

# MDA No.: 1442

## Title: Planning and Regeneration Committee – The Future of Planning in London

### 1. Executive Summary

- 1.1 At the Planning and Regeneration Committee meeting on 12 October 2022 the Committee held a meeting on the Levelling Up and Regeneration Bill, and resolved that:

*Authority be delegated to the Chair, following consultation with party Group Lead Members, to agree any output arising from the discussion.*

- 1.2 Following consultation with party Group Lead Members, the Chair is asked to agree the report on *The Future of Planning in London*, as attached at **Appendix 1**.

### 2. Decision

- 2.1 **That the Chair, in consultation with party Group Lead Members, agrees the Committee's report on *The Future of Planning in London*, as attached at Appendix 1.**

#### Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature:**



**Printed Name:** Sakina Sheikh AM, Chair of the Planning and Regeneration Committee

**Date:** 16 January 2023

### **3. Decision by an Assembly Member under Delegated Authority**

#### **Background and proposed next steps:**

- 3.1 The terms of reference for this investigation were agreed by the Chair, in consultation with relevant party Lead Group Members and the Deputy Chairman, on 18 August 2022 under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letter and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the report will be formally submitted to the Planning and Regeneration Committee's next appropriate meeting for noting.

#### **Confirmation that appropriate delegated authority exists for this decision:**

Signature (Committee Services): Jack Booth

Printed Name: Jack Booth

Date: 16 January 2023

Telephone Number: N/A

#### **Financial Implications: NOT REQUIRED**


Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Date: Not Required

#### **Legal Implications:**

The Chair of the Planning and Regeneration Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Emma Strain, Monitoring Officer

Date: 23 December 2022

Telephone Number: 07971 101375

#### **Supporting Detail / List of Consultees:**

- Emma Best AM (Deputy Chairman) and Siân Berry AM

#### 4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

##### **Part 1 - Deferral:**

Is the publication of Part 1 of this approval to be deferred? **NO**

##### **Part 2 – Sensitive Information:**

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? **NO**

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#### **Lead Officer / Author**

Signature:



Printed Name: Sarah-Jane Gay

Job Title: Senior Policy Advisor

Date: 11 January 2023

Telephone Number: 07525 744320

#### **Countersigned by Executive Director:**

Signature:



Printed Name: Helen Ewen

Date: 16 January 2023

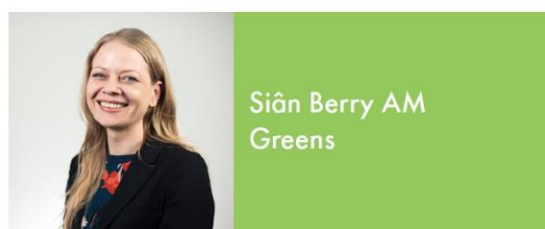
Telephone Number: 07729 108986

An aerial, top-down view of a city map, likely London, rendered in a vibrant green color. The map shows a dense network of streets and a winding river. Scattered across the map are several small, realistic figures of people walking in various directions, some carrying bags or wearing coats, which adds a sense of scale and human activity to the urban layout.

**The Future of Planning in London**  
Planning and Regeneration Committee

**LONDONASSEMBLY**

## Planning and Regeneration Committee



The Planning and Regeneration Committee examines and reports on matters relating to spatial development, planning and regeneration in London and leads scrutiny of the Mayor's Spatial Development Strategy ('The London Plan'). The Committee also has lead responsibility for scrutiny of Old Oak Common and Park Royal Development Corporation (OPDC) and London Legacy Development Corporation (LLDC).

### Contact us

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# Foreword



## **Sakina Sheikh AM** **Chair of the Planning and Regeneration Committee**

It has been an honour to chair the Planning and Regeneration Committee this Assembly year, and to have heard from such a diversity of guests about what Londoners need from the planning system.

Londoners need affordable, well-designed homes, with access to health and social infrastructure and quality green space. By 2030, the capital is expected to grow by half a million people, and in order to ensure London remains accessible for all, we must enable communities to shape the places they call home.

London's planning systems are the linchpin to how the future of our capital is designed, and in a post-COVID era, the importance of our built environment has never felt so pertinent. That is why the Assembly's Planning and Regeneration Committee has been invested in deepening the mechanisms that can enable communities to direct planning in the capital.

Ensuring communities are the heart of London's planning system has been the lens through which the Committee has considered the national planning reforms. The planning reforms outlined in the Levelling Up and Regeneration Bill currently going through Parliament, make extensive proposed changes to how the planning system will operate in England. This report is the outcome of our investigation scrutinising the reforms to understand how they will affect the planning system in London and we have made 11 recommendations we hope parliamentarians, the Government and the GLA can act on. We hope the cross-party efforts to bring these recommendations adds weight to the severity of the Committee's concerns.

The Committee is clear that the Bill must be amended to avoid restricting the existing powers of the Mayor, and to avoid any detrimental impact not only on the Mayor's ability to create ambitious planning policies for London, but also on London boroughs' abilities to meet local needs. Several of our other recommendations are focussed on safeguarding and improving public scrutiny and democratic oversight, and community involvement in the planning system.

One of the key concerns the Committee has relates to the introduction of National Development Management Policies (NDMPs). These would be determined by the Government, have primacy over local plan and London Plan policies, and prevent them from

setting alternative approaches or more ambitious targets locally. The Bill also seeks to make changes to the GLA Act 1999, which could amount to a narrowing of the scope of the London Plan, and of the Mayor's powers to plan strategically for London. In these ways the reforms could prevent the London Plan and local plans from meeting local needs.

The Committee supports the Government's ambition of increasing public participation in local planning matters, but this ambition does not align with the impact of the reforms which could centralise power rather than devolving it. The Committee's findings with regard to the proposals on street votes and neighbourhood planning are that there is not enough detail at this stage to evidence how these would result in a more accessible planning system which delivers much-needed affordable housing and infrastructure.

In this Assembly year the Planning and Regeneration Committee has been fortunate to have heard from a wide-ranging array of guests from community groups, representatives from the GLA and local government, planning experts, as well as neighbourhood planners, about what Londoners need from the planning system. This work will continue especially as the realities of the housing crisis continue to unfold and the need for long-term housing solutions through planning becomes ever more urgent.

The planning reforms passing through Parliament indicate a consensus that our planning system needs change. The Committee's discussions with community groups in the context of planning reform through this investigation, however, demonstrate that there are many in the capital who believe we need to be even more ambitious in expanding the way we think about planning. Going beyond traditional planning considerations could allow us to make the link between how planning intersects with Londoners' working conditions, immigration status, access to services, and could better mitigate against displacement of existing communities from local socioeconomic changes.

That is why the Committee is invested in developing a more transformative agenda for planning in London, one that creates space for meaningful co-creation and participation in how we build and how we design our areas. The need to make the planning system more participatory is what we have reflected throughout this report and the Committee's recommendations. We believe there is more work to be done to build a planning system that Londoners can have deeper trust in, feel part of and one that empowers local and regional government in London to build the homes and the public spaces we need to all thrive in the capital.

We hope the recommendations laid out in this report can be acted on by parliamentarians as the Bill continues its passage through parliament, and by the Government and the GLA in advance of any future secondary legislation and further proposed planning reforms.





## Executive Summary

The COVID-19 pandemic has played an important role in the national policy context and conversation about planning and the built environment. In London, the pandemic has highlighted and exacerbated existing inequalities – for example, in terms of the provision of affordable, energy efficient, well-designed homes in the social and private sectors; access to health and social infrastructure; and availability, accessibility and quality of green spaces.<sup>1</sup>

In this context, the Levelling Up and Regeneration Bill was published in May 2022 and is currently going through Parliament. The Bill's stated aim is to reduce geographical, economic, social and health inequalities across the UK. A large proportion of the measures in the Bill relate to planning, with some extensive changes to how the planning system operates in England, including around plan-making and community engagement, developer contributions and development management (including the powers of the Secretary of State).

In September and October 2022, the Planning and Regeneration Committee ran an investigation into the future of planning in London, and this report focusses on the Committee's findings with regard to the Levelling Up and Regeneration Bill and other national planning reforms.

