



# Building Communities

PLANNING FOR A CLEAN AND GOOD GROWTH FUTURE

By Zayn Qureshi



# About Localis

## Who we are

We are a leading, independent think tank that was established in 2001. Our work promotes neo-localist ideas through research, events and commentary, covering a range of local and national domestic policy issues.

## Neo-localism

Our research and policy programme is guided by the concept of neo-localism. Neo-localism is about giving places and people more control over the effects of globalisation. It is positive about promoting economic prosperity, but also enhancing other aspects of people's lives such as family and culture. It is not anti-globalisation, but wants to bend the mainstream of social and economic policy so that place is put at the centre of political thinking.

In particular our work is focused on four areas:

- **Decentralising political economy.** Developing and differentiating regional economies and an accompanying devolution of democratic leadership.
- **Empowering local leadership.** Elevating the role and responsibilities of local leaders in shaping and directing their place.
- **Extending local civil capacity.** The mission of the strategic authority as a convener of civil society; from private to charity sector, household to community.
- **Reforming public services.** Ideas to help save the public services and institutions upon which many in society depend.

## What we do

We publish research throughout the year, from extensive reports to shorter pamphlets, on a diverse range of policy areas. We run a broad events programme, including roundtable discussions, panel events and an extensive party conference programme. We also run a membership network of local authorities and corporate fellows.

---

# Contents

---

Acknowledgements	2
Advisory panel	3
Executive summary	4
<b>1</b> The case for community in planning for the future	16
<b>2</b> Working together towards better growth	50
<b>3</b> A new framework for building communities	77
<b>4</b> Recommendations	86

---

## Acknowledgements

The research for this report involved a number of detailed conversations with a variety of senior stakeholders in the housing, planning and local government sectors. I would like to thank everyone who took time to discuss the varying aspects of the housing crisis that are detailed below. Special thanks also goes to Countryside Properties for their support with the project. A debt of gratitude is also owed to all my Localis colleagues including Jonathan Werran, Joe Fyans, Grace Newcombe and Callin McLinden for all their guidance over the last few months. Any errors or omissions remain my own.

In between the design and publication of this report, the Ministry of Housing, Communities and Local Government was renamed the Department for Levelling Up, Housing and Communities, we have retained the previous appellation for the purposes of this publication.

## Advisory panel

This research project was supported by an advisory panel, whose members are listed below. Advisory panel members provided one-on-one advice, attended an editorial roundtable and provided comments on report drafts. They may not necessarily agree with every analysis and recommendation made in the report.

- Professor Samer Bagaen, Planning and Resilient Systems, University of Kent
- Dr Louise Brooke-Smith, International Development & Strategic Planning Advisor, Consilio Strategic Consultancy Ltd
- Ms Sinead Butters, Group Chief Executive, Aspire Housing
- Sir Paul Carter, Former leader, Kent County Council
- Ms Victoria Hills, Chief Executive, RTPI
- Ms Nazeya Hussain, Executive Director of Place Royal Borough of Kingston upon Thames
- Ms Leigh Johnson, Head of master development and design, Homes England
- Ms Geeta Nanda, Chief Executive, Metropolitan Thames Valley Housing Association
- Cllr David Renard, Leader, Swindon Council
- Ms Catriona Riddell, National Strategic Planning Specialist, Planning Officers' Society
- Dr Eim Tobari, Co-chair, Urban Land Institute Infrastructure and Regeneration Council
- Mr Andy Von Bradsky, Head of Architecture/Director, MHCLG/von Bradsky Enterprises
- Mr Nigel Wilson, Chair, Homes for the North
- Mr Mike Woolliscroft, Chief Executive Officer, Partnerships South Countryside Properties

## Executive summary

There is perhaps no greater issue driving division in British politics than the serious gap between aspirations for home ownership and the malign effects of constrained supply. This situation, in which we don't build or supply enough affordable homes in places where people not only just wish, but need to live, is the unhappy reality for a younger generation seemingly permanently priced out of the housing market. And a housing market, which, in the face of the gravest economic downturn in three centuries of recorded history, defied all expectations and, with the fair wind of a stamp duty lift, went ever upwards into the heights of financial absurdity and first rung unattainability.

So if we are to turn the tide of the times, and render a more rational housing market, one broadened with a wider affordable mix of property types and tenures, we are going to have to face down and overcome, with a sense of creativity and optimism, all that makes the current broken system. There exists a library of well-constructed policy answers, whether of supply or demand, of land value or capture, of industry and infrastructure or personal finance and public borrowing. Reform means tackling head-on a sense of willful collective denial, a national slough of despond, into which all proposed remedies tend to sink.

This requires a far better approach to managing the plurality of interests involved, with both greater rights and increased responsibilities placed on councils, developers and communities. It requires a robust understanding in central government of the necessity of community involvement, and a broad understanding in place of how best to maximise the value of development for everyone involved. This means certain, precise action in central government as part of planning reform and a suite of measures to better tie together the interests of stakeholders at the local level. This report presents such interventions, based on a broad study with extensive engagement of experts, practitioners and activists on all sides of the great housing debate.

### **The case for community in planning for the future**

#### **The planning system and reforms**

Reforms to the planning system have long been seen as the direct path to solving the housing crisis. In recent decades, these reforms have included the Planning and Compulsory Purchase Act 2004, and the Planning Act 2008, both of which introduced measures aimed at increasing efficiency within the planning system. In 2012, the National Planning Policy Framework was introduced, with the most recent revision to the framework taking place in 2019. The *Planning for the Future* White

Paper and subsequent Planning Bill are the latest in a long line of such attempts. Launched in August 2020, *Planning for the Future* promised a radical overhaul of the planning system through the stripping away of red tape which would produce ‘a significantly simpler, faster and more predictable [planning] system’. In May 2021, many of the core ideas of the white paper were embedded in the Planning Bill that is scheduled to be brought forward in autumn 2021.

The reforms have proven to be controversial, with certain announcements being welcomed and others causing alarm. Making planning more digitally accessible, along with stressing the importance of neighbourhood plans, provide good opportunities to enhance community engagement in the system. On the other hand, the proposal to shorten the statutory timetable for local plan making to 30 months has raised certain concerns – particularly, that conducting plan-making at such speed would risk missing place-specific challenges. Additionally, faster plan making would result in a greater reliance on national environmental and building standards. A key concern is in making approvals for development automatic through permission in principle in ‘growth’ areas, without making sure that design codes and other rules are in place first. This could result in developments that would not be in keeping with community wishes - over which they had no say or control over.

Overall, while the current reforms to the planning system have proven to be controversial, there is a shared understanding of the need to adapt the system to modern day requirements. There has been a wide recognition of this need, which combines with the chronic underfunding of local planning authorities as the leading reasons why the current system falls short of delivering. Eleven years of austerity have had a severe impact on the ability for local planning authorities to deliver for their communities and engage in genuine placemaking. In July 2019, the RTPI found that total net investment in planning was just £1.2m per local authority<sup>1</sup> - a figure fifty times less than average local authority spend on housing welfare. Elsewhere, the National Housing Federation has estimated that there are 8 million people in England experiencing some form of housing need<sup>2</sup>. And for more than 3.8 million of these people, social rented housing would be the most appropriate tenure to address the need. Therefore, a key part of a housing-led recovery will be an increase in the provision and delivery of affordable housing.

Along with housing associations, local authorities are one of the main providers of social and affordable housing. However, their ability to deliver more housing has been constrained by their financial resources and budget cuts. This has resulted in a

---

1 RTPI (2019) – Resourcing Public Planning

2 NHF (2020) – People in housing need

heavier reliance on developer contributions, particularly s106 obligations, to aid in the delivery of affordable housing. This is not always the best method to meet local need, with too much emphasis placed on the developer to deliver and not enough on the state. Indeed, s106 obligations are adversely impacted by developer viability assessments and can result in the provision of affordable housing being negotiated down. There needs to be a more nuanced understanding of whose job it is to house the nation. Particularly in the context of meeting affordability-related housing need, this responsibility cannot be put in the hands of solely one stakeholder. It is a combined effort that will require everyone working together at the level of place to build sustainable and integrated communities.

### Local engagement in building communities and planning for the future

There is increased antagonism between the key stakeholders of a housing-led recovery, including community activists, developers, and local planning authorities. Each are dealing with and are concerned with differing priorities in addressing the crisis. The phenomenon of NIMBYism (not in my back yard) has become progressively associated with community involvement in housebuilding and planning, often cited as a contributing factor to the housing crisis. Others argue that what is referred to as 'NIMBYism' is caused by an understandable 'desire to preserve the character of one's area and existing ways of life' and driven by societal concerns such as sustainability and social justice<sup>3</sup>. On the other end of the spectrum, increasing rent and purchase prices, as well as a perceived lack of available housing, have led to the rise of a YIMBY (yes in my back yard) movement. In 2018, an umbrella group called the YIMBY Alliance was set up, comprising groups across multiple cities in the UK

Community activists in planning share a common belief that there is not enough engagement in the process of planning and development, but it is important to understand that 'the community' contains many diverse views that need to be equally considered. At times, there will be fierce disagreement between the community regarding growth in the local area. However, at the heart of it is the need to ensure robust engagement with the community that a development is meant to serve. Developers have been given a mandate to build more to reach the government's housing target, Yet the need to deliver housing targets at pace, combined with a continual under-resourcing of planning departments, has led to an overreliance on volume development to meet these targets. It is within this dynamic that a strong perception exists that the community perspective is unwanted in the planning system. Opposition to development does not occur owing to an inherent

---

3 Bradley et al (2016) – The impact of neighbourhood planning and localism on housebuilding in England



dislike against development simpliciter. The challenge is that the wrong type of development is occurring, out of sync with local need and bypassing the community, which results in fierce antagonism.

When it comes to the planning and development system, there are a number of avenues for engagement at different levels<sup>4</sup>. At the community level, the most significant is the neighbourhood plan. Given the differing views of the community when it comes to development in localities, neighbourhood plans have become a key mechanism through which to gain a broad consensus. When they were first introduced, neighbourhood plans were criticised as NIMBY charters<sup>5</sup>, being used in more affluent areas across the country to block any development from coming forward. Yet, recent experience shows that this is not the case. There are multiple examples – many detailed in this report – of neighbourhood plans being used to successfully hit housing targets in a way which is acceptable, even preferable to the community. What all the examples have in common is the lesson that when communities are empowered and understand the context and reason for development, they are more likely to be accepting of it. At the same time, articulating the community voice requires equipping residents with the correct knowledge and policy tools to use neighbourhood plans effectively. This is contingent on the community having access to expertise to help them. Giving people the tools to operate within the planning framework and navigate the trade-offs involved in getting their perspective embedded in the local development context will help embolden community leadership.

Neighbourhood plans can only form a part of a dynamic system of local engagement, however. Proposals in the planning reform for greater digital engagement with the planning system will be an important step in broadening accessibility and involvement in the planning system. In a test carried out in May 2021 for this research, Localis found that 98 percent of councils did not have any easily accessible portal explaining the development plans in local areas in any kind of holistic way – many only had a list of PDF versions of individual planning notices, often very hard to find on the website. For its part, government has stated their intent to support planning authorities to use digital tools in supporting civic engagement within local plans and decision-making. However, more clarity is required in exactly how government intends to help the transition to enhanced digitalisation.

Local design codes will play an increasingly important role in the debate around

---

4 The Planner (2021) - Street votes: How greater local control of development can transform our suburban neighbourhoods

5 The Times (2016) – Middle classes exploiting ‘Nimby’s charter’

placemaking in the coming years. On 20 July 2021, the Office for Place was created to aid this effort, working with local authorities and communities to deliver local design codes across the country. The ambition behind the Office for Place, to give a genuine say to local communities over the future development of their area through local design codes, is promising. Given that a significant amount of public opposition to development is due to poor design quality, the community engagement element of developing design codes will be vital for a successful housing led recovery. However, concern has been raised over other aspects of planning reform, that could prove obstacles in the success of the Office for Place. At the launch of the Office for Place, the Secretary of State recognised that 'local authority planning departments are hard-pressed' and that MHCLG is 'thinking through how to get them more resources'<sup>6</sup>. The fact remains that until local authorities are afforded proper funding, the viability of high-quality design codes being produced remains at risk.

### The geography of placemaking challenges in England

The housing crisis is a multidimensional issue. It manifests in several ways. Therefore, it can hold different meanings for people across the country. In some places this manifests as a supply crisis, in others a crisis of demand; in any case, the nature of the housing market is intrinsically connected to local economies. The housing crisis is thus inseparable from the levelling up agenda and its goal of reducing inter-regional inequality and solutions to providing more and better housing must equally be seen through a regional lens. Policies like garden cities might be attractive in the over-heated South East, but are of little relevance in other major cities. Likewise, issues of land value make the landscape for development in the North entirely different to that in the South. Spatial planning at the regional level is therefore a crucial element both to solving the housing crisis and levelling up the whole of the UK.

### Working together towards better growth

#### The provision of social and physical infrastructure

Robust infrastructure lies at the core of healthy and vibrant communities. Within the context of planning, 'social infrastructure' should reflect on the availability and subsequent provision of facilities and spaces that support the creation, development, and conservation of communities. Physical infrastructure, including parks & other greenspace, strong public transport links, high streets and other shopping

facilities can help support social infrastructure within the community, undergird the provision of public services and furthermore is essential for access to opportunity. The provision of infrastructure within the planning system is covered through the Community Infrastructure Levy (CIL) and Section 106 Planning Obligations, which are more commonly referred to as s106 obligations. Detailed studies on looking into the effective delivery of s106 obligations<sup>78</sup> have demonstrated that where strong monitoring systems have been in place, s106 legislation has enabled obligations to be negotiated and delivered in notably different economic environments.

The Planning for the Future White Paper proposed to replace the CIL and s106 developer contributions and streamline them into one through a new National Infrastructure Levy. The government hopes that the new Infrastructure Levy will be more transparent than the s106 regime and put an end to months of protracted negotiations between developers and local planning authorities around planning obligations. There is potential for this to work – having a strategic approach for managing this funding so that authorities can work together to borrow against, and pump prime development in the area, could serve to lessen friction over spending, particularly in county/district areas – but there are some concerns over the new levy's impact on strategic thinking. For example, one issue that has not yet been addressed in the proposed policy relates to the new charge being levied at the point of occupation. Many developers are keen to build or fund the construction of infrastructure, such as primary schools, at an early stage of the development scheme because it acts as an anchor to attract people in<sup>9</sup>. However, if levy payments are pushed back to the point where houses are occupied, it will only be until a few hundred are sold that there would be a pot large enough to start construction on the infrastructure. This is particularly true for social housing.

The provision of local infrastructure through developer contributions is based on the notion of land value capture. The extent to which land value increases once planning permission is granted varies across the country depending on location and previous land use. However, according to government statistics from 2015, agricultural land that has been granted permission for residential use may increase from £21,000 per hectare to £1.95m per hectare<sup>10</sup>. However, a central challenge is with how consented land is at a significant premium - which incentivises landowners to hold out for increased value. This plays into various challenges of

---

7 Burgess, Monk & Whitehead (2011) – Delivering local infrastructure and affordable housing through the planning system: the future of planning obligations through Section 106

8 Morrison et al (2013) - Inclusionary housing policy in England: the impact of the downturn on the delivery of affordable housing through Section 106

9 Interview Response

10 Housing, Communities and Local Government Committee (2018) – Land Value Capture

the housing crisis and now all too familiar and well-rehearsed arguments around the availability of housing supply and build out rates. Current arrangements for developer contributions through CIL often miss the opportunity to capture money from development that can be used for the betterment of place<sup>11</sup>. Capturing land value, through mechanisms such as s106 obligations, at a proportion of the enhanced value from agricultural to residential land use could be vital in helping fund infrastructure. Additionally, levelling up and closing the regional inequality gap would be greatly aided by this, were value captured in wealthier areas and put into a national pot to help subsidise vital place infrastructure in 'left behind' parts of the country.

Beyond the more obvious forms of vital infrastructure and social requirements, building communities and places will have to take into consideration culture, heritage and their relationship with planning. Over the years, the role of councils has shifted, with authorities now putting greater consideration into how their communities develop, and in so doing have embedded themselves within placemaking as it pertains to cultural heritage and identity. High street and town centre regeneration will continue to be another important aspect of investing in the culture of place. Therefore, it is imperative to understand the implications of COVID-19 on different places and the best way to harness place potential in capturing this change for the benefit of the local community. Once again, it is local government and Local Economic Anchors that have a key role in leading this, backed by central government initiatives such as the changes to Use Classes Orders applied appropriately. Adapting to these changes and investing in new ways of renewal will only go on to attract further inward investment in place, turbo-charging recovery.

### Public health and the environment

Taking forward lessons learned from the pandemic into a housing-led recovery will entail designing and building communities that harness the aesthetic and health benefits of the natural environment. The manner in which we plan for and build communities will necessarily involve giving due consideration to public health factors if we are to develop prosperous, healthy, and happy places. Health Impact Assessments (HIA) have been cited as a key way of enabling local authorities to 'build institutional capacity, create processes, policies lines of accountability and engage with communities'<sup>12</sup> and, therefore, greatly help in planning for healthy communities in the right way.

---

11 Interview Response

12 Carmichael et al (2019) – Urban planning as an enabler of urban health: Challenges and good practice in England following the 2012 planning and public health reforms

Beyond the immediate living environment and its impact on health is the wider issue of global warming and averting climate catastrophe through reducing emissions. There is widespread agreement that improving the efficiency of provision of energy services is an important contributor to meeting the ambitious climate change mitigation goals in the Paris Agreement and broader sustainability goals. There are two options for energy efficient homes: retrofit and net zero new builds. In 2050, people will still be living in 80 percent of the homes that exist today, so retrofitting these will be essential to reducing the energy demand in homes. The planning white paper concentrates entirely on new homes, stating that from 2025, new homes will be expected to produce 75-80 percent lower CO<sub>2</sub> emissions compared to current levels. However, clear and holistic retrofit policy for the whole country will be vital to achieving net zero - even if all new homes are built to the highest standards of sustainability.

Of course, issues of sustainability begin before the home is occupied. Carbon offsetting during development is another key factor in corporate sustainability and the reduction of emissions. The process is used to 'compensate for the residual emissions of a system once direct emissions reductions have been completed'<sup>13</sup>. There are increasing cases within the housebuilding sector of firms adopting carbon offsetting in their work. On the local level, local planning authorities have been taking active measures to secure carbon offsetting in new developments. An example of this is the Carbon Offset Fund<sup>14</sup> announced as part of the Mayor of London's commitment for London to be a zero-carbon city by 2050. While local carbon offset funds can be a good way of cementing a place-based, tangible commitment on climate change, the question of it making development potentially unviable remains. Especially if funds are gained through developer contributions in addition to the other obligations around affordable housing and local infrastructure need. Some kind of national effort to collect and pool funding is necessary for the state to take its fair share of the burden. What this spells out is the need for a new route forward, to the evolution of a balanced system in which the planning of new developments unlocks the release of sufficient and fair funding.

### Local labour markets and supply chains

Given the centrality of the skills agenda to levelling up, and the challenges identified in the Plan for Growth<sup>15</sup> regarding persistent shortages of technical skills in sectors including construction and manufacturing, creating opportunities for individuals to

---

13 Savills (2021) – Carbon offsetting – a piece of the net zero puzzle

14 Mayor of London (2018) – Carbon Offset Funds

15 HM Treasury (2021) – Build Back Better: our plan for growth

skill up in their local area will be a key part to building prosperous communities. Alongside a skills shortage, there is the issue of a skills mismatch identified by the government in the Plan for Growth, which is a result of the current state of the UK's skills system and evolving skills demands of the economy.

The government has focused on the pipeline of technical skills as a particular challenge and cause for skills shortages - and the skills shortage within the construction sector is of particular concern when considering the housing crisis and the related need to build more homes. Coupled with the pandemic, one of the biggest challenges it currently faces is related to the amount of people leaving as compared to joining. By 2019, one-in-five employees in the sector were aged over 55<sup>16</sup>. This has been compounded by Brexit, it is estimated that 10 percent of workers within the construction sector are EU nationals, rising to 33 percent in London. Active steps are already being taken by the sector to address the skills shortage on a national scale. Applying greater resources and focus at a local level, given the dramatically uneven landscape around skills supply and demand across the country, will be essential to closing the skills gap, raising the baseline and delivering on housing targets.

