



Government Response to the Reforms to the National Planning Policy Report

Presented to Parliament
by the Secretary of State for
Levelling Up, Housing and Communities
by Command of His Majesty

November 2023

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Conclusions and recommendations

Proposed reforms and their impact

1. National planning policy has been characterised by stop-start reform over several years. This has regrettably resulted in uncertainty among local authorities and across the planning sector. Contrary to the Government's objective of facilitating plan-making, the short-term effect of its announcement of proposed planning reforms (6 December 2022) has been to halt the progress of local plans in a number of local authority areas. (Paragraph 14)
2. *The Government must see the merit in pausing plans for further reform, in order to allow for a period of stability in which reforms already introduced can be properly implemented, and any lessons from that implementation learned. (Paragraph 15)*
3. The Government has not been clear on the timetable for its many planning consultations and when its reforms will be implemented. Nor has the Government sufficiently evaluated the impact of its past NPPF changes to inform its current reform proposals. There is a strong case that the Department should conduct impact assessments of past NPPF changes, which would inform future reform proposals. Given that the Department is currently considering 26,000 responses to the December 2022 consultation and is conducting at least nine further consultations on planning reform, we do not believe resource constraints should prevent the Department from conducting these impact assessments. (Paragraph 21)
4. *The Government should urgently conduct and publish impact assessments on all future NPPF changes. It should take a more strategic approach to future consultations, including publishing timelines for the implementation of its proposed reforms. (Paragraph 22)*

Government response

The Government's proposed changes to the National Planning Policy Framework (NPPF) were subject to a full public consultation that ran from December 2022 to March 2023. We are continuing to consider the responses to that consultation and intend to respond later in 2023. Historically, we have taken a targeted approach to evaluating planning reforms; and in line with the Department's recently published Evaluation Strategy, we are continuing to take a proportionate approach, due to resource constraints and the feasibility and cost of evaluation activity. In making policy decisions the Government will continue to consider the potential impact of the changes, including equalities impacts, as well as the representations made in the consultation including on the potential effects of the proposals.

The national housing target

5. We support the principle of a plan-led system and are sympathetic to the Government's wish to ensure more local authorities have up-to-date local plans. However, it is difficult to see how the Government will achieve its 300,000 net national housing target by the mid-2020s if local targets are only advisory. The Government has not provided sufficient evidence to

demonstrate how the policy of removing mandatory local housing targets will directly lead to more housebuilding. (Paragraph 33)

6. We are sceptical of the Minister for Housing and Planning's confidence that greater local plan coverage will result in more housebuilding. If there is no longer a requirement for up-to-date local plans to continually demonstrate a five-year housing land supply, and if housing targets in local plans are to be made advisory, then it does not necessarily follow that more local plan coverage will result in the same increases in housebuilding as under the current NPPF. (Paragraph 34)
7. *In line with its previous commitment to us, the Government must publish its own comprehensive analysis, as part of its response to the December 2022 consultation, to demonstrate how the proposed changes to the NPPF will facilitate delivering 300,000 net new homes per year, including the evidence base for each of those proposed changes. The response to the December 2022 consultation containing this analysis should be produced by the end of September 2023; it was originally expected in spring 2023. If there are further delays, the Minister for Housing and Planning should write to us to explain why. (Paragraph 35)*
8. In order to aid transparency and accountability for housing delivery, the Department must set and commit to annual housing targets that are in line with the Government's commitment to deliver 300,000 net new homes per year by the mid-2020s and how this will be achieved. (Paragraph 36)
9. *If the NPPF reforms, once they have been implemented, do result in a reduction in housebuilding, the Minister for Housing and Planning should write to us as soon as this becomes apparent, and should explain whether the Government intends to keep the national housing target by making further NPPF revisions, or maintain its policy of advisory local targets at the expense of building 300,000 net new homes per year, or take other action in response. (Paragraph 37)*
10. *We reiterate our previous recommendation from our report on the future of the planning system in England (2021) that the Government should set out the proportions of different types of tenure that will make up the 300,000 net new homes per year, in order to encourage local planning authorities to give greater importance in planning for Social Rent homes. We believe that this should include a national housing target for 90,000 Social Rent homes per year. (Paragraph 40)*
11. The development of brownfield sites should be prioritised and incentivised, and green spaces in the Green Belt should be protected. However, brownfield sites alone cannot deliver 300,000 net new homes per year in the long-term. In particular, the greater upfront cost of brownfield development means there is less capacity to deliver affordable housing on these sites. (Paragraph 45)
12. *We reaffirm our previous recommendation from our report on the future of the planning system in England (2021) that a national review of the purpose of the Green Belt should assess the circumstances where brownfield sites within the Green Belt should be considered for development. Local Green Belt boundary reviews should continue to be conducted by local authorities as part of their local plan-making process. (Paragraph 46)*

Government response

The Government is on track to deliver 1 million homes over this Parliament, and we are continuing to work towards delivering 300,000 homes a year. This Government has a strong record on housebuilding - over 2.2 million additional homes have been delivered since 2010, and housing supply has been at 30-year record levels with the three highest annual rates of housing supply having all come since 2018.

