the Right Places

The Association of Directors of Environment, Economy, Planning and Transport (ADEPT) represents Place Directors from county, unitary and metropolitan local authorities, along with Local Enterprise Partnerships (LEPs). ADEPT members are at the very heart of maximising sustainable growth in communities throughout the UK. This is our response to the Government's Consultation on Planning for the Right Homes in the Right Places. This should be read in conjunction with our response to the Government on the Housing White Paperⁱ and the Industrial Strategy (Green Paper).ⁱⁱ

Question 1a. Do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

Yes, in principle. Anything that streamlines the process and reduces the opportunity for facile debate on methodology is welcomed. A standardised methodology for calculating local housing need will assist the plan making process by providing for clarity and certainty in determining local housing needs and avoiding unnecessary costs in undertaking such studies and defending their outcomes.

It is important to be cautious about the use of the standardised methodology as there are circumstances where it may lead an under representation of.

Consideration should be given to using a baseline projection over a longer time-frame. This would allow anomalies in figures to be more easily accounted for and moderated. It is also more likely to reflect the time horizon for local plans.

Question 1b. How can information on local housing need be made more transparent?

ADEPT would support the principle of information on local housing need being more transparent. We think that local planning authorities should be able to rely on the evidence base for housing need at least two years after they submit their plan (see below).

Question 2. Do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

We are of the view that local planning authorities should be able to rely on the evidence base for housing need at least two years after they submit their plan. However, in order to provide more certainty to plan making it is considered that the assessment of local housing need should be able to be relied upon for a period of three years from the date a plan is published. This is essential to provide for certainty in plan preparation and avoid unnecessary expenditure on housing needs assessments during the plan making process, when the focus should be on getting an updated plan in place.

Question 3. Do you agree that we should amend national planning policy so that a sound plan should identify local housing needs using a clear and justified method?

ADEPT would support the use of clear and justified methodology. This should in turn be supported by inspectors when considering planning appeals.

Question 4. Do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from the Planning Inspectors?

ADEPT would support such an approach; but, it should not necessarily equate to a presumption against the use of an alternative where the local circumstances truly justified such an approach.

Question 5a. Do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

ADEPT would support the proposal that the Secretary of State should have a degree of flexibility in deferring the period for using the baseline. There have been many changes and tweaks to the planning system that local planning authorities are having to deal with and the changes proposed in this consultation will bring further pressure on authorities' limited resources. Not being able to factor in land constraints could lead to poor planning, uncertainty and may result in undermining the plan-making process.

Local planning authorities that are actively engaged in developing a strategic approach to plan preparation should be encouraged and supported in achieving this and this should be reflected in the approach of the secretary of state.

Question 5b. Do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

ADEPT would support this proposal. This will allow for effective planning over a wider area. This would also support the proper consideration of the infrastructure necessary to support housing delivery. It is important to align transport infrastructure and housing delivery more effectively. We encourage the government to make sustainable development its priority. The National Planning Policy Framework (NPPF) says that the purpose of the planning system is to contribute to the achievement of sustainable development. Sustainable communities cannot be created without the appropriate infrastructure and the appropriate support to enable them to grow in an appropriate way over time. It is acknowledged that the Green Belt is a sensitive subject. Now is that time to seriously consider how Green Belt policy is optimised to protect the

countryside whilst delivering the sustainable development (including housing) that the country desperately needs. There should be an independent review of Green Belt policy. The government should look at how the five purposes for Green Belts (paragraph 80 of the NPPF) can be reconfigured in the context of sustainable development and to ensure it is a national policy that is fit for the twenty-first century. For example, social or inclusivity aspects could be factored into the five purposes. A clear position on the Green Belt would assist many authorities working on or wishing to prepare a joint local plan or spatial strategy.

Question 5c. do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five year land supply and to be measured for the purposes of the Housing Delivery Test?

ADEPT would agree with this proposal.

Question 6. Do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?

ADEPT considers that there should be appropriate transition arrangements in place taking into account local authorities' individual circumstances.

Question 7a. Do you agree with the proposed administrative arrangements for preparing the statement of common ground?

The requirements for a statement of common ground (although the use of this term is considered to be unhelpful in the context it is being used in the consultation) should be included in the NPPF. Perhaps the use of the term Joint Statement of Intent or a Joint Statement on Collaboration might be a better nomenclature. Further practice guidance could also be provided in the NPPG.

