

# More growth, more homes, more jobs

How to reform the planning system to unlock urban regeneration



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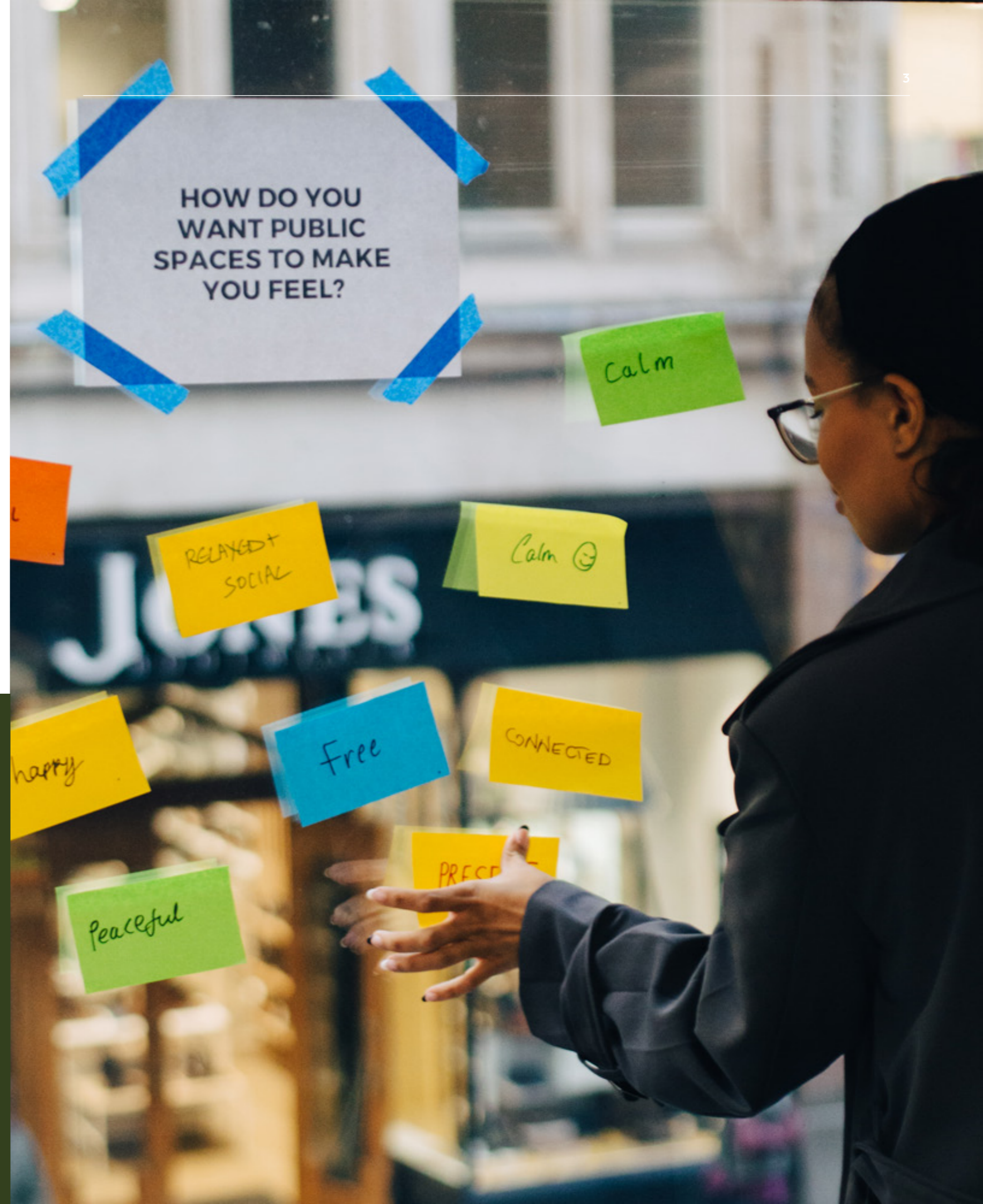
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Our businesses have come together to explore how to make the planning system work more effectively for urban regeneration.

We have sought to ensure that the proposals would not require significant public funding and the majority can be delivered without the need for primary legislation – meaning that they could be delivered quickly in advance of wider planning reform.

