

NATIONAL PLANNING BAROMETER

# A planning system set up to fail?



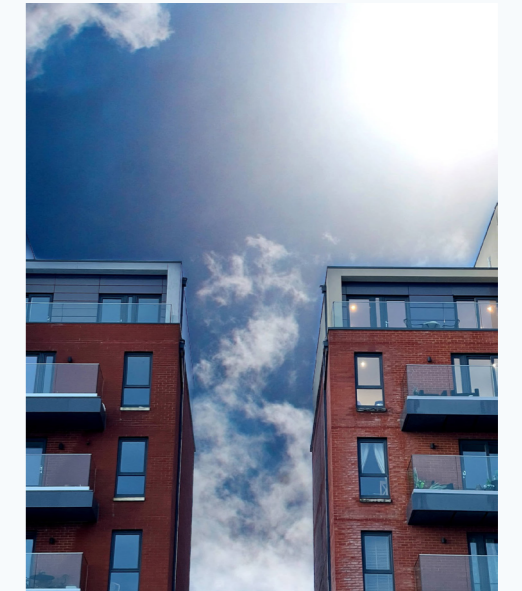
## INTRODUCTION

The National Planning Barometer is back. After a short pause during the pandemic, our national survey has once again polled planning committee members across England and Wales on a range of planning policy topics. The results are in, and they reveal a complex, and frequently combative, planning system that is failing to meet the housing needs of the nation.

## METHODOLOGY

311 councillors from England and Wales responded to 25 questions on a range of topics, starting with councillors' priorities for 2023, before moving onto housing delivery and supply, the state of local authority planning departments, committee decision making and developer reputation.

We repeat several questions each year to gauge longitudinal shifts in opinion on local and national planning policy while also including new questions on topical issues. The data has been weighted to be representative of the distribution of councils across England and Wales.



## EXECUTIVE SUMMARY

The insights from the National Planning Barometer reveal a planning system set up to fail. A combination of internal systemic issues that prevent adequate communication and engagement between key stakeholders, and external pressure from frequent changes to national planning policy, are creating a perfect storm. Hanging over all of this is a crisis of resource that sees local authority planning departments unable to deliver the service on which that system relies. Result: an acknowledged national housing crisis, with planning consents heading towards a record low.

The combative and contradictory nature of the system acts as a brake on the delivery of homes for those who are in greatest need. While councillors note that provision of affordable housing is a top priority, meeting their housing targets (the primary route for delivery of those affordable homes) is seen as a low priority. The Annual Housing Delivery test is dismissed as having any real influence on decision making.

The frequent disconnect between planning officer recommendations and planning committee decisions affects the morale and workload of planning departments, impacting planners' sense of efficacy within their role, and causing them to leave what are already under-resourced teams. In SEC Newgate's experience of supporting developers through the planning process, that disconnect can also affect developers' motivations. They question months spent in dialogue with officers and in consultation with communities, when this culminates in just three minutes to make their case at committee, often in front of decision-makers with widely differing agendas and priorities.

### Breaking down these communication barriers is key to solving the crisis within the planning system - and the housing crisis across England and Wales.

This report analyses the survey results from the National Planning Barometer, unpacks the key issues, and makes recommendations to help parties involved in the planning process to move forward. Above all, we argue for better communication – and new routes to engagement – between all parties to drive delivery of the homes that are urgently needed in communities.

Following the May 2023 local elections, our insights from the Planning Barometer have added resonance. In many local authorities, particularly across the south, councillors and parties campaigning on an anti-development ticket topped the polls. This will inevitably be reflected in the dynamics of future planning committees, further straining relations between planning officers and committee members, as policy and political will confront one other – with developers' applications stuck in the middle planning.

As politicians begin to set out their election stall at a national level, with Sir Kier Starmer calling for the reintroduction of housing targets and a new approach to Green Belt development, our insights suggest that there will be resistance at a local level. When asked which area of planning law they would like to reform, the top answer from councillors was reducing central Government's role in local planning.



