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JOINT PLANS PANEL – 16TH JULY 2015

**LATE ITEM – CHANCELLORS STATEMENT TO PARLIAMENT – 10TH
JULY 2015**

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Report of Chief Planning Officer

Report to Joint Plans Panel

Date: 16 July 2015

Subject: Chancellor's statement to Parliament – 10th July 2015

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	☐ Yes	☒ No
Are there implications for equality and diversity and cohesion and integration?	☐ Yes	☒ No
Is the decision eligible for Call-In?	☐ Yes	☒ No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	☐ Yes	☒ No

Summary of main issues

1. The Chancellor of the Exchequer presented to Parliament on Friday July 10th the document "Fixing the foundations: Creating a more prosperous nation". This short report summarises the main planning content for members to note.

2. Recommendations

Members are asked to note the report and comment as they feel appropriate

1 Purpose of this report

- 1.1 This report was requested by Councillors C Gruen and Walshaw following the publication of the 88 page report "Fixing the foundations : Creating a more prosperous nation" on Friday July 10th which has implications for the future operation of the planning system. This report is therefore presented for information and gives a summary of the main planning content.

2 Summary

- 2.1 The document "Fixing the foundations; Creating a more prosperous nation" was presented to Parliament on 10th July 2015 and published on the same day by HM Treasury. It sets out the importance of productivity to the British economy and the

Government's approach to raising productivity built around the twin pillars of encouraging long-term investment and promoting a dynamic economy.

2.2 Under the heading "Dynamic Economy" in Section 9 the document deals with planning freedoms and more houses to buy. The summary of that section is as follows;

" The UK has been incapable of building enough homes to keep up with growing demand. This harms productivity and restricts labour market flexibility, and it frustrates the ambitions of thousands of people who would like to own their own home. The government will;

- Introduce a new zonal system which will effectively give automatic permission on suitable brownfield sites*
- Take tougher action to ensure that local authorities are using their powers to get local plans in place and make homes available for local people, intervening to arrange local plans to be written where necessary*
- Bring forward proposals for stronger, fairer compulsory purchase powers, and devolution of major new planning powers to the Mayors of London and Manchester*
- Extend the right to buy to housing association tenants, and deliver 200,000 Starter Homes for first time buyers*
- Restrict tax relief to ensure all individual landlords get the same level of tax relief for their finance costs "*

2.3 The document talks about the significant reforms made to the planning system over the last Parliament including the introduction of the NPPF, the abolition of regional strategies and the help given to aspiring home owners and considers that the approach is working as planning permissions and housing starts are at a 7 year high but that there remains more to do.

2.4 The government will take further action to ensure that local authorities put local plans in place by a set deadline to be confirmed by the summer recess and will publish league tables setting out progress and where there is not progress will directly intervene. The government will bring forward proposals to significantly streamline the length and process of local plans helping to speed things up and the government will strengthen guidance to improve the operation of the duty to cooperate on key housing and planning issues to ensure that housing and infrastructure needs are identified and planned for. The government will consider how policy can support higher density housing around key commuter hubs. The government will also consider how national policy and guidance can ensure that unneeded commercial land can be released for housing.

2.5 The government is committed to an urban planning revolution on brownfield sites, including funding to provide infrastructure, strong leadership to shape development and assemble sites, and the removal of unnecessary obstacles. The government has already committed to legislating for statutory registers of brownfield land suitable for housing in England. The government will go further by legislating to grant automatic permission in principle on brownfield sites identified on those registers, subject to the approval of a limited number of technical details. This will give England a "zonal" system as seen in other countries which will reduce unnecessary delay and uncertainty for brownfield development.

- 2.6 The first round of reforms to the compulsory purchase regime will be introduced through legislation in this session of Parliament and will bring forward further proposals in the Autumn in response to additional proposals coming out of consultation.
- 2.7 The document sets out the evidence that there has been significant progress in reducing delays in processing applications but the government wants to see further progress with all planning decisions made on time. The government will therefore;
- Legislate to allow major infrastructure projects involving housing to apply through the Nationally Significant Infrastructure Regime (NSIP)
 - Tighten the planning performance regime so local authorities making 50% or fewer decisions on time are at risk of designation
 - Legislate to extend the performance regime to minor applications
 - Introduce a fast-track certificate process for establishing the principle of development for minor development proposals, and significantly tighten the “planning guarantee” for minor applications
 - Reduce net regulation on house builders by not proceeding with zero carbon allowable solutions carbon offsetting or the 2016 proposed increase in on-site energy efficiency standards but will keep energy efficiency under review
 - Introduce a dispute resolution mechanism for Section 106 agreements to speed up negotiations and allow housing starts to proceed more quickly.
- 2.8 The document sets out the Government’s commitment to deliver 200,000 Starter Homes by 2020 at a 20% discount for first young time buyers and is bringing forward proposals to help deliver this which include;
- Requiring local authorities to plan proactively for the delivery of starter homes
 - Strengthening the presumption in favour of starter home developments, starting with unviable or underused brownfield land for retail, leisure and institutional uses
 - Enabling communities to allocate land for starter home developments including through neighbourhood plans
 - Bringing forward proposals to ensure every reasonably sized housing site includes a proportion of starter homes
 - Implementing regulations to exempt these developments from CIL and re-affirming through planning policy that section 106 contributions for other affordable housing and tariff-style general infrastructure funds will not be sought for them
 - Putting in place new arrangements to monitor their delivery
- 2.9 The government will give the tenants of housing associations the same right to buy as Council tenants through the Housing Bill, to be introduced in this session of Parliament. It is recognised that the current tax system supports landlords over and above ordinary homeowners so the government will restrict the relief on