The skills challenge, coupled with the change in employment patterns experienced over the last year, presents an opportunity for targeted interventions amounting to a 'good jobs' recovery. This is something that can involve retraining people, whilst also committing to improving the standards and quality of employment. In the context of building prosperous communities, local state stakeholders have a duty to embed good jobs as a part of a housing-led recovery. Given the challenges confronting people struggling to find work after the pandemic, there is an urgent need to come together in providing routes for people to access these high quality and skilled jobs. This will require giving the local state the room to manoeuvre and collaborate in adapting to the changing circumstances of their local labour markets and tapping into the potential of local communities in confronting associated challenges.

On a wider level, the way in which local and central government drive social value through procurement will be hugely important for raising the skills baseline in place. Particularly in the context of the skills shortage in the construction sector, social value driven procurement could have a positive impact on the local ability to upskill if done correctly. Localis' report 'Brighten All Corners' advocated a Social Value Charter to be drawn up by local authorities in collaboration with communities – an outcome-based approach rooted and measured by a set of desirable outcomes as opposed to blanket offers. The co-design process would involve consultation by the

---

16 PBC Today (2019) – How the skills gap has affected the government's homebuilding targets

council with community groups and private sector partners to determine a locally relevant set of priorities for social value to deliver against. Where housing supply is being greatly increased through development, there is ample opportunity for authorities to take a strategic purview on commissioning across a development, or a series of developments, to optimise the value received locally.

### **A new framework for building communities**

The main protagonists for a stewarded model of housing delivery are often held back by the deep antagonism that exists between them. There is a collective feeling that respective concerns are not being listened to, resulting in a breakdown of communication and frustration on all sides. A prevailing sentiment from community activists is that the housing being delivered does not address local need or demand, which is based on the provision of genuinely affordable housing and vital place infrastructure. On the other hand, local planning authorities are under increased pressure, whilst experiencing extreme budget strain, to deliver on government pledges for 300,000 houses a year nationally. This has resulted in a higher dependence on private developers to not only meet the housing target, but also ensure the provision of local infrastructure that serves the community. Such a burden affects the market viability of developers and impacts on the ability to deliver good quality developments in the first place.

For a community-focused housing-led recovery to take place, local stakeholders need to be working together and toward a shared strategic vision for place. Developers, local authorities, and communities need to understand each other's needs and priorities and work in a manner that harmoniously delivers the housing and wider infrastructure needed. In achieving this shared strategic vision, a stewardship model for community delivery will prove to be the way forward. Properly engaging in land delivery through a stewarded framework would entail land being built out in a sustainable manner over a set period of years, with a proper focus on placemaking and increasing productive growth. Additionally, it would enable land to be brought forward through mixed tenure in a manner that could help tackle the affordability challenge.

Fostering a strategic vision will only truly work when the community shares in it and understands the need and context for good growth. This will include them contributing their ambition for how to shape development in the local area. The recommendations of this report are designed to embed principles and requirements in the planning system which bring all parties to the table in a mature manner, with various provisions to encourage long-term engagement and meaningful decision-making. The benefit of having a shared strategic vision lies in each stakeholder being able to understand the other's perspective, while knowing that everyone is

working toward the same objective for the locality. Embedding this understanding is a vital principle for the success of a housing-led, community-focused recovery.

## Recommendations

If we are to succeed in building communities for the long-term, each principal actor, central government, local authorities, developers and our communities alike, will have their unique part to play in planning for and realising a good and clean growth future.

### Recommendations for central government

**Make planning underscore good and green growth:** Some kind of national effort to collect and pool funding is necessary for the state to take its fair share of the burden towards affordable, mixed-tenure and sustainable housebuilding in the age of Net Zero.

What this spells out is the need for a new route forward, to the evolution of a balanced system in which the planning of new developments unlocks the release of sufficient and fair funding to bolster sustainable growth in new homes across varied tenures.

To this end, Localis recommends the setting up of separate funds as follows, overseen at national level and to address the challenges of generating popular consent for local housing growth and making new developments both sustainable and commercially viable:

- a Capacity Fund for neighbourhood planning
- a Carbon Offsetting Fund for development
- Amend Infrastructure Levy to be paid at the point of commencement on site and to include a ringfenced proportion for affordable housing provision.
- Include Health Impact Assessments as a requirement in the National Planning Policy Framework.
- Define and protect social infrastructure through the National Planning Policy Framework.
- Work to develop a centralised portal where residents can access development plans and decisions for their area, in their entirety and in one place.
- Acknowledge the need for a regional approach to new building – from garden cities in the South East to greater vertical development in major cities – through the creation of new boards for regional spatial planning.



## STEWARDSHIP MODEL: A STRATEGIC FRAMEWORK



### LOCAL GOVERNMENT SHOULD

Produce community value charters to provide a transparent picture of how procurement around development is benefiting the local area.

Work with communities to embed local design codes into neighbourhood plans.

Produce cultural statements for new developments containing the provision and protection of cultural assets and ACVs.

Commit to a hybrid model of community engagement around local plan-making with digital outreach combined with more extensive physical events.

Organise developers forums to bridge the gap between developers and communities around new development.



### COMMUNITIES SHOULD BE ENCOURAGED & SUPPORTED TO

Produce neighbourhood plans through statutory bodies (parish councils and neighbourhood forums) which do not undercut government housing targets.



### DEVELOPERS SHOULD BE ENCOURAGED TO

Attend and actively contribute to developer's forums in support of strong collective place leadership and strategic planning.

Agree productivity deals with local authorities:

- Local labour market uplift: skills and wages
- For long-running developments of over 200 dwellings, run a local growth board to oversee the productivity deal.

---

CHAPTER ONE

# The case for community in planning for the future

---

Community will have to lie at the heart of a housing-led recovery that is rooted in place. This is something that has been acknowledged by numerous and various stakeholders as well as the government - whose planning reforms are aimed at enhancing the role of communities in planning for their future.

In order to assess the extent to which this may be the case, and to see what a true community-focused housing-led recovery may look like, it is important to give proper context to the planning reforms. If we can better understand the present experience of community involvement within the current planning system, it will be, we hope, possible to identify and act on the successful precedents that may be built on going forward.

## 1.1 The planning system, reforms and the housing crisis

Beyond resolving the complexities of Brexit and the COVID-19 pandemic, fixing Britain's ever-growing housing crisis remains one of the biggest domestic political issues. It is an acknowledged crisis that has been long in the making and successive governments have brought in reforms to tackle it. The *Planning for the Future White Paper*<sup>17</sup> is the latest in a long line of such attempts.

### 1.1.1 The planning system and housing

From an historical context, the outbreak of the Second World War put an end to housebuilding for its duration. At the end of the war, Britain faced a grave housing shortage with a significant portion of the housing stock lost to war damage and bombing. It is estimated that 30 percent of homes were damaged or destroyed<sup>18</sup>. In the post-war period, national housing stock has not grown at the percentage rate that occurred in the early 20<sup>th</sup> century<sup>19</sup>. This shortfall in housing supply has impacted affordability. Adjusting for inflation, house prices have increased by 500 percent since 1955<sup>20</sup>. Given these issues, housing and planning policy in the post-war period has been defined by the need to fix an increasingly untenable housing supply and affordability crisis.

The Town and Country Planning Act<sup>21</sup> was introduced in 1947 and established planning permission as a requirement given from local authorities for the development of land. The Act has gone through a number of amendments, with its current form being the Town and Country Planning Act 1990<sup>22</sup>. Additional legislation brought in to constitute the current planning system includes the Planning and Compulsory Purchase Act 2004<sup>23</sup>, and the National Planning Policy Framework 2012, which has been most recently revised in 2021<sup>24</sup>.

#### Housing supply – targets and trajectories

The government's target to deliver 300,000 homes a year by the mid 2020s is regarded as central to resolving the housing crisis. As previously

17 MHCLG (2020) – Planning for the Future White Paper

18 Britannica – World War II: Human and material cost

19 House of Commons Library (2021) – Tackling the under-supply of housing in England Briefing Paper

20 Paul Cheshire (2014) – Turning houses into gold: the failure of British planning

21 Town and County Planning Act 1947

22 Town and County Planning Act 1990

23 Planning and Compulsory Purchase Act 2004

24 MHCLG (2021) - National Planning Policy Framework

highlighted, the last few decades have seen a shortfall in housing development. There is a clear need to accelerate the quality and quantity of housebuilding. The Standard Method<sup>25</sup> for Local Housing Need calculation helps determine the housing need within each local authority area. It was introduced in 2018 and has been intended to shift focus from the question of housing numbers more generally to 'how' and 'where' new homes will be built. At the time of its release, the method equated to 266,000 houses per annum. Importantly, the housing figures resulting from the Standard Method are minimum estimates and not mandatory requirements<sup>26</sup>. Having said this, government intends to set binding housing requirement figures for individual Local Plans across the country.

As part of its planning reforms, the government proposed to develop a new Standard Method which would boost this figure to over 300,000 houses. This would be done in a way where most of the increase would happen in areas with the greatest gap between house prices and incomes. However, after fierce opposition, in December 2020 the proposals were scrapped, and it was announced that the previous method would remain with certain modifications. This would include increasing the number in the biggest 20 cities by 35 percent, which would drive housing into urban areas and on brownfield sites<sup>27</sup>.

The Standard Method is calculated on national household growth projections based on data from 2014<sup>28</sup>. It has been argued that this cannot consider the impact that Brexit and the pandemic have had on household formations<sup>29</sup>. Additionally, the current 300,000 housing target has not been justified by government<sup>30</sup>.

This does not take away from the need for ambitious housing targets. The supply of housing is intimately connected to the affordability of housing. Between 1969 and 1989, 4.3m houses were built in England; yet between 1994-2012, less than 2.7m were built. Adding to this, it has been previously estimated that in order to stabilise housing affordability, it would be necessary to build between 237,800 and 290,500 houses a year. This suggests that the country has been underbuilding according to national

---

25 MHCLG (2020) - Housing and economic needs assessment

26 Lichfields - How many homes? The new Standard Method

27 Lichfields - How many homes? The new Standard Method

28 MHCLG (2017) - Household projections

29 Interview Response

30 HCLG Select Committee (2021) - The future of the planning system in England: First Report of Session 2021-2022

housing need by between 1.6m and 2.3m houses between 1994 and 2012<sup>31</sup>. Something that has had knock-on consequences for house prices, which have risen five-fold since the mid-1950s. Taken together, there is an evident need for increased housing. However, a genuinely community-focused housing-led recovery will require a properly laid out and evidenced target for local stakeholders to work toward within a stewarded model for delivery.

Reforms to the planning system have long been seen as the direct path to solving the housing crisis. Guided by the key concerns of housing supply and affordability, a number of reviews have been carried out that 'increasingly problematised the planning system'<sup>32</sup>. Over the last few decades, there has been an increase in the 'politicisation and problematisation of planning as a constraint, rather than the enabler of housing development'. This goes a long way in explaining the focus on reform and deregulation of the system, which has been a repeat feature of recent governments. For example, the Barker Review of Housing Supply 2004 identified 'an unresponsive planning system' as contributing to a rising mismatch between household formation and house production. As a result, speeding up the planning system and ensuring faster plan making informed subsequent reforms.

These reforms included the Planning and Compulsory Purchase Act 2004, and the Planning Act 2008, both of which introduced measures aimed at increasing efficiency within the planning system. For the former, this entailed enhancing predictability by identifying simplified planning zones in regional plans as well as introducing Local Development Frameworks. And for the latter, the introduction of a Community Infrastructure Levy (CIL), in order to shift negotiated infrastructure contributions under s106 agreements to a fixed locally determined charge, to speed up the delivery of major infrastructure projects.

The current debate around the causes of the housing crisis has led to a standoff between local authorities and developers, with each blaming the other for the insufficiency of housing supply<sup>33</sup>. Developers point to the planning system as being too slow and inflexible, while local authorities highlight that there are twice as

---

31 Cheshire (2014) - Turning houses into gold: the failure of British planning

32 Curran et al (2014) - That sounds familiar! A decade of planning reform in Australia, England and New Zealand

33 Interview Response

many planning permissions as there are houses being built<sup>34</sup>. The reason cited is developer 'land banking'. The largest housebuilders have six years of land pipeline with planning permission and another six with restrictive contracts. From a developer perspective, this is understandable as they need to have confidence in their ability to deliver into the future. However, the situation has called into question whether such a system is an efficient use of land.

The Independent Review of Build Out<sup>35</sup> highlighted that the issue of land banking is not straightforward. The development pipeline of large sites cannot see all start at the same time. Additionally, preconditions for development are extensive and will often take up a lot of time before any start can be made on a consented site.

Larger sites typically take from ten to 15 years to build and rates of development can be quickened through different types of tenure. But we are still talking of a time period of a dozen years, during which time developers will often find their delivery timescales pushed forwards or backwards as preconditions or other development issues are resolved. So when it comes to accelerating the absorption rate, the number of new homes that can enter the market at once, diversifying tenure can be a catalyst for positive change.

### 1.1.2 Planning reforms

In August 2020, the government launched the *Planning for the Future White Paper*<sup>36</sup> promising a radical overhaul of the planning system through the stripping away of red tape which would produce 'a significantly simpler, faster and more predictable [planning] system'. And in May 2021, many of the core ideas of the white paper were embedded in the Planning Bill that is scheduled to be brought forward in Autumn 2021.

According to the white paper itself, the rationale for reform includes the complex nature of the current system, resulting from decades of continual change and amendments. Other reasons include the length it takes to adopt a Local Plan, the lack of public trust in the system, a lack of focus on design, and the systemic failure to build enough homes.

The reforms promise to streamline the planning system, bringing it into the 21<sup>st</sup> century and create a rules-based system to ensure reliability. It proposes to do this by focusing on five key areas:

---

34 The Guardian (2021) – Over 1m homes in England with planning permission not built

35 Rt Hon Sir Oliver Letwin MP (2018) – Independent Review of Built Out

36 MHCLG (2020) – Planning for the Future White Paper

- Frontloading and deepening community involvement and democracy to the local plan-making stage. As a part of this, the role of local plans will be simplified to identify land for development under categories of *growth* and *protection*. Along with this, local authorities and the Planning Inspectorate will have to produce Local Plans within 30 months - as opposed to the current period of seven years.
- Taking a digital-first approach to modernising the planning process. A part of this will be a move from 'a process based on documents to one based on data'. This includes enhancing digital civic engagement and working with local authorities to modernise software used for managing planning applications.
- Bringing a focus on design and sustainability through measures such as establishing a new body to support the delivery of design codes in every part of the country<sup>37</sup>. Other measures include design codes for new developments to be set locally and based on 'genuine community involvement' and facilitating improvements in the energy efficiency standards for buildings to deliver on net-zero commitments.
- Improving infrastructure delivery across the country through reforming the Community Infrastructure Levy and current system of planning obligations as a nationally set flat rate charge<sup>38</sup>, to be known as the Infrastructure Levy. Other announcements include being more ambitious for affordable housing provided through planning gain and giving local authorities greater powers in deciding how to use developer contributions.
- Ensuring the availability of land for housing and development needed by communities and for town centre renewal. This will be done by setting a nationally determined housing requirement, of 300,000 houses per year, that local planning authorities will have to deliver through their Local Plans. The requirement would be focused on areas where affordability pressure is highest.

The reforms have proven to be controversial, with announcements of a 'digital first' approach being welcomed, while others, including the 'frontloading' of community engagement, causing alarm. In their response to the proposals in the white paper<sup>39</sup>, the Town and Country Planning Association discuss and counter several perceived misconceptions driving the planning reforms. Regarding

---

37 The Office for Place was launched on 20 July 2021 to help achieve this.

38 In July 2021, Secretary of State Robert Jenrick confirmed that the rate would in fact be set locally.

39 TCPA (2020) – The wrong answers to the wrong questions: Countering the misconceptions driving the Government's planning reform agenda

community engagement, it is pointed out that the proposals in the white paper ‘cut in half existing opportunities to engage with the system by removing the public’s right to comment on planning applications and restricting it to plan-making and design codes’. This goes against the idea that the planning reforms would lead to enhanced democracy and participation within the system.

The proposal to shorten the statutory timetable for local plan-making to 30 months is central to these concerns over restricted community engagement. Many local councillors feel strongly that conducting plan-making at such speed would risk glossing over place-specific challenges. Additionally, faster plan making would result in a greater reliance on national environmental and building standards amongst others. This may not be negative if such standards are set as a minimum, meaning that if a local authority can demonstrate an ability to go higher, they are permitted to do so. However, if set as national maximum standards, they might drive out innovation on the local level, something that is essential in pushing for higher design, environmental, and placemaking standards.

Furthermore, the zonal proposals of growth and preservation areas for local plans risk losing local nuance and community input. A major concern is the ability of central government to make approvals for development automatic, through ‘permission in principle’, in growth areas. This permission would be assumed even without surety that design codes and other rules are in place first. This could result in developments that would not be in keeping with community wishes, over which they had no say or control.

The Royal Town Planning Institute (RTPI)<sup>40</sup> are encouraged by the government’s focus on design and sustainability, especially the proposal that each local planning authority ought to have a chief officer for design and placemaking. Going further, the RTPI argue that the role should be filled by a Chartered Planner - highlighting how planners sit at the intersection between local communities, businesses, and politicians. Additionally, the benefit of having a planner in this position would be in providing a long-term vision and certainty for development. Elsewhere, the greater focus on permission in principle sits on the assumption that ‘heritage constraints are well established’ – that there is little risk of such permissions damaging sites of cultural or historical value. However, the increase in permitted development rights poses a risk for non-designated heritage sites being lost. This would have significant implications for placemaking in growth areas.

Overall, while the current reforms to the planning system have proven to be

---

40 RTPI (2020) – Positive, proactive planning for the future: The RTPI’s commentary on the Planning White Paper



controversial, there is a shared understanding for the need to adapt the system to modern-day requirements. There has been wide recognition of the need for this, as well as a chronic underfunding of local planning authorities as a leading reason why the current system is falling short. A central ask of the RTPI of government is for a £500m investment into planning authorities over the next four years to rectify this situation. This call was backed by the HCLG Select Committee in their inquiry into The Future of the Planning System in England<sup>41</sup>, which urged government to commit additional funding for the planning system ahead of the introduction of the reforms.

### 1.1.3 Local authority resourcing

The LGA noted that 'by 2020, local authorities ... faced a reduction to core funding from the government of nearly £16bn over the preceding decade'<sup>42</sup>. Eleven years of austerity have had a severe impact on the ability of local planning authorities to deliver for their communities and engage in genuine placemaking. In July 2019, the RTPI found that total net investment in planning was just £1.2m per local authority<sup>43</sup>. A figure fifty times less than the average local authority spend on housing welfare. Additionally, reductions in the budgets of local planning authorities have forced them to shift attention to development management and income generation, at the expense of proactive placemaking policies.

Placemaking policies were greatly aided by organisations working to share best practice. The British Urban Regeneration Association was active in the 1990s in providing a platform for the exchange of ideas, experience and information amongst planners. However, the impact of severe budget cuts over the last 10 years has resulted in a lack of training in placemaking within council departments, as was prevalent before. This has resulted in a current shift of focus on development management, forcing local planning authorities to concentrate on the statutory elements of the process, such as environmental impact statements. As a result, there has been a certain loss of wider creative thinking in the process of building communities.