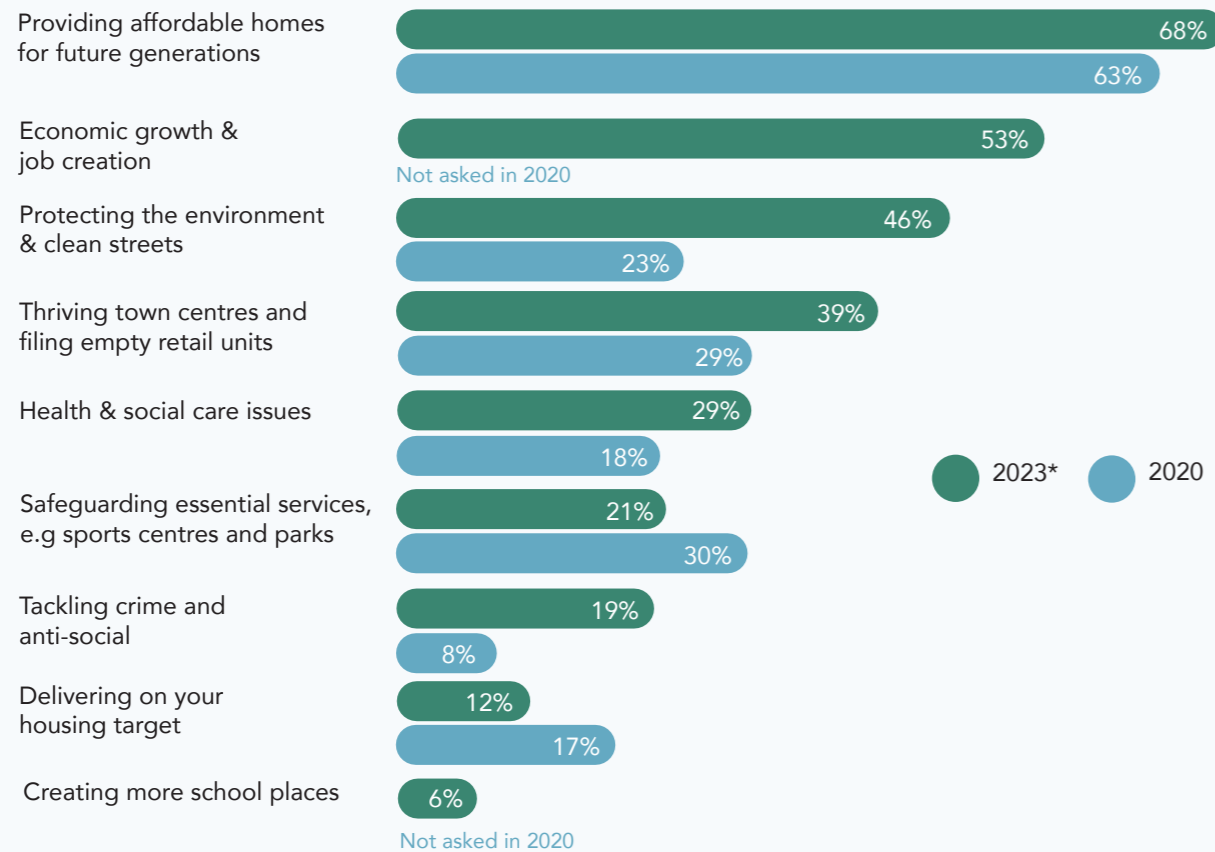
## THE NATIONAL HOUSING PICTURE IS BLEAK

In 2023, planning committee members perceive the national housing crisis to be significantly worse than it was pre-pandemic. There has also been a marked increase in how severe the housing crisis is in councillors' own local authorities – the perception that the crisis is at a high level of severity has more than doubled.

