



# **Government Response to the Report of the House of Lords Select Committee on the Built Environment**

Presented to Parliament  
by the Secretary of State for Communities and Local Government  
by Command of Her Majesty

November 2016





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## **Introduction**

1. A House of Lords Select Committee was appointed on 11 June 2015 to consider the development and implementation of national policy for the built environment.
2. Over the course of the inquiry the Committee received 187 submissions of written evidence and took oral evidence from 58 witnesses in 27 evidence sessions. The Committee published its report on 19 February 2016.
3. It is widely acknowledged that the quality of life, prosperity, health and wellbeing of an individual is heavily influenced by the 'place' in which they live or work. The Committee considers that as a nation we need to recognise the power of place and to be much more ambitious when planning, designing, constructing and maintaining our built environment.
4. Their report sets out measures they consider are important to achieve this aim.
5. This response addresses the recommendations in the report.

## **Background**

6. There is no doubt that for decades we have been building insufficient homes to meet our country's needs and that therefore we must increase the supply of new housing. Improving the housing market remains a top priority for the Government. We are clear that we will continue our work to ensure everyone has a safe and secure place to live and to devolve planning and housing powers to enable local authorities and communities to shape the development of their own area.
7. Since 2010 the number of Local Plans in place has more than doubled. Neighbourhood planning has captured the imagination of communities across the country, and support for new homes has doubled over the last 4 years
8. In the year to 30 June 2016, the reformed planning system has given permission for 277,000 new homes, up 62% on the year to June 2011.
9. The Government's reforms are helping to boost housing supply, but we are crystal clear that we do not want development at any cost. We recognise the need for new homes to be balanced against the need to maintain strong environmental protections and we are adamant that the homes we build are sustainable.
10. Development is not all about numbers. It is about creating places, buildings, or spaces that work well for everyone, look good, last well, and will adapt to the needs of future generations.
11. All sections of society have a role to play in the delivery of a high quality built environment. While the Government has a leadership responsibility, in setting the overall Framework for development, it is local authorities, local communities, industry bodies and companies who possess the skills, knowledge and techniques to deliver quality design in their local area.
12. The Government wants to ensure that we put in place the best possible conditions to plan and build better places to live for everyone. We are always looking for ways to improve the built environment and we appreciate the Committee's comprehensive inquiry and detailed report.

## Recommendations/measures and response

**13. There are two critical elements currently missing in national policy for the built environment. There is an urgent need for much greater co-ordination and integration across the multiple Government departments that effect and respond to the built environment. There is also a need for a national organisation with the capacity to undertake research, develop guidance and build the networks necessary to raise standards and drive better performance. Solving the first of these problems requires access to Government, while delivering against the second objective requires a degree of independence from it.**

**14. The built environment cuts across a number of central Government departments and our evidence has demonstrated that integration of policy is sadly lacking. We believe that the Cabinet Office should initially play a greater role in addressing policy coordination in this field, by reviewing areas of policy overlap between different departments and publishing definitive guidance on the division of responsibilities.**

15. The Government considers that there is strong policy co-ordination of matters affecting the Built Environment. While responsibilities for individual topics are a matter for the Prime Minister, there are robust procedures in place to understand the impact of individual departmental policies.

16. Cabinet Committees provide the official forum for decision-making and consideration of inter-departmental issues. Alongside the Cabinet Committees, the Government has established a number of Implementation Taskforces to monitor and drive delivery on the most important crosscutting priorities. This includes a housing taskforce.

17. These taskforces will bring together the key Ministers and officials on a regular basis to track progress; spot potential problems and blockages and agree plans for resolving them; maintain momentum and ensure accountability; and make sure that actions are followed through.

18. Each taskforce will report to the Prime Minister and Cabinet on a regular basis. Matters requiring collective agreement will continue to be dealt with by Cabinet and its committees.

**19. To deliver longer-term coordination we recommend the appointment of a Chief Built Environment Adviser, a recognised expert appointed from within the sector to lead this work at an official level. The role of the Chief Built Environment Adviser would be to co-ordinate relevant policy across central Government departments, to act as a champion for higher standards and to promote good practice across and beyond Government. The status and reporting arrangements of the Chief Built Environment Adviser should be broadly equivalent to those of the Government Chief Scientific Adviser.**

**We recommend that the Chief Built Environment Adviser should produce an annual report providing high-level monitoring of quality and delivery within the built environment, and establishing priorities for research, policy and action. The annual reports should be laid before Parliament as Command Papers. We believe it is important that the Government sets high standards for the built environment, and provides the vision, aspiration and leadership to enable others to deliver against those standards. We recommend that the Government should publish, consult on and adopt a high level policy for architecture and place quality in England. Following adoption, the policy should be monitored and reviewed at regular intervals. Publication of this policy should be an early priority for the Chief Built Environment Adviser who should, thereafter, keep it under review.**

20. The Government recognises that the built environment cuts across a number of central Government departments but considers that there is strong policy co-ordination on matters that affect the built environment.

21. At present the Chief Planner provides the central leadership to ensure the planning system supports the delivery of housing growth, climate change, sustainable economic development and works to protect and enhance the natural environment.

22. The Chief Planner's priorities include helping local authorities deliver their Local Plans for better housing and sustainable communities and to ensure that planning promotes the development of prosperous and vibrant communities.

23. The planning system supports good design and place making. The National Planning Policy Framework makes clear that permission should be refused for development of poor design; attaches significant weight to truly outstanding or innovative designs; and says that local planning authorities should have local design review arrangements in place to provide assessment and support to ensure high standards of design. They should also when appropriate refer major projects for National Design Review and should have regard to the recommendations from the design review panel.

24. The transfer of responsibilities for architecture from the Department for Culture, Media and Sport to the Department for Communities and Local Government will ensure that housing and planning policy is more closely aligned with good architecture. We will look at developing the Chief Planner role to include discussing and facilitating communication and implementation of policy on the built environment and to identifying and sharing good practice across and beyond Government.

25. We consider this a better use of resources than creating a specific new senior role.

**26. We believe that some of the key functions carried out by the Commission for Architecture and the Built Environment have been lost. This is to the long-term detriment of the built environment. We recommend that the Government should establish and fund a small, strategic unit to conduct, commission and disseminate research and guidance on architecture and design within the built environment. This new unit should be led by the Chief Built Environment Adviser, and should have access to expertise, research and insight from across and beyond Government.**

27. The Government takes architecture and design very seriously. In its new form, Design Council CABE is continuing to provide design support for large development projects by charging clients, the developer or local authority, for its services, rather than drawing on taxpayer money. Based on this model, it has successfully evolved into an efficient, self-sustaining charitable business, which provides local authorities with expertise, research and insight.

28. These services are supported by its network of Built Environment Experts (BEEs), a nationwide, multidisciplinary team of 250 experts from architecture, planning and infrastructure backgrounds, as well as academics, health specialists and community engagement workers.

29. As well as design reviews and customised expert support, BEEs also provide training and continued professional development to local authorities. This actively improves the capability of planners around the country.

30. The Design Advisory Panel, which meets with the Minister for Housing and Planning on a quarterly basis, was set up in 2015 to help set the bar on housing design across the country. The Panel brings together experienced representatives from the British housing and design industry, including architects Sir Terry Farrell and Quinlan Terry, design bodies such as RIBA and Design Council, and industry representatives such as the House Builders Federation.

31. One of the Panel's first tasks was to help develop a Starter Homes design exemplars document, published in March 2015, to help ensure that new starter homes are popular with buyers and communities and designed to stand the test of time. The Panel is currently focusing on supporting local authorities' planning departments by producing a community involvement toolkit, drawing on existing neighbourhood planning frameworks and best practice, to encourage a community-led approach to building new homes.

32. We also encourage industry innovation in design through our support for the Housing Design Awards.

33. As stated previously we will consider the existing role of the Chief Planner taking on responsibilities of a Chief Built Environment Advisor.

**34. We believe that the Government, and other major public sector commissioners, must lead by example and set the highest possible standards in major construction projects. We recommend that the Government Construction Strategy should be reviewed. This review should acknowledge and emphasise the Government's leadership role in these matters, and set out measures and mechanisms for implementing high standards of public procurement in construction projects, seeking to balance place and quality with value.**

35. The Government's Construction Strategy (GCS) first published in July 2011, set out a range of activities Government would undertake to reform industry practice, reduce waste and drive better value from its procurement of construction.

36. Collective action under the mandate of GCS 2011-15 began to change the relationship between the government and the construction industry. We have become a better client that clearly communicates our requirements to industry about our programme of work. This improved client behaviour and positive response from industry delivered £3 billion of efficiency savings over 2011-15.

37. On the 21 March 2016 we published the new Government Construction Strategy. The strategy establishes a new plan to increase productivity in government construction to deliver £1.7 billion efficiencies and support 20,000 apprenticeships over the course of this parliament.

38. The strategy sets out ambitions for smarter procurement, fairer payment, improving digital skills, reducing carbon emissions, and increasing client capability. These themes are consistent with the wider ambitions for industry in Construction 2025, which is being delivered by industry and government through the Construction Leadership Council.

39. The Infrastructure and Projects Authority construction team in partnership with the major construction spending departments and agencies, who comprise the Government Construction Board team, will oversee the implementation of GCS 2016-20 and provide strategic direction.

**40. It is important that planners and all policy makers, including those working in housing, take account of the health impacts of their decisions; failure to do so will lead to significant long-term costs. We welcome the inclusion of specific health policies within the National Planning Policy Framework, but there is much work still to be done to encourage proper integration between planning and health. Health and Wellbeing Boards need to play a more proactive role in developing links, across different local authority structures, to encourage greater integration.**

41. The Government recognises the importance of considering health as part of the planning process and believes health impacts should be considered as part of the wider policy environment.

42. For example, one of the categories in the planning practice guidance is health and wellbeing. This sets out how the planning system can help support healthy communities with specific involvement of Directors of Public Health, Health and Wellbeing Boards, and commissioners and providers of NHS healthcare services.

43. The Government acknowledges that Health and Wellbeing Boards can play a strong local role in helping to create the conditions in which there is genuine collaboration across local areas. We also recognise that more could be done to ensure all Health and Wellbeing Boards fully realise their potential. For example, Local Health and Wellbeing Boards might wish to review and consider how their local health strategies, such as those designed to reduce obesity, make reference to the impact of the built environment which, in turn, can then be used by local planners as supportive evidence when developing Local Plans and/or considering development proposals.

