

Powering up planning

How the planning system builds
community wealth

Sean Benstead



the national organisation
for local economies

Acknowledgements

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About the Centre for Local Economic Strategies (CLES)

CLES is the national organisation for local economies. Established in 1986, we are an independent charity working towards a future where local economies benefit people, place and the planet. This will happen when wealth and power serve local people, rather than the other way around, enabling communities to flourish. We have an international reputation for our pioneering work on community wealth building and are recognised as the curators of the movement in the UK.

Work with us

If you would like to know more about CLES's approach to understanding how local economies can be better served by the planning system, please [get in touch](#).

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How this report was written

In March 2024, CLES co-hosted a roundtable with Islington Council at Islington Town Hall. The event was attended by nearly 20 local authority representatives and planners from across the UK who were interested in sharing insights on how they are using the planning system to deliver better outcomes for their place. This report draws on the insights from that roundtable and from additional conversations with planning authorities whose work is demonstrating the impact that can be created within the existing planning system.

The film below details some of the highlights from the discussion and a learning journey tour of developments in Islington.



Executive summary

The state of the planning system in England is never far from the news headlines, with discussion usually centring on the extent to which it acts as a regulatory burden and a barrier to economic growth. But this popular narrative disguises an important truth: that many planning authorities are using the system to deliver good outcomes for their people, place and the planet.

By harnessing the tools they have available and rallying courageous civic and political leadership, these planning authorities are requiring developers to support inclusive local economic development in the form of affordable housing and workspaces, local jobs and skills. They do this despite the severe resource constraints they face in the wake of austerity and cuts to council budgets, and a challenging national policy environment.

This paper is a call to arms to planning authorities everywhere to do the same. It uses case studies from Islington, Salford, Preston and Scotland to identify four practical ways that they can take a bold stance and make developers work harder for our places (see Figure 1).

The paper contains two sets of recommendations. The first is for planning authorities who want to put these practical approaches into action. The second is for the new government and sets out the ways in which it can set the conditions for planning authorities to go further and do better.

Figure 1: four ways to make planning work for your place



Source: CLES.

Recommendations

For planning authorities

1. Update your local plan with ambition
2. Value and invest in planning
3. Establish strong political leadership
4. Collaborate and co-operate with other local authorities and public landowners
5. Use Supplementary Planning Documents (SPDs) to amplify your existing policies
6. Think creatively about ownership
7. Build relationships with partners and be clear about what you expect from developers

For the new government

1. Ensure planning reform restores power to local authorities
2. Build a national plan that enables local planning innovation
3. Make sure new growth policy accounts for planning
4. Agree housing targets regionally
5. End Right to Buy

Want to know more?

With changing expectations around renewed and refreshed local plans emerging from recent government announcements, the agenda around the role that they play in place is rapidly evolving.

CLES is hoping to convene local authority representatives with an interest in how they can rewrite their plans in a way that ensures that it supports their communities in the autumn of 2024.

If you're interested in joining this session, or in discussing CLES's work in this area further then please [get in touch](#).

Introduction

In recent times, the UK planning system has come under the spotlight...but not in a good way. It has been called a blocker of economic growth, prompting calls from across the political spectrum for its reform.^{1 2 3 4 5}

The Levelling Up and Regeneration Act (2023) responded to this narrative by making local plans subservient to national policy in disputes and also proposes to abolish Section 106 payments – a key tool for local governments to place obligations on developers – and replace them with a new levy that is set nationally.⁶

Thus, the Act threatened to take planning power away from our places and put it into the hands of central government, far beyond the current powers they have to place planning authorities under “designation”.^{7 8 9}

The calls for reform escalated in the run up to the general election and, immediately post-election, the new Labour government immediately set out their stall with a consultation on updates to the national planning policy framework (NPPF) to reimpose housing targets. They, like Conservative governments before them, have positioned the current planning system as a barrier to growth.¹⁰ The plans for mandatory “Local Growth Plans”, too, emphasise the need to align policy with the objective of supporting growth sectors, by “removing planning barriers”.¹¹

This is not to deny the necessity of reform. There are real challenges facing the planning system, particularly in England. But these national debates often overlook the complexity of how decisions about land use and development play out locally.

Planning authorities – often working with reduced teams of skilled planning officers and low morale as the legacy of austerity and planning reform continue to strip away the capacity for innovation – are well used to developers who delay building until house prices reach a level that make development profitable. They have

¹ British Land. (2023). More growth, more homes, more jobs. [Link](#).

² Breach, A. (2018). Four reforms needed to ensure the planning system supports economic growth in cities. Centre for Cities. [Link](#).

³ Hartwich, O M. (2007). The Best Laid Plans: How planning prevents economic growth. Policy Exchange. [Link](#).

⁴ Adam Smith Institute. (2020). Build build build and beat the Germans (again). [Link](#).

⁵ Moore, H. (2024). Why planning reform is essential if we are to solve the UK's housing crisis. CBI. [Link](#).

⁶ Browne Jacobson. (2022). Is this the end of Section 106? [Link](#).