On 12 October 2022, the Committee held a session with representatives from London and local government, and experts in planning and neighbourhood planning, to discuss the national planning reforms and how they would work for London.<sup>2</sup> The meeting included:

- Jules Pipe CBE, Deputy Mayor for Planning, Regeneration and Skills
- Meeta Kaur, Partner, Town Legal LLP
- Angela Koch, Neighbourhood Planners London
- Joe Dromey, Central London Forward
- Denean Rowe, Planning Aid for London, part of the Town and Country Planning Association

During the investigation, the Committee scrutinised the extent to which the Levelling Up and Regeneration Bill would improve community engagement in planning, and meet one of the Government's central stated aims for the Bill: to 'improve the planning process, so that it gives local communities control over what is built, where it is built, and what it looks like'.<sup>3</sup>

The Committee also scrutinised the Bill's measures on the development of local plans and the London Plan, and the new national policies ('National Development Management Policies') that the Government proposes to introduce. The Committee discussed with guests

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<sup>1</sup> London Recovery Board, ['Building a Fairer City: Vision Statements'](#)

<sup>2</sup> London Assembly Planning and Regeneration Committee, 12 October 2022 – The Future of Planning in London, [Transcript](#).

<sup>3</sup> Department for Levelling Up, Housing and Communities, Policy paper, ['Levelling Up and Regeneration: further information'](#), 11 May 2022

at the meeting how these measures would impact on London and the Mayor of London's strategic planning powers.

A major reform set out in the Bill is the change to the system of developer contributions, described by the Government as a simple, mandatory, and locally determined Infrastructure Levy where 'more of the money accrued by landowners and developers goes towards funding the local infrastructure – affordable housing, schools, GP surgeries, and roads – that new development creates the need for'.<sup>4</sup> The Committee scrutinised the opportunities and challenges of the Infrastructure Levy for London, including the impact on local authorities and on affordable homes.

The Committee has set out 11 recommendations with the intention of ensuring that community participation in planning is improved; London's devolved strategic planning powers are maintained; and that the system of developer contributions recognises the specific and nuanced conditions in London of high variation in land value and need for affordable housing. In many of these areas, the Committee has concerns around the Bill's impact on London and in some instances would like there to be changes to the Bill, or for the Government to provide further detail to address the concerns set out below. The Committee has also made recommendations for the Mayor of London.

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<sup>4</sup> DLUHC, Policy paper, ['Levelling Up and Regeneration: further information'](#), 11 May 2022.

# Recommendations

## Recommendation 1

The Committee has serious concerns regarding the Government's proposal for National Development Management Policies (NDMP). The Committee does not support the measure in the Bill stating that any conflict arising between a local plan and a NDMP must be resolved in favour of the NDMP. The Committee believes that this measure should be either removed from the Bill, or amended to exclude London and other areas which have a joint spatial development strategy.

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## Recommendation 2

The Government should confirm that the NDMPs will set minimum standards rather than absolute standards. The Government's approach stating that local plans are not allowed to contain policies on the same areas as the NDMPs should also be changed, to ensure that local plans can meet local needs whilst avoiding unnecessary duplication.

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## Recommendation 3

The Committee has concerns with the clause in the Bill which proposes changes to the GLA Act 1999. This could have significant consequences on the Mayor's ability to plan strategically for London. This clause should be amended to clarify that the responsibility of defining whether a matter is of 'strategic importance to more than one London borough', and of defining the 'particular characteristics or circumstances of Greater London', lies with the Mayor of London. The clause should also be amended to state that the spatial development strategy for London (the London Plan) may include spatial policy in relation to the other Mayoral strategies.

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## Recommendation 4

The Committee is concerned about the Government's amendment, giving the Secretary of State the power to shorten the deadline for examinations in public. The Government should state how they will ensure that this does not restrict necessary public scrutiny and consultation for local plans and the London Plan.

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## Recommendation 5

The Committee understands the possible opportunities that digitisation can bring to improve transparency. However, the Committee is concerned that a focus on digitising planning applications and data risks marginalising some communities. Suitable mitigations will be needed to prevent this. The GLA should set out guidance and best practice for London boroughs on making planning applications and data accessible for a diverse range of Londoners.

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## **Recommendation 6**

The Government should provide further detail on how the street votes proposal would work. This should have a detailed projection of how the street votes approach would deliver more homes, including the need for affordable homes as set out in local plans, and what the role for local authorities would be. It should also include details on how the street votes approach would work on estates and on streets with mixed building typologies.

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## **Recommendation 7**

The Committee welcomes the ambition of Neighbourhood Priority Statements to simplify and widen access to neighbourhood planning, including the protection of small business and localities to aid resilience and recovery. More details are needed from the Government on how it will address the most significant challenges facing neighbourhood planning. Therefore, the Government should set out how it will improve accessibility of funding and contribute to capacity building and technical support for neighbourhood planning groups.

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## **Recommendation 8**

The GLA should develop detailed analysis on how the Infrastructure Levy could be delivered in a way that responds to the specific conditions in London of high variation in land value and need for affordable housing. This analysis should be incorporated into the Government's future consultation on the details of the Infrastructure Levy.

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## **Recommendation 9**

The Planning and Regeneration Committee is seeking clarity from the Government on the plans for the 'growth clusters' announced in the Autumn Statement – what impact these will have on London, and whether these will incorporate measures related to planning.

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## **Recommendation 10**

The Government must incorporate community engagement as a central part of the designation and development of any 'growth clusters'.

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## **Recommendation 11**

The Committee seeks confirmation from the Government regarding the future of the Planning and Infrastructure Bill which was announced in the previous Chancellor's mini-budget of 23 September 2022. The Committee would have significant concerns, if the proposals were taken forward to deregulate planning and deregulate environmental requirements. If any elements of this proposal were taken forward, the Government should ensure sufficient protections for the environment and for community engagement.

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# Chapter one: The Levelling Up and Regeneration Bill

## Overview

Several changes to the national planning system are expected to arise from the Government's Levelling Up and Regeneration Bill ('the Bill') which is currently going through Parliament. The Bill makes some extensive proposed changes to how the planning system operates in England.<sup>5</sup> These include reforms to local plan-making and community engagement; the powers of the Secretary of State with regard to national planning policies; and developer contributions.

The Levelling Up and Regeneration Bill was introduced to Parliament in May 2022 under the then Secretary of State for Levelling Up, Housing and Communities, Michael Gove (now reinstated). The Bill is currently in its final stages of parliamentary passage, meaning that it is likely to become law in 2023.

## The Levelling Up and Regeneration Bill

### Objectives

The Levelling Up and Regeneration Bill's stated aim is to reduce geographical, economic, social and health inequalities across the UK. A large proportion of the measures in the Bill relate to planning. These measures are in response to the problems with the planning system which were set out in the Government's Planning for the Future White Paper, published in 2020.<sup>6</sup>

### Issues identified in the Government's Planning for the Future White Paper, August 2020

The planning system is 'too complex', has 'lost public trust' and is 'based on 20th-century technology'

'It takes too long to adopt a Local plan'

'The process for negotiating developer contributions to affordable housing and infrastructure is complex, protracted and unclear'

'There is not enough focus on design, and little incentive for high quality new homes and places'

The planning system 'simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest'.

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<sup>5</sup> UK Parliament, Levelling-up and Regeneration Bill, <https://bills.parliament.uk/bills/3155>

<sup>6</sup> Ministry of Housing, Communities and Local Government, [Planning for the Future White Paper](#), August 2020.

## Key reforms in the Levelling Up and Regeneration Bill

This section sets out areas of reforms in the Levelling Up Bill which the Planning and Regeneration Committee has selected to scrutinise because of the Committee's concerns about the impact of these reforms on London and Londoners' participation in the planning system. This is not a comprehensive list of all reforms set out in the Bill. For reasons of prioritisation, other planning reforms in the Bill, such as around the regeneration of brownfield sites, housing targets, and other areas, will not be covered in this report.

Since the Committee's meeting in October, several amendments have been made to the Bill. The amended Bill passed through the House of Commons in December 2022.<sup>7</sup> On 22 December 2022, the Government also published for consultation its proposed approach to updating the National Planning Policy Framework, and its proposed approach to preparing National Development Management Policies. The Government has said that the consultation will close on 2 March 2023.<sup>8</sup>

The recommendations in this report take into account the amended Bill published on 19 December 2022 and the consultation documents published by the Government on 22 December.