**67% of councillors think the housing crisis is getting worse in 2023** vs. 27% in 2020 and 56% of councillors report a high level of severity in their authority area in 2023 vs. 25% in 2020. (Councillors who selected 7-10 on a 10 point scale of severity).

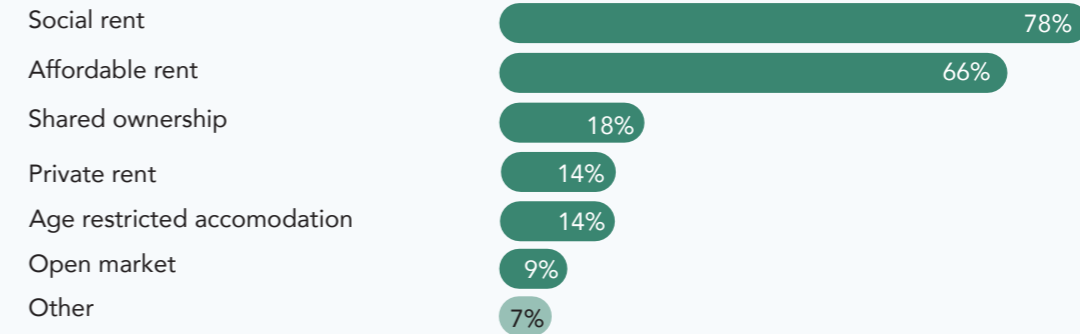
Unsurprisingly, therefore, **69% of planning committee members feel that housing supply is somewhat or severely lacking in the local authority areas**, and this sentiment has increased by 16% since we last surveyed councillors in 2020. To address this, **providing affordable homes for future generations** is viewed as the clear priority for their authorities, 68% ranked this in their top 3 across a range of priorities. This is an increase since 2020, indicating a worsening systemic issue.

### The change in local priorities after the Covid-19 pandemic



It is **social and affordable rented homes that are perceived to be in least supply** in councillors' local areas, with 78% of councillors feeling that social rent is a housing type particularly lacking, followed by 68% who feel similarly about affordable rent.

### Opinion on housing type most perceived to be lacking (%)

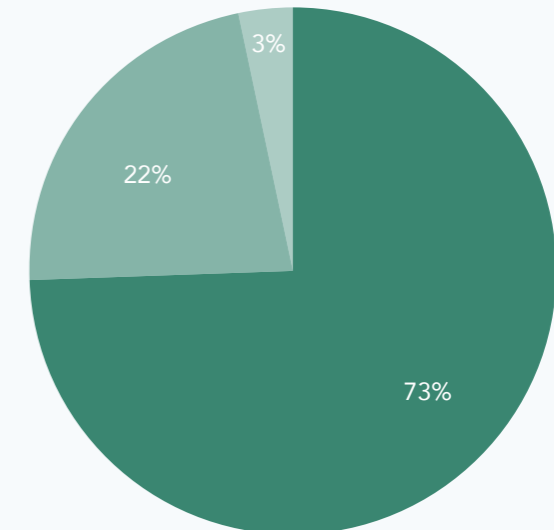


There is, however, an interesting contradiction in councillors' priorities. While affordable housing is seen as a top priority, **delivering on their housing target** ranks very low and has experienced a decline, from 17% selecting this as a top 3 priority in 2020 to just 12% in 2023. And yet it is through the consenting of new homes that affordable housing in England and Wales is delivered. This decline in the ranking is possibly a reaction to the government's decision to allow local councils a greater degree of freedom in determining and then achieving their housing targets, something that Labour has pledged to reverse.

And when asked whether the annual **Housing Delivery Test** is a strong influence on decision-making, the answer is a resounding no.