⁷ Which gives developers the ability to circumnavigate a council's planning function and ability to refuse or appeal against development.

⁸ Gupta, T. Oxburgh, H. (2024). Government Planning Order Criticised by Council. BBC. [Link](#).

⁹ Ellis, H. (2022). The Levelling Up and Regeneration Bill: a decisive shift of power to Whitehall. TCPA. [Link](#).

¹⁰ Weakley, K. (2024). Analysed: Labour's Plans for Planning Face Many Hurdles. LGC. [Link](#).

¹¹ The Labour Party. (2024). Manifesto 2024: Kickstart economic growthy. [Link](#).

learned, through bitter experience, that there is little incentive for private developers to engage in large-scale housing projects which may disrupt the market and reduce prices.¹² Research from the Local Government Association suggests that over 1.1m homes that have been granted planning permission in the last decade are yet to be built due to developer land banking.¹³

Within the context of biting resource constraints, planning authorities are more reliant than ever before on the private sector for development. And many rely on that development – not only to build housing, deliver economic growth and draw investment into their places, but also to bolster much needed Council Tax and Business Rate revenue. Placing extra conditions on developers often cause them to argue that they will choose to do business elsewhere and planning authorities are sometimes wary of pushing them too far. Outright refusal of planning permission is similarly fraught with danger, with a narrow scope for refusal, and planning authorities are understandably wary of costly appeals and High Court challenges by disappointed applicants armed with teams of planning lawyers and consultants.

In areas where land values are lower and there is a greater need for commercial and residential development, in particular, it can often feel that the negotiating power is in the hands of developers. In these cases, developers can make arguments around viability, on the basis of lower surpluses and the inability to fulfil their shareholder obligations. This is despite the fact that the three largest volume housebuilders in the UK have generated what has been called “supernormal levels of profitability” which gives them substantial leverage in the market to restrict or enable supply.¹⁴

Yet, despite these challenges (and the fact that the planning system has been a political punchbag) there *are* planning authorities who are negotiating effectively with developers to ensure that they deliver better outcomes for communities. The task for the new government is to resist the temptation to throw the baby out with the bathwater by changing the planning system in such a way that loses the positive activity it is enabling at the local level. Instead, the system needs strengthening – giving politicians and planners the tools and leverage they need to deliver local economic and community benefits more effectively to tackle inequality and deliver place-based change, particularly in those areas with limited opportunities for economic growth.

¹² Cochrane, A. (2016). Thinking in and beyond the market: housing, planning, and the state. LSE. [Link](#).

¹³ LGA. (2021). Over 1.1 million homes with planning permission waiting to be built - new LGA analysis. [Link](#).

¹⁴ UK Collaborative Centre for Housing Evidence. (2023). Why have the volume housebuilders been so profitable? [Link](#).

The art of the possible

Case studies in progressive planning

Despite the origins of the English planning system being rooted in concerns for public health outcomes and the nationalisation of development rights, its core principles and purpose have been lost.¹⁵

¹⁶ ¹⁷

Centralisation and austerity have stripped planning authorities of resources and capacity, meaning that the power to capture and distribute the benefits of rising land values have often been undermined. Between 2010 and 2021, local authority net expenditure on planning has fallen by 43%, meaning that planning authorities have become increasingly reliant on the private sector to deliver development activity.¹⁸

Meanwhile, the planning system in England and Wales has seen successive waves of reform¹⁹ which have further privileged a market-led approach whilst not delivering housing or economic growth. This reform has made it more difficult for local authorities to place conditions on private sector development activity in order to deliver good quality places and neighbourhoods for people in these areas.²⁰

Yet, despite these constraints, some planning authorities are bucking the trend. They are wielding the power of the existing planning system to deliver better outcomes for their communities and, in the process, beginning to turn the dial on the relationship between developers, communities and place.



¹⁵ Benstead, S. (2023). Progressive Planning Frontiers. Municipal Journal. [Link](#).

¹⁶ Ellis H. & Henderson, K. (2014). Rebuilding Britain. [Link](#).

¹⁷ Rydin Y. (2013) The Future of planning. Beyond Growth Dependence. [Link](#).

¹⁸ RTPi. (2022). Planning Agencies: Empowering public sector planning. [Link](#).

¹⁹ The NPPF was published in 2012 [National Planning Policy Framework - GOV.UK \(www.gov.uk\)](#)

²⁰ CLES. (2021). Our Land: Final report of the Liverpool City Region Land Commission. [Link](#).

Case study: Islington

Context

Islington is a small, densely populated, inner London borough with a growing population.²¹ The economic climate in the borough is relatively stable, although cuts to public services have reduced the number of jobs in the public sector.²² While it is often thought of as a place of wealth and land values are high, Islington is the sixth most deprived borough in London with one in three children living in poverty.²³

As one practitioner put it:

“

We are a borough of extremes. We have wealth but we also have inequality, which is long term and intergenerational.

”

Like many parts of London, Islington has a shortage of developable land, meaning that there are competing pressures to deliver the Council's priorities, which include the provision of 50% genuinely affordable housing. However, practitioners in Islington do not see this as an obstacle:

“

We have always been pro development, providing that all our policy objectives are met. Our development activity must deliver for local communities. In very simple terms, that has always been our key motto.