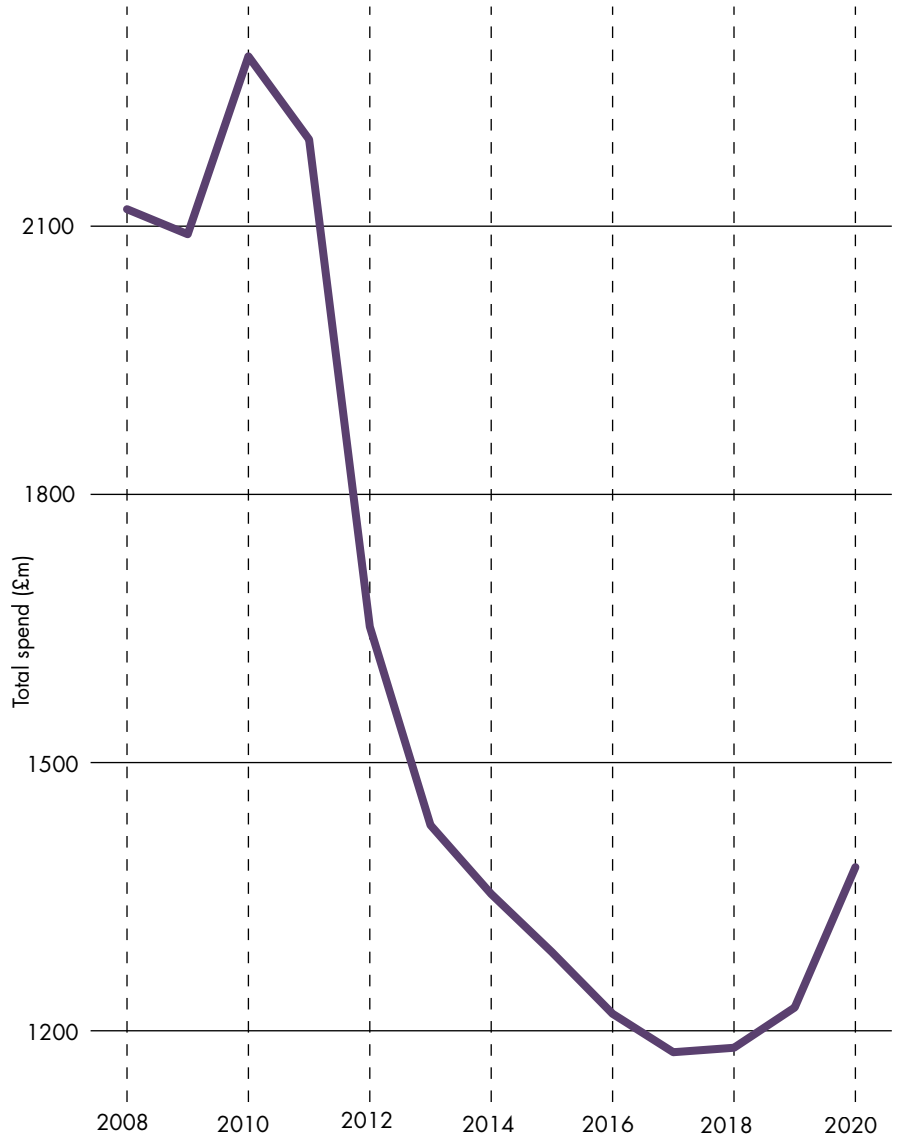
---

41 UK Parliament Committees – The future of the planning system in England

42 LGA (2018) – Local government funding: Moving the conversation on

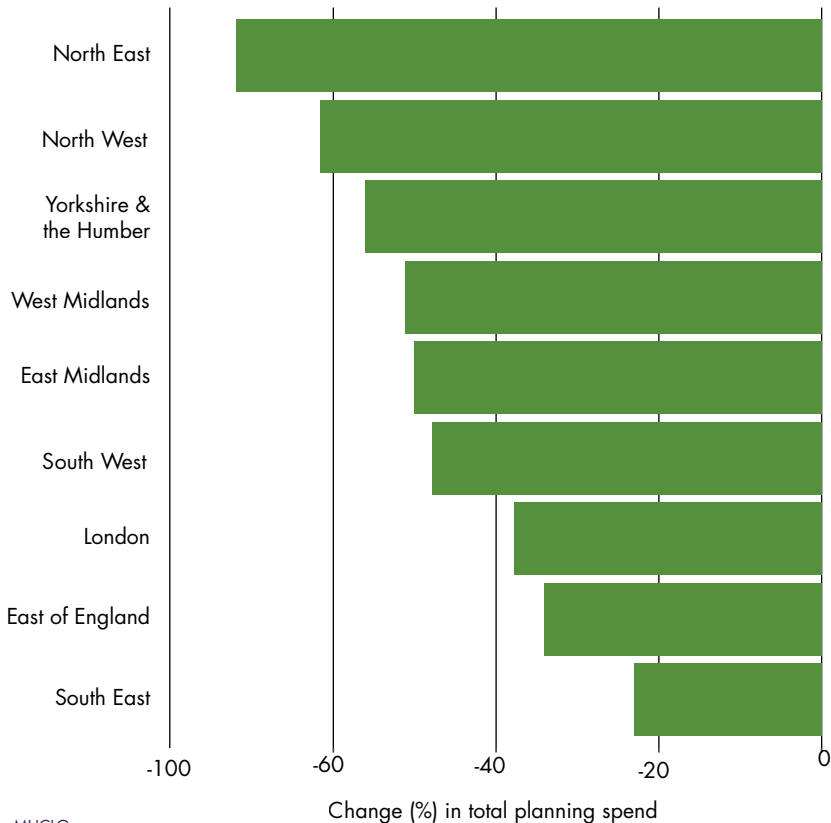
43 RTPI (2019) – Resourcing Public Planning

**Figure 1.** Local authority planning spend in England, 2008-2020



Source: MHCLG

**Figure 2.** Change in total regional planning spend, 2010-2020



Source: MHCLG

From a developer's perspective, this has resulted in the need to conform planning applications in the style of previously consented developments in an area. The effect of this is to restrict the innovative and experimental potential of developers coming into an area wanting to do something new. And ultimately stands in the way of forming trust between the developer and community.

Adequately funding and resourcing local planning authorities would be greatly beneficial for developers themselves. Ultimately, community-focused, housing-led recovery will fail to deliver or serve local need if the wrong things are built in the wrong places. Seen in this light, the further shift to a deregulatory planning system, as indicated in the white paper, could work against the interests of developers. Rather, increasing the capacity of planning officers to administer the planning system efficiently, so that it does not take a year to get consent on a

proposal that might otherwise take eight weeks, would be a better way to serve ambitions for a housing-led recovery<sup>44</sup>. Doing this will require an investment in planning authorities to the extent advanced by the RTPI.

On a broader level, challenges around local authority under-resourcing are in part a constitutional question relating to the role of local government as being at the forefront of decision-making and delivery. While figures<sup>45</sup> from the Home Builders Federation show that planning permissions continue to be granted at record high levels of 369,524 in the year to June 2018, there is still an evident lack of capacity in planning departments which impacts the ability of developers to build out these permissions. The HBF have recognised this, calling for government to ‘invest in the planning system and local planning departments to enable them to deal speedily and efficiently with the volume of permissions now being submitted’. This is indicative of the severe impact austerity has had on planning, and how increased resourcing would better enable housing and wider infrastructure delivery.

### Partial outsourcing

In January 2019, the RTPI released ‘Working in the Public Interest?’<sup>46</sup> which looked at the changing relationship between the public and private sector in the delivery of local planning services. A key finding is how local planning authorities have had to adapt to austerity cuts through adopting private sector practices and pro-development stances to attract the funding they require. One of the ways this has manifested is through the increase in partial outsourcing since 2010. The impact of this is wide ranging, most notably on the loss of a community focus in the planning process. Relatedly, the report highlights an increase of ‘proceduralism’ – a ‘box ticking’ culture – which has closed ‘a lot of the space planners traditionally had for reflection, professional discretion, and proactive planning’.

### 1.1.4 Affordable housing

For a housing-led recovery to hold true meaning for communities, housing needs to be seen from a holistic perspective in terms of how it serves localities. This will require stronger attention being given to affordability.

44 Interview Response

45 HBF (2018) – Planning permissions sustained at +350,000 as plans for growth continue

46 RTPI (2019) – Serving the public interest?

The housing crisis is as much an affordability crisis as it is about housing shortages. Moreover, government's stated ambition to build 300,000 houses a year risks giving the impression that the country can alleviate the housing crisis through increasing supply alone. Addressing the challenges associated with affordability will require targeted interventions that consider housing need as part of a wider array of factors, and ultimately delivers on social and economic growth in place. Targeted approaches must address the many interconnected aspects of a housing-led recovery around the built environment, health and wellbeing, climate resilience, and how these interact in robust developments.

There is a wide spectrum of affordability issues. Given the number of people impacted by it, attempting to devise a strategy that addresses everybody's concern equally is an enormous challenge. The issue is much wider than those struggling to buy their first property and includes people experiencing homelessness, living in overcrowded households, and those living in temporary accommodation to name a few.

Looking at affordability in the context of market housing, average house prices in the north east of England over the year 2020 were approximately £143,000. In London, the figure was £495,000<sup>47</sup>. Elsewhere, the National Housing Federation has estimated that there are 8 million people in England experiencing some form of housing need<sup>48</sup>. And for more than 3.8 million of these people, social rented housing would be the most appropriate tenure to address the need.

Therefore, addressing housing affordability goes hand in hand with looking at housing need. Particularly for those experiencing homelessness, overcrowding or inadequate housing. However, the current metric used by the government in identifying housing need is household growth projections<sup>49</sup>, based on data from 2014, as opposed to wider metrics around other forms of need. Viewing housing need in this way misses the opportunity to identify how much and where affordable housing is needed. It results in lesser attention being given to the value of social rented housing where affordability is linked to local incomes as opposed to market prices.

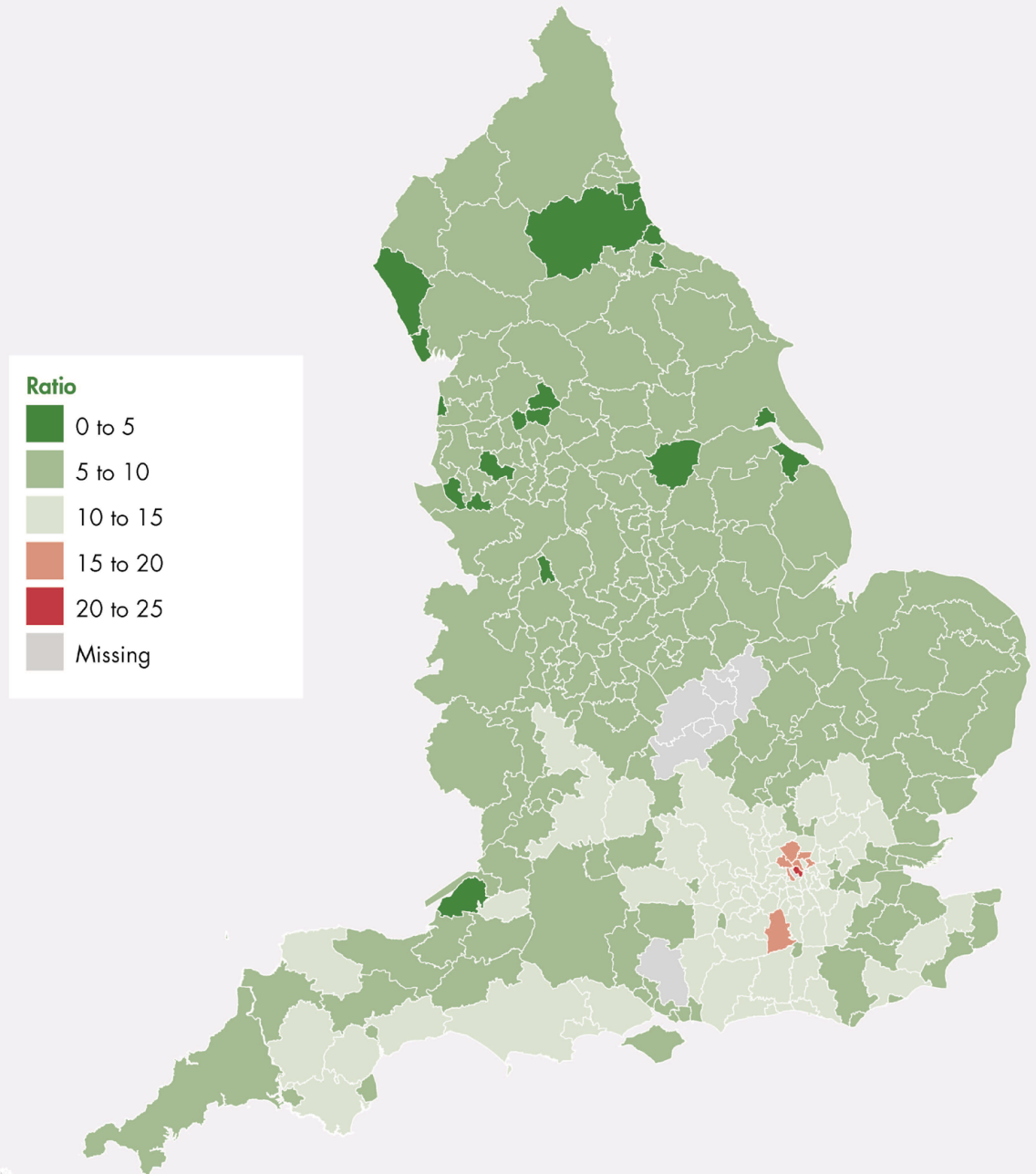
---

47 LG Inform (2021) – Median house price in England

48 NHF (2020) – People in housing need

49 MHCLG (2020) - Housing and economic needs assessment

**Figure 3:** House price to salary ratio in England's districts



Having said this, the Housing Act 1996<sup>50</sup> did set out certain statutory instruments on who has priority need when making homeless applications to their local authority. This is specified in Section 189 of the Act<sup>51</sup>. For example, those who are automatically in priority need include pregnant women, households with dependent children, and people who are homeless as a result of domestic abuse. Further use of statutory instruments in identifying need would help in devising a strategy that looks at challenges of affordability beyond the market context. At the same time, it would help embed the understanding that housing need and affordability is a broad spectrum across which span differing priorities, and addressing it must start with those who do not have a roof over their head or are living in inadequate accommodation.

A key part of a housing-led recovery will be an increase in the provision and delivery of affordable housing, particularly looking at mixed tenure models that look beyond affordability in relation to market price, and increased use of examples like social rented housing in the overall provision of housing. Along with housing associations, local authorities are one of the main providers of social and affordable housing. However, their ability to deliver more housing has been constrained by their financial resources and budget cuts. This has resulted in a heavier reliance on developer contributions, particularly s106 obligations, to aid in the delivery of affordable housing. However, it has been pointed out that this mechanism is not the best method to meet local need<sup>52</sup>, placing too much emphasis on the developer contribution and not enough on that of the state. Additionally, s106 obligations are adversely impacted by developer viability assessments and can result in the provision of affordable housing being negotiated down. But because of the dependence of local planning authorities on developers, there is a reluctance to reject proposals with smaller s106 obligations for fear of losing whatever housing could be secured.

There needs to be a more nuanced understanding of whose job it is to house the nation. Particularly in the context of meeting affordability related housing need, this responsibility cannot be put in the hands of solely one stakeholder. It is a combined effort that will require everyone to work together at the level of place in order to build sustainable and integrated communities. A good way to meet this challenge is through a long-term stewardship model. This would be a model that encourages landowners and developers to maintain an active interest throughout the development process. Additionally, it would include an agreed framework,

---

50 Housing Act 1996

51 Shelter — Categories of priority needs

52 Interview Response.

co-designed with key local state stakeholders and the community, that maps out a landscape for the delivery of good growth.

Developers would have a significant role to play in any future housebuilding scenario. However, the onus cannot be put on them alone. Therefore, increased efforts need to be made to incentivise local authorities and housing associations to build at an increased rate. Examples from Europe demonstrate the significance of cooperative housing and housing associations. In Germany, out of the 21.2m rental apartments in the country, a fifth of the apartment stock is owned by the public sector and housing associations equating to 21 percent. This is on top of 23 percent being owned by Community of Owners<sup>53</sup>.

The benefit of addressing the affordability crisis through a stewarded model would be in its ability to arrive at solutions that are locally determined and not necessarily fixed to the market price of housing. Current national housing policy initiatives such as Help to Buy, Shared Ownership, and Starter Homes are based on the drive to turn generation rent into generation buy<sup>54</sup> and, therefore, are linked to market prices. Given that property prices are now 10 times<sup>55</sup> the average salary, looking at affordability in relation to market price alone does not go far enough. Especially when considering that from April 2013 to the end of 2017, 'nearly one in ten (15,737) Help to Buy properties went to buyers with household incomes of more than £80,000'<sup>56</sup>. Meaning that many of those who benefit from these schemes are already in strong positions to afford housing, leaving a large swathe of people whose housing need is not being met by these national policies.

This is indicative of the need for efforts to be focused on the demand side and in meeting genuine housing need. Providing for the demand side will necessitate local planning authorities being given suitable policy tools to make targeted and strategic interventions. Including being able to reserve land for affordable housing and reducing the cost of acquiring land to the housing needed.

Overall, a housing-led recovery needs to address the issue of affordability in a genuine manner that looks beyond affordability in a market context. Each will have their part to play. However, government needs to enable policies that allow this challenge to be met on the demand side at the local level. Doing so would be

---

53 Savills (2019) – Ownership structure of the residential market

54 FT Advisor (2021) – How to turn generation rent into generation buy

55 Wendover News (2021) - House price affordability at its worst in a decade as property prices hit 10x the average salary

56 Which? (2018) – Who benefits most from Help to Buy?



hugely beneficial to government itself, as acknowledged by Savills and Shelter<sup>57</sup>. They highlight the economic benefit of government investment in social rented housing, of which Shelter state 90,000 a year need to be built<sup>58</sup>. These benefits include social housing being a low-risk investment, and given that over a million households are on the waiting list, homes that will be built won't be empty. Adding to all of this, building social rented housing would provide a long term solution, gradually reducing the need to fund Local Housing Allowances.

### 1.1.5 Permitted development rights

Another aspect of the planning system that is important to address in the context of a community-focused, housing-led recovery are Permitted Development Rights (PD rights). PD rights appears to be part of the government's ambitions for a housing-led recovery and have been key for town centre and high street revitalisation efforts. PD rights allow for changes to buildings without the need for full planning permission. They come from general planning permission granted by Parliament as opposed to the local planning authority. PD rights usually cover either changing the use of a building or modifications and changes to the physical property itself<sup>59</sup>.

Throughout the pandemic, changes to the Use Class Order, covered by PD rights, have helped provide support to struggling retailers and cultural anchors on high streets and in town centres across the country. Building on this, in December 2020 a consultation<sup>60</sup> on revised PD rights was ran which proposed a number of measures. Most significant of these included consolidating and simplifying existing PD rights, and a new PD right to allow change of use from the new use class E (including commercial, business and service) to C3 residential. Following the consultation, in March 2021 the government confirmed<sup>61</sup> that this new PD right will be introduced under the new Class MA of the Town and Country Planning (General Permitted Development etc.) (England) Order 2021 in August 2021.

These new measures will have wide-ranging implications for planning policy and the nature of a housing-led recovery on the local level. A key feature of the new PD right includes unused commercial buildings being granted permission for residential use via a fast-track prior approval process. Local authorities will be able to assess prior approval applications on specific conditions such as flooding, light and noise issues. Additionally, the new PD right will apply in Conservation

---

57 McCallum (2020) - Building a recovery on solid foundations

58 BBC News (2021) – Housing: Shelter calls for 90,000 social homes to be built

59 House of Commons Library (2021) – Planning in England: permitted development and change of use

60 House of Commons Library (2021) – Planning in England: permitted development and change of use

61 First Plan (2021) – Permitted Development Rights for Class E to Residential Given the Green Light

Areas, but not in the case of Listed Buildings, or Areas Of Outstanding Natural Beauty.

Parallel to the announcement of the expansion of PD rights, in March 2021 the Housing, Communities and Local Government Select Committee launched an inquiry<sup>62</sup> to ascertain what impact the expanding of the PDR system could potentially have on the planning system in the context of housing targets. The resulting report<sup>63</sup> expressed concern about the impact of the expanded PD rights, particularly on local planning authorities and their ability to effectively engage in place-making. Owing to these concerns, the HGCLG Select Committee recommends halting any further expansion of PD rights for change of use from commercial to residential including the new class MA right. As a part of this, there needs to be a long-term vision for PD rights that sets out how associated benefits can be retained without infringing on the ability of local planning authorities to ensure quality of developments.

