PLANNING FOR NET ZERO AND NATURE
A BETTER, GREENER PLANNING SYSTEM THAT EMPOWERS LOCAL PLACES

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SUMMARY

Planning is a powerful tool for realising the goals of reaching net zero and restoring nature, while also providing affordable, plentiful, and desirable homes and places for people to live and work. In its current form, however, the system is not successfully delivering any of these outcomes in England.

While the failure to build enough homes, rightly, deserves scrutiny, other failures are often missed or underplayed, including the provision of renewable energy generation or nature restoration. Environmental and housing goals are often framed as being entirely in opposition to each other. While there are trade-offs, there isn't enough focus on how the planning system can successfully negotiate these various pressures on land use and deliver on England’s economic, social, and environmental goals.

Moreover, too often politicians and policymakers are failing to join the dots between the failure to build enough homes, in the right places, and the changes needed to meet net zero and protect and restore our environment. How we plan our built environment will determine whether we meet our climate and nature goals.

KEY FINDINGS

In this report we find the following.

• The planning system isn’t set up to support the delivery of net zero targets or nature restoration. There is no explicit goal within planning to realise either of these objectives; environmental requirements often sit outside the planning system or conflict with it, and planning is viewed in isolation from crucial elements such as transport links that are essential to delivering neighbourhoods which are both compatible with net zero and attractive places to live.

• There are structural issues within the planning system that drive many of the poor outcomes that it delivers. At its heart is the uncertainty baked into the system through its discretionary nature, lack of strategic and pro-active planning, and the broader challenges local authorities face in making good decisions under the current system. These drive the dysfunctional developer model, land speculation and the social harms that derive from it, including the failure to build enough homes, the quality of the homes we build and the poor choices of where we build them.

• Over a decade of underfunding has left local planning authorities severely lacking in both capacity and expertise. This will need to be rectified if local planning authorities are to play a more proactive approach in planning their local areas.

• Public engagement in the planning system takes place at the wrong time and is underresourced. It is imbalanced compared to that of developers, who are better resourced and have more time. It is also unrepresentative, favouring those who are wealthier and well housed and oppose development, as opposed to those who are in housing need and more likely to support new homes.
KEY RECOMMENDATIONS

The planning system needs a complete reset if England is to deliver on its net zero, nature and housing goals. We make the following recommendations.

• We propose a national land use framework to manage strategic land use priorities across the country. This framework should constitute a national spatial plan that outlines the different types of land use, led by a cross-government committee, building on the existing work by the Department for Environment, Food & Rural Affairs, but ensuring that the Department for Levelling Up, Housing & Communities, HM Treasury, Department for Transport and Department for Energy Security & Net Zero are also represented.

• The discretionary nature of the planning system should be removed, and local plans should be more detailed and binding, and should confer building rights. Plans should take a strategic view over the area and include, for example, transport links, areas for nature restoration or renewable energy generation, and housing provision. Increasing the detail will reduce uncertainties for citizens and developers.

• Sub-regional strategic plans should be introduced across England at the combined authority, county council and unitary authority level. These should be focused on growth, infrastructure and development, and should support and provide clear guidance to local plans.

• Local authorities should be given the necessary powers to plan and do land assembly through positive strategic planning. This would allow developers and housebuilders to focus on what should be their main activity: building homes. They could then compete on the quality of the homes they build rather than their ability to manage risk in the system.

• Local plans should integrate net zero targets for local authorities, which should be given explicit duties to act on net zero and nature restoration. Local plans should also have a duty to consider climate adaptation. Existing environmental legislation and requirements should be consolidated and actioned through the local plan, ensuring environmental protection and nature restoration efforts are joined up across planning jurisdictions.

• More intensive community engagement during the production of the local plan should replace multiple poor-quality rounds of engagement. Local authorities should be provided with funding, guidance and training to do better citizen engagement when drawing up local plans and should ensure engagement with hard-to-reach populations.
1. INTRODUCTION

What we build, how we build it and where we build it impacts every aspect of our lives: our environment; the economy, and how and where we live and travel to work. In recent years, the planning system has been blamed for the various problems facing land use in England, most particularly the housing crisis.

However, it's not the existence of the planning system, but the way in which it operates that's the problem. Planning can address two of the largest sources of emissions – surface transport and buildings – but it needs to be reformed to take full advantage of these opportunities.

Through a series of workshops and interviews we explored stakeholders’ perspectives on how the planning system could better deliver on net zero and nature, while working better for local communities. We reviewed relevant literature to better understand existing diagnoses of the problem and considered recommendations for change.

In this report, we set out our analysis of how the planning system needs to change to deliver net zero and restore nature in England, while also delivering the services people need, including well-connected communities and housing, and supporting the development of renewable energy.

We review the power local authorities need to achieve ambitious climate goals and what power and resources communities should have to conserve and improve the areas in which they live.

Ultimately, we conclude that the planning system needs substantial reform if we are to deliver on the goals of net zero, nature restoration, and the provision of high-quality homes and places where people want to live.
2. THE CURRENT PLANNING SYSTEM IS FAILING

“Planning ensures that the right development happens in the right place at the right time, benefitting communities and the economy.”
(DLUHC and MHCLG 2015a)

Even by the government’s own definition, the planning system is failing, with notoriously slow decisions of little benefit to local communities and of uneven economic value (RTPI 2023). Despite a spate of recent reforms, the system is not set up to address climate change, restore nature or meet housing need.

The planning system is complex, with multiple overlapping jurisdictions, poorly defined responsibilities and many stakeholders, each with different objectives or priorities. Broadly, central government writes legislation, providing overarching guidance for how the planning system will operate (through the National Planning Policy Framework (NPPF)) and setting building standards. Until recently, central government also set targets for local authorities, particularly for housing. Some large infrastructure projects will be delivered or designed at a national level, but most planning decisions sit with local authorities.

Through their local plans, local authorities designate areas for development (for example for housing or industry), areas where no development can happen, and areas where development is limited.1 Some areas are protected by national policy, for example Green Belt land and Sites of Special Scientific Interest (SSSIs). In the areas where development can happen, most new planning applications will fall under the existing local plan, which can be amended or changed to include the new development. Decisions are made on a discretionary basis by the local planning authority but under the framework set out by the NPPF.

Bad planning decisions around housing or transport infrastructure have a cost, including poor-quality, unaffordable housing and encouraging car dependence for years, often requiring lengthy or expensive initiatives to undo. Local authorities have limited scope to act on renewable energy generation, with decisions taking many years and requiring extensive public engagement, often resulting in significant delays to projects (Britain Remade 2023).

Housing is generally identified as the key place where the planning system is failing, but this focus on housing alone means that the way the planning system interacts with nature and environment avoids scrutiny, as do decisions about transport and infrastructure that also have wide-reaching impacts. Over the past 30 years, emissions from the residential sector and transport have effectively flatlined, as illustrated in figure 2.1, and now contribute over 40 per cent of total UK emissions (BEIS 2023a).

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1 These local plans must then be approved by the Planning Inspectorate, at a cost to the local authority and often introducing further delays in adoption of the plan (Planning Inspectorate 2023).
Better planning can help address both residential and transport emissions. Designing walkable neighbourhoods with good transport links should help reduce transport emissions, and setting rigorous energy standards will go some way to lowering residential emissions.

**THERE IS NO OBLIGATION TO MEET NET ZERO OR NATURE TARGETS**

“Planners have a growth duty, but not a climate or nature duty.”

**Workshop participant**

The planning system does not have an explicit goal to support the delivery of net zero targets or nature restoration goals. The result is poor outcomes; for example, bad transport planning creating car dependence or restrictive planning requirements effectively preventing the rollout of renewable energy. In the UK as a whole, land – which has the potential to be a net sink of carbon – is currently an overall carbon emitter predominantly due to emissions from peatlands (CCC 2020).

The NPPF states that the planning system aims to achieve sustainable development across three objectives – economic, social and environmental – but these are not legally binding, and are open to interpretation (MHCLG 2012). When drawing up local plans, local authorities need to consider sustainable development and to “adopt proactive strategies to mitigate and adapt to climate change” (DLUHC & MHCLG 2014). Alongside planning legislation, local planners must also consider a number of environmental regulations and plans but these can be confusing and conflicting (Blyth 2023).

