

LONDON BOROUGH OF CAMDEN	WARDS: All	1
REPORT TITLE: Planning Reform Update		
REPORT OF: Director of Economy, Regeneration and Investment		
FOR SUBMISSION TO Planning Committee	DATE 4 November 2024	
<p>SUMMARY OF REPORT</p> <p>This report provides an update on the new government's proposed changes to national planning policy and wider changes to the planning system.</p> <p>Local Government Act 1972 – Access to Information No documents that require listing were used in the preparation of this report.</p> <p>Contact Officer: Brian O'Donnell, Strategic Lead - Planning Policy and Implementation, 5 Pancras Square, London, N1C 4AG Tel: 020 7974 5502 brian.o'donnell@camden.gov.uk</p>		
<p>RECOMMENDATIONS</p> <p>The Planning Committee is asked to note this report.</p>		

Signed: 

David Burns
Director of Economy, Regeneration and Investment

Date: 23 October 2024

1. Introduction

- 1.1. In late July 2024 the new government published a consultation on proposed reforms to the National Planning Policy Framework (NPPF) and wider changes to the planning system, including increasing planning fees. This report summarises key elements of the proposals and sets out implications for Camden where relevant.

2. Proposed national planning policy reforms

- 2.1. The government's consultation document, 'Proposed reforms to the National Planning Policy Framework and other changes to the planning system', covered a wide range of matters and was accompanied by a revised draft of the NPPF. The proposed reforms seek to take a 'growth-focused approach' to help deliver the government's commitments to achieve economic growth and build 1.5 million new homes.
- 2.2. Key elements of the proposed changes to national planning policy of relevance to Camden are summarised below. Some of the matters covered in the consultation are not directly related to Camden, and are therefore not covered, including the proposed approach to the green belt and the targeted release of 'grey belt' land.

Housing targets / the standard method for assessing housing need

- 2.3. The current, December 2023 version of the NPPF states that the national standard method for assessing housing need should be an "advisory" starting point for establishing local authority housing requirements. The government are proposing that this is amended to state that the standard method is the "mandatory" starting point for planning for homes, although it is clear that the standard method still provides the basis for plan making, not the final housing requirement itself.
- 2.4. The government are also proposing to revise how the standard method is calculated, using housing stock levels (rather than household projections) as a baseline, and removing the cap applied to limit the level of increase for individual authorities. They are also proposing to abandon the 'urban uplift', which adds a 35% increase to the housing targets of the 20 largest urban areas in England (so including London).
- 2.5. Councils will be expected to make "all efforts" to allocate land in line with their housing need as per the standard method. However, they would be able to justify a lower housing requirement on the basis of local constraints on land and delivery but (as now) would have to evidence and justify their approach at local plan examination, demonstrating they have taken all possible steps, including optimising density.
- 2.6. Under the new approach London's housing target is reduced from almost 100,000 to 80,000, while all other regions have an increased target. Currently,

London borough housing targets are set as part of a London-wide exercise to distribute the capital's target through the London Plan, taking into account the capacity of individual boroughs to deliver homes.

- 2.7. Although it is not clear in the consultation document, we understand that London's housing figures will continue to be distributed through the London Plan. Therefore, standard method calculations (which produces unrealistic targets for many boroughs) will not form the basis of London borough housing targets.

Five Year Housing Land Supply / Housing Delivery Test

- 2.8. The supply of sites for housing in local authority areas is measured through an assessment of five-year land supply, while housing delivery is assessed through the Housing Delivery Test. Prior to December 2023, all local planning authorities had to continually demonstrate five years of specific, deliverable sites for housing. Where authorities could not do so plan policies were considered out of date and the presumption in favour of sustainable development and the 'tilted balance' applied. This means that planning permission should be granted unless the adverse impacts would significantly outweigh the benefits when assessed against the policies in the NPPF taken as a whole. The government have stated that they intend to re-establish the five-year land supply requirement for all authorities.
- 2.9. The government also plans to reintroduce a 5% buffer added to all 5-year housing land supplies to ensuring choice and competition in the market. This was removed in the December 2023 NPPF. They also intend to retain application of a further 20% buffer where housing delivery in a local authority area falls to 75% of their housing requirement as measured in the Housing Delivery Test.
- 2.10. The presumption in favour of sustainable development currently applies in Camden as we are unable to demonstrate a five-year housing land supply and because the borough's most recent Housing Delivery Test score (2022) is below 75%. The proposed buffers to the five-year land supply will increase the likelihood that Camden will remain subject to the presumption.
- 2.11. The Council has previously set out objections to the Housing Delivery Test, pointing out that housing delivery is the result of developers bringing forward sites, which is not something that councils can control, and therefore the Test penalises councils unfairly.

