

Analysis of the GB planning system

Question 4.1

1. Do you agree that planning risk is a key issue for the planning system?

For actors engaged in development, and perhaps given its extra and increasingly contentious nature residential development, risk is inherent in both the overarching policy framework, the local plan-making system and the processes through which sites achieve a full, implementable planning consent. The scale of risk in the planning system and the increasing number of points in the planning process at which risks are realised has undoubtedly increased over the past decade. This is the primary reason for the diminution in activity among small and medium-sized (SME) house builders over the course of the most recent economic cycle.

As well as the inevitable risk imposed by administration and capacity constraints, the political influence over planning policy at a national and local level exposes house builders to a unique depth and breadth of risks. At the local level, it is understood that in the period before local elections planning applications will take longer and probably be more likely to face refusal. If political control of a council passes to a party elected on an anti-development platform then local plan preparation and the determination of individual applications can suffer.

At the national level, political change, ministerial change or other factors out with housing and planning policies can dramatically affect the deliverability of investments. For instance, the retrograde reforms to the NPPF announced in December 2022 following negotiations with Conservative Party backbenchers represented a major change to the planning framework that could not be foreseen and was seemingly catalysed by internal party politics following a change in leadership. Nowhere else in the economy does politics play such a dominant role in determining the outcome of an industry and individual company's investment portfolio.

Overlaid onto this landscape is the increasing threat that public bodies may impose some form of moratorium on development. This is most starkly illustrated through Natural England's 'nutrient neutrality' requirements that have seen sites across 74 local planning authority (LPA) areas halted with no prior notice. Similarly, Natural England has also imposed restrictions in areas citing 'water neutrality' and 'recreational impact'. This often sees house builders effectively ransomed into finding solutions to wider societal or infrastructure challenges including, in these instances, regional water shortages or pollution generated by other sectors. These one-off shocks to businesses imposed via the planning system carry enormous risk and are, again, not replicated across the rest of the economy.

When appraising a short-term development opportunity (a site without planning permission, but the principle of development upon which is, or should be, readily established) for addition to the short-term, immediate pipeline a house builder's Land Manager or Land Director will generally have an understanding of the type of uses that the relevant LPA would support; the scale of development that the LPA would support; and the planning gain contributions that would be sought by way of Section 106 (S106) Agreement or Community Infrastructure Levy (CIL). More often than not this information, which is fundamental to determining the value of the site and therefore an appropriate offer for it, is not readily available.



If the site can be secured on a short-term, perhaps subject-to-planning contract, then the Land Manager or Land Director will seek to engage the LPA, as well as key statutory consultees, in substantive pre-application conversations, but, very often, as research from the Planning Advisory Service (PAS)¹ identified, substantive pre-application conversations with statutory consultees and planning officers are not possible because of the time and resource constraints that they are under.

Even once an application has reached the planning committee, with applicants often agreeing to extend determination periods so that schemes can be amended to satisfy amendments requested by, for example, statutory consultees, it can never be assumed that councillors will accept an officer's recommendation to approve a scheme, especially if it has proved controversial locally and the public gallery is full of angry protesters.

Even then, if a LPA is minded to approve an application it is possible for it to be called in for determination by the Secretary of State (or Welsh Minister). If a 'call-in' does occur, the delay can be lengthy (there is no set timeframe for such decisions), often running to years. Again, such call-ins are held to be more likely during periods of political change or potential change, for instance in the run-up to a general election.

It is perhaps little wonder then that the Land Manager or Land Director, if they can secure a site on a subject-to-planning basis, will be seeking to negotiate at least eighteen months within which to secure consent.

When appraising a long-term strategic development opportunity, a Strategic Land Manager or Strategic Land Director will have to be similarly circumspect. As the working paper notes, DLUHC estimate that adopting a local plan takes seven years and so when meeting a landowner for the first time, perhaps ahead of a 'Call-for-Sites' exercise that a local plan review might start with, it might be assumed that seven years would be a reasonable length of the contract within which there would be hopes that a local plan allocation might be secured.

The working paper highlights at paragraph 4.56 the changes that have happened in the last seven years alone, such as the 2017 White Paper, the 2018 NPPF changes, a 2020 White Paper and reform of the standard method, and the Levelling Up & Regeneration Bill (LURB) and National Planning Policy Framework (NPPF) changes of 2022. All of these have provided recalcitrant LPAs within an opportunity to delay plan-making. This is out with the changes in control at LPAs after local elections that often have similar delaying affects or, at worst, lead to plans being abandoned. In many locations, land secured for seven years will still not be close to a view on the principle of development being considered acceptable by a local plan despite what might be the investment of hundreds of thousands of pounds by the promoters in seeking to demonstrate a site's suitability and deliverability.

This is why, to account for every possible twist and turn along the local plan-making journey, a Strategic Land Manager or Strategic Land Director when meeting a landowner for the first time will seek an agreement of ten years or even longer, which will often be a less attractive timeframe for landowners and can result in some sensible future development sites not being promoted as vigorously as they might otherwise because landowners choose not to enter into formal agreements with prospective promoters.

¹<https://www.local.gov.uk/pas/development-mgmt/pre-application-advice-and-planning-performance-agreements-ppas>



HBF would support any attempt to reduce risk and increase predictability, particularly for SME builders, but is keen for any onward reform of the system to minimise the kind of disruption that has come to characterise the most recent parliamentary term. There is much that can be done within the current framework and by pulling existing policy levers rather than embarking on significant legislative reform that usually takes years and generates yet more political contention.

2. Do you agree with our analysis of the causes of the uncertainty in the planning system and how they contribute to under-delivery of housing?

The working paper presents a fair and thorough analysis of the causes of uncertainty in the planning system. HBF offers the following observations by way of expansion on some of them.

In relation to the lack of up-to-date local plans (in England), paragraph 4.73 of the working paper states that reviews of local plans at least every five years are a legal requirement and that the NPPF states strategic policies in local plans should be updated at least every five years if local housing need has changed significantly. It should be noted, however, that under current arrangements an LPA can review its own local plan without any external scrutiny and come to its own conclusion about whether, for example, whether local housing need has changed significantly without input from either the public or the development industry and without need or otherwise for a review being endorsed by, for example, the Planning Inspectorate.

The Government recently consulted on possible reform to the local plan-making process with a view to reducing the average length of the local plan-making process from seven years to thirty months. The scope of the consultation was very much focussed on removing ambiguity and uncertainty from processes and procedures, which HBF is entirely supportive of. The local plan process could be made much more effective by, for example, consulting only once on key matters of principle; fixing the time upon which evidence can be relied; and conferring ownership of the process upon new commissioners. HBF made the point in responding to the consultation though that changes to processes and procedures alone will not shorten the time it takes to prepare a local plan and so will not of themselves improve overall local plan coverage.

The material that was consulted upon notes that local plans are important documents, but there is no statutory requirement upon LPAs to prepare one, which has undoubtedly contributed to a situation whereby only approximately 35% of LPAs have adopted a local plan in the last five years and, according to Lichfields², over 75% of LPAs will have an out-of-date local plan by the end of 2025. In an era of unprecedented reductions in local government spending and ever-rising social care costs, whilst an LPA has to determine planning applications it does not have to prepare a local plan. The process and procedural changes imagined within the consultation would, for the most part, represent an improvement on current arrangements, but the shorter timeframes will need formal mechanisms, and the greater use of existing intervention powers by the Secretary of State, to ensure their implementation.