”

²¹ Islington London Borough Council. Islington's population evidence and statistics. [Link](#).

²² Islington London Borough Council. Jobs and local economy evidence and statistics. [Link](#).

²³ Islington London Borough Council. (2021). Challenging Inequality: Our plan to create a fairer, more equal Islington. [Link](#).

This is why Islington has been developing ambitious planning policies – refining and building on its Core Strategy from 2011 and adopting a new Local Plan in 2023. These policies have been developed around the principle that activity enabled through the planning system should be closer to its original ideals, rather than being used as a tool to incentivise private sector development activity through setting minimal conditions.

Planning approach

[A commitment to affordable housing](#)

In its 2011 Core Strategy, Islington set a target of 50% affordable housing and required developers to provide the “maximum reasonable amount” of affordable housing on development sites of ten or more homes subject to viability. Smaller sites were required to provide financial contributions towards affordable housing elsewhere.

The Council’s affordable housing target was subject to a High Court challenge by a developer which was won by the Council. Following this challenge the developer sold the site to a developer who committed to delivering 50% affordable housing. Despite a number of appeals against its policy to require small sites contributions for affordable housing the Council has been able to secure tens of millions of pounds worth of investment in Council homes.

The 2023 adopted Local Plan for Islington aimed to strengthen the 2011 affordable housing commitments and introduced site-specific minimum targets for private sites and public sector land (45% and at least 50% from development value respectively).

An example of this approach in action is the former Holloway Prison scheme, which was sold by the Ministry of Justice to Peabody, a large housing association. This development is under construction and will provide 985 new homes, a Women’s Building and a new public park. 60% of the new homes will be affordable including 415 homes for social rent.

[Delivering inclusive and affordable workspace](#)

The 2011 Islington Core Strategy supported a set of policies that advanced the Council’s community wealth building approach, including the provision of affordable workspace for local businesses. It required major proposals for employment floorspace, such as offices, to provide a proportion of that space (5% being the starting point for negotiations) at peppercorn rent for at least ten years to micro or small enterprises.

These commitments were strengthened in the 2023 Local Plan, which included requirements for proposals for office or research and development workspace over 1,000sqm in the south of the Borough to provide 10% of that space to the Council, at peppercorn rent, for a period of 20 years.

The Council then lets these spaces to a range of organisations that are required to evidence how they deliver social value in line with the Council's own framework. This includes payment of the London Living Wage, facilitation of local skills development, provision of employability programmes, employment of under-represented groups and support for diverse supply chains. One successful example of this approach can be found at Better Space,²⁴ a local co-working and community space that aims to incubate social enterprises, operated by the City University of London, one of the Borough's anchor institutions.

Proposals for schemes over 10,000sqm must provide the affordable workspace in perpetuity. There are different thresholds in different locations throughout the Borough, to ensure viability, but the principle remains the same.

Over the last 4 years, the council's portfolio of affordable workspaces has delivered the equivalent of nearly £4m worth of social value. This means that the spaces have been used by operators to support local people to start-up and grow their own businesses. In 2023/24, 845 women were provided with business support, mentoring, or support into a start-up/self-employment, along with 91 people who identified as having a long-term health condition or disability. The workspace operators and tenants also work in local communities – providing work experience for young people, "hackathons" for local aspiring social impact entrepreneurs, skills workshops for residents and volunteering on local projects.

Other planning obligations and benefits

In the last 10 years, development activity in Islington has enabled the Council to collect over £63.4m through the Community Infrastructure Levy, £76m through affordable housing financial contributions, £24.6m through carbon offset contributions, and £8.2m through affordable workspace financial contributions. This is on top of the social value delivered in the form of construction placements, apprenticeships, support for local procurement and the provision of funding for sustainable transport.

These financial contributions come at a time when more than half of senior council figures are warning that their local authority could be bankrupt in the next five years and can offer a lifeline for councils like Islington.²⁵

Inclusive economy – the "soft infrastructure"

Using the planning system, the Council is beginning to leverage significant investment in the "soft infrastructure" around growth sectors such as digital/tech and life sciences – supporting residents and local businesses to benefit from the developments in the locality, over its lifetime.

Council planning and inclusive economy officers have worked together to negotiate significant packages of support to enable residents and small businesses to benefit

²⁴ Better Space: About. [Link](#).

²⁵ <https://lgiu.org/press-release/over-half-of-councils-face-bankruptcy-within-next-parliament/>

from the developments on their doorstep. As part of a landmark agreement, the Council recently engaged in a long negotiation with Endurance Land regarding a site at the iconic Silicon Roundabout – once the largest concentration of tech/digital businesses outside of California. As part of a unique suite of additional community benefits, the developer will be providing contributions, including:

- 4,320sqm of affordable workspace leased to the Council at peppercorn rent for perpetuity with 3 years equivalent service charge free within the first 5 years.
- Provision of a new “Fab Lab” as a joint venture with the Council to run a “maker space” with an emphasis on social value, diversity and inclusion, with over £2m towards costs.
- Access to a new auditorium/event space for 26 days per year, with an annual budget of £10,000 for 10 years to cover users’ costs.
- Contribution of £2.2m to the Council’s tech/digital programme for a period of 5 years to secure 75 jobs pa FTE equivalent, 20 internships, targeting 75% global majority, 60% female, 15% disabled persons uptake.
- Delivery of 65 construction training placements and apprenticeships.