The NPPF does include stipulations, such as the requirements for new developments to consider the transport implications of a development, or to conserve or enhance biodiversity (MHCLG 2012). The Environment Act 2021

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2 This includes water resources management plans (Environment Agency 2022), Air Quality Management Areas, Local Nature Recovery Strategies, and a number of others relating to shoreline management.
makes a biodiversity net gain of 10 per cent a requirement for all planning permissions (with a number of exceptions) (HM Government 2021; LGA 2023). This means developers will have to evidence an increase in biodiversity of 10 per cent in their developments or buy credits. However, studies of early adopters of this policy have raised potential issues, including a lack of enforceability by local authorities and the risk of trading “losses in habitat area today for promises of future gains” (Zu Ermgassen et al 2021). Others have suggested that the requirement to evidence biodiversity net gain will initially incentivise building on land with lower biodiversity value (Pendleton 2022).

Planning applications are viewed in isolation, meaning the transport links between new developments are often poor. There is no explicit requirement for developments to be net zero compliant. When applying for planning permission, developers do not need to account for any emissions produced over the course of a development’s lifetime (or prevented, in the case of renewable energy generation), or during their construction. This includes emissions caused by the transport needs of residents once the development is completed, or emissions due to gas heating or poorly insulated homes.

Some developments that are likely to have a significant impact on the environment (for example, due to their size, location or the nature of the development) need to complete an Environmental Impact Assessment (EIA). EIAs give local authorities information about a development’s potential effects on the environment, but they can be incredibly onerous for developers to produce and for local planners to navigate. The Levelling Up and Regeneration Bill included proposals to replace EIAs with Environmental Outcomes Reports, although it is unclear whether this will streamline the process.

Taking a piecemeal approach to individual developments on an application-by-application basis also makes it challenging to design urban environments that are conducive to nature restoration and net zero aims or are resilient to climate change. Resolving these issues requires a holistic view of land use across the country, which can weigh up questions around food security, energy generation and nature restoration, alongside transport and housing needs. The argument for integrated land use planning is discussed further in chapter 4.

**NATURE RESTORATION EFFORTS ARE PATCHY AND CONFUSING**

The Climate Change Committee estimates that 21 per cent of agricultural land in England will need to be used for emissions reductions or carbon sequestration by 2050 to meet our net zero commitments (CCC 2020). Current agricultural management practice is the main driver of biodiversity change in the UK as a whole (Burns et al 2016), with practices such as intensification, land drainage, pesticide use and the removal of hedgerows all leading to declines in animal and insect populations (Hayhow et al 2019). According to the National Food Strategy, since 2008 the food system in the UK has decarbonised at “less than half the pace of the wider economy” (NFS 2021).

However, the planning system has limited scope to intervene in such practices, and management of farmland tends to sit under the remit of Defra, rather than the Department for Levelling Up, Housing & Communities (DLUHC). The role of planners in rural environments is minimal since most activity on agricultural land does not require planning permission. Farmers can alter, build or extend farm buildings, shift from livestock to arable farming, or plant trees on agricultural land without notifying the local authority, but they are not able to add solar panels to their land.

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3 For example, the EIA for the Norfolk Boreas offshore wind farm was over 13,000 pages long (Britain Remade 2023).
without obtaining planning permission, since this “changes the function of the land” (HM Government 2023).

Despite the limited remit of planning in rural landscapes, there are opportunities to meet net zero and nature restoration targets, most notably through energy generation and the support of nature-friendly land uses.

FAILING TO MEET HOUSING NEED
According to some estimates, the UK as a whole has a backlog of over 4 million missing homes (Watling and Breach 2023). However, as important as the number of homes is the type of housing – Shelter estimates that 1 million households are waiting for social homes (Shelter 2023). While the numbers of social homes being built is slowly on the increase, it is not enough to replace those being lost to Right to Buy or the conversion from social rent to affordable rent (Wilson and Barton 2022). Moreover, housing need is not evenly distributed across the country, and approaches to tackling the crisis need to be sensitive of this (Built Environment Committee 2022).

Of the houses that are built, the quality is not as high it should be. In 2022, only 2.6 per cent of new build homes achieved the highest energy performance certificate (EPC) rating (DLUHC and MHCLG 2023a). This follows the scrapping of the zero carbon homes plan in 2015, which would have improved energy efficiency standards for new homes (HMT 2015). This passes the bill to the homeowner, who will have to upgrade the house at a later date.

“Homes account for 16 per cent of UK emissions, caused by poor insulation and gas central heating.”

(BEIS 2023a)

The planning system contributes to the housing crisis in several ways. One of the most fundamental issues is the lack of certainty it provides developers via the discretionary planning process. This leads to speculative buying and control of land by large developers, which drives up prices and disincentivises the building of high-quality homes (Jefferys and Lloyd 2017; Murphy 2018). Increasingly, only large house builders with significant balance sheets can hold the risk of managing land through the planning system to its completion, or to weather fluctuations in the market.

Obtaining planning permission on a piece of land not previously classified as residential results in a significant increase in its value (figure 2.2). The promise of such increases results in ‘hope value’, defined by the Royal Institute of Chartered Surveyors as: “An element of market value in excess of the existing use value, reflecting the prospect of some more valuable future use” (RICS 2019).

This drives developers to focus on their ability to purchase land rather than competing on the quantity and quality of the homes they build. As a result, looking to large developers operating under “speculative development” is not going to deliver affordable housing in the quantities needed to tackle the housing crisis (Jefferys and Lloyd 2017; Murphy 2018). This also incentivises developers to do the bare minimum in terms of infrastructure or nature restoration, in order to maximise their profits and the return to the landowner.

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4 The Climate Change Committee states that “the current EPC rating metrics do not accurately incentivise the energy efficiency and heating solutions required to deliver Net Zero homes” (CCC 2023a). However, in the absence of another widespread measure, EPC ratings offer a useful tool through which to measure housing efficiencies.

5 For example through option agreements, where a prospective buyer agrees with the landowner that they have the right to buy the land at some point in the future.
LAND VALUE CAPTURE

One of the challenges local authorities face is how to recoup the increased value of land as a result of development. Under the current system, local authorities use Section 106 agreements, which allow local planning authorities to place obligations on developers, usually in the form of contributions to the local area (for example parks) or affordable housing. They are designed to mitigate the negative impacts of the development, rather than to capture the increase in land value as a result of the development for the public.

The Community Infrastructure Levy (CIL) also applies to some developments (generally those with a net floor space of over 100 m² or those which create a new dwelling) (DLUHC & MHCLG 2023b). The CIL allows local authorities to levy a charge on new development to contribute to the new infrastructure required to support the new development. However, in some cases, particularly in areas with low housing need, local authorities don't charge the CIL at all for fear of deterring private developers (Grayston 2023). The levelling up and regeneration bill (2022) announced the Infrastructure Levy, with more detail published in 2023, which suggests that most Section 106 contributions and the CIL will be replaced by the new Infrastructure Levy (DLUHC 2023a). The aim of the Infrastructure Levy is to prevent developers 'negotiating down' the amount they contribute to the community (ibid).

One of the other major issues with land value capture is viability. This is the mechanism by which developers measure the financial ‘viability’ of their developments, essentially predicting whether a development will make more money than that which is spent on construction and maintenance (Greenwell and Dallyn 2021). Historically, it was often used by developers to downgrade their Section 106 contributions, particularly their contributions of affordable housing (Murphy 2018). However, amendments in 2019 to the guidance on viability made it harder for developers to use the price paid for the land as justification for downgrading other commitments. Stakeholders we spoke to also highlighted that the underfunding of local planning teams means many do not have the expertise or time to challenge developers on viability negotiations.
Meeting affordable housing requirements will require local authorities to have different mechanisms to capture land value increases, and to carry out different methods of land assembly.