### Plan-making and national policies

- **Local plans** will be 'given more weight when making decisions on applications, so that there must be strong reasons to override the plan'.
- **National Development Management Policies (NDMPs)** will be introduced. These would be decided by the Secretary of State, and would set out national policies on issues that apply in most areas (such as general heritage protection). This is intended to make the content of local plans faster to produce, and 'any conflict between NDMPs and local plans will be decided in favour of NDMPs'.
- **London Plan and other Spatial Development Strategies:** The Bill proposes to provide 'greater clarity in the matters that can and cannot be covered' by the London Plan.

### Neighbourhood planning, community participation and street votes

- **Neighbourhood plans** will be given greater weight in planning decisions, and neighbourhood planning will be made more accessible, 'by allowing parish councils and neighbourhood forums to produce a simpler 'neighbourhood priorities statement' which the local authority will be obliged to take into account when preparing its local plan'.
- **Digital services** will be promoted across the planning process, and the Government also intends to produce guidance on the use of digital engagement tools, with the intention of enabling communities to get involved in planning more easily.
- **New street vote powers** will 'allow residents on a street to bring forward proposals to extend or redevelop their properties in line with their design preferences. Where prescribed development rules and other statutory requirements are met, the

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<sup>7</sup> UK Parliament, [Levelling-up and Regeneration Bill \[as brought from the Commons\]](#)

<sup>8</sup> Department for Levelling Up, Housing and Communities, [Levelling-up and Regeneration Bill: reforms to national planning policy](#), Open Consultation, 22 December 2022.

proposals would then be put to a referendum of residents on the street, to determine if they should be given planning permission’.

### Developer contributions

- **An Infrastructure Levy (IL)** will be introduced, in order to simplify developer contributions and to ‘enable local authorities to capture value from development more efficiently’.<sup>9</sup>

### **Further potential planning reforms**

Separate to the Levelling Up Bill, two major announcements relevant to planning were made by the Government under the previous Prime Minister Liz Truss.<sup>10</sup> The previous Chancellor’s ‘mini budget’, announced on 23 September 2022, set out new plans for investment zones and a new Planning and Infrastructure Bill. The investment zone proposals would see zones established in England involving tax incentives, planning liberalisation, and wider support for the local economy. The Planning and Infrastructure Bill, separate from the Levelling Up Bill, would be introduced in order to make reforms to the management of nationally significant infrastructure projects. Since the change of Government in October 2022, the Autumn Statement indicated that the investment zone proposals will be ‘refocused’ and will not be taken forward in their previous formulations. The Government has not confirmed whether the Planning and Infrastructure Bill will be taken forward, but this appears unlikely as this Bill was not mentioned in the Autumn Statement or in the consultation on national planning reforms published by the Department for Levelling Up, Housing and Communities, on 22 December 2022.<sup>11</sup>

### **Reception of the Levelling Up and Regeneration Bill**

As part of the formal Parliamentary passage, the House of Commons Public Bill Committee has scrutinised the Bill line by line, and held a number of oral evidence sessions with stakeholders including industry bodies, charities, NGOs and academics.<sup>12</sup> The Public Bill Committee also issued a public call for evidence in June-September 2022. Over 70 pieces of written evidence were submitted,<sup>13</sup> including by the London Assembly GLA (Greater London Authority) Oversight Committee<sup>14</sup> and the Mayor of London.<sup>15</sup>

Given the breadth and detail of the Bill and proposed reforms, its reception has been varied. Oral and written evidence from stakeholders has focussed on many different aspects of the

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<sup>9</sup> DLUHC, Policy paper, ‘[Levelling Up and Regeneration: further information](#)’, 11 May 2022.

<sup>10</sup> HM Treasury and Rt Hon Kwasi Kwarteng MP, ‘[The Growth Plan 2022 speech](#)’, 23 September 2022.

<sup>11</sup> HM Treasury, [Autumn Statement 2022](#), November 2022

<sup>12</sup> For a record of Parliamentary debates and oral evidence sessions with stakeholders dated from 21 June to 8 September, see [All proceedings up to 8 September 2022 at Public Bill Committee stage](#). See p.4 for a list of oral evidence sessions with stakeholders.

<sup>13</sup> UK Parliament, Publications, Written evidence, Levelling up and Regeneration Bill Committee Stage: <https://bills.parliament.uk/bills/3155/publications>

<sup>14</sup> UK Parliament, [Written evidence submitted by the London Assembly GLA Oversight Committee](#), Levelling up and Regeneration Bill Committee Stage.

<sup>15</sup> UK Parliament, [Written evidence submitted by the Mayor of London](#), Levelling up and Regeneration Bill Committee Stage

reforms. However, the themes that have consistently arisen in evidence and feedback about the planning reforms, include:

- National Development Management Policies
- Infrastructure Levy
- Neighbourhood planning
- Street Votes
- Proposals around the London Plan
- Compulsory Purchase Powers
- Environmental objectives
- Housing targets

At the same time as the Levelling Up Bill was going through the House of Commons in 2022, Parliament's Levelling Up, Housing and Communities Committee carried out an inquiry on the Bill.<sup>16</sup> In August 2022, the Chair of the Committee wrote to the previous Secretary of State for Levelling Up, Housing and Communities, Greg Clark, setting out an overall assessment of the Bill and a series of concerns which were similar to those raised by many other stakeholders who submitted evidence during the Bill's passage. The concerns related to the following issues:

- Potential centralisation of planning decision making (as a result of the National Development Management Policies);
- Concern that the Bill may not be effective in increasing public participation in planning;
- Status of the Government's 300,000-a-year housing target and of the requirement for local authorities to maintain a rolling five-year supply of deliverable land for housing;
- Impact of the Infrastructure Levy on the delivery of affordable housing and of less viable sites; and
- The proposals around Environmental Outcome Reports and the lack of detail in the Bill.<sup>17</sup>

### **The Mayor of London's response to the Bill**

The Mayor has expressed strong concerns about the impact of the Bill on the devolved powers to London. The Mayor has criticised aspects of the Bill which he sees as putting 'unnecessary and unwelcome restrictions on the scope of the London Plan'.<sup>18</sup> Firstly, he states that the Bill sets out 'significant additional restrictions on the preparation of future London Plans' by being more prescriptive on what a London Plan must and must not contain. The Mayor is concerned that these new proposals would prevent London setting innovative policies in the future because these would not be within scope of a London Plan. He gives examples of innovative policy approaches taken forward under London's current

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<sup>16</sup> UK Parliament, Levelling Up, Housing and Communities Committee, [Inquiry into the Levelling Up and Regeneration Bill](#)

<sup>17</sup> Clive Betts to Greg Clarke, '[Levelling Up and Regeneration Bill](#)', 24 August 2022

<sup>18</sup> Unless otherwise stated, all quotations from this section come from: UK Parliament, [Written evidence submitted by the Mayor of London](#), Levelling up and Regeneration Bill Committee Stage



planning powers, which have had the effect of ‘tackling climate change and biodiversity loss, improving air quality, and increasing and speeding up affordable housing delivery’.

In addition, the Mayor has expressed strong concerns about the introduction of the National Development Management Policies (NDMPs) as these could ‘override London Plan policies’. He has stated as an example that ‘NDMPs on energy and environmental performance of new buildings could stop the application of more stringent policies in the London Plan which are currently being delivered’.

In addition to concerns around London’s devolved planning powers, the Mayor has criticised the Infrastructure Levy. He has stated that the Infrastructure Levy would ‘result in more complex and less effective arrangements than the current system’, and would put less viable developments at risk, with a knock-on detrimental impact on the provision of affordable housing.

The Mayor has supported some elements of the Bill such as the proposed reforms to the Compulsory Purchase Order (CPO) regime.<sup>19</sup> He has also supported the proposal to retain the Mayoral Community Infrastructure Levy under current legislation.<sup>20</sup>

### **Next steps for the Bill**

During passage through the House of Commons, several amendments have been made to the Bill, as set out above. The Bill is due to complete its parliamentary passage in 2023 and to become law. The Government has stated that ‘in broad terms changes to planning procedures will begin to take place from 2024’.<sup>21</sup>

In order to follow up the consultation published on 22 December 2022, the Government has stated that it will carry out a further consultation following Royal Assent of the Bill in 2023. This second consultation will set out further details on the National Planning Policy Framework, and on National Development Management Policies.<sup>22</sup>

While the Bill sets out a framework for planning reforms, many of the details of how these powers will work will need to be fleshed out in secondary legislation following technical consultations. Therefore, more details are needed on how these reforms will look in practice, and how they will interact with the London Plan.

