



Radius

# A year of planning reform: your guide to recent changes and upcoming proposals



# Introduction

**“Build, build, build”** has been the government’s defining mantra since prime minister Boris Johnson announced radical planning reforms in June 2020. Johnson’s goal was to make it easier to build homes by introducing greater use class flexibility, expanding permitted development rights and, ultimately, overhauling England’s planning system.

The first of these changes came into force in September 2020, with the expansion of certain PDR and a change to use classes, introducing Class E – a “commercial, business and service” use class that incorporated a wide range of commercial spaces.

Creating a single wide-reaching use class has allowed the government in the last year to expand PDR to substantially more commercial buildings, effectively fast-tracking potential conversions to residential. With that goal ticked off, the next step for the government is unveiling its Planning Bill.

Ahead of the Planning Bill, this report draws on a wealth of EG reporting and commentary to summarise the changes the government has already enacted and to look ahead to what could be on the horizon. EG will keep you informed as details of the Planning Bill emerge and proposals become reality.

# Changes in 2020

**The government initiated changes** to planning legislation with three statutory instruments on 20 July 2020. These affected:



## Upward extensions

- The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020 (Statutory Instrument 2020 No. 755)

→ [Click to view legislation](#)

- In force from: 31 August 2020

## Demolition

- The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 3) Order 2020 (Statutory Instrument 2020 No. 756)

→ [Click to view legislation](#)

- In force from: 31 August 2020

## Change to Use Classes

- The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 (Statutory Instrument 2020 No. 757)

→ [Click to view legislation](#)

- In force from: 1 September 2020

These changes allowed for: the construction of two new storeys on top of certain buildings for use as flats; the demolition of detached flats or commercial buildings if they are replaced with purpose-built homes; and the introduction of use classes E (commercial, business and service), F1 (learning and non-residential institutions) and F2 (local community).

Most significantly, Class E incorporated retail, food, offices, gyms, healthcare, some services and light industrial uses under one category. The immediate effect was greater flexibility for landlords to change the use of their commercial space, because a change of use within one class does not require planning permission.

In the longer-term, Class E set the stage for an expansion of PDR, which would potentially allow for the conversion of most commercial property into residential space without full planning permission.

A previous EG report, [Planning reforms in 2020 and what they mean to you](#) goes into detail about each of these statutory instruments, their restrictions and a range of responses from the industry.

# Expansion of PDR in August 2021

**After these initial changes**, the government launched a consultation on 3 December 2020 into allowing a change of use from any use (or mix of uses) within Class E to residential under PDR.

This culminated in an announcement by communities secretary Robert Jenrick on 31 March 2021, introducing PDR for all Class E property to residential from 1 August 2021. "We are creating the most small – business – friendly planning system in the world to provide the flexibility needed for high streets to bounce back from the pandemic," Jenrick said in the announcement.

The changes introduced in August responded to some concerns from within the industry, including fears about the effect of allowing PDR with no size limits. Other previous restrictions included a ban on developing homes smaller than 37 sq m through PDR, while legislation required "a provision of adequate natural light" in these developments.

**Relevant legislation: The Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021**

→ **Click to view legislation**  
In force from: 21 April 2021

#### **Key points:**

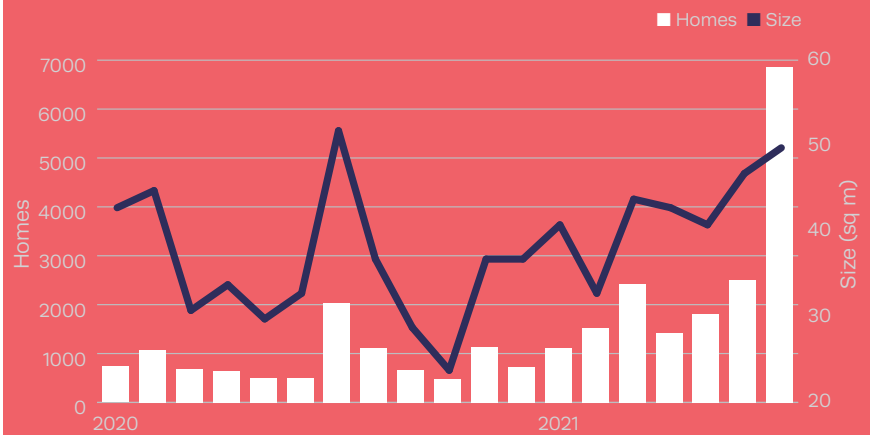
- Introduces Class MA in Part 3 of Schedule 2 of The Town and Country Planning (General Permitted Development) (England) Order 2015: permitted development consisting of a change of use of a building and any land within its curtilage from a use falling within Class E to a use falling within Class C3 (homes)
- Includes three major restrictions: the building has to have been vacant for at least three months; the building has to have been used for commercial uses for at least two years; and a size limit of 1,500 sq m (16,146 sq ft)
- Extends PDR to conservation areas, but where a change of use falls within a conservation area, a developer must receive approval if that change affects the ground floor of the development.