Another impact of this speculative housing model is that housebuilders that are small and medium-sized enterprises (SME) have been squeezed out of the market. In 1988 SME builders constructed 39 per cent of new homes; by 2020 this had dropped to 10 per cent (Built Environment Committee 2022). This has a knock-on effect on the development of smaller plots of land, which are generally less attractive to larger developers. Supporting SME housebuilders has a number of benefits; not only is the quality of the homes often higher than those by the larger housebuilders, SME builders are often local to the community, stimulating local economies (ibid).

ARGUMENTS AGAINST REFORM

Those opposed to fundamental reform of the planning system often point to the success rate of planning applications, the gap between homes built compared to the number of planning applications, or the availability of brownfield land for development. However, in many cases these are merely symptoms of the structural design of the planning system.

In 2022, local authorities (LAs) approved 80 per cent of all major residential planning applications (DLUHC 2023b). However, that means one in five major residential planning applications were refused – a significant risk for any developer. This leads to several perverse behaviours.

Firstly, developers seek more land and developments than they think is realistic to get permission for because they expect to be unsuccessful in many cases (Breach 2020). This is viewed as a failure for both LAs and developers. Workshop participants highlighted that one of the issues LAs face is a fear among planners of being subjected to appeals, which are expensive for already underfunded LAs. This undoubtedly leads to some poor-quality applications receiving approval.

Secondly, developers then ‘land bank’ sites that have been granted planning permission to spread planning risk over time. The high levels of planning approvals (315,000 in 2021) but lack of build-out (171,540 starts in 2021) bears this out (Eichler 2021; RTPI 2017). Having paid a high price for land, where the ‘planning gain’ or ‘hope value’ has been paid to the landowner, developers then rationally build at a slow rate in order to maintain the high prices for homes required for them to realise their profit (Breach 2020).

Finally, to meet nature and environmental commitments and housing need, there are often calls to build on brownfield sites (CPRE 2021). However, the location of brownfield sites often doesn’t match up with housing need across the country. Furthermore, building on brownfield sites is often expensive, since the sites require clearing prior to construction, and if these costs are passed onto the customer, this does not help address housing affordability (Built Environment Committee 2022). It is also worth noting that brownfield sites are not necessarily nature depleted landscapes. They can have higher biodiversity than agricultural land, for example the Swanscombe Peninsula in Kent is a brownfield site that was recently classified as a site of special scientific interest (SSSI).

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6 Major residential planning applications refers to those of 10 or more homes, or where homes are to be built on a site greater than 0.5 hectares.
7 This was described as the ‘absorption rate’ in the Letwin Review (2018).
FIGURE 2.3: HOUSING PLANNING PERMISSIONS, STARTS AND COMPLETIONS
Planning permissions exceed both starts and completions of housing across England

Source: IPPR analysis of DLUHC and ONS data (DLUHC 2023c; DLUHC 2023d; DLUHC 2023e; ONS 2022).

Until recently, LAs have had housing targets and land supply set by central government. However, recent amendments have reduced the mandatory nature of the targets (DLUHC 2022). Although these are not popular with local authorities, the otherwise weak incentives for LAs to build, particularly when there is a perception that development is politically unfeasible, means national targets are likely to be necessary.

In rural settings, there are often concerns about building outside the existing boundaries of the settlement. In our stakeholder interviews, we heard that this can lead to local planning authorities not granting planning permission to one or two homes on the edge of a village, which might add to the feeling that the village was growing ‘organically’, and help address local housing need. In some cases, larger developments were approved instead, leading to anti-development sentiment. According to some, just 10 homes in each village across England could solve the rural housing crisis (FFCC 2019).

THE GREEN BELT ISN’T WORKING FOR HOUSING OR NATURE

Originally, the Green Belt was designed to prevent urban sprawl. It is now supposed to serve five purposes:

1. to check the unrestricted sprawl of large built-up areas
2. to prevent neighbouring towns merging into one another
3. to assist in safeguarding the countryside from encroachment
4. to preserve the setting and special character of historic towns
5. to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

Unrestricted building on Green Belt land is unpopular, with a public perception that allowing development is allowing paving over green spaces. However, Green Belt land is not necessarily delivering benefits for nature, or providing access to green spaces for people living in urban environments.

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8 In our workshops, participants stated that it amounts to a “lack of local determination of planning decisions”.
9 Over 70 per cent of people polled by YouGov in January 2023 thought planning permission on Green Belt land should not be given freely (YouGov 2023).
(Land Use in England Committee 2022). However, there is mounting evidence that the Green Belt is one of the causes of the housing crisis (Rankl and Barton 2023).

Often new developments on greenfield sites (but not Green Belt land) are outside town centres, isolated from existing towns and transport infrastructure, resulting in car dependence (Transport for New Homes 2022). As we have previously argued, new developments should be designed as 20-minute neighbourhoods, ensuring the services people need are within a 20-minute walk (Frost et al 2021). Cities and higher density neighbourhoods have lower transport emissions (Quinio 2021). Under specific conditions, allowing limited building on green belt land around train stations, for example, could help ease the housing crisis (Cheshire and Buyuklieva 2019). Use of the Green Belt in this way has the potential to show what can be delivered outside of the current dysfunctional development model. Because land value in the Green Belt has been suppressed by the unlikelihood of gaining planning permission, it offers the opportunity to provide developments that offer higher levels of affordable housing or are particularly rich in nature for example.

The severity of the housing crisis means that not enough focus is given to how to provide the homes we need in a way that also ensures we protect and restore the environment. Indeed, in some reports, such as the Letwin Review on build-out rates, environmental issues are not even mentioned (Letwin 2018). While LAs can apply more ambitious building standards, they need to go through the Planning Inspectorate where they are often removed. Moreover, the Future Homes Standard, proposed to start in 2025, might ban councils from setting targets beyond national standards (Borrowman et al 2020).

DELIVERY OF INFRASTRUCTURE CAN BE ACTIVELY HINDERED BY THE PLANNING SYSTEM

The delivery of transport and energy infrastructure is where the multiple overlapping jurisdictions with a degree of responsibility over the planning system becomes most complicated. Some transport decisions are made by local authorities, some are made by National Highways, some by regional mayors. Similarly, different types of energy infrastructure are covered by multiple pieces of legislation produced by different government departments.

TRANSPORT

Although the Department for Transport has produced a Transport Decarbonisation Plan (DfT 2021), in their one-year-on review, the ‘successes’ were focused on funding for sustainable aviation fuel and bringing forward the zero emission vehicle mandate (DfT 2022), neither of which are sufficient to reach net zero goals. Although the plan says the aim is to reduce urban road traffic through a modal shift to public and active transport, this is not accompanied by recommendations to change the planning system to avoid car dependence or by meaningful investment in public transport or cycling and walking infrastructure. Indeed, funds for the latter were cut in the most recent budget (Sustrans 2023).

Major transport projects are generally assessed against a business case which should address five ‘dimensions’: the strategic case, value for money (economic case), commercial viability, financial affordability and achievability. Cost benefit analysis calculations tend to place undue weight on economic savings through shorter journey times and mean that transport infrastructure designed with emissions reductions in mind score worse in comparison (Borrowman et al
In addition, these calculations do not always account for induced demand, where building new road infrastructure results in an increase in use, thereby increasing road traffic, and not solving issues with congestion (WSP 2018). Transport projects also suffer from a lack of strategic planning, which is not facilitated in the absence of sub-regional planning.

Participants in our workshops highlighted that it was not only large transport projects that should be examined under the lens of net zero and nature considerations. It is also important to consider the transport implications of where buildings are located, since this will have significant implications in terms of emissions. Factoring in transport needs at the beginning of a development is crucial for improving quality of life and access for people. However, local transport plans and mode shift targets are not usually featured on local plans, which predominately focus on housing allocation.

**ENERGY**

Large energy infrastructure projects are considered by the Secretary of State for Energy under the Planning Act 2008. However, projects that will generate below 50 megawatts of energy need to obtain planning permission via the local authority, which will include a public consultation. Although the guidance for LAs states that they should be considering green energy in their local plans – including suggesting LAs consider supporting community-led renewable energy initiatives – these rarely happen (DLUHC & MHCLG 2015b).