Statements of Common Ground do not include a requirement to reach agreement. The impact of statements of common ground would be greater if there was a dispute mechanism to resolve disagreements and reach a resolution on strategic matters including between upper and lower tier authorities.

Whilst the proposals may lead to efficiencies, there will also be additional resourcing implications. For example, County Councils in two tier areas will need to engage more with Local planning authorities on matters such as statements of common ground and viability assessments. The increase in planning fees will need to address this issue including the County Council's minerals and waste planning functions.

Question 7b. How do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?

There should be a consistency of application across authority areas.

Question 7c. Do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a statement of common ground?

Yes, everyone who has a stake in the outcome of development should have some role.

Question 8. Do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?

ADEPT agrees with the broad timetable and principle of establishing a statement of common ground. However, it depends on the level of detail within the statement local authorities have limited resources and the requirement to produce a statement of common ground adds an additional pressure on resources. It is important that housing targets are agreed through the plan-making process, however, there is likely to be inherent difficulties with agreeing housing distribution as part of the statement of common ground where plan-making between authorities is not aligned or not progressed sufficiently following the elapse of 12 months of the revised NPPF.

Question 9a. Do you agree with the proposal to amend the tests of soundness to include that:

- i) plans should be prepared based on a strategy informed by agreements over the wider area; and,**
- ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?**

Yes, as this provides the opportunity for strategic planning that reflects the needs of an area rather than individual authorities. It allows better planning for infrastructure provision. The government should take the opportunity look at how other countries can offer the UK a different way of funding infrastructure through capturing the uplift in land value resulting from the granting of planning permission and public investment being made on or near a piece of land.

To obtain the maximum traction with these proposals the government should incentivise the production of statements of common ground by opening up funding opportunities for those authorities that produce them. Guaranteed minimum funding for infrastructure for those that have statements and provide freedoms in either plan-making or in bidding for funding would make such statements much more valuable to authorities and support delivery.

Question 9b. Do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

ADEPT agrees, although for some complex situations 12 months may present a challenge and it may be worth including a degree of flexibility for exceptional circumstances.

Question 10a. Do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?

ADEPT agrees with the approach that the standardised local housing need is disaggregated into each type of household need rather than contributing additional housing need over and above the standardised assessment. Clear guidance on how to efficiently assess and identify specific household need will be required. It should not add to the burden on local authority resources that are already had pressed.

Question 10b. Do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

Yes.

Question 11a. Should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

Given that the White Paper proposes to amend national policy to require local planning authorities to provide neighbourhood planning groups with housing figures the local plan should identify the housing target for a designated neighbourhood planning. Further guidance on achieving this will be necessary.

Question 11b. Do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

The most appropriate way to deal with this issue is through the plan-making process.

Question 12. Do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?

Identifying the affordable housing and infrastructure needed, how these will be funded and the contributions developers will be expected to make, should be considered together. However, sustainable communities cannot be created without the appropriate infrastructure and the appropriate support to enable them to grow in an appropriate way over time. However, we would encourage the Government to ensure that the processes and procedures for capital grants underlying the bid process are as clear and streamlined as possible. It often time consuming and complex for authorities to submit bids which if unsuccessful just diminish existing hard-pressed resources. We would also encourage the funding streams to be complementary so that authorities can maximise the funding available to them to deliver growth. The Association also wishes to point out that there should be more flexibility in the balance of how funding can be used. Often authorities struggle with revenue budgets whilst having sufficient capital programmes and are unable to capitalise such programmes. The government should take the opportunity look at how other countries can offer the UK a different way of funding infrastructure through capturing the uplift in land value

resulting from the granting of planning permission or the allocation of land in plans and public investment being made on or near a piece of land.

The ability to implement the necessary infrastructure is unlikely to be in the hands of local authority and in some cases the scale of interventions will require major capital investment. The role of other agencies and utility companies should also be factored into the ability to deliver infrastructure.

Question 13. In reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

There needs to be a much more holistic approach to the consideration of viability. As described in the answer to question 12 there are many more actors involved in the creation and delivery of infrastructure and for its maintenance. The planning and delivery of infrastructure (including utilities) is too fragmented. The burden is on local authorities to provide evidence on viability and deliverability issues. There is no similar expectation on other agencies, utility companies or developers. This should be addressed in the revised NPPF and NPPG.