As identified in the working paper, Wales suffers too from a plan-led system reliant on out-of-date plans and a new tier of strategic plans that are not due to be adopted until 2029. HBF suggest that, again, wholesale reform is not required in Wales, but instead a focus on issues like the lack of resources needs that hamper progress within the current regime.

²<https://lichfields.uk/content/insights/timed-out>



3. Are there any other factors that we should consider?

HBF is entirely supportive of National Development Management Policies (NDMPs) because they could have a transformative effect on both planning application timescales and a transition towards the 30-month local plan process set out in the Levelling Up & Regeneration Act.

Some disquiet has been expressed about the fact that any potential conflict between NDMP and local policies would be resolved in favour of the former, but this seems entirely right in the sense that if LPAs were able to justify going beyond the scope of a NDMP then the result would be the patchwork quilt of local policies that makes the case for NDMP in principle. It is suggested that NDMP, subject to appropriate consultation on implementation, should set a sufficiently ambitious bar than LPAs can make the case to stay below, in exceptional circumstances, but cannot go above.

SME builders in particular would benefit from consistency when moving between local areas as the need to understand and manage different local standards increases the costs and delays.

Policies already contained within the NPPF would be a logical and reasonable starting point and may contribute towards swifter, slimmer local plans by removing the need for generic policies, but the real value of NDMP will be to quickly go beyond 'selective' new additions and to put on a clear and consistent national basis matters of national concern that need to harmonise with, for example, building control standards that are similarly dealt with by way of national standards.

Other areas that should be considered for inclusion include the provision of EV Charging points and the delivery of Biodiversity Net Gain.

One of the most significant issues affecting HBF members at present is LPAs pursuing policies (mostly by way of supplementary planning documents) on climate change mitigation and adaptation that put much more ambitious timetables in place for, for example, 100% net zero operational carbon reductions than are anticipated by building regulations.

HBF members are entirely supportive of the net zero agenda and would greatly benefit from the certainty of a fixed transition period that will enable materials manufacturers and installers to invest in order to service demand. The electric car market⁴, for example, coalesced around and then crystallised a clear 2030 deadline. Landowners and developers need to similarly adjust and plan accordingly. NDMPs are an opportunity to put planning for these issues on a much more considered and coherent footing.

⁴<https://www.gov.uk/government/news/government-takes-historic-step-towards-net-zero-with-end-of-sale-of-new-petrol-and-diesel-cars-by-2030>



4. Do you consider there to be any significant difference in the level of planning uncertainty between England, Scotland and Wales?

The lack of recourse against the failure of the plan-led system in Wales has undoubtedly slowed down the delivery of new homes. TAN1 was revoked in 2020 and removed in so doing the requirement in Wales for LPAs to maintain a five-year supply of deliverable housing sites. Local Development Plans (LDPs) are out of date and progress on their replacement has been very slow because the additional tier of regional planning that is to deal with strategic issues such as Green Belt and major housing allocations is delayed and not expected to be adopted until 2029 at the earliest. As a consequence of both local plan delays and TAN1's revocation land is not being brought either within or out with local plans.

Question 4.2

1. Do you agree that the current level planning, policy and regulatory costs could threaten the viability of development at some sites? To what extent do you think that this is currently happening? Are some sites and areas more at risk than others?

It is entirely right that in alighting upon a residual land value that costs of development, including all costs of complying with a relevant policy, are deducted from a site's gross development value and so effectively passed on to the landowner.

If these costs are fully known at the start of the process, then provided that the residual land value is, or there is a high probability that it will be, above the threshold land value required for an owner to dispose of a site then it will be brought forward for development. The implication of this being that policy burdens can render development unviable in areas of low land value. However, the consistent increase in policy and regulatory costs over recent years has occurred at unprecedented pace and scale. The cumulative effect of all of these measures imposed by a range of Government departments including DEFRA (nutrient neutrality); HM Treasury (Residential Property Developer Tax); Department for Transport (new Building Regulation Part S) and, of course, DLUHC (multiple changes to Building Regulations and a forthcoming but as yet unknown specification for Future Homes Standard (Part L) which is currently still planned for 2025), threatens viability. As is noted in the working paper, using Government's impact assessments of the various measures, HBF has estimated an additional cost to the industry of approximately £4.5bn per annum, equating probably to around £20,000 per new home by 2025⁵.

While it is true that the residual land value calculation can flex to maintain viability, in many parts of the country the combined impact of such rapid and significant additional planning and delivery costs lead to landowners taking a longer-term view or considering other, non-residential uses for the land. The policy and regulatory regime for commercial property has been relatively stable compared with the layers of additional cost and complexity imposed on residential development. This is typified by the introduction of an industry-specific Corporation Tax surcharge on UK-headquartered residential development in 2022.

⁵https://www.hbf.co.uk/documents/12117/HBF_report_-_Building_Homes_in_a_Changing_Business_Environment.pdf



If costs only emerge during the planning process, or perhaps increase in one area beyond an amount anticipated at the beginning of the planning process, or perhaps and most likely change during the planning process, then the subsequent impact on value may compromise, for example, the base value or minimum land value made provision for in a contractual agreement. For example, a bid for land may have been made and accepted on the basis of 10% BNG and a 30% affordable housing requirement contribution, but during the planning application process a LPA may subsequently insist upon 20% BNG and 40% affordable housing. The implication of this is that a new contractual agreement will need to be arrived at.

The process for establishing the specification for the Future Homes Standard (FHS) is a useful, and timely, case study. In early 2019, the Government announced the introduction from 2025 of a new Future Homes Standard that necessitates changes to multiple Building Regulations 'Parts'. In early 2020 the industry, coordinated and led by HBF, convened a summit to bring together key stakeholders from the water industry, energy industry, biodiversity champions and relevant regulators to consider the implications for National Grid capacity, supply-chain readiness and other practical issues. The outcome was the establishment of a Future Homes Taskforce that subsequently became the Future Homes Hub, a government and industry partnership created to prepare for the changes.

The Hub has worked closely with all partners and developed 'contender specifications', but the industry still awaits the key consultation from Government on the proposed specification. In summer 2023, many months after the expected publication of the consultation, HBF wrote to ministers requesting the timely publication of the document to allow members to begin to plan for 2025 and beyond. As 2024 arrives it is ever more likely that, even at the fastest conceivable pace, full certainty on the new regulations is perhaps only likely in mid-to late-2024. Again, few other sectors of the economy are expected to operate in such a chaotic and politically exposed environment.

While the specification remains unknown, the FHS will certainly require major changes to the fabric of new homes and the heating systems used within them. This will require consumer education (particularly around the use of new heating systems) and has huge implications for the housebuilding supply-chain. At present it remains impossible for house builders to estimate with any degree of accuracy what the additional costs associated with the delivery of FHS properties will be despite the fact that land that is being acquired and planned for today will need to be built to this standard.

2. Do you agree with our analysis that shows the length and complexity of the planning system may contribute to under-delivery of housing?

The working paper presents a fair and thorough analysis of the length and complexity of the planning system. HBF offers the following observations by way of expansion on some of them.