Case study: Salford

Context

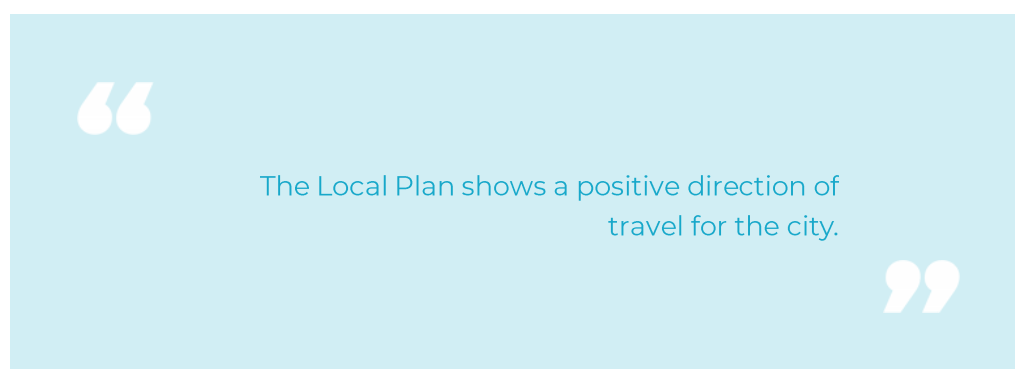
Salford City Council is situated within the Greater Manchester Combined Authority area, and covers five districts covering 270,000 residents, a population which is increasing.²⁶ ²⁷ Salford's employment rate was lower than the average across the North West in 2023, although the unemployment rate is decreasing.²⁸ Despite this, Salford was ranked the 18th most deprived area in England in 2019.²⁹ Land values are higher than that of Preston (see below), but still significantly lower than Islington.³⁰

Salford is beginning a journey of economic transformation, with a change in direction in recent years which has included a more interventionist approach to economic development, including harnessing the powers endowed through the planning system. Salford City Council were awarded RTPI North West planning authority of the year in 2022.

Planning approach

A progressive local plan

Salford City Council adopted their Local Plan in 2023. It begins by stating that *"fairness is at [its] heart"* and, as a whole, the Plan has a strong focus on tackling poverty through securing social value from development.³¹ It is clear that the Local Plan is seen as key to achieving the Council's broader economic objectives. As one practitioner noted:



Salford's Local Plan stipulates that all developers sign up to the City Mayor's Employment Charter, driving fair local employment,³² and Salford was the first council in England to require major developers to produce a social value strategy

²⁶ Salford City Council: About Salford. [Link.](#)

²⁷ NOMIS: Salford Profile: Population. [Link.](#)

²⁸ NOMIS: Salford Profile: Labour Market. [Link.](#)

²⁹ Salford City Council. (2019). Indices of Multiple Deprivation – the City of Salford's position. [Link.](#)

³⁰ Rightmove: House Prices in Salford. [Link.](#)

³¹ Salford City Council. (2023). A Fairer City: Salford Local Plan. [Link.](#)

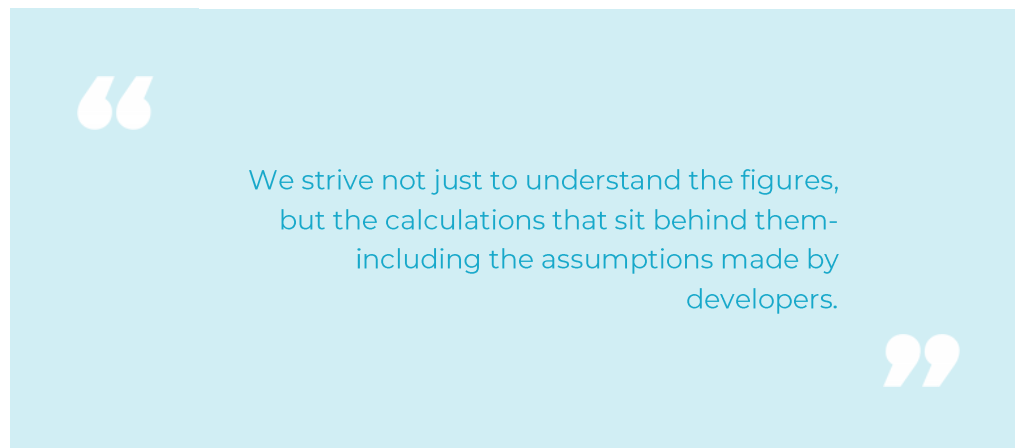
³² Ibid.

as part of their planning applications.³³ These strategies are required to include details of how the developer will work proactively to reduce inequalities in Salford, contribute to good local health outcomes, promote onsite employment for local residents and support local supply chains.³⁴ Conditions have been included on all relevant planning permissions to ensure the implementation of any approved social value strategy throughout the lifecycle of the development.