44. The Department for Communities and Local Government will continue to work with the Department of Health to determine where the planning practice guidance could be strengthened to assist local areas in their efforts to better integrate health and planning through the planning process.

**45. If built environment policies are to take account of health impacts it is essential that they are informed by a robust evidence base. Local authorities should be proactive in undertaking monitoring of the health outcomes and impacts of planning decisions. We recommend that the Government should, within the national planning practice guidance, set out a common framework of health indicators for local planning authorities to monitor.**

46. The Government attaches great importance on promoting healthy communities and agrees that policies in Local Plans should be informed by a robust evidence base.

47. Local planning authorities are required to take into account the Joint Strategic Needs Assessment (JSNA) as health evidence in plan-making. The JSNA supports the development of local Joint Health and Wellbeing Strategies, which local planning authorities are required to take into account as a core planning principle. In addition local planning authorities are required to undertake monitoring of Local Plan implementation through publication of the annual Authority Monitoring Reports.

48. The Public Health Outcomes Framework (PHOF) Healthy lives, healthy people: Improving outcomes and supporting transparency sets out a vision for public health, desired outcomes and the indicators that will help us understand how well public health is being improved and protected.

49. The PHOF concentrates on two high-level outcomes to be achieved across the public health system, and groups further indicators into four 'domains' that cover the full spectrum of public health. The outcomes reflect a focus not only on how long people live, but on how well they live at all stages of life and includes indicators relevant to the built environment.

50. Public Health England is responsible for publishing and updating the data for all these indicators. Local planning authorities, in working with their public health functions, have the opportunity to use local data from the Framework to inform their health needs assessments.

51. The Government believes the current framework for monitoring health impacts is sufficiently robust and the onus is placed on local authorities to develop locally-led solutions. However, we will consider how indicators from the PHOF might be brought within national planning practice guidance.

**52. We welcome recent moves towards the adoption and use of health impact assessments in decision making on major planning applications. We call upon the Government to support such initiatives, and to examine ways in which health impact assessments could be more closely integrated into development management processes.**

53. The National Planning Policy Framework is clear that the planning system can play an important role in creating healthy, inclusive communities. It sets out that through plan making and decision taking planning should take account of and support local strategies to improve health, social and cultural wellbeing for all.

54. Health Impact Assessments (HIAs) may be used to avoid and mitigate health impacts and to also maximise health gains. Local authorities may request a health impact assessment where this information is relevant, necessary and material to the application in question. Planning practice guidance already recognises the ability of local planning authorities as part of the planning applications process to ensure health impacts are identified and mitigated against early in a development scheme.

55. The Government believes that this locally led approach strikes the right balance between allowing local flexibility to request this type of information and ensuring that only information that is relevant and proportionate to the nature and scale of development can be sought by the local planning authority.

56. Public Health England manages and promotes the Health Impact Assessment Gateway. This online resource, free at the point of use, holds a significant resource library of health impact assessments which have been undertaken worldwide.

**57. Decisions regarding streets and highways have a major impact upon the built environment, as well as on air quality and pedestrian safety. Those decisions should be made in accordance with existing best practice guidance. We recommend that local authorities—including authorities with highways responsibilities—should fully adopt Manual for Streets and should adhere to the policies contained within it.**

58. The Government is pleased that the Committee considers Manual for Streets a reference point for those involved in the design of residential neighbourhoods.

59. Published in 2007, the Manual completely changed the approach to the design and provision of residential and other streets. Manual for Streets 2, published in 2010 by the Chartered Institution of Highways and Transportation in collaboration with the Department for Transport, extended the principles to cover other streets and roads on similar lines.

60. We would note that national planning policy has changed since the publication of Manual for Streets. The reformed National Planning Policy Framework introduced in 2012 sets out our commitment to sustainable development, and we remain committed to encouraging all those involved in the design of residential and other streets to make use of the proven technical advice within the Manuals to create places that work for communities now, and in the future.

**61. Interventions in the public realm are frequently uncoordinated, and suffer from a lack of accountable leadership. All too often the poor quality of the public realm proves detrimental to the built environment and to those people who live within it. We recommend that local authorities should give one Cabinet Member (or senior officer) responsibility for coordinating services which impact upon street quality and the public realm. Such services have a major impact upon the wellbeing of local people and communities.**

62. The Government fully recognises the impact upon the wellbeing of local people and communities of street quality and the public realm.

63. Use of tools such as design codes, design review, the Building for Life 12 housing design checklist and community involvement techniques can help to engage the right people in design discussions at the right stage and this can help to gain support for development and drive up design quality and gain support for new development locally.

64. The Government acknowledges that local authorities need to give planning the priority it needs, to support and safeguard the quality of both existing and new environments. We agree with the thrust of this recommendation but while the Government are continuing to discuss the future resourcing of planning services with a range of interests, it is for local authorities to decide how to deploy their resources to deliver a quality service for their communities.

**65. We welcome the establishment of the National Infrastructure Commission and the capacity that it should provide to take a longer-term view of infrastructure needs. We believe, however, that transport infrastructure in particular needs to be properly integrated into its local surroundings, in order to deliver full economic and social benefits, and an appropriate return on investment.**

**The knowledge required to support this integration is often held by local stakeholders and communities. While the Commission is tasked with considering national priorities, the effects of its proposals and projects will often be local in nature.**

**The Commission will need to develop an approach to engaging with local communities, and mechanisms to encourage community support for projects. We note that the Commission is currently undertaking a consultation on its structures and operating practices. As part of its response to that consultation we recommend that the Commission should consider, and publicise its approach to:**

- The design impacts and issues associated with its work, and how these will be taken into account; and**
- How it will work with local people, local authorities and other partners to ensure that infrastructure investments deliver maximum wider social, environmental and economic benefits.**

66. The Government recognises the importance of engaging with local communities and having regard to local knowledge when planning and designing new infrastructure at the national and local level.

67. The National Infrastructure Commission (NIC) was set up to identify the country's strategic infrastructure needs over the next 10 to 30 years and propose solutions to the most pressing infrastructure issues. The NIC currently operates in interim form. The GOVERNMENT announced on 12th October that the NIC would be established on a permanent basis as an Executive Agency of HM Treasury in January 2017.

68. The NIC will make independent recommendations and will help to build a more consensual approach to policy making and create a co-ordinated structure for an ongoing dialogue between politicians, government, industry and the public. The NIC will engage with the public, policy-makers, infrastructure experts and relevant bodies openly and transparently, drawing on a broad range of expertise.

**69. We welcome the emphasis placed on design review in the National Planning Policy Framework. Design review has the potential to deliver significant improvements to planning proposals, thereby raising standards and encouraging community acceptance of development. It can, therefore, help to speed up the process of securing planning permission. We note, however, that the current provision of such services is disjointed and fragmented. In some places, there are issues of funding and quality. In part, this is a result of the voluntary nature of design review; an insufficient number of applications are going through the process to justify wider investment. The Government should make design review mandatory for all major planning applications; major applications have major impacts on the communities in which they take place.**

70. The Government is pleased that the Select Committee recognises our encouragement of the wider use of design review, including through promotion in the National Planning Policy Framework, as a useful way of achieving good design.

71. The use of design review is increasing, partly thanks to its use in high-profile schemes such as the Olympic Park and the large scale redevelopment at Vauxhall.

72. We do not mandate the use of design review because we believe that local authorities are best placed to make local planning decisions. However more and more local authorities, most recently Oxford and Thurrock, are making design review mandatory for major planning applications. We expect this trend to continue as other local authorities recognise the benefits that design review plans offer.

**73. The Government has stated its intention to make permanent the change in office to residential permitted development rights. It is clear; however, that in some parts of the country this change could be detrimental to the built environment. There are concerns regarding the design quality and suitability of some of the housing that is being provided through these conversions. In addition, concerns have been expressed regarding the loss of local character and important employment sites, posing a threat to the mix of uses required to deliver sustainable places. Local authorities are well placed to understand whether an increase in office to residential conversions will be appropriate for their area. We believe that, when changing permitted development rights, the Government must also make it easier for local authorities to respond to local circumstances. We recommend that the Government should review and remove some of the restrictions that currently prevent more widespread use of Article 4 directions by local authorities. One such result might be the removal of the current 12 month period of notice that councils are required to observe in order to avoid liability for compensation payments.**

74. The Government has an ambition to significantly increase housing supply, and agrees that it is key to ensure that development is sustainable. The permitted development right for the change of use from office to residential has provided additional much needed new homes. We have therefore made the right permanent from 6 April 2016 so that it can continue to play a part in delivering new housing.

75. The permitted development right allows for consideration by the local authority of specific impacts as matters for prior approval; highways and transport, contamination and the risk of flooding. In addition, the permanent right allows local planning authorities to consider proposals to mitigate the impact of noise from commercial premises on new residential occupants. All new dwellings delivered under permitted development rights are required to meet building regulations. The right provides only for the change of use, and planning permission is required for any external physical works, including to the design or physical appearance of the building. We look to developers to build quality homes, and as with all businesses it will be up to the market to determine whether anyone is willing to buy such properties.

76. Local authorities can make an Article 4 direction in respect of an employment area or specific building where it is felt that it is necessary to protect the amenity or wellbeing of the area.

77. The Article 4 process is not costly or burdensome. Rather it seeks to ensure that those whose permitted development rights are being removed are consulted, so that a proper debate can occur before a direction takes force. There is a clear and streamlined process for making an Article 4 direction. This process was put in place in 2010 and guidance is provided. Local planning authorities are familiar with the process, with around 200 authorities having made 600 directions since 2010 on a wide range of permitted development rights.

78. Local authorities can make an immediate direction. Where they do so, it is right that those whose rights are removed have recourse to compensation if they are subsequently refused planning permission for the same development within a year. The Government believes these procedures strike the right balance.