The resourcing issues within LPAs are well-documented, but a practical consequence of this that is less so is that a high turnover of case officers dealing with an application, be they LPA staff or more frequently agency staff, brings with it a fresh pair of eyes and fresh opinions on key issues. Just when, for example, an applicant believes that an officer is prepared to support a scheme and get it on a committee agenda for determination that officer may move on and be replaced with another who might not share the same supportive opinion.



The issue also relates to other consultees both within a LPA, like conservation or ecological officers, and external to the LPA like the Environment Agency or English Heritage.

In relation to statutory consultees, their critical role was identified in the aforementioned PAS guidance that also covered the use of Planning Performance Agreements. It is very difficult for an LPA to exert control over organisations that can be fundamental to the determination of a planning application and if the Government is, as trailed in the recent Autumn Statement⁶ to look at a 'premium planning service' to 'accelerate decisions' then the involvement of statutory consultees, perhaps incentivised by recouping the cost of time, should be something to consider. This is considered further in relation to planning fees below.

The working paper rightly identifies the time taken to negotiate agreements between LPAs and housebuilders to secure developer contributions towards local infrastructure by way of S106 Agreements and CIL. It is worth noting that, as well as LPAs not having up-to-date and accessible policies on contributions towards, for example, affordable housing, public open space and education, HBF is not aware of any LPAs that have a standard or template Section 106 Agreement let alone standard clauses relating to, for example, affordable housing, public open space and education. HBF is aware of members wanting to use a recent agreement on one site with a LPA as the starting point for an agreement about a different site within the same LPA, but who cannot because a different locum or legal practice has now been instructed and wants to draft a whole new agreement.

In regard to the complexity of the system, The Planning Forum⁷ has recently published a report on validation requirements that highlights some of the issues that SME builders especially have to address just to get a planning application registered. In total, the report found, 119 different types of documents were requested by the 21 LPAs whose checklists were reviewed and each LPA requested between 21 and 42 documents for all types of planning application, which rose to between 32 and 79 documents for certain some types of application.

3. Do you agree that we have identified the key causes of delays in the planning system? Are there any other factors that we should consider?

In relation to political and public attitudes to development expressed through the planning process, it is perhaps timely that the RTPI⁸ has very recently published research on how the plan-making system in England is operating, highlighting good practice and outlining the barriers to getting new plans in place. As well as highlighting the impact of changes to national policy, and the capacity with LPAs and PINS to transact the local plan process, the report highlights that LPAs in 'no overall control' by a single party can struggle to reach the agreements needed to progress local plans and that councils elected by thirds annually need to pause preparations for regular elections or may be subject to greater political uncertainty.

Convention dictates that local plans are not consulted upon during the summer or festive holidays as well as the purdah period ahead of local (and general) elections. Given then the relatively small Autumn window for progressing local plans it can be no surprise that the time taken to prepare them is so long.

⁶<https://www.gov.uk/government/publications/autumn-statement-2023>

⁷<https://housingforum.org.uk/reports/key-publications/planning-validation-requirements/>

⁸<https://www.rtpi.org.uk/policy-and-research/research/local-plan-research-project/>



Planning appeals can add considerably to delays within the planning system and be a particular cause of frustration if applications have been refused by councillors at a committee against the recommendation of planning officers. The merits of a national scheme of delegation are discussed below, but the appeal process could be improved relatively swiftly. A mediation service, for example, could be introduced to reduce unnecessary appeals and applications below a certain size threshold or sites upon which the principle of development has been established could have appeals expedited.

Delays associated with the discharge of planning conditions and technical approvals, often a low priority for LPAs and statutory consultees, can lead to a significant gap between consents being granted and work starting on site. Often conditions are worded so as to prevent work starting even when this is not necessary and the standard wording and deployment of such conditions would assist in this area.

4. Do you consider there to be any significant difference between England, Scotland and Wales in: i) the extent to which planning policies and costs threaten the viability at some sites; and ii) the causes and extent of planning delays and their impact on delivery of housing?

The viability of sites in many parts of Wales can be marginal as a result most commonly of groundwork costs and lower sales revenues (or both). Many of the sites allocated in older LDPs, for example, are former colliery sites that have high remediation cost or need enabling by major infrastructure interventions.

The current Welsh Government is very focused on the delivery of affordable homes and one recently published LDP has taken the unprecedented step of requiring 50% of homes on allocated sites to be affordable. In Wales currently affordable homes are delivered by way of S106 Agreements are not subject to any grant assistance so this will have a significant effect on the viability of schemes. Further, the Welsh Government has taken a different direct to England in many policy areas, such as sprinklers and sustainable urban drainage, all of which have added extra costs.

The lack of resources within planning departments and other departments linked to the planning process is, as in England, a major issue in Wales.

Question 4.3

1. Do you agree with our analysis the in some cases local targets may not accurately reflect underlying housing need and the reasons for this? What impact do you consider this has on housing delivery?

There are considered to be two ways for a LPA to identify the future housing need that a local plan should make provision for (neither, it should be noted, account for any past under-delivery).

The first is a 'standard method', the present iteration of which was introduced (by way of policy) in 2018 to cut through delays caused by debates about housing need (noting that there was often local push back against applications for housing that filled the vacuum where local plans were supposed to be). The aim of the standard method is to provide a simple, formulaic approach that prevents any gaming of the system or "ducking" of difficult decisions⁹.

⁹<https://www.gov.uk/government/publications/fixing-our-broken-housing-market>



The NPPF sets an expectation that LPAs will follow the standard method for assessing local housing need, but its use is not mandatory. PPG states that alternative approaches should be expected to be scrutinised more closely at examination and that any other method will be used only in exceptional circumstances.

As is noted, however, the credibility of the current standard method is undermined by its continued basis upon 2014-based household projections and, in order to achieve a national requirement close to the Government commitment to 300,000 new homes a year, an arbitrary uplift for the twenty largest cities.

The most up-to-date 2018-based projections would result in a national requirement of only 158,286 because the cyclical nature of such trend-based projections 'bake in' historic under-delivery and project the consequences forward. It is also not politically feasible to expect LPAs to make up that national shortfall in local plans.

The second way of identifying housing need is a move back to the kind of 'soft' target generated by the pre-standard method local objective assessments of need (OAN).

In 2016 the Local Plan Expert Group¹⁰ identified two particular problems for LPAs in undertaking Strategic Housing Market Assessments (SHMA) that any move back to an OAN-based approach would need to address:

- There is no pre-set determination of the boundaries of housing market areas; and
- There is no definitive guidance on the way in which to prepare a SHMA, leading to significant disagreement and uncertainty over housing numbers, which then affects every stage of the plan making process.

Whilst the current construction of the standard method is manifestly not fit for purpose, it is considered imperative that what does replace it is introduced with the absolute minimum of delay and uncertainty so as not to improve and not exacerbate the recent slow-down in local plan-making.

2. Do you agree that in some the planning system lacks internal consistency within its objectives, meaning that LPAs may be insufficiently focused on meeting housing need?

It is noted that in July 2024 the Prime Minister¹¹ announced that the Government will meet its manifesto commitment to build 1 million homes over this Parliament, which would represent, over a five year term, an annual target of 200,000. The 2019 Conservative Party manifesto¹² also though stated that progress towards a target of 300,000 homes per year by the mid-2020s would continue. It is not unfair to suggest, therefore, that any lack of consistency in the objectives of the planning system is merely reflective of a lack of consistency in political objectives that could be remedied by, for example, embedding a target for house building in the NPPF.