## **Chapter two: London’s devolved planning powers**

### **Recommendation 1**

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<sup>19</sup> MQT [2022/2096](#), 23 June 2022

<sup>20</sup> MQT [2022/2100](#), 23 June 2022

<sup>21</sup> DLUHC, Policy paper, [‘Levelling Up and Regeneration: further information’](#), 11 May 2022

<sup>22</sup> Department for Levelling Up, Housing and Communities, [Levelling-up and Regeneration Bill: reforms to national planning policy](#), Open Consultation, 22 December 2022.

The Committee has serious concerns regarding the Government's proposal for National Development Management Policies (NDMP). The Committee does not support the measure in the Bill stating that any conflict arising between a local plan and a NDMP must be resolved in favour of the NDMP. The Committee believes that this measure should be either removed from the Bill, or amended to exclude London and other areas which have a joint spatial development strategy.

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## **Recommendation 2**

The Government should confirm that the NDMPs will set minimum standards rather than absolute standards. The Government's approach stating that local plans are not allowed to contain policies on the same areas as the NDMPs should also be changed, to ensure that local plans can meet local needs whilst avoiding unnecessary duplication.

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## **Recommendation 3**

The Committee has concerns with the clause in the Bill which proposes changes to the GLA Act 1999. This could have significant consequences on the Mayor's ability to plan strategically for London. This clause should be amended to clarify that the responsibility of defining whether a matter is of 'strategic importance to more than one London borough', and of defining the 'particular characteristics or circumstances of Greater London', lies with the Mayor of London. The clause should also be amended to state that the spatial development strategy for London (the London Plan) may include spatial policy in relation to the other Mayoral strategies.

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## **Recommendation 4**

The Committee is concerned about the Government's amendment, giving the Secretary of State the power to shorten the deadline for examinations in public. The Government should state how they will ensure that this does not restrict necessary public scrutiny and consultation for local plans and the London Plan.

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## Overview

The Government has included two areas of the Bill which could have a significant impact on the planning system in London. These are the National Development Management Policies, and the changes to the GLA Act 1999. The Committee is concerned that these proposals, as currently worded in the Bill, could undermine London's devolved planning powers and have a detrimental impact on the Mayor's ability to create ambitious planning policies for London. The Committee also believes that these measures could amount to centralisation of planning policy, creating a tension with the Government's ambition to 'improve the planning process, so that it gives local communities control over what is built, where it is built, and what it looks like', but much depends on how these changes are delivered in practice.<sup>23</sup>

## The Government's proposed reforms

### National Development Management Policies

The Bill proposes the introduction of National Development Management Policies (NDMPs). These would be centrally produced, determined by the Secretary of State, and would include issues that apply in most areas. The Government has stated that these could include 'general policies for conserving heritage assets, and preventing inappropriate development in the Green Belt and areas of high flood risk'.<sup>24</sup> The Government intends that the introduction of NDMPs will streamline local plans, making them 'faster to produce and easier to navigate', because local plans will no longer need to contain policies on issues that could be addressed in national level policies. The Government has set out that 'NDMPs would take precedence where there is any conflict between them and development plan policies when making a decision on a planning application'.<sup>25</sup>

This reform is intended to address the problem identified by the Government and set out in the 2020 Planning for the Future White Paper, that local plans are too long, have too much detail and duplication, and take too long to produce.<sup>26</sup>

The consultation published on 22 December 2022 by the Department for Levelling Up, Housing and Communities sets out the proposed principles to producing NDMPs, though not the specific policies themselves. A further consultation setting out further details on NDMPs will be published in 2023. The Government has said that before the Secretary of State designates the NDMPs, 'full public consultation would take place on the draft policies'.<sup>27</sup>

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<sup>23</sup> Department for Levelling Up, Housing and Communities, Policy paper, ['Levelling Up and Regeneration: further information'](#), 11 May 2022

<sup>24</sup> Department for Levelling Up, Housing and Communities, [Levelling-up and Regeneration Bill: reforms to national planning policy](#), Open Consultation, 22 December 2022.

<sup>25</sup> DLUHC, [Levelling-up and Regeneration Bill: reforms to national planning policy](#), Open Consultation, 22 December 2022.

<sup>26</sup> Ministry of Housing, Communities and Local Government, [Planning for the Future White Paper](#), August 2020.

<sup>27</sup> DLUHC, [Levelling-up and Regeneration Bill: reforms to national planning policy](#), Open Consultation, 22 December 2022.

## Changes to GLA Act 1999

The Bill proposes to provide 'greater clarity in the matters that can and cannot be covered' by the London Plan. The Bill sets out that the London Plan may only include policies relating to development which is 'of strategic importance to Greater London', which is defined as being 'of strategic importance to more than one London borough'. The policies must also relate to the 'particular characteristics or circumstances of Greater London'. The London Plan may not 'be inconsistent with or (in substance) repeat any national development management policy'. The Bill gives the Secretary of State powers to set further regulations defining what may and may not be covered in a London Plan.

The Government states that 'setting out the permitted content' of the London Plan (and of other spatial development strategies) 'will ensure that they focus purely on strategic matters and not cover ground that is better suited to either local plans or national policy, and also reduce their size making them quicker to produce'.<sup>28</sup>

## Impact on London

### National Development Management Policies

The Planning and Regeneration Committee is concerned that the approach to NDMPs may undermine the potential for the London Plan to set ambitious and innovative policy approaches, depending on the policy areas NDMPs may cover. The Committee also believes the NDMPs are likely to alter the balance between national government and London's devolved planning powers, to the detriment of public scrutiny and democratic oversight of the planning system. The Committee therefore does not support the measure in the Bill stating that any conflict arising between a local plan and an NDMP must be resolved in favour of the NDMP. The Committee believes that this measure should be either removed, or amended to exclude areas which have a joint spatial development strategy, including London.

The Committee also believes that there should be two changes to the Government's approach to NDMPs: first, that they should set minimum standards rather than absolute standards. Secondly, the Government's approach stating that local plans are not allowed to contain policies on the same areas as the NDMPs should be changed, to ensure that local plans can meet local needs whilst avoiding unnecessary duplication.

In their current form, NDMPs could supersede both the London Plan and local plans. If the reforms remain aimed at shifting the power between these planning policies; the Committee believes that it should shift in favour of localising this power rather centralising.

During the Planning and Regeneration Committee meeting on 12 October, Meeta Kaur, Partner at Town Legal LLP, noted that the NDMPs were intended to address the problem that 'there are a lot of repetitive, generic policies' in local plans. Meeta reflected that 'there have long been attempts to think about ways that we might be able to make local plans shorter, more compact and easier for people to understand'. The Committee agrees with

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<sup>28</sup> Levelling Up and Regeneration Bill, [Explanatory Notes](#)

the ambition of removing unnecessary duplication from local plans, and that it is the ‘execution’ and not the ‘objective’ of the NDMPs that are problematic in its current form.<sup>29</sup>

The Committee is concerned that the Bill sets out very broad powers in relation to making NDMPs. The consultation published on 22 December 2022 sets out a suggested scope and principles for the NDMPs. While these appear to set some parameters, the powers remain wide-ranging and there is no guarantee that these will only cover areas of broad consensus. In addition, these parameters and principles are not set out in the Bill itself. In the Bill, the scope of the NDMPs remains unlimited and is defined very broadly as a ‘policy... in relation to the development or use of land in England’.<sup>30</sup>

As NDMPs would be given primacy over local plans and the London Plan, and these documents would not be allowed to contain policies on the same areas as the NDMPs, it is important to know the specific scope for which policy areas NDMPs may cover. If the scope was limited to areas of broad consensus, such as heritage matters, this may usefully avoid unnecessary duplication. However, a broader scope may restrict local planning authorities from meeting local needs.

The Government has said that NDMPs will make it ‘easier for applicants to align their proposals with national and local policy requirements and, where they wish, to go beyond them’. However, the Government has also stated that ‘the Bill would preclude new plans from including policies which duplicate or are inconsistent with National Development Management Policies. This would ensure that there is a clear demarcation between locally prepared plans and national policy, minimising any risk of conflict between them.’<sup>31</sup> This means that it would not be possible for the London Plan or local plans to set higher standards or to set different policies in order to meet local needs.

