

The Pre-missive Society



Fixing the Planning System by Incentivising Stakeholders

A Policy Exchange proposal for reforming the planning system



The Pre-missive Society

Fixing the Planning System by Incentivising Stakeholders

A Policy Exchange proposal for reforming the planning system



Policy Exchange is the UK's leading think tank. We are an independent, non-partisan educational charity whose mission is to develop and promote new policy ideas that will deliver better public services, a stronger society and a more dynamic economy.

Policy Exchange is committed to an evidence-based approach to policy development and retains copyright and full editorial control over all its written research. We work in partnership with academics and other experts and commission major studies involving thorough empirical research of alternative policy outcomes. We believe that the policy experience of other countries offers important lessons for government in the UK. We also believe that government has much to learn from business and the voluntary sector.

Registered charity no: 1096300.

Trustees

Karan Bilimoria, Alexander Downer, Andrew Feldman, David Harding, Patricia Hodgson, Greta Jones, Andrew Law, Charlotte Metcalf, David Ord, Daniel Posen, Andrew Roberts, William Salomon, Simon Wolfson, Nigel Wright.

About the Report

This report was prepared by a team of Policy Exchange researchers and consultants, drawing on the expertise of colleagues in housing, technology, programming, planning law, systems architecture, economic development, environmental strategy and clean energy. The team included Ike Ijeh (Head of Policy Exchange's Housing, Architecture & Urban Space unit), Samuel Watling (researcher), Sam Dumitriu (Head of Policy at Britain Remade), Dr Elizabeth Rapoport (former Assistant Director of Strategy at Homes England), Sumit Singh (Fujitsu), Keith Dear (Managing Director of Fujitsu's Centre for Cognitive and Advanced Technologies) and John Hetherington (Collective Intelligence Programme Leader).

© Policy Exchange 2024

Published by
Policy Exchange, 1 Old Queen Street, Westminster, London SW1H 9JA

www.policyexchange.org.uk

ISBN: 978-1-917201-21-6

Contents

About the Report	2
Executive Summary	5
1. Detailed Proposal	8
2. Implementing the Pre-missive Approach	12
3. The Pre-missive Platform	15
4. Applying the Pre-missive Approach	17
5. Conclusion	19
Annex 1: Pilot Proposal – Accelerating Delivery of New Council Homes	20
Annex 2: FAQs	23
Annex 3: Fiscal Impact	25

Executive Summary

The Problem: An Inefficient System

England's ability to achieve many of its economic, social and environmental policy objectives relies on having an efficient and effective planning system. Despite reforms by successive governments, the planning system remains too slow and delivers sub-optimal outcomes. Looking at housing alone, recent estimates have put the backlog of missing homes resulting from planning restrictions at 4.3 million, resulting in an economic cost of Britain's sub-optimal planning process' at between £66 billion and 138.5 billion¹. Government spends £23.4 billion per annum on housing benefit, the highest level relative to GDP in the developed world.²

The Context: A New Government

The new Government has made housebuilding a central pledge of its new policy manifesto and has committed to building 1.5 million homes over the life of this Parliament. In part, it aims to achieve this by reintroducing a number of centralised policy impositions such as mandatory housebuilding targets and "forcing" local councils to develop up-to-date local plans³. Additionally, in extensive planning overhauls announced in the new Government's first King's Speech, the new Planning and Infrastructure Bill could potentially see residents "losing the right to object to new housing"⁴ and selected greenbelt land controversially reclassified as appropriate for development.

The Solution: The Pre-missive Society

The Pre-missive Society will increase the pace, quantity and quality of development through a novel approach to reducing a major source of delays in the current system: community resistance to development. In a Pre-missive area, key stakeholders proactively set out what type of developments they would welcome, and commit to accepting a pre-negotiated price, or shared benefit, for accepting development. This is formalised in a legally binding Pre-missive agreement (PMA). There is then a presumption in favour of development for projects covered in the PMA, if the developer commits to delivering the shared benefit.

The system is enabled by a digital engagement platform that significantly reduces the friction and transaction costs of community engagement. More than just a planning tool, the platform will collate data on community preferences into a publicly accessible national database that can be used to inform future development proposals.