¹⁰<https://www.gov.uk/government/publications/local-plans-expert-group-report-to-the-secretary-of-state>

¹¹<https://www.gov.uk/government/news/we-will-build-1-million-new-homes-says-prime-minister>

¹²<https://commonslibrary.parliament.uk/research-briefings/cbp-7671/>



3. Are there any other issues relating to targets, incentives of planning constraints that we should consider?

HBF offers no further comment.

4. Do you consider there to be any significant differences between England, Scotland and Wales in either how targets are set, the balance of incentives faced by LPAs and the extent of local planning constraints? If so, how do you think they impact housing delivery?

The Welsh National Plan includes a range or 'estimate' of additional housing need over a twenty-year period to 2029. This data is replicated regionally but does not constitute a target. Separately, however, the Welsh Government has a target for the delivery of 20,000 affordable homes between 2021- 2026. The level of new homes is determined by a LDP, but it must consider alignment with the National Plan and identified growth areas. There are no incentives offered by Welsh Government specifically related to the delivery of new homes and no penalties if a LPA fails to deliver its housing target.

Question 4.4

1. Do you agree with our analysis of how the planning system may be having a disproportionate impact on SME housebuilders?

HBF endorses the analysis contained within the working paper.

2. Do you agree that we have identified the key issues faced by SMEs due to the planning system?

The working paper identifies the key issues faced by SMEs.

3. Do you consider that the current planning system is incentivised to deliver housing on larger sites? If so, what are the implications of this for the housing delivery?

Land availability is consistently cited by SME builders as a being a major issue. 52% of respondents to a HBF survey¹³ identified it as a barrier to growth, which was up from 47% in 2021 and 32% in 2020.

The downward trend in the number of active SMEs (Savills¹⁴ estimate that SMEs comprised an annual average of 39% of new build delivery before 1990, falling to just 12% in 2017) is surely driven at least in part by the paucity of opportunities for development being provided by the planning system.

Savills¹⁵ has identified that in 2011, before the NPPF, the average size of a local plan allocation was 35 hectares. Between 2012 and 2016 though the average allocation had risen to 60 hectares. Between 2017 and 2021 it was 69 hectares.

Savills identified a similar pattern in the number of sites gaining full consent.

¹³<https://www.hbf.co.uk/news/planning-delays-and-rising-costs-crippling-the-uks-sme-housebuilders/>

¹⁴https://www.savills.co.uk/research_articles/229130/347963-0

¹⁵https://www.savills.co.uk/research_articles/229130/347962-0



In 2012, sites with capacity for over 1000 homes comprised less than 2% of all consents granted. That proportion had risen to 10% by 2020. In contrast, the number of homes being delivered on smaller sites has fallen every year since 2017. In 2022, the number of homes consented on sites with capacity for under 100 homes was lower than it was in 2013, even though the total number of homes consented had increased by 32%.

Even with the broadly positive NPPF in place from 2012, land was hard to come by for SMEs. Although effectively a reform that made the pre-existing plan-led system more effective by strengthening the predominance of the plan and putting greater onus on councils to meet housing need, the outcome has been a greater reliance on larger sites to meet those housing needs.

At a time when LPA budgets were and continue to be squeezed, local authorities allocated more large sites than ever before. While this helps to satisfy the requirement for a five-year land supply on a nominal basis it will often fail to actually deliver and prevent access for most small firms. Furthermore, fixed costs (in the form of both money and time) differ little between a site of 20 units and one for 150 units. The overheads and timescales involved with getting on site are broadly consistent across the majority of sites aside from the very largest.

It is also likely that local political calculations play a part in a growing reliance on larger sites to meet local housing requirements. A widely and not unreasonably held perception that most communities may be resistant to new development can, for political expediency, lead to fewer but larger site allocations. It may be more palatable, for example, for local politicians to accept hundreds of objections to a 1,000 homes urban extension than thousands of objections to 20 sites of 50 homes or 10 sites of 100 homes. As discussed above, very large sites are deliverable by relatively few developers and require considerable upfront finance.

While the NPPF has been successful in delivering a good supply of outline planning permissions, converting these into implementable permissions has become more difficult and time consuming. For the reasons set out above, the average size of a permissioned site has also increased. Using Glenigan data on planning permissions granted for sites of three or more homes a disconnection between site and unit permission numbers can be observed (see Figure 1) that had remained in lockstep from the commencement of the statistical release in 2006 to the adoption of the NPPF in 2012. In the 12 months to September 2022, there were 13% more plots permissioned than in 2006 but from 20% fewer sites.



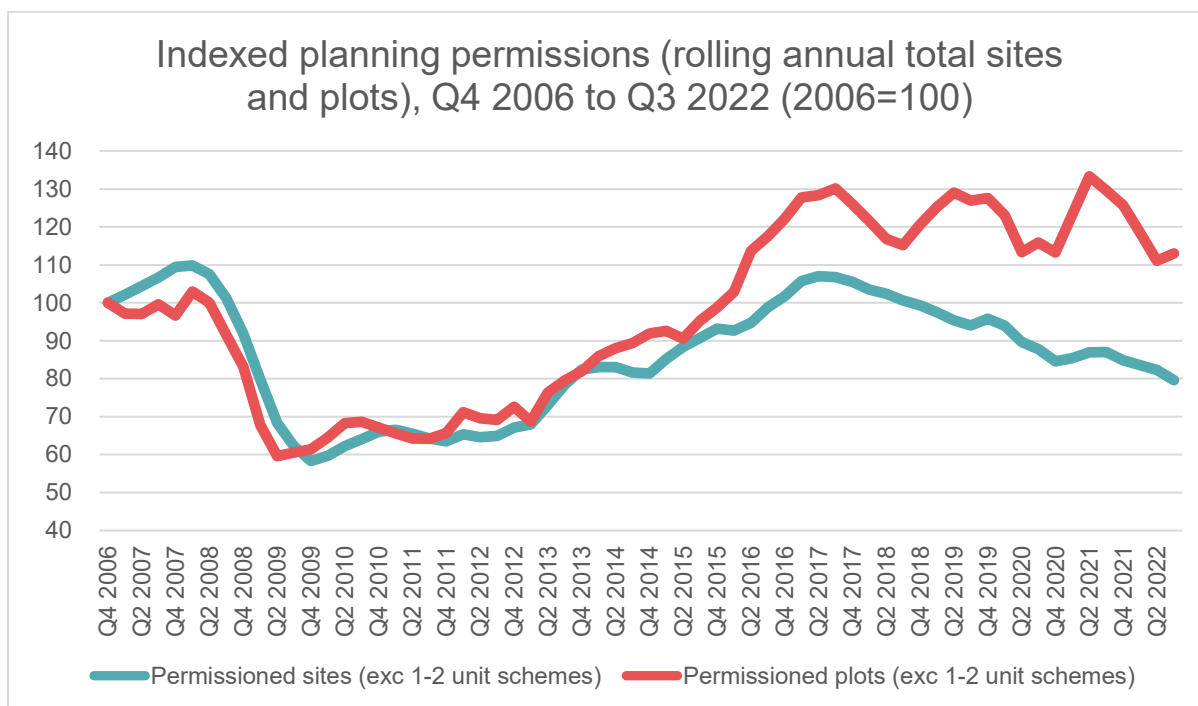


Figure 1.