In an open letter to the Housing Secretary, the RTPI, RIBA, RICS, and CIOB, raised concerns over the further use of PDR without significant safeguards on locking in 'more unacceptable standard [of] development'<sup>64</sup>. Noting that all PD rights should require minimum space, building and design standards, the open letter raises further concern over the implementation of PD rights and 'the potential impact on the quality of life of future residents and local communities'. Looking ahead to a community-focused, housing-led recovery, close attention must be given to the implications of expanded PD rights on the ability to holistically plan and deliver suitable housing that meets local needs. While they have acted as a much-needed lifeline for struggling businesses and community anchors on the high street during the pandemic, their effect in a housing context is proving to be very different. Continued expansion without due regard to the implication for local democracy and engagement in the planning system threatens to derail a genuine housing-led recovery.

## 1.2 Local engagement in building communities and planning for the future

Community engagement is central to placemaking and holistic planning. Public spaces are where citizens negotiate 'the interface between homes, businesses, institutions, and the broader world'<sup>65</sup>. Therefore, when planning developments

---

62 UK Parliament Committees (2021) – New Inquiry: Permitted development rights

63 Housing, Communities and Local Government Committee (2021) – Permitted Development Rights

64 RTPI (2020) – Final joint institutes PDR letter

65 Project for Public Space (2016) – Placemaking: What if we built our cities around places?

that contribute social value to place, working alongside the community will be key. At a moment where developers have a trust rating of two percent, and local authorities have one of seven percent<sup>66</sup> it is important to tap into the potential of the neighbourhood to enable the housing growth we need post-pandemic.

### 1.2.1 Perceptions of community involvement

There is increased antagonism between the key stakeholders of a housing-led recovery, including community activists, developers, and local planning authorities. Each are dealing with and are concerned with differing priorities in addressing the crisis. Regarding planning, it is an important democratic right that citizens have the opportunity to engage and challenge proposals that have been advanced by developers or local planning authorities. However, there has been an increasingly negative perception of community involvement in placemaking and the planning system.

The phenomenon of NIMBYism (not in my backyard) has become progressively associated with community involvement in housebuilding and planning. It is seen as 'localised public opposition to new housing developments by those directly affected by them'<sup>67</sup> and a contributing factor to the housing crisis. It has been condemned as not representing the wider views of the community. Equally, the term itself has been condemned as pejorative and without meaning. However, recent academic research into the phenomenon has countered this assumption, advancing the argument that resident opposition to housing 'may be guided by broader societal concerns such as sustainability and social justice'<sup>68</sup>.

Elsewhere<sup>69</sup> it is argued that what is referred to as 'NIMBYism' is caused by a 'desire to preserve the character of one's area and existing ways of life', particularly the change brought about by new housing developments. This form of community mobilisation is termed 'place protective action'. While there is an increasingly prevalent belief that homeowners are some of the most opposed to new development<sup>70</sup> owing to price anxiety, it could often be the case that wider place protective motives as being equally, if not more, important in contributing to NIMBY tendencies. This concern is especially prevalent where new housing is increasingly unaffordable for existing residents leading to the local population

---

66 Brown (2020) - How power in planning is shifting to local communities

67 Tom O'Grady (2020) – NIMBYism as place protective action: The politics of housebuilding

68 Bradley et al (2016) – The impact of neighbourhood planning and localism on housebuilding in England

69 Tom O'Grady (2020) – NIMBYism as place protective action: The politics of housebuilding

70 Property Wire (2018) - NIMBYs are alive and well in Britain with many home owners against new development

being priced out of the market. Viewing community involvement in planning as being driven by place protective action can help form a wider understanding of the benefits of new developments by designing them in a manner that focuses on place protective motivations. This can be done by providing new public services and goods alongside new housing developments that meet local need.

It is important to understand that 'the community' contains a number of diverse views that need to be equally considered. At times, there will be fierce disagreement between the community regarding growth in the local area. However, at the heart of it is the need to ensure robust engagement with the community that a development is meant to serve. This will help embed an understanding of the need for development in a local area. But to successfully do this, there needs to exist transparency between local planning authorities and developers toward the community.

In recognition of increasing rent and purchase prices, as well as a perceived lack of available housing, there has been a rise of a YIMBY (yes in my backyard) movement<sup>71</sup>. The pro-housing movement aims to find innovative ways to facilitate an increase in housing supply. And while it is often seen as existing in opposition to 'NIMBYism', this dichotomy is a false one<sup>72</sup>. In the UK, London YIMBY was founded in 2016 after taking inspiration from similar movements in America, Finland and Sweden. In 2018, an umbrella group called the YIMBY Alliance was set up. This is a group comprising of groups across multiple cities in the UK. Since its creation, London YIMBY has been extremely proactive in advancing policy ideas to increase the delivery of housing around the country. One such proposal is to allow residents on a single stretch of streets to pick a design code and vote by a two-thirds majority to allow more building on their street, subject to the design code<sup>73</sup>.

Community activists in planning share a common belief that there is not enough engagement in the process of planning and development. And whatever engagement does exist is not far-reaching<sup>74</sup>. Developers have been given a mandate to build more in an effort to reach the government's housing target and are working to fulfil this. It is not uncontroversial to state that a large motivation for volume housebuilders is in seeing a healthy return from the houses they deliver. Equally, it is important to bear in mind that while developers have a significant role in it, housing the nation is a collective effort.

---

71 The Guardian (2017) - Rise of the yimbys: the angry millennials with a radical housing solution

72 Interview Response

73 London Yimby - Four ideas to end the housing crisis

74 Interview Responses

However, the need to deliver government's housing target at pace, combined with a continual under-resourcing of planning departments has led to an overreliance on volume development to meet these targets. It is within this dynamic that a strong perception exists that 'the community perspective is unwanted in the planning system'<sup>75</sup>. This is something that has been compounded by the conflation between community engagement in the system with 'NIMBYism'. However, it has also been pointed out that a lot of public opposition to development comes from the fact that people feel new development will have an adverse impact on the quality of life in their area, will be of low quality, and will not meet local community need.

As has been highlighted, opposition to development does not occur owing to an inherent dislike against development simpliciter. The challenge is that the wrong type of development is occurring, out of sync with local need and bypassing the community, which results in fierce antagonism<sup>76</sup>. Evidence suggests that communities would be more accepting of developments in their area that are in keeping with local character and address key concerns over infrastructure provision and affordable housing<sup>77</sup>. This raises the key point of making the community case for increased housing development. In making this case, it is important to convey the benefits that would accrue to an area – such as investment in schools, roads and local health surgeries. The resources would only be available through the planning system when houses are consented to be built.

### 1.2.2 Methods of community involvement

When it comes to the planning and development system, there are a number of avenues for engagement at different levels<sup>78</sup>. These include at the pre-application stage, the local plan-making stage, and on individual planning applications as they go through the system. Additionally, the extent of community involvement in the planning process is varied, with certain members being actively engaged throughout, others not engaging at all, and those who struggle with accessibility in engaging with the system. For this reason, proposals in the planning reforms targeted at enhanced digital engagement will be an important step forward in addressing accessibility challenges.

One of the key methods of community involvement in the system is through neighbourhood plans, at the hyperlocal level, and local plans across planning

---

75 Interview Response

76 Interview Response

77 Bradley et al (2016) – The impact of neighbourhood planning and localism on housebuilding in England

78 The Planner (2021) - Street votes: How greater local control of development can transform our suburban neighbourhoods

authority districts. These were introduced in the Localism Act 2011, which allowed parish councils or neighbourhood forums to formulate Neighbourhood Development Plans that act to form the community vision for development and growth in the local area<sup>79</sup>. Given the differing views of the community when it comes to development in localities, neighbourhood plans have become a key mechanism through which to gain a broad consensus. There are provisions for community involvement in the production of Local Plans as well. Each local planning authority must release a Statement of Community Involvement that details how the community, local organisations and other interested stakeholders have been engaged in the production of the local plan.

#### Case study: North Kingston Neighbourhood Plan

The North Kingston Neighbourhood Plan<sup>80</sup> is an example that recognises the need to strike a balance in delivering the housing that is needed in the local area, but in a way that conforms to community expectations. In preparing their neighbourhood plan, the North Kingston Forum facilitated an open meeting in March 2017 which led to the formation of objectives and key policy ideas. Themes that were set included Business and Commerce, Heritage and Design, The Environment, Community Facilities and Services, and Design Codes for the development sites and areas. Points raised in each theme included protecting the local parade of shops, development fitting in with the local character, protecting green spaces, adequate provision of community and social infrastructure, and the desire to set out design codes that guide the development of sites. Additionally, understanding the need for increased housing provision in the local area, the plan also identified two corridors in North Kingston that would be suitable for development which the forthcoming Local Plan could adopt.

The methods through which local planning authorities and developers engage with communities will be critical to the success of a community-focused, housing-led recovery. They both have a role to play in making the planning process more transparent and accessible for the community. This is where enhanced methods of digital engagement in the planning system, as proposed in the planning reforms, could prove beneficial. Equally, the use of technology should complement other

79 House of Commons Library (2018) – Neighbourhood Planning

80 North Kingston Forum (2019) – North Kingston Neighbourhood Plan 2019-2041 Pre-Submission Plan

creative methods of engagement that facilitate co-design. An example includes an increased use of citizens' assemblies on issues such as placemaking and tackling the climate emergency. Following its own declaration, Oxford City Council was the first UK council to hold a citizens' assembly on climate change<sup>81</sup>. The feedback from this went on to influence key policies of the council around the design and environmental standards of buildings. This example demonstrates the power of community engagement in shaping the future of good growth on the local level.

Relatedly, there needs to be a shift in approach in terms of local authority engagement with the community. This is due to the perception that currently, engagement occurs through a 'Decide Announce Defend' approach<sup>82</sup>, which results from inadequately applying existing methods of community engagement in the planning system. This approach has been identified as a poor method of engagement where decisions are already made, then announced to the public, and then defended against criticism. Depending on the level of opposition, these fait accompli decisions can then be abandoned. A major flaw in this approach is in the time taken to overcome resistance which significantly delays the delivery and implementation of solutions.

Rather, an alternative approach based on *Engage-Deliberate-Decide* (EDD) would better help form a deeper understanding with the local community. An approach rooted in the EDD would entail engaging the community on what the issue is, for example, the need to meet local housing targets. From here suggestions are presented for consultation, after which the community perspective is taken on board in the final decision. The EDD approach sees the job of understanding a problem being shared collectively. It allows shared solutions to come forward from a diverse set of stakeholders who would be less resistant given their continuous involvement in the process.

### 1.2.3 Local Plans

Local Plans form a core aspect of the planning system. They were introduced in 2004 as part of the Planning and Compulsory Purchase Act. They are produced by the Local Planning Authorities and are aimed at giving a long-term vision for the future growth and trajectory of development for the local area. Aside from giving an authority more power over deciding how and where development takes place, local plans also 'afford communities much greater protection against the

---

81 Oxford City Council (2019) - Oxford Citizens Assembly on Climate Change

82 Open Government Partnership (2019) - Accountable Public Governance: From "Decide-Announce-Defend" to "Engage-Deliberate-Decide"

threat of speculative development'<sup>83</sup>. Equally, they hold large significance in the National Planning Policy Framework.

The first NPPF states that 'each local planning authority should produce a Local Plan for its area'<sup>84</sup>. Despite this, local plans are currently not mandatory and only 21 percent of LPAs have adopted theirs since the introduction of the NPPF in 2012. In this context, it has been noted that 'the NPPF cannot be truly successful until every local authority has an adopted ... local plan'<sup>85</sup>. For its part, government proposals for planning reforms entail every planning authority producing a local plan within 30 months as part of the proposed shift to a zonal system. It is believed that this would help deliver greater certainty and clarity over the future growth of an area.

A lot of the success of local plans in achieving their strategic objectives depends on the level of community support and engagement occurring during the plan-making process. It has been noted that without adequate awareness-raising of the local plan-making process, and the opportunities for community involvement within it, the plans that are put in place will not be widely accepted<sup>86</sup>. This could result in dissatisfaction with resulting developments in the local area. At the same time, there is frustration with the existing methods of community involvement in the process. Currently, every LPA producing a local plan has to also set out a Statement of Community Involvement, which highlights how the community and other interested stakeholders will be involved in the local plan-making.

The statutory requirement of planning authorities to consult communities in the local plan-making process is covered by regulation 18 and 19 of the Town and Country Planning Regulations 2012<sup>87</sup>. These lay out how local planning authorities must invite residents and consultation bodies to make representations on what should be entailed in the local plan. However, these methods have been perceived to be a 'box ticking exercise' to show that the statutory obligation for community involvement has been met<sup>88</sup>, with no community input being reflected in the final plan.

A primary reason why community support for local plans will be key to their success is because they will be an avenue through which LPAs can set out

---

83 Communities and Local Government Committee (2014) – Local Plans

84 MHCLG (2012) - National Planning Policy Framework

85 Communities and Local Government Committee (2014) – Local Plans

86 Interview Response

87 The Town and Country Planning (Local Planning) (England) Regulations 2012

88 Interview Response



how to meet local housing need in line with government's ambition to build 300,000 houses a year. To help authorities in assessing their local housing need, government has set out guidance based on household formation figures from 2014, which helps establish a minimum LHN<sup>89</sup>. In the case of Swindon Borough Council, its minimum LHN figure in 2019/2020 was 1,040 dwellings per year. This results in an overall housing need of 20,800 dwellings over the 20-year Local Plan period 2016-2036<sup>90</sup>. Currently, the draft Local Plan 2036 is under public consultation until 16 September 2021. Under the draft plan, the council has laid out a number of sites to accommodate for the housing growth projected. The council maintains that to meet its housing need and ensure a five-year housing land supply, 21,600 homes must be built<sup>91</sup>.

While there has been a certain level of opposition to the draft plan, it has been argued that the higher housing target is essential to Swindon's strong recovery from the pandemic and that it is vital that residents are able to say where development in the area should take place<sup>92</sup>. Additionally, a benefit of having a community backed, up-to-date Local Plan and five-year housing supply is in preventing speculative applications on land where residents do not want development.

The local plan-making process is not always straightforward. Faced with opposition, the passing of plans can sometimes prove to be quite controversial. Shropshire County Council are conducting a review of their Local Plan which was first introduced in 2018 and sets out where housing and business land can be developed across the county through to 2038. According to the draft plan, 30,800 homes are proposed to be built between 2016 to 2038. Part of the controversy centres around proposals to release land from the Green Belt around Shifnal for development after 2038, and proposals for 1,050 homes being built by Taylor Wimpey in Bridgnorth<sup>93</sup>.

In July 2021, the Local Plan was voted through to be submitted to the Planning Inspector for independent approval<sup>94</sup>. However, fierce concern was raised over issues around affordable housing, infrastructure provision, and the scale

---

89 MHCLG (2020) - Housing and economic needs assessment

90 Opinions Research Services (2019) – Swindon Borough Council & Wiltshire Council Local Housing Needs Assessment 2019

91 Swindon Advertiser (2021) – Plan to build 21,600 more Swindon homes by 2036 out for public consultation

92 Swindon Advertiser (2021) – Plan to build 21,600 more Swindon homes by 2036 out for public consultation

93 Shropshire Star (2021) – No rethink on development plans across Shropshire, new council leader says

94 Shropshire Star (2021) - Controversial Shropshire homes plan voted through despite major opposition

of development. It was suggested to drop the current plan in favour of one that adequately incorporated policies that addressed the impact of climate change. However, the council's portfolio holder for economic growth, regeneration, and planning pointed out that doing this would result in the council not having a five-year land supply and therefore being at the mercy of speculative developers<sup>95</sup>. This in turn would result in a worse situation regarding unwanted development in the area.

This raises an important point with regard to the presumption in favour of sustainable development that is covered by Paragraph 11d of the National Planning Policy Framework<sup>96</sup>. This paragraph explains that where no relevant or outdated development plan policies are in place, planning permission should be granted. The two exceptions to this include cases where there is a clear reason why an area or asset is of particular importance, or if there would be an adverse impact of granting permission that would outweigh the benefits. However, this risks councils trying to pass Local Plans at pace to avoid placing the local area in this situation. Even if, as in the case of Shropshire, the plan proves to be controversial. It has been argued that the presumption in favour of sustainable development needs to be reformed to give greater clarity to what is meant by sustainability in the paragraph<sup>97</sup>.

Elsewhere, the local plan-making process can result in a stand-off between central and local government. In April 2020, Sevenoaks District Council launched a judicial review challenge following the Planning Inspector's refusal to endorse its new Local Plan<sup>98</sup>. The reason given for this refusal was that the plan was not legally compliant with the Duty to Cooperate outlined in the NPPF. This duty requires local planning authorities to 'engage constructively' and on an ongoing basis to maximise the effectiveness of their local plans. However, it has been noted that since its introduction in the Localism Act 2011, it has served primarily as a conflict resolution mechanism and has not been effective. The government itself has proposed to abolish and replace it in the planning white paper.

In defending the Local Plan, the district's leader highlighted how the council engaged with neighbouring councils, landowners, communities, and developers to develop the Plan which 'puts forward innovative solutions to deliver almost

---

95 Shropshire Star (2021) - Controversial Shropshire homes plan voted through despite major opposition

96 MHCLG (2021) – National Planning Policy Framework

97 Interview Response

98 Local Government Lawyer (2020) – Council mounts legal challenge after inspector refuses to endorse local plan

10,000 homes ... while protecting nearly all of [the] Green Belt'<sup>99</sup>. At the same time, the Local Plan has been one of the first to be assessed under a new planning framework with the governments housing figure in mind. In April 2021 the council's appeal was rejected, and planning officials have had to restart the process of drawing up a new Local Plan<sup>100</sup>. The council leader highlighted how Sevenoaks has been one of a number of local authorities which have had their plan rejected over technicalities regarding the Duty to Cooperate.

#### 1.2.4 Digital engagement

Proposals in the planning reform for greater digital engagement with the planning system will be an important step in broadening accessibility and involvement in the planning system. The digitalisation of the planning system could help further democratise planning, gain wider community participation, and foster a deeper understanding of how the planning system affects communities.

The way society has had to adapt to virtual ways of working during the pandemic has transformed the way people conduct their professional and personal affairs and is something that promises to remain in one way or another in the new normal<sup>101</sup>. Applying the lessons learnt over the last year to community engagement in planning would only help create greater accessibility to meetings while letting those unable to attend physical meetings more easily have their voice heard. Therefore, the best way to facilitate increased digital engagement should be through a hybrid approach that uses a range of media for people to utilise.

#### 'Beware of the Leopard'

In a test carried out in May 2021 for this research, Localis found that 98 percent of councils do not have any easily accessible portal explaining the development plans in local areas in any kind of holistic way – many only had a list of PDF versions of individual planning notices, often very hard to find on the website.

This sense of hiding in semi-plain sight indicates that we haven't moved on far from Eric Pickles lament as secretary of state for local government to the Local Government Association conference in 2014. There he paraphrased

99 Local Government Lawyer (2020) – Council mounts legal challenge after inspector refuses to endorse local plan

100 In Your Area (2021) – Sevenoaks planners must start again as Local Plan judicial review refused

101 McKinsey (2020) - How COVID-19 has pushed companies over the technology tipping point—and transformed business forever

a passage from Douglas Adam's cult classic 'The Hitchhiker's Guide to the Galaxy.'

"As Arthur Dent's house is being demolished by the council, he's told by planning officers that the notice has been in the council's 'display department' for the last nine months.

"A department located... in the basement; in a disused lavatory; without a light; or stairs; in the bottom of a locked filing cabinet; with a sign on the door, saying: 'Beware of the Leopard'".

As far as digital planning in the 21<sup>st</sup> century is concerned, we are still living under the shadow of the leopard.