We believe that our proposals would improve the planning system as a whole but have taken a brownfield regeneration first approach to designing them. We believe that any attempt to reform the system should focus explicitly on this area to unlock the growth the country needs.



# Introduction

The planning system is currently acting as a significant brake to economic growth, housing delivery and addressing inequalities.

This problem is felt particularly in the area of brownfield urban regeneration. Development on brownfield land is increasingly relied upon to drive investment and growth. However, it suffers more than any other form of development through the failures of the current system.

There are three principal reasons underpinning these failures:

- Successive changes to the planning system have added multiple layers of complexity and uncertainty such that the system's default mode is to prevent or delay economic activity. In this context any form of built development is often seen by communities as harmful rather than something that drives positive outcomes.
- Too much political time and energy has been spent debating the merits of housebuilding on greenfield sites. In contrast, too little attention has been paid to how best to unlock, and resource, the complex challenge of achieving sustainable and beneficial mixed-use development in urban areas.

The focus on volume housebuilding is pushing the system towards a more fixed and overly rigid framework focused on a narrow view of what "good" development looks like – and which has little bearing on the realities faced in urban regeneration. Recent policy proposals such as Design Codes and the Infrastructure Levy will limit the opportunity for thoughtful and responsive urban development.

- As the system has become more complex, so the resourcing of planning authorities has been stretched reducing the capacity and capability of their planning departments. In turn, they then regularly struggle to meet the demands of a complex system, particularly in relation to major urban regeneration projects – despite their officers' best efforts.



All political parties are united on the need to deliver more new homes and economic growth. Given the failure of the current planning system to consistently deliver either at scale, we believe it is time to redirect attempts at reform to focus on the best way to deliver these outcomes with the consent of the public – through brownfield urban regeneration.

## Why?

- Development is more widely accepted in urban areas. Data from Ben Ansell<sup>1</sup> shows that there are just 55 of 650 parliamentary constituencies in the UK which demonstrate net public support for housebuilding in their local area. These constituencies are overwhelmingly urban in nature.
- We can deliver more homes, more jobs, and a better quality of life for people living in our towns and cities.
- When delivered with a strategic focus, mixed-use urban development drives economic growth and prosperity, unlocking the potential of towns and cities across the country. A 2019 study of brownfield land in four UK urban areas (Greater London, Greater Manchester, West Midlands CA and Cambridge) identified the potential to deliver over 300,000 new homes by 2030, create over 30,000 jobs a year and generate over £60 billion of Gross Value Added (GVA) annually. That potential remains to be unlocked but we need a planning system that genuinely prioritises the opportunity of brownfield urban regeneration to do so. See appendix.
- The thoughtful redevelopment of our cities – through good design, heritage preservation and low carbon development – will be our best opportunity to deliver that growth while also supporting the UK's efforts to achieve Net Zero.
- This is how growth will be achieved across the country reducing regional inequalities.

<sup>1</sup> Political Calculus blog – 13 January 2023 – [The UK's Political Housing Crisis](#) – by Ben Ansell (substack.com)



Canada Water Dock

# Case studies

## o2 Masterplan, Camden

Led by Landsec, the Masterplan takes a car dominated shopping centre at risk of decline and delivers 1,800 energy-efficient homes alongside 180,000 sq ft of retail, leisure and other community space. It will create a c.£1 billion long-term investment in the borough, with a significant package of social, financial and community benefits.

The Masterplan will create 1,000 new job opportunities for local people and deliver up to £34.5 million in additional annual spending to the local economy.

## Mayfield, Manchester

As part of a joint venture with Manchester City Council, Transport for Greater Manchester and LCR, Landsec is funding and delivering the transformational £1.5bn regeneration project in Manchester city centre, adjacent to the city's mainline Piccadilly train station on a former industrial wasteland. The scheme will create over 13,000 new jobs, 1,500 homes, and will bring 1.9m sq ft of commercial, leisure and retail space to the area; delivering a GVA of £1.4bn. The first phase of the project has delivered Manchester's first city centre park in 100 years.

## Canada Water Masterplan

Led by British Land and AustralianSuper, the Canada Water Masterplan is one of London's biggest and most exciting development projects in a generation, spanning 53 acres. With a GVA of £2bn, it will deliver up to 3,000 new net-zero homes, of which over 35% will be affordable, c. two million sq ft of workspace for up to 20,000 workers, and c. one million sq ft of retail, leisure, entertainment and community space including a new leisure centre for Southwark Council and a new 3.5 acre public park. The project is expected to create over a thousand construction jobs, including apprenticeships.