It is clear, therefore, that housing land supply becoming increasingly concentrated in a smaller number of larger sites.

In remedying this, first and foremost, is perhaps the scrutiny afforded to paragraph 69 of the NPPF when local plans are examined, which is a point HBF made in its response to the Statement of Scope.

Paragraph 69 states that LPAs should identify land to accommodate at least 10% of their housing requirement on sites no larger than one hectare. Again though, according to Savills, between 2012 and 2021 just 3% homes allocated in local plans were on sites of 1 hectare or less, which is worse than the 6% in 2011.

Between 2012 and 2022 only 27% of LPAs allocated sufficient sites of 1 hectare or less to be able to meet the 10% requirement. This is because, by and large, the remaining LPAs are accommodating it in the windfall component of future supply, predicting forward historic windfall rates, rather than specifically identifying sites of this size.

Paragraph 69 could be strengthened to set out an expectation that LPAs be able demonstrate where specifically and explicitly the land is that will accommodate at least 10% of a housing requirement on small and, importantly, medium-sized sites (of up to 100 homes).

A second way of increasing the availability of small sites would be the greater use of brownfield registers. At the minute, as Savills identified, “the data held by many LPAs is not currently fit for purpose, with many registers containing duplicates, sites already under construction, and sites that the local authority has already assessed as not suitable for housing.”



One reason that brownfield registers are not being used as intended is thought to be because the fee arrangements for such permissions in principle actually act as a disincentive to LPAs to prepare them because the fee paid does not recover the time involved.

Consider, for example, a site of one hectare proposed for 30 homes. Under a conventional outline application (£4620) and reserved matters submission (£13,860) the LPA receives £18,480 towards the cost of the development management function.

For an LPA to confer permission in principle by way of Part 2 of the register the LPA would only, having displayed the relevant notices and taken representations received in response into account, the LPA receives a fee of £4020.

That imbalance surely needs to be addressed and LPAs rewarded, or at least compensated appropriately, for proactively identifying the small and medium sized sites that officers would like to see come forward for development.

Thirdly, Supplementary Planning Documents (like the one adopted by Lewisham¹⁷ in 2021) offer the potential to create a more supportive policy environment and here the recent experience in Croydon is instructive.

According to the GLA's¹⁸ recent Housing in London report, the net completion of homes on small sites in Croydon rose from 770 between 2012/13 and 2016/17 to 1,965 between 2017/18 to 2021/22, which was almost three times as much as second-placed Barnet during the same period. This increase was widely attributed to a 2019 suburban design guide SPD that won an award that year for increasing housing delivery.

However, in his campaign to become Croydon's first elected mayor, the Conservative candidate Jason Perry singled out the 'destruction of Croydon's character' as a focus for his campaign and, once elected, scrapped the 'developers charter'¹⁹ in July 2022.

4. Are there any other aspects of the planning system that have an impact on SME housebuilders that we should consider?

HBF offers no further comment.

5. Do you consider there to be any difference between how the planning system impacts SMEs between England, Scotland and Wales?

It has been suggested that, in England, Registered Social Landlords are prioritising improvements to existing housing stock whereas their Welsh counterparts remain active in constructing new housing stock. This, it has been suggested, means that SMEs in Wales are subjected to relatively more competition for small sites, but, generally speaking, issues affecting SME builders are the same in both England and Wales.

¹⁷<https://lewishamsmallsites.co.uk/>

¹⁸<https://data.london.gov.uk/housing/housing-in-london/>

¹⁹<https://www.croydonconservatives.com/news/spd2-planning-document-withdrawn>



Options for reforming the planning system

Question 5.1

1. Should the UK, Scottish and Welsh governments be considering changes to their various existing methods of assessing housing requirements? If so, should providing certainty, stability and consistency to the housebuilding market feature?

The case for a national standard method in England remains strong, but, and having regard to the design choices identified in paragraph 4.130 of the working paper, the current approach could be improved by adopting existing housing stock as a more empirical and stable baseline. An agreed minimum annual stock growth rate could set a floor for every LPA to work from whilst retaining a tangible relationship to the size of a community. According to work undertaken for HBF by Turley (and that can be shared upon request), a minimum growth rate of 1.2%, for example, would collectively amount to a national floor of 298,463 homes per annum, which would be more evenly distributed around the country.

It should be noted that, according to Lichfields²⁰, to achieve a long-term average of 300,000 new homes per annum, a constant stock of around 0.9–1.1m dwellings in implementable planning permissions will be required, which means increasing the rate of permissions to between 410,000–460,000 units in the short term and then sustaining at just under 400,000 long term.

With a national baseline on a more empirical and robust footing, policy and guidance could then identify the parameters to be considered locally when determining whether need is higher or lower than this starting point.

Factors that indicate that the housing need is higher than the baseline could include:

- significant investment in infrastructure that will boost economic growth or drive housing demand;
- evidence of unmet needs for affordable homes, growing housing waiting lists, overcrowding, or homelessness;
- faster than average rises in difference between mean incomes and house prices;
- a need to diversify the housing stock of an area to meet needs for larger or family homes;
- higher than average rates of household formation;
- an imbalance between jobs and homes within a city region, town or community; and
- a high proportion of second homes and holiday properties.

Factors that indicate a lower housing need below the baseline would include:

- higher than average rates of vacant property;
- an imbalance between homes and jobs within a city region, town or community;
- agreement with a neighbouring area to accommodate housing needs;
- significant environmental constraints of national importance (AONB, National Park, or SSSI) which means that full needs cannot be met and agreement cannot be reached with a neighbouring area.

²⁰<https://lichfields.uk/content/insights/stock-and-flow/>



An approach based on these principles would address the perception of “top-down targets” while continuing to ensure that local authorities do not duck or defer the difficult decisions needed to ensure the country’s housing needs are met.

2. Are the features we set out in paragraph 5.19 appropriate for determining an improved methodology for target setting?

HBF considers the features set out in paragraph 5.19 and contends that the stock-based approach for a standard method set out above to be consistent with them.

3. What is the most appropriate method of forecasting housing need – nationally and locally?

A nationally target could be determined apolitically by an organisation like the former National Housing & Planning Advice Unit and given spatial expression by way of some form of greater-than-local planning. This, together with a statutory duty to adopt a local plan that met defined housing need, would significantly improve the consistency of housing as a planning objective.

Local housing targets can be derived as set out above.

Question 5.2

1. How could the financial and resourcing constraints facing LPAs in the production of local plans be mitigated whilst incentivising LPAs to produce local plans on time?

It is considered imperative that the current imbalance between incentives and disincentives to preparing local plans be addressed.

To promote plan-making the Government could:

- Provide Planning Delivery Grant-type funding or other incentives for LPAs that successfully adopt plans within an agreed timeframe;
- State that only areas with an up-to-date development plan will be in receipt of infrastructure (or equivalent) funding;
- Set out defined timelines with set milestones for local plan preparation, backed by intervention powers; and
- Amend the NPPF to state that Green Belt is not afforded full protection by national policy until its boundaries have been confirmed by an up-to-date local adopted in the past five years.



2. We note in Section 4 above that land supply constraints, such as urbanisation or greenbelt land, affect the availability of sites for local plans. These constraints would not be directly changed by financial incentivisation. How could land supply constraints be managed in an effective way?