**79. We are anxious to ensure that moves towards a permission in principle do not undermine the capacity of local authorities to develop, design and integrate key sites in a way that ensures that they function effectively and respond to local needs and aspirations. The relationship between principle and detail is important in the planning system. We recommend that the Government should carefully consider the impact its reforms could have upon this relationship. As a minimum, it is important that the process of granting permission in principle and Technical Details Consent should give due regard to design quality, sustainability, archaeology, heritage and all the other key components of place-making that would normally be required for the granting of planning permission.**

80. Permission in Principle is a new route to obtaining planning permission that will give greater up-front certainty that an amount of housing-led development is suitable in principle. However, permission in principle will not remove the need to assess the impact of development properly before full planning permission is granted. We are clear that the assessment of all sites against local and national planning policy is at the heart of both the decision to grant permission in principle and the subsequent technical details consent.

**81. We are currently considering responses to our technical consultation on the approach to granting permission in principle and technical details consent and how these processes can be best designed and integrated. We will take the Committee's views into account in this context.**

**82. We call on the Government to examine ways in which the provision of specialist retirement housing can be incentivised and increased. We recommend that the Government should examine and review the case for exempting such housing from Section 106 and Community Infrastructure Levy payments.**

83. The Government agrees it is important to provide a range of housing types, including specialist retirement housing. The National Planning Policy Framework already requires local planning authorities to plan for a mix of housing based on current and future populations and needs, and in March 2015, we published updated planning guidance to reinforce this expectation.

84. Section 106 of the Town and Country Planning Act 1990 enables a local authority to seek a section 106 planning obligation if a proposed development is considered to be otherwise unacceptable in planning terms. A section 106 obligation can only be sought where it is necessary to make the development acceptable in planning terms; directly related to the proposed development; and fairly and reasonably related in scale and kind to the proposed development. It is for the local authority to decide whether a section 106 obligation is required.

85. The Community Infrastructure Levy was introduced in 2010 to provide a system for collecting developer contributions that is fairer, and faster, and more transparent than individually negotiated section 106 agreements. Development priorities, infrastructure needs and viability will clearly vary from area to area and this will be reflected in different local approaches to setting levy rates.

86. The viability of development set out in Local Plans should not be threatened by the level of development contributions sought. The regulations allow charging authorities to apply differential rates in a flexible way, to help ensure the viability of development is not put at risk. Differences in rates will be tested and need to be justified by reference to the economic viability of development. Our guidance makes clear that differential rates may be appropriate in relation to geographical zones within the charging authority's boundary, types of development; and/or scales of development.

87. The Government acknowledges the importance of specialist retirement housing provision but considers that there is sufficient flexibility for exemptions to be set at the local level where these meet the needs of local communities. We have commissioned an independent panel to review the levy to assess its effectiveness and to recommend any changes that would improve its operation. The review includes considering the exemptions and reliefs from Community Infrastructure Levy.

**88. We believe that the Lifetime Homes standard can play a key part in addressing the demographic challenge facing our housing stock. We recommend that local authorities should be required, within their local planning policies, to set appropriately ambitious targets for the delivery of Lifetime Homes.**

89. The Government agrees that it is important to ensure new development takes into account the impacts of long term demographic change. The UK's population is projected to increase by 4.3 million people over the next ten years. As the population grows we need to ensure that new housing development includes a range of property types capable of meeting a wide range of household need.

90. The Government is firmly committed to ensuring that planning policies positively reflect the range of circumstances and life styles of the local population. The National Planning Policy Framework sets out that local authorities should plan for a mix of housing, based on the needs of different groups in the community, such as families with children, older people, people with disabilities, service families and people wishing to build their own homes.

91. Our planning guidance asks local authorities to examine current and future trends. Plan makers should look at the proportion of the population of different age profile, household types, tenure and size of homes in the current stock and in recent supply and assess how continuation of these trends would meet future needs.

92. In March 2015 the Government introduced two new Optional Building Regulations into Part M of the Building Regulations. This includes technical standards for Category 2: Accessible and Adaptable dwellings (which are similar to the Lifetime Homes Standard) as well as Category 3: Wheelchair User Dwellings, which can provide even higher levels of accessibility.

93. Planning guidance on accessible housing has also been issued setting out how these standards can be used in meeting the needs of a wide range of households. Decisions as to what proportion of development meets these standards rests with the local authority who are best placed to decide what level of provision is necessary to meet local need.

**94. We believe that accessibility in the built environment is of vital importance; improving the standard of accessibility is essential if we are to address the long term demographic changes that are projected to take place.**

**We recommend that the Government should set an appropriately high standard in this regard, and should provide guidance drawn from best practice examples such as the Olympic Park. Local authorities and their partners must give this an appropriate degree of priority, and should look to develop and apply ‘lifetime neighbourhood’ principles within their local planning policies.**

95. The Government agrees it is important to always improve the standard of accessibility in the built environment.

96. Existing guidance in the National Planning Policy Framework encourages new developments to use good inclusive design so that we create accessible and healthy communities. Inclusive design in that context is defined as designing the built environment, including buildings and their surrounding spaces, to ensure that they can be accessed and used by everyone. This includes designing safe and accessible developments which contain clear and legible pedestrian routes and high quality public spaces, and which encourage the active and continual use of public areas.

97. We have worked with Design Council CABE and a wide consortium of construction industry professions, alongside the Construction Industry Council, to develop a Built Environment Industry Action Plan which seeks to embed inclusive design in the construction industry attitudes and practice.

98. We welcome the intent of this recommendation and will continue in our efforts to improve inclusive design through collaboration with industry.

99. The Government agrees it is important to set high standards and follow good precedent for public and private spaces in the built environment. The Olympic Park is a successful example of inclusive design and the lessons learnt from this example have been taken into initiatives for wider cultural and construction industry practice.

**100. Changing technologies and patterns of retail behaviour are posing a significant challenge to our high streets. There is a threat to the long-term resilience of our town centres and the vitality of the urban built environment. We believe that local leadership is central in addressing this challenge.**

101. The Government recognises that high streets face significant structural challenges, and need to adapt to attract the modern consumer, including the quickly evolving use of modern technology and digital innovation.

102. However, despite challenging economic circumstances, there are signs that high streets are starting to recover. Recent data is showing positive footfall trends in most locations and the national vacancy rate is also now at a level not seen since December 2009. Investment in high street property is also up 30% in the last year. Town centres are a crucial part of our local and regional economies, creating jobs, nurturing small businesses and injecting billions of pounds into our economy. A recent ATCM report found that town centres contribute nearly £600 billion pounds to UK PLC each year.

103. High streets and retailers have shown themselves to be highly adaptable, resilient and creative by bringing new business into town centres – including some on-line businesses such as Amazon and exploiting the opportunities created by on-line shopping with the rise in click and collect buying. This is now supported by additional permitted development rights. Research has shown that click and collect and the growing “convenience culture” are boosting a revival in the traditional high street by encouraging people back.

104. Existing guidance already makes clear that local planning authorities should plan positively to support town centres. However, it is not solely about retail – we are committed to promoting mixed use high streets, with a stronger range of retail, services and, more importantly, residential opportunities. Delivering more housing in town centres boosts footfall, supports the evening economy and provides much needed housing on brownfield land. Town centres are ideal locations for young people to get their foot on the ladder. The Starter Homes Land Fund, launched in March 2016, is an opportunity for local authorities to support growth and regeneration in town centres and around stations and commuter hubs, bringing in young families, supporting diversification and strengthening the leisure and retail offer. Attracting new investment to town centres is crucial, and Government is working to help link local areas to new developers and investors.

105. The Government is committed to helping communities adapt to make high streets fit for purpose for today's consumer, but believes that local communities should decide what their high street will look like in the future, and put in place local leadership that will deliver a joint vision. Indeed, the Future High Streets Forum, bringing together business leaders and Government, published a model for local leadership in May 2014, pinpointing strong local partnerships as critical to building successful high streets. The Great British High Street Awards demonstrate what is possible when local people work together to support their communities, and the civic pride this brings. The Awards recognise and celebrate the real strides that high streets are making, and the diversity and vital services they provide to their local community. The Government launched a Good Practice Guide on 17 March 2016 to showcase many of the great things that the 2015 Great British High Streets Awards finalists and Rising Stars delivered and lessons learnt. The Guide contains practical guidance to help councils, working with local businesses and other partners, improve their local high streets.

106. The Government has taken a number of other steps to help places restructure their high streets, to help promote mixed-use high streets, with a stronger range of retail, services and residential opportunities. Planning reforms are helping high streets to be more flexible and making it easier to convert surplus shops into homes. We have also introduced a package of important financial reliefs for small businesses, including an announcement at Budget 2016 of the biggest ever cut in business rates in England – worth £6.7bn over the next five years. 600,000 of the smallest businesses will not have to pay business rates again, and the Government is permanently doubling Small Business Rate Relief from 50% to 100%. We are also modernising the administration of business rates to make it fit for the 21st century, and will work with local authorities across England to standardise business rate bills and ensure ratepayers have the option to receive and pay bills online by April 2017. In addition, we have reviewed the role and power of Business Improvement Districts (BIDs), and are taking forward changes that will mean that BIDs can become more involved in local decisions that affect their area.

107. The Government has also brought forward a range of measures to help drivers, including banning CCTV “spy cars”, introducing 10 minute grace periods and a new right to challenge parking policies.

**108. Planners should continue to encourage retail development into existing town centres. They must also begin to think more proactively, and creatively, about other ways to stimulate additional activity and footfall. Additional residential development may help to deliver this, but must be implemented with due regard for design quality, living standards, a diverse and sustainable mix of uses and the overall cohesion of the built environment. A wide range of services, alongside retail, can help to drive footfall. These include leisure, culture, sports, health, education and small scale manufacturing. Local authorities should use their multiple resources and responsibilities to proactively shape their town centres and positively plan for their future.**

109. The Government agrees it is important to protect our town centres and to ensure their continuing vitality.

110. Existing guidance already makes clear that local planning authorities should plan positively, to support town centres to generate local employment, promote beneficial competition within and between town centres, and create attractive, diverse places where people want to live, visit and work. The guidance further makes clear that such authorities should assess and plan to meet the needs of main town centre uses in full, in broadly the same way as for their housing and economic needs, adopting a 'town centre first' approach.

111. The Government welcomes the intent of this recommendation, not least because it supports existing Government policy. The National Planning Policy Framework supports the continued vitality of town centres, recognising that they are not just retail areas. The sequential test and impact test continue to be useful policy devices to help protect town centres, but local authorities do need to avoid protecting land for certain purposes where there is no realistic prospect of it being used for that purpose. The Government believes that ultimately the protection of town centres rests with local authorities and their local communities.