Having live documents that are interactive, mapped, and accessible to everyone would be a good way of breaking down silos and complexity within the local plan-making process<sup>102</sup>. Doing so would enable anyone who views them, from planning professionals to local residents, to look at a council database and easily see what proposals are live regarding infrastructure improvements or new developments. This would be more favourable than the current situation where decisions are made available one at a time and often in a manner that is not immediately apparent to residents. MHCLG currently release live tables that detail planning application statistics<sup>103</sup>. Alongside this are interactive dashboards that detail the data on planning applications on the regional and local authority level. However, what is missing is the ability to access specifics on applications in an integrated manner across a local area.

If one of the objectives in taking a digital-first approach to the planning system is to increase and widen the community perspective, then for it to be successful, efforts equally need to be made in raising awareness of how the system works and impacts local residents. Here it is important to consider the different cohorts of the community that need to be targeted in broadening the community perspective, which is something that will require a creative application of digital tools to engage people.

Finding creative ways to use digital technology in engaging with harder to reach groups will depend on the capacity of local planning authorities in adapting

---

102 Interview Response

103 MHCLG – Live tables on planning application statistics

to and utilising these technologies. Planning authorities will require support in developing effective tools for digital engagement. Care must be given to the costs involved and ensuring that financial burden does not stand in the way of local authorities adapting. For its part, government has stated their intent to support planning authorities to use digital tools in supporting civic engagement within local plans and decision-making. However, more clarity is required in exactly how government intends to help the transition to enhanced digitalisation.

### Case study: PLACED

An example of creative digital engagement is how Liverpool City Region Combined Authority worked with a locally based organisation called 'PLACED', a social enterprise working towards getting people more engaged in planning, design and decision-making, on community engagement in developing their own Spatial Development Strategy<sup>104</sup>.

In the first phase, PLACED delivered a number of pop-up events in town centre shops with a view to engage 'harder to reach' groups. The second phase involved online engagement through interactive workshops, debating events, and quizzes. From November 2020 to January 2021, during the third phase of the SDS, PLACED designed a series of online events to engage residents on their thoughts of the SDS's objectives. Those typically 'under-represented' in planning consultation were targeted using digital means such as a variety of online tools, an interactive website and an online survey that was spread across social media.

As a part of this, PLACED were able to increase participation from young people. One way of doing this was framing the debate beyond housing itself and addressing other aspects of locally-led placemaking vital for building vibrant communities. This brings to light the importance of framing the debate around a housing-led recovery in a holistic manner to incentivise harder to reach groups to engage and the importance of digital technology being used in a way that successfully does this.

---

104 PLACED - Liverpool City Region Combined Authority Involving people in the Spatial Development Strategy

### 1.2.5 Local design codes

Local design codes will play an increasingly important role in the debate around placemaking in the coming years. The white paper indicated that local planning authorities would develop their own design codes while also announcing that ‘communities will be able to set standards for design upfront through local design codes’<sup>105</sup>. On 20 July 2021, the Office for Place was created to aid this effort and ‘drive up design standards’<sup>106</sup>. This was announced alongside a revised National Planning Policy Framework that allows local planners to reject development deemed of ‘ugly, unsustainable, or poor quality’<sup>107</sup>, while making it easier to approve beautiful schemes. Additionally, the National Model Design Code was also published that ‘sets out clear design parameters to help local authorities and communities decide what good quality design looks like in their area’<sup>108</sup>.

The Office for Place, initially created within the Ministry of Housing, Communities and Local Government, will work with local authorities and communities to deliver local design codes across the country. Its advisory panel will feature a number of developers, planners, and architects. In the first year of its creation, it will be working with a number of communities to pilot the National Model Design Code (NMDC), while empowering local authorities to drive beauty and placemaking in accordance with the principles outlined in the NMDC. Relatedly, the new NPPF outlines an expectation that local authorities will develop local design codes that take into consideration the views of local communities and are consistent with the NMDC. The new local design codes will serve as a standard for developers working in an area to meet when delivering schemes.

The NMDC has been created to help guide stakeholders on the production of their design codes. It is divided into two parts, the first dealing with the coding process itself, while the second details possible content for a design code, and details how community engagement is expected to work in the context of developing local codes.

Given that a significant amount of public opposition to development is due to poor design quality, the community engagement element of developing design codes will be vital for a successful housing-led recovery. The NMDC’s guidance on community engagement emphasises community involvement at every stage of the process. Specifically, the consultation process of developing the codes will involve:

---

105 MHCLG (2020) – Planning for the Future White Paper

106 GOV.UK – Office for Place

107 Inside Housing (2021) – Jenrick launches Office for Place to help councils ‘banish ugly developments’

108 MHCLG (2021) - National Model Design Code

- identification of the areas where the code will apply;
- definition and mapping of area types;
- master-planning of development areas;
- content of the design code;
- application of the design code and how it influences individual schemes.

The design code needs to be produced with the input of all local interest groups, stakeholders, and elected representatives. Additionally, engagement must occur at each stage of the design code production. The NMDC lays out a number of tools and techniques that can be used as part of the community engagement process - ranging from visual preference surveys, community panels, to social media platforms, and community level data gathering.

Ahead of the official release of the NMDC in July 2021, government provided fourteen local authorities across England £50,000 each to trial the initiative and develop local design codes as part of a pilot project aimed at setting design principles for new local developments<sup>109</sup>. After its launch, the Office for Place announced a second phase<sup>110</sup> of the design code pilot. This will entail an additional 10 local authorities working with their communities, through neighbourhood groups, and the Office for Place to develop design codes that can serve as exemplars to other localities in the creation of their codes.

Importantly, in the second phase, the Office for Place will work with neighbourhood planning groups to produce a design code that has wide support from the local community. Ideally, areas selected for the pilot would come from a range of contexts including urban areas and rural hamlets. Additionally, the design codes being developed would cover different scales from county-wide codes to ones specifically for a town centre. The Office states that applying neighbourhood planning groups should have access to the skills and expertise required to develop design codes and engage the local community. At the same time, successful bidders will have access to funding and receive support from the Office for Place and its advisory board.

The ambition behind the Office for Place, to give a genuine say to local communities over the future development of their area through local design codes, is promising. Recognising that community members might not be planning or

---

109 MHCLG (2021) - Councils given funding boost to develop new local design guide for housing development

110 MHCLG (2021) - National Model Design Code: Phase 2 Pilots - expression of interest

design professionals, the fact remains that having local people contribute to the creation of design codes will help foster acceptance and understanding of the need for development in localities. And this can be seen as a first step in enabling the mature conversation needed at the local level for a sustainable housing-led recovery to take place.

However, concern has been raised over other aspects of planning reform, including the expansion of permitted development rights, as well as challenges arising from chronic underfunding of local planning authorities that could prove obstacles in the success of the Office for Place. Good design must involve the input of all the stakeholders of placemaking including planning professionals, politicians, community members and developers. This will involve robust engagement with the planning system at all stages and throughout a development's lifecycle. However, proposals to front-end community involvement to the local plan-making stage threaten to undermine aspirations for developing good quality and long-lasting design codes.

Additionally, producing design codes at the local level runs into the problem of local authority resourcing where this will have to be done in an environment of constrained local finances. At the launch of the Office for Place, the Secretary of State recognised that 'local authority planning departments are hard-pressed' and that MHCLG is 'thinking through how to get them more resources'<sup>111</sup>. The fact remains that until local authorities are afforded proper funding, the viability of high-quality design codes being produced remains at risk.

### 1.2.6 Neighbourhood plans

Since their introduction in the Localism Act 2011, neighbourhood plans have been a key conduit through which to amplify the community voice in the planning system. They are democratic and representative of the local perspective. Additionally, the bottom-up approach that is made possible through neighbourhood plans brings the community together for a constructive solution to local challenges that people might have differing opinions on. Once a draft plan has been created, it must be independently checked to ensure it fits within the wider development framework for the local area. After this the draft plan is put up for a local referendum, giving it democratic legitimacy if passed. Once they have passed the local referendum, the local planning authority must adopt the neighbourhood plan as forming a core part of the overall development framework within the authority.

---

111 Policy Exchange (2021) – Building Beautiful Places



A reason cited for their introduction in 2011 was to overcome community opposition to housebuilding and to embed an understanding of the need for housing growth across the country in tackling the housing crisis<sup>112</sup>. More particularly, by giving communities the right to create neighbourhood development plans, they would be more accepting of a 'pro-growth' agenda which aims to increase the number of sites allocated for housing. At the same time, the policy can only work by giving local people genuine influence over the process of development - whilst at the same time enabling volume housebuilders to access land and planning approval more easily. Seen in this way, the policy of neighbourhood planning can be argued to be 'at the seismic juncture between localism and the liberalisation of housing growth'<sup>113</sup>.

Through providing an avenue for the community voice in the local planning system, neighbourhood planning has created opportunities for the community to advance socially and environmentally sustainable housing solutions. When they were first introduced, neighbourhood plans were criticised as NIMBY charters<sup>114</sup>, being used in more affluent areas across the country to block any development from coming forward. Yet, recent experience shows that this is not the case.

In Dorset, the Blandford Forum Neighbourhood Plan has been put forward as an example where the community proposed significant housing allocation above the expectation of the local planning authority<sup>115</sup>. An aim set out in the plan is to 'allocate land for a mixed used scheme to enable the release of ... land for [a] primary school and to contribute to the number and mix of new homes required for Blandford ... to help redress the 5 Year Housing Land Supply shortfall'. This shows how communities are able to use neighbourhood planning to gain benefit from development in the local area. It also goes against the characterisation of neighbourhood plans as NIMBY charters.

This example highlights that when communities are empowered and understand the context and reason for development, they are more likely to be accepting. This is greatly boosted by neighbourhood planning as it allows the community to articulate their own voice and engage in a mature conversation with developers and local planning authorities over the future growth of the area and what this should look like. At the same time, articulating the community voice requires equipping residents with the correct knowledge and policy tools to use

---

112 Bradley et al (2016) – The impact of neighbourhood planning and localism on housebuilding in England

113 Ibid.

114 The Times (2016) – Middle classes exploiting 'Nimby's charter'

115 Interview Response

neighbourhood plans effectively. This is contingent on the community having access to expertise to help them. And there are only a few entities, such as neighbourhood planning consultants, currently working on this endeavour at the community level. Giving people the tools to operate within the planning framework and navigate the trade-offs involved in getting their perspective embedded in the local development context will help embolden community leadership.

Another exemplar of how strong neighbourhood planning can influence the shape of development in a local area is the Tangmere Neighbourhood Plan<sup>116</sup>. In 2013, Chichester District Council designated a Neighbourhood Area for the whole of Tangmere Parish in preparation for its new Local Plan. The new Local Plan envisaged 1,000 new homes and their associated infrastructure to be built across Tangmere Parish.

Tangmere Parish formed the Tangmere Neighbourhood Plan Steering Committee, consisting of Parish Councillors, District and County Councillors, to ensure the impact of new development was not only fully mitigated, but that it was accompanied by a full range of amenities and infrastructure for the benefit of both current and future residents. To meet this challenge, the Committee developed the Tangmere Neighbourhood Plan (TNP) as a vehicle to shape, promote and allow sustainable development within the parish. The policy themes guide the design of new buildings, identifies local businesses as crucial for the area and identifies opportunities to protect and optimise existing social infrastructure including open spaces to support wellbeing and climate change resilience.

The TNP may be unusual in its neighbourhood planning in that its primary purpose has been to translate the provisions of the Chichester Local Plan policies for Tangmere into a policy framework to guide the preparation of a masterplan<sup>117</sup> to accompany future planning applications for strategic development. The TNP has had considerable success in shaping the final outcome of a major development around key parts of the parish, including 1,300 homes, a primary school, a retail 'high street' and strong landscaping.

Most interesting about the Tangmere example is how the Neighbourhood Plan helped support Chichester Council in making a compulsory purchase order<sup>118</sup> that will help guide and bring forward development in the Tangmere Strategic Development Location, which is being done in conjunction with Countryside Properties<sup>119</sup>.

---

116 John Slater Planning (2015) – Tangmere Neighbourhood Plan 2014 – 2029

117 Chichester District Council (2020) – Tangmere Master Plan

118 Chichester District Council – Tangmere strategic development location

119 Countryside Properties – Tangmere strategic development location

There is a common view that neighbourhood plans have been implemented largely in affluent and rural neighbourhoods, while left-behind communities which experience socio-economic deprivation and lack market interest are less likely to have them<sup>120</sup>. It has been noted that in left behind neighbourhoods there are more pressing public policy concerns that need to be addressed<sup>121</sup>, and a slow uptake of neighbourhood plans in these areas is not down to the inability or unwillingness of the community to articulate their vision for local growth. In the experience of one neighbourhood planning consultant<sup>122</sup>, working in a deprived ward of Milton Keynes on their neighbourhood plan and wider response to council regeneration efforts, the most important factor is equipping communities with the right tools to articulate their vision.

In relation to planning reforms, it has been noted that 'it isn't clear what is left for [neighbourhood plans] to actually do'<sup>123</sup> given that, under the proposed zonal system, identifying areas for growth would be left in the hands of Local Plans, while development management policy will be set by central government. Alarm has been raised over their lack of adequate consideration in the white paper. It has been stated that the white paper poses an 'existential threat to neighbourhood planning'<sup>124</sup>. Particularly, how proposals for things like zoning, site allocation and development management policymaking all exclude neighbourhood planning.

Neighbourhood plans are a strong example of how communities can articulate their vision for their own future and how they would like to use this to guide development in their locality. However, doing this successfully requires equipping them with the correct tools. Currently, there are few organisations working on the community level to help articulate concern and bridge the gap of polarisation on the issue of the housing crisis and how to solve it<sup>125</sup>. Having an established entity, such as a parish council, gives a stronger voice and presence of the community perspective and what is trying to be said. These types of structures are vital for community engagement, particularly in the absence of an independent facilitator that brings differing perspectives together. They also make the neighbourhood planning process easier and more accessible.

---

120 Parker et al (2020) – Impacts of neighbourhood planning in England

121 Interview Response

122 Interview Response

123 Dade (2020) – What will neighbourhood plans be like in a new planning system?

124 RTPi Blog (2020) – The white paper & neighbourhood planning

125 Interview Response

---

CHAPTER TWO

# Working together towards better growth

---

For a community-focused housing-led recovery to have far-reaching impact and improve people's lives, there are a number of factors that must be addressed jointly by every affected stakeholder understanding their role and responsibility. The first and most pressing consideration is the adequate provision of the social and physical infrastructure that informs the character and functionality of a community.

Equally, taking forward lessons learnt about the important link between our health and surrounding natural environment will play a central role in any housing-led recovery. Finally, boosting place prosperity and setting the correct economic conditions to allow for local productive growth will sit alongside placemaking as the other necessary element of an equitable recovery that sees the country also level up.

## 2.1 The provision of social and physical infrastructure

Robust infrastructure lies at the core of healthy and vibrant communities. The place where we live, the regular journeys we make, the spaces in which we see and interact with each other daily, are all predicated by physical and social infrastructure. Infrastructure is made up of various assets: community hubs, pubs, local businesses, greenspace, high streets, health centres, schools and many more. Whilst these spaces will serve distinct or multifarious functions, they broadly serve as anchors that residents coalesce around.

Strong social and physical infrastructure, that is rooted in assets with communal, cultural, historical, and natural significance can not only enhance the wellbeing and quality of life for residents but is an essential part of providing place identity and meaning. Within the context of planning, social infrastructure should reflect on the availability and subsequent provision of facilities and spaces that support the creation, development, and conservation of communities. Physical infrastructure, including parks & other greenspace, strong public transport links, high streets and other shopping facilities can help support social infrastructure within the community, undergird the provision of public services and furthermore is essential for access to opportunity.

One of the reasons why communities oppose housing and development being built in their area is because promises around what housing may unlock for a locality have not been delivered<sup>126</sup>. One way of changing this is to deliver vital infrastructure, such as schools and doctor surgeries upfront. This would entail government directly investing in infrastructure, particularly front-loading infrastructure for immediate community benefit.

The Housing Infrastructure Fund of Homes England<sup>127</sup> is a good response to the issue of infrastructure provision in new developments as it recognises the need to provide the infrastructure before housing. The HIF is a competitive pot of £5.5bn aimed at areas across the country with the 'greatest housing need'.

It is designed to make more land available for housing while supporting infrastructure projects aimed at existing and new communities. The fund is split into two sections with the first being the Marginal Viability Fund, which is aimed at local authorities. The Forward Fund is the second of the two and is reserved for strategic infrastructure projects for large-scale housing developments, such as transport hubs or road upgrades.

---

126 Interview Response

127 MHCLG (2017) - Housing Infrastructure Fund

### 2.1.1 The Community Infrastructure Levy and S106 obligations

The provision of infrastructure within the planning system is covered through developer contributions. Broken down, these include the Community Infrastructure Levy and Planning Obligations, which are more commonly referred to as s106 obligations. These are two planning tools that are used to raise financial and non-financial contributions from developers to provide infrastructure and amenities around new developments to serve the community and mitigate their adverse impacts<sup>128</sup>.

Introduced by the Planning Act 2008<sup>129</sup> and further set out in 2010 CIL regulations<sup>130</sup>, the Community Infrastructure Levy (CIL) is a charge on development within the area of a local planning authority in England and Wales that chooses to adopt it. Once planning permission for a project is acquired, a levy liability is activated, and the charge becomes payable once the project is underway. Each local planning authority determines the levy on developments, the takings of which go towards pre-determined local infrastructure requirements. The charge is levied based on the price per square metre. Additionally, local authorities using it must publish a charge schedule and priority areas for infrastructure expenditure<sup>131</sup>.

Local planning authorities can also enter s106 obligations which require funding from developers for works or require them to carry out works themselves that make development more acceptable while mitigating negative outcomes and ensuring that communities benefit from local developments. They are covered under the Town and Country Planning Act 1990 and are currently one of the main ways to secure affordable housing. These obligations have to be directly related to the development, reasonably related in scale, and necessary in making the development acceptable in planning terms.

#### Case study: the London Borough of Redbridge

The London Borough of Redbridge was the first local authority in London to adopt the Community Infrastructure Levy in January 2012. Since then, the funding that it generates is directed toward borough priorities such as education, leisure centres, healthcare facilities, and increasing active transportation. Some 15 percent of the money raised is earmarked for local

128 LGA – Developer Contributions

129 UK Public General Acts (2008) - Planning Act 2008

130 UK Statutory Instruments (2010) - The Community Infrastructure Levy Regulations 2010

131 UK Parliament Committees – The future of the planning system in England

community infrastructure projects. A recent example of this is the community crowdfunding initiative carried out in partnership with Spacehive<sup>132</sup>. Through this, local community groups will be able to create and fund projects that help improve the local area. Through the earmarked 15 percent, the council will be able to match funding and pledge this toward the projects. Key objectives that projects must meet include regeneration around the borough, tackling social challenges, and enhancing the quality of life in place.

Detailed studies on the effective delivery of s106 obligations<sup>133</sup><sup>134</sup> have demonstrated that where strong monitoring systems have been in place, s106 legislation has enabled obligations to be negotiated and delivered in a number of notably different economic environments. The CIL and s106 work effectively when well understood, worked on collaboratively, and resourced adequately. s106 obligations are particularly useful – they are flexible, universally applicable, and have the power to secure better social infrastructure for a local area on their own terms, whether that be through direct development or raised contributions.

### 2.1.2 The National Infrastructure Levy

The Planning for the Future White Paper proposed to replace the CIL and s106 developer contributions and streamline them into one through a new National Infrastructure Levy. It states that the Community Infrastructure Levy should be reformed 'to be charged as a fixed proportion of the development value above a threshold', while the current system of planning (s106) obligations would be abolished. The new Infrastructure Levy would be based on a flat rate and value-based charge. It would also be charged at the final value of a development and would be levied at the point of occupation. Specifically, this new levy would be calculated on the basis of land value uplift that the granting of planning permission - likely to fall between 25 to 50 percent of this increased value.