In the month leading up to the August ban on large PDR schemes, the number of proposed PD homes soared to 6,859 – four times higher than the monthly average for the rest of the year, according to EG Radius data. EG also reported that Diageo had lodged an application to **convert its former HQ into a block of 200 rental flats ahead of the ban.**

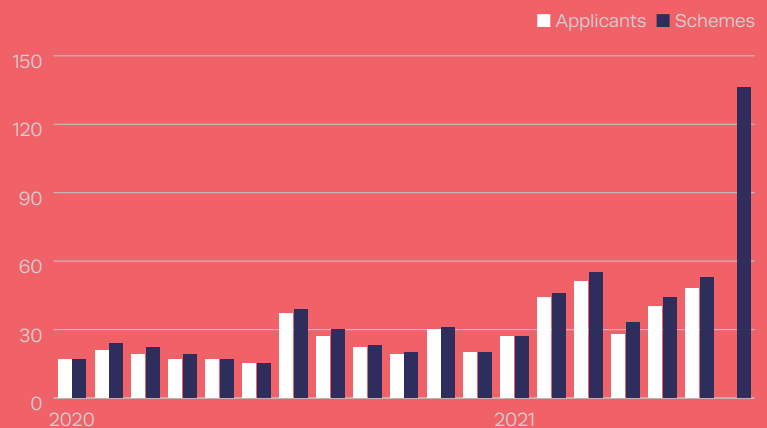
At the same time, the government updated the National Planning Policy Framework in July 2021, restricting the use of Article 4 directions, a provision of PDR legislation that allows local planning authorities to withdraw PDR. Under the new wording, Article 4 directions are limited to situations where their use is “necessary to avoid wholly unacceptable adverse impacts” (such as the loss of the essential core of a primary shopping area) or where they are “necessary to protect local amenity or the well-being of the area” (such as requiring planning permission for the demolition of local facilities).

In effect, the government had substantially broadened the amount of commercial space that could be converted into homes without full planning permission and limited options for planning authorities to restrict those rights.

**Total homes and average scheme size**



**PDR applicants and schemes**





# What's next?

**The Queen's Speech** in May 2021 confirmed that the government is pressing ahead with its planning system reform, which started in August 2020 with the publication of the planning white paper.

The proposals were ambitious, outlining plans for a zonal approach to planning, which divides the country into "growth" (areas with automatic outline approval), "renewal" (areas with planning in principle assumption in favour of development) and "protected" (areas with restricted development) designations. It also included plans to replace section 106 and CIL with a new infrastructure levy to speed up developments and require local authorities to put out new local plans within 30 months. Simplification and speed were the overarching themes.

## NEWS AND COMMENTARY FROM EG

As EG coverage has shown over the last year, the expansion of permitted development was met with widespread condemnation. The day after Jenrick announced the legislation, EG reported that major stakeholders "had been blindsided" with the legislation produced before the findings from the December consultation were published. The British Property Federation quickly raised concerns with the legislation committee, arguing that the move – rolled out during the Easter recess – "curtailed scrutiny".

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Immediate reactions to the legislation were summed up by Ian Fletcher, director of real estate policy at the BPF, who said: "New residential development can play a vital role in town centre recovery post-Covid but poorly planned PDR homes will do more harm than good. It will result in a piecemeal approach, without taking into consideration what the entire high street requires to successfully serve the community."

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Fears included the loss of essential local services on the high street if developers choose to pursue residential conversions "to make a quick buck". The consultation reported "strong opposition" to PDR in protected areas, with only a third supporting it in conservation areas.

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A group of trade bodies – the Royal Town Planning Institute, RICS, RIBA and the Chartered Institute of Building – wrote an open letter to the prime minister asking him to "urgently reconsider the measures", arguing that the new measures would not help the crisis on the high street and would instead "risk creating poor-quality housing."

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But there have also been arguments for expanded PDR. In an opinion piece for EG, Will Agnew, associate director in the residential development department at Colliers, outlined the case for and against. The argument for PDR suggests that "small pockets of land can be scooped up to create residential infill sites". Maintaining the status quo of the high street is not always beneficial, while additional housing could stimulate the local economy.

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Since August, however, the proposals have encountered hurdle after hurdle. The response from the industry has been mixed: while some welcomed a simplified planning process and an emphasis on high-quality design codes ([→ click to view story](#)) others raised concerns about unanswered questions. How can a three-zone system effectively replace a discretionary system without hurting local democracy? Will the proposals help deliver affordable housing? ([→ click to view story](#)) Is the planning system even the problem? ([→ click to view story](#))

What support some proposals in the white paper garnered has been drowned out by backlash against the reforms. In June 2021, the cross-party housing, communities and local government committee called on the government to reconsider its zoning plans. The committee's 135-page report evaluating the planning proposals concluded that it did not believe the overhaul would produce "a quicker, cheaper and democratic" system. ([→ click to view story](#))

Meanwhile, a by-election defeat in Chesham & Amersham that same month spooked Conservative MPs who viewed the Liberal Democrats' victory in the area – the first ever non-Conservative victory in the constituency – partly as a response to concerns over planning reforms.

Nearly 100 Conservative MPs warned the prime minister in early August that they would oppose the Planning Bill, which, combined with Labour's commitment to vote against it, could spell trouble for the government.

With the Planning Bill expected in the autumn, its future now hangs in the balance. Property is waiting to see whether the government goes ahead with its reforms despite the political risk, or whether it makes concessions and backtracks on key pledges.

As the next phase of "build, build, build" unfolds, EG will continue to bring you the latest news, expert commentary and analysis about these changes when they happen. When the Planning Bill eventually lands, we will unpack its contents in detail and explore the response from within the industry ■