As Jules Pipe CBE (Deputy Mayor for Planning, Regeneration and Skills) stated at the Committee meeting on 12 October 2022:

“it would not be possible to introduce any local plans that are contrary to those NDMPs; and it is not just contrary, they could be just ‘in advance of’. It could be going in the same direction but trying to improve upon what the NDMP says, and you would not be able to”.

Joe Dromey (Director, Central London Forward), agreed with this analysis:

“we are very concerned that [the NDMPs] would stop us from going above and beyond nationally set standards. I think it would be quite difficult to set standards which are both very, very ambitious and national”.

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<sup>29</sup> London Assembly Planning and Regeneration Committee – 12 October 2022, [Transcript of Agenda Item 6 – The Future of Planning in London, Part 2](#)

<sup>30</sup> DLUHC, [Levelling-up and Regeneration Bill: reforms to national planning policy](#), Open Consultation, 22 December 2022.

<sup>31</sup> DLUHC, [Levelling-up and Regeneration Bill: reforms to national planning policy](#), Open Consultation, 22 December 2022.

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*To give a simple example, take how the GLA has consistently been in the vanguard of energy savings and carbon dioxide (CO2) policies. Consistently, the national requirements have played catch-up with what has been set at City Hall. Even if the Government was to adopt as a national policy what we thought was currently a good benchmark, it would prevent us from improving that benchmark in that future because it specifically rules out us having a policy on anything that the Government alights on as a national development.*

**Jules Pipe CBE, Deputy Mayor for Planning, Regeneration and Skills  
Greater London Authority**

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*Westminster City Council at the moment is consulting on a 'retrofit first' approach to development in its Local plan, which would significantly reduce carbon emissions relating to redevelopment, and Camden Council requires affordable housing contributions for all residential developments of more than 100m<sup>2</sup> significantly below the current restrictions. If we set a national standard which was a ceiling rather than a floor, that would significantly restrict our ability to be more ambitious, to get more for our residents, more affordable housing, or to be more ambitious on Net Zero.*

**Joe Dromey, Director  
Central London Forward**

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### **Changes to GLA Act 1999**

The Committee is also concerned about the clause in the Bill which proposes changes to the GLA Act 1999 and could narrow the scope of the London Plan.<sup>32</sup> The clause is overly prescriptive and could have unintentional consequences in specifying that the London Plan may only cover matters which are of 'strategic importance' to Greater London, specifically, to more than one London borough. In stating that the London Plan must also relate to the 'particular characteristics or circumstances of Greater London', this clause may result in the London Plan being limited to issues that do not apply in other cities. The Committee believes the Government needs to go further to demonstrate what problem this clause is intended to address. The Committee would like to see more detail from the Government on what exactly it means by 'matters of strategic importance to London'.

In order to address this ambiguity, the Committee believes that the clause should be amended to clarify that the responsibility of defining whether a matter is of 'strategic importance to more than one London borough', and of defining the 'particular characteristics or circumstances of Greater London', lies with the Mayor of London.

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<sup>32</sup> UK Parliament, [Levelling-up and Regeneration Bill \[as brought from the Commons\]](#), clause 88.

In addition, the Committee does not support the fact that the clause removes the link between the London Plan and the Mayor's other statutory strategies, which could have detrimental consequences on how the Mayor carries out strategic planning for London. As above, the Committee believes the Government must set out what problem this clause is intended to address. The Mayor has stated that these clauses have the effect that 'the London Plan is no longer required to set out spatial policy in relation to these strategies', and that:

"This will have far-reaching consequences for securing investment and strategic coordination over multiple authorities for transport, economic development, health inequalities, housing, the environment and culture, simultaneously weakening the status and deliverability of these statutory strategies to a 'wish list', with significantly reduced scope for implementation".<sup>33</sup>

The Committee believes that the clause should be amended to state that the spatial development strategy for London (the London Plan) may include spatial policy in relation to the other Mayoral strategies.

The Committee is concerned that these changes may have been developed without consultation with the GLA about the impacts on London, as the Government has suggested. In June 2022 in response to a Written Parliamentary Question, the previous Housing Minister confirmed that 'there have not been discussions or correspondence with the Mayor, nor consultation' on the clauses of the Bill that would impact on the Mayor's devolved strategic planning powers, before the Bill was published.<sup>34</sup> These changes were also not presented for consultation in the 2020 Planning for the Future White Paper.<sup>35</sup>

The Committee is also concerned by other measures in the Bill which could have the effect of reducing local engagement and consultation. A Government amendment made to the Bill would give the Secretary of State the power to shorten the deadline for examinations in public to the duration that they see fit.<sup>36</sup> Examinations in public of local plans and the London Plan are an essential part of public scrutiny and a way for citizens to have a meaningful voice in development. The Committee is concerned about the Government amendment giving the Secretary of State the power to shorten the deadline for examinations in public and believes the Government should ensure that this does not result in any restriction in public engagement and scrutiny of local plans or the London Plan.

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<sup>33</sup> UK Parliament, [Written evidence submitted by the Mayor of London](#), Levelling up and Regeneration Bill Committee Stage

<sup>34</sup> UK Parliament, Written question on ['Regional Planning and Development: Greater London'](#), answered on 27 June 2022

<sup>35</sup> Ministry of Housing, Communities and Local Government, [Planning for the Future White Paper](#), August 2020.

<sup>36</sup> [Amendment NC60 to Levelling-up and Regeneration Bill](#), UK Parliament.

## Chapter three: participation in the planning system

### Recommendation 5

The Committee understands the possible opportunities that digitisation can bring to improve transparency. However, the Committee is concerned that a focus on digitising planning applications and data risks marginalising some communities. Suitable mitigations will be needed to prevent this. The GLA should set out guidance and best practice for London boroughs on making planning applications and data accessible for a diverse range of Londoners.

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### Recommendation 6

The Government should provide further detail on how the street votes proposal would work. This should have a detailed projection of how the street votes approach would deliver more homes, including the need for affordable homes as set out in local plans, and what the role for local authorities would be. It should also include details on how the street votes approach would work on estates and on streets with mixed building typologies.

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### Recommendation 7

The Committee welcomes the ambition of Neighbourhood Priority Statements to simplify and widen access to neighbourhood planning, including the protection of small business and localities to aid resilience and recovery. More details are needed from the Government on how it will address the most significant challenges facing neighbourhood planning. Therefore, the Government should set out how it will improve accessibility of funding and contribute to capacity building and technical support for neighbourhood planning groups.

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### Overview

The Bill aims to ‘improve the planning process, so that it gives local communities control over what is built, where it is built, and what it looks like’.<sup>37</sup> The Planning and Regeneration Committee supports this aspiration and welcomes the focus on greater citizen participation in the Levelling Up Bill. However, with the limited detail provided in the Bill, the Committee is undecided on how effective the reforms in the Bill will be in enabling communities to get involved more easily and have a greater say in how their areas are developed.

### The Government’s proposed reforms

The Bill sets out reforms around neighbourhood planning, community participation and street votes. These reforms are intended to address the problem identified in the 2020 Planning White Paper that the planning system has ‘lost public trust’ and ‘consultation is

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<sup>37</sup> Department for Levelling Up, Housing and Communities, Policy paper, [‘Levelling Up and Regeneration: further information’](#), 11 May 2022



dominated by the few willing and able to navigate the process – the voice of those who stand to gain from development is not heard loudly enough, such as young people’. The White Paper also stated that the ‘take-up of neighbourhood plans is uneven across the country and is generally low in urban and more deprived areas’, and that in these areas communities face ‘additional barriers which makes it more difficult for them to progress a neighbourhood plan, including a lack of an established governance structure or finding volunteers to help prepare the plan’.<sup>38</sup>

### **Participation in the planning system**

The Bill includes measures aimed at supporting ‘modern, digital services across the planning process’, and the Government also intends to produce guidance on the use of digital engagement tools, with the intention of enabling communities to access and understand plans more easily.

### **Neighbourhood planning**

Another reform is for neighbourhood plans to be given greater weight in planning decisions, and for neighbourhood planning to be made simpler and more accessible.

In the current system, neighbourhood planning aims to allow communities to come together and draw up a planning document that becomes part of the statutory local framework about land use, for example where new houses, businesses and shops should go. At the start of the neighbourhood planning process, the neighbourhood area and forum must first be designated by the local planning authority. This defines the boundaries of the area that can be subject to the plan and provides the forum with responsibility to continue the planning process. There are multiple stages to complete when preparing the plan to ensure it meets the necessary conditions, with community engagement and consultation necessary throughout.

