

## Localism in London: A new sort of planning

Stephen Ashworth

SNR DENTON 

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Planning faces a period of fantastic change, challenge and opportunity. Here Stephen Ashworth, a Consultant at SNR Denton, considers the implications for London of proposed reforms and recommends that the proposed "radical reboot" of planning offers a real opportunity to reinvent the planning system, redefine communities, and re-energise and rebalance local government.

### Introduction

The Conservative Green Paper, *Open Source Planning*, promised a radical reboot of the planning system. Initially, no one believed this. The dismantling of regional planning started to persuade. Emerging positions on the Coalition's new homes bonus, tax increment financing and the re-structure of plan making makes it similarly clear that change will come. Whatever the "benefits" of the old system we all need to help to craft the new.

This Policy in Focus Paper considers the nature of the potential changes in three areas: development plans, in the marriage of planning with tax and in the scope of development control. Taken together, and developed, the results could be energising. Conversely, if we cling to the wreckage of a system that we never much loved we will all be poorer.

### Development Plans

Communities and Local Government Secretary Eric Pickles has said that "*localism, localism and localism*" will, in the future, underpin the planning process. Plans will be built from the bottom up. It is likely that under the Decentralisation and Localism Bill the country will be divided into neighbourhoods, and local communities will be asked to plan, and settle their vision for their areas. This is all part of the Government's Big Society agenda, which aims to re-engage people with the political process. We will all have a chance to shape the future of the places within which we live, if not those in which we work. Plans will be more local, and more participative. Local authorities will act as ring-masters, bringing together and co-ordinating the plans so that they create a coherent whole. This is an exciting prospect.

Inevitably there will be some challenges. Not all areas easily subdivide into neighbourhoods. There is a danger that barriers will be created rather than torn down. While identity is important it should not be exclusive or territorial. The nature of communities will need to be redefined. At the moment thought is focused far too much on individuals; on individual voters. Communities should be much more than this. They should include social enterprises. They should include businesses. They should include those who do not presently have a vote. They should include those who want to live or work in an area but who presently cannot. The planning process will have to become more sophisticated in order to hear and understand the voices of this broader community.

Indeed, the mandate for local authorities may need to change to be able to respond adequately to the whole community. Maybe we should look at changing local authority boundaries both to reflect the conclusions on neighbourhoods and the reality of the "natural economic areas" that underpin Local Enterprise Partnerships? Are boundaries set in Victorian times and last revisited by Redcliffe Maud in 1974 fit for purpose in the teenage years of the third millennium? Perhaps we should think afresh about how councillors are elected? Should some councillors be elected by a business vote, maybe on a modified basis of the approach used for Business Improvement Districts? Should the term of office for councillors be changed, giving some a longer term so that they are better able to take a more strategic view. Should there be an ability for neighbourhoods, or groups of neighbourhoods, to promote a ballot to elect additional councillors so that the numbers can change (and the balance of power can change) over time? If planning is going to respond to the whole community then local authorities, whose role will be pivotal in the new planning environment, may also have to change the basis on which they represent the communities.

If local communities are going to plan then they will need to be properly informed. For example, we will probably have to reinvent the process of deciding how much new housing is genuinely needed. Existing strategic housing market assessment processes are, probably, too demand driven, an issue already raised by the GLA. In the context of affordable housing, a better understanding of housing need is required. This will have to be informed by a far better understanding of the existing stock and, in particular, how it could be best used. Local communities will have to face up to issues about the need to make provision for their children and relatives, whether they are occupying houses larger than their immediate needs and whether housing that could be used is in an adequate condition. A real challenge will be how to make this material available accessibly so that it can genuinely be used.

The new local plans cannot be prepared in isolation, by neighbourhoods in defensive silos. We are promised "national standards", in relation to issues such as design and energy. The sooner that drafts are published, for debate at least, the better. There will be an ability for local communities to define, for themselves, what they mean by sustainable development in their area. This will, necessarily, have to take account of local needs and, in most cases, should mean that provision has to be made to meet those local needs. It will be important for the government to set the tone of the debate on sustainable development, perhaps by outlining what it means by the term. This will have to encourage people not to inhabit selfish communities looking only to their immediate and present amenity concerns, but to think more broadly about the future and about economic development. One of the real challenges will be to think how developments of a strategic scale should be promoted. Outside London, Local Enterprise Partnerships may be the best immediate means of doing this; inside London the answer is less obvious.

A restructured and re-mandated local government encouraging and facilitating local people to plan for themselves and, critically, for others is a vision worth striving towards.

## Planning and Finance

Any new plans will have to be funded. There has always been an artificial distinction between "proper planning", and financial issues. It is incredible that until PPS12 there was no real pressure, other than commonsense, to co-ordinate infrastructure and development planning. Until recently, plans rarely looked at the economic viability and deliverability of the planned growth. This will now change.

The proposals for the new homes bonus, for a similar business rates based bonus and for Tax Increment Financing will start to bridge the historic divide between planning and cash. In each case local authorities will benefit financially if they are able to secure growth. In a genuinely localist world we would not be talking simply about central bonuses, but about the re-localisation of tax powers. After all, if local communities are to be encouraged to have a vision for their area, they ought also to have some financial responsibility, in part at least, for financing it.