1. See [link](#) for the housing deficit, and see [link](#) for economic cost
2. See [link](#)
3. See [link](#)
4. See [link](#)

The Opportunity: A Community Voice in a Centralised System

The Pre-missive Society proposals can be of particular use in a new political environment where the government potentially wishes to take a more interventionist approach to ensure that local housing targets are met. First, the proposals can help give structure to local plans by helping to identify the kinds of benefits residents are willing to accept and, in turn, the types of developments which are most likely to attain pre-approval status, a crucial asset in speeding up the planning process.

And secondly, in an environment in which heightened central government intervention potentially increases the risk of planning being perceived as a 'top-down' process that alienates and disenfranchises ordinary residents, the decision-making, localised sovereignty embedded into the Pre-missive Society approach could be a crucial community conduit in ensuring that neighbourhood preference and resident choice enjoys an even greater influence over an expanded built environment than was previously the case.

The Benefits

The Pre-missive approach will shift the politics of planning in England, allowing politicians to support the development their communities need. It will create a competitive market for development, by making prospective developers aware of the price for gaining community acceptance of a project. It incentivises communities to support development in their area by linking development to tangible benefits. These benefits could include specific economic benefits directly targeted at the local community or design benefits accrued through the development of a more beautiful and urban environment. The Pre-missive approach also increases efficiency by creating a presumption in favour of development for agreed types of projects and will have a positive fiscal impact on local planning authorities (LPAs) and central government.

Key benefits are summarised below:

- **Efficiency and Economic Growth.** The Pre-missive Society can significantly reduce the economic costs associated with England's current inefficient planning system, which are estimated to be between £66 billion and £138.5 billion due to a backlog of 4.3 million homes.
- **Community Empowerment and Local Benefits.** By focusing on community engagement, the system empowers local areas to negotiate the benefits they wish to see to local areas in exchange for supporting development.
- **Net zero.** The system will fast-track the infrastructure development needed to make Britain a clean energy superpower, supporting the transition to net-zero emissions.
- **Social equity and affordable housing.** The system will help address the housing crisis by ensuring the delivery of more homes, including affordable homes.

- **Community-led development.** Community consultation and empowerment in the planning process will ensure that the value of development projects is captured and directed towards meeting the needs and aspirations of local residents.
- **Stability and value for money.** The system offers much-needed stability and long-term planning certainty, freeing up the millions spent on consultancy and legal fees preparing and contesting planning applications for more productive use.
- **Council Estate Regeneration.** The system can ensure that a new generation of council houses and estates can be of a high design quality, strategically guided by the input of residents, thereby extending and enhancing Britain's progressive and pioneering legacy of social housing.
- **Innovation and Modernization.** Using a digital engagement platform, the system reduces friction and transaction costs in planning, showcasing a commitment to modernizing government systems and enhancing transparency.
- **Character and Conservation.** Using design codes or other benefit assurances offers communities more scrutiny and control in ensuring that new developments are in keeping with local areas.
- **5 Government Missions.** The Pre-missive proposals enable at least two of the new Government's missions to Kickstart Economic Growth and Make Britain a Clean Energy Superpower.

Kick-starting the Pre-missive Society

This paper has been written to inform and inspire creative thinking on reform of the UK planning system. In order to subject its proposals to real-world testing, the authors propose that the system could be piloted on an existing estate regeneration project (set out in more detail in Annex 1) and estimate that this would come at relatively low commercial cost. An infrastructure pilot could also be appropriate to demonstrate how the Pre-missive system could become a useful tool in helping to realise government growth and planning objectives.

1. Detailed Proposal

1.1 Background and Context

The UK Government's ability to achieve many of its economic, social and environmental policy objectives relies on having an efficient and effective planning system. The new Government has made housebuilding a central pledge of its new policy manifesto and has committed to building 1.5 million homes over the life of this Parliament. However, this task will be rendered significantly more difficult under the current planning system.

Despite reforms by successive governments, there is a broad consensus that the planning system remains both too slow and delivers sub-optimal outcomes.⁵ The evidence speaks for itself.

