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Local Trust submission – ‘Planning for the future’

This response feeds back the views of Big Local partnership members and workers who have contacted us about the White Paper and the likely impact of its proposals on their communities. A number participated in a workshop and seminar session to explore the key themes in the paper and what it means for community power, together with planning experts, and two senior MHCLG officials: Joanna Averley, Chief Planner and Andy Von Bradsky, Head of Architecture.

This submission has also been informed by research with five communities examining their experience of working with developers called *‘Developing Potential: Lessons from community experiences of regeneration’*. However, it is not a statement of Local Trust policy, rather it is a summary of the issues that have emerged in our research and consultation work with Big Local partnerships themselves.

Local Trust submission – ‘Planning for the future’

Questions

1. What three words do you associate most with the planning system in England?

Community, Democracy, Housing.

2. (a) Do you get involved with planning decisions in your local area?,

No.

(B). If no, why not?

Local Trust is a registered charity set up to administer Big Local – a National Lottery Community Fund funded programme. Big Local provides £1.15m to each of 150 resident-led partnerships across the country which they are able to use to improve their areas on the basis of spending plans agreed with their local community. The programme was launched in 2012 and is set to end in March 2026.

Many Big Local partnerships are involved in local planning decisions, having set up housing schemes, taken over buildings or created community spaces and parks. Local Trust offers light-touch support, advice, and guidance to the partnerships and is therefore not itself directly involved in those planning decisions.

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3. Our proposals will make it much easier to access plans and contribute your views to planning decisions. How would you like to find out about plans and planning proposals in the future?

[Other – please specify]

Residents in Big Local areas who have engaged with the planning process feel that it is important that decisions about plans and planning proposals are communicated to residents both digitally and via traditional methods, to ensure that all residents are able to understand what is happening and can influence decisions in their area.

Many residents in Big Local areas, which are often located in deprived areas or communities on the periphery of towns or cities, do not have access to or read traditional news media, making it preferable to put planning decisions online in some instances. However, a significant number of residents in those communities are excluded from the internet and unable to access online information easily.

The extent of this 'digital divide' has become apparent during COVID-19. Less affluent residents in communities classified as having been 'left behind' appear the most affected.² We have heard from resident-led Big Local partnerships across the country that many families do not have laptops or tablets and those with phones often rely on pay-as-you-go sims for data which can make internet access expensive and sporadic. As one resident stated, "reaching hard to reach communities will take more than a digital approach."

It is imperative that less affluent communities have access to plans and planning decisions so that they can be part of the change happening in their neighbourhood. This will require a multi-platform approach that encompasses digital and traditional communication strategies as well as a comprehensive programme of community outreach.

4. What are your top three priorities for planning in your local area?

[Building homes for young people / building homes for the homeless / Protection of green spaces / The environment, biodiversity and action on climate change / Increasing the affordability of housing / The design of new homes and places / Supporting the high street / Supporting the local economy / More or better local infrastructure / Protection of existing heritage buildings or areas / Other – please specify]

Residents from Big Local areas taking part in workshops and research associated with this response highlighted the following as priorities:

- Increasing the affordability of housing

¹ '*Developing Potential: Lessons from community experiences of regeneration*, Local Trust, 2020.

² *Left behind? Understanding communities on the edge*, Local Trust, 2019.

- More or better local infrastructure
- Protection of existing heritage buildings or areas

Recent Survation data, focusing on the views of residents in Left Behind communities showed significant numbers of people prioritising the provision of:

- Places to meet; and
- Sports/leisure facilities

as most important to improving their communities.³

5. Do you agree that Local Plans should be simplified in line with our proposals?

[Yes / No / Not sure. Please provide supporting statement.]

No. The current recommendations to embed community engagement only in the first six months of the process undermines the power and impact that communities can have across the lifecycle of the development process.

If the government wants to develop “best in class” community engagement practices, then the process of developing a Local Plan needs to be centred around the needs and aspirations of the entire community across the full cycle of the planning process, not just during an initial 6-month period. This is the only means of securing inclusive, long-term prosperity for, and the buy-in of, residents and businesses. The current proposals risk making Local Plans inflexible to the changing needs of residents and businesses. It risks becoming a process whereby decisions made ex ante are imposed upon a community, weakening trust in the system and producing suboptimal outcomes for everyone.

It was noted by both partnership members and planners that it is often the local knowledge of residents that enables developers to address previously unforeseen issues. For example, one community in Southampton noted that when their football stadium was moved, residents were able to step in and highlight the need for a footbridge to ensure that the new stadium did not block access and split the community in two. Such issues tend to become apparent during the development as opposed to during the planning stages. Frontloading community engagement risks missing these sorts of vital interventions.