Question 14. Do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?

ADEPT would support this.

Question 15. How can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?

ADEPT suggests that the experience with the duty to cooperate is likely to be a good indicator as to how successful guidance to encourage engagement might be. Unless the associations, infrastructure providers, utility companies and similar organisations see it as being in their interest to engage – it won't happen. The onus again appears to be primarily on local authorities.

Question 16. What factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?

The guidance in respect of S.106 agreements states that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is (The Community Infrastructure Levy Regulations 2010):

- (a) necessary to make the development acceptable in planning terms;
- (b) directly related to the development; and,
- (c) fairly and reasonably related in scale and kind to the development.

Planning obligations may only constitute a reason for granting planning permission if they meet the tests above that they are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and

reasonably related in scale and kind. It is therefore a misconception that S.106 obligations are a burden that in some way can be argued away because of viability. They are necessary to make an unacceptable development acceptable. The local community has to deal with, and endure, the impacts of development and S.106 obligations are designed to address those impacts. That developer should be under a duty to show why a development can proceed without a planning obligation. In which, case it should be an entirely transparent and open process. One of the reasons why communities are mistrusting of development is they see the consequences, but are deprived from an opportunity to see, and form a judgement on the costs and profits from development. Developers are entitled to reasonable profits, otherwise development would not come forward, but there needs to be an entirely open book approach to assessing viability.

The basics of viability assessments are well-known so a standardised approach to the content and layout of viability assessments, including calculating costs and values, would allow for greater transparency and comparison between different sites. A clear approach to defining the basis for a Benchmark Land Value/Site Value would be very helpful. For example, the BLV should take into account the latest adopted planning policies and if the purchase price did not do this then it should not be used by developers.

There should be clear guidance in the NPPF and NPPG on how a local planning authority can assess and recover contributions that were determined unviable at decision taking stage, but can be proven viable at implementation stage, for instance where a higher final sales value was achieved than identified through the viability assessment.

Question 17a. Do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?

ADEPT would support this in principle, but it should be part of the local plan annual monitoring process. However, this places yet another obligation on local authorities, and must not be unduly onerous.

Question 17b. What factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?

The data needs to be easy to collect, meaningful and not a burden on already limited resources. The concern is this represents a further burden on overstretched local authorities.

Question 17c. How can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?

Developers (applicants) need to be prepared to take an open book approach to these issues. Transparency is very important so as not to undermine public confidence.

Publishing the outcome of such agreements on the Council's website would provide an effective way of publicising the provisions. They can also be included in annual monitoring statements. However, the issue raised in answer to question 16 needs to be adequately addressed. Namely, how does a local planning authority assess and recover contributions that were determined unviable at decision taking stage, but can be proven viable at implementation stage. Surely, to properly consider the question of viability it must be possible to look at the change post planning approval.

Question 18a. Do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

Delivery is not solely in the hands of local authorities. Authorities that have a high number of approvals would be disadvantaged by no fault of their own if developers do not build out those permissions. This may be because of land banking or slow delivery to maximise sale values. Additionally, there may be situations where major infrastructure investment is required to deliver the housing numbers which may not be within the control of the local planning authority.

Question 18b. Do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

It could be linked to local plan delivery. It would also be a more realistic way of encouraging local authorities to achieve up to date local plans as soon as possible.

Preparing realistic up to date local plans with the support of the local community and development industry is the real key to meeting local housing needs sustainably. Well-resourced planning departments would then be essential to achieving the growth as set out in the Local Plan and ensuring that the plan remains up-to-date.

Question 18c. Should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

If an authority meets the criteria then it should be recognised financially. If it is done generally it may be less effective. It is important to recognise that as the proposal relates to increasing fees for applications the income will only be generated if applications are submitted. It is our view that over the years under-investment in planning services has seen a decline in numbers of planners and related professionals therefore, those planning authorities that are struggling will not necessarily benefit if there is not the sufficient level of new applications received.

Question 18d. Are there any other issues we should consider in developing a framework for this additional fee increase?

ADEPT would like to highlight that this additional fee opportunity must also apply to fees for applications made to the County Council in recognition that County Councils contribute significantly to infrastructure planning, including minerals planning, which supports the process of enabling and delivering housing.

