

Insights

CAN A STARMER GOVERNMENT DELIVER MEANINGFUL PLANNING REFORM?

THE SUNLIGHT OF HOPE?

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SUMMARY

Labour's landslide victory marks the end of 14 years of Conservative rule and heralds a new era. But once the champagne corks have stopped popping at Labour HQ, the new Government needs to roll up its sleeves fast and steer a stagflation economy onto a path of dynamic growth. Is it time for developers to be optimistic?

Planning will be a priority. Government knows there is not a lot in the kitty and, with higher interest rates, borrowing to spend on new initiatives will be prohibitive. Loudly trumpeted policies and legislation have always been one of the few ways any new Government can be seen to try and stimulate growth, without literally breaking the bank. All recent governments have tried to do the same.

That said, Labour's self-styled pro-growth manifesto contained some bold and ambitious, rather than radical, proposals for planning reform. However, like most of the manifesto, the proposals were opaque and lacked detail. Will Labour seize the mandate of its decisive majority to go further than promised? Perhaps.

We can expect to see some important changes over the next weeks and months as the new Government takes its first steps.

IMMEDIATE CHANGES

Pre-election promises to introduce planning changes 'immediately' are expected to be acted on, but they are likely to be limited to pulling existing planning levers: think lots of policy; not legislative change. Those kinds of policy changes could still have an important impact, but not as much as legislative changes, which would take longer (years rather than months) and could be more contested. Will a Starmer Government get its ducks in a row for any planning bills in the King's

Speech scheduled for 17 July? We'll be taking bets, along with guesses for the expected umpteenth renaming of the Department for Levelling Up, Housing and Communities.

POLICY SHIFT

Starmer's marshalling of the Labour party back to centre ground was instrumental to its electoral victory. And yet the proposed return of a centrally set housing strategy, more strategic planning, more planning powers in Government control and an apparent de-powering of localism all bear the hallmark of left-of-centre planning policy.

WRITTEN MINISTERIAL STATEMENT

Publication of a Written Ministerial Statement (WMS) has been suggested in the forthcoming days to clarify the direction of travel and the new Government's expectations. It is likely to cover local plans – with a clear requirement for councils to have an up-to-date local plan in place or face possible sanctions (the manifesto promised 'tough action'), the reintroduction of mandatory housing targets and emphasis on the importance of housing and affordable housing delivery.

NATIONAL PLANNING POLICY FRAMEWORK

The promised 'immediate' updates to the National Planning Policy Framework (NPPF) are expected to be published in draft for consultation by the end of July, and in full by the end of the year.

They are expected to include the reintroduction of mandatory housing targets (reversing last December's changes which made housing targets an 'advisory starting point'), strengthening of the presumption in favour of sustainable development for plan-making and decision-taking and stronger cross-council strategic spatial planning arrangements.

What we don't have is any indication of the detail or whether other changes will be made at this stage. For example, the criteria for applying the presumption in favour of sustainable development. Will environmental impacts always displace the presumption? Or encroachment into the Green Belt? This will have to be carefully prescribed otherwise the battleground for delivery will not be avoided but simply relocated.

We will be carefully analysing the detailed changes to the NPPF that emerge over the coming weeks and report on what they mean.

GREEN BELT/GREY BELT

Labour's pre-election pledges for Green Belt reform were their most striking, speaking to a younger generation finding it increasingly hard to get onto the housing ladder and considered more likely to vote red. Until now, an area considered too politically toxic to touch, the new Government has the mandate to do so.

If Government takes this manifesto pledge forward, we can expect a strategic review of Green Belt land with some land redesignated as 'Grey Belt', a new sequential policy approach to the release of land for housing with lower quality 'Grey Belt' land prioritised, and the introduction of 'golden rules' for Green Belt development.

This is still a difficult area to tread. With other considerations included in the mix, such as infrastructure needs, from transport capacity to medical facilities, which has not kept up with housing delivery over recent years. Going too far with new consents in or around existing urban areas might not warm the hearts of local people to a Party whose support is ostensibly wide but fundamentally not yet that deep. Did Labour win or did the Conservatives lose? How bold will Labour really be, whatever its majority?