- Successive governments from the 1960s have been unable to meet national housing targets. Recent estimates have put the backlog of missing houses due to planning restrictions at 4.3 million resulting in an economic cost of Britain's sub-optimal planning process' at between £66 billion and 138.5 billion⁶.
- England spends £23.4 billion per annum on housing benefit, the highest level relative to GDP in the developed world.⁷
- The backlog of projects seeking grid connections was 395GW in August 2023, holding back the country's ability to deliver on its net zero ambitions.⁸
- The process of creating and revising Local Plans is so time-consuming and complex that two-thirds of LPAs do not have an up-to-date Local Plan in place.⁹

These shortcomings could be forgiven if the planning system was at least recognised as being strong in community engagement, however evidence indicates that this is not the case.¹⁰ The current system offers extremely limited opportunities for communities to engage in a productive, collaborative way with developers. Too often, engagement turns into opposition, leaving LPAs unable to deliver the homes and other developments they so desperately need.

5. See [link](#)

6. See [link](#)

7. See [link](#)

8. See [link](#)

9. See [link](#)

10. The Royal Town Planning Institute estimates consultation response rates of 1% to local plans and 3% for individual applications, [link](#)

The Solution

1.2 Introducing the Pre-missive Society

The Pre-missive Society is a proposal to radically overhaul the way in which communities are engaged in the planning applications that will make the system more effective, efficient and inclusive. It is designed to further reinforce efforts to decentralise planning decisions and give more power to local communities, as implemented through the creation of Neighbourhood Plans in the 2011 Localism Act and Street Votes in the 2023 Levelling Up and Regeneration Act. It could also play a pivotal role in assuring vital community input in light of recent government plans to overhaul the planning system with a more top-down interventionist approach.

The Pre-missive Society takes this approach further by tackling three design flaws of community engagement in the current system: timing, uncertainty and incentives.

1.3 Timing

Issue: In England,¹¹ public engagement in the Local Plan development process is the primary mechanism for stakeholders to influence land use planning. However, in reality many people only engage in consultations on planning applications.

Impact: Opposition to development frequently emerges during the planning application phase or through post-application legal disputes. Lengthy processes and / or late-stage opposition and challenges to planning proposals lead to delays in development, increased costs, and sometimes the abandonment of projects that had the potential to be beneficial.

The Pre-missive alternative: More detailed engagement and negotiation with local residents on proposed developments than is currently allowed by the planning system, occurring before planning applications are received.

1.4 Uncertainty

Issue: The process of obtaining outline planning permission is long, expensive and uncertain. Research by Lichfields suggest that on average the process takes one year, requires 30 separate assessments and costs £125,000¹².

Impact: Developers price this planning risk into their cost estimates and return expectations, impacting the overall viability of projects and diverting limited resources into legal and consultancy fees when they could directly deliver benefits to the community.

The Pre-missive alternative: Prospective developers are aware in advance of which types of developments a community is prepared to accept, and the conditions under which they would accept them.

11. This proposal is tailored to the English planning system but could be adapted to be rolled out across the three other constituent countries of the UK.

12. See [link](#)

1.5 Incentives

Issue: There is no built-in mechanism in the planning system for connecting the benefits that come from development to the people and communities who are directly affected by it. The existing processes by which community benefits are negotiated (whether through Section 106 agreements or Community Infrastructure Levy) are not designed to mitigate the impact of development on the people who are most affected. Instead, they are earmarked for council funds which can be directed to other projects elsewhere in the LPA. Equally, the impact of new residents on local council-provided services are not fully met by the levels of council tax the local authority can charge.¹³

Impact: In the absence of clear incentives for supporting a proposed development, communities tend to focus on potential costs or problems.

The Pre-missive alternative: Local communities are incentivised to support development in their area because development is directly linked to tangible benefits. Communities can negotiate specific benefits and mitigations in exchange for planning permission. As well as economic benefits these might also include broader design benefits, like ensuring communities are content with the aesthetics of proposals.

1.6 Overview of the Pre-missive approach

The Pre-missive Society is a proposal to front-load community engagement in the planning application process, asking people to define what they want before planning applications are received. In this way, it will reorient the system to focus on what can be built, rather than what cannot.