The Bill provides for communities to produce a simpler ‘neighbourhood priorities statement’ which identifies their ‘key priorities for their local area, including their development preferences’, such as protecting small businesses and localities to aid resilience and recovery. Like the existing neighbourhood plans, the local authority will be obliged to take into account when preparing its local plan.

### **Street votes**

The Bill also provides for new ‘street vote’ powers. The amended Bill which passed through the House of Commons contains details on these powers, replacing the placeholder clause which was in the original Bill. The Bill sets out that a ‘street vote development order’ may provide for the granting of planning permission for development in the street, subject to a number of conditions.

The Government has stated that these street votes would ‘allow residents on a street to bring forward proposals to extend or redevelop their properties in line with their design preferences. Where prescribed development rules and other statutory requirements are

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<sup>38</sup> Ministry of Housing, Communities and Local Government, [Planning for the Future White Paper](#), August 2020.

met, the proposals would then be put to a referendum of residents on the street, to determine if they should be given planning permission’.

The Government has signalled its intention for this reform to promote intensification of housing on existing residential streets, by providing a ‘a positive incentive for neighbours to consider the potential for development, especially in areas of higher demand, and support a gentle increase in densities through well-considered, well-designed and locally supported proposals’.

## **Impact on London**

The Committee welcomes reforms aimed at increasing participation in the planning system, making neighbourhood planning more accessible, and encouraging the intensification of housing. However, the Committee is not content with the limited level of detail set out by the Government on how all of these reforms would function. The Committee therefore has not reached consensus on how effective these reforms will be in fulfilling the Government’s aims.

The Committee supports the ambition set out in the Bill to make the information underpinning planning applications more accessible, and digitising it is one way of contributing towards this. The Committee understands the possible opportunities that digitisation can bring to improve transparency. However, there are many Londoners who are digitally excluded and it is essential that participation in planning goes beyond a passive approach of making more information available online.

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Having that information in a digital format would be helpful, but that implies that something being online is automatically accessible, automatically understandable, and something that people across the board will want to engage in, and that is simply not the case.

### ***Denean Rowe, Project Manager TCPA and Planning Aid***

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With regard to neighbourhood planning, the Committee has a long-standing interest in this issue.<sup>39</sup> As well as providing communities with an opportunity to influence where they live, neighbourhood planning brings communities closer together, and it promotes detailed local knowledge that improves planning.

The Committee agrees with the issues set out in the White Paper about the uneven take-up of neighbourhood plans and the barriers facing different communities in developing neighbourhood plans. London faces particular challenges: the complexity of London’s neighbourhoods means that each borough will contain within it multiple different neighbourhoods, and neighbourhoods can often span borough boundaries. London has

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<sup>39</sup> London Assembly, [‘Neighbourhood planning – progress and insights’](#), 12 March 2020.

more transient populations than the rest of the country, making it more difficult for people to be involved in plan making that takes four years or longer. The Committee is also conscious that three quarters of London's planning authorities do not yet have a completed neighbourhood plan, and that the average time taken between designation of neighbourhood planning forums and referendums on the plans has grown to 64 months.<sup>40</sup> Part of the reason is that the process for developing a neighbourhood plan is demanding, intensive and time-consuming.

The Committee agrees with the aim of making neighbourhood planning slightly simpler and increasing the protection given to neighbourhood plans, but seeks further detail on how neighbourhood priority statements will interact with the current system. At the meeting on 12 October 2022, Angela Koch of Neighbourhood Planners London supported the intention to strengthen neighbourhood planning, but also noted that:

“It is quite unclear how [Neighbourhood Priority Statements] will operate, particularly looking at the various timeframes, because they are supposed to sit under the Local plan. How they then interact with the London Plan is not really explained. Also, what would happen if a Local plan does not get updated every five years? We know that there is an issue with timescales. Where would these Neighbourhood Priority Statements then sit? The architecture of this, how it sits on a timeline and how you would fill the gaps and the delays, I think, would be a really important aspect of looking at this Bill from our point of view”.

In addition, the Committee notes that the Bill's reforms do not set out to improve funding or contribute to capacity building and technical support for neighbourhood planning groups, issues which are critical to improving neighbourhood planning and making it more accessible. A previous Planning and Regeneration Committee report, published in 2020, set out that challenges faced by London in neighbourhood planning involved securing funding and meaningful support from local authorities.<sup>41</sup>

With regard to street votes, the Committee supports the aim of giving a voice to local communities on development in their areas. However, the Committee seeks further detail on how the proposal would work, including a detailed projection of how the street votes approach would deliver more homes, including the need for affordable homes as set out in local plans, and what the role for local authorities would be. During the meeting on 12 October 2022, Joe Dromey emphasised:

“It is an important part of local democracy for local authorities to be able to make decisions on what goes ahead and what does not, and to be held accountable for those decisions”.

The Government should also provide further details on how the street votes approach would work on estates and on streets with mixed building typologies. The Committee is

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<sup>40</sup> Neighbourhood Planners London, [State of neighbourhood planning in London - 2022](#), June 2022

<sup>41</sup> London Assembly, [‘Neighbourhood planning – progress and insights’](#), 12 March 2020.

conscious of the need to balance the needs and views of diverse communities. During the meeting, Denean Rowe emphasised that:

“We are a city of many different people and communities who live side by side. However, just because you live in proximity to someone does not necessarily mean you share the same views on how your area will grow and develop or even how your road should grow and develop”.

## Chapter four: Developer contributions

### Recommendation 8

The GLA should develop detailed analysis on how the Infrastructure Levy could be delivered in a way that responds to the specific conditions in London of high variation in land value and need for affordable housing. This analysis should be incorporated into the Government's future consultation on the details of the Infrastructure Levy.

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### Overview

The Bill sets out plans for a new system of developer contributions. The technical details are to be developed and consulted on at a later stage. While the Committee agrees that the current system is overly complex and causes delays, the Committee is conscious of stakeholders' concerns that the new Infrastructure Levy may introduce further complexity into the process. The Committee supports the Government's plan to roll out the system in a staggered approach and for evaluation at each stage, though the success of the Levy will depend on the technical details which are due to be worked out.

### The Government's proposed reforms

The Bill sets out that an Infrastructure Levy (IL) will be introduced, in order to simplify developer contributions and to 'enable local authorities to capture value from development more efficiently'.<sup>42</sup> This is intended to replace the Community Infrastructure Levy (CIL) – except in London – as well as most developer contributions to local infrastructure via Section 106 agreements.<sup>43</sup>

These proposals are in response to the problem identified by the Government that 'the process for negotiating developer contributions to affordable housing and infrastructure is complex, protracted and unclear'.<sup>44</sup> The aim of the IL is a simple, mandatory, and locally determined Infrastructure Levy where 'more of the money accrued by landowners and developers goes towards funding the local infrastructure – affordable housing, schools, GP surgeries, and roads – that new development creates the need for'.<sup>45</sup>

Unlike CIL and Section 106 arrangements, IL would be mandatory. In addition, IL would not be payable by developers until completion (while CIL is payable upon commencement).

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<sup>42</sup> DLUHC, Policy paper, ['Levelling Up and Regeneration: further information'](#), 11 May 2022.

<sup>43</sup> A *Section 106 agreement* is an agreement between a developer and a local planning authority about measures that the developer must take to reduce their impact on the community. A Section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and contributions from the developer. These measures could include providing affordable housing. It forms a section of the Town And Country Planning Act 1990.

<sup>44</sup> Ministry of Housing, Communities and Local Government, [Planning for the Future White Paper](#), August 2020.

<sup>45</sup> DLUHC, Policy paper, ['Levelling Up and Regeneration: further information'](#), 11 May 2022.

The Government sets out that the IL will be ‘charged on the value of property when it is sold and applied above a minimum threshold. Levy rates and minimum thresholds will be set and collected locally, and local authorities will be able to set different rates within their area’.

A Government amendment also provided that the Infrastructure Levy could also be used on ‘non-infrastructure matters’ such as ‘improving local services’.<sup>46</sup> Jules Pipe outlined the GLA’s concerns with this amendment:

“We need so much more infrastructure in place, whether it is local community infrastructure, social infrastructure or whether it is the contribution to maintaining the general public realm to a good standard - parks, doctor’s surgeries, transport - as well as the affordable housing that we just rehearsed. I do not see how there is sufficient extra cash currently within the system of planning gain to be able to expend that on general services that should be funded through revenue sources of taxation or other revenue incomes. To use the one-off monies that are meant to be generated for infrastructure is completely wrong.”