Whether the draft NPPF revisions expected later this month will include changes to Green Belt policy, or whether these will come after the review of Green Belt land, remains to be seen.

Either way, the new Secretary of State for Levelling Up, Housing and Communities (new name TBC) is expected to write to local planning authorities and require them to review Green Belt boundaries 'regularly' to meet housing targets, in a departure from the current NPPF position.

CALL-IN POWERS

Perhaps the biggest signifier of how Starmer's Government intends to pivot the planning system to support growth, will be in the exercise of its 'call-in' powers in the first few months. Conservatives made great play of not interfering with 'local decision-making'. Labour has always been intensely relaxed about muscular Government.

In general, planning applications that are of 'more than local importance' can be 'called-in' by the Secretary of State who then takes the decision, instead of the local planning authority, following a planning inquiry and a recommendation by a planning Inspector.

This is an opportunity for Government to set the direction of travel and try and reverse commonly held views that planning is a major barrier to investment. All eyes will be watching. Even so, the new Secretary of State must still operate lawfully. There will still be tensions, objections and complex considerations with which to grapple and weigh in the balance. The system will still be expensive and time consuming for applicants to navigate, especially when applications are accompanied by an Environmental Statement.

OTHER TOOLS

Other planning tools could be deployed fairly quickly to bring about change, for example of the greater use of development orders to provide up-front planning permissions and development certainty for compliant development.

Similarly, bringing forward National Development Management Policies (NDMPs) under powers in the Levelling Up and Regeneration Act 2023 for issues of general application across the country, such as the Green Belt, heritage and climate change would introduce greater consistency in decision making and speed up local plan making. But such policies will be subject to consultation and need to be drafted from scratch, so they are not likely to emerge immediately.

LONGER TERM

Critical to delivering Labour's 1.5 million homes target over the next five years, are its plans to build a 'new generation of new towns' and urban extensions across England. However, its promise to 'start building the towns of the future within months, not decades' seems unrealistic.

An independent taskforce must first be set up to identify proposed sites (anticipated in the first year of Government), a new towns bill is likely to be promoted with enhanced CPO powers, and a 'New Towns Code' designed containing affordable housing requirements and design codes. Delivery vehicles will need to be established, land assembled and of course, investment secured.

It will be interesting to see if this policy is more successful than Gordon Brown's controversial Eco-town programme in 2007 or the Tories 2017 Garden Towns and Villages initiative. The new Government might be wise to consider in depth what other issues hold back housing delivery. In May 2021 planning consent for 1.1m homes had been granted in the preceding decade that had not been implemented. There are clearly other issues at play.

COMMENT

The new Government has a strong platform from which to deliver planning changes, but in a relatively narrow window during which it must prove to the electorate it has the wherewithal to make meaningful change. However, will flipping back and forth between statist and localist bright ideas for the planning system be enough to drive and deliver economic growth? Answers on a postcard please.

There are plenty of planning permissions out there which have been rejigged a dozen times but not implemented. There are even more legislative tools to unlock development sitting on the statute books in dusty local authority law libraries but never used. Ultimately, policy and legislation are the tools Government has.

Government probably won't come up against too many Parliamentary obstacles to its specific manifesto commitments. The initial changes to the NPPF will be a good starting point, but how they are applied by the lower tier (and underfunded) decision-makers will be critical if higher levels of delivery are to be achieved.

But the silence during the pre-election campaign in addressing developers' challenges in progressing consented schemes was notable. You might think that if any party had really fresh ideas up its sleeve to address this they would have already been trailed.

The best realistic scenario is that other measures could be put in place to support developers delivering much needed development and growth. Developers should look to get close to Ministers and educate them on what the obstacles are. The danger is that much-trumpeted political ideas don't change housing figures and Government starts to use policy to lay the blame at the door of developers and local authorities, with higher and higher affordable housing percentages and targets without the resourcing to enable the system to deliver. Labour could be in power for a decade, so let's see if the see-saw between different pen-wielding politicians is different this time.

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