When an area adopts the Pre-missive approach, residents, business owners and other key stakeholders in the area will be invited to proactively set out what type of developments they would welcome (“projects”). They are then asked to commit to accepting a pre-negotiated price for accepting development (“shared benefit”). The shared benefit can take the form of either local improvements or other benefits and is the price for which a community will accept a specific development. Together, a list of project types and shared benefits form the Pre-missive Agreement (PMA).

Table 1: Example of a hypothetical Pre-missive agreement.

Project	Shared benefit
Solar farm covering a maximum of 50 acres	Discount of 10% on energy bills for 10 years for residents within a 5-mile radius.
Construction of up to two additional stories above commercial property, for up to 40 new homes.	£50,000 investment in streetscape improvements.

13. This is examined in greater detail with reference to other countries here; [link](#)

Housing development of 100+ homes	Free visitor parking permits for residents in Pre-missive area for 5 years.
-----------------------------------	---

Similarly to a Local Development Order (LDO), the primary aim of a PMA is to simplify and speed up the planning process. In the same way that LDOs allow LPAs to communicate their objectives and encourage development in line with them, PMAs will enable communities to communicate their preferences to prospective developers.

Benefits to stakeholders include the following:

- **Central government:** Applied at scale, the Pre-missive approach will address the market failure of imperfect information about what conditions could streamline the development process. This will increase the efficiency of development, unlocking economic growth. A smoother planning process will speed up the delivery of much-needed new housing, green infrastructure and other projects of national importance, supporting the delivery of numerous government policy objectives.
- **People and communities:** Instead of reacting to development as it is proposed, communities will be able to commit to accepting a type of development in exchange for specified benefits. As communities will have a direct input into defining the benefits beforehand, they will be better targeted to improve local welfare.
- **Developers:** Certainty about whether a proposal will be approved reduces transaction costs. This will particularly assist small builders who have limited resources to deal with high legal costs and periods of extended planning delays, helping to improve competition in the building industry. If the Pre-missive approach is adopted at scale, developers will be able to more effectively evaluate the potential costs and benefits of pursuing projects in different areas. It would assist in eliminating the problem of land banking, itself a symptom of the uncertainties in obtaining planning permission.¹⁴
- **LPAs:** Following the up-front investment in setting up the Pre-missive approach, LPAs will benefit from a substantially reduced development control workload. This will free up valuable staff time to focus on wider strategic issues.

14. See [link](#), paras.37-40

2. Implementing the Pre-missive Approach

This section sets out how the Pre-missive approach would be applied, by outlining the process through which a PMA would be agreed. Underpinning the approach is a digital engagement tool and data platform which is described in the following section.

2.1 Phase 1: Scoping

1a. Define scope of PMA.

- **Define area.** LPA sets out a geographic boundary for a potential PMA.
- **Define project types included.** LPA selects a list of project types to be included in the PMA. This will be selected from a pre-populated list (see system design principles section below).
- **Define potential shared benefits for each project type.** LPA selects a list of potential shared benefits for each selected project type. This will be selected from a pre-populated list of shared benefits previously vetted as appropriate compensation for project types (see system design principles section below).

1b. Consultation design

- **Define stakeholders.** LPA specifies stakeholders to be consulted on the potential PMA. This could include residents, business owners and other identified stakeholders. Care will need to be taken to ensure the stakeholders allowed to negotiate benefits under the PMA represent the smallest group of people who are significantly affected by it.
- **Agree engagement threshold.** LPA sets a threshold response rate for consultation (the percentage of stakeholders who must submit their preferences on shared benefits) to enable the agreement to come into force.
- **Generate materials.** LPA uses the Pre-missive platform (see below) to generate the consultation materials and share these with agreed stakeholders.

2.2 Phase 2: Stakeholder Consultation and Data Collection

Stakeholders for the proposed PMA will be invited to feed into a consultation and data collection exercise. This will focus on the following two things.

2a. Define development preferences.

For each project type included in the consultation, consultees will be asked to define their development preferences, categorising them into three distinct areas.

1. **Desired Developments:** Projects that communities actively seek.
2. **Conditional Developments:** Projects acceptable under specific terms.
3. **Opposed Developments:** Projects firmly resisted by the community.

2b. Define desired benefits.

- For each project type, consultees will identify the shared benefits, from the pre-populated list established in Phase 1, that they would like in exchange for certain types of development.
- These defined benefits might also include the general or specific design standards and constraints expected of any proposed developments in order that the community's aesthetic concerns are understood and respected.