The government hope that the new Infrastructure Levy will be more transparent than s106 obligations and put an end to months of protracted negotiations between developers and local planning authorities around planning obligations. Additionally, the new levy would also raise more revenue for affordable housing to be delivered. Initial proposals also included the single area-specific rate to be

---

132 London Borough of Redbridge – Community Crowdfunding with Spacehive

133 Burgess, Monk & Whitehead (2011) – Delivering local infrastructure and affordable housing through the planning system: the future of planning obligations through Section 106

134 Morrison et al (2013) - Inclusionary housing policy in England: the impact of the downturn on the delivery of affordable housing through Section 106

set nationally. However, in July 2021, the Secretary of State announced<sup>135</sup> that councils would be able to set local rates. This alleviates much of the concern raised about the proposed levy, especially around the need to reflect local economic conditions and markets.

The white paper proposes that local authorities could borrow against the new single levy, but does not specify how investment will then be coordinated strategically. The need for strategic coordination will be important. Particularly, having a strategic approach for managing this funding, so that authorities can work together to borrow against and pump prime development in the area, could serve to lessen friction in district and county areas in terms of how funding should be managed and spent. One concern arising from the new levy's impact on the ability of authorities to think strategically that has not yet been addressed relates to the new charge being levied at the point of occupation.

Many developers are keen to build or fund the construction of infrastructure, such as primary schools, at an early stage of the development scheme because it acts as an anchor to attract people in<sup>136</sup>. However, if levy payments are pushed back to the point where houses are occupied, it will only be until a few hundred are sold that there would be a pot large enough to start construction on the infrastructure. This is particularly true for affordable housing, the provision of which will be severely restricted without the ability to set aside funding upfront. Doing so is necessary for meeting existing communities' housing need, especially if plans to abolish s106 obligations go ahead.

The HCLG select committee report on the planning reforms argued that while there is a case for reforming the CIL mechanism, this is less clear for s106 obligations and that government needed to be mindful of the 'cumulative effect of the challenges posed to affordable housing provision by the proposed abolition of Section 106, the raising of the threshold for small sites exempt from affordable housing, and the expansion of permitted development rights'<sup>137</sup>. Should the proposed reform go ahead, there needs to be a way through which to earmark a portion of it for affordable housing.

### 2.1.3 Land value capture

The provision of local infrastructure through developer contributions is based on the notion of land value capture. While not being a well-defined concept, it

---

135 Building Design (2021) - Jenrick rows back on pledge for 'root and branch' planning reform

136 Interview Response

137 UK Parliament Committees – The future of the planning system in England



is based on the notion of 'capturing a proportion of land value growth through taxation'<sup>138</sup>. Once land has been allocated for development and granted permission to be developed, its value increases considerably and there have been a number of reasons cited for this growth. A leading reason is down to 'planning consent making it possible to change use to carry out physical development'<sup>139</sup>.

### Defining land value capture

In a Royal Institute of Chartered Surveyors report on land value capture<sup>140</sup>, five factors are given in determining land value:

1. Public investment in infrastructure;
2. Changes in land use regulation;
3. Population growth and economic development;
4. Private development;
5. Original use of land.

The extent to which land value increases once planning permission is granted varies across the country depending on location and previous land use. However, according to government statistics from 2015, agricultural land that has been granted permission for residential use may increase from £21,000 per hectare to £1.95m per hectare<sup>141</sup>. It has been argued that this increase is due to public interest and the possibility for public investment in roads, railways, and other vital infrastructure. Seen in this light, land value capture is a vital method through which to re-invest this increase into the local area, with a key focus on infrastructure need<sup>142</sup>.

However, a central challenge is with how consented land is at a significant premium which incentivises landowners to hold out for increased value. This plays into various challenges of the housing crisis, including the apparent shortage of housing land supply and the fact that consented land is not being built out. A common argument is that housing land supply is being constrained by the

---

138 Housing, Communities and Local Government Committee (2018) – Land Value Capture

139 Housing, Communities and Local Government Committee (2018) – Land Value Capture

140 RICS (2020) – Land value capture: Attitudes from the house-building industry on alternative mechanisms

141 Housing, Communities and Local Government Committee (2018) – Land Value Capture

142 Interview Response

planning system. As highlighted already, once planning permission is granted there are a multitude of other factors that developers must contend with before being able to start construction. It has been pointed out that close to 60 percent of all residential planning permissions are held by non-builders, with up to 50 percent of these sites not being built out<sup>143</sup>. Equally, this preparatory work from landowners and promoters supplies a valuable and different new source of land for development that would not otherwise become a source of public value.

Housebuilding is a public need and there is a strong case to be made that this added value could be spent on the betterment of place. One way of doing this, as recommended by the Independent Review of Built Out<sup>144</sup>, would be to further increase the capacity of local planning authorities to take responsibility in developing land. Not only would this allow for value increase to be captured for public good, and potentially result in increased affordable housing, but it could help stimulate housing land supply as well<sup>145</sup>. This would help in rebalancing the ability to bring housing forward within the framework of a stewarded model.

It has been argued that current arrangements for developer contributions through CIL are missing the opportunity to capture money from development that can be used for the betterment of place<sup>146</sup>.

There needs to be a separation and clearly set distinction between, on the one hand, how we use the planning system to encourage new developments and, on the other, how we use the tax system to fairly capture and redistribute the fruits of growth. Planning reform will have a vital contribution to make in the government's 'levelling up' objectives to rebalance the national economy and narrow the productivity gap between England's regions.

To this end, Localis recommends the setting up of separate funds for community capacity and carbon offsetting from general taxation. Overseen at national level, these would address the challenges of generating popular consent for local housing growth and of making new developments both sustainable and commercially viable.

The issue of land value capture is closely associated with compulsory purchase orders. A CPO is the statutory right of the government or local authorities to buy

---

143 Dr. Quintin Bradley (2020) - Is housing land supply constrained by the planning system? as part of 'The Wrong Answers to the Wrong Questions' report

144 Rt Hon Sir Oliver Letwin MP (2018) – Independent Review of Built Out

145 Dr. Quintin Bradley (2020) - Is housing land supply constrained by the planning system? as part of 'The Wrong Answers to the Wrong Questions' report

146 Interview Response

property or take it over<sup>147</sup>. This is usually done if land is deemed of public interest and is regulated by the Land Compensation Act 1961<sup>148</sup>. However, to fully capture land value in the cases where CPOs are being used, the Act needs to be reformed so that local authorities do not have to pay the enhanced value resulting from planning permission<sup>149</sup>.

The Independent Review of Build Out<sup>150</sup> also addressed the issue of land value when addressing the issue of build out rates on large sites of more than 1,500 units. Acknowledging the high price of land as one of the barriers for affordable housing, the review argues that bringing forward a mix tenure of housing can reduce the land value of large sites. Moreover, in seeking to strike a balance between promoting public interest through diverse tenure and a fast build out rate, while recognising the value of land, the review argues for capping residual land value for large sites to ten times their existing use value. For example, in the case of agricultural land, this would mean values of £100,000 as opposed to around the £300,000 level once pre-tax costs are factored in, as is the case now.

Regarding CPOs, the review recommended giving local authorities statutory power to purchase land designated for large sites compulsorily at prices that reflect their value once they have permission. This would be accompanied by guidance for local authorities to insist on diversity requirements that would generate a maximum development land value of ten times the existing use. This issue has also been touched upon by the HCLG Select Committee's report on Land Value Capture<sup>151</sup> which highlighted how local authorities will require CPO powers to ensure that communities benefit from developments. Especially in the case where new land value capture mechanisms reduce landowner incentives to participate in the development process.

#### 2.1.4 High streets, town centres and cultural heritage

Culture and cultural heritage play an intrinsic role in bestowing communities with civic pride, honing place identity, and go hand-in-hand with placemaking. Building communities and places that engender these qualities will have to take into consideration the cultural investment required, its relationship with planning, and the key stakeholders involved in pushing this all forward. Local authorities are a central stakeholder in cultivating a sense of cultural identity. Over the years,

---

147 Co-op Legal Services (2017) - What is a Compulsory Purchase Order?

148 UK Public General Acts (1961) - Land Compensation Act 1961

149 Interview Response

150 Rt Hon Sir Oliver Letwin MP (2018) – Independent Review of Built Out

151 Housing, Communities and Local Government Committee (2018) - Land Value Capture

the role of councils has shifted, with authorities now putting greater consideration into how their communities develop, and in so doing have embedded themselves within placemaking<sup>152</sup> as it pertains to cultural heritage and identity.

High street and town centre regeneration will continue to be another important aspect of investing in the culture of place. Faced with competition from online shopping and out-of-town retail outlets, the need to re-invent the purpose of our town centres was already a high priority agenda before the pandemic. However, the economic fallout of the last year has exacerbated the situation.

In recognition of the severe economic impact that many community assets in our town centres faced because of the COVID-19 lockdowns, changes were brought into the planning system to safeguard them. Under the changes introduced on 12 July 2020, and due to last till 31 December 2022, councils are required to take into consideration the temporary impact of coronavirus when considering 'the change of use, redevelopment or demolition of a theatre, concert hall or live music performance venue'<sup>153</sup>. This move sat alongside a £1.57bn investment in the protection of Britain's wider culture, arts and heritage sector. Relatedly, changes that were introduced to the Use Class Order in September 2020<sup>154</sup>, including the introduction of the new Class E, aimed at supporting the recovery and regeneration of high streets and town centres.

### The Grimsey Review

A key recommendation coming out of the Grimsey Review 2<sup>155</sup>, published in 2018, was for high streets and town centres to be 'repopulated and re-fashioned as community hubs, including housing, health and leisure, entertainment, educations, arts, business space and some shops'. This was in recognition that the high street is already oversaturated with retail space and there will be no hope for prosperity if there is only more of the same. In the Build Back Better: Grimsey COVID-19 Supplement for town centres<sup>156</sup> examples were given where councils have started to act and reconfigure town centres as community 'hubs'. The Beacon Arts Village in Hoylake and West Wirral is a regeneration project that includes a hub for artists, a

152 LGA & CLOA (2017) – People, culture, place: The role of culture in placemaking

153 MHCLG (2020) – New planning rules to protect our cultural heritage

154 UK Statutory Instruments (2020) - The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020

155 Bill Grimsey (2018) – The Grimsey Review 2

156 Bill Grimsey (2020) – Build Back Better: COVID -19 Supplement for town centres

cinema, a café, and a fine dining restaurant. The village is aimed to be a mixed-use destination anchored by the cinema, but also including residential units too.

Lichfield's briefing note 'Supporting the recovery of High Streets and Town Centres'<sup>157</sup>, published as the nation emerged from the first lockdown, drew attention to the need for an urgent reimagining of the high street. Pointing to the fact that while 'the commerciality of centres and opportunities for development is likely to remain ... centres [will] develop more distinctive mixes in response to local demand'. This is especially true when considering the shift to working from home, which promises to remain in some form going forward. Therefore, it is imperative to understand the implications of COVID-19 on different places and the best way to harness place potential in capturing this change for the benefit of the local community. Once again, it is local government and local economic anchors that have a key role in leading this, backed by central government initiatives such as the changes to Use Classes Orders used appropriately. Adapting to these changes and investing in new ways of renewal will only go on to attract further inward investment in place, turbocharging recovery.

Along with cultural heritage, the high street and town centres are an equally important part of place that stimulate civic pride. Especially following the pandemic, a stronger recognition needs to be had about their changing nature along with the responsibilities of local state stakeholders in adapting to this change and building assets based around the community's emerging needs. This is something that will require significant investment in culture, community, and place as well as adapting planning to accommodate this.

### Case study: Leeds Culture Strategy

The Leeds Culture Strategy 2017-2030<sup>158</sup> is an example of placemaking through cultural planning. The strategy was a co-production that involved multiple stakeholders of the local state, including the cultural sector and local communities across the city. It began pilots in April 2017, with early work focusing on 'ensuring that neighbourhood plans have a strong focus on cultural activity'<sup>159</sup>. With particular regard to housing, the strategy has

157 Lichfields (2020) – Supporting the recovery of High Streets and Town Centres

158 Leeds City Council (2017) – Leeds Cultural Strategy 2017-2030

159 LGA, CLOA (2017) – People, Culture, Place: The role of culture in placemaking

been used to ensure all new developments have a cultural statement that details the culture of the area that is being developed and how this would be continued and enhanced in new developments. This is a necessary step before planning permission is granted in Leeds.

The Leeds Cultural Strategy example demonstrates how considerations around cultural heritage, and the needed investment in it, can be built into the planning process to ensure that existing characteristics of an area can be safeguarded for the community's future. Viewing the need for a housing-led recovery through the lens of investment in local culture shows the equal importance of protecting and safeguarding existing places and the communities within them. The centrality of neighbourhood planning<sup>160</sup> within the Leeds Cultural Strategy also highlights its significance in framing the community perspective on the preservation of cultural heritage in the context of new housing and development allocations within an area.

## 2.2 Public health and the environment

Taking forward lessons learned from the pandemic into a housing-led recovery will entail designing and building communities that harness the aesthetic and health benefits of the natural environment. The lockdowns have highlighted the need for private outdoor space or green open spaces in our communities and shone a light on the inequality that exists between those who have access to this and those who do not<sup>161</sup>. Taking these considerations together, it will be vital to embed higher environmental and public health conditions and standards in new developments.

### 2.2.1 Energy efficiency and carbon offsetting

There is widespread agreement that improving the efficiency of energy services is an important contributor to meeting the ambitious climate change mitigation goals in the Paris Agreement and broader sustainability goals<sup>162</sup>. According to Savills, having sustainable homes is increasingly a priority for many buyers. Their analysis has shown that buyers are tending to stretch house price to income ratio in order to afford more efficient homes<sup>163</sup>. Thus, developers will need to deliver more efficient homes to meet such demand.

---

160 Leeds City Council has one of the largest number of neighbourhood plans (17) in the LPA area of any authority in the country.

161 The Guardian (2021) – Covid death risk 'almost four times higher' for poorest in England

162 Bergman et al (2020) – Reframing policy for the energy efficiency challenge: Insights from housing retrofits in the United Kingdom

163 Savills (2020) - The appeal of energy-efficient housing

There are two options for energy-efficient homes: retrofit and net-zero new builds.

In 2050, people will still be living in 80 percent of the homes that exist today, so retrofitting these will be essential to reducing the energy demand in homes. Around 65 percent of homes across England need improvement through retrofit (i.e. those with below C grade energy performance certificates)<sup>164</sup>, although this figure can be higher in some areas. Compared to new builds, retrofit is a massive challenge as it involves significantly more homes and buildings. A significant challenge to retrofit is occupants, specifically whether the average individual is prepared for the hassle of a retrofit to get a small improvement to their energy use. Even though retrofit improves the building stock for the long-term, many individuals are only concerned with the immediate costs to them as an occupier.

On the other hand, new builds are the easy task - the technology is there alongside the solutions in terms of delivery. Analysis from Savills shows that new homes are on average 33 percent more energy-efficient than second-hand homes and produce 66 percent less CO<sub>2</sub> to run<sup>165</sup>. However, more efficient new homes tend to be more expensive, factoring in the cost of heat pumps and improved insulation. At the same time, continuing to build energy inefficient homes as we are needs to stop, otherwise local authorities will have the significantly more challenging task of retrofit in the future to meet 2050 targets.

The planning white paper concentrates entirely on new homes, stating that from 2025, new homes will be expected to produce 75-80 percent lower CO<sub>2</sub> emissions compared to current levels<sup>166</sup>. Savills acknowledge that this will push up build costs and put pressure on land values but recognise this as essential to reach sustainability goals<sup>167</sup>. However, a clear and holistic retrofit policy for the whole country will be vital to achieving net-zero, even if all new homes are built to the highest standards of sustainability.

Carbon offsetting is a key factor in corporate sustainability and the reduction of emissions. The process is used to 'compensate for the residual emissions of a system once direct emissions reductions have been completed'<sup>168</sup>. There are increasing cases within the housebuilding sector of firms adopting carbon offsetting in their work. A modular housing company, Etopia Group, became

---

164 BEIS (2020) – Improving the energy performance of privately rented homes in England and Wales

165 Savills (2020) - The appeal of energy-efficient housing

166 MHCLG (2020) – Planning for the Future White Paper

167 Savills (2020) - The appeal of energy-efficient housing

168 Savills (2021) – Carbon offsetting – a piece of the net zero puzzle

the first housebuilder in the world to achieve the Carbon Neutral International Standard and also join the United Nations Climate Neutral Initiative<sup>169</sup>.

On the local level, local planning authorities have been taking active measures to secure carbon offsetting in new developments. An example of this is the Carbon Offset Fund<sup>170</sup> announced as part of the Mayor of London's commitment for London to be a zero-carbon city by 2050. In the London Plan 2021<sup>171</sup>, carbon offset funds form part of Policy S12 on minimising greenhouse gas emissions. The overarching purpose of the carbon offset funds is to be a source of funding for carbon reduction projects across London, while also aiding emission reduction efforts within existing buildings

Individual local planning authorities can set their own price for offsetting carbon, although in the London Plan 2021, the Mayor has recommended a price of £95/tonne/CO<sub>2</sub>. In line with Policy S12, this will amount to £2,850 per tonne, based on £95/tonne/CO<sub>2</sub> over 30 years, seen as the lifecycle of a development. The Greater London Assembly has recommended that local planning authorities should either have a dedicated carbon offset fund or administer the funding through their s106 processes<sup>172</sup>.

While local carbon offset funds can be a good way of cementing a place-based, tangible commitment on climate change, the question of it making development potentially unviable remains. Especially if funds are gained through developer contributions in addition to the other obligations around affordable housing and local infrastructure need. Adding to this is the question of how the impact of the fund is justified and measured. The practical implications for carbon offsetting in new developments, and the impact on funding this will have on developers, needs serious consideration.

### 2.2.2 Public health considerations in a housing-led recovery

While the pandemic once again raised awareness, the connection between housing and public health has always been an area of historic importance. The Industrial Revolution resulted in millions of people living in cramped, overcrowded, unclean and poorly ventilated accommodation. This resulted in the increase of diseases such as cholera and tuberculosis.

Housing effects health in a myriad of ways, from 'hard' factors such as the

---

169 PBC Today (2020) - Etopia Group becomes 'world's first' carbon neutral housebuilder

170 Mayor of London (2018) – Carbon Offset Funds

171 Mayor of London (2021) – The London Plan 2021

172 Mayor of London (2018) – Carbon Offset Funds



material conditions of housing on physical health to ‘soft’ factors including ontological security and perceptions of social status<sup>173</sup>. The manner in how we plan for and build communities will necessarily involve giving due consideration to public health factors if we are to develop prosperous, healthy, and happy places. While the understanding of housing conditions as a determinant of health has developed over time, it has been argued that ‘modern regulatory and governance systems still permit development of the environment in ways that are likely to harm health’<sup>174</sup>.

Research in the British Medical Journal highlights how urbanisation throughout the 20<sup>th</sup> and 21<sup>st</sup> centuries has been car-centric, which has resulted in non-communicable diseases becoming more prevalent. Going further, factors including a focus on infrastructure and housing provision ‘to the detriment of broader community and health outcomes’ have been cited as contributing reasons for the lack of attention on the link between planning and health. Currently, local plans provide an opportunity for health practitioners to promote health and wellbeing considerations within them throughout the local plan’s lifecycle. However, despite national policy requirements in the NPPF, ‘local plans were weak in their consideration of statutory local health strategies and assessment of health need’<sup>175</sup>.

Health Impact Assessments (HIA) have been cited as a key way of enabling local authorities to ‘build institutional capacity, create processes, policies lines of accountability and engage with communities’<sup>176</sup> and, therefore, greatly help in planning for healthy communities in the right way. Again, here it has been noted that the practice of using impact assessments needs to be revisited because they are not effectively or consistently used across England to support healthy planning. A main reason for this being a lack of capacity in local planning authorities to effectively conduct them.

PHE define HIAs as tools ‘used to identify the health impacts of a plan or project and to develop recommendations to maximise the positive impacts and minimise the negative impacts, while maintaining a focus on addressing health inequalities’<sup>177</sup>. In the context of the planning system, they are useful in identifying opportunities to deliver holistic benefit across a range of interconnecting areas. These include better quality housing where they are most needed, better transport

---

173 Mary Shaw (2004) – Housing and Public Health

174 BMJ (2020) – Strengthening the links between planning and health in England

175 Ibid.

176 Carmichael et al (2019) – Urban planning as an enabler of urban health: Challenges and good practice in England following the 2012 planning and public health reforms

177 PHE (2020) – Health Impact Assessments in spatial planning

infrastructure in areas of poor air quality, and inclusive spaces for older or vulnerable people. The benefit of these being improvements in long-term health outcomes, including better respiratory, cardiovascular, and mental health.