**112. England lacks a proactive, long-term national strategy for managing our historic environment, as part of planning for the future of the built environment. We believe that such a strategy, which would recognise the full value of our built heritage as a unique national and local asset, central to place-making, should be articulated for the future.**

113. The Government recognises that England's historic environment is a resource of significant cultural, social and economic value.

114. Through a combination of regulatory controls (including the statutory heritage protection and planning systems), policy (such as the National Planning Policy Framework) and fiscal incentives (such as the Environmental Stewardship scheme) the Government has set in place frameworks that promote its conservation and management.

115. Building on these foundations, heritage features prominently in the Culture White Paper, published by the Department for Culture, Media and Sport on 23 March. In this document the Government has reiterated its commitment to the historic environment, including by supporting Historic England to:

- establish 'Heritage Action Zones' to build and improve relationships between local partners to manage change and new developments better, and to stimulate the productivity of the historic environment through regeneration and growth

- identify how it can offer more support to local authorities, reduce demand on local services through clearer guidance, and encourage new delivery models that make the best use of resources, in the light of the review of local authority archaeological services
- work with local authorities to enhance and rationalise national and local heritage information systems over the next ten years, so that communities and developers have easy access to historic environment records (HERs).

116. The Government will also bring national arts and heritage Lottery funders together to work on a new Great Place scheme to back local communities who want to put culture at the heart of their local vision, supporting jobs, economic growth, education, health and wellbeing. This will help to ensure communities are recognising and making the most of their heritage assets.

117. To support the conservation of our heritage, the Government has provided £3m of new funding for the Architectural Heritage Fund to support heritage organisations to advise communities on how they can make best use of their historic buildings. The Heritage Lottery Fund will build on its £25 million investment in the Heritage Enterprise Programme to support heritage to become financially self-sustaining. A further £20m will be provided across 2016-17 and 2017-18 to extend the First World War Centenary cathedral repairs fund and establish a review to examine how church buildings and cathedrals in England can become more financially sustainable.

**118. Both DCMS and DCLG are responsible, in different ways, for heritage policy and the way in which these policies impact upon the built environment. We do not support the calls for ministerial responsibility for heritage to move from DCMS to DCLG. We would like, however, to see evidence of more joint leadership and proactive joint working between the departments in developing policies, for example, for heritage and regeneration, and across joint policy areas such as the protection of World Heritage Sites.**

119. The Government agrees it is important for the Department for Communities and Local Government and the Department for Culture, Media and Sport to work together to ensure the protection of the historic environment. The departments meet regularly to discuss and agree the Government's approach to heritage matters.

120. Both departments also work very closely with Historic England as the Government's adviser on the historic environment, to ensure that any changes in policy or legislation can be delivered effectively. Most recently, we have worked together to revise the Government's planning guidance on the historic environment and to deliver legislative changes to streamline the listed building consent regime.

121. The Government is committed to the protection of the historic environment and DCLG, DCMS and Historic England will continue to work together to deliver this.

**122. The National Planning Policy Framework seeks to balance heritage protection and development policies. We believe that it is essential that this balance is sustained, enhanced and delivered. We recommend that planning and development policy and practice should reflect more explicitly the fact that our historic environment is a cultural and economic asset rather than an obstacle to successful future developments—whether in urban or rural areas—and can contribute, uniquely, to the highest standards of design and the quality of community life.**

123. The Government agrees that it is important to see the approach to achieving sustainable development set out in the National Planning Policy Framework reflected in the outcomes achieved in practice and we recognise the significant economic and social value and benefits that the historic environment provides.

124. Historic England and the heritage sector produce evidence to demonstrate the wider social and economic benefits of heritage and publish the results in Heritage Counts and publications such as Heritage and the Economy and Vital Statistics. Historic England will continue to demonstrate the positive benefits of incorporating heritage with new development through its Constructive Conservation initiative.

125. Existing guidance is being revised by Historic England and the heritage sector as Good Practice Advice which outlines the way national policy and guidance can be put into practice. Additionally, Historic England makes further advice available through its website, Advice Notes and other briefing material. Historic England also delivers training on all relevant guidance and advice, particularly focusing on new or revised advice.

**126. At present, VAT is charged at a rate of 20% on repairs and maintenance to existing buildings, while VAT on much new-build construction is zero-rated. This provides a perverse disincentive to the retention, restoration and revitalisation of historic buildings, and works to prevent owners from looking after them properly. We recommend that the Government should review the rates of VAT charged on repairs to listed buildings, and examine the economic rationale for reducing the rate.**

127. VAT is a broad based tax on consumption and normal VAT rules apply the twenty per cent standard rate to all goods and services unless a specific exception applies. VAT raises a significant amount of revenue and plays an important part in funding the Government's priorities, including education, defence, and the National Health Service. Exceptions to the standard rate are therefore strictly limited by revenue considerations, in addition to legal constraints.

128. Under the current legal framework the zero-rate of VAT can only be applied to residential or charitable property that is either newly constructed, converted from commercial to residential use, renovated after a prolonged period without use, or is a listed building that has been substantially reconstructed.

129. Until negotiations on our departure from the European Union are complete our rights and obligations remain unchanged. That includes the application of EU VAT rules.

**130. We recommend that the Government takes a more proactive approach to the provision of Sustainable Drainage Systems. The Government should consider whether to introduce a separate approval regime, as was envisaged in the Flood and Water Management Act 2010, or whether to upgrade the status of Sustainable Drainage Systems to critical infrastructure.**

131. The Government recognises the important role sustainable drainage systems play in helping to manage flood risk from surface water, as well as delivering other environmental benefits. The Government therefore welcomes the intent of this recommendation.

132. Existing national planning policy has clear requirements relating to sustainable drainage systems, including that priority should be given to their use if development is considered in areas at risk of flooding. These requirements were strengthened in April 2015 in relation to major new developments. Additionally, developers must comply with the building regulations which give priority to sustainable drainage systems in their hierarchy of arrangements for dealing with rainwater.

133. Full and careful consideration was given to the proposal to introduce a separate approval regime for sustainable drainage systems under the Flood and Water Management Act 2010. Following enactment of the Act, proposals to implement the provisions under section 32 and Schedule 3 were put to public consultation. The response to that consultation gave rise to a number of issues. These included the potential impact on the delivery of new development under a system that required the approval of sustainable drainage systems under a separate consenting regime to that for approving planning applications. There were concerns this could add undue delay to the consenting process and impact on speed of planning decisions.

134. The Coalition Government listened to that response and in autumn 2014, put forward for consultation a new proposal to make better use of the existing planning system to deliver sustainable drainage systems. In the light of the response to that consultation and a subsequent government announcement in December 2014, national planning policy was strengthened with effect from April 2015 to make clear the expectation that sustainable drainage systems would be provided in all major new developments (e.g. developments of 10 dwellings or more and major commercial development), unless demonstrated to be inappropriate. In addition, lead local flood authorities were made statutory consultees for all planning applications for major developments with surface water drainage implications. This ensures that local planning authorities have access to appropriate technical expertise and advice. National planning practice guidance has also been strengthened, setting out the considerations and options for sustainable drainage systems, including in relation to their operation and maintenance.

135. The Government therefore believes it has a strong package of measures in place to ensure the use of sustainable drainage systems in new developments. We have met stakeholders to gauge their initial views on how the strengthened planning policy is working. But it is important that any judgement on the effectiveness of the strengthened policy is based on good, up-to-date evidence, allowing time for the policy to work through the planning process.

136. The Government has introduced through the Housing and Planning Act 2016 a duty on the government to carry out a review of both planning legislation and planning policy in respect of sustainable drainage systems in developments. Any subsequent changes would be based on the evidence from this review.

**137. Further efforts need to be made to increase flood resilience in the built environment. This would include taking steps to reduce the number of new properties built in areas of flood risk against Environment Agency advice. In addition, there should be a requirement for all new properties in flood risk areas to have flood resilience measures built in. Government should also promote a co-ordinated programme of retrofit for the growing number of existing properties in such areas.**

138. The Government agrees with the underlying thrust of this recommendation regarding the need to ensure developments are safe and resilient. However, flood risk is an important consideration in the planning system and there are already strong policy safeguards in place.

139. Existing national planning policy is designed to protect people and property from flooding. The National Planning Policy Framework is very clear that inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk. Where development is necessary in a flood risk area, development should be safe and not increase flood risk elsewhere. Furthermore, any new buildings that are needed in flood risk areas need to be appropriately flood resistant and resilient.

140. The policy is underpinned by planning guidance which is clear that local councils must consider strict tests that protect people and property from flooding, and where these tests are not met development should not be allowed.

141. The Environment Agency must be consulted on planning applications in areas at risk of flooding from rivers and the sea, and in critical drainage areas. The Agency's comments and advice should help inform the local planning authority's decision on a planning application and ensure it is in line with the National Planning Policy Framework's policy on flood risk. Figures show that between April 2011 and March 2015, over 99% of proposed new homes in planning applications had planning outcomes in line with the Agency's flood risk advice where they had been made aware of the outcome.

142. Currently Building Regulations do not require building work to incorporate any flood resilience or flood resistance measures. This is because local authorities can already ensure through plans that measures to address flood risk are incorporated in new development where it is appropriate to do so. Nevertheless, Approved Document C of the statutory guidance that supports the Building Regulations promotes the use of flood resilient and resistant construction. Also

we have worked with the British Standards Institute (BSI) to develop further guidance for industry on how to address resilience and resistance issues. British Standard BS 85500 Flood Resistant and Resilient Construction - Guide to improving the flood performance of buildings was published in November 2015.

143. Building Regulations should not be seen as a substitute for the effective implementation of planning policy. And the application and scope of any such requirements would need careful consideration. Nevertheless, the Government recognises the importance of this issue and is keeping the option of using building regulations for flood resistance and resilience under review, including taking the advice of the independent Building Regulations Advisory Committee.

144. The Government is also looking at low cost approaches to property resilience and into other ways that householders can be incentivized to retrofit their property and when the best time to do this is. In particular, it is exploring ways of influencing the people householders turn to for advice about their property. The Government is aiming to publish research on this in the autumn. In the meantime the Government is working with a range of private sector business interests through a roundtable on this issue.