A standard method for calculating local housing need was introduced in 2018 to support the Government's plan for the right number of homes. In December 2020, we updated the method to ensure it remained aligned with the Government's ambition to deliver 300,000 homes per year.

The Government's standard method has, since its introduction, been used as a starting point to identify the total number of homes needed in a local area. Within this context, the NPPF is clear that it is for local authorities to identify the size, type and tenure of housing needed for different groups in the community, including those who require affordable housing, and to reflect this in their local planning policies. These matters are best assessed at local level, allowing the specific requirements of different places to be reflected.

The Government is focused on increasing the amount of social housing available over time to provide the most affordable housing to those who need it. The Government's Levelling Up White Paper committed to increasing the supply of social rented homes and a significant number of the homes delivered through our Affordable Homes Programme will be for social rent. We consulted earlier this year on whether we should place greater weight on the social rent tenure in the National Planning Policy Framework. We expect to publish a response to this consultation later in the Autumn.

The Government has no plans for a national review of the Green Belt. This Government is committed to protecting and enhancing the Green Belt. National planning policy includes strong protections for Greenbelt land, and this policy will remain firmly in place. National planning policy is also clear that local authorities should make as much use as possible of brownfield land, reducing the pressure to consider greenfield sites, and the Government is providing significant financial support for the take-up and completion of brownfield redevelopment. In our recent consultation on our proposed approach to updating the National Planning Policy Framework, we proposed to strengthen Green Belt policy by making clear that local authorities are not required to review Green Belt boundaries to meet housing needs. We are analysing responses to the consultation and expect to publish a response later this year.

Calculating local housing need

13. The need for the urban uplift demonstrates that the standard method formula is not currently fit for purpose. The 35% urban uplift is an arbitrary figure, which is not calculated based on local housing need in the areas where it applies. We are disappointed that the Government has not yet published its evidence base for the urban uplift. (Paragraph 57)

14. *The Government should abolish the urban uplift when it reviews the standard method in 2024. Instead, a single standard method formula that accounts for local housing need and capacity*

should apply to all local authorities. The revised formula should be based on future local need, with a focus on regenerating local areas and delivering more affordable housing, rather than focussing housebuilding in areas where economic activity is already high. The standard method must work towards delivering net 300,000 new homes per year in England. (Paragraph 58)

15. The Government plans to abolish the Duty to Cooperate without clearly setting out what it will be replaced with. This is despite the Government having agreed with our recommendation in a previous report that the Duty to Cooperate should not be abolished without a clear understanding of how it will be replaced with a new mechanism. By abolishing the Duty to Cooperate, the Government is removing another incentive for local authorities to meet their local housing need. The Government should instead be encouraging neighbouring local authorities to cooperate on housing delivery, particularly when planning development on their shared borders. (Paragraph 67)
16. *The Government should ensure that the new alignment policy requires local authorities to work together on housing delivery or introduce other mechanisms to encourage regional cooperation between local authorities on housing delivery. The detail of the new alignment policy must be defined, consulted on, and a final policy published, before the Duty to Cooperate is abolished. The Government should therefore delay abolishing the Duty to Cooperate until its future review of the NPPF, in order to ensure that there is no gap between the abolition of the Duty to Cooperate and the implementation of the new alignment policy. (Paragraph 68)*

Government response

As part of the Changes to the current planning system¹ consultation (August 2020) we stated that the standard method for local housing need at the time was inconsistent with our aim to deliver 300,000 homes annually. After carefully considering the feedback to the consultation, we made changes to the standard method to help enable the Government's objectives of delivering 300,000 homes a year and to tackle affordability challenges in the places people most want to live, while also directing growth to support the regeneration of brownfield sites and renewing and levelling up our towns and cities.