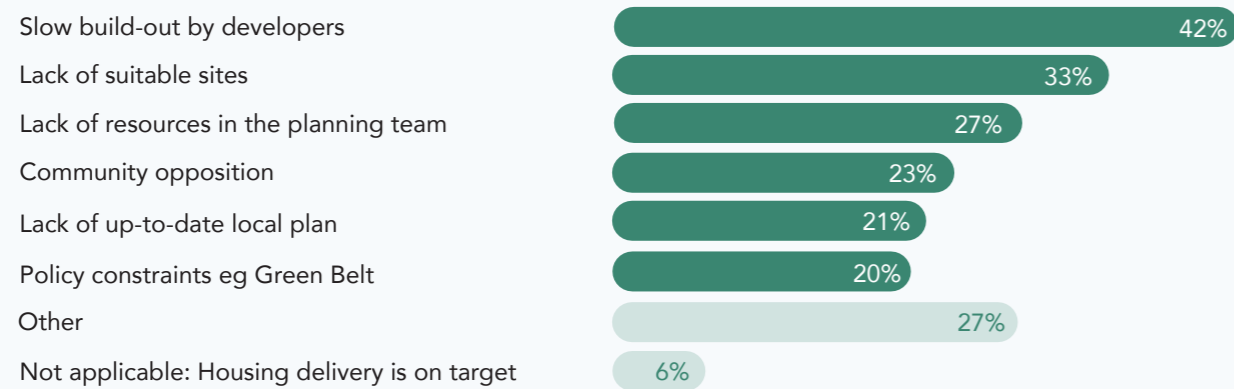
### Influence of Housing Delivery Test on decision making (%)

- No, my decisions is taken on the merits of the application itself
- It is one of several factors to consider when determining an application
- Yes, hitting our housing target is a priority



If councillors do not see housing delivery as a priority for them, then where does responsibility lie? In the National Planning Barometer, councillors cite a wide range of challenges affecting delivery, with **slow build-out by developers** the primary issue, followed by a **lack of suitable sites**, and a **lack of resource in planning teams**.

#### Biggest challenges to housing delivery in authority areas (%)



#### Other challenges to housing delivery included:

*"Some committee members not to approve the application for their party benefits. They don't consider national housing needs."*

*"High cost of land makes social rent impossible, we have a surplus of 'development', but nobody can afford them."*

*"Developers not building social housing."*

*"Restrictive and sometimes nonsensical planning law and policy."*

*"Lack of supporting infrastructure."*

We can draw two conclusions from these data points:

1. **There is a fundamental misunderstanding of the commerciality of housebuilding. For developers, slow build out would not be a preference as they can rarely afford for sites to remain unproductive; and,**
2. **Lack of resource in planning teams is proving to be a critical brake on delivery.**

In the main, **build out rates** are determined by three things:

- Timely discharge of pre-commencement conditions (poorly resourced planning departments have a major impact on this)
- Timely engagement with statutory bodies
- State of the housing market

With land secured and consent achieved, the last thing on a developer's mind is how to stall progress. If slow build out by developers is the number one issue affecting delivery, then better communication is required by the housebuilding industry.

However, looking again at the top three identified challenges to housing delivery, they all reflect a crisis of resource in local authority planning departments:

- **Build out rates** -> the discharge of pre-commencement conditions is reported to create a log jam
- **Lack of suitable sites** -> we know that Local Plan progression is stalled in many areas due, in part, to staff shortages
- **Lack of resources** -> puts a strain on planning teams

Councillors identify the **delivery of affordable homes as the primary way to improving housing affordability**, with 66% of respondents choosing this option.