145. Through the Property Level Resilience scheme, the Government is providing funding to make grants of up to £5,000 available for resilient repairs to homes and businesses flooded by Storms Desmond and Eva last winter, to better protect them against future flooding. Such repairs include moving power sockets to a higher level, for example, or replacing doors and windows with flood resistant alternatives. This funding is being delivered by local authorities, so that they can design, develop and run the scheme in a way which best suits their local circumstances, ensuring flexibility and value for money. This support builds upon the good practice established through the Repair and Renew Grant scheme, implemented following previous flooding in 2013-14.

146. Flood Re which has recently been launched will ensure that insurance is available and accessible to those at flood risk. Its transition plan sets out how the scheme will work with partners to enable lower prices and excesses to be offered to consumers by the time it comes to an end in 2039. Flood Re's role is to support these partners by providing a detailed evidence base highlighting:

- How the data it collects on the cost of flood claims can be used by insurers and others to cut the cost of repairs.
- Where it believes spending and incentives would be most effective in cutting the cost of flooding.
- How it may be possible in due course to incentivise householders and insurers to take the most effective measures to protect homes against flooding, whilst remaining firmly on the side of the people affected.

**147. The Government should reverse its decision to remove the requirement for new homes to generate no net carbon emissions (known as the “zero carbon homes” policy) and its decision to remove the Code for Sustainable Homes. The Government must set out and implement a viable trajectory towards energy efficiency and carbon reduction in new homes.**

148. The Government recognises the important contribution that the energy efficiency of buildings makes to reducing the impacts of climate change. During the last Parliament the energy performance requirements for new buildings were strengthened by more than 30%, reducing energy bills and saving carbon. However, we must recognise the long-term challenge the UK faces to substantially increase housing supply. We need to build more homes and these should be sustainable, but we do not need to make building those new homes more difficult than necessary.

149. The Productivity Plan ('Fixing the foundations: Creating a more prosperous nation') announcement on zero carbon policy rules out the off-site carbon off-setting element ('allowable solutions') of the zero carbon homes policy. The homeowner would not have benefited from the off-site allowable solutions scheme, it would not have increased energy efficiency of the home or reduced fuel bills and would have effectively been a 'tax' on housing development. The Productivity Plan announcement also recognises current standards introduced in April 2014 – which already require very energy efficient new homes - need time to be established and so we said we would not increase standards again in 2016 but would keep them under review.

150. The need for a review of energy performance standards based on cost effectiveness before making any further changes to standards was agreed by both Houses during the passage of the Housing and Planning Act through Parliament. The Act places a statutory duty on the Government to undertake such a review. Work on the review has commenced and it is expected to be completed within 12 months.

151. The Code for Sustainable Homes was withdrawn in March 2015 after an extensive two and a half year review of housing standards. The Housing Standards Review aimed to simplify the many conflicting and confusing technical standards that were applied to new housing through the planning system, which added considerable costs to the development process.

152. The Code helped build up industry expertise, innovation and skills, to support the Government's planned periodic strengthening of energy performance requirements for new homes. Much of this is now mainstreamed in industry. The Housing Standards Review effectively took forward the best and most sensible technical elements of the Code, and consolidated these into the Building Regulations where appropriate.

153. The [Written Ministerial Statement](#) of 26 March 2015 sets out the Government's national planning policy on the setting of technical standards for new dwellings.

**154. We believe that the Government must be more proactive in supporting retrofit measures for existing buildings, and should examine financial measures and mechanisms which would allow for more widespread retrofitting to take place. These might include a low-interest retrofit loan programme on the German model, or consideration of a more effective replacement for the Green Deal. The Government should consider promoting a “whole building” approach to retrofit to encourage more context-sensitive retrofitting of traditional buildings, looking beyond the building fabric to consider the energy performance of all parts of the building.**

155. The Government is committed to creating a more stable, more coherent and more affordable policy framework for the long term. A key lesson learned from the Green Deal is that a single, one size fits all policy is unlikely to drive demand for energy efficiency measures in the domestic sector. Whilst access to affordable finance is an enabler for household investment in energy efficiency, it is not a driver of demand in its own right. A long-term framework consisting of a variety of different but complementary policy measures is required to address this.

156. We are looking at a range of policy levers for driving take up of low carbon heat and energy efficiency in non-fuel poor households, including those from other countries, and will be working with industry to carefully consider future policy options

**157. The Government must do more to protect and promote Green Infrastructure in national policy and guidance, including setting out its benefits for sustainability. It should also encourage local authorities to set minimum standards for Green Infrastructure provision and management in local plans and in planning decision-making. Within and beyond Government, there must be wider recognition of the fact that Green Infrastructure is an asset, and offers wider economic, health and social benefits.**

158. The Government recognises the important role of green infrastructure in delivering sustainable development.

159. On 11 February 2016 the Government expanded its planning practice guidance on green infrastructure. The guidance sets out how local authorities may prepare an authority-wide green infrastructure framework or strategy that can inform local and neighbourhood plans. It also recognises the role of green infrastructure in delivering wider planning policy including through the delivery of high quality homes, good design, healthy communities, climate change and the natural environment.

160. The Government does not consider that it is appropriate to specify minimum standards for green infrastructure, as this is a matter for local discretion and will be influenced by the nature and characteristics of each local area.

161. Within Government there is recognition of the importance of the wider benefits of green infrastructure. Following on from its Manifesto commitment to protect and enhance the natural environment, the Government has commissioned Ordnance Survey to make it easier to access our beautiful landscapes by providing free, comprehensive online maps of accessible green space.

162. The department for Business, Energy and Industrial Strategy are overseeing the delivery of this project by Ordnance Survey. This comprehensive dataset will be provided in two parts. Firstly there will be an open dataset for the general public which will include publicly accessible greenspace showing the extent and access points of areas of greenspace across England and Wales and will be made available through an online map. Secondly, there will be a premium dataset that will include both public and private greenspace that will be available for use by public sector organisations providing them with a more comprehensive view of green spaces. The greenspace mapping project will provide a framework to which other existing datasets can be compared and contrasted.

**163. We believe that, in addition to measures to support increased private sector housing development, and to encourage home ownership, there should be renewed focus on how built environment policy can support mixed communities including through the provision of long-term affordable rented housing.**

164. Affordable housing is one of the Government's priorities. Since 2010, the Government has delivered 293,000 affordable homes including around 210,000 affordable homes for rent. We announced at the Spending Review 2015 a doubling of the housing budget to over £20 billion. This includes £8 billion of investment to deliver 400,000 affordable homes starts by 2021 – the largest affordable housing programme since the 1970s.

165. We want to see a range of housing delivered across all tenures: homes for rent, homes for shared ownership and discounted starter homes to buy outright. Home ownership remains an aspiration for the majority of people: 86% of people want to own their own home. Yet it is increasingly difficult for many people to ever hope of achieving this ambition. So the Government is committed to helping people meet this aspiration. Shared ownership and Starter homes will be an important part of the overall housing offer – supporting people into the security of homeownership.

**166. This should include supporting housing associations in their aspiration to increase housing supply, including reviewing the impact of financial constraints and changes to Government policy.**

167. The Government agrees it is important to support housing associations in their aspiration to increase housing supply. The prospectus for the Shared Ownership and Affordable Homes programme 2016-21 will be published shortly, and will invite bids from housing associations and other providers to deliver affordable homes outside London.

168. The social housing regulator annually undertakes a sector risk profile of the housing association sector. The aim of the sector risk profile is to support housing associations in strengthening their financial resilience, to highlight the key risks housing associations need to consider and to help housing association better evaluate financial risks. This annual review profile will look at the overall impact changes to Government policy has had on the financial resilience of the sector. The 2016 sector risk profile is published here: <https://www.gov.uk/government/publications/sector-risk-profile-2016>

**169. Local authorities can play an important role in meeting the need for housing, but in recent decades have largely lost their ability to contribute to new supply. While there has been a minor revival of council housebuilding in recent years, borrowing restrictions limit their development capacity, and proposed social rent cuts may threaten the viability of new schemes altogether. In recognition that housing need has rarely been met in England without a significant direct contribution from councils, the Government should take steps to ensure that local authorities are able to fulfil their potential as direct builders of new mixed tenure housing. This should include reviewing the impact of borrowing restrictions and proposed social rent reductions.**

170. The Government accepts that in recent decades local authorities have contributed less to new housing supply. The Housing Revenue Account (HRA) self-financing settlement was a step forward, as it has put local authorities in charge of their own finances and has supported an increase in council housing building.

171. There are now 166 local authorities with a Housing Revenue Account. By 2014/15 these authorities had accumulated Housing Revenue Account reserves of almost £2.5bn and borrowing headroom approaching £3.4bn.

172. This is supporting councils to build more homes. 2014 saw the highest number of council housing starts for 23 years (2,630 dwellings). In the 5 years between 2010-11 and 2015-16 councils built 8,620 local authority dwellings compared to 2,920 over the previous 13 years (1997-98 to 2009-10).

173. The Government agrees with the underlying thrust that local authorities have an important role in supporting the delivery of more housing. We support the main findings of Natalie Elphicke and Keith House's review into how councils could get more homes built (published 27 January 2015).

174. The review highlighted that councils should play a stronger role in supporting house building by more pro-actively using their powers, levers, and opportunities to collaborate with partners to build more homes. Their core proposal was that councils should move from being statutory providers to being 'Housing Delivery Enablers', working in partnership with others to:

- set a clear vision for the area;
- identify land to meet housing need and create housing opportunities;
- demonstrate effective business leadership;
- drive efficiencies, optimise assets, provide resources to support housing;
- work with partners to actively drive housing delivery activity.

175. The Government does not accept the recommendation to review the impact of borrowing restrictions on local authorities' ability to deliver housing. The borrowing limits were imposed as part of the 2012 self-financing settlement. These limits are part of the Government's programme to reduce public sector debt – and there are no plans to remove these limits. Borrowing headroom has actually increased nationally from £2.9 billion at self-financing (to around £3.4 billion now). This is the result of local authorities paying off debt.

176. The Government recognises that borrowing headroom is not distributed evenly and we have listened to local authorities who said they need additional borrowing capacity. The 2013 Autumn Statement made available £300 million additional borrowing - £198 million of this has been allocated to support new affordable homes.