The 2015 amendment to the Planning Act 2008 and the Electricity Act 1989 moved decisions on onshore wind under the Town and Country Planning Act (Clark 2015). This was framed as giving local people more voice, but, when coupled with the exclusion of onshore wind from green energy subsidies, led to a ‘de facto ban’ (Windemer 2020; DESNZ & BEIS 2021; DECC 2015). Onshore wind is also not covered by the National Policy Statement for Renewable Energy Infrastructure (BEIS 2021), despite onshore wind accounting for 11 per cent of total energy generation across the UK as a whole in 2020 (ONS 2021).

**FIGURE 2.4: APPROVALS FOR ONSHORE WIND FARMS IN ENGLAND DROPPED AFTER CHANGES IN LEGISLATION IN 2015 AND HAVE NOT RECOVERED**

*Consents for onshore wind farms, 2010–2022*

![Consents for onshore wind farms, 2010–2022](source: IPPR analysis of Renewable UK Wind Energy Projects data (Renewable UK 2023)).
The act states that applications for onshore wind turbines should not be approved unless the application has had a public consultation and “it can be demonstrated that the planning impacts identified by the affected local community have been fully addressed and the proposal has their backing” (DLUHC 2012, MHCLG 2012). This amendment has slowed down onshore wind installations in England to effectively be nonexistent. In the 10 years prior to 2015, England was building an average capacity of 180 MW from onshore wind per year, post 2015 this reduced to just under 1 MW per year, with only 17 onshore wind farms receiving planning permission (DESNZ 2023). These 17 wind farms generate just 6.7 MW of power, equivalent to 0.02 per cent of the target for onshore wind set by the National Grid Future Energy Scenarios (FES) (National Grid ESO 2022). At this pace, it will take England 4,700 years to reach its share of this target.

In addition, the proposed development site must be in an area identified as suitable for wind energy development in a local or neighbourhood plan. This is problematic since only 44 per cent of LAs have an up-to-date plan, and 85 per cent of LAs “do not have areas identified as suitable for wind energy development in their local plan” (FOE 2022). Amendments in the Levelling Up and Regeneration Bill, which will be discussed in more depth in chapter 3, do not sufficiently address this ‘de facto ban’.

Even offshore wind farms, which do not suffer from such local objections, can still take up to four years to get planning permission. The Energy Security Bill, updated in March 2023 with the Offshore Wind Environmental Improvement Package, aims to reduce this to one year (BEIS & DESNZ 2023b).

In addition, there is still no requirement for new build homes to have solar panels, despite 69 per cent of MPs being in support of such a measure (Edgar 2023). However, DLUHC is consulting on relaxing the permission needed to install solar panels below a certain size on both domestic and non-domestic buildings through expanding permitted development rights (DLUHC 2023f). The proposals also extend to solar canopies which can be erected over car parks. However, as discussed previously, for farmers to convert their land to energy generation, even if they are proposing to keep livestock alongside, they will need to go through local authority planning permission.

LOCAL AUTHORITIES HAVE UNCLEAR REMITS AND ARE OVERSTRETCHED AND UNDERFUNDED

Years of underfunding of local authorities have resulted in overstretched local planning authorities that have limited capacity or resources. The National Audit Office (NAO) reports that between 2006 and 2016, local authority planning staff decreased by 15 per cent, and that in December 2018, only 44 per cent had a local plan that was less than five years old (NAO 2019). The lack of capacity makes the planning process very slow to navigate. The local plan does not confer building rights, and new developments still need to apply for planning permission and often run consultations with the public. Participants at our workshops illustrated due to years of underfunding, LAs no longer have the strategic capability of experienced planners in-house that exists in places like Germany and elsewhere, which means they do not have the confidence to act on planning.

Over several years, the ability of local authorities to do strategic planning has been diminished through competing legislation and requirements, thus weakening the local plan. This is partially caused due to the overlapping jurisdictions of Defra and DLUHC, both of which produce legislation that impacts planning, but which have

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10 Local plans take an average of 20 months from submission to the Planning Inspectorate to adoption (Savills 2020), which doesn’t include public consultation and the production of the plan by the LA. Only 5 per cent of local planning authorities have plans of less than five years old (Matos and Herman 2020).
competing incentives or aims. The absence of regional plans drawn up between combined authorities, county councils and unitary authorities also hinders strategic planning. This is particularly prescient for infrastructure or economic planning.

A clear example of competing legislation is the requirement for local plans to take into account Local Nature Recovery Strategies, even though those strategies do not themselves need to refer to the local plan, and are often drawn up in isolation (Blyth 2023). The siloed approach to environmental considerations has left gaps and made it hard to take a holistic approach to addressing environmental concerns (RTPI 2021a).

Requirements for new developments to abide by nutrient neutrality regulations has effectively placed a moratorium on housebuilding in 74 planning authorities around England (Blyth 2022). Nutrient neutrality is a measure of water quality, with the two most common causes being agricultural run-off and sewage treatment, neither of which are directly caused by housebuilding, nor within the power of the local authority to address. However, it is housebuilding that has been stopped, preventing local authorities from approving new planning permission for housing.

Despite the complexity of competing jurisdictions, local authorities do have control over some aspects of reducing emissions across different sectors and restoring nature, particularly in the planning system, transport and highways, and environmental protection (UK100 2021). Key powers include:

- setting strategic plans for energy, buildings and transport
- planning controls and permissions over new buildings, parking, freight, heat zones, local renewable energy, green spaces and biodiversity restoration
- collection of waste and waste reduction
- and the ability to introduce clean air zones and congestion charges in some areas.

Nonetheless, the level of ambition to reach net zero among local authorities varies significantly. In our workshops, participants called for more permissive national policy to support ambitious LAs that want to go beyond national government commitments. However, despite 75 per cent of local authorities declaring climate emergencies, there is no formal duty on local planning teams to include meeting net zero targets or restore nature in their local plans or planning permission considerations (Wood 2022; LGA 2022; Ellis 2022a).

Workshop participants highlighted that because net zero targets are not broken down to local and regional areas, there is a lack of incentive to factor net zero into planning decisions. In general, very few councils have set quantified carbon reduction targets, and planning inspectors don’t prioritise climate considerations (in the same way they do for housing targets) (CPRE 2022). Although many local authorities have commitments to reach net zero, many do not have the plans in place to achieve it. Where they do, a lack of capacity to deliver, evidence to support interventions or concerns of litigation results in a lack of action.

Concerns by LAs of litigation are highlighted by an example from the 2022 Independent Review of Net Zero, which describes the West Oxfordshire District Council drawing up plans for a new development that would be required to be net zero; the Planning Inspectorate found that the policy was not “consistent with national policy or justified” (Skidmore 2023). Workshop participants

echoed this, highlighting that local planning officers are ‘rightly’ risk averse, and that the system isn’t set up to encourage courageous decisions.

“Cash-strapped local authorities worry about landing in court, so what goes ahead is what’s least likely to cost the council money.”

Workshop participant

The differences in resources between local planning teams and developers was also raised by workshop participants. They suggested that in many cases, councils do not have the money or resources to object to developer-led proposals or fight against renegotiation of terms. This was supported by reflections from participants that, in general, “developers bring most of the information into the planning process and a lot of the local planning teams don’t have anywhere near the same resources”.

Alongside financial cuts and a fear of litigation, there is a lack of relevant expertise at the local authority level. The NAO calculates that real-terms cuts to planning teams amounts to a 38 per cent reduction between 2010 and 2018 (Bartlett School of Planning, UCL 2020; NAO 2019). Workshop participants stated that the “level of understanding of net zero and carbon among councillors are quite low, and there is very little compulsory training. There are planning considerations that need to be considered but there’s no check list for net zero”. The Countryside Charity CPRE suggests that council leaders often do not have the “tools to hit their legally-binding targets” (CPRE 2022). There is also a lack of good quality data on the environmental value of land, making it hard for LAs to make informed decisions.