#### Ways to improve housing affordability in authority areas (%)



# A CRISIS WITHIN PLANNING DEPARTMENTS COMPOUNDS THE ISSUE



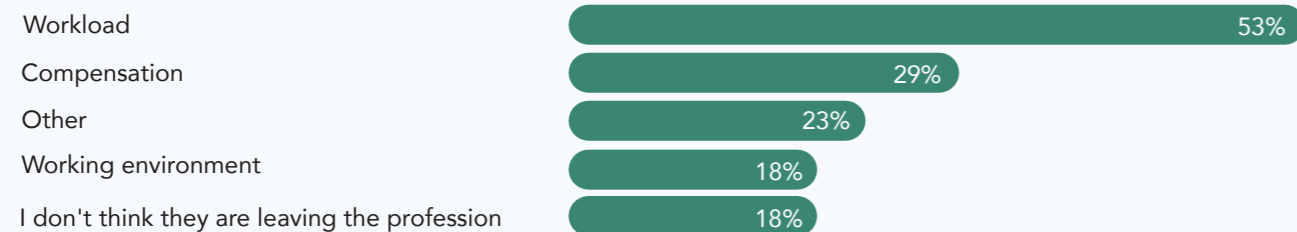
## A CRISIS WITHIN PLANNING DEPARTMENTS COMPOUNDS THE ISSUE

We know there is a recruitment and retention crisis within local authority planning departments. In the sector there is frequent discussion of poor remuneration and working conditions compared to private sector opportunities, with many officers still required to work remotely.

Added to this sentiment is the impact of a slew of policy directives (and multiple changes of direction) from central government which put more work on fewer shoulders. This anecdotal knowledge of the issue is now confirmed by data from the National Planning Barometer.

Nearly 6/10 of councillors feel that resource within their planning department is insufficient to ensure timely determination of applications and updated local plan policies. And when asked why they believe planning officers are leaving the profession, the key reasons given were workload (53%) and compensation (29%).

### Perceived reasons on why planning officers are leaving the profession (%)



Working environment (18%) was also selected as a supporting reason for retention issues, and councillors had other insights to share around competition with the private sector, lack of career development and impact of Government sentiment and policy:

There is competition in the private sector because of better compensation and conditions. Also, uncertainty about possible local government reform is having an effect.

There is a lack of confidence in long-term career prospects due to governmental ambivalence about the value of planning.

The Government policies of building houses is unrealistic and putting too much pressure on planning officers to deliver the policy in a timely manner.

Interestingly, only 1/3 of councillors surveyed felt that the Covid-19 pandemic has had a lasting impact on their local authority's planning function, however, this group highlight some issues that have exacerbated operational dysfunction within departments:

- 53% feel the pandemic has contributed to an increase in staff shortages/resourcing issues
- 34% believe that home working has led to lower productivity and fewer site visits
- 29% cite an increase in delays and backlogs



# THE CHALLENGE OF UNDERSTANDING AND COMMUNICATION – A COMBATIVE SYSTEM





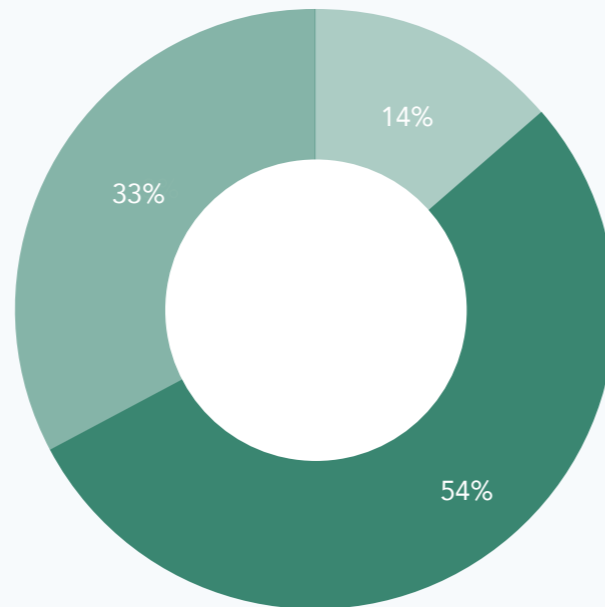
## THE CHALLENGE OF UNDERSTANDING AND COMMUNICATION – A COMBATIVE SYSTEM

The National Planning Barometer provides evidence of a communications breakdown across the planning system.