### Public Health England guidance

Recognising how the design of neighbourhoods can contribute to the wellbeing of communities, PHE details three principles for building healthy neighbourhoods. These include:

- Enhancing neighbourhood walkability and the need to encourage physical activity.
- Building complete and compact neighbourhoods.
- Enhancing connectivity with efficient infrastructure.

PHE also has three principles for healthy housing. These include:

- Improving the quality of housing and the general health benefits of energy efficient properties.
- Increasing the provision of affordable and diverse housing.
- Increasing the provision of affordable housing for groups with specific needs.

As the country looks toward pandemic recovery, there will be an increased focus on the principles of healthy new towns when considering new development<sup>178</sup>. Particularly, this will involve a greater focus on creating compact neighbourhoods and maximising active travel, as well as better accessibility to open green spaces and planning ahead collectively to achieve this. As has been shown, there is a strong link between how places are planned and built and the subsequent health impact this goes on to have for the communities across the country. This factor has gained wider acknowledgment in the context of COVID-19 and the need for a strong pandemic recovery.

### 2.2.3 Tying these considerations together: the Healthy Homes Act

Housing is recognised as a fundamental human right by international law<sup>179</sup>. As the pandemic has highlighted, good quality housing can have a significant impact on the health outcomes of people across the country. This highlights the need for collective learning that leads to a positive legacy – one that ensures everybody is afforded this fundamental right. Any investment in a housing-led recovery must be based on this realisation.

Ensuring higher environmental, public health, and social standards in developments will require a greater role of both central and local government in development. The state in its entirety has an enabling role in ensuring that higher standards are delivered in a housing-led recovery. A key mechanism through which to ensure these standards would be through the adoption of a Healthy Homes Act<sup>180</sup>.

The Healthy Homes Act campaign has been advanced by the TCPA, with support from a number of stakeholders including Localis, that calls on government to adopt a Healthy Homes Bill, requiring all new homes and neighbourhoods to be of decent quality, and outlawing those that can harm the health and wellbeing of community members. The Bill would serve as primary legislation, setting standards from the top, and cut across all pillars that govern housing and planning. Through introducing eleven 'healthy homes principles' in law, high standards for developments can be incorporated across building regulations, the national planning framework, prior approval, technical standards and local planning requirements. The bill would place a duty on the Secretary of State to secure the health, safety, and wellbeing of people in and around new buildings. It will also serve as a guiding standard for local authorities in their delivery of affordable housing.

The eleven principles<sup>181</sup> that are covered through the proposed Bill include all new homes:

1. having access to natural light in main living areas and bedrooms;
2. securing radical reductions in carbon emissions that are in line with the Climate Change Act 2008;
3. being free from unacceptable and intrusive noise and light pollution;

---

179 Office of the United Nations High Commissioner for Human Rights & UN Habitat (2009) - The Right to Adequate Housing

180 TCPA – The Healthy Homes Act

181 Ibid.

4. being safe from the risk of fire;
5. designed to be inclusive, accessible, and adaptable;
6. demonstrating how they will be resilient to the changing climate over its lifespan;
7. not contributing to unsafe and illegal levels of indoor air pollution;
8. having, as a minimum, liveable space required to meet the needs of people over their whole life time;
9. being built in a way that prioritises active travel;
10. being built to design out crime;
11. providing year-round thermal comfort.

This kind of ambitious legislation is not without precedent; for two decades before 1980, all new council homes were built to Parker-Morris standards concerning space and design, energy, transport links and park proximity. While the legislation wouldn't spell the end for PDR, it would significantly reduce the number of unacceptable developments produced as a result of it. Overall, the draft bill offers a powerful way to promote place-making and avoid building 'future slums' and other below standard housing.

## 2.3 Local labour markets and supply chains

A central aspect of a robust community-focused, housing-led recovery will be in raising place prosperity and kickstarting local economic growth that would increase productivity across every region of the country. This aspect of the recovery is where its economic value for localities comes to light.

Addressing raising place prosperity will require a concerted focus on factors such as the skills shortage in development-related sectors, raising the skills baseline in place, embedding high quality employment standards, and looking at intelligent procurement strategies. Additionally, the role of local economic anchors will be key to ensuring that motivated businesses renew their compact with place to drive forward a good growth recovery - one underpinned by the objective of increasing productive growth.

### 2.3.1. Local economic anchors

In '*Prosperous Communities, Productive Places*'<sup>182</sup> Localis defined the local economic anchor as 'an area's major employer, rooted in a place and

---

182 Localis (2018) – Prosperous Communities, Productive Places

synonymous with it'. Forming an integral part of a community's local economic landscape, they hold a major role in driving place prosperity. When considered in the context of a housing-led recovery, it will be essential to develop a collaborative approach that brings together an area's major local economic anchors and can identify the part that they can play in boosting an area's prosperity and overall recovery from the pandemic.

Localis has called for local productivity deals to be forged between economic anchors and the localities they sit within. Built around shared objectives and outcomes, productivity deals would form a new social contract between business and the local state that would balance the need for building place prosperity and supporting business productivity. Importantly, such a deal would facilitate strategic dialogue with major businesses to understand their needs as well as those of the local community - while seeking joint solutions. In the context of a housing-led recovery, the scope of productivity deals should be broadened to understand what anchor institutions can do to help new and existing communities thrive, whilst also understanding the business conditions needed to allow this to happen and the role of local stakeholders in facilitating this.

In looking at what anchor institutions can do for place, a productivity deal should drive place prosperity through supporting local business, local people, and local places. Anchors can support local businesses by building local supply chains, helping local business sectors grow, and leading by example on good employment practices such as paying the Living Wage. Secondly, they can also support local people by helping shape local skills provision, building a skills supply chain, and enabling housing. Thirdly, anchors can support local places by providing a growth dividend to 'place shareholders', investing in Business Improvement Districts, and supporting the environment and community issues.

The most important aspect integral to building communities is an anchor's role in enabling housing. From a business perspective, where commercial growth is planned, housing availability needs to be addressed. An example of this the 'Thriving Together'<sup>183</sup> agreement between Crawley and Gatwick Airport when the latter was campaigning for a second runway. The agreement included a pledge to support 9,300 new homes with the funds needed to deliver needed local infrastructure improvements. At the same time, recognising the severe impact the housing crisis has on productivity, anchor institutions can go further by acting as investors in community housing provision. This would involve working in a joint venture with other local stakeholders, including local authorities, development-

---

183 London Gatwick (2015) - Crawley and Gatwick: Thriving Together

related bodies, and housing associations among others.

Relatedly, key stakeholders in the housing industry have also been characterised as local economic anchors in addition to large developers. For example, in late 2020 CLES and the National Housing Federation published a toolkit<sup>184</sup> celebrating the impact of housing associations as core anchor institutions rooted in place. It highlighted the housing association sector as being central to engendering a sense of community and bringing neighbours together in the midst of the pandemic, while also currently providing more social housing than local authorities.

### 2.3.2 Addressing the skills shortage and raising the skills baseline

Given the centrality of the skills agenda to levelling up, and the challenges identified in the Plan for Growth<sup>185</sup> regarding persistent shortages of technical skills in sectors including construction and manufacturing, creating opportunities for individuals to skill up in their local area will be a key part to building prosperous communities. Doing so will go a long way in developing local skills supply chains, helping the government meet levelling up ambitions and, most importantly, help deliver the government's pledge to greatly increase housing supply.

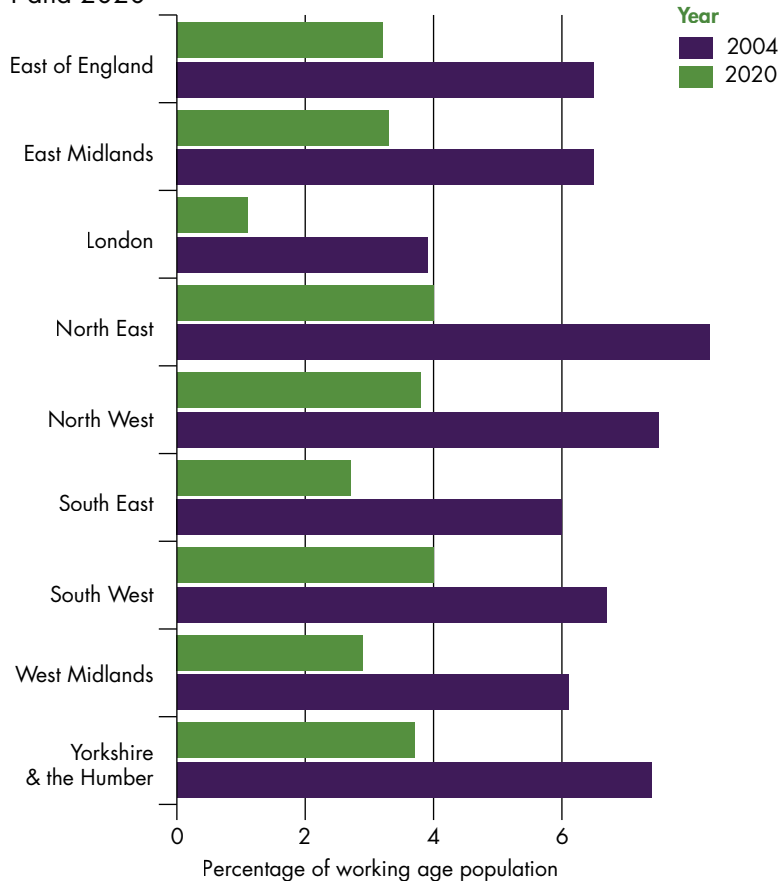
The government has focused on the pipeline of technical skills as a particular challenge and cause for skills shortages. As stated in the Plan for Growth, 'only 4 percent of young people achieve a technical qualification by the age of 25'. The long growing shortage in key sectors can also be attributed to the fact that higher technical education has fallen in absolute terms since the beginning of the 2000s.

---

184 National Housing Federation & CLES (2020) - Housing associations as anchor institutions: A toolkit

185 HM Treasury (2021) – Build Back Better: our plan for growth

**Figure 3.** Working age residents with trade apprenticeship qualifications, 2004 and 2020



Source: Annual Population Survey

The skills shortage within the construction sector is of particular concern when considering the housing crisis and the related need to build more homes. The sector is seen as one of the biggest of the UK economy, annually generating close to £90bn and employing 2.93m people across the nation<sup>186</sup>. However, successive challenges have left it in a desperate state. Coupled with the pandemic, one of the biggest challenges it currently faces is related to the number of people leaving as compared to joining. By 2019, one-in-five employees in the sector were aged

over 55<sup>187</sup>. This means that in the next few years many construction workers will be looking to retire at the precise moment when the government has pledged to deliver their housing targets.

The growing shortage in construction-related sectors has been compounded by challenges arising from Brexit<sup>188</sup>. This includes the ending of Freedom of Movement and the movement of construction material and related goods across the UK-EU border. It has been noted that in the longer term, the UK will require access to foreign labour to tackle labour shortages. It is estimated that 10 percent of workers within the construction sector are EU nationals, rising to 33 percent in London. Additionally, it is expected that the price of material moving across the border will increase owing to new border checks related to Rules of Origin requirements. While the 12-month grace period might offer temporary relief, this may lead to short-term shortages of key material.

Alongside a skills shortage, there is the issue of a skills mismatch identified by the government in the Plan for Growth, which is a result of the current state of the UK's skills system and evolving skills demands of the economy. An emerging area where concerted efforts will be required to raise the skills baseline will be in tackling climate change and the skills required to confront this issue within a number of different sectors. This includes the uptake of Modern Methods of Construction, which will entail a shift in construction from being a labour-led process on a plot to incorporating manufacturing factory type techniques into construction. This mismatch will most severely impact 'left behind' areas in need of levelling up through stunted economic growth and productivity<sup>189</sup>. Therefore, addressing this mismatch while levelling up the UK will require targeted and specific measures tailored for place.

Given the situation, the government has a duty to provide investment in training across housebuilding and development related sectors. This is something that has been recognised, with the Plan for Growth setting out a number of key measures aimed at transforming further education. This included £375m in funding for technical education for adults as one part of the wider National Skills Fund, £268m to support the rollout of the new T-levels, £270m for establishing 20 Institutes of Technology, and £1.5bn over six years to raise the condition of FE colleges.

Government has also committed to improving the English apprenticeship system by

---

187 PBC Today (2019) – How the skills gap has affected the government's homebuilding targets

188 RICS (2020) – The effect of Brexit on UK construction

189 Localis (2021) – A Plan for Local Growth



allowing employers to transfer unspent levy funds from the Apprenticeship Levy to SMEs starting in August 2021. While these steps are a much-needed kickstart to tackling growing skills shortages, there remains a need to address this issue at the local level.

Active steps are already being taken by the sector to address the skills shortage on a national scale. For example, in September 2020 the National House Building Council (NHBC) announced the launch of a new apprenticeship scheme<sup>190</sup> that is aimed at developing the skills of a new generation of housebuilders. This followed news that the NHBC was approved as a provider of apprenticeships by the Education and Skills Funding Agency<sup>191</sup>. The scheme is divided into two paths including the Construction Site Supervisor apprenticeship, and the Bricklaying apprenticeship. Efforts such as these will be significantly bolstered through a localised lens to find solutions and raise the skills baseline at the level of place.

### Skills, levelling up and housing

The challenges surrounding the skills agenda and the levelling up agenda are closely intertwined. The government acknowledges this, recognising that 'differences in skill levels provide a key part of the explanation for differing output and wages across regions'. This is indicative of the need for a place-based approach to tackling skills shortages. Particularly, there needs to be an understanding of the local skills requirements of developers and housebuilders.

In embedding this understanding, developers need to be encouraged to source local tradesmen and build up local apprenticeship schemes when engaging in building new developments within localities<sup>192</sup>. The best way to do this would be to work with existing business forums, the local authority, Local Enterprise Partnership, and further education establishments to engage with young people early on. Equally, there needs to be a lot more proactive engagement with the development industry from local stakeholders to clearly state the preference for local labour and tradesmen to be employed and trained.

---

190 NHBC – Apprenticeships

191 New Homes Place (2020) – The need to boost skills in the construction sector

192 Interview Response

### 2.3.3 Ensuring high employment quality

Prosperous communities are those that not only have an increased number of people in employment, but also those that are able to access high-quality employment. This is something that requires collaboration between the key stakeholders of the local state, including local authorities, Local Enterprise Partnerships, economic anchors and further education institutions. Ensuring these opportunities are available for existing and new residents will be a pre-requisite in realising the benefits of a housing-led recovery.

The UK is facing a significant skills shortage in areas such as construction and manufacturing, as well as in emerging sectors central to our transition to net-zero by 2050. The consequences of which will impact local labour markets differently across the nation. Coupled with the surge in unemployment experienced over the last year, there is an opportunity for targeted interventions amounting to a 'good jobs' recovery. This is something that can involve retraining people, whilst also committing to improving the standards and quality of employment. In the context of building prosperous communities, local state stakeholders have a duty to embed good jobs as a part of a housing led recovery.

Ahead of the Autumn Budget 2020, the Joseph Roundtree Foundation released a briefing on 'A good jobs recovery'<sup>193</sup> that highlighted the urgent need for a need for such a recovery and delivering the 'Right to Retrain' manifesto commitment in order to support worker transition into new jobs. It points to the fact that the UK labour market was experiencing problems before the pandemic stating that 'one in eight workers [experienced] in-work poverty'. This is mainly attributed to less secure zero-hour contracts, a lack of upward mobility in lower paid roles, and barriers such as affordable transportation and childcare. By blocking the contribution of these workers to the wider labour market, JRF argues that overall productivity is dragged down.

In pressing for the need for a strong economy that works for us all, JRF have called on the government to deliver a generation of good jobs, which they have defined as having six key components. These are fair pay, sufficient working hours, training and progression, flexibility, security, and treatment with dignity at work. Particularly, JRF have called for an increase in the secondary threshold at which employers begin to pay national insurance contributions from £8,784 to £20,000 for one year in an effort to encourage private sector employers to create good jobs.

---

193 JRF (2020) - A good jobs recovery: Labour market support to stem the unemployment tide

Having the security of a well-paying job that provides avenues for self-improvement and a decent place to call home gives people a sense of purpose, allowing them to be a productive and engaged member of their community. Given the challenges confronting people struggling to find work after the pandemic, there is an urgent need to come together in providing routes for people to access these high quality and skilled jobs. This will require giving the local state the room to manoeuvre and collaborate in adapting to the changing circumstances of their local labour markets and tapping into the potential of local communities in confronting associated challenges.

### 2.3.4 Intelligent procurement strategies

The Public Services (Social Value) Act 2012 enshrined in law a duty of public sector commissioning to bear in mind the economic, social, and environmental wellbeing of an area when making procurement decisions. Since then, local authorities have been developing individual social value policies<sup>194</sup> that help inform how they procure public goods and services. Local authorities are in a strong position to drive social value relating to new developments through the procurement process when they are the landowner or client of the developer.

The types of suppliers that a local authority chooses to engage with will be a key consideration in driving social value through procurement. Regarding developers, the updated resource pack highlights how certain local authorities specify that the developer must set out a social value strategy for the site in question, which may go on to form part of the development agreement. Another route to driving social value can also be established early on through planning obligations. Here it is pointed out that setting up a strategy at the planning stage can lead to the delivery of social value through to the operational stage of the development.

The importance of embedding social value within the procurement of public services and goods is recognised by central government. In December 2020, the Cabinet Office published the Construction Playbook<sup>195</sup>. Its aim is to transform the assessment, procurement and delivery of public works and serves as a compact between the construction industry and government. The social value derived from government-commissioned projects is a key area of focus of the playbook, along with driving innovation through Modern Methods of Construction amongst others. It applies to all public work projects across central government departments. While it is not mandatory for the

---

194 The Social Value Portal & LGA (2019) - A Social Value Toolkit for District Councils

195 Cabinet Office (2020) – The Construction Playbook

wider public sector, including local government, it is hoped that they take the principles of the playbook into account as much as possible.

### Social value in new developments

In 2018, UKGBC published a guide for local authorities and development teams titled 'Social Value in New Developments'<sup>196</sup>. It is aimed at bringing local authorities and developers more in alignment on the expectation of social value in new developments, and to empower local authorities to demand more with regards to social value outcomes. Key local stakeholders in a new development are identified, who all play a significant role in driving social value and stand to benefit from such an approach. These include local authorities, development teams, contractors, local businesses, and ultimately residents.

The guide gives an overview of positive outcomes that local communities can experience of a new development driven by a social value approach. The three broad themes they come under are jobs and economic growth, health, wellbeing and the environment, and strength of community. An example of the first includes giving local people the right skills for long-term employment. The second includes healthy local air quality. An example of the third theme includes a vibrant diversity of building uses and tenures.

On a wider level, the way in which local and central government drive social value through procurement will be hugely important for raising the skills baseline in place. Particularly in the context of the skills shortage in the construction sector, social value driven procurement could have a positive impact on the local ability to upskill if done correctly. Equally, the increasing responsibility of developers to play their part in the transition to a net-zero economy will affect the overall procurement process and can help drive local efforts to combat climate change.

However, a particular challenge to driving social value in procurement, especially on the local level, is in the lack of a common measure to evaluate social value. While the Construction Playbook might help provide a commonality of measure through assessing the long-term impact of social value, this could prove difficult to embed across local government. One of the reasons for this being the autonomous nature of local authorities, which operate in a unique manner adapting themselves to their local context.