Similarly, by prioritising community engagement throughout the entire development process, councils and planning authorities can be responsive to the ongoing needs of residents, provide opportunities for previously unheard views to be heard and take account of changes to local businesses. Big Local partnership members voiced concerns that the current proposal for a 6-month cut-off for community participation may provide a loophole whereby changes could be imposed without community agreement if they did not voice concern within that time period. As one put it, developers could come in and say “well, you had the chance to engage in the planning process so tough luck”. Such a process would render communities powerless.

13(a). Do you agree that Neighbourhood Plans should be retained in the reformed planning system?

[Yes / No / Not sure. Please provide supporting statement.]

Yes. Neighbourhood planning is a vital means for the local community to set out their vision for their neighbourhood, improving areas over the long term and promoting social cohesion. In addition, our experience with Big Local partnerships suggests that most resident-led community groups will prioritise housing, environmental sustainability, shared spaces/places to meet and other socially productive outcomes for their area. Neighbourhood planning has the potential to become a key tool for strengthening local democracy, providing residents with a voice to decide what happens in their areas.

³ ‘Left behind’ areas missing out on community facilities and places to meet, Local Trust/Survation polling, 2020.

Similarly, Neighbourhood Plans can provide an insight into the local area that Local Plans might miss. For example, research by the University of Reading found that Neighbourhood Plans allocated 18,000 housing units above those detailed in Local Plans across 139 plans in total. In this way, Neighbourhood Plans are able to identify need and successfully allocate resources at a micro-level that Local Plans alone might miss. They clearly work to meet the needs of residents and complement the vision of Local Plans.

13(b). How can the neighbourhood planning process be developed to meet our objectives, such as in the use of digital tools and reflecting community preferences about design?

Our consultation and research indicate that efforts should be made to increase the capacity of residents to engage with and develop Neighbourhood Plans. Significant investment is needed in outreach to ensure that all communities can engage with the process and to support residents to navigate the bureaucracy of the planning system.

The technical knowledge and time needed to complete a Neighbourhood Plan mean that it tends to be the 'usual suspects' who take the lead. The result is that the needs of marginalised groups are often ignored. And in 'left behind' neighbourhoods, a lack of the social infrastructure - in the form of places and spaces to meet and community activity - that is essential to support collective decision-making means that it is next to impossible for the residents to develop a Neighbourhood Plan.

To ensure Neighbourhood Plans are a feasible option for all communities across the country investment should be made to broaden community engagement and to build capacity in the most 'left behind' communities. This begins by investing in the social infrastructure needed to enable communities to come together and make decisions. Otherwise, the planning process will remain inaccessible for hundreds of communities across England.

Neighbourhood Plans should take legal effect as soon as the referendum has been held, rather than at the behest of the local planning authority. Once a Neighbourhood Plan has been adopted it should take precedence over other planning tiers, as it represents the views of residents and local businesses in that area. This is particularly important given the new proposals for the different criteria of development in growth, renewal and protected zones.

Local planning authorities should not be allowed to designate a neighbourhood into a zone that contravenes the wishes set out in a Neighbourhood Plan. In addition, if the Neighbourhood Plan is completed after the new 30-month timeframe for Local Plans, it should still be implemented as is and the Local Plan altered accordingly. This is the only way to ensure that communities are given enough of an incentive to engage with the planning system. They are unlikely to want to engage in developing Neighbourhood Plans without legal assurance that their efforts will be rewarded.

Finally, the new system must not overrule the Neighbourhood Plans that have been adopted under the current system. Rather, the new measures should take effect after the end of the period allocated in the current Neighbourhood Plan.

21. When new development happens in your area, what is your priority for what comes with it?

[More affordable housing / More or better infrastructure (such as transport, schools, health provision) / Design of new buildings / More shops and/or employment space / Green space / Don't know / Other – please specify]

More or better infrastructure, particularly 'places to meet' and community facilities, such as community centres, libraries, parks, leisure centres, youth clubs, and pubs. Under any development plans, Local Planning Authorities (LPA) should equally prioritise housing supply and local social infrastructure.

22(a). Should the government replace the Community Infrastructure Levy and Section 106 planning obligations with a new consolidated Infrastructure Levy, which is charged as a fixed proportion of development value above a set threshold?

[Yes / No / Not sure. Please provide supporting statement.]

Not sure. Big Local partnerships support the government's objectives to create a simpler, rules-based, non-discretionary, and faster process for extracting developer contributions. Additionally, we back the stated ambition 'to raise more revenue than under the current system of developer contributions and deliver at least as much – if not more – on-site affordable housing as at present'.

However, concerns were raised in our consultation about the proposed mechanism for achieving this – by scrapping the existing Community Infrastructure Levy (CIL) and Section 106 Planning Obligations and replacing it with an all-encompassing Infrastructure Levy.