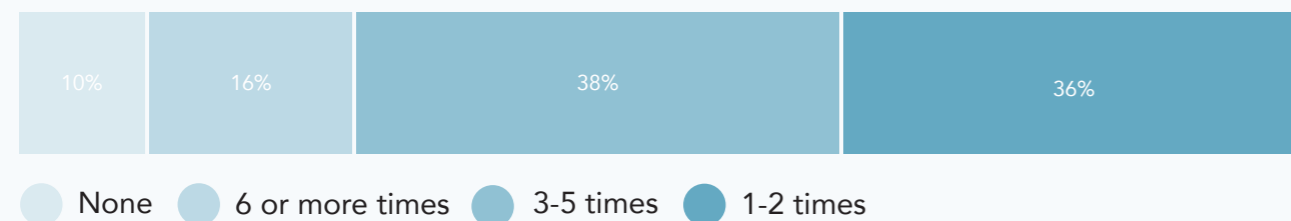
From a general public that is perceived to find the system opaque, to planning committee members who vote against officers' recommendations with a regularity that would suggest a fundamental difference of opinion, there is a lack of clarity and purpose. An overwhelming **9/10 councillors do not think that the public find it easy to understand the planning system in their local authorities; 9/10 councillors have also voted against their officers' advice at least once** in the past 12 months, with almost 1/5 doing so 6 or more times.

### Perceived ease for members of the public to navigate the planning system of their local authority (%)

- The process is easy to understand
- The process requires some knowledge
- The process is too difficult for the many

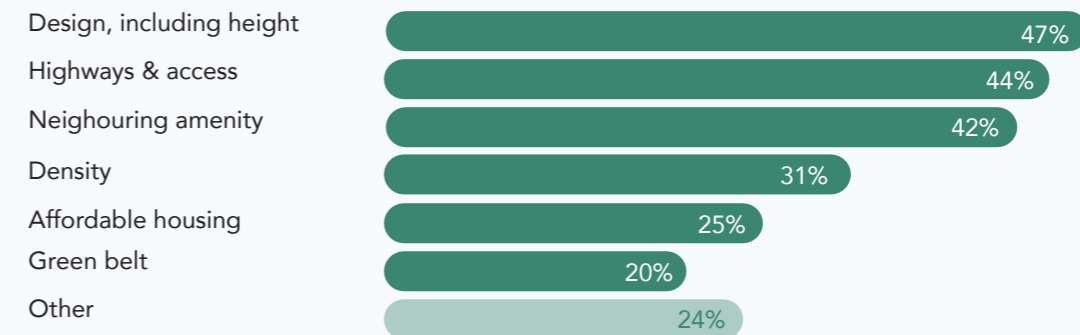


### Voted against officers' recommendations in past 12 months (%)



The principal reasons given for voting against officer's recommendations were **design**, followed closely by **highways** and **neighbouring amenity**.

### Grounds for voting against officers' recommendations (%)



The fact that 16% of planning committee members regularly vote against officer recommendations, suggests a serious disconnect in communication. On the one hand, councillors may be failing to understand - or disagreeing with - adopted policy, and on the other, officers (particularly on matters of design) seem to be failing to understand the priorities and ambition of members.

Previous research produced by the House of Commons evidences that just 6% of all planning applications – a tiny number – are referred to planning committees in England and Wales for determination, usually on grounds of scale or controversy. This issue of controversy makes councillors' decisions harder to predict, which is why early and on-going dialogue between officers, applicants, councillors, and the wider community is essential. To refuse an application (which has very often been the result of months of preparation and negotiation) on a single vote, has a range of negative implications. It serves to damage planning officers' morale, adds to their workload, risks a costly appeal process, and encourages developers to bypass the local planning process entirely (preferring to go straight to appeal).