Section 106 arrangements will be retained for large-scale and complex infrastructure. In London, the Mayoral CIL will be retained, with the effect of allowing charging authorities to continue raising funding for Crossrail.

The new IL will be introduced in a staggered ‘test and learn’ approach, and will be rolled out nationally over several years, with the intention of allowing for monitoring and evaluation.

While the Bill provides a framework for the new Infrastructure Levy, the details will be consulted on at a later stage, and then set out in regulations.

## **Impact on London**

The Planning and Regeneration Committee agrees that the current system of developer contributions is overly complex and puts a lot of risk on local authorities, making it more difficult to plan for delivering necessary infrastructure.

However, with the available details, the Committee is unable to determine whether the new Infrastructure Levy would indeed deliver increased certainty for local authorities, and for developers. Unlike with Section 106 arrangements, the Infrastructure Levy would involve a fixed, non-negotiable charge. During the Committee meeting on 12 October 2022, John Wachter, Strategic Planning Manager – Viability, GLA, stated that while this non-negotiable charge may provide an ‘element of certainty’, that charge would be set as a proportion of the final Gross Development Value (GDV), which would ‘not fully be known for many years down the line’.

The local authority would not therefore be able to rely on a fixed income from a development. As the Infrastructure Levy would be payable on completion of a development,

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<sup>46</sup> [Amendment 196 to Levelling-up and Regeneration Bill](#), UK Parliament. The amendment states that the fund could be used to achieve ‘any purpose specified under section 204O(3) or 204P(3) of the Planning Act 2008’.

local authorities would be responsible for funding any infrastructure required at the start of a development.

The shortfall in infrastructure funding at the start of a development means that it would be harder for local authorities to demonstrate to the community what the gain from the levy would be and what it would be used to fund.

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*Essentially, we are moving from a system with a fixed and knowable return paid on commencement or in phases throughout the development, to one with an uncertain planning gain paid on completion. That has a number of risks for local authorities. First, as was mentioned, having to borrow, if you want to deliver the infrastructure upfront, having to borrow against an uncertain future income in order to deliver that, with potentially having to repay if the incomes are not as big as planned.*

**Joe Dromey, Director  
Central London Forward**

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The details have not been set out by the Government as to when and how the GDV will be determined. In the meeting, John Wachter described that making the IL dependent on valuation raises many issues. It would create a complex and subjective process about what the valuation of a development should be. He stated therefore that the IL would not therefore overcome the problem of lengthy negotiations between developers and local authorities, but would shift these until completion.

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*[...]it is likely that you would need to have at least one but perhaps more valuations for every scheme that is captured by the IL. That then gets you into subjective issues as to what the value of that development will be. It may be that if you have residential units that are being sold you can look at the sales price, but for any components of the development that are not sold, any commercial floor space or build-to-rent development, that means looking at the rents, determining a yield, looking at the gross-to-net value and making a range of valuation assumptions. All of that is likely to be contentious, disputed, and could be subject to gaming in the way that the viability testing takes place now.*

### **John Wacher, Strategic Planning Manager – Viability GLA**

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As the levy rates and minimum thresholds will be set by local authorities, there was discussion at the Committee meeting over how these rates would be set in London where there are a lot of local variations in land value. Meeta Kaur, Partner at Town Legal LLP, stated:

“Either you put [the rates] too low and you do not get enough money, or you put them too high and then you start having problems with viability and schemes not coming forward”.

The Mayor is concerned that because local authorities would need to set standard rates for their areas, this would make some developments less viable, and have a detrimental impact on levels of affordable housing. Jules Pipe stated:

“Setting rates at the level needed to maintain current levels of affordable housing would make less viable developments undeliverable. Conversely, setting lower rates will reduce contributions and therefore benefits to the community”.

Given the lack of detail in the current proposals for the Infrastructure Levy, the Committee is not able to determine whether it would reduce complexity in the current system and fulfil its aims of delivering more developer contributions to local communities. The Committee believes that these issues will only be resolved through the detailed design of the Infrastructure Levy. Local authorities should be able to set rates that respond to local circumstances and equate to the cost of providing affordable housing.

The Committee believes that the Government’s ‘test and learn’ approach is the right one, and recommends that the GLA develops detailed analysis on how the Infrastructure Levy could be delivered in a way that responds to the specific conditions in London of high variation in land value and need for affordable housing.





## Chapter five: Investment zones and major infrastructure

### Recommendation 9

The Planning and Regeneration Committee is seeking clarity from the Government on the plans for the ‘growth clusters’ announced in the Autumn Statement – what impact these will have on London, and whether these will incorporate measures related to planning.

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### Recommendation 10

The Government must incorporate community engagement as a central part of the designation and development of any ‘growth clusters’.

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### Recommendation 11

The Committee seeks confirmation from the Government regarding the future of the Planning and Infrastructure Bill which was announced in the previous Chancellor’s mini-budget of 23 September 2022. The Committee would have significant concerns, if the proposals were taken forward to deregulate planning and deregulate environmental requirements. If any elements of this proposal were taken forward, the Government should ensure sufficient protections for the environment and for community engagement.

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### Overview

The Planning and Regeneration Committee is seeking clarity on the plans for the ‘growth clusters’ announced in the Autumn Statement, what impact these will have on London, and whether these will incorporate measures related to planning. The Committee welcomes the commitment by the Government for the growth clusters to ‘maintain high environmental standards’.

The Committee is also seeking confirmation from the Government whether the Planning and Infrastructure Bill will be taken forward or not. The Committee recognises the ambition to bring forward appropriate development in growth areas, but would have significant concerns about any proposals to bypass meaningful community engagement and commitments to environmental regulations.

### The Government’s proposed reforms

Separate to the Levelling Up Bill, two major announcements relevant to planning were made by the Government under Prime Minister Liz Truss.<sup>47</sup> Former Chancellor Kwasi Kwarteng’s ‘mini budget’, announced on 23 September, set out new plans for investment zones and a new Planning and Infrastructure Bill.

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<sup>47</sup> HM Treasury and Rt Hon Kwasi Kwarteng MP, [‘The Growth Plan 2022 speech’](#), 23 September 2022.

## Investment zones and growth clusters

The investment zone proposals would see zones established in England involving tax incentives, planning liberalisation, and wider support for the local economy. The Planning and Infrastructure Bill, separate from the Levelling Up Bill, would be introduced in order to make reforms to the management of nationally significant infrastructure projects.

The proposed investment zones were also intended to reduce perceived 'unnecessary bureaucratic requirements and processes and red tape that slow down development'.<sup>48</sup> The GLA was one of the 38 local authorities/areas named as having put forward expressions of interest to implement investment zones.<sup>49</sup>

However, under the new Cabinet, Chancellor Jeremy Hunt's Autumn Statement stated in November 2022 that the Government would 'refocus the Investment Zones programme', and that the existing expressions of interest made by local authorities would not be taken forward. The Autumn Statement stated that instead the Government would 'catalyse a limited number of the highest potential knowledge-intensive growth clusters', and that 'the Department for Levelling Up, Housing and Communities will work closely with mayors, devolved administrations, local authorities, businesses and other local partners to consider how best to identify and support these clusters, driving growth while maintaining high environmental standards, with the first clusters to be announced in the coming months'.<sup>50</sup>

The Autumn Statement does not describe whether these 'growth clusters' will include tax breaks for businesses, funding from the Government, or any measures relevant to planning, as was intended for the investment zones. The initial proposals, under the Truss Government, set out that within the zones, 'the need for planning applications will be minimised and where planning applications remain necessary, they will be radically streamlined'.<sup>51</sup>

The Government's consultation on planning reforms published on 22 December 2022 does not mention these growth clusters specifically, though it does set out similar intentions to 'make sure that local plans in every part of the country support new business investment and give existing business, including SMEs, the confidence to expand and grow'. The Government states that it wants to 'make sure that planning policies/decisions support SMEs grow and develop', but does not provide detail on how the planning system would be reformed to meet this ambition.