POOR PUBLIC CONSULTATION

The quality of public engagement within the planning system is also generally poor. Local authorities consult at the local plan stage, but quality public engagement is expensive and requires expertise to carry it out well, and LAs do not have the resources available to do so. While developers are required to consult the public again before being granted planning permission, this consultation often occurs at the very end of the process, when decisions are already set in stone.

It is also worth noting that those represented in public consultations are not necessarily representative of the community as a whole, and this can result in a small, vocal, minority having disproportionate impact on planning decisions (Lawson et al 2022). This might result in decisions which are not necessarily best for the community, net zero goals or nature restoration, but the current system is not designed to prevent this from occurring, or to support LAs in making better decisions.
3. PIECEMEAL REFORMS HAVE FAILED TO DELIVER

The planning system is routinely blamed for the shortage of housing in England, and over the past 10 years it has been claimed that a number of reforms will ‘cut red tape’ and encourage housebuilding (MHCLG 2013). However, England continues to face a housing crisis, biodiversity is still in decline and progress is lagging on meeting net zero commitments (Hayhow et al 2019; CCC 2022).

Between reforms in 2011 and 2012 through the Localism Act and the creation of the NPPF, reforms in 2015, the Planning White Paper of 2020, the most recent Levelling Up and Regeneration Bill, and the most recent consultation on the NPPF, keeping track of proposals can be challenging. In many cases, the implementation of these reforms is underresourced and carried out by already stretched local authorities (Bartlett School of Planning, UCL 2020). Moreover, many of the environmental considerations that planners must consider originate from Defra, and are not, formally, part of the planning system. Below, we outline some of the attempts at reform, and how they fall short of the change required.

DEREGULATION AND CENTRALISING POWER IN WHITEHALL

Good planning requires empowered local authorities that can make decisions about their jurisdiction. However, there are elements of the Levelling Up and Regeneration Bill that consolidate power in Whitehall, reducing the ability of LAs to make informed decisions about their local areas, while also deregulating other aspects.

The creeping deregulation of the planning system, for example through the expansion of permitted development rights (PDRs), will not address the triple challenge of meeting net zero requirements, restoring nature and delivering high-quality housing.

Permitted development rights are the most notable attempt to deregulate the system, and have resulted in a compromising of design, quality and location of housing through conversions (often of previously non-residential buildings) and extensions (RTPI 2017). PDRs allow changes to be made to buildings or areas without planning permission, and as a result developers can avoid considering the environmental impact of their developments, including on some conservation areas (Grimwood 2021; RTPI 2021b). It is worth noting that PDRs cannot be used for new builds.

Although in principle, PDRs offer a means of streamlining some elements of the planning process, the lack of standards and design codes has resulted in a proliferation of low-quality housing, often in places that do not address housing need, leaving planners with limited recourse to prevent such development (Raynsford 2018; Grimwood 2021; LGA 2022). Additionally, the conversion of offices to residential use can mean developers can avoid Section 106 contributions (Built Environment Committee 2022), depriving local planning authorities of much needed investments.

12 Remit now covered by DLUHC.
The proposal in the Levelling Up and Regeneration Bill for the Secretary of State to overrule local development plans in favour of “national development management policy” has seen some stakeholders dub it a ‘power grab’ by central government (Bishop 2022; CPRE 2023). This also applies to the proposed ability for developers to make non-substantial changes to developments without requiring new planning applications. There are concerns this could result in standards slipping for new build homes, particularly if planning teams do not have the capacity to inspect or keep track of changes that previously would have needed to be flagged with them by law. The manner in which national development management policies are implemented will be key. While there are concerns that this will remove public engagement with plan-making, having a unified set of national policies should provide clarity to planners and developers.

Centralisation of power in Whitehall also hinders attempts to address regional inequalities. Analysis by the Bartlett School of Planning, UCL of the Planning for the Future White Paper of 2020 found that there was a lack of ambition to use planning to tackle regional inequalities. They suggested that some funds from Section 106 and the Community Infrastructure Levy payments be put into a central levelling-up fund to be distributed to more economically disadvantaged areas (Bartlett School of Planning, UCL 2020).

**LAND SPECULATION AND LAND VALUE CAPTURE**

There is an understanding that current land value capture mechanisms do not always result in the best outcomes. The levelling up and regeneration bill (LURB) proposes to consolidate Section 106 obligations and the Community Infrastructure Levy (CIL) into one mandatory Infrastructure Levy13 (DLUHC 2023a). The default infrastructure contribution is welcomed, as is the inclusion of permitted development sites, but it does not go far enough to ensure local authorities have the power and ability to recoup the increase in value on land (Eccles and Hellier 2022).

Unlike Section 106 agreements, where developers are required to build the agreed terms, there are opportunities under the Infrastructure Levy for developers to reduce other contributions. Additionally, the levy is charged at the point of occupation, meaning developers have already drawn up their plans before the council receives the levy. This gives the council fewer opportunities to influence the design of the development (LGA 2022). These issues would be addressed by more binding and detailed local plans.

Several proposed changes in the LURB look to address the speculative nature of the planning system. The mandatory five-year land supply for housing has been removed. This stipulated that local authorities should allocate land for the development of housing in response to housing need in their local area. The proposal is that this will curb speculative purchasing and planning applications by developers on unallocated sites that are not part of local authority plans. However, there are understandable concerns that without specific housing or land targets, local authorities where development is politically unpopular will not have sufficient incentives to approve developments (Stacey and Elgot 2023).

In another attempt to reduce slow build-out rates and speculative buying (land banking), the LURB introduces a requirement for commencement notices (where developers state when work will start) and removes the requirement for planning teams to get Secretary of State approval for completion notices (Sandford 2022). Although in principle this is welcomed, when Ireland introduced a vacant sites levy that operates in a similar way, they found that collection of the levy by

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13 There will be some exceptions, for example the CIL will continue in Greater London and Wales.
local authorities was low (Gataveckaite 2022). This was partially due to poorly resourced local authorities, which raises concerns about how effective this policy will be in England.

CONFLICTING LEGISLATION BLURS LOCAL AUTHORITY PRIORITIES

The Localism Act 2012 intended to delegate some power to local authorities. However, since the introduction of the bill, subsequent policies from central government have added to a complex patchwork that local authorities must navigate in their planning decisions.

The introduction of the National Planning Policy Framework (NPPF) in 2012 introduced an explicit duty for local planners to consider sustainable development. However, analysis by the Green Alliance (Borrowman et al 2020) found that despite the “presumption in favour of sustainable development ... in practice, sustainability considerations are often superseded by more immediate development needs”. The Royal Town Planning Institute’s response to the most recent NPPF consultation suggests that emphasis is being placed on housing “above almost all else” and that carbon reduction should be “first among equals” in the planning process (RTPI 2023).

The Environment Act 2021 introduced a number of duties on local authorities, including Local Nature Recovery Strategies and Biodiversity Net Gain commitments (Juniper 2021). While these duties override local plans, their path to implementation is still unclear, and the LURB does not attempt to address the conflicting environmental legislation that planners need to take into account.

DENSIFICATION AND BUILDING IN AREAS CLOSE TO TRANSPORT LINKS

In the current wave of reforms, the LURB introduces ‘street votes’, which are a welcome attempt to win support among existing communities for suburban intensification. Such intensification will be essential to driving up housing supply, enabling sustainable transport systems and reducing pressure to build in areas which have a negative impact on our natural environment (Yimby Alliance 2023). While there is some scepticism that the ‘street votes’ system will work, it is a worthwhile measure to at least trial in the absence of substantial reform of the system (Booth 2022).

However, in other areas related to densification, current proposals take us backwards. For example, amendments to the NPPF disincentivise densification and Green Belt development, with Green Belt development being permitted only in ‘exceptional circumstances’ and densification poorly defined (RTPI 2023). Both are perceived as unpopular options to addressing the housing crisis, with concerns of ‘paving over’ the Green Belt and allowing unconstrained urban sprawl.