Going further with Section 106

Salford City Council thinks creatively about the use of Section 106 and has developed a “clawback mechanism” that allows the money raised to increase as the land value increases. To enable this, Salford has integrated valuation teams into the planning process to enable officers to re-appraise the value of developments at the later stages of construction – when land values are likely to be higher.

Salford also demonstrates a strong interrogation of the values and costs of development, to ensure any viability claims are valid. As one practitioner put it:



Taking public control of development activity

Instead of relying on private developers to provide social and affordable housing within the city, the Council are taking greater control over development activity. In 2017, Salford City Council set up a wholly owned construction company to provide council housing.

This was done with the recognition that *"the market is not adequately tackling the housing and homelessness crisis by providing affordable homes"*.³⁵ This innovative approach to tackling the housing problem has been enabled by the determination of local practitioners:

³³ Salford City Council. (2022). Tackling Inequalities: The Salford Way. [Link](#).

³⁴ Salford City Council. (2023). A Fairer City: Salford Local Plan. [Link](#).

³⁵ Salford City Council. (2023). Derive RP achieves Registered Provided status. [Link](#).

“

If something is seen as prohibitive, you haven't thought about it creatively enough.

”

The company, called Derive, now has registered provider status, enabling it to fully own the housing that it constructs and to purchase more properties from the private sector to rent to local residents, without being subject to the Right to Buy – which means that there is a sustainable supply of social and affordable housing for the future.

With less reliance on the private sector for development activity, Salford intends to use the opportunity to have greater control over local place-making – ensuring that the design of the city facilitates better outcomes for local residents. As one practitioner from Derive put it:

“

We are place-making all of Salford!

”

As the company is wholly owned by the Council, it benefits from being able to build housing on Council land without the burden of having to raise extra capital and from being given first consideration for development on public land. The logic for this is clear: as Derive is a non-profit making company, and all surplus is for future reinvestment, it keeps housing provision costs lower for both the Council and residents, whilst ensuring that wealth is circulated locally, rather than extracted by developers and landlords – a win-win for the people of Salford.

Case study: Preston

Context

Preston City Council is a local authority in central Lancashire, with a growing population. Between 2009 and 2017, unemployment grew by 5.5% in the city and, in 2019, it was ranked the 46th most deprived of 317 district and unitary authorities in England.³⁶ In contrast to Islington, land values are relatively low in Preston, reflected in the average property price of nearly £177,000.³⁷ Preston has a Local Plan in place, which will expire in 2026.

Preston became a champion for community wealth building in the UK when, in 2012, the Council and anchor partners adopted a more active approach to using their procurement spend, land and other assets, and role as major local employers, to support the development of a more inclusive local economy. Despite emerging successes, Preston still has an unemployment rate above the regional and national average.³⁸ A practitioner from Preston City Council noted:



We have various economic strategies, at a local level, and our priorities are for improving skills and economic inclusion outcomes.



Planning approach

Local employment and skills

The Council adopted the Central Lancashire Employment and Skills Supplementary Planning Document (SPD) in 2017 to deliver its ambitions for community wealth building, particularly with respect to local employment and skills. The SPD requires planning applications for major commercial, employment and residential developments to include an Employment and Skills Statement (ESS).

To underpin delivery of the SPD, Preston City Council developed Building Foundations, a unique and innovative partnership with Calico Enterprise Ltd, a social enterprise based in East Lancashire. Planning applicants can choose to pay Calico to act as consultee on behalf of the Council on an ESS they have prepared themselves, or engage Calico directly to provide an ESS on their behalf, paid for by

³⁶ Lancashire County Council. Preston District Profile. [Link](#).

³⁷ Rightmove: House Prices in Preston. [Link](#).

³⁸ Nomis, official census and labour market statistics. Labour market profile: Preston. [Link](#).

the applicant. The cost of monitoring the delivery of approved ESSs is secured via the Section 106 agreement.

ESSs in Preston draw on targets and indicators from the National Skills Academy for Construction guidance in order to promote local employment, skills and training opportunities at the construction stage, proportional to the use and value of developments. The SPD also encourages developers to identify local suppliers for the construction of proposed developments and to target employment, skills and training opportunities and community projects in areas with high levels of deprivation.

Building Foundations works proactively to connect developers with local partners and with the Council's community engagement team to promote employment, training and skills to local residents, ensuring that targets approved in ESSs are met.

Since Building Foundations was established in November 2021, two developments have been completed under the new partnership, both of which have exceeded the targets set out in the ESS. Another development is under construction and there are a further 10 signed Section 106 agreements which require a developer contribution to monitor the delivery of the approved ESS.

In June 2024 Preston City Council and Calico were commended for their Building Foundations partnership at the Royal Town Planning Institute North West Awards in the "Excellence in Planning for a Successful Economy" category.