However, the various bonus regimes will emerge in a very different financial landscape. Local authority budgets will be savaged over the next few years. Although the bonus systems have been criticised for offering too little too late, and for not lasting long enough, they will still represent one of the few means by which local authorities can secure more funding. An additional thousand homes will have a million pound plus annual revenue implication. In many cases that will change the balance of decision-making; and quite rightly so. The challenge will be to make sure that local communities, who will still want to see local authority services being provided, recognise that those services may be dependent on securing development. Critically, this means going beyond the pure planning process since bonuses will not be paid until homes are delivered. Granting consents in areas in which there is no demand will help no-one. Authorities will need to facilitate development.

Also on the financing side we are likely to see the resurrection of the Community Infrastructure Levy. The beast will, undoubtedly, be re-christened. It will probably be called a tariff but, in structure, it is likely to mimic and will rely on the CIL legislation. Some changes are necessary. It will, probably, be made more similar to the local plan regime and less semi-detached. It will, probably, be clear that other planning benefits will be cut back. This will help clarify the financial consequences for, and contributions from, new development. It may also help to make the development control process more transparent and accountable. The son of CIL should make the planning process more efficient since less time will be wasted on planning agreements which will be left simply to deal with affordable housing. Culturally, that may help in making the whole process rather less adversarial.

It is obvious that the plan-making and planning processes should be closely allied to the financial consequences of those proposals; and vice versa. Again, the vision is one that should be embraced and, ideally, pushed further so that there is even greater local fiscal autonomy.

## Development Control

Happily, development control will change. There will be a strong presumption in favour of sustainable development. Some development may, indeed, fall outside (at least partially) the planning system – schools and proposals by local housing trusts. Development that meets no local objection will be permitted as of right. Local variations to permitted development rights will be allowed. The emphasis seems to be on creating a far broader class of development that can simply be built. This approach should be lauded. There is far too much angst and interference in projects that do not really need to be controlled. Taken to its extreme, localism could mean that individual property owners can do what they want with their property unless there is a real adverse effect – maybe an effect at a level identified in a local plan? Perhaps we will return to a position where permission is granted (or not required) unless there is "harm to an interest of acknowledged importance"?

If localism is to work at the development control level then it requires communities to be better informed. Some of the proposals on consultation and involvement will help to achieve this, building on present best

practice. More important, perhaps, is to make the material supporting applications more accessible. At the moment it is far too professionalised, far too technical and, in large part, unnecessary. Most environmental statements (and virtually all strategic environmental assessments) are an exercise in self-proclaimed redundancy, with chapter after chapter saying that there are no likely significant environmental effects. Many planning statements and design and access statements serve only to repeat and confuse. It would be far better to identify the key issues and to deal with them shortly. If the critical benefits and effects of a development cannot be explained in 10 pages then there is probably insufficient clarity about the proposal. Mandatory limits, and restrictions on judicial review, would help properly informed decisions to be taken, and taken more quickly.

There are some challenges and illogicality around some of the Government proposals. Third party rights of appeal are an apparent anomaly. If localism is justified then a local decision to permit development should not easily be overturned. Restrictions on appeals may be justified but cannot sensibly be introduced until the new style local plans are in place and then only if the challenge of dealing with strategic sites has been solved.

The proposed changes offer the chance to change the culture of development control. In an environment of positive plans the focus should be on asking why development should not be permitted, and focussing on critical issues rather than the present tedious process of considering the justification for a development.

### Change in the London Context

In London the challenges will be how to persuade and inform local communities about the scale of change that is required. New homes are needed, at least in part in a cosmopolitan city for in-migration. New development is needed to accommodate new jobs. Large areas need to be redeveloped and, in the process, some communities will be displaced, at least temporarily. Dealing with local responses to these wider needs will be a challenge for all.

The balance of power in London will change over the next decade. Communities will have more power, at least power of persuasion. Businesses will have more power as a means of providing a LEP like voice are explored. Already ideas of shared personnel and shared services across local authorities are being examined and implemented. This will continue and will doubtless lead to a changed landscape within which planning decisions are taken.

Given the potential pace of change in London, the capital should continue to be at the forefront of redeveloping the planning system. As London has led with Mayors, congestion charging and funding mechanisms for Crossrail it should also lead with new attitudes to planning. To deliver a workable city we all need to make sure that we take advantage of the opportunities offered.

### Conclusion

The proposed "radical reboot" offers a real opportunity. We can reinvent the planning system. We can redefine communities, and ensure that they engage better. We can re-energise and rebalance local government. We can retool the planning process, and make it more focused on those decisions that need to be taken. We can focus on the information that is genuinely important, and perhaps lose some of our fear about information that is too often irrelevant. We can marry the planning and tax regimes, and learn some economic literacy along the way.

This is a fabulous time to be involved in planning. With imagination and courage on the part of everyone, the Government's "reboot" could lead to new hard-ware and new software; 1947 revisited and rekindled for a different society. The danger is that we just get an upgraded version of the same old bug ridden system that we have laboured with over the past few decades.

Stephen Ashworth is a Consultant at SNR Denton UK LLP – <http://www.snr Denton.com/>