This is despite analysis suggesting that Green Belt land is not delivering for nature, and that limited development on the Green Belt, such as only allowing development within a 10-minute walk of a train station, could provide over 3 million homes (Land Use in England Committee 2022; Saunders 2021). Similarly, the language in the NPPF proposals is unclear on densification, with some suggestions that this would disincentivise such developments (RTPI 2023). Brownfield land is often touted as an alternative to building on the Green Belt, but this land is often not located in places of high housing need, and will not, alone, meet the housing need of the country (ibid).
4. REFORMING THE PLANNING SYSTEM TO DELIVER NET ZERO, NATURE RESTORATION AND GREAT PLACES TO LIVE

In this section, we outline the case for a land use framework and ways in which the planning system could be reformed to deliver desirable places to live, while also restoring nature and meeting net zero requirements. To deliver these outcomes, we propose 14 recommendations.

NATIONAL PLANNING: THE CASE FOR A LAND USE FRAMEWORK

Land is a scarce resource. In addition to the dominant land uses of housing, recreation, food production and transport, we now need our land for nature restoration, and carbon storage and reduction. With the majority of land in England used for farming – nearly 70 per cent (Defra 2019) – reforming rural planning and land use will be necessary to meet carbon sequestration goals, playing a major role in levelling up, and achieving decarbonisation and nature restoration.

The fragmented planning system leads to local planning authorities having to manage conflicting land uses, misaligned incentives, a lack of clear national priorities and limited means for recouping the value of their land. Many land uses do not fall under the jurisdiction of the planning system, but a land use framework offers an opportunity to balance these competing needs by weighing up priorities and trade-offs.

**Recommendation:** We propose a national land use framework that can help manage strategic land use priorities across England, and carry out national spatial planning. The framework should be led by a cross-government committee, building on the existing work by the Department for Environment, Food & Rural Affairs (Defra), but ensuring that the Department for Levelling Up, Housing & Communities (DLUHC), HM Treasury (HMT), Department for Transport (DfT) and Department for Energy Security & Net Zero (DESNZ) are also represented.

Currently, land in England is managed by both DLUHC and Defra, with parallel systems operating between both departments, often with contradictory drivers. This results in requirements placed on land stewards (whether developers, local authorities or farmers) that are hard to reconcile or that are in direct conflict. A land use framework will help to manage these tensions, and prevent land being used for purposes that do not contribute to – or that even undermine – our social and environmental needs or nationally set net zero targets.

Defra has committed to publishing a land use framework in 2023 (Defra 2022). However, since it falls under the government’s food strategy, the framework is unlikely to reconcile the conflicting pressures on the planning system between development, agriculture, nature restoration and energy generation (ibid). To be effective, a land use framework will need buy-in from all relevant government
departments,\textsuperscript{14} and an aligning of incentives and desired outcomes. Indeed, the National Food Strategy (NFS), to which the announcement is part of a response, explicitly states that although a framework should be led by Defra, it should “seek input from MHCLG and BEIS”\textsuperscript{15} (NFS 2021).

A land use framework should also consider the role of energy generation. In its report on delivering a decarbonised power system, the Climate Change Committee calls for a “long-term cross-sectoral infrastructure strategy...”. A land use framework would be well placed to identify the spatially relevant infrastructure needs of a power network and balance these alongside other land uses (CCC 2023b).

We are not alone in calling for a land use framework. The Food, Farming & Countryside Commission (FFCC 2019), the previously mentioned National Food Strategy (NFS 2021) and the House of Lords (Coleman 2021) have all suggested a land use framework. The House of Lords report acknowledges that due to the lack of a strategic approach to planning and the gap between policy and implementation, land is not always used most effectively (ibid). Indeed, both Scotland\textsuperscript{16} and Wales\textsuperscript{17} have their own land use strategies, which set high-level objectives for land use across the countries.

A land use framework should be set at and funded from the national level, with local control of delivery. The framework will constitute a national spatial plan that outlines the different types of land use. It will determine, at a national level, major strategic land use changes or opportunities. Rather than dictating how land should be used, national government should provide incentives and support for the action it wants to see. For example, there should be support for farmers who shift from food production on low yield land to nature restoration.

**SUB-REGIONAL STRATEGIC PLANNING: COORDINATING REGIONAL DEVELOPMENT AND PROVIDING CERTAINTY FOR LOCAL PLAN MAKING**

There is a clear need for a common approach to strategic planning in England. Strategic planning between the national level but above the local level is invaluable in co-ordinating regional development and providing clarity for the creation of local plans. These plans should be largely focused on areas of change, the development and coordination of strategic infrastructure, and growth areas. They should be developed and adopted by combined authorities, county councils, and unitary authorities.

**Recommendation:** Sub-regional strategic plans should be introduced and developed across England at the combined authority, county council, and unitary authority level. These plans should be mandatory and focused on strategic growth, infrastructure, and areas of significant development and change. They should have full regard to any national strategic plan and provide clear guidance to local plans.

\textsuperscript{14} Most notably Defra and DLUHC, but also with inputs from DESNZ and DfT, and support from HMT.

\textsuperscript{15} Remit now sits under Department for Levelling Up, Housing & Communities (DLUHC) and Department for Energy Security and Net Zero (DESNZ), respectively.

\textsuperscript{16} Scottish ministers are required by law to produce a Land Use Strategy, which aims to tackle climate change and biodiversity loss, and sets a high-level, holistic picture of what “sustainable land use in Scotland could look like” (Scottish Government 2021).

\textsuperscript{17} Future Wales is a spatial plan that operates alongside the Well-being of Future Generations (Wales) Act 2015. The framework is designed to guide regional and local development plans (Welsh Government 2021).
LOCAL PLANNING: A TOOL FOR DELIVERING NET ZERO AND NATURE RESTORATION TARGETS ALONGSIDE ATTRACTIVE PLACES TO LIVE

Local planning offers an opportunity to meet ambitious goals in terms of nature, net zero and great places to live. To do this, local authorities need to build on our previous recommendation of a land use framework to set out clear land uses in their jurisdiction.

Under the current system, local plans can be incredibly vague, either deliberately by the planning authority, in order to allow them scope to change uses, or through a lack of capacity within the planning authority to add detail. This increases delays, costs, and uncertainty for developers, since it results in extensive ‘back and forth’ with the authorities to reach decisions. Our key recommendation seeks to addresses this uncertainty.

Recommendation: Local plans should be more detailed and binding, and should confer building rights, removing the discretionary nature of the planning system. Plans should take a strategic view over the area, designating sites to meet nationally set housing need, and considering transport links, areas for nature restoration and renewable energy. Increasing the detail will reduce uncertainties for citizens and developers.

CASE STUDY: MIXED USE ZONING IN GERMANY

In Germany, spatial planning laws are passed at a federal level under the Baugesetzbuch (BauGB), or building code. These laws set guiding principles that are applied across the country, but are implemented by local planners, who have (some) discretion on how to apply the laws locally.

Local planners produce two plans:

1. Preparatory land use plan:
   - This covers an entire municipality and outlines broad land uses – for example commercial or residential – but does not convey building rights. The preparatory land use plans operate over long timescales (10 to 15 years), which helps reduce speculation in the land market and supports long-term land use planning.

2. Binding land use plan:
   - These plans are legally binding and can convey building rights. The binding land use plan uses zoning categories to add detail about different sorts of land uses, which gives local planners significant control over developments. They include qualified and non-qualified plans. Qualified plans convey building rights, but they include highly detailed specifications, such as the number of units, height, footprint and public thoroughfares.
   - Binding land use plans are often drawn up in discussion with developers, who can have a high level of certainty that plans will be approved. Developers can propose spatial plans to local authorities and the binding land use plan can be altered, but developers will then have a time limit for the implementation of their proposal.
   - Public participation is a key step in producing the binding land use plan and is similar to public engagement processes in England – plans are made publicly available for the community to comment on for a period of at least 30 days. The municipality must respond to comments, either by changing plans or by providing a response to the public (BdJ 2023).
Lessons for England

Allowing planners to include a high level of specification in local plans that convey building rights (for example including design codes), and ensuring they have the power necessary to enforce those specifications if needed, increases certainty for developers without compromising on the quality of housing produced.