finance costs that landlords can get to the basic rate of tax and this restriction will be phased in over 4 years starting from April 2017. Over time it will start to shift the balance between landlords and homeowners.

- 2.10 Chapter 15 of the document deals with “ Resurgent cities, a rebalanced economy and a thriving Northern powerhouse”. The document is clear that there is a present imbalance between London and other parts of the country and that successful rebalancing will be achieved by building up the Northern Powerhouse and creating strong city regions, led by powerful, democratically elected mayors, that benefit from investment in world-class transport and have the support they need to foster innovation. As part of this section of the document of particular note are the following;
- The government will work towards devolution deals with Leeds, West Yorkshire and partner authorities
 - Establishing Transport for the North(TfN) as a statutory body with statutory duties
 - Devolving far reaching powers over transport to the North’s mayor-led city regions to deliver fully integrated public transport systems, supported by Oyster-style smart and integrated ticketing systems
 - Working with TfN.to push forward plans to transform east-west rail and road connections via TransNorth and options for a new TransPennine Tunnel with a prioritised list of scheme options to be produced by Budget 2016.
- 2.11 Elsewhere in the document there are some other headlines that members should be aware of;
- The government will review the current threshold for agricultural buildings to convert to residential to further support delivery of new homes in rural areas
 - The government will call for evidence to extend permitted development rights to taller mobile masts in order to support improved mobile connectivity in rural areas.

3 Implications

- 3.1 It is clear that there is still substantial appetite to continue to reform the planning system which is still seen as a barrier to improving productivity. The main areas which are being considered centre around housing delivery (including Starter Homes), devolution issues and the operation of the statutory planning system of plan making and decision taking.
- 3.2 The emphasis on bringing forward brownfield land is welcome but the implications of an automatic presumption in favour of residential development on brownfield sites is not yet clear without the detail of what the technical issues are that can be considered. There is no mention in the document of Local Development Orders which was being spoken of prior to the election and which led to a relatively negative response from the planning sector. The need to deliver Starter Homes as well as general housing is recognised and it is helpful that the Government has issued detailed guidance in relation to the design of such schemes – the impact on affordable housing provision is not yet clear but it is likely that it will be affected

significantly with the emphasis being on the provision of Starter Homes given the setting of the 200,000 national target.

- 3.3 Additional powers to assemble land to bring it forward for development via the Compulsory Purchase route are likely to be helpful and welcome. Simplifying the local plan process is also welcome in principle although it will not be easy in practice to achieve in a large city such as Leeds where the issues and volume of sites is large and complex. The city is now well advanced given the adoption of the Core Strategy and Executive Board considering the draft Site Allocations Plan in July in advance of publication in the autumn.
- 3.4 It is likely that legislative and regulation changes will be needed to implement these changes and they will need to be worked up in detail when the full implications will become apparent. National guidance is also likely to be refined to reflect the proposed changes and this would become material in decision taking. The tightening and widening of targets will undoubtedly place additional pressures on local planning authorities and their budgets.

Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 This report is presented for information and there has not been the need for wide consultation.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no specific equality considerations arising from this report. As such it has not been necessary to prepare an Equality Impact Assessment.

4.3 Council policies and the Best Council Plan

- 4.3.1 The effective and expedient determination of planning applications contributes to the overall prosperity of the City and plays a key part in the regeneration and growth agenda. The service makes a key contribution to the delivery of housing growth, an objective in the Best Council Plan.

4.4 Resources and value for money

- 4.1.1 The impact of the changes being suggested at present are not yet fully known but could have implications on resources and staffing. There could be implications for planning fee income from the changes and the widening of the Planning Guarantee could result in additional fees having to be repaid.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no specific legal implications arising from this report and this report does not relate to any key or major decision.

4.6 Risk Management

- 4.6.1 There remains a risk that further control will be lost by the LPA as a result of some of the changes but this will depend on the detail of measures brought forward.

5 Conclusions

- 5.1 Further substantial changes to the planning system are included as part of this latest Government announcement to improve productivity with the likelihood of increased control on performance by Central Government, additional procedures introduced to deal with automatic presumptions on brownfield land and certificates in principle for minor developments. These are likely to lead to less local control as the Government seeks to remove perceived obstacles in the way of development from the operation of the planning system.

6 Recommendations

- 6.1 Members are asked to note the report and comment as they see appropriate.