177. The Government does not accept that the social rent reductions may threaten the viability of new council building schemes. Our decision on social rent reductions was based on the need to put welfare spending on a sustainable footing, while protecting the most vulnerable in society. The housing benefit bill for the social sector in England rose by a quarter over ten years, reaching £13.2 billion in 2014/15.

178. We have included provisions whereby a local authority may be granted a partial or full exemption from the requirements of the Welfare Reform and Work Act 2016 if the Secretary of State considers the authority would be unable to avoid serious financial difficulties if it were to comply with the requirements.

179. We have also built in flexibilities to ensure those types of housing that were exempted from the Rent Standard, such as specialised supported accommodation will be excepted from the social rent reduction requirements.

**180. We believe that smaller housebuilding companies can play a bigger part in addressing the housing shortage. The Government should review the NPPF and NPPG with a view to encouraging local authorities to identify and facilitate development on smaller sites. The Government and local authorities should encourage and enable SME builders to use these sites where appropriate, in order to support diversity in the housebuilding market and to help increase housing supply. We recommend that the Government should identify the barriers to access now facing SME builders and review how access to finance for this sector could be improved. The Government should also continue to review the progress of existing initiatives to support small builders, including the Housing Growth Partnership and Housing Development Fund.**

181. The Government recognises the valuable contribution that SMEs can make in helping increase housing supply, particularly on small sites, and is committed to supporting SME housebuilders. In July 2015 we launched the £100m Housing Growth Fund, a partnership with Lloyds Banking Group, to help SME builders access the finance they need to build more homes and grow their businesses. More information is available at [www.housinggrowth.com](http://www.housinggrowth.com)

182. In the Autumn Statement, the Government announced £3 billion of loans to house builders. The fund will consist of £2 billion in long term loans and £1 billion in short term loans. The long term element is focused on delivering infrastructure to support a strong future pipeline of housing supply, and will help unlock 160,000 – 200,000 homes. The short term element aims to diversify and support innovation in the house building industry by supporting small and medium builders, custom builders, and the use of innovative methods of construction. The new fund brings together and expands the existing Builders Finance Fund and Custom Build Serviced Plots Fund, which provides added flexibility to enable the Government to support emerging markets.

183. The Government is committed to increasing housing supply and the quality of housing. We also want to increase diversity and competition in the housing market and believe that sites with capacity for fewer than 10 units play an important role in helping to meet local housing need. Increasing opportunities for smaller builders will help to deliver homes more quickly, rather than relying solely on a model limited to a small number of developers. In addition, building new homes on small sites, whether in rural or urban locations, can create local jobs and sustaining local growth, particularly in rural areas; and make effective use of developable land.

184. Last December we proposed changes to the National Planning Policy Framework to make it easier for proposals on small sites to come forward, to help make the most effective use of land and help smaller firms build homes while still avoiding 'garden-grabbing'.

**185. We believe the Government should expand its review of compulsory purchase procedure set out in the Housing and Planning Bill to incorporate a wider review of the functioning of compulsory purchase and its role in supporting development. The review should focus on seeking the most appropriate balance between improving neighbourhoods, securing necessary development and ensuring the landowner receives fair compensation.**

186. The Government published in March 2016 a further package of Compulsory Purchase Order reforms for consultation. The package contained a number of proposed reforms to the principles of assessing compensation and further technical process improvements. Full details of the proposals and the government's response to the consultation can be found online at: <https://www.gov.uk/government/consultations/further-reform-of-the-compulsory-purchase-system>.

187. The key measures being taken forward in the Neighbourhood and Planning Bill do not change the fundamental principle that compensation should be paid at market value in the absence of the scheme underlying the compulsory purchase. Instead they are intended to make negotiations over compensation easier and faster by setting out a clearer and fairer way to identify the scheme that must be disregarded before assessing compensation. They will replace over 100 years of conflicting statute and case law and establish a clear, new statutory framework for agreeing compensation.

188. We are also making it easier for large housing and regeneration schemes to be delivered by allowing mayoral development corporations to assess compensation on the same grounds as new town and urban development corporations and by enabling certain transport and regeneration bodies to make combined orders.

189. These measures will make a significant change to the way in which compulsory purchase orders are delivered, and support our housing supply and regeneration aims.

**190. The protections afforded to the Green Belt are important; current NPPF policy on the Green Belt should remain. We recommend, however, that the Government should publish clearer guidance on the definition of the "exceptional circumstances" in which Green Belt boundaries may be revised.**

191. The Government welcomes the endorsement of its Green Belt protection policies. Any Green Belt boundary change should be made only in exceptional circumstances, using the Local Plan process. Current guidance reminds local authorities that, in planning to meet local housing and other needs, they must have regard to national policy (such as that protecting Green Belt).

192. Individual local authorities, in consultation with their communities, are best placed to assess how much weight to give each of the circumstances potentially material to their decisions about future development and the need for restraints such as Green Belt.

193. The National Planning Policy Framework was designed to be locally interpreted and applied, with a minimum of essential supporting guidance.

**194. The Government should also consider strengthening the priority given to brownfield development, including considering the reintroduction of a “brownfield first” policy at national level.**

195. The Government endorses the importance of prioritising the use of brownfield land for development, especially housing. As the Committee recognises, the National Planning Policy Framework encourages the re-use of brownfield land, provided that it is not of high environmental value. In support of this policy we widened permitted development to give new life to thousands of buildings, and accelerated disposal of surplus public sector brownfield land for new homes, and legislated to bring in brownfield registers.

196. Under powers in the Housing and Planning Act 2016, we intend to require local authorities to compile and maintain registers of brownfield sites suitable for housing, to ensure that all possible opportunities for brownfield development are pursued. These registers will provide up-to-date transparent information in an agreed format. Over seventy local authorities are now piloting brownfield registers, and we will take their feedback into account as we prepare secondary legislation and guidance. The Act also enables permission in principle to be granted for housing-led development on sites allocated in brownfield registers.

197. However, we have just announced a number of major new initiatives, starting with the launch of the £3 billion Home Builders Fund. As well as providing £1 billion of loans to support small builders, custom builders, and construction innovators, this Fund will provide £2 billion of long term funding for infrastructure and help to create a pipeline of up to 200,000 new homes with the emphasis on developments on brownfield land. Of the £3 billion Fund, £1.15 billion is new money announced at Spending Review (£800 million of the £2 billion for long term loans and £325 million of the £1 billion for short term loans).

198. We have also announced our plan for a radical increase in brownfield development, building high quality housing for families in town centres, breathing new life into our high streets, turning abandoned shopping centres into new communities and increasing density of housing around transport hubs to build homes that people want to live in. We are to extent permitted development rights even further, to allow for demolition of offices and replacement with housing on a like-for-like basis. This could provide around 4,000 new homes by the end of 2021. We will consider other opportunities to revitalise currently underused land.

199. Of greatest interest to the Committee, however, will be the new presumption in favour of housing on suitable brownfield land we intend to add to national planning policy. We will be consulting on this in due course. Along with the brownfield registers and new initiatives to drive up density levels in high demand areas, this could deliver an additional 25,000 new homes by 2021.

200. By contrast, reintroduction of a rigid ‘brownfield first’ policy nationwide would not help to deliver housing. As it did before under Labour, it would lead to the wrong type and size of dwelling being built in the wrong places. Instead, we want local authorities, with their local knowledge and in consultation with local people, to identify suitable brownfield land for redevelopment land in their Local Plans and planning registers, as well as approving sites on a case by case basis. The new homes we need can be created only on suitable brownfield land: that is, on sites that are available, deliverable, viable and in the right place for sustainable residential development.

**201. We recommend that, in the light of declining resources, smaller planning authorities should be encouraged to share resources and built environment expertise with neighbouring authorities.**

202. The Government believes that the best local authorities recognise the importance of a strong planning department in order to deliver their growth and housing priorities. Planning authorities should therefore be looking at how best they can provide their planning services, and whether there is scope to transform them through, for example, sharing services with a neighbour or outsourcing.

203. Both economically and in terms of delivering a good-quality service, it makes sense for local authorities to go a lot further in sharing planning services. Operating at scale enables authorities to access specialist services they may not be able to afford on their own. Authorities that have introduced new ways of delivering planning services have shown that performance can be improved and costs reduced. The majority of research studies suggest cost savings in the range of 5 to 20 per cent for competitively tendered or shared services. More should follow their lead.

204. The Committee will be pleased to learn that we consulted on enabling greater fee flexibility where local authorities bring forward radical and ambitious proposals to transform their planning services, which could include sharing services or outsourcing. The consultation closed on 15 April and we intend to publish a response to the consultation shortly.

**205. The Government should consider the potential for extending the Development Corporation model to other major sites in England, where larger housing sites might benefit from having a single delivery authority with stronger powers and where local authorities are supportive.**

206. The Government recognises that development corporations can provide the long-term planning certainty, focus and capacity needed to deliver new large settlements.

207. This is why we committed at Budget, as part of our package to support new locally-led garden cities, towns and villages to legislate to make it easier to create new garden towns. The Housing and Planning Act introduces changes to modernise and speed up the process for establishing New Town Development Corporations and Areas.

**208. We believe that the Government must consider measures to help accelerate the delivery of housing on sites with planning permission, such as permitting the charge of equivalent council tax rates when development has not commenced after a specified period of time, subject to safeguards when there are genuine reasons to prevent the development proceeding. The Government should revise the NPPF and NPPG to make clear that the process of viability assessment should not be used to compromise the ability of local authorities to meet housing need, including affordable housing need, as determined through development plans. This will reduce the unreasonable use of viability assessments to avoid funding of affordable housing and infrastructure.**

209. The Government agrees it is important to meet housing need, including affordable housing need. The National Planning Policy Framework makes clear that pursuing sustainable development requires careful attention to viability and costs in both plan-making and decision-taking. Development that is stalled due to unviable requirements delivers no regeneration, no community benefit and no new housing, affordable or otherwise. However, this does not mean that development should be approved at any cost.

The National Planning Policy Framework is absolutely clear that where safeguards are necessary to make a development acceptable, the development should not be approved if the measures required cannot be secured through appropriate conditions or agreements.

210. Section 106 planning obligations can play an important role in making development acceptable and in securing affordable housing. Our guidance is clear that planning obligations must be fully justified and evidenced. Where affordable housing contributions are being sought, planning obligations should not prevent development from going forward. Notwithstanding this, section 106 planning obligations sought by local authorities must be grounded in an understanding of viability. Our guidance on viability states that where an applicant is able to demonstrate to the satisfaction of the local planning authority that the planning obligation would cause the development to be unviable, the local planning authority should be flexible in seeking planning obligations.