---

196 UKGBC (2018) – Social value in new development

Localis' report 'Brighten All Corners' pointed to this lack of standardisation as the crux of the issues found in the Act's current implementation. Adding to this is the piecemeal manner in which social value is applied, limited expertise in the process of tendering contracts within local authorities, and the limited understanding on the provider side of the Act. Community Value Charters are one solution through which to overcome these significant issues with the implementation of the Social Value Act and driving social value more generally on the local level. They are an outcome-based approach rooted and measured by a set of desirable outcomes as opposed to blanket offers. The co-design process would involve consultation by the council with community groups and private sector partners to determine a locally relevant set out priorities for social value to deliver against. The production of them would involve dialogue with central government. The benefit of this being that the language of social value would hold significance and be understood locally, regionally, and nationally.

## 2.5 The geography of placemaking challenges in England

The housing crisis is a multidimensional issue. It manifests in several ways. Therefore, it can hold different meanings for people across the country. Recent coverage<sup>197</sup> has highlighted five distinct aspects. This includes a supply crisis in areas such as London and the South East of England, where not enough homes are being built to match need. It includes a demand crisis in places such as Cumnock in Scotland, where there is a lack of housing demand owing to weak local economies. There are problems associated with under-occupation and the quality of housing<sup>198</sup> too. There is also an issue of affordability.

When discussing the crisis, it is usually within the context of a housing affordability crisis. Particularly, where many people are either priced out of the private housing market or are struggling with severely disproportionate rent prices and threats of homelessness<sup>199</sup>. In the year to March 2020, median rents in London took 47 percent of median earnings, something noted as 'well above any accepted measure of affordability'<sup>200</sup>.

However, the pandemic has resulted in a major shift in how people prioritise their lives. Places outside our urban centres are gaining increased interest from people looking to move to housing with greater outdoor space and proximity to the countryside. For example, Cornwall has overtaken London as the most searched

---

197 Sky News (2018) - Line 18: UK's housing crisis won't be solved by more homes

198 Grant (2021) - 'Our kids need daylight': families fight the towers leaving UK homes in shadow

199 Interview Response

200 Whitehead & Meen (2020) - Housing affordability has worsened for many as incomes stagnate

location on Rightmove in 2021<sup>201</sup>. Alongside this, there has been a double-digit fall in rent for London flats during the pandemic.

Due to the changing nature of office work, the potential for increased hybrid and permanent working from home models brought on by the pandemic, certain housing markets have been energised. In the South East, this is especially true for seaside towns including Margate and Ramsgate. Both saw demand for property increase as a result of the pandemic and have been listed as the most desirable areas to buy according to recent the Property Markey Index Rating<sup>202</sup>.

As a result of these recent trends, developers will be increasingly mindful of what those who can exercise this choice to relocate will want from their homes in the future. This provides an opportunity for places with traditionally poor relations with the housing market to become re-energised and to bringing new communities and sustainable housing forward. At the same time, this opportunity will face a number of limiting challenges for the output of new homes including material and skills shortages.

Simultaneously, the increased shift out of urban centres and into more peripheral and rural areas has threatened the affordability in these housing markets. This has been a particular problem in parts of Wales, where a sudden increase in house prices owing to more interest over the last year has forced local people out of their local housing market<sup>203</sup>. House prices in rural parts of England and Wales have increased by 14.2 percent a year since the start of the pandemic<sup>204</sup>, which has priced out members of the existing local community.

---

201 Peachey (2021) - How Covid has changed where we want to live

202 Hall (2021) - New report reveals demand for seaside properties in Thanet by Londoners continues to grow due to pandemic

203 BBC News (2021) - 'Crazy' house prices too much for locals in some areas

204 Booth (2021) - Rural house prices in England and Wales rise twice as fast as in cities

---

CHAPTER THREE

# A new framework for building communities

---

In the context of the requirement for an equitable housing-led recovery that recognises the need to deliver a certain level of increased housing, it is evident that a localised understanding of this need, and how it can best manifest for community benefit must be reached.

This must be done through a stewarded model of land delivery that brings together developers, local authorities, and the community itself – all of whom are the main stakeholders in solving the national housing crisis. It is only through collaboratively working together in setting out the best way forward to meet ever-increasing housing need within a localised context that any progress can be made in addressing the crisis.

### 3.1 Towards a stewardship model of building communities

For a community-focused housing-led recovery to take place, local stakeholders need to be working together and toward a shared strategic vision for place. Developers, local authorities, and communities need to understand each other's needs and priorities, while working together in a manner that holistically delivers the housing and wider infrastructure needed. In achieving this shared strategic vision, a stewardship model for community delivery will prove to be the way forward.

In their Building in Beauty report, Knight Frank define stewardship as a 'dynamic activity of optimising land use from the start to finish of the development and investment process, and beyond to secure the maintenance of a scheme over time'<sup>205</sup>. Moreover, stewardship encourages landowners to maintain a beneficial interest throughout the development process, until homes are sold. This includes an agreed framework mapping out the landscape for the delivery of good growth and the core aspects such growth entails.

Properly engaging in land delivery through a stewarded framework would entail land being built out in a sustainable manner over a set period of years, with a proper focus on placemaking and increasing productive growth. Additionally, it would enable land to be brought forward through mixed tenure in a manner that could help tackle the affordability challenge.

Underpinning the success of a stewarded model is robust engagement with the community and demonstrating the benefits of good growth in a tangible manner. Doing this will help embed a shared understanding between all stakeholders. This has been recognised by Public Practice<sup>206</sup>, which identified the empowerment of local people as a key to the success of the stewardship model and its long-term sustainability.

#### 3.1.1 Strategic planning, decision making and collective responsibility

The decisions required to tackle climate change, meet unmet housing need, boost place prosperity, and deliver wider objectives of good growth require strong and brave decision-making. Encouraging this requires collective responsibility through a governance structure, such as a Growth Board, that allows for shared protection and the formation of an overarching shared strategic vision.

---

205 Knight Frank (2020) – Building in Beauty

206 Public Practice (2020) - Sustainable Stewardship: Setting-up structures for community-led governance on strategic sites



Within this context, it is important to distinguish between the decision-makers who have influence in the public sector and the developer industry. The Surrey Development Forum<sup>207</sup> was set up in 2020 to complement the region's growth board. This was done in the context of the Surrey Place Ambition 2050, which serves as a framework of good growth and acts as a strategic vision within which the local plan, climate change and economic development strategies sit.

The development forum was created in recognition of the key role that the development industry plays in achieving the shared vision and the need to work together with the local state to meet the objectives of the Place Ambition 2050. It engages senior members of different housebuilders and stakeholders in the development industry to share good practice in raising the overall quality of good growth in the region.

The example of the Surrey Development Forum highlights the importance of holding each local stakeholder to account and a practical method through which to deliver a shared strategic vision for place. Strategic planning is about looking at places and integrated solutions to sustainable growth. Specifically, ensuring that spatial priorities and the direction of growth in an area are fully aligned with wider investment strategies around the environment, infrastructure and the regional economy. This requires a holistic approach to looking at shared challenges on a wider regional level.

Recovery from the pandemic is an opportunity to truly embed strategic planning and shine a light on its centrality in reaching progressive decision making. It has been noted that the Duty to Cooperate, since its introduction in the Localism Act 2011, has proven to be weak<sup>208</sup> and does not work as effectively as first envisaged. Having said this, in certain county/district areas a good working relationship can exist through enhanced two-tier working<sup>209</sup>. However, this is not done through any formal mandate.

Working in this way does pose challenges when people and administrations change over time, which can impact efforts towards strategic cooperation. Seen in this light, not having a formal governance structure does cause issues for strategic planning in two-tier authorities. Having a mandated governance body would help formalise relationships, cement collective responsibility, and lead to enhanced strategic planning and cooperation.

### 3.1.2 Growth boards

Strategic planning is about looking at issues on a wider level and how to make

---

207 Surrey Development Forum - Home Page

208 Interview Responses

209 MHCLG, Cabinet Office, LGA, I&DEA (2008) - FOSS: Achieving transformation in two-tier areas

these good places. What is required in actualising this is strong collective place leadership around a shared vision, legislatively allowing for priorities and strategic interventions to be pursued easier, as well as a codified basis for managing potential risks, political machinations, and providing stability over a long period of time. Growth Boards and developer forums are a good place to start in enabling this method of ensuring strategic planning over the next 30 years to deliver on good growth.

In response to the *Planning for the Future* white paper, the RTPI called for Green Growth Boards<sup>210</sup> that would sit across local authority boundaries and deliver joined-up strategic thinking on climate action, transport, infrastructure and housing provision. These boards would help steer the Local Plan while ensuring alignment across other strategies on economic growth, transport and health. Relatedly, the CCN published a report<sup>211</sup> on the role of strategic planning in relation to the planning reforms. Underlying both initiatives is the realisation of the lack of focus on strategic planning within the white paper.

This argument is increasingly pertinent given the government recognition in the white paper that the Duty to Cooperate has failed in delivering good planning outcomes, acting mainly as a conflict-resolution process over the last ten years<sup>212</sup>. While the government recognises this, they have not proposed any specific or significant replacement.

### 3.1.3 Establishing a shared response to the housing crisis

The benefit of having a shared strategic vision is in each stakeholder being able to understand the other's perspective while knowing that everyone is working toward the same objective for the locality. Embedding this understanding is a vital principle for the success of a housing-led, community-focused recovery. Fostering a strategic vision will only truly work when the community shares in it and understands the need and context for good growth. This will include them contributing their ambition for how to shape development in the local area.

From a community perspective, neighbourhood planning will be a core aspect of articulating their vision for place and how they wish to see growth occur. Regarding local planning authorities, they can help facilitate the formation of a shared vision through community engagement throughout the local plan-making process, beyond the statutory requirements set out in regulation 18 and 19 of the

---

210 RTPI (2020) - RTPI calls for Green Growth Boards to oversee planning reforms

211 Catriona Riddell Associates, CCN (2020) - Planning Reforms & the role of Strategic Planning

212 Interview Response

Town and Country Planning Regulations 2012.

Developer forums are a perfect conduit through which to foster a shared strategic vision and share good practice of community-focused development that enables good growth. Through developers sharing good practice with local planning authorities and the local community, a deeper trust and understanding can form between each other. A shared strategic vision that everyone can understand, whether you are a housebuilder, planner, politician, or community member, will be vital for building sustainable and vibrant communities.

### **3.2 Current perceptions of inter-stakeholder engagement**

The main protagonists for a stewarded model of housing delivery are often held back by the deep antagonism that exists between them. There is a collective feeling that respective concerns are not being listened to, resulting in a breakdown of communication and frustration on all sides.

A prevailing sentiment from community activists is that the housing being delivered does not address local need or demand, which is based on the provision of genuinely affordable housing and vital place infrastructure. On the other hand, local planning authorities are under increased pressure, whilst experiencing extreme budget strain, to deliver on government pledges for 300,000 houses a year nationally. This has resulted in a higher dependence on private developers to not only meet the housing target but also ensure the provision of local infrastructure that serves the community. Such a burden affects the market viability of developers and impacts the ability to deliver good quality developments in the first place.

#### **3.2.1 Perceptions of community interaction with local authority and developer**

There appears to be a cultural attitude of wariness amongst local planning authorities against allowing communities to adequately engage in plan making, which inhibits the potential benefits of neighbourhood planning being realised. This wariness stems from the Open-Source Planning Green Paper 2010<sup>213</sup>, which appeared to point out planners as the problem in the housing crisis, and posed neighbourhood plans as a solution to circumvent them.

### The role of local authorities in civic leadership

There are a number of factors to consider in ensuring robust community engagement. Especially in making sure that engagement results in the delivery of shared goals and objectives. An important aspect of this is equipping communities with the right tools to effectively articulate their vision in a manner that captures a consensus on its wide-ranging views. Key to this is facilitating diverse perspectives from the community to be heard equally.

In the context of the requirement for housing growth, an understanding of the need for local housing delivery has to be fostered within the community. When looking at large developments, it is also important to capture who the new community is and encourage their mobilisation. Having these factors in place first will not only help articulate a strong and coherent vision but also empower communities in realising what they can deliver for place.

There must be strong civic leadership in addressing these factors. Local authorities have a responsibility in setting the environment to encourage further community participation. For example, in helping equip the community with the right tools to articulate their voice, local authorities can invest a small amount of money in independent organisations that can work on the community level to help form strong neighbourhood plans.

While it has been recognised that developers forming closer relationships with the local community can help foster a shared vision, there is a perception that developers do not genuinely engage with the community on their developments. Additionally, neighbourhood plans have led to a conflict between communities and developers. There have been instances where developers have attempted to overturn the neighbourhood plan after it passed the referendum. An example of this being the Tattenhall Park neighbourhood plan<sup>214</sup>. This led to the negative perception that developers do not have an interest in providing housing for the public good.

#### 3.2.1 Developers and local authorities

Engaging with developers is a necessary step for local planning authorities to be able to deliver the housing allocation stipulated in their local plans. LPA

---

214 Bradley et al (2016) - The Impact of Neighbourhood Planning and Localism on House-building in England

engagement with developers will start at the point of receiving a planning application. At this stage, the LPA will work to ensure that developer requirements are factored into the assessment of the application and vice versa.

Market viability is a key concern of developers when engaging with LPAs. This was the experience of one authority interviewed who were significantly challenged when they introduced policies on nationally described space standards, affordable housing, and green spaces in their core strategy examination. Developers require clarity from local authorities regarding their ability to carry out their core function of developing housing and other infrastructure. However, challenges arise when development is delayed as a result of protracted negotiations around developer contributions at the point of buying land, which causes frustration for developers.

### 3.2.2 Central and local government relations in the context of a housing-led recovery.

In achieving a community-focused housing-led recovery, there needs to be a new settlement between central and local government over the responsibilities and powers afforded to the latter. The last year has shown the incredible speed and diligence with which local authorities have stepped up to serve their community.

Going forward, central government needs to trust that local government would deliver on its central priorities if controlled less. Doing so would enable the latter to deliver on national priorities - including more effectively delivering the housing targets that government has set out.

Having the necessary fiscal powers to be able to invest in placemaking and housing provision that meet local need would mean that communities would see the immediate benefits of development through good growth in their area. Coupled with affording communities a genuine say, through neighbourhood planning, on the direction of development in the locality, local authorities having the necessary fiscal powers would enable increased support for the right development.

## 3.3 The importance of inward investment

Driving inward place investment is a necessary step in developing the capacity of the local state to foster a stewardship model and form a strategic vision. When building communities, this will require giving due consideration to local infrastructure requirements, such as further education establishments, transport connectivity, and healthcare facilities among others. Driving investment must be a combined effort involving local government and developers engaged in a community-focused housing-led recovery.

Looking ahead toward recovery, localities across the UK will be faced with the need for increased infrastructure to meet new demands and challenges. The National Infrastructure Commission released its assessment<sup>215</sup> of infrastructure need facing the country up to 2050. Some of the priorities identified the need for nationwide full fibre broadband by 2033, ensuring half of the UK's power is renewable by 2030, £43bn for long term funding for regional cities, and ensuring a national standard of flood resilience by 2050. In the face of this, localities will be looking to see how these national priorities fit into their place circumstance and how they can move at pace in providing this infrastructure. At the same time, this will have to be done parallel to addressing the need for place-specific social infrastructure requirements such as housing, schools, hospitals, and town centre regeneration.

At a time where local authorities are experiencing increased budgetary constraints with limited fiscal powers, foreign and domestic inward investment might prove to be a key way of funding local infrastructure needs that are essential for placemaking and productive growth.

Current mechanisms available to local authorities for funding local infrastructure provision are limited to central government grants, Section 106 arrangements with developers, CIL contributions, business rates retention, and loans through Public Works Loan Boards. In the post-pandemic context, there is a pressing need to finance the required local infrastructure for levelling up.

While many of these mechanisms take time for local authorities to raise sufficient money, building infrastructure requires significant upfront capital investment. Tying this to building communities, one of the methods for councils to use capital investment for infrastructure is through direct investment. This helps 'attract capital to invest in plots of land, buildings or other assets that are part of a regeneration programme or investment framework'<sup>216</sup>.

The Municipal Journal developed an inward investment guide to the UK<sup>217</sup> that was presented at the annual MIPIM conference in Cannes, France in 2017. The guide highlighted how, despite the Brexit vote, foreign inward investment into the UK continued to be buoyant. For example, following the creation of the Department of International Trade in July 2016, it helped secure close to £16.3bn worth of foreign direct investment across the UK in key sectors including property development, infrastructure, and renewable energy.

---

215 National Infrastructure Commission - The National Infrastructure Assessment: A plan to boost the UK's economic prosperity and quality of life

216 LGA (2019) - Attracting investment for local infrastructure: A guide for councils

217 The MJ (2017) - Inward investment guide to the UK

The benefit of this foreign direct investment was recognised as being particularly beneficial for local communities by then international trade secretary Liam Fox when he stated that ‘foreign investment ... transform[s] local industry, creating jobs and tackling issues like housing and clean air’.

In the absence of a much-needed conversation on the need for fiscal devolution, attracting inward place investment will be a core aspect of a community-focused, housing-led recovery. However, for local authorities to be successful in this they must be bold and visionary. Particularly around issues of investment risk and investor confidence when it comes to large developments or town-centre regeneration.

Building back investor confidence will require having collective responsibility and shared risk that can only come through robust strategic planning and having a shared vision. Doing this will help create a permissive environment that gives private capital the confidence in the ability of local authorities to deliver on agreed outcomes.

Ultimately, the funding landscape for infrastructure provision is quite complex with multiple routes for local authorities to attract inward investment places. This ranges from capacity within the public sector through grants from initiatives such as the Housing Infrastructure Fund, to private funding through Municipal Bonds and then attracting foreign capital investment through Sovereign Wealth Funds. Whatever path is chosen, when looking at developing communities and ensuring the necessary infrastructure is in place for them to flourish, the role of collaboration amongst all local stakeholders will be vital.

---

CHAPER FOUR

# Recommendations

---

If we are to succeed in building communities for the long-term, each principal actor, central government, local authorities, developers and our communities alike, will have their unique part to play in planning for and realising a good and clean growth future.



## Recommendations for central government

**Make planning underscore good and green growth:** Some kind of national effort to collect and pool funding is necessary for the state to take its fair share of the burden towards affordable, mixed-tenure and sustainable housebuilding in the age of Net Zero.

What this spells out is the need for a new route forward, to the evolution of a balanced system in which the planning of new developments unlocks the release of sufficient and fair funding to bolster sustainable growth in new homes across varied tenures.

To this end, Localis recommends the setting up of separate funds as follows, overseen at national level and to address the challenges of generating popular consent for local housing growth and making new developments both sustainable and commercially viable:

- a Capacity Fund for neighbourhood planning
- a Carbon Offsetting Fund for development
- Amend Infrastructure Levy to be paid at the point of commencement on site and to include a ringfenced proportion for affordable housing provision.
- Include Health Impact Assessments as a requirement in the National Planning Policy Framework.
- Define and protect social infrastructure through the National Planning Policy Framework.
- Work to develop a centralised portal where residents can access development plans and decisions for their area, in their entirety and in one place.
- Acknowledge the need for a regional approach to new building – from garden cities in the South East to greater vertical development in major cities – through the creation of new boards for regional spatial planning.

## STEWARDSHIP MODEL: A STRATEGIC FRAMEWORK



### LOCAL GOVERNMENT SHOULD

Produce community value charters to provide a transparent picture of how procurement around development is benefiting the local area.

Work with communities to embed local design codes into neighbourhood plans.

Produce cultural statements for new developments containing the provision and protection of cultural assets and ACVs.

Commit to a hybrid model of community engagement around local plan-making with digital outreach combined with more extensive physical events.

Organise developers forums to bridge the gap between developers and communities around new development.



### COMMUNITIES SHOULD BE ENCOURAGED & SUPPORTED TO

Produce neighbourhood plans through statutory bodies (parish councils and neighbourhood forums) which do not undercut government housing targets.



### DEVELOPERS SHOULD BE ENCOURAGED TO

Attend and actively contribute to developer's forums in support of strong collective place leadership and strategic planning.

Agree productivity deals with local authorities:

- Local labour market uplift: skills and wages
- For long-running developments of over 200 dwellings, run a local growth board to oversee the productivity deal.





**Localis**

Vox Studios, V.311  
1-45 Durham St  
London, SE11 5JH

0870 448 1530  
info@localis.org.uk

**localis.org.uk**

Kindly sponsored by