# MAYFIELD

Mayfield, Manchester



Canada Water Masterplan



## Executive summary

Our proposals to increase economic growth by delivering more homes and jobs on large scale urban sites through reform of the planning system are summarised below. A number of these recommendations are applicable to the planning system as a whole – but all of them are designed with the primary view of what would facilitate brownfield urban regeneration most effectively.

## Our roadmap to unlocking brownfield urban regeneration

We believe that the following seven principles should be used to guide future reforms to the planning system and in so doing unlock investment and growth across the country.

- Define and focus on brownfield urban regeneration
- Secure quick wins and pilot new ways of working in progressive authorities
- Resource the system effectively and reduce complexity and duplication to improve performance
- Encourage proportionate decision-making to ensure that planning decisions are taken at the appropriate level with the appropriate level of expertise
- Enable development on brownfield land through national planning policy
- Create better tax incentives to encourage investment in infrastructure and remediation.
- Put communities at the heart of development

# 1. Define and focus on brownfield urban regeneration

One of the challenges facing brownfield urban regeneration is that the current system describes all previously developed land in one very broad definition. The glossary definition in the National Planning Policy Framework (NPPF), includes some land which would not necessarily be categorised as “urban” or “brownfield” and without recognising that some forms of brownfield development are inherently more complex than others.

We believe that the NPPF should define ‘brownfield urban regeneration’ sites as a specific sub-set of the existing “previously developed land” definition. This would be achievable quickly through amendments to the NPPF and would allow specific and targeted policies to be developed to unlock the potential of brownfield urban regeneration - and exclude more contentious sites disconnected from urban infrastructure.

## Recommendation:

The definition of brownfield urban regeneration should be built around the following principles:

- Within an urban area (as defined in the Local Plan); and
- Above a scale threshold - one hectare; or
- Designated in the Local Plan; or
- Delivers a strategically significant quantum of housing and/or employment generating uses within the context of the Local Plan



# 2. Secure quick wins and pilot new ways of working in progressive authorities

We believe that significant time savings could be achieved through simple, uncontroversial changes to streamline the development management and decision-making process including:

- Incentivising effective pre-application engagement by linking it to shorter determination periods.
- Simplifying and automating validation processes.
- Standardising planning application documents and avoiding duplication.
- Replacing ineffective Planning Performance Agreements with binding Service Level Agreements linked to fees and cost recovery against agreed milestones.
- Standardising planning conditions and obligations based on a nationally-set template.
- Avoiding intentional delay through reform of the Judicial Review process.
- Making it easier to amend existing permissions.

## Recommendation:

- These changes are piloted in five progressive local authorities over the next 18 months on identified urban regeneration sites and then adopted nationally as part of wider planning reforms.



### 3. Resource the system effectively and reduce complexity and duplication to improve performance

An effective and well-resourced planning system is essential to delivering growth. This is particularly true for large-scale, complex urban regeneration projects. However, additional resource alone will not address all of the current planning system's issues.

The system is overburdened and process-driven, trying to do too many things at once. The interaction between different tiers – local, regional and national – creates multiple policy layers and duplication, if not outright contradiction. This increases complexity, uncertainty and inconsistency.

This complexity is compounded by excessive conditions and complex processes for amending schemes, which lead to unnecessarily restrictive permissions and greater demands on local authority resource.

Complex brownfield urban regeneration often requires more specialised knowledge and expertise than is required for other forms of development. While an enhanced funding settlement for local authorities to enable them to invest in the capacity and capability of their planning departments is in everyone's long-term interests, we also believe that existing specialist expertise could be used more effectively immediately.

#### Recommendations:

- Clearly defining what should be included in each policy tier (local, regional and national) to avoid duplication.
- Avoiding duplication of Building Regulations and other legislation in planning policy.
- Continued support for investment in digitisation to create a simplified, tech-enabled, modern planning system at a national scale.

#### Recommendations:

- The creation of a specialist, centralised planning resource that is appointed and managed at the strategic or combined authority level (or at the national level by Homes England), to deal with issues such as viability and embodied carbon. Where a local authority requires additional capacity and/or expertise, to deal with applications of significant scale and complexity, this specialist resource could be engaged, with the associated costs covered by the applicant.
- In the long-term, an enhanced funding deal for local authorities to invest in their planning service.