211. While the Government acknowledges the intent of this recommendation, existing guidance is clear that decision-taking on individual applications should not normally require consideration of viability. However, where the deliverability of a development may be compromised by the scale of planning obligations and other costs, a viability assessment may be necessary. Decisions on individual schemes must be underpinned by an understanding of viability, to ensure that realistic decisions are made to support development and economic growth. Local authorities are encouraged to be flexible in applying policy requirements wherever possible when the viability of a development is in question. In doing this they will need to determine the weight to be given to the viability assessment and other material considerations in reaching their decision.

**212. The Government should also publish a nationally consistent methodology for viability assessment. This methodology should include standardised guidance on calculation of land values and other inputs, and a recommendation for full disclosure of viability assessments. Local authorities and developers should also have the right to seek arbitration from independent viability consultants where agreement on scheme viability cannot be reached.**

213. The Government recognises that pursuing sustainable development requires careful attention to viability and costs in both plan-making and decision-taking. We announced as part of the Spending Review 2015 that we would bring forward proposals for a more standardised approach to viability assessments.

214. Section 106 planning obligations can play an important role in making development acceptable. Our guidance is clear that planning obligations must be fully justified and evidenced. The guidance makes it clear that a collaborative approach to viability should be taken. Involving the local authority, business community, developers, landowners and other interested parties will improve understanding of deliverability and viability. Transparency of evidence is encouraged wherever possible.

**215. The Government should reconsider its proposal to include “starter homes” within the definition of affordable housing. The proposal risks undermining mixed communities and preventing the delivery of genuinely affordable housing for the long term.**

216. The Government agrees that it is important to support mixed communities. It is also important that the definition of affordable housing for planning purposes supports present and future innovation by housing providers in meeting the needs of a wide range of households who are unable to access market housing.

217. Last December we consulted on proposals to broaden the national planning policy definition of affordable housing so that it encompasses a fuller range of products that can support people to access home ownership, including starter homes. The consultation proposed that the definition will continue to include a range of affordable products for rent and for ownership for households whose needs are not met by the market, but without being unnecessarily constrained by the parameters of products that have been used in the past which risk stifling innovation. Any national planning policy changes would be a material consideration in the determination of planning applications.

218. The Housing and Planning Act provides a power to implement a tapered approach to the resale of a starter home so the longer the individual lives in the property, the more value they gain. One model is when a starter home is sold within a restricted period, the owner must pay a proportion of the discount to a specified body. We are keen to continue our dialogue with developers, lenders and local authorities to reach agreement on the best mechanism for achieving our aims before the detail will be set out in affirmative regulations.

219. We will consider carefully all comments that have been raised in response to the consultation and we intend to publish a response to the consultation shortly.

**220. The Government should revise its proposal to require starter homes on every reasonably sized development site. Local authorities should retain the discretion to prioritise long-term affordable housing over starter homes in the planning system where appropriate. The Government should also reconsider other policies set out in the Housing and Planning Bill, such as the requirement to sell higher value council homes, given that they could undermine the maintenance of mixed communities.**

221. The Government is helping people to access homes they can afford in a number of different ways, including through the Housing and Planning Act and other measures to deliver a range of housing across all tenures. The Spending Review doubled our investment in affordable housing from 2018-19, to £8 billion to deliver over 400,000 affordable housing starts.

222. We have consulted on the starter homes requirement for the Housing and Planning Act regulations. The consultation sought views on a minimum site size of 10 units (or 0.5 hectares) and the minimum 20% requirement.

223. The consultation proposed there would be a general viability exemption for those residential developments where it can be clearly demonstrated that the starter homes requirement would render the site unviable. Additionally it sought views on other exemptions from the requirement such as for affordable housing led developments and off site commuted sums in lieu of starter homes provision. We will consider all comments carefully and we intend to publish a response to the consultation shortly.

224. Once the starter homes legislative framework is in place, local planning authorities will need to apply their plan policies, including those on affordable housing, in light of the statutory starter homes requirement. Where it would be viable they can also seek other forms of affordable housing, like affordable homes for rent.

225. Building additional housing is at the heart of the higher value vacant council housing policy, with a portion of receipts from the sale of vacant higher value council housing being used to fund the building of more homes. The Secretary of State will be able to enter into an agreement with a local authority to reduce the amount it has to pay in order for it to use that reduction to fund housing.

When an agreement is made with a local housing authority outside London it must result in at least one new affordable home for each one expected to be sold, and two new affordable homes for each old one under agreements with local authorities in London.

**226. Construction skills shortages are acting as a constraint on the delivery of housing. We urge the Government to take measures to remedy this situation. Such measures might include the expansion of apprenticeships, the promotion of construction trades in courses offered by university technical colleges, and increased support for outreach programmes within educational institutions to encourage more young people to enter the industry.**

227. The Government recognises the need for the UK to develop the higher level of skills required for its long-term economic success. Apprenticeships are our priority for equipping people with the skills that our industries, including the construction sector, need.

228. Confirmation was made in the Spending Review on the Apprenticeships Levy and plans for 3 million apprenticeships by 2020. The apprenticeship levy will come into effect in April 2017, at a rate of 0.5% of an employer's pay bill.

229. Employers with a pay bill greater than £3,000,000 in the construction and engineering construction sectors will be in scope of the levy.

230. The Government is working with industry, including the Construction Industry Training Board, on how their existing arrangements will be affected and whether any changes are required. We have asked the Construction Leadership Council (CLC) to investigate the labour model in the construction industry and develop an action plan to address the skills pressures and other constraints that limit housebuilding and infrastructure development in the UK. The CLC have commissioned Mark Farmer (former Head of Residential at Arcadis) to lead the work, which will be published later this year.

**231. Proactive local planning can play an important part in defining a 'vision' for a local area and improving the built environment. Local authorities should consider mechanisms that would help them to develop the capacity to do this, including the potential for working outside the statutory planning system to raise the status of planning and regeneration in their area. This might include the production of design frameworks, masterplans or strategies. National and local government should also take steps to increase the capacity of the planning sector as a whole, including through educational outreach programmes as well as partnerships with the private sector, universities and neighbouring authorities.**

232. The Government concurs with the sentiments of the committee that proactive local planning plays an important part in defining a 'vision' for a local area. The National Planning Policy Framework reaffirms the Government commitment that Local Plans are the key to delivering sustainable development that reflects the vision and aspirations of local communities. Our planning practice guidance features a strong focus on design and clearly encourages the use of masterplans and briefs as effective planning tools to achieve good design.

233. Use of other tools such as design codes, design review, the Building for Life 12 housing design checklist and community involvement techniques can also aid in improving the built environment and driving up design quality. We welcome the sector led support provided by organisations such as Design Council CABI in helping to promote the use of these tools.

234. We also welcome the many industry-led awards schemes such as the Housing Design Awards, Royal Town Planning Institute Planning Awards, Royal Institute of British Architects Architecture Awards that aim to encourage innovation and promote good design and place-making. These highlight successful schemes and reward effective collaborative working amongst built environment specialists such as local authorities, developers, architects, landscape architects, surveyors and construction teams.

235. Clearly local authorities are best placed to decide on the most appropriate approach. The onus is on them to develop a locally-led solution and to decide how to deploy their resources.

236. We recently published “Technical consultation on implementation of planning changes” which included scope for planning authorities in some areas to bring forward proposals for radical service reforms which could include sharing services or outsourcing. The consultation closed on 15 April. We will consider all comments carefully and intend to publish a response to the consultation shortly.

**237. We recommend that the Government should consider how best it might support the development of place-making capacity within local authorities. The Government, and local authorities, should consider the merits of supporting the Public Service initiative proposed by the Planning Officers’ Society, and the introduction of bursaries to students of planning in a similar manner to that offered to the teaching profession in order to help attract the best students.**

238. The Government recognises the need to encourage talent into the planning profession. Our Productivity Plan sets out our radical ambitions to deliver 3 million apprenticeships. Institutes of Technology registered with professional bodies have the potential to significantly maintain and enhance the skills needed to deliver a sustainable built environment.

239. The Government is also showing strong leadership and commitment through our housing programmes. For example:

- Encouraging good design through support for the development of large sites such as at Ebbsfleet. The Ebbsfleet Development Corporation has set up a design panel to work with home builders as they develop their designs and layout for new housing at Castle Hill, which has already set a high bar in terms of quality of design.
- Promoting good design through flagship Starter Homes programme. The Design Advisory Panel, involving leading figures from the design and architecture sector, played a lead role in developing a Starter Homes design exemplars document, published in March 2015, to help ensure that new starter homes are popular with buyers and communities and designed to stand the test of time.
- Involving design experts to ensure that the Government’s estate regeneration programme improves the design quality of new homes and the local area.
- Encouraging industry-led innovation through the Government’s support of the Housing Design Awards.

240. The built environment professional bodies such as Royal Town Planning Institute, the Royal Institute of Chartered Surveyors, and the Royal Institute of British Architects also have an important role in anticipating future needs, trends and supporting the development of skills and capacity. We warmly welcome the Royal Town Planning Institute's bursary scheme that will draw some of the best and brightest graduates to continuing their studies into planning at master's degree level.

**241. We recommend that the Government should explore how a localised fee regime would help local authorities to deliver a more efficient planning service, with less direct public subsidy. In this context, the Government should also explore how local fees might be regulated to ensure that planning applications remain cost-effective for applicants. Meanwhile, national fees should be set at a level which moves closer to "full cost recovery" for local authorities. The Government should also consider a fee uplift to cover the cost of prior approval applications. We also recommend that local authorities should explore the potential for commercial activity and premium planning services such as the fast tracking of applications, in order to increase revenue for their planning departments.**

242. The Government agrees that an effective and efficient planning service is crucial to securing the housing we need and that planning fees make an important contribution to meeting the costs of the development management service. However, fees are only one side of the resourcing equation. If the Government were to implement a localised fee regime, there is no guarantee that the additional income would go into planning services or would lead to an improvement in the efficiency, effectiveness and performance of that service. There are a number of reasons for this:

- Local authorities currently have a monopoly on processing planning applications, which does not incentivise service innovation and efficiency if authorities know they can simply pass all their costs on to planning applicants, however inefficient their planning service might be;
- Some local authorities acknowledge that any additional income from planning application fees may not necessarily go into planning departments or increase the total resources in them, particularly against the backdrop of local decisions in recent years to prioritise the funding of other services;
- Local authorities have often been slower to radically reform planning services than other services, through approaches such as outsourcing and shared services, despite evidence indicating that radical public service reform can potentially yield significant cost reductions.