Under current legislation, local plans do not have a requirement to incorporate net zero targets into new developments, and in some cases have been penalised for doing so (Ellis 2022b). In line with the Net Zero Review, we agree that net zero should be put “at the heart of the planning system nationally and locally” (Skidmore 2023).

**Recommendation:** Local plans should integrate net zero targets for local authorities, which should be given explicit duties to act on net zero and nature restoration. Net zero targets might include designing relevant infrastructure to support a reduction in private car use or in increasing tree cover.

By 2025 local authorities (LAs) should have defined a pathway to reach net zero, at least in line with government targets, and those without a pathway should be supported to produce one. Local plans should align with the pathway and support its delivery, either through addressing local transport, housing and other infrastructure needs, or through identifying locations for carbon sequestration.

Local plans should also be standardised across the country, and DLUHC should provide guidance to LAs when drawing up their plans. This proposal in the levelling up and regeneration bill was welcomed (LGA 2022).

National government should set minimum targets for different sectors, but LAs should be encouraged to be ambitious. As such, central government should provide adequate funding, ringfenced for local planning authorities, to carry out the increase in their responsibilities and ensure plans are kept up to date.

THE PROPOSAL IN PRACTICE

The vision for the planning system is one in which housing, environmental protection and other infrastructural needs (such as transport or energy generation) are not in conflict with each other. At a national level, Defra, in conjunction with other central government departments, will draw up a land use framework. The framework will be used for national strategic planning, to reconcile competing land uses, including setting targets.

Regional spatial plans should be used, particularly in metro regions, to ensure sustainable housing development across the area. Regional spatial plans will also support infrastructure planning, particularly transport links to ensure new housing developments are well connected and not baking in car dependence. These plans will also support allocation of land to nature restoration or other infrastructure projects.

Locally, changes to the planning system will act to ensure the benefits of development are felt in the communities where development is taking place, through the design of beautiful, well connected, neighborhoods with good and accessible public services.

Local authorities will draw up detailed local plans, produced with local engagement, that meet net zero targets and local housing need. There will be opportunities for public engagement with Design Codes, so new developments will be in keeping with local character. In conjunction with
CPO reform, the detailed plans will provide greater certainty and act to reduce the speculative nature of the planning system, reducing hope value and the resulting increase in land prices.

Similar to the German planning system, detailed local plans will include detailed requirements for new buildings, and will convey building rights if developers meet those standards and requirements, providing developers with greater certainty and reducing the need for speculative land purchasing. This clarity should also reduce extensive negotiations over Section 106 agreements or other land value capture mechanisms, ensuring new developments contribute to the community.

CPO reform will have two impacts, it will directly allow local authorities to carry out land assembly and acquisition. It will also indirectly act to lower overheated land prices, allowing development corporations, combined authorities or others to purchase land. This will support the delivery of housing that the current system fails to deliver, namely social rent housing and reasonably numbers of affordable housing. Similarly, development on the Green Belt should only be available to local authorities or non-profit housing delivery organisations to prevent windfall gains to landowners without the benefit being passed onto communities.

EMPOWERING LOCAL AUTHORITIES TO TAKE A PROACTIVE APPROACH TO DEVELOPMENT

We have identified seven key features of the reform of local plans, as set out below. Leaving the creation of new neighbourhoods to speculative developers will not meet nature and net zero requirements while also delivering housing in the quantities needed. The inflation of land prices due to speculation, and the inability of the public sector to stimulate housebuilding outside the speculative model, must both be addressed to achieve these goals.

To do this, there must be a more active role for local authorities in guiding and facilitating housebuilding and neighbourhood creation, beyond just the development of local plans. By providing more clarity to developers through more detailed local plans, the uncertainty within the system will be reduced. More detailed local plans will also streamline and simplify processes for deciding developer contributions and viability assessments.

LAs are limited in their ability to proactively build housing or stipulate the sort of development that goes on, and generally take a reactive approach to planning applications. Land assembly, or taking the role of a ‘master developer’, is limited or disincentivised, often due to financial constraints (Built Environment Committee 2022). For many LAs, selling land is seen as a better option, or is simply more affordable, than developing it.

To address this, local authorities should be given the necessary powers to plan and do land assembly through positive strategic planning. Bringing the responsibility of land assembly into the remit of LAs would remove the need for developers and housebuilders to manage land through the system and focus on what should be their activity: building homes. They could then compete on the quality of the homes they build rather than their ability to manage risk in the system. This would have an additional benefit of supporting SMEs to enter the market, since it would reduce the need for them to take on risk (ibid).
Recommendation: Local authorities should be given the necessary powers to carry out land assembly through compulsory purchase orders (CPOs) if necessary. The definition of what constitutes a ‘compelling case in the public interest’ for a compulsory purchase order should be amended to support CPOs to meet housing need.

This recommendation builds on proposals in the Levelling Up and Regeneration Bill, which seeks to make CPOs more straightforward for local authorities to navigate. The bill also makes attempts to reform the ‘hope value’. Reforming CPOs should have a knock-on effect on the price of land more generally. Landowners should be more inclined to sell their land at a reasonable rate, to prevent the risk of a worse price under CPO. This in turn should reduce the hope value since the credible threat of CPO should change incentives for landowners to sell their land. This would allow LAs to obtain land at values that reflects its current use (rather than projected use). Under these proposals and our recommendations, local authorities should be able to carry out land assembly and either sell it on to developers with planning permission, or to develop social housing. This ensures the local authority receives the uplift in value from the change of land use and provides them with financial security to invest elsewhere in their jurisdictions.

MEETING HOUSING NEED
During consultation on the local plan, the local authority should engage with stakeholders and residents to design new housing zones. The plans should include a high level of detail, such as the number and size of new properties, the amount of affordable housing, a design code, any new public services or retail space included in the development and, importantly, transport links to existing conurbations. This will help bring local communities on board, as they will feel they have been able to engage in the process, and it will also provide certainty to developers that if their proposals are in line with the guidelines, planning permission will be granted.

Including design codes can streamline planning decisions, and mean local people have some say in how new developments will look (LGA 2018). Having participated in an extensive public engagement process, the consultation for the developer should be minimised, speeding up the planning application process.

In areas of high housing need, gentle density should be encouraged, and national government should set minimum numbers of affordable or social housing that cannot be negotiated on during viability assessments. We propose that development should be permitted on the Green Belt where developments are within a 10-minute walk of a station. Analysis suggests this could provide over 3 million homes (Saunders 2021). However, we believe that development on these areas of land should be run by and in the interests of the local community.

We therefore propose the creation of ‘Community Development Corporations’ (CDCs) which would be not-for-profit entities created with the purpose of owning and managing specific areas of Green Belt for development as designated by the local plan.

Only allowing CDCs to purchase this land would prevent speculative buying by large developers, which would drive up prices and not meet the need for social or affordable housing. It would thus ensure that CDCs could be tasked with building ‘first-in-class’ developments made up of genuinely affordable housing, sustainable transport options, and nature-rich environments. Only land that is not of high value to nature or is providing access to high quality green space for local people should be released. The boards of CDCs should have representation from local authorities, the community, and local business.
As argued below, and previously, all new developments, on the Green Belt or otherwise, should be built in such a way that people can access the services they need without access to a car (Frost et al 2021).

**Recommendation:** Local authorities should have an obligation to meet housing need and respond to nationally set targets distinguishing between different types and tenures of housing. In order to meet these targets, development on the Green Belt should be permitted if it is within a 10-minute walk of a station. These areas will be designated in local plans and will only be owned and developed by ‘Community Development Corporations’ (CDCs).

**DESIGNING NET ZERO NEIGHBOURHOODS**

“You can build a perfect house to net zero standards, but if it bakes in car dependence, then it’s not net zero.”

Workshop participant

Building net zero neighbourhoods is more than just building well-insulated houses, although that forms an important aspect. Transport, green spaces, the quality of the building, and affordable and social housing all form part of designing and building thriving net zero neighbourhoods and communities where people want to live and that meet the needs of all residents. Neighbourhoods should also be designed to be resilient to a changing climate, for example through urban greening as a way of managing extreme heat.