The issues that delay local plans or result in them being found unsound almost always relate to either the calculation of housing need; the distribution of need across housing market areas; and Green Belt (or a combination of all three). Lichfields²¹ found in 2019 that 46% of the 138 local plans found sound since the introduction of the NPPF in 2012 required an increase in housing requirements between submission and adoption.

In relation to Green Belt, it is worth dwelling initially on the scale of the perceived problem relative to scale of the actual problem. The perceived problem is that the Green Belt is ‘under threat’, but according to DLUHC data²² 12.6% of England is designated as Green Belt and it’s expense has grown for the second year in a row to reach a 20 year high²³. The actual problem, as Lichfields reported in May 2022²⁴, is that of the 70 LPAs that had not at that time adopted a new local plan in the past ten years, 74% contain Green Belt.

This is an issue that needs grappling with because according to further analysis by Lichfields there is not enough brownfield land to meet housing need in any region of the country (see Figure 2).

There is not enough brownfield land to meet housing need in any region, just 31% nationally. Beyond the South East, 57% of capacity is in the least viable locations and 48% of sites are earmarked for flats at higher densities, which are demanded by just 17% of households.

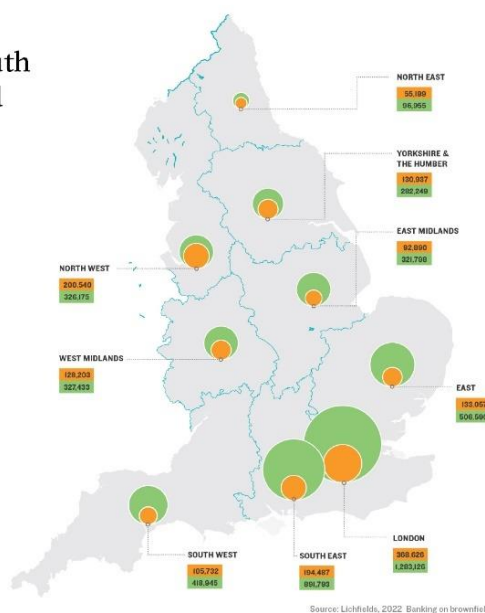


Figure 2.

²¹<https://lichfields.uk/content/insights/planned-up-and-be-counted>

²² <https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2021-to-2022>

²³<https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2022-to-2023>

²⁴<https://lichfields.uk/blog/2022/may/4/ten-years-of-the-nppf-what-do-we-have-to-show-for-a-decade-of-plan-making/>



Green Belt has always needed to be reviewed and there are many examples of successful places that have been created as a result of recent boundary reviews. Green Belt emphatically does need to be reviewed (at a strategic level) and this process needs to be made easier for LPAs and not more difficult. It would be of much greater benefit to the pursuit of full local plan coverage if the NPPF made it clear that, having examined fully all other reasonable options, meeting an identified housing need absolutely does provide the exceptional circumstances required to release Green Belt.

Further, the NPPF could be amended to make clear that land around public transport nodes could represent the most sustainable locations to do so to review Green Belt. According to Russell Curtis, building 1.26 million homes around England's rural stations would involve the loss of less than 1% of the current Green Belt²⁵.

A further point in relation to Green Belt is how striking it would be if exceptional circumstances to amend boundaries could exist to, for example, meet the need for employment land and not the need for housing land, which the Government proposed in the December 2022 NPPF consultation.

Across the South East alone, Savills²⁶ has estimated that future demand for employment land will be at least 24% higher than historic levels, equating to a minimum of 5,000,000ft² per annum if land is to be provided to match demand.

Nationally, Savills calculate that 52% of land within two miles of motorway junctions is classified as Green Belt, which seemingly makes Green Belt release for this purpose almost inevitable, especially if development is to be plan-led (noting that between 2019 and 2022 over 660 hectares of employment development has been allowed at appeal, with a significant proportion of this land being within the Green Belt).

There would seem to be something of an inconsistency in policy allowing for the need for one nationally-important land use to demonstrate exceptional circumstances, but not for another type of nationally-important land use.

Constrained Green Belt authorities generate an unmet housing need that, at present, there is no pressing desire from within authorities within a wider housing market area to distribute. More often than not there is actually outright reluctance to do so. Further, there is no pressure being exerted from Government to do so. The inevitable result is obfuscation in the hope that 'something', in the form of, for example, more favourable household projection data or a change in policy like the NPPF consultation, 'will turn up'.

In Wales a recently adopted National Plan identifies three areas of new Green Belt, but the details are to be established in a Strategic Development Plan that will not be adopted until 2025 at the earliest. This makes it very difficult for house builders to promote strategic sites and for the LPAs affected to move forward with local plan reviews

Without the kind of centrally-set, binding housing targets imagined by the 2020 White Paper, it seems apparent that the cause of local plan coverage will be better served by remedying the issue of unmet need at greater-than-local strategic tier. The question that arises is at what strategic tier that should be.

²⁵<https://ruralstations.russellcurtis.co.uk/>

²⁶<https://www.savills.co.uk/blog/article/336550/residential-property/planning-for-suppressed-demand-in-the-industrial-and-logistics-sector.aspx>



Any intervention in this area should:

- Provide as an immediate a boost to home building as possible;
- Avoid, as much as possible, an extension to the current policy hiatus;
- Avoid the need for new legislation;
- Target areas where the issues and undersupply are most acute; and
- Be robust enough to outlast local and national electoral cycles.

Options for doing so might include, for example:

- Mandatory Spatial Development Strategies (SDS) using existing provisions in the LURB;
- 'Light touch' strategic planning / county-based SDS; and/or
- Government-driven strategic planning via the NPPF.

The LURB affords LPAs the ability to prepare a SDS, but it this not mandatory. The NPPF and/or a written ministerial statement could though make clear that the Government wanted a SDS prepared in areas considered a priority for doing so.

This could require the reintroduction functional market areas and both the synchronisation of plan preparation and examination, and methodologies for assessing housing need.

In the medium to long term the Government could then encourage the preparation of SDS to deal with the longer-term strategic planning needs of areas at a more sensible geography, such as County Councils or combined authorities.

These options do not necessarily deal with issues of a national scale and significance, such as, for example, the wider South East; the Ox-Cam Arc; or the potential for transformative development along transport corridors across major conurbations. A set of spatial frameworks with very long-term time horizons that have the status of national planning policy could ultimately be the basis for establishing the soundness of subsequent local plans and / or SDS subsequently prepared.

Mandating SDS would, however, require parliamentary time, during which local plans would still not be being prepared.

In the short term, and given the abolition of the duty-to-cooperate, there is a pressing need to rebuild policy elements of the role that is played by strengthening policy alignment and effectively forcing strategic planning across housing market areas through the NPPF. This could be done in parallel with the introduction of targeted carrots and sticks of kind identified above in specific problem locations (e.g. around constrained city regions).



Question 5.3

1. What is the most appropriate method for implementing a reformed, rule-based system that is designed rigorously and resilient to future changes in planning policy and which minimises disputes about the lawfulness of developments?

The planning system is often criticised for its ‘discretionary’ nature and it is certainly the case that a more rules-based approach could reduce associated risk and increase certainty.

The controversy surrounding the proposed ‘Growth, Renewal and Protection Areas’ that featured in the 2020 Planning for the future’ White Paper²⁷ highlighted though the difficulties associated with a wholesale reimagining of the system through legislative change.