The cities and urban centres uplift directs more homes into our largest urban centres located across the country which supports our aims to level up. 14 of the 20 areas uplifted are in the North and Midlands. As well as making the most of brownfield land, increasing home-building in existing urban areas supports other objectives including maximising the use of existing infrastructure, taking advantage of structural change in urban land uses, and reducing the need for unnecessary travel.

As set out in the December 2022 consultation we want to make sure the standard method commands long-term support based on the most relevant data. We intend to review the approach to assessing housing needs following the release of the next household projections data based on the 2021 Census.

Co-operation between local planning authorities will remain an aspect of plan making. To address

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/927157/200805_Changes_to_the_current_planning_system.pdf

cross boundary and strategic issues that affect more than one planning authority and to encourage closer working together, we intend to retain joint local plans and minerals and waste plans and introduce new joint spatial development strategies and joint supplementary plans.

We are proposing that plan-makers have until 30 June 2025 to submit their local plans and all existing legal duties and requirements, including the duty to cooperate, will still apply.

Local planning authority resourcing

17. There continues to be a pressing need for additional resources for local planning authorities to ensure the efficient working of the planning system and to implement the Government's proposed reforms. The Government must ensure local planning authorities have the specialist skills required to implement proposed reforms. The programme of support offered by the Department—including the measures outlined in correspondence from the Minister for Housing and Planning, and the letter from the Chief Planner to local authorities—does not constitute a comprehensive resources and skills strategy for the planning sector. This does not match the scale of the resourcing challenge which local planning authorities currently face. (Paragraph 79)

18. *The Government should publish a comprehensive resources and skills strategy for the planning sector, in line with its commitment to us. The strategy should clearly explain how the resourcing and skill needs of local planning authorities will be met; and should be published before future reforms to national planning policy are implemented. (Paragraph 80)*

Government response

Highly skilled planners are fundamental to local design and placemaking. They are invaluable in creating communities that people are proud to call home, in beautifully designed places.

The government recognises that local authorities, as well as the wider planning sector, face serious capacity and capability challenges which have resulted in delays, including in the processing of planning applications, impacting on homeowners and developers alike.

To begin to address this, on 24 July 2023, we announced a commitment to put an additional £37.5 million funding into the system to clear planning backlogs and deploy additional resource to the frontline to unblock major housing developments.

This included funding for:

- A new £24 million Planning Skills Delivery Fund to help equip local authorities to recruit, retain and upskill planners and to build a more sustainable planning system for the benefit of communities, as well as helping local authorities to clear planning application backlogs.
- A new £13.5 million programme that will deploy teams of specialists into local planning authorities, starting with a trailblazing pathfinder in Cambridge.

This is in addition to a range of projects within our already established Planning Capacity and Capability programme, which we have developed, working with partners across the planning

sector, to ensure that local planning authorities have the skills and capacity they need both now and in the future.

This includes funding for developing new pathways into planning through extending and increasing our existing bursaries through £340,000 grant to the Royal Town Planning Institute (RTPI) and £1.6 million to supporting the Local Government Association to develop a new Planning Graduate Programme. It also includes £1 million for the social enterprise Public Practice to help councils recruit and develop skilled planners.

We have also recently launched a new skills and resources survey of local authorities in England, which will enable us to understand where our programme will have the greatest impact. Further information of the Planning Capacity and Capability Programme is at this link - <https://www.gov.uk/guidance/building-planning-capacity-and-capability>.

To also help build capacity in local authorities, we have laid draft regulations to increase planning fees by 35 per cent for major applications and 25 per cent for all other planning applications, together with a mechanism to allow for the annual adjustment of fees in line with inflation. These measures will provide much needed additional resourcing and financial sustainability for local planning authorities.

The fee increase will help provide additional income for local authorities without introducing disproportionately high fee increases for householders and small businesses who may be more sensitive to charges than major developers. We will continue to keep planning fees under review.

Infrastructure levy

19. We share our predecessor Committee's view that when considering new mechanisms for land value capture it is vital that the Government learns the right lessons from the past. If the Government is determined to implement the new Infrastructure 39 Reforms to national planning policy Levy over the course of ten years, then its approach should have support from a broad consensus of political parties from across the House. This will enable it to be successfully implemented and retained for the long-term. (Paragraph 92)
20. It is not clear that the new Infrastructure Levy (IL) as it is currently proposed will be swifter and simpler for local authorities to administer than the current CIL/Section 106 agreement regime. The potential for multidimensional charging schedules with many different rates in each local authority, as well as the continued need to negotiate Section 106 agreements in parallel, unnecessarily risk making the new IL more complicated than the current system. (Paragraph 99)
21. *Whilst piloting the new IL is a sensible approach, the Government must outline from the outset exactly how the 'test and learn' process will work and set out a limited timeline. The Government should make adjustments where appropriate as part of 'test and learn', to ensure that the new regime is simpler, delivers sufficient funding across the country, and delivers more affordable housing than the current regime. (Paragraph 100)*
22. We welcome that the Government has tabled amendments to the Levelling-up and Regeneration Bill to strengthen the duty of local authorities to deliver at least as many affordable homes under the new IL as they do under the current system (rather than simply