A number of specific points were made about the consolidated Infrastructure Levy:

Include a value-based minimum threshold below which the levy is not charged

The white paper says that where land values are low and new planned developments don't lift the value above the threshold, no levy is paid. With developments being of much greater value in London and the southern regions of England, levy payments will be far more substantial in these areas compared to deprived and 'left behind' places. The government's plans to temporarily reduce S106 affordable housing requirements on sites of up to 40 or 50 units, will also mean smaller to mid-size developments not being subject to the levy.

This may reduce the local council's ability to create essential social infrastructure in areas that need it most, impacting places with struggling or weaker local economies. Rather than level up, these changes risk exacerbating regional and local inequality in provision.

Be levied at point of occupation

Under the current system, both CIL and Section 106 levies are usually levied prior to commencement, allowing LPAs to plan, prepare, and invest any monies in required social infrastructure.

Moving to a system where levy payments will only be due upon completion of a development will mean local councils would have to finance any upfront social infrastructure for a site.

The white paper makes clear that local authorities will be able to borrow against future revenues to fund this, but these revenues are by no means certain, and come with added drawbacks, such as incurred interest. For example, LPAs may borrow against assumed future levy payments to fund the development of vital social infrastructure with a large housing project, such as a community hub or school. But as they are having to borrow money, they will incur interest charges, thereby depressing the amount available to invest in these vital local community infrastructure and assets.

Compounding this further, is the impact of inflation, which may have a particular effect with projects and developments taking place over a number of years. In other words, the levy payment agreed during the planning permission stage will be worth less in real terms on payment upon occupation.

22(b). Should the Infrastructure Levy rates be set nationally at a single rate, set nationally at an area-specific rate, or set locally?

[Nationally at a single rate / Nationally at an area-specific rate / Locally]

Locally.

22(c). Should the Infrastructure Levy aim to capture the same amount of value overall, or more value, to support greater investment in infrastructure, affordable housing and local communities?

[Same amount overall / More value / Less value / Not sure. Please provide supporting statement.]

More value. The current system allows LPAs to secure developer contributions through S106 agreements, both cash and in-kind, and through the Community Infrastructure Levy (only cash). In 2016/17, a study commissioned by MHCLG found developer contributions through CIL were worth nearly £1 billion.

Under this new consolidated system, the first obligation of the Infrastructure Levy payments will be to finance affordable housing. After this has been discounted, the money that 'remains', we assume, will be used for supporting the costs to the community and the development of social infrastructure.

However, there is a concern that the level of investment communities currently receive for the upkeep and improvement of their neighbourhoods associated with new developments, will be cut.

A number of questions have not been addressed in this White Paper. What assessment has the government made of levy payments going directly to social infrastructure? Will areas get more or less money for social infrastructure under the new system? In areas with low land values where developments fall below the threshold, how will they secure money to support social infrastructure?

25. Should local authorities have fewer restrictions over how they spend the Infrastructure Levy?

[Yes / No / Not sure. Please provide supporting statement.]

Yes, they should. However, the needs and aspirations of communities should be foregrounded.

Under the current system, communities with a Neighbourhood Plan in place, receive up to 25% of the revenues from levy payments linked to developments they have approved. The money goes straight to parish and town councils and can be used for vital social infrastructure such as building a new community centre or taking ownership of a local asset, like a pub. Those areas without a neighbourhood plan can receive a maximum share of 15% of the levy arising from development in their area.

The view is that these measures do not go far enough in empowering communities and ensuring they have a real say in the development process within their neighbourhoods. This is principally because the levy payment is only available to parish or town councils which many areas, particularly the most deprived and 'left behind' lack.

The new proposed Neighbourhood Share should be available to designated community groups in addition to parish and town councils, particularly in areas where such established structures do not exist. Local Trust's delivery of the Big Local programme, which is supporting 150 resident-led partnerships has proven that this model of trusting local communities works.

Local Trust polling research commissioned from Survation in 'left behind areas' - these are places that are not only highly deprived but also lack social infrastructure and assets – demonstrates both that residents believe that local people should lead decisions about how funds for their areas are spent and also the value they place on local social infrastructure. It suggests that communities would like to have much more power and control over resources earmarked for the development of their neighbourhood.

While it is very welcome that the White Paper confirms that the "Neighbourhood Share would be kept". It is not clear though if that means guaranteeing the same 25% share as part of the new combined Infrastructure Levy. The view is that this share should be guaranteed.

About Local Trust

Local Trust is a place-based funder supporting communities to transform and improve their lives and the places where they live. We believe there is a need to put more power, resources and decision-making into the hands of local communities, to enable them to transform and improve their lives and the places in which they live.

We do this by trusting local people. Our aims are to demonstrate the value of long term, unconditional, resident-led funding through our work supporting local communities make their areas better places to live, and to draw on the learning from our work to promote a wider transformation in the way policy makers, funders and others engage with communities and place

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