Case study: Scotland

Context

Scotland has devolved powers over planning and, as a result, the planning policy landscape can look very different over the border. The Scottish Government have introduced their own National Planning Framework that aims to guide local governments in designing their local plans (called local development plans in Scotland), while accounting for national strategic priorities. These strategic priorities include community wealth building, land reform, decarbonisation and nature renewal.

The National Planning Framework 4 (NPF4) is the current national spatial strategy for Scotland which sets out principles, regional priorities, and national planning policy.³⁹

Planning approach

Foregrounding community wealth building

The NPF4 foregrounds community wealth building as a core policy to enable productive places. Here, the national plan states that the policy intent is *“to encourage, promote and facilitate a new strategic approach to economic development that also provides a practical model for building a wellbeing economy at a local, regional and national level”*.⁴⁰

The national plan promotes development proposals that contribute to local or regional community wealth building strategies, consistent with local economic priorities, including reducing inequalities, support for local supply chains, local employment and support for alternative models of ownership. This enables local authorities to reference a national framework when implementing planning policy.

Preserving local planning powers

Where the Levelling Up and Regeneration Act (2023) threatens to centralise planning powers in the UK,⁴¹ NPF4's statutory provisions preserve local authority powers in Scotland. These provisions state that if a local plan is incompatible with NPF4, the local plan prevails and that local circumstances can justify taking a different approach.⁴²

³⁹ Scottish Government. (2023). National Planning Framework 4. [Link](#).

⁴⁰ Ibid.

⁴¹ Ellis, H. (2022). The Levelling Up and Regeneration Bill: a decisive shift of power to Whitehall. TCPA. [Link](#).

⁴² Brodies. (2024). The Scottish Planning System: Learning to live with NPF4. [Link](#).

Hidden strength

What can we learn from practice?

The case studies above provide a glimpse into the art of the possible in progressive planning. But what can they teach us about the foundational principles and tools local authorities can use to advance progressive local economic development through their planning functions?

Here we provide four practical routes to making planning work for your place.

1. Align planning to strategic objectives for place and communities

For planning policy to support the delivery of the strategic objectives for your place and communities the two need to be aligned. This can be done by testing one against the other – asking questions like, for example, “will this policy help to address inequality and deliver a better place for our citizens?” or “will this development help tackle our local challenges in affordability/skills/poverty/poor health?”

The examples from Islington and Preston both demonstrate the power of this approach: both places have been proactive in delivering their community wealth building objectives through the planning system and linking planning policy and decision making within their broader corporate priorities. This is further enabled by local plans that make tackling inequalities and securing social value a core objective. The stability and strength of your strategy can be bolstered by strong civic and political leadership, to align council functions and bring together place-based partners to aid delivery. Ensuring that development brings real benefits to local communities either in the form of genuinely affordable housing or accessible economic opportunity can also help to overcome opposition to development. Local people are more likely to accept development if they can see the real benefits that will flow to their community.

2. Know your worth and tailor your ask

Islington, Preston and Salford councils have been guided by strong civic and political leadership, and a willingness to use their planning powers to deliver their objectives. As one practitioner stated, strong leadership is vital:

“

We need leadership, and we need to be not
afraid to fail.

”

Islington and Salford have proven themselves unafraid to fight battles through the courts to hold developers to their planning policies⁴³ or combat attempts to game their way out of delivering affordable housing through manipulating the viability process. Meanwhile, advances in Preston have been enabled by the precedent set by Planning Inspectorate rulings in neighbouring local authorities.

Islington benefits from strong messaging from the council’s political leadership – ensuring that portfolio holders and the planning committee are aligned in purpose and that developers receive consistent messages and are in no doubt as to their obligation to comply with the council’s planning policies and to work with the council to deliver long term social value for local residents.

While leadership and determination can be a key driver of ambition, it is understandable that many planning authorities feel less empowered to negotiate with developers, particularly in places where land values are low. But the case studies in Preston and Salford show that, no matter your economic context, leadership that sets out clear place-based ambitions and that is determined to negotiate to achieve them can drive positive outcomes for place. While this can require investment, the long-term outcomes can deliver greater benefits for people and place. Planning authorities looking to emulate these successes not only need to know their worth, but also be prepared to think creatively about what they require. The types of economic outcomes for communities that planning can deliver will depend on the local context but these outcomes can include things such as:

- Skills, training and apprenticeships
- Local procurement strategies
- Affordable workspaces
- Community food and growing projects
- Community wellbeing and health initiatives

⁴³ Tague, N. (2020). Peel accepts defeat on Broadoak. Place North West. [Link](#).

3. Take control of the market

Housing development in some parts of the UK is heavily dominated by a few large volume builders, meaning that the market rarely delivers the affordable housing we need, particularly in areas where there are slim profits to be made.

We need to be open to different approaches, including direct intervention, as seen in Salford, where the Council have gone beyond exercising conventional planning policy powers and set up their own construction company and registered housing provider.

With less reliance on the private sector, local authorities can assert more control over the kinds of development taking place, ensure residents are able to access affordable and social housing and retain income from rent, all without the need to negotiate with the private sector.