243. Enabling every local authority to set their own fees may not provide any incentive to tackle inefficiencies within planning services where they exist and reduce costs. More local authorities need to follow the lead set by the best and look at radical ways to reduce cost and improve performance. Flexibility in fee setting must go hand-in-hand with a responsibility to provide an efficient and effective service.

244. We published "Technical consultation on implementation of planning changes" which set out two proposals linking planning fees with the performance of planning services. First, an increase in nationally set fees, including for prior approval applications, in line with inflation for authorities that are performing well. Second, scope for some areas to bring forward proposals for radical service reforms and performance improvements in return for potentially higher increases in fees or some greater flexibility in the setting of fees.

Such reforms could include sharing services, outsourcing or offering a premium planning service, such as offering a fast track service in return for a proportionate fee. The consultation closed on 15 April and we intend to publish a response to the consultation shortly.

245. In setting planning application fees we have to balance what is a fair contribution to the cost of processing planning applications with not dissuading people from taking forward development. An increase significantly above inflation could dissuade homeowners and small or medium sized developers from undertaking small developments.

246. Local authorities also have the power to charge for discretionary services under s93 of the Local Government Act 2003. Authorities are already using these powers to bring in additional revenue to help cover the costs of pre-application advice or preparing Planning Performance Agreements.

**247. The fundamental approach of a plan-led system should remain unaltered, but national and local government should explore opportunities to make local plan-making more dynamic and responsive to changing conditions. The Government should consider the introduction of additional measures to allow for the partial review, or incremental adoption, of local plans, to avoid the need for a lengthy, resource intensive full plan review when underlying circumstances change.**

248. The Government shares the Committees desire to see plan-making simplified. We have reduced the amount of planning policy; put plans at the heart of the planning system; and our neighbourhood planning reforms have caught the imagination of local people, allowing them to bring forward developments that are a real benefit to local people. But we recognise that the process of getting Local Plans in place can sometimes seem lengthy and complicated.

249. The Government gave a commitment in the Productivity Plan to bring forward proposals to significantly streamline the length and process of Local Plans. In September 2015, we invited an eight strong group of experts to examine what measures or reforms may be helpful in ensuring the efficient and effective production of Local Plans.

250. The Local Plans Expert Group submitted their report to Ministers on 16 March 2016. The report contains over 40 recommendations and was open for representations until 27 April. We are giving detailed consideration to the recommendations of the group and to representations received on the report before deciding how best to take forward reforms to Local Plan-making.

**251. We believe that local authorities should explore working together on joint spatial frameworks on the model of Greater Manchester, and that the Government should give them further encouragement to do so.**

252. The Government recognises the value of local authorities working together on joint spatial frameworks and supports the general intention of the recommendation. However, the Greater Manchester Model is not appropriate in all areas as it relates to the preparation of a formal Mayoral statutory plan. Each locality needs to develop its own, proportionate and appropriate approach to joint working in their area, taking into account any opportunities that devolution discussions offer for increased collaboration.

253. The Government has made clear in paragraphs 178-181 of the National Planning Policy Framework that local authorities should work collaboratively on strategic planning priorities and consider producing joint policies on strategic matters. It also indicates the need for evidence of continuous cooperation when submitting Local Plans and a jointly prepared strategy can provide evidence of an agreed position. Where joint strategic frameworks are pursued it will be important to ensure that the arrangements do not detract from ensuring that Local Plans are produced by early 2017.

**254. Such approaches may not, however, be suitable in all parts of the country. In these circumstances, the Government should provide stronger incentives and guidance to ensure that local authorities co-operate effectively on cross-boundary planning matters and that the operation of the “duty to cooperate” does not create blockages and delays in the wider planning system.**

255. The Government agrees with the thrust of the Committee’s recommendation to ensure that local authorities co-operate effectively on cross-boundary planning matters. This is why we announced in the Productivity Plan that we would strengthen planning guidance to improve the operation of the Duty to Cooperate on key housing and planning issues.

256. The Local Plans Expert Group also makes recommendations on improving the Duty to Cooperate requirement. We will consider the recommendations made by the group when deciding how best to strengthen planning guidance to enable local authorities to meet the requirements of the Duty.

257. The Government is not considering incentives to encourage local authorities to meet the Duty to Cooperate, but we are keen to consider other approaches to support engagement on duty to cooperate issues to help local authorities to achieve positive outcomes on strategic cross boundary issues. As part of the Growth Deal agreements with a number of Local Enterprise Partnerships, the Government asked for a commitment to support strategic planning and we are also working with Combined Authorities to provide support on strategic planning issues.

**258. We recommend that the Government should give stronger weight to emerging neighbourhood plans in planning policy, to enable rejection of speculative development which might conflict with the neighbourhood plan.**

259. The Government acknowledges it is important to take account of emerging neighbourhood plans as a material consideration in planning decisions, but it would not be right to impose a moratorium on new planning applications coming forward until new plans are in place nor on the right of applicants to appeal decisions.

260. Existing guidance in the National Planning Policy Framework is clear that weight may be given to relevant policies in emerging plans depending on: how advanced they are in preparation; the extent of relevant unresolved objections; and the degree of consistency with the Framework.

261. The Government recognises the intent of this recommendation, however this proposal would remove the incentive for communities to complete neighbourhood plans and serve to encourage those that oppose a development to start the process with no intention of completing a plan, simply as a means to prevent development.

262. However, the Neighbourhood Planning Bill that was introduced in the House of Commons on 7 September will require local planning authorities and others who decide planning applications to have regard to neighbourhood plans that have been independently examined, once the decision has been taken to put the plan to a referendum. The Bill will also give neighbourhood plans that have passed each applicable referendum full legal effect at the earliest opportunity.

**263. We recommend that the Government, and local authorities, should take measures to streamline and simplify the neighbourhood planning process, and provide resources for promoting the establishment of neighbourhood forums and supporting the neighbourhood planning process in areas where take-up has been low.**

264. The Government agrees it is important to streamline and simplify the neighbourhood planning process. The Housing and Planning Act introduced powers to allow the Government to set time periods for local planning authorities to make key decisions, and provides further powers for the Secretary of State to intervene where plan progress is blocked following an independent examination. Regulations to implement these powers are due to come into force on 1 October. Designated neighbourhood forums will also have the right to request to be notified of planning applications in their area, in line with parish and town councils.

265. Existing resources to promote neighbourhood forums include the £22m 'mycommunity' support programme, which provides grants, technical support and advice, with priority groups, such as deprived areas and urban forums, able to apply for up to £15000 grant and technical support. Earlier this year DCLG launched a promotional campaign to increase awareness in areas of low take-up, and worked with Community Organisers in deprived urban areas to use neighbourhood planning to tackle issues faced by communities.

266. The Government welcomes the intent of this recommendation and is already putting in place measures to increase take-up of neighbourhood planning across urban areas and to provide further support for communities.

**267. We recommend that there should be stronger policy support for early community engagement in both local plan making and planning decision making. The Government, and local authorities, should give consideration to making good community engagement a material consideration in major planning decisions.**

268. On decision making the Government recognises the importance of high quality pre-application engagement for all parties. The Government believes that the National Planning Policy Framework already contains strong policy support for early community engagement. For example, paragraph 188 outlines the value of pre-application engagement for all parties, while paragraph 189 states:  
"They [local authorities] should also, where they think it would be beneficial, encourage any applicants who are not already required to do so by law to engage with the community before submitting their applications"

269. Furthermore, a material planning consideration is one which is relevant to making the planning decision in question. Whether a particular consideration is material will depend on the circumstances of the case and is ultimately a decision for the courts. The scope of what can constitute a material consideration is very wide and there is no set definition either in legislation or case law developed by the courts.

However, in general the courts have taken the view that usually a material consideration is something that involves the way the land is used and what may be appropriate restrictions to put on the use of the land in the interest of the general public.

270. The Neighbourhood Planning Bill introduces a requirement for local planning authorities to set out in their Statements of Community Involvement their policy for involving communities in the early stages of the authority's plan-making, when the development needs of their areas are being reviewed and the timetable for producing plans is being set. The Bill will also enable the Secretary of State to require authorities to review their statements at regular intervals. We have set out our commitment to ensure that Local Plans are in place and kept up-to-date and that these reflect the vision and aspirations of local communities. Measures in the Bill would make it easier for communities to know when to involve themselves in decisions about the wider planning of their area.

271. The Government has also taken action to make planning much simpler and more accessible. We have also acknowledged that the process of getting Local Plans in place can sometimes seem lengthy and complicated. That is why we gave a commitment to bring forward proposals to significantly streamline the length and process of Local Plans and why we invited an eight strong group of experts to recommend measures or reforms that may be helpful in ensuring the efficient and effective production of Local Plans. The group's report sets out recommendations for shorter, more publically accessible plans in order to stimulate easier engagement. As with other recommendations, these were subject to a period of representations and over 140 were received. The Government will respond to the report of the Expert Group in due course.

**272. We believe that the Government should consider the introduction of a community right of appeal in certain specified circumstances, such as when a planning decision conflicts with an emerging neighbourhood plan or deals with a site unallocated by the local plan. This may serve to discourage speculative or unsustainable development.**

273. The Government agrees it is important for local communities to have their say on development in their area. However, local communities and individuals already have statutory rights to make their views known during the Local Plan and neighbourhood plan making stages, and to submit representations on individual planning applications and most planning appeals. To enhance this, the Government has recently introduced a provision (via the Housing & Planning Act) that requires that a local planning authority will need to demonstrate, in its planning application report to the planning committee, consideration of a neighbourhood plan and any conflict between the recommendation and the neighbourhood plan.

274. The Government welcomes the interest of communities in local planning, and believes that the current system combined with the new provisions includes sufficient opportunity for communities to contribute to planning decisions. It does not believe that the planning system would benefit from the grant of a community right of appeal.









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