Planning refusals are also more likely when communities feel disenfranchised due to their lack of understanding of the planning system: the sole avenue currently open to them is direct and (often) emotive intervention with their local representatives. Developers, by contrast, are actively discouraged from engaging committee members to better understand their aspirations and are instead guided to progress their scheme in line with officers' interpretations of policy.

To strive for a more open and efficient system, we advocate for better engagement all round, so that the needs and viewpoints of all actors are understood.



## DEVELOPERS: THE NEED FOR GENUINE ENGAGEMENT AND TRANSPARENCY

Councillors on planning committees feel that the most important thing developers should consider when consulting the community is to demonstrate they are genuinely listening (40%).

This is followed by the need for deeper consideration of how the development impacts on the community and the environment (27%) and engaging with transparency and honesty (18%).

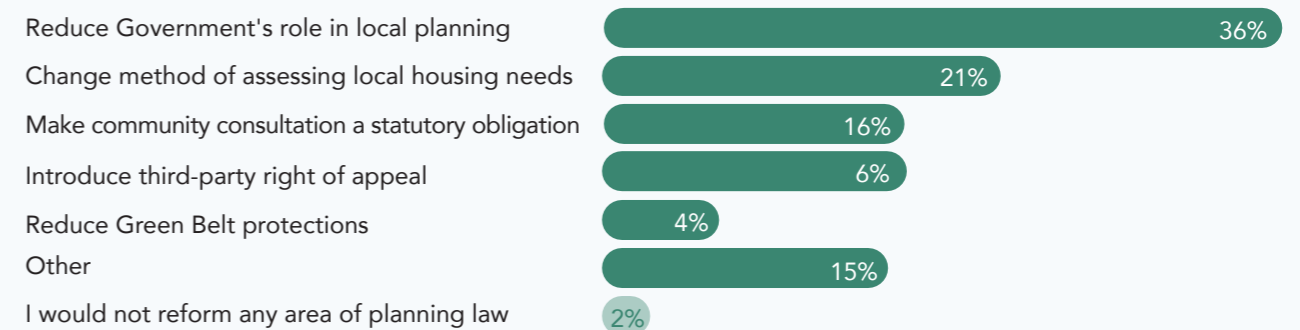
The best way to deliver meaningful engagement is through early engagement with communities. It is at this point when a scheme is evolving, that communities have a genuine opportunity to influence developing plans. Flexibility and transparency build confidence and trust and can lead to swifter, better decisions. Early engagement is just as likely to identify those advocates for a project, whose aspirations align with those of the developer, as it is detractors.

## THE POLICY DISCONNECT

"The government's policies of building houses is unrealistic and putting too much pressure on planning officers to deliver the policy in a timely manner."

If there is a disconnect between councillors and officers at the local level, there is also one between local and national politicians. Local councillor sentiment appears to be at odds with national housing policy, with a clearly expressed lack of confidence that national policy is fit for purpose on a local level. When asked 'If you could reform one area of planning law, what would it be?' the top answer was **reducing central Government's role in local planning**. In second place, was **change the method to assess local housing needs**.

### Areas of desired reform in planning law (%)



### Other desired areas of reform:

*"Restrictive and sometimes nonsensical planning law and policy."*

*"The Government policies of building houses is unrealistic and putting too much pressure on planning officers to deliver the policy in a timely manner."*

*"Remove requirement for a 5-year housing land supply where there is an up-to-date local plan."*

This disconnect is further echoed in sentiment towards future government planning policy, with **only 2/10 members feeling that policy such as the Government's Levelling Up and Regeneration Bill, and updates to the NPPF will have a positive impact on their local authorities**. 3/10 expect a negative impact towards these policies and 5/10 are ambivalent.

## AN INCREASED FOCUS ON SUSTAINABILITY

Considering councillors' responses to a range of questions in the National Planning Barometer, we may conclude that there is an increasing focus on sustainability in their considerations of planning applications.