2.3 Phase 3: Review and Referendum

At the end of the consultation period, if the consultation has reached the engagement threshold established in Phase 1, the LPA produces a summary report and a draft PMA.

The LPA then arranges for an independent examination of the draft PMA. This examination ensures that the proposed agreement does not conflict with national planning policy or strategic local planning policies.

Following the review and examination, the LPA would organise a referendum. This gives the stakeholders for the proposed PMA the opportunity to vote on whether they want to implement the PMA. The threshold for approval could be the same as for referendums on neighbourhood plans, which is that more than half of those voting must support the plan.

2.4 Phase 4: Adoption and implementation

Once agreed, the PMA would be binding. This means that in an area covered by a PMA, if a developer wishes to deliver one of the project types defined in the agreement, there will be a presumption in favour of development if they sign a legally enforceable commitment to delivering

the shared benefit. Proposals will also need to be local plan compliant with strategic local planning policies.

As every actor has had the opportunity to feed into the Pre-missive Agreement, there will not be additional opportunities to negotiate. This means that there will be no recourse for those who wish to block a development to engage in delaying tactics. Similarly, developers will not be able to renege on their commitments, including in those instances where design and aesthetic criteria have been specified: this might be assessed against a developer's own internal assessment system if agreed, or deploy tools such as the Placemaking Matrix presented in Policy Exchange's report *Better Places: A Matrix for Measuring & Delivering Placemaking Quality* (2023). Legal challenges will be permitted if the developers act outside of the agreed framework and LPAs will be empowered to enforce the agreements.

Engagement on development preferences and desired benefits will be repeated at suitable intervals. At a minimum, reviews should occur every five years.

3. The Pre-missive Platform

3.1 Overview

A Pre-missive platform is at the heart of the Pre-missive Society approach. The platform will be the central tool used by all LPAs for capturing and analysing data and generating public engagement materials. The platform will use non-technical terminology, explaining planning and development consents in a way non-experts can understand and using visual aids to assist understanding. This will make the process of developing a PMA user friendly and straightforward for LPAs and stakeholders.

The platform will be built on the following.

- **Pre-missive ontology.** A single, user-friendly ontology of project and shared benefit types, making the approach to creating a PMA consistent and systematic across all LPAs.
- **Pre-missive database.** A national database of information about what citizens require to support development, built up from data entered into the system during PMA development processes by individual LPAs. While all data will be anonymised, each entry will be linked to the home address of the person completing the survey. This data will provide a picture of what different types of neighbourhoods see as appropriate compensation for supporting development. The data collected will, over time, build up into a valuable resource on development preferences, similar to that being created through engagement tools such as Beautiful Places.¹⁵

The platform will be made up of two elements accessed through a single user interface.

- **Engagement Tool.** A digital tool for gathering data and facilitating community engagement.
- **Interactive Data Exploration Tool.** A tool that allows users to interrogate the Pre-missive database and see data on community preferences in different areas. This makes information on which types of developments a community is prepared to accept, and the conditions under which they will accept them publicly available.

The platform will be managed and maintained by a dedicated team in central government, which will prepare regular reports on data gathered through the platform for publication on gov.uk.

¹⁵. See [link](#)

3.2 User interface

The platform will have three different interfaces, one for LPAs, one for developers, and one for stakeholders in areas where a PMA is being considered. All interfaces will have access to the Pre-missive database. For prospective developers, the data on which types of developments a community is prepared to accept will be valuable information. For LPAs and stakeholders, the national data set will be a valuable source of information about what shared benefits other similar communities have negotiated.

The LPA interface will allow users to enter information and will generate a consultation document to use for a potential PMA. The platform will then generate a sharable link that LPAs can share with those to be consulted. This link will direct them to the **stakeholder interface**.

4. Applying the Pre-missive Approach

The Pre-missive Society could be applied to a variety of types of planning applications. Three will be well suited to taking part in initial pilot schemes: estate regeneration, development on brownfield land, and renewable energy infrastructure.