Local plans should not solely focus on new developments. Redevelopment of existing infrastructure should be considered, with the aim of producing better outcomes for all neighbourhoods, not just new developments. Planners should consider designing 20-minute neighbourhoods and think about the services or other amenities (for example parks) that people should expect to have in their local area. YouGov polling on this found high support for 15-minute neighbourhoods (62 per cent), with bus stops considered to be the most important amenity (Smith 2023).

Including transport planning in local plans will prevent any new communities being designed as car-dependent areas, and has the potential to reduce surface transport emissions by up to 80 per cent (RTPI 2021c). One of the best times to adopt new, improved habits is during a period of change, and moving house is a prime opportunity to support residents to adopt active travel or public transport options. Also included in the local plan should be consideration of shared mobility, such as car club spaces, rapid charging points for electric vehicles (EVs), and consideration of last-mile delivery options.

**Recommendation:** Local plans should incorporate transport planning, ensuring that there are public and active travel options available for residents of new builds. All homes should be within easy access of essential services, including schools, doctor’s surgeries and transport links, so that residents are not reliant on private cars.

Central government should go beyond the proposals in the Future Homes Standard to set more ambitious minimum viable requirements on building standards. Local authorities should be able to set more ambitious targets in terms of tree cover, building insulation or energy generation.

**Recommendation:** All new homes should reach a new minimum standard for energy use and heating, to be set by central government. This should include increasing the minimum thermal insulation standard, installing solar panels on all new builds and prohibiting new gas central heating units, and, where technically feasible, installing heat pumps.
CONSOLIDATE NATURE RESTORATION AND ENVIRONMENTAL REQUIREMENTS UNDER THE LOCAL PLAN

Environmental and nature restoration requirements should be brought together under one banner, delivered through local plans. The existing siloed and unbalanced approach to environmental regulation would be addressed by placing a greater burden on local plans to consider the environment, alongside housing, transport and net zero requirements. This would allow planners to take a holistic view of developments, ensuring that there are clear requirements for nature restoration included in the plan, and providing clarity for land users and managers. We support the Royal Town Planning Institute’s call for Local Environment Improvement Plans (LEIPs), addressing the fractured approach to environmental plans, although arguing that they should sit under the local plan (RTPI 2021a).

This approach will address the issue that environmental regulations from Defra such as Local Nature Recovery Strategies (LNRS) do not have to follow the local plan, while the local plan is required to abide by the LNRS. Other Defra initiatives, such as nutrient neutrality, have placed effective moratoriums on building in some areas, with limited recourse for local authorities to intervene.

More detailed and binding local plans, that sit over LEIPs and refer to them, mean local authorities can stipulate nature restoration requirements from developers or identify land for alternative land uses, such as natural flood management or carbon sequestration.

**Recommendation:** Existing environmental legislation and requirements should be consolidated and actioned through the local plan, ensuring environmental protection and nature restoration efforts are joined up across planning jurisdictions.

Some effects from climate change are inevitable, so local authorities should also be required to consider in their plans climate adaptation, particularly flooding and extreme heat risk. In their guidance for planning for climate change, both the Town and Country Planning Association and the Royal Town Planning Institute recommend local authorities should be designing local plans to “avoid significant vulnerability to impacts arising from climate change over at least the next 100 years” (TCPA 2023).

**Recommendation:** Local authorities should include climate adaption in their local plans. New developments should be designed to be resilient to climate change and existing neighbourhoods should be adapted where required.

COMMUNITY VOICE AND ENGAGEMENT

Planning is an area where citizens often feel a democratic deficit, and a new approach to policymaking can build and restore public trust, as well as lead to better solutions for individual places and the communities within them.

Participatory decision-making, using a more deliberative approach to drawing up local plans and making decisions, can help make citizens feel more involved in the process, and reduce feelings of nimbyism. Current public engagement approaches tend to only capture the views of a small minority of the community, often those who are opposed to development. The views of children and young people, disabled people, ethnic or religious minorities, the elderly, Gypsy or Traveller communities, those on low incomes and those with young families.

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Nimbyism refers to the phrase “not in my back yard” and is often characterised by an aversion to building or development by local residents.
are generally excluded (Lawson et al 2022). In its current form, the voices of potential residents who need or want new developments are not heard.

Meaningful engagement in the local plan, which might include design decisions, participatory budgeting and allocation of land, will give communities an opportunity to shape their local areas, and means public consultations for proposed developments within the bounds of the local plan can be reduced, which should accelerate the speed of planning applications.

Stakeholders mentioned that there is a substantial asymmetry of information and time given to planning decisions. For example, developers may be given 30 minutes to provide a presentation outlining development plans for a site, to which community voices are given three minutes to respond or object.

In our workshops, the power dynamics between citizens, developers and planners was raised. Unlike developers and landowners, citizens have limited status in the planning system, since they are always in a reactive position, responding to proposed consultations. They are able to shut down some proposals but are not able to shape their communities. Some stakeholders suggested including some design principles when drawing up local plans to give citizens an increased sense of ownership over developments.

Recommendation: Community engagement during the production of the local plan, combined with ongoing meaningful engagement should replace multiple existing poor-quality rounds of engagement. Local authorities should also consult with other relevant stakeholders, including, for example, developers, landowners and environmental specialists.

Recommendation: Local authorities should be provided with funding, guidance and training to do better citizen engagement when drawing up local plans and should ensure engagement with hard-to-reach populations.

LOCAL PLANS SHOULD INCLUDE PROVISIONS FOR RENEWABLE ENERGY GENERATION

In local plans, land should be included for renewable energy generation and nature restoration. This should be coupled with the removal of the highly restrictive legislation around onshore wind to allow local authorities to designate land for onshore wind or solar.

On existing properties, the process should be simplified for getting planning permission to install solar panels or heat pumps. Similarly, central government should set basic minimum requirements for energy efficiency, but local authorities should have the scope to set higher standards on developments.

In rural settings, multifunctional land use should be incentivised, for example through introducing exemptions for farmers who are introducing solar panels as part of a multifunctional land use plan. The current proposals in the levelling up and regeneration bill to fast-track decisions on offshore wind are welcomed.

Recommendation: Restrictions on onshore wind and solar should be reduced, and planning processes should be accelerated. In conjunction, local plans should include provisions for renewable energy generation, where appropriate.

19 Scotland has national standards for community engagement (SCDC 2021) and we have previously argued that these standards should be used as a strong starting point and built upon (Murphy et al 2021).
CONFLICTING DEMANDS ON LAND SHOULD BE RECONCILED THROUGH INCENTIVISING MULTIFUNCTIONAL LAND USE

Multifunctional land use is where the same piece of land is used for multiple purposes. England, and the UK as a whole, does not have enough land to meet social, climate and nature needs by using areas of land for one purpose only, or to devote significant areas of land to functions that don’t contribute to these needs.

Using agricultural land for energy production, such as for solar panels, can be controversial (Gabbatiss et al 2022). However, multifunctional land use on non-prime agricultural land, when managed properly, can be as productive if not more so than single use (ibid; Williams et al 2023). The National Food Strategy suggests adopting a “Three Compartment Model” where the land is divided into different landscapes: high-yield farmland, low-yield farmland and semi-natural land (NFS 2021).

The National Farmers’ Union (NFU) is a proponent of multifunctional land use, particularly solar with other uses, due to the financial certainty it provides for farmers (NFU 2016; NFU 2021). The NFU identifies grid connectivity and capacity as barriers to solar adoption and use. A land use framework could help identify where capacity might need to be increased (Bradshaw 2023).

Recommendation: Multifunctional land use should be encouraged in local plans by removing the need for planning permission for solar farms that will be deployed on non-prime agricultural land alongside livestock or crops. At a national scale, the land use framework should be used to identify prime locations for multifunctional land use.
5. CONCLUSION

The planning system holds great opportunities to help England meet its net zero and nature restoration goals, while also designing attractive places to live. To do this, it will require central government to set the direction of travel and lay out a set of principles through a land use framework. Local authorities should be given more power to design and set binding local plans that are bigger and more integrated than current local plans, supported through funding from central government, which will facilitate renewable energy generation, nature restoration and the delivery of housing.
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