4. Use the tools you have

Planning authorities have numerous tools at their disposal for making planning work harder for their place.

Local plans

78% of local plans in England will be out-of-date by 2025.⁴⁴ Councils can use this opportunity to renew their commitments to use the planning system to ensure developers contribute to the delivery of affordable housing and inclusive local economic development, tackle inequalities and halt wealth extraction.

The local plan provides a golden thread for planning practice and policy in a place. While developing plans can be a lengthy process, the best local plans are ambitious and focus on reducing inequalities as a core objective, while providing an opportunity for local authorities to think long term about development in their place. They can also save time and money: planning policy that is viability tested and rooted within the objectives and ambitions articulated within a local plan are often upheld by the Planning Inspectorate. Crucially, plans should be developed within a National Planning Policy Framework that facilitates development whilst being supportive of affordable housing and an inclusive economic approach.

Supplementary planning documents (SPDs)

SPDs can be used to strengthen policy commitments within a local plan and take a significantly shorter time to develop. These documents can be used to place extra requirements on developers upon application submission, such as the provision of employment and skills statements that support local employment strategies, as seen in the Preston example.

⁴⁴ Lichfields. (2023). Timed Out? A projection of future local plan coverage in 2025 under prevailing policy conditions. [Link](#).

Social value

Social value frameworks provide a clear set of priorities for a place, and the means by which a local authority expects its suppliers to help achieve them.⁴⁵ The same approach can be applied to planning, with councils requiring developers to demonstrate how they deliver social value through, for example, supporting local supply chains, employing local people on fair wages and good terms and supporting the upskilling and qualifications of residents from areas of high deprivation. To do this, local plans can include requirements for all major developments to submit a social value strategy at the planning application stage.⁴⁶ This approach could be embedded within the National Planning Policy Framework.

Section 106

Whilst the previous Government proposed the replacement of Section 106 with a new, centrally determined, infrastructure levy, it currently stands as a significant lever to place obligations on developers. It can be used to:

- restrict the development or use of the land in a specified way;
- require specified operations or activities to be carried out in, on, under or over the land;
- require the land to be used in a specified way; or
- require a sum or sums to be paid to the planning authority on a specified date or dates.⁴⁷

Section 106 monies are often used to mitigate against infrastructure strain from new development, but they can also be used to support broader inclusive economy goals, such as the provision of affordable housing and affordable workspace. While Section 106 contributions can be challenged through viability assessments, the approach in Islington demonstrates that strengthened commitments and greater clarity on requirements can restrict the scope of these challenges by ensuring that these obligations are reflected in the price that developers pay for land.

The Community Infrastructure Levy (CIL)

Since 2014, the CIL has gradually replaced financial contributions from Section 106 and has been used to provide much-needed funding for councils to fund investment in the local community.

Official CIL guidance notes the flexibility that councils have when choosing the kind of infrastructure to direct CIL spending towards. This means that councils can ensure that CIL spending priorities are aligned with their broader social and economic development goals. This could, for example, include spend on public green space or affordable workspace to support local business. Islington has used a portion of CIL spend to support the People Friendly Streets Programme, which

⁴⁵ Burch, D. (2024). Changing Places: New Directions in Social Value. [Link](#).

⁴⁶ Ibid.

⁴⁷ Local Government Association. S106 Overview. [Link](#).

aims to transform the Borough's streets in line with the Council's ambitions related to public health, decarbonisation and social justice.^{48 49}

Upper tier local authorities and combined authorities

While upper tier local authorities and combined authorities do not have statutory planning powers beyond transport planning and Mayoral Development Corporations respectively, they can have a role in facilitating and supporting progressive planning over a larger footprint.

Devolution is a key tool when it comes to place shaping. Combined authorities, in particular, can use their convening power to bring together local authorities to build coherence between planning approaches, to guard against a "race to the bottom" – where developers choose to do business in the places with fewest obligations placed on development activity – and to share resources, enabling planners to tackle viability assessments with more confidence.

Experiments in this form of strategic planning have already begun but there are tensions between local, regional and national agendas – as evidenced in Greater Manchester⁵⁰. Similarly, the NPF4 Scotland has been called into question by developer appeals against local authorities.⁵¹

⁴⁸ Islington London Borough Council. (2021/22). Islington Council Annual Infrastructure Funding Statement 2021/22: For Community Infrastructure Levy (CIL) and Section 106. [Link](#).

⁴⁹ Islington London Borough Council. (2023). Report of Executive Member for Environment, Air Quality and Transport: People-friendly Streets Programme Update. [Link](#).

⁵⁰ Statham, N. (2022). Welcome to Stexit: the big questions for Stockport after leaving Greater Manchester's masterplan. Manchester Evening News. [Link](#).

⁵¹ Sharp, M. (2023). Multi-million pound Midlothian housing project appeal on hold over planning row. Edinburgh Live. [Link](#).

Recommendations

The following two sets of recommendations draw upon the insight gained from this research.