4.1 Estate Regeneration

Estate regeneration projects are comprehensive redevelopment of social housing estates owned by local authorities or housing associations. They can improve the quality of social housing stock and provide additional new homes. Given that such projects impact hundreds if not thousands of people living on the estate, it is important to ensure that the needs and wishes of the existing residents are respected. Further detail on how a trial of the Pre-missive approach could work on an estate regeneration project is set out in Annex 1. The Pre-missive approach could help overcome the issues which lead to the stigmatised public housing precedents from the 1960s and 1970s. The community preferences and constraints embedded in the PMA, including aesthetic preferences, can help to make development high quality and accepted.¹⁶

4.2 Brownfield Redevelopment

Redevelopment of previously developed brownfield land, such as former industrial areas, car parks or low-quality retail space is an attractive approach for providing new homes and improving an area's quality and character. It also has the advantage of reducing the need to develop greenfield sites or more sensitive areas. The Pre-missive framework could be used to set conditions for brownfield development by the people who live near such sites. In line with the process set out above, there will then be a presumption in favour of development for proposals meeting the Pre-missive conditions. The PMA's emphasis on collaborative community engagement and assured design from the start can give local residents confidence that new developments can present a material enhancement rather than threat to their neighbourhoods.

16. Policy Exchange (2018) *Building More, Building Beautiful*, [link](#)

4.3 Green Energy Infrastructure

The Pre-missive approach can also be applied to green infrastructure projects. LPAs could commit to a shared benefit in exchange for such projects, providing a clear response to common objections focused on the visual impact, noise, and potential effects on wildlife of these projects. Applying the Pre-missive approach enables indicative costs to be included in the local decision-making process. Given that underground cabling is five to ten times more expensive than pylons, for example, communities could obtain substantial shared benefits in exchange for permitting these to be built. Government could also investigate whether the Pre-missive approach could be used to agree shared benefits with environmental and heritage organizations.

4.4 Further Considerations

Data protection and sharing: The Pre-missive database will require robust data sharing, security and quality assurance protocols.

Statutory and legal considerations: Government will need to consider how existing legal frameworks will apply to decisions made via the Pre-missive process. The approach proposes that once a PMA is agreed, there is then a presumption in favour of development for projects brought forward that comply with the PMA. It is likely that primary legislation will be required for this to be able to apply.

Scale: Further consideration is needed of what scale and type of project the Pre-missive approach is appropriate for. If this idea were to be trialled in the future, it should be limited initially to small-scale neighbourhood planning in areas where the local authority is willing to pilot the scheme. However once proven the Pre-missive approach could also be applied nationwide to nationally significant infrastructure projects.

Delivery. The development and maintenance of the Pre-missive platform and associated guidance will need to be led by central government, which will also have responsibility for the ongoing maintenance of the platform and reporting on data collected through the system. It is envisaged that this will sit in the Ministry of Housing, Communities & Local Government (MHCLG) given their existing responsibilities for the planning system.

5. Conclusion

The English planning system does not effectively engage communities or do enough to ensure they benefit from development. The Pre-missive Society offers an innovative new approach to engagement that is bottom-up, inclusive and pragmatic; but also, evidence-based, transparent and scalable. By making community expectations clear from the beginning, the process removes much of the friction currently slowing down the planning application process. These expectations could include outcomes around design and aesthetics which would reduce opposition and increase community support for appropriate, sensitive and, where they wish it, beautiful developments.

The Pre-missive Society will shift community engagement in the planning application process from one of logging and responding to objections to a much smoother, streamlined process of evaluating alignment with pre-established community preferences. As it is rolled out across the country, the process will create a competitive marketplace for development, where LPAs can demonstrate their appetite for development to potential partners. This paradigm shift has the potential to transform the landscape of development, making it a more inclusive and appealing process for all.

Annex 1: Pilot Proposal – Accelerating Delivery of New Council Homes

Britain needs to build more good council homes as quickly as possible, particularly in areas of greatest need. 1.2 million people are on waiting lists for social housing.¹⁷ Existing council homes have long suffered from a lack of resources. Some buildings are reaching the end of their design life.¹⁸ Many are poorly insulated,¹⁹ damp, mouldy²⁰ and overcrowded.²¹ Tenants urgently want better homes for themselves and their children.²²

Much of this will require more money, but some will not. In high-cost areas, estate renewal can be a powerful and popular tool to build new council homes more quickly, within fiscal limits.²³ For example, in London alone, estate renewal at appropriate densities could generate **hundreds of thousands of new council homes**, without any net fiscal cost.