Presumption in favour of sustainable development

- 2.12. The government propose to amend the presumption in favour of sustainable development in the NPPF to:
- clarify that the policies relevant to triggering the presumption are only those for the supply of land;
 - add explicit reference to the need to consider locational and design policies, and policies relating to affordable housing, when the

presumption is engaged, to ensure the presumption cannot be used to justify poor quality development.

It is considered that these proposed amendments provide helpful clarification.

Affordable Housing

- 2.13. The government's stated aim is to deliver the biggest increase in social and affordable housebuilding in a generation. It proposes:
- removing the requirement to deliver at least 10% of the total number of homes on major sites as affordable home ownership;
 - removing the requirement that a minimum of 25% of affordable homes secured through developer contributions should be First Homes;
 - adding an expectation that councils should consider the need of those who require social rented homes when setting affordable housing policies.

The proposals are consistent with the existing approach of Camden and the GLA and are therefore welcomed.

Brownfield Development

- 2.14. The proposed changes to the NPPF include additional wording that states that proposals on "*suitable brownfield land... should be regarded as acceptable in principle.*" The Council's response to the consultation pointed out that it is important that the appropriateness of a particular development scheme is properly assessed (in terms of the proposed uses, impact on amenity and heritage, design etc.) regardless of its location. As almost all development in Camden is on brownfield sites, the proposed wording could hamper the Council's ability to apply its planning policies to achieve good development and meet priorities. We consider that the proposed wording be amended to state that suitable development proposals for brownfield land are acceptable in principle subject to consideration of relevant policies and designations.

Laboratories, Digital Infrastructure etc.

- 2.15. Specific support in the NPPF is proposed for uses such as laboratories, digital infrastructure, freight and logistics. The proposed changes seek to create an expectation that local plans identify suitable sites for these uses. The consultation asks whether respondents would support laboratories being one of the types of development that could be directed on request into the Nationally Strategic Infrastructure Planning (NSIP) consent regime.
- 2.16. Under the NSIP regime, applications for nationally significant infrastructure projects are made to the Planning Inspectorate for a Development Consent Order (DCO), rather than made to a local authority for planning permission. If laboratories are brought under the NSIP regime, depending on the threshold applied, some applications for such uses in Camden may be dealt with through an application directly to Planning Inspectorate. This would prevent the Council securing appropriate benefits for Camden's communities through its decision on a planning application.

Plan Making

2.17. The planning reform consultation confirmed that the government intends to implement the new plan-making system as set out in the Levelling Up and Regeneration Act from summer or autumn 2025. To be considered under the existing system, plans will need to be submitted for examination no later than December 2026; a significant extension to the current deadline of the end of June 2025. The emerging Camden Local Plan and Euston Area Plan will be submitted prior to the deadline.

Other Matters

2.18. Other matters proposed in the consultation include:

- a 'vision-led' approach to transport planning rather than a 'predict and provide' approach. Updated guidance on this is promised;
- amendments to direct decision makers to give significant weight to the benefits associated with renewable and low carbon energy generation, and a proposal's contribution to meeting a net zero future;
- removing references to 'beauty' and 'beautiful' in the NPPF while retaining references to well-designed buildings and places;
- making it clear that all upward extensions, not just mansard roofs, are strongly supported;
- removing the requirement for district-wide design codes, with focus to be on the preparation of localised design codes, masterplans and guides for areas of the most change and potential.

These proposals are broadly welcomed and largely reflect comments made by the Council in its responses to previous government consultations.