### 4. Encourage proportionate decision-making to ensure that planning decisions are taken at the level at which their impacts are felt and with an appropriate level of expertise

We believe that decisions should be made at the level at which their impacts and benefits are realised and with an appropriate level of expertise.

One of the failings of the current system is that too often decisions are taken at one level, only to be appealed (or called in) at a higher level later. This is in part driven by the system asking local authorities to determine matters that are of greater significance than to their local area alone.

We want to see greater consistency in decision making based on which issues are local and which are genuinely strategic – while still maintaining the critical link with the local community.

In practice, the vast majority of decisions would still be made at the local authority level, with the largest and most complex decisions made at the strategic or combined authority level and, in exceptional circumstances, at the national level.

#### Recommendations:

- All local authority planning committee members involved in determining large, complex urban regeneration applications should be provided with rigorous and up-to-date training that equips them to do so.
- Harmonising devolution deals across the UK to require all city regions and combined authorities to have a spatial strategy to provide strategic planning oversight.
- Above a nationally set threshold, the applicant should have the choice of referring any brownfield urban regeneration application to the strategic or combined authority, from pre-application stage, for determination. We suggest a threshold of 500 homes or 50,000 sq m of commercial development, subject to consultation. Where this route is engaged, the applicant must commit to delivering a community consultation method statement (see below) that reflects best practice and maintains the critical link between development and the community.
- In major regeneration and renewal areas planning committees should include independent members with relevant technical and industry expertise.
- Delegating more smaller applications to planning officers where they are of an appropriate scale, in the context of the local authority, and in general conformity with the Development Plan.
- This approach should be underpinned by monitoring the performance of planning committees (at all levels), both in terms of the proportion of decisions taken within set time limits and the proportion of decisions overturned on appeal.



## 5. Enable development on brownfield land through national planning policy

Developing previously developed land is a national policy priority. However, the approach to 'gentle densification' proposed in current national planning policy will make brownfield development more challenging and limit the potential of brownfield urban regeneration. If sustainable development opportunities are to be maximised, there needs to be a step change in density on sites in accessible locations, secured through innovative planning, design and placemaking.

The prioritisation of brownfield land (over greenfield development) needs to be balanced with growing expectations of what development and developer contributions can deliver. The social value created by bringing unproductive land back into use, or through the thoughtful redevelopment of a heritage building, simply cannot be matched by greenfield development.

However, the layering of planning costs, combined with future buildings and homes standards and additional taxes on residential development are making schemes more challenging to deliver and increasingly unviable. This also limits the funding available to local communities to ensure they realise the benefits of development.

It is also increasingly difficult to draw a direct link between development and the benefits delivered to the local community, when developer contributions are dominated by the Community Infrastructure Levy. These contributions often remain unspent even after the development is completed and/or can be spent in areas away from where the development occurs. We believe that this is a significant factor in the default opposition most developments experience across the UK and is likely to be compounded by the proposed Infrastructure Levy.



### Recommendations:

- Encouragement in policy for brownfield urban regeneration explicitly not just previously developed land
- Options are explored to connect communities more directly with the benefits of developments, including through the retention of Section 106 for brownfield urban regeneration schemes.
- A more open dialogue is encouraged between developers, in partnership with the local authority, and communities about the potential benefits development and densification can deliver. This would form an explicit part of our proposed community consultation method statement (see below).

## 6. Create better incentives to unlock urban regeneration

The potential benefits of brownfield urban regeneration are significant, but we need to face the reality of what it costs to deliver these schemes, if we are to unlock them and deliver the economic growth and public benefits local authorities expect.



### Recommendation:

- Creating tax incentives to invest in urban regeneration, modelled on Capital Allowances. The recent Budget confirmed tax incentives for investment in plant and machinery, as it is understood to drive growth. A similar model could be adopted for investment in local infrastructure and remediation of contaminated land to catalyse urban regeneration. This would make urban regeneration schemes more viable and maximise the potential benefits that can be realised for local authorities and communities.





## 7. Put communities at the heart of development

Through our work in urban regeneration, we know that **community engagement, which is inclusive and responds to local priorities, is vital in shaping successful places that are supported and championed by local people.**

The complexity of the current planning system can deter people from engaging in development. However, we believe that broadening this engagement is critical to making development work for local communities and in turn unlocking economic growth and housing delivery.