On a broad range of existing estates in high-cost areas, the land is so valuable that estate renewal **can pay for itself**, given an interest-bearing loan from central government which will be repaid. The council rebuilds the estate including some private homes for sale, which pays for the new council homes and repays the loan. Councils can build themselves, where they have the capacity, or with a development partner.

Estate renewal can also deliver additional revenues and savings through SDLT revenues on the sale of new private homes, and reduced bills for Housing Benefit, Universal Credit and temporary accommodation.²⁴ It can reduce costs for councils because the new buildings will have lower maintenance costs and enable more efficient services. Many estates in high-cost areas already have good public transport access;²⁵ greater housing density will provide more passengers, making it viable to improve bus services.

Creating newer, well insulated housing stock will reduce the costs of heating and reduce carbon emissions. Because it often does not require new roads (and in many cases can re-use materials from existing buildings onsite, as foundations), it is one of the **greenest ways to add more homes**. Ensuring that new council housing stock is designed to standards and aesthetic approaches acceptable to each local community will help address the council estate stigmas of the 1960s and 70s.

17. See [link](#)

18. See [link](#)

19. See [link](#)

20. See [link](#)

21. See [link](#)

22. See [link](#)

23. See, e.g., *Completing London's Streets*, Savills, 2016, [link](#)

24. Social renters in receipt of housing support in 2022-23 received an average of £87 per week, versus £133 for private renters, [link](#)

25. See, e.g. for London, [link](#)

New Council Homes

Digital engagement via a tool like the Pre-missive platform is well suited to solving the *collective action problem* of helping the **silent majority** of tenants who want estate renewal to speak up for what they want and be counted. Councillors are often hesitant to suggest estate regeneration because of fear of backlash from small, unrepresentative groups. Proving existing strong support from residents will help councillors have the courage to be ambitious. It will reduce costs and time by showing councils where there is tenant consensus on a viable type of proposal.

Building on the Pre-missive platform, government could launch a New Council Homes engagement tool, where tenants can:

1. Say that they would like their estate to be renewed with tenant participation.
2. Confidentially give their name, address and (if they wish) email and phone number.
3. Select their priorities for themselves (e.g. more space, a new flat, no damp, higher priority for their children to qualify for their own housing).
4. Select their priorities for their estate (e.g. new children's playground, no loss of existing affordable shops, no loss of existing tenants' meeting space).
5. Specify what design standards and characteristics they would like their estate to embody.
6. Specify what shared benefits they would find acceptable as compensation for some different types of development that could occur (introduction of market rate homes, increase in density, loss of public space).

The engagement tool could also be used to give information, such as the basic principles for renewal set out below.

1. Every resident is guaranteed the option of rehousing on the estate.
2. Residents are guaranteed participation in drawing up the proposals.
3. No resident will have to move more than once, into their new permanent home (no 'double decanting').
4. Renewal will only happen if it has majority support of residents on the estate.

Data on numbers of tenants at each location should then be made available to councils who are interested in estate renewal. Optionally, a heat map (which anonymizes responses) could be made public, to show where tenant interest is strongest and to catalyse movement.

The success of the trial could be augmented by several additional measures from central Government.

- Strong messaging from Ministers that the Government encourages

estate renewal wherever residents are in favour.

- Strong messaging from the Government that council estates can incorporate designs attractive and sensitive to the preferences of local communities.
- A launch of a set of case studies of best practice in estate renewal and offers of advice and introductions to experts.
- Ensuring that **existing grants and loans are made flexible and long term** so that they can be used in combination and over a longer period. Many are currently required to be used within a few years, which is shorter than the typical estate renewal scheme.
- Flexible loan funding for schemes that can be self-supporting and repay the loan with interest.

Next Steps

A local pilot could come at reasonable commercial cost and would provide a starting point for a better, faster, more modern planning system. It would provide communities and developers with more certainty and deliver more high-quality council and other homes, ensuring that those most in need are helped most of all. If carefully selected, it should save as much and more in costs by avoiding extended planning delays as the trial costs to run, thereby serving as a proof of value politically, financially, macroeconomically.