From a development industry point of view, as stated, it is important when appraising potential development opportunities to be able to understand the type of uses that an LPA would support on a site; the scale of development that a LPA would support on a site; and the planning gain contributions that would be sought by way of Section 106 Agreement or Community Infrastructure. This could be achievable by way of up-to-date local plans, SPDs or Area Action Plans for key allocations (urban extensions) or priority regeneration areas; and publicly accessible and accurate planning gain policies.

Once, based upon the above, land has been secured and a planning application committed to, the risk to a project is that the principle of development can be dealt with more than once. This occurs, for example, when a planning committee overturns a recommendation from officers to approve applications on allocated sites or, worse still, reserved matters submissions pursuant to outline applications on allocated sites. To address this the Government could consider measures to standardise local government schemes of delegation.

At present every local authority has its own scheme of delegation and given the myriad reasons why a council decides that a decision should be made by a committee²⁸ rather than delegated to officers it can be assumed that every single scheme of delegation across the country is different.

For example:

- In Cumberland all applications accompanied by an Environmental Statement; of more than 100 dwellings or exceeding 2ha; and for development that in the opinion of the Head of Planning is of strategic significance will go to committee;
- In Durham all major applications go to committee;
- In Sheffield applications go to committee if the decision would be in conflict with a substantial number of representations made on planning grounds and where the outcome is not clearly predetermined by approved planning policy;

²⁷<https://www.gov.uk/government/consultations/planning-for-the-future>

²⁸<https://www.local.gov.uk/pas/development-mgmt/planning-committee/planning-committee-scheme-delegation#:~:text=Every%20council%20has%20its%20own,a%20whole%20range%20of%20factors>



- On the Wirral applications for 200 homes go to committee, as well as any application called in by a councillor (based upon reasonable planning grounds) and any application that has attracted a petition with 25 signatories or 15 individual objections;
- In Harborough applications for 25 or more dwellings go to committee, as well as any application called in by a resident's local councillor (or the councillor for an adjoining ward if a local councillor is unavailable);
- In Reading and Portsmouth all major development goes to committee;
- In Eastleigh applications go to committee if, in the opinion of service director, they have a significant impact, are controversial or are potentially controversial, or if three members of the local area committee object to it; and
- In Reigate & Banstead applications with net increases of more than one dwelling go to committee.

As planning and development has become more contentious, and as more and more objections and petitions are submitted, that more and more applications are being taken to committee, but no scheme of delegation takes into account whether or not the principle of development has already been established.

The threshold at which an application on an allocated site or one consistent with the local plan is taken to committee should undoubtedly be considerably higher than an application that might not be consistent with a plan. Simply put, that is why we maintain an overarching planning system.

Standardising schemes of delegation in this way would remove a considerable amount of risk from the planning system and would expedite development on sites that accorded a local plan without major disruption to the legislative operation of the system.

Question 5.4

1. To what extent would increased planning fees materially affect the viability of certain developments? Are there particular circumstances where this is likely to occur?

HBF members were prepared to accept a 35% increase in fees for planning applications for major developments, but made the case to Government, unsuccessfully and disappointingly, that this be ringfenced and supported by a clear plan outlining how the services provided by LPAs will be improved as a result.

HBF members of all sizes and in every part of the country are experiencing significant delays in the planning process and the principal reason is a lack of staff and resources within LPAs.



The situation is particularly challenging for SME builders. Of the respondents to HBF's SME survey²⁹, run in conjunction with Close Brothers Property Finance and Travis Perkins, 76% cited a lack of resources in LPAs as a major constraint. This is supported by the results of the 2022 Local Government Association Workforce Survey that found almost 6 in 10 councils (58%) are struggling to recruit planning officers and 36% were having problems retaining them³⁰.

The RTPI³¹ has explored the performance of LPAs in England by examining the number of applications received and the number of decisions made in the agreed timeframe between 2009 and 2021. Whilst the number of applications has consistently remained between 400,000 and 500,000 per year the number of decisions made in the agreed timescales is declining. In 2009, approximately 85% of decisions were made within statutory time limits and without performance agreements, but by 2021 this figure had fallen to 49%. Whilst Covid will have had a recent impact, the trend over the last twelve years is both clear and concerning.

The current malaise afflicting local plan-making³² is largely a function of obfuscation around housing targets, but staff shortages and recruitment challenges will be playing a role. HBF understands that some LPAs do not currently have any policy officers.

The RTPI's 'Invest & Prosper' report³³ makes the positive case for planning in the public interest on the basis of the economic, social, environmental and health outcomes that it can underpin. A case that, as the report notes, is poorly understood. This perhaps explains why, as a 2019 analysis by the Institute for Fiscal Studies³⁴ revealed, net spend on planning and development reduced by 59% between 2009/10 and 2019/20, which was the largest reduction across all areas of local government. "Unless it's statutory, or it brings in income, or if you don't do it then the consequence is intervention, then it is being cut back," Paul Seddon of Nottingham City Council told Planning³⁵ in 2022.

As the Government consultation on raising fees noted, the difference between the cost of development management services and the revenue raised through application fees presently is estimated to be £225 million. Whilst the increase in fees will go some way, over time, towards closing it a considerable gap will remain. The Government's intention to lower the costs of delivering development management is noted, but there is no evidence of how this can be achieved beyond abstract references to digitisation and so some continued subsidy from other local authority income sources will be required. This is, of course, even before taking non-statutory and non-fee generating planning activity into account.

²⁹<https://www.hbf.co.uk/news/planning-delays-and-rising-costs-crippling-the-uks-sme-housebuilders/>

³⁰<https://www.local.gov.uk/publications/2022-local-government-workforce-survey>

³¹<https://www.rtpi.org.uk/policy-and-research/research/planning-agencies/>

³²<https://lichfields.uk/blog/2023/january/30/start-me-up-but-then-you-stopped-the-continuing-cost-of-local-plan-delays/>

³³<https://www.rtpi.org.uk/research/2020/october/invest-and-prosper/>

³⁴<https://election2019.ifs.org.uk/uploads/English-local-government-funding-trends-and-challenges-in-2019-and-beyond-IFS-Report-166.pdf>

³⁵<https://www.planningresource.co.uk/article/1738751/pressures-building-planning-authority-officers-plan-tackle>



The increase in resources available to LPAs is welcome, therefore, but issues of long-term sustainability and performance remain. Ultimately, development management and planning more broadly is a public service that is delivered in the public interest. To be sustainable in the long-term planning functions should either be sufficiently funded directly by central government or fees raised will need to achieve full cost recovery.

Government evidently recognises the drag on productivity arising from the current underperformance of the planning process as demonstrated by the Chancellor's Autumn Statement announcement of fast-tracked planning in return for higher fees on commercial and infrastructure planning applications. House building is beset by the same challenges, if not more, but the political attitudes to housing delivery see those mooted reforms limited to non-residential applications as things stand.

In the short-term, it suggested that some kind of 'planning services grant' could be payable to assist in making immediate service improvements. Such a grant could be repaid from future fee income.