3. Changes to Planning Application Fees

3.1. The consultation recognised that authorities need to be appropriately resourced if they are to provide a high-quality planning service and made timely planning decisions. It also recognised that current planning fee levels do not cover the full cost of assessing applications, despite an increase at the end of 2023. We welcome fees being revisited and the acknowledgment that if councils are to provide a quicker service and not reduce the quality of decision making, they need the resources to do so.

3.2. The government have proposed that the fee for householder applications should be increased to £528, which they estimate meets broad cost recovery levels and would represent less than 1% of the average overall costs of carrying out the development. This is welcomed.

3.3. The consultation asks whether there are applications for which the current fee is inadequate and whether there are application types for which fees are not currently charged but which should require a fee. The Council has previously lobbied the government on the issue of fees not covering the cost of assessing

applications. In particular we have highlighted that the fee for Section 73 applications is inadequate. Although these can include significant changes to major development proposals the fee is less than for an application for a rear extension to a house. We also consider it reasonable that applications for consent relating to listed buildings and trees should carry a fee, which they currently do not.

- 3.4. The consultation asked whether local authorities should be allowed to set their own fees to achieve cost recovery or whether there should be a nationally set default fee which local authorities could vary. We would support the ability to apply a local variation or weighting to a national fee. Although local fee setting sounds attractive in principle, it could be time consuming and complex for councils to put in place.
- 3.5. The consultation also asked whether statutory planning fees should be increased, beyond cost recovery to fund wider planning services. Currently, the fee system ignores a lot of the work that has to be undertaken by a local planning authority, such as plan-making, enforcement, heritage and conservation, and design. These are as important as the assessment and determination of planning applications in ensuring we create great places to live and work. If planning authorities are to be able operate effectively, to protect and enhance the built environment, and to deliver homes and economic benefits, then they should be fully resourced, either through increased planning fees to cover all relevant work or through alternative funding.

4. Other related announcements

- 4.1. The government made a number of other announcements alongside the proposed changes to national planning policy and fee setting. These are summarised below.

Changes to Local Plan Examination Procedures

- 4.2. In response to a significant increase in the average length of local plan examinations in recent years (although with much variation), the government has written to the Planning Inspectorate to instruct them to limit the ability for work to be carried out during the examination of a local plan aimed at resolving 'soundness' issues. This applied with immediate effect.
- 4.3. This approach will reduce the average length of plan examinations but will lead to more plans being found 'unsound' at examination or being recommended for withdrawal. Authorities would then have to bring forward a new version of their plan. The change will reduce the opportunity to make amendments to the Camden Local Plan and Euston Area Plan at the public examination stage.

Infrastructure Levy

- 4.4. The government has confirmed that it is not implementing the Infrastructure Levy to replace the community infrastructure levy and section 106 agreements

as provided for in the Levelling-up and Regeneration Act. This is strongly welcomed. Similar to most other respondents to consultation on the Infrastructure Levy carried out last year, the Council's considered the proposed system would be highly complex and create uncertainty, with significant doubts over whether it could operate successfully or deliver necessary infrastructure.

Other Matters

- 4.5. The government have also announced that they will introduce a Planning and Infrastructure Bill that will, among other things:
- reform planning committees so that they “focus their efforts on the applications that really matter”. Further details on this are awaited;
 - further reform compulsory purchase compensation rules on what is paid to landowners so that it is fair but not excessive.

5. Next steps

- 5.1. Consultation on the proposed changes to planning policy and wider changes to the planning system closed on 24 September 2024. A Council response was submitted following briefing of the Cabinet Member. In addition to responding to the questions asked, we also took the opportunity to reiterate some of the views expressed by the Council to consultations carried out by the previous government, in particular on climate change, changes to the system for preparing local plans, national development management policies, short term lets, and powers to assist councils to remove redundant telephone boxes.
- 5.2. The government have stated that they are aiming to respond to the consultation and publish the revised NPPF by the end of the year. No timings have been given in relation to most of the other proposals outlined in this report.

6. Finance Comments of the Executive Director Corporate Services

- 6.1. There are no Finance comments on this report.

7. Legal Comments of the Borough Solicitor

- 7.1. There are no Legal comments on this report.

8. Environmental Implications

- 8.1. There are no environmental implications of this report.

REPORT ENDS