We also believe that widening involvement in planning is critical to building public trust and securing more representative public participation. This can be achieved by creating real, measurable opportunities for people and communities to engage in the planning and design process, with scope for influence, so that local people can help shape future spaces and feel connected to the opportunities and benefits of development.

### Recommendation:

- All developers create community consultation method statements at the pre-application stage committing to a specific plan to engage and involve the local community. Where developers commit to and deliver an inclusive programme of community consultation, the local authority should create a fast-track determination stream that prioritises these applications over those who fail to involve the community. This could result in more applications being determined within the statutory determination period or being moved up the priority list for forthcoming planning committees. This would not only speed up the planning process, unlocking growth, but also incentivise all participants in our sector to deliver growth in the public interest and with community consent.



## Conclusion

**We believe that this combination of measures could be the starting point to rethink the planning system so that it can deliver on the promise of brownfield urban regeneration.**

We have developed these proposals because, as users of the planning system, we see that it isn't delivering the economic growth that our towns and cities, and indeed the whole country, needs.

We have sought to ensure that the proposals would not require significant public funding and the majority can be delivered without the need for primary legislation – meaning that they could be delivered quickly.

Importantly, they seek to balance the interests of both the private and public sectors, and the communities we collectively serve. We hope that they start a dialogue and would be delighted to work with interested parties to help shape and refine them further.

We're committed to making brownfield urban regeneration work because it will enable our industry to deliver more homes, jobs, and a better quality of life for people living and working in our towns and cities. In doing so we can generate sustained economic growth across the country.



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# Appendix - Investigating the opportunity of brownfield urban regeneration

In 2019, U+I (now part of Landsec) commissioned Development Economics to research the ability of brownfield land in urban areas to accommodate housing and jobs growth. The study examined the brownfield land register in a number of urban areas to estimate its ability to accommodate housing and employment land need. The conservative assumptions based on 2019 figures are captured in the data tables below.

**Table 1: Housing accommodated on previously developed land, 2017-2030**

Area	PDL developed for Housing (Ha)	Publicly owned PDL developed for housing (Ha)	Housing units developed on PDL ('000s)	Housing units developed on publicly owned PDL ('000s)	Proportion of 2017-2030 housing requirement met on PDL land (%)	Proportion of 2017-2030 housing requirement met on publicly owned PDL land (%)
Greater London	3,083	1,047	197.8	70.6	25.3%	9.0%
Greater Manchester	1,615	638	54.2	21.4	28.2%	11.1%
West Midlands CA	1,786	574	63.8	21.1	40.5%	13.4%
Cambridge	77	36	4.1	1.9	96.3%	45.3%

Source: Development Economics estimates

**Table 2: Additional employment land required in selected areas, 2017-2030**

Area	B1 Land for offices (ha)	B2 Land for industry (ha)	B8 Land for logistics (ha)	Overall employment land required (ha)	Average land required p.a. (ha)
London	94	68	244	411	29.4
Greater Manchester	37	66	128	231	16.5
West Midlands CA	23	66	61	149	10.6
Cambridge	3	1	2	6	0.4

**Table 3: Additional employment growth expected in the selected areas, 2017-2030**

Area	B1 jobs	B2 jobs	B8 jobs	Overall jobs	Annual average
London	275,800	11,700	25,900	313,400	22,400
Greater Manchester	55,400	11,000	10,800	77,200	5,500
West Midlands CA	30,300	10,500	5,100	46,000	3,300
Cambridge	2,700	200	100	3,000	200

**Table 4: Additional annual GVA associated with employment growth by 2030 (£millions, 2019 prices)**

Area	B1	B2	B8	Overall GVA
London	53,487	2,672	5,729	61,888
Greater Manchester	2,934	778	591	4,302
West Midlands CA	1,584	621	274	2,478
Cambridge	149	11	9	170

## Acknowledgements

We are grateful to the various individuals from the public and private sectors who have contributed their time and insights to inform this paper. We hope that these proposals ultimately contribute to our shared goal of reshaping the planning system and delivering better outcomes across the county.

In particular we would like to thank Simon Ricketts of Town Legal and Tom Dobson of Quod for their counsel and review of the proposals.