It should be noted that the Minerals Products Association have consistently argued for more resources for LPA's to positively plan for minerals need.ⁱⁱⁱ

There is a major shortage of trained planners. This varies across the country, but is most acute in the southeast. A shortage of trained planners will take some time to address even if the increased fee income is received in 2017. It is important that the increased fee income does not just lead to an escalation of salaries with authorities competing amongst each other for a limited pool of planning professionals. The proximity to London for a number of local planning authorities escalates the challenge on recruiting suitably qualified planners. There is a need to support the planning profession in ensuring there is an adequate supply of trained planners and that there are a number of routes into the profession through degrees, bursaries and apprenticeships. There needs to be a sustained piece of work by DCLG to promote planning and the status of planners as a profession. A government campaign promoting planning as a profession as it does in terms of construction skills would boost supply.

Question 19. Having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?

ADEPT encourages the Government not lose sight that, this is not just about house building. It is about place making, building communities and the provision of supporting physical and social infrastructure to serve these new and expanded communities (see ADEPT's response on the Housing White Paper for example point 4).^{iv}

There is a strong reaction by the public against development, due primarily to the impact of new housing on infrastructure and services. Apart from roads, infrastructure also includes facilities such as doctors (and surgeries), hospitals and schools, as well as utilities. The Government needs also to tackle these issues if the public is to engage properly and positively in the planning process and the delivery of identified development

Whilst recognising that build out rates are important, it is also important to ensure high quality as well as quantity, together with appropriate infrastructure is secured. It should be noted that the public, while accepting the housing crisis and need for housing are still concerned about any increase numbers and the implications for infrastructure and natural environment.

The increased use of alternative construction technology, such as modular construction, should enable high quality buildings to be constructed more quickly, thereby accelerating cost effective delivery which should also be considered.

There is a shortage in construction skills and there should be a stronger emphasis on promoting apprenticeship schemes, and similar initiatives both for public and private sector. There is an opportunity to link the objectives of the Housing White Paper with the government's aspirations in the Industrial Strategy. There is a risk also that labour

will be drawn to big projects, HS2 etc. This is a point ADEPT has made most strongly in its recent submission on the consultation on the Industrial Strategy:

'The UK economy is being held back by historic under-investment in both infrastructure and skills. This Parliament has a unique opportunity to start to put this right, and to lay the foundations for the successful global economy for all envisioned by the Prime Minister. This is a long-term ambition that requires joined-up central Government complemented by effective partnerships with local government and other place-based institutions, supported by commitment from the private sector.'

Even the housing delivery test falls to local authorities to fulfil and, for those authorities that fail it, they must bear consequences, but local authorities, private developers, housing associations, infrastructure providers, mortgage lenders and local communities all have a role to play in housing delivery. Local authorities are ready to work with developers, land owners and communities in delivering well-designed sustainable homes but there must be greater incentivisation to build quality homes with the supporting local services and infrastructure for the development industry and real consequences where they fail to deliver.

It is important that the role of utility providers and service planning in delivering housing is seriously addressed. All those actors involved in the delivery of housing need to be accountable for their role. Viability is a vital consideration in delivering the housing needed. There must be transparency about the viability of development and the issues of land value capture must be properly and fully addressed. It is not just about the costs of delivering housing but also in terms of the burden on local authority budgets of housing schemes once built.

The Government's acknowledgement of the need to boost resources for local planning authorities is welcomed by ADEPT given that further changes to national planning policies will place additional burdens on the planners. We also feel that ring fencing of fees would send a clear message that it is important to ensure that planning departments are properly resourced. ADEPT considers that local planning authorities need the resources to deliver the world-class service our communities deserve and our economy needs.

ⁱhttp://www.adeptnet.org.uk/sites/default/files/documents/ADEPT%20response%20to%20Housing%20White%20Paper_Final_April%202017.pdf

ⁱⁱ <http://www.adeptnet.org.uk/sites/default/files/documents/Industrial%20Strategy%20response.pdf>

ⁱⁱⁱ <http://www.mineralproducts.org/17-release26.htm>

^{iv}https://www.adeptnet.org.uk/sites/default/files/documents/ADEPT%20response%20to%20Housing%20White%20Paper_Final_April%202017.pdf