- **'Protecting the environment and clean streets' has doubled as a local priority (46% ranked top 3 in 2023 vs. 23% in 2020).**
- **92% of respondents said that the sustainability of a scheme was a factor to consider when determining an application – and 36% said it was an absolute priority.**
- **The second area that councillors recommend developers should consider when consulting the community is how the development impacts on the environment (27%).**
- **Sustainability is starting to be a reason for voting against officers' recommendations: 9% of those who voted against recommendations cited sustainability or environmental concerns.**

This increasing focus on sustainability is something that SEC Newgate has experienced in engagement with councillors on development projects across the UK. Questions about sustainability are frequently asked by councillors during the planning process, from early engagement through to planning committee meetings.

However, despite an increased interest in the topic, we have found that there is often a significant gap between expectation and practical application. While councillors' focus tends to be primarily on air source heat pumps and external solar panels, SEC Newgate have found that when our clients have engaged early with planning committee members on the topic of sustainability, they have been able to broaden the conversation to a wider range of technologies and design standards. This has led to positive comments from members of planning committees, and more successful outcomes at committee.



# RECOMMENDATIONS



## RECOMMENDATIONS

The National Planning Barometer reveals two key issues impacting housing delivery: planning department resource and stakeholder communication. While the former is determined by central government funding, the latter can be influenced by developers.

At too many points in the system, parties are not talking to each other. The result is often conflicting aspirations and unwarranted mistrust. As engagement specialists, we make the following recommendations:

**Create opportunities for developers and planning committee members to gain a better understanding of each other's motivations.** Pre-submission engagement forums are offered by some local authorities, at which developers present their emerging plans and members comment, question and offer useful feedback. These should become the norm. Applicants can gain a much better understanding of members' priorities, without an officer's filter being applied.

**Issue better guidance on the rules of pre-determination** to reassure committee members that they can sit down with applicants, just as they can do with members of the community. Amend officers' advice so that the default response to a meeting request from an applicant is positive, rather than negative.

**Reimagine planning committee member training** to include briefings from external parties, providing members with real insight into the motivations of developers, landowners and a range of community groups.

**Develop engaging material for communities and councillors on the housebuilder model**, how it works and where it could be improved.

**Develop an easy-to-understand guide to the Local Plan process** that explains how to get involved. Rethink the language and the layout. Encourage developers to make copies available both at events and via a link on their project websites.

**Engage communities at an earlier stage in the planning process.** Explain how the process works, offer flexibility in your design and approach, build in member engagement and submit proposals knowing what your key stakeholders will likely think about them.

**Deconstruct sustainability as a concept.** An easy word to throw around, the detail is often lost and the practicalities misunderstood. This should be an essential part of planning committee member training.

**Insight is a powerful tool.** A wise developer devotes time to stakeholder mapping and engagement, ensuring that everyone with input and influence is engaged, briefed and their position understood.



## ABOUT US

At SEC Newgate, our stakeholder and community engagement team can help identify and understand key local audiences, providing insight that helps to define objectives and hone messaging that hits the right spot. A creative mix of former councillors, political enthusiasts and public affairs specialists, we consult on the ground with local politicians, communities, the media and other interested groups.

## RESEARCH METHODOLOGY

A total of 311 councillors participated in our survey between 21 February to 14 March 2023, from a population of 4,882 councillors across England and Wales. Data has been weighted to be representative of the distribution of councils across England and Wales. After weighting is applied, the total survey base size is n=274.

**Out of the councillor participants (from the weighted base of n=274), the split by region is as follows:**

Region	Base size
North West	36
North East	8
Yorshire & Humber	16
West Midlands	19
East Midlands	33
East of England	38
South East	81
London	25
Wales	18

The survey polls planning committee members across England (and from 2023 includes Wales) on a range of planning-related issues. We repeat several questions each year to gauge longitudinal shifts in opinion on local and national planning policy while also including new questions on topical issues.

## CONTACT

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