Planning fees were increased by 15% in 2012 and by a further 20% in 2018. As stated, during this time expenditure on planning has fallen, the size of LPA planning teams has reduced and application timeframes have increased. Notwithstanding the absence of a defined plan to increase performance, or the comprehensive resources and skills strategy for the planning sector promised by the 2020 'Planning for the future' White Paper, one should be very wary when attempting to make a direct link between increased planning application fees and improved performance. Linking increases in fees to up to 35% by way of service improvements, performance benchmarks, or even local plan-making progress, could be ways of realising improvements in the way that past fee increases did not. There may be merits in exploring a reformed charging structure that allows for phased payments in return for LPAs meeting minimum service standards for timescales etc. The total fee in instances where LPAs meet all requirements could, therefore, be greater.

In the more medium-term, bespoke or fast-tracked services may contribute towards full cost recovery.

The aforementioned PAS research on pre-application (pre-app) consultation and Planning Performance Agreements (PPAs) that HBF was pleased to contribute towards is of relevance when contemplating improving planning outcomes.

The research alighted upon a shared consensus on the purposes of pre-apps, which are to smoothen the application process by frontloading the work and promoting the early identification of constraints; building relationships; and, for LPAs, to raise revenue.

An obvious inconsistency of approach was identified, however, between LPAs and even between individuals within the same LPA. Some LPAs offer a more informal service which tends to include a brief email exchange, others provide a more formal service that can include a written response or a structured meeting. Some LPAs offer only an online service and some provide a form that has to be emailed or posted. Respondents expressed the need for the service to be 'user-friendly' and for all information to be accessed in a singular place. There is also a lack of consistency around the cost of pre-apps. Some LPAs categorise the pre-app offer by scale of development, others by floorspace and in some cases fees are determined by the seniority of the officer involved.

The research also identified a range of approaches when it came to the involvement of consultees, which are critical to the processing of all planning applications. In nearly all cases national consultees such as the Environment Agency, Natural England, National Highways and Historic England do not engage in pre-app services with the LPA. It is understood that some consultees offer a formal, paid-for, pre-app service themselves, but HBF contend that it would be preferable for a LPA to be managing this process.



The role of statutory consultees in the planning process cannot be understated and it would be of huge benefit to the operation of the system for them to be included within performance benchmarks and, where PPAs, are used, bound and incentivised by specific performance obligations. Those obligations must extend beyond the issuing of a consent to the discharge of conditions and associated legal obligations such as the adoption of roads and sewers.

Statutory consultees need to be brought closer to the consenting regime because the present arrangement of a formal deadline can create unintended perverse consequences, such as holding objections or unnecessary and unreasonable planning conditions being attached to consents.

There is further inconsistency around when and how to involve councillors and the general public in a pre-app service.

Finally, the research noted a lack of monitoring and review, with almost all organisations stating that the pre-app process was not monitored.

In relation to PPAs, the research again revealed a shared consensus as to their role as a project management tool for larger and more complex projects, with the specific aims of reducing timescales; securing dedicated officer time; building relationships; achieving better outcomes; and, again, to raise revenue. Many contributors to the research highlighted that often the main motivation for LPAs to engage in PPAs is for additional income, which can bridle with applicants when the service does not, as is often the case, meet expectations.

There was a general consensus that the PPA service is and should be bespoke to the specific project, but many contributors opined that there needs to be a degree of standardisation so as to encourage a consistency of approach.

As with pre-app fees there is a lack of consistency and transparency across LPAs, although some LPAs do share PPA fees online. The report notes the need for PPA fees to be calculated transparently so as to add rigour to the process and to avoid accusations that costs, as the report notes, are “plucked out of thin air”.

Again, many users of the system expressed frustration that statutory consultees are not involved and that almost no LPA formally monitors the PPA process.

The key overarching barrier to the use of both pre-apps and PPAs was, unsurprisingly, the resources available to LPAs (and HBF is aware that some LPAs will not entertain a PPA, regardless of the size of the fee, because of the lack of officers available to service it), but it was highlighted too that the perception of the pre-app process is poor. Agents advised that clients are happy to pay for a pre-app service if it added value, but the research found that some felt the process was not always “worth it” and that it was quicker and more cost-effective to utilise the “free-go” application once an initial application had highlighted issues of substance.

HBF members frequently highlight that ‘pre-app’ discussions often do not provide a substantive, definitive view from the LPA (where consultees, for example, might offer conflicting advice) and where definitive advice is offered it can change if, for example, a different case officer takes on an application once submitted.

HBF is aware of some positive initiatives that have been shown to add value:



- Tunbridge Wells and Uttlesford Councils are examples of LPAs that have offered early presentations of a proposal to the planning committee, local councillors and parish councillors so as to highlight key areas for consideration;
- The Greater Cambridge authorities offer a structured PPA process that includes a Quality Review Panel; and
- Buckinghamshire Council provides a paid for validation review service.

Fundamentally, the determination of a planning application is only the middle third of a process that also includes the need to substantive and meaningful pre-app engagement and, post-decision (and often the signing of a Section 106 Agreement), the discharge of planning conditions so that work can commence on site.

As PAS has identified, for a variety of reasons the quality of service that LPAs deliver through pre-apps and PPAs can vary greatly, and there is little recourse for applicants where it is substandard. To address this HBF would welcome the provision of firmer advice to LPAs on how to provide effective PPA services. For example, LPAs could:

- Provide a single point-of-contact case officer throughout the entire process;
- Structure fees to align with key milestones;
- Work towards ensuring that this individual is a planner directly employed by the LPA rather than an external consultant;
- Make use of multi-party PPAs where the timely processing of an application depends on consultees; and
- Monitor the outcome of PPAs.

It is considered especially important to monitor whether the advice given in the course of a PPA is in line with decisions made. Such advice, HBF contends, should be material to the determination of a planning application.

It is also considered important that fees accrued by way of PPAs provide genuinely additional capacity and resource for those paying for it such that maintaining a PPA commitment is not at the expense of other applicants paying a standard fee.

2. How could the availability of qualified planners be improved?

There are clearly issues for LPAs with the recruitment and retention of staff and issues for the wider planning profession with recognition of the sector's important role. HBF supports action and activity in the following areas.

Recruitment

- The Government should be encouraged to publish the skills and resources strategy that was promised in the 2020 Planning for the future White Paper;



- Government should continue to invest in the planning apprenticeships scheme and bursaries to support those considering a planning degree and career;
- Councils could be required to ringfence a proportion of planning fees for apprenticeships, training and development;
- Planning apprenticeships could be similarly supported by a percentage of the apprenticeship levy paid by from development industry; and
- Government should support the sector by identifying the cost burdens of the reform agenda and fund them well ahead of time.

Retention.

- The RTPI's recent misinformation campaign highlights wellbeing issues for officers at the coalface;
- The RTPI's recent State of the Profession report shows that public sector pay stagnant; and
- Despite this, outsourcing within LPAs via agency staff is rife and contributes not only to cost but to the 'brain drain' to the private sector.

Recognition.

- A statutory Chief Planning Officer role within LPAs would afford the profession prestige and leadership;
- Promote shared service models of delivery that develop expertise, knowledge, multi-disciplinary working and skills-sharing; and
- Government to investigate the wellbeing of the sector and commission much more workforce data

Question 5.5

1. What measure would be most effective in supporting SMEs to navigate the planning process effectively?

HBF is wary of identifying a single measure to support SMEs and has sought in this submission to highlight a range of measures that, without major cost or legislative reform, could significantly improve the operating environment for both SMEs and the wider HBF membership.