## Planning and Infrastructure Bill

It is unclear whether the Planning and Infrastructure Bill, announced by Chancellor Kwasi Kwarteng, will be taken forward. The previous Chancellor's intentions for the Planning and Infrastructure Bill as set out in the 'mini-budget' of 23 September 2022, were to 'unpick the complex patchwork of planning restrictions and EU-derived laws that constrain our growth',

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<sup>48</sup> DLUHC and HM Treasury, ['Investment Zones in England' guidance](#), 24 September 2022.

<sup>49</sup> HM Treasury, [The Growth Plan 2022: Investment Zones factsheet](#), 23 September 2022.

<sup>50</sup> HM Treasury, [Autumn Statement 2022](#), November 2022

<sup>51</sup> DLUHC and HM Treasury, ['Investment Zones in England' guidance](#), 24 September 2022.

with regard to major infrastructure.<sup>52</sup> The Treasury said in September that the Bill would: ‘reduce the burden of environmental assessments’; ‘reform habitats and species regulations’; ‘reduce bureaucracy in the consultation process’; and ‘increase flexibility to make changes to infrastructure permissions once they have been submitted’.<sup>53</sup>

While Chancellor Jeremy Hunt’s Autumn Statement sets out plans to invest in infrastructure, it does not mention the Planning and Infrastructure Bill. Instead, the Autumn Statement states that ‘the government will continue to ensure that all infrastructure is delivered quickly through reforms to the planning system, including through updating National Policy Statements for transport, energy and water resources during 2023, and through sector-specific interventions’.<sup>54</sup> In response to a written question to the Chancellor in early November, asking whether he would bring forward a Planning and Infrastructure Bill, the Government did not confirm and stated that ‘further detail on the government’s legislative priorities during the remainder of this Parliament will be set out in due course’.<sup>55</sup>

## Impact on London

### Investment zones and growth clusters

While the original proposals for investment zones have been shelved, it is unclear how the Government’s plans for growth, supported by the planning system, or the ambitions for ‘growth clusters’, would operate.

As the Institute for Government sets out, ‘the concept of creating areas with special exemptions to encourage growth is not new and similar initiatives have previously been rolled out in the UK, many of which are still in operation’.<sup>56</sup> Such an initiative was proposed in the Planning for the Future 2020 White Paper. The zoning proposals in the White Paper, which were later dropped, would have seen local authorities categorising all land in their areas for ‘growth’, ‘renewal’, or ‘protection’. Growth zones would confer ‘automatic’ planning permission to developments, conditional on complying with the masterplan and design codes for the area.<sup>57</sup>

The Committee welcomes the commitment by the Government for the growth clusters to ‘maintain high environmental standards’. However, the Committee would not support proposals for the ‘growth clusters’ if these relax planning permissions in a similar way to the shelved ‘growth zones’ and ‘investment zones’ proposals. Deregulating the planning decision making process would detrimentally affect both civic engagement and the local democratic process, by cutting out community engagement and democratic oversight of application by automatic approvals.

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<sup>52</sup> HM Treasury and Rt Hon Kwasi Kwarteng MP, [‘The Growth Plan 2022 speech’](#), 23 September 2022.

<sup>53</sup> HM Treasury. [‘The Growth Plan 2022’](#), September 2022.

<sup>54</sup> HM Treasury, [Autumn Statement 2022](#), November 2022

<sup>55</sup> House of Commons, Written question, [Planning and Infrastructure: Legislation](#), answered no 10 November

<sup>56</sup> [Investment zones | The Institute for Government](#)

<sup>57</sup> [‘Sweeping reforms will give new schemes ‘automatic’ planning permission’](#), *Architects’ Journal*, August 2020; [‘Planning reforms blamed as Lib Dems shock Tories with by-election upset’](#), *Housing Today*, 18 June 2021.

The Committee's view is that community engagement must be a central part of the designation and development of any 'growth clusters' in London. With the previous investment zone proposals, Jules Pipe stated that the Government gave 'less than a fortnight' for local authorities to make expressions of interest, preventing public input and engagement. Joe Dromey agreed, stating, 'the breakneck speed at which [investment zones] are going means that the ability to consult with local communities is very limited'.

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*One thing we need to remember at the heart of this is that community engagement should be a consistent thing during a big plan for a local area. There is no 'one and done' or a couple of consultations and everything is sorted. As there are different stages of each project, that then brings about a new opportunity for people to engage. I cannot really see a way for you to ring-fence that and have it be successful.*

### **Denean Rowe, Project Manager TCPA and Planning Aid**

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The Committee is also seeking clarity on whether the growth clusters will involve tax incentives, and how these would operate. The Mayor stated that the tax offer in the original investment zone proposals 'might have generated benefits to London, were a long-term business rate retention scheme adopted'.<sup>58</sup> However, the Committee is conscious of research on enterprise zones that while these may increase growth and job creation in one area, this may be achieved by displacement of jobs from elsewhere.<sup>59</sup> During the meeting, Joe Dromey stated:

"If we designate an Investment Zone in London, I am sure we will probably see pretty decent jobs growth in that area; the challenge is that much of that will come at the expense of other parts of London and the southeast... If you put in place policies that artificially divert economic activity to other areas, whilst it can benefit that area, the net impact does not necessarily lead to an efficient economy and to growth that can be widely shared".

### **Planning and Infrastructure Bill**

The Committee is content that the proposal for the Planning and Infrastructure Bill was not repeated in the Autumn Statement. The Committee would have significant concerns, if the proposals were taken forward to deregulate planning and deregulate environmental requirements. If any elements of this proposal were taken forward, the Government should ensure sufficient protections for the environment and for community engagement.

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<sup>58</sup> MQT [2022/4120](#)

<sup>59</sup> Institute for Government, [Investment zones](#), 26 October 2022.



## Appendix: Committee Activity

### Committee meeting on 7 September 2022

As part of its investigation into the future of planning, the Committee spoke to representatives from community groups to consider the impact of the pandemic on different communities of Londoners, and how approaches to planning can address inequalities and reflect the needs of diverse Londoners.

During the meeting, the Committee heard personal accounts of the impact of development, buildings, places and planning on various communities; the different ways people from different groups experience spaces; and the level of trust Londoners have that the planning system will protect and deliver what they need. The Committee worked with Just Space to develop a diverse range of guests and themes for discussion.<sup>60</sup>

Before the meeting, the Committee received a briefing from the GLA Planning for London Programme team. During the meeting on 7 September, the Committee heard from:

- Luke Bruce, Programme Director, London Recovery Board, GLA
- Robin Brown, Representative, Just Space
- Portia Msimang, Project Coordinator, Renters' Rights London
- Florence Nazziwa, Founding Member, Equal Care London
- Natalia Perez, Co-Director, Latin Elephant
- Saif Osmani, Founding Member, Bengali East End Heritage Society
- Yasmin Moalin, Youth Engagement Lead, Anti-Tribalism Movement
- Francesca Humi, Advocacy and Campaigns Officer, Kanlungan Filipino Consortium
- Christine Goodall, Network Coordinator, HEAR Equality and Human Rights Network
- Pat Turnbull, Regional Representative, London Tenants Federation

The Committee also received written evidence from:

- Jane Wilmot OBE, Chair, Hammersmith and Fulham Disability Forum Planning Group (DFPG)

### Committee meeting on 12 October 2022

On 12 October 2022, the Committee held a session with representatives from London and local government, and experts in planning and neighbourhood planning, to discuss the national planning reforms and how they would work for London. The meeting included:

- Jules Pipe CBE, Deputy Mayor for Planning, Regeneration and Skills

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<sup>60</sup> Just Space describes itself as an informal alliance of around 80 community groups, campaigns and concerned independent organisations which was formed to act as a voice for Londoners at grass-roots level during the formulation of London's major planning strategy, particularly the London Plan.

- Meeta Kaur, Partner, Town Legal LLP
- Angela Koch, Neighbourhood Planners London
- Joe Dromey, Central London Forward
- Denean Rowe, Planning Aid for London, part of the Town and Country Planning Association



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### Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

### Greek

*Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.*

### Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

### Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

### Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

### Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

### Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

### Arabic

الوصول على ملخص لهذا المستند بلغتك،  
فجراء الاتصال برقم الهاتف أو الاتصال على  
العنوان البريدي العادي أو عنوان البريدي  
الإلكتروني أعلاه.

### Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઈ-મેઈલ સરનામા પર અમારો સંપર્ક કરો.

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