The first set is for planning authorities who want to emulate the good work happening in the places we have highlighted, or to forge their own path in embedding a more progressive approach to planning. The second is for the new government as they begin to consider how the planning system can be refined so that it does better for the UK's places.

For planning authorities

1. Update your local plan with ambition

With 78% of local plans due to expire in the next 12 months, now is the time to consider how your Local Plan can set a more ambitious tone for your planning approach in line with your local priorities. This could include a commitment to use planning to tackle inequalities, empower decarbonisation or increase affordable and social housing provision in your place. To create the greatest impact, your local plan should align with other corporate functions, such as procurement and land and assets, driving towards a coherent strategic economic ambition.

2. Value and invest in planning

Your planning team is a key delivery mechanism for your strategic ambitions. Prioritising the skills and resources within them is hard, when budgets are tight and recruitment is challenging, but to do so is to invest in the future success of your place and communities.

3. Establish strong leadership

Providing strong civic and political leadership and collaborating to align your policies across portfolio holders and planning strategies will ensure that there is a clear line of sight on shared ambitions.

4. Collaborate and co-operate

Collaboration with other local authorities and public landowners builds the coherence of local plans, enables best practice to be shared, aligns ambitions and ensures that developers do not have an avenue to avoid obligations. Ensure that your local plan takes full account of the potential value of the public estate in your locality. The devolved structure of combined authorities where they exist and upper tier authorities in two tier

areas are a vital means by which to build a more collaborative approach to the use of land and assets in a way that maximises their social and economic value to place.

5. Use Supplementary Planning Documents (SPDs)

You don't need to wait until the time comes to update your local plan to strengthen your commitments - SPDs can be used to clarify and build on the ambitions in your local plan, as seen in Islington and Preston. For example, SPDs provide an ideal opportunity to supply more detail on the policies in your local plan so that there is clarity about what is required from development on specific sites and the outcomes in a local plan, for example, SPDs can be developed around design standards for residential and commercial developments or could also be used to set out development contributions to support community wealth building in more detail.

6. Think creatively about ownership

Planning authorities should prioritise municipal and community-led development and look to take more public control over development activity. This could be done by emulating Salford's development of a wholly-owned construction and housing provider, or by supporting local Community Land Trusts.⁵²

7. Build relationships with partners

Strong relationships between local planning authorities and place-based partners including anchor institutions⁵³ can unlock innovative delivery practice. Islington provides a strong example here, with a local anchor institution now running the operation of affordable workspaces that have been delivered through Section 106.

For the new government

1. Ensure planning reform restores power to local authorities

Any future reforms to the planning system must not undermine the ability for planning authorities to use their powers to create better outcomes for their places. They must be supported by a national skills strategy, a working visa scheme for overseas planners, and a local government funding settlement that enables local authorities to restore capacity and strengthen skills.

2. Build a national plan that enables local planning innovation

⁵² An approach that supports community land trusts can be found in East Cambridgeshire. More can be found here: Community Land Trust Network. (2023). State of the Community Land Trust Sector 2023. [Link](#).

⁵³ CLES: What is an anchor institution? [Link](#).

The Levelling Up and Regeneration Act (2023) includes provisions that allow for a national plan to supersede local plans. While a national plan for England and Wales is necessary and long overdue, the next government should seek to emulate the approach of the Scottish NPF4 by enabling progressive planning approaches at the local level, rather than frustrate them.

Any future New Towns policy, for example, provides an ideal opportunity to build on the inspiration of the 1930s new towns movement and explore how community wealth building can be a design principle in any new developments including, for example, mandating social value considerations within planning policy. This could provide opportunities to explore greater diversity of tenure and ownership, targeted recruitment and training opportunities for local communities, support for local businesses and trades people in terms of delivery and retaining the assets and wealth created so that more of the benefits stay local.

3. Make sure new growth policy accounts for planning

Rather than being seen as a regulatory barrier, planning needs to be re-established as an active process that rewires the gains of growth so that it tackles inequality and improves the qualities of lives in our communities. The fact of even having a local plan in place, is one of the most important ways in which local areas can provide greater certainty to the market and encourage and support high quality development. Local Growth Plans should take account of the spatial planning process and consider how the planning system can enable better economic outcomes for places.

4. Agree housing targets regionally

Agreeing targets at a regional or combined authority level will enable a more joined up and collaborative strategic approach to housing across a region, supporting delivery at scale by aligning approach, pooling resources and speeding up decision making.

5. End Right to Buy

Right to Buy means that planning authorities are constantly chasing their tails in their pursuit of social and affordable housing provision.⁵⁴ Councils like Salford are seeking creative ways to provide housing that cannot be subject to Right to Buy, but they shouldn't have to and other local and regional leaders have pointed to it as a key barrier in delivering affordable housing at a rate to meet skyrocketing demand.⁵⁵

⁵⁴ Bond, L. Benstead, S. (2022). To Fix England's Housing Crisis, Scrap Right to Buy. New Statesman. [Link](#).

⁵⁵ Sherlock, G. (2024). Andy Burnham wants to suspend Right to Buy scheme. BBC. [Link](#).



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