“have regard” for this). However, the proposed amendments will not guarantee that local authorities will deliver the same levels of affordable housing as they do under the current regime. The amendments would require local authorities to “seek to ensure” they deliver the same levels of affordable housing, but not if this would render development economically unviable. Therefore, there is still a risk that the new IL may not deliver as many affordable homes as the current regime. (Paragraph 101)

23. If the new IL falls short of delivering sufficient funding for local authorities to deliver at least as many affordable homes as the current regime, then the Government should make adjustments where appropriate as part of ‘test and learn’. Failing this, the Government should consider other ways of providing funding to local authorities to make up the shortfall. (Paragraph 102)

Government response

The Government recognises the need to get these significant reforms right. That is why we committed to undertake a further consultation on fundamental design choices before developing Infrastructure Levy regulations.

Through further consultation and engagement, and through a “Test and Learn” approach the Government will seek to ensure that the Levy achieves its aims and that it is implemented carefully. This will be supported by amendments the Government made to the Levelling Up and Regeneration Act, which require the Secretary of State to lay a report before each House of Parliament, setting out the effect of the Infrastructure Levy on the provision of infrastructure and affordable housing. This includes whether charging the Infrastructure Levy has resulted in more or less affordable housing being available than would otherwise be the case. This will allow for the scrutiny of the Levy as part of our Test and Learn approach, and for any necessary changes to be made to ensure that the Levy is able to successfully deliver on its aims.

The Government will set out further details on the ‘test and learn’ process as policy design progresses.

National development management policies

24. It is regrettable that the Government has still not provided sufficient detail on the content of National Development Management Policies (NDMPs) for stakeholders to fully understand the impact they will have on the planning system. While NDMPs may make the plan-making process more efficient for local authorities, they will also result in local plans being overridden by national policy in some cases. This is contrary to the Government’s stated commitment to a plan-led system. Under the current wording of the Levelling-up and Regeneration Bill, the Secretary of State for Levelling Up, Housing and Communities will be able to override local plans unilaterally, potentially with no parliamentary oversight. (Paragraph 115)

25. Each draft NDMP should be subject to full and proper parliamentary scrutiny before coming into force. Any draft NDMP which would have the effect of superseding the plan-led system should be carefully considered in Parliament on a case-by-case basis. (Reforms to national planning policy 40)

26. The Government should table an amendment to the Levelling-up and Regeneration Bill to make NDMPs subject to similar parliamentary requirements as National Policy Statements, as outlined in section 9 of the Planning Act 2008. (Paragraph 116)

Government response

Through the Levelling Up and Regeneration Act, we are strengthening the role of the Development Plan in decision-making on planning applications so that communities will have more certainty about what development will happen in their areas and will have more confidence in their plan. We are doing this by changing section 38 of the Planning and Compulsory Purchase Act 2004 so that planning applications must be decided in accordance with the Development Plan and any National Development Management Policies unless material considerations strongly indicate otherwise.

Introducing National Development Management Policies will make sure that, when the decision-making test is changed, important national planning policy protections will continue to apply in planning decisions, even when policies in plans go out-of-date. At present national planning policy has variable weight in planning decision as a material consideration; giving National Development Management Policies statutory status will give greater clarity as to how decision makers should treat national planning policies when making planning decisions. This is crucial to reducing the number of successful planning appeals against local authorities' decisions and therefore reducing the number of unanticipated developments communities face on their doorstep as a result.

National Development Management Policies will not supersede the plan-led system, but will sit alongside the Development Plan, forming part of the suite of policies that need to be considered in determining applications. They will allow locally produced plans to focus on matters of genuine local importance, allowing them to be prepared and kept up to date more easily, further helping to secure a plan-led approach. National Development Management Policies will be subject to public consultation before they are introduced, other than in the exceptional circumstances set out in the Act, giving everyone with an interest, including Parliamentarians, the opportunity to scrutinise them and comment before they come into effect.