Annex 2: FAQs

1. **How will the Pre-missive concept help get more built?**

Whatever the type of infrastructure – housing, transport, or energy – developers place an enormous value on certainty. Years of delays, court battles incur substantial costs that make many projects unviable. Communities can have more confidence to be ambitious if they can specify in advance what is acceptable and what is not – and know that developer commitments will be stuck to.

2. **How does this improve the planning system?** The system will help England move further towards digital planning, which will reduce work for planners, enabling more and better homes to be built.

3. **How will the Pre-missive concept help create beauty?** By allowing communities to choose appropriate design standards and characteristics prior to the planning process, developments will have to meet the wishes of the community and deliver an enhanced built environment.

4. **Will this interfere with the existing planning system?** The intention is to improve and extend the planning system. The existing planning system of local plans and site allocations can continue in the normal way. This proposal is a supplement to empower LPAs who want to go further.

5. **Won't most people always oppose new development?** Evidence shows it is possible for communities to support development. Since the Mayor of London introduced the requirement to carry out a ballot of residents in order to qualify for GLA funding for estate renewal, there have been over 30 ballots. Of those, 29 passed with overwhelming majorities.²⁶ The other proposal was amended and passed on the second ballot, again with a solid majority.

6. **How will this approach address wider impacts of development?** LPAs will be expected to deal with potential wider impacts, namely on local infrastructure and services, through the current community infrastructure levy. However, it should not be able to veto a project if it does not exceed its pre-arranged limits.

7. **Why start with a pilot on estate renewal?** The goal is to help those on low incomes as quickly as possible with a new generation of council homes. The support among residents needed for these proposals to work well, and the potential to help those most in need, are both greatest on council estates, so it makes sense to

26. See [link](#)

start there.

8. What about the environmental impacts of development?

Studies show that retrofit and intensification of land use in existing sites near public transport are much better for the environment than building car-dependent sprawl. The pilot will help the environment.

Annex 3: Fiscal Impact

The Pre-missive Society will have a positive fiscal impact on LPAs and central government as many of the current costs of the planning system could be recouped from developers instead of passed on to the taxpayer. This can be illustrated by modelling the potential impact of introducing PMAs. In the year ending September 2023, there were 5000 planning applications for major (more than 10 homes) residential-led developments in England. Of these, 80 per cent were approved (222,500 homes).²⁷ In a scenario where 50 per cent of the 1000 rejected planning applications were in areas covered by a Pre-missive agreement, the outcome could have been changed as follows.

- **Additional homes.** 27,500 additional homes, including 8,250 affordable homes.
- **Shared benefits.** £80 million savings on planning application costs for developers, available to be repurposed to use towards shared benefits.
- **Additional revenue for local government.** £56 million additional council tax revenue from new homes.
- **Increased tax revenue for central government.** Additional £81 million revenue to HMT via Stamp Duty Land Tax (SDLT).
- **Economic growth and employment.** £5.5 billion gross additional construction industry spend, as well as employment growth from construction jobs. Construction also contributes to GDP growth and delivers other indirect fiscal gains through job growth, increased income tax, VAT, corporation tax, National Insurance, and other levies.
- **Reduced benefit spend.** Increased supply would have helped slow house price growth, improving affordability reducing the cost of Housing Benefit, Universal Credit and temporary accommodation.

This is a conservative estimate of the potential benefits as it is likely that under a Pre-missive system LPAs would have received, and approved, more planning applications.

27. See [link](#)

Modelling assumptions

- 50% of the homes in rejected applications would have been approved under the Pre-missive system (500 of the 1000 additional applications). The 500 additional approved applications would have averaged 55 homes each.
- 70% of additional homes for market sale, 30% affordable tenures.
- Average sale price of £309,000.
- SDLT per home £2,950.
- Average council tax £2,065 / home.
- Construction spend of £200,000 / home.
- 80% reduction to base cost of preparing a planning application £200,000 for applications in Pre-missive areas.



£10.00
ISBN: 978-1-917201-21-6

Policy Exchange
1 Old Queen Street
Westminster
London SW1H 9JA

www.policyexchange.org.uk