



Ministry of Housing, Communities & Local Government

Rt Hon Angela Rayner MP
Deputy Prime Minister
Ministry of Housing, Communities &
Local Government
2 Marsham Street
London
SW1P 4DF
www.gov.uk/mhclg

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To: Housing Industry Stakeholders

Building the homes we need

We inherited an acute and entrenched housing crisis. The average new home is out of reach for the average worker, housing costs consume a third of private renters' income, and the number of children in temporary accommodation now stands at a historic high of nearly 160,000. Yet just 220,000 new homes were built last year and the number of homes granted planning permission has fallen to its lowest in a decade.

The Government has responded with the urgency this demands. We published a consultation on a revised National Planning Policy Framework within a month of gaining office, proposing measures to reverse anti-supply changes introduced in December 2023 and in their place setting out pro-growth reforms. These included ambitious new housebuilding targets and a modernised Green Belt policy, alongside a wider set of changes designed to boost the supply of land and better meet community needs.

Yesterday we published a revised, pro-growth National Planning Policy Framework. This marks the next step in delivering on our promise to radically reform the planning system. The measures set out below build on more than 10,000 consultation responses and extensive engagement with business, local government and wider housing and development stakeholders. Taken together, they reflect our commitment not to duck the hard choices that must be confronted in order to tackle the housing crisis – because the alternative is a future in which a decent, safe, secure and affordable home is a privilege enjoyed only by some rather than being the right of all working people.

I therefore wanted to take this opportunity to set out the principal changes.

A new standard method for assessing housing needs

The plan-led approach is, and must remain, the cornerstone of our planning system. It is through local plans that communities shape decisions about how to deliver the housing and wider development their area needs. But we are clear that these decisions must be about how to meet those needs, not whether to do so at all.

As we set out in July, a mandatory method is insufficient if the method itself is not adequate to meet housing need. We consulted on an ambitious revision of the existing standard method, increasing the total annual national target from 300,000 to 370,000, ending the reliance on decade-old population projections, and removing the arbitrary 'urban uplift' that resulted in a skewed national

distribution, disproportionately focusing on London and undershooting ambition across much of the country. Instead, the new method relies on a baseline set at a percentage of existing housing stock levels, to better reflect housing pressures right across the country, and uses a stronger affordability multiplier to focus additional growth on those places facing the biggest affordability pressures.

We heard through consultation that our method could go even further in targeting growth at those places where house prices are most removed from local incomes, and so we have made an adjustment to the method to make it more responsive to demand pressures. This will have the effect of altering the distribution, increasing numbers in those places facing the most acute affordability pressures while maintaining ambitious targets across the whole of the country – while maintaining the national total of 370,000 homes per year.

Grey belt, Green Belt, and Golden Rules

Meeting ambitious new targets relies on allocating sufficient land to do so. We have been clear that developers should first look to brownfield land, and have made changes to promote this ahead of further reforms on the back of our brownfield passport working paper.

But we are clear that brownfield land alone will not be sufficient to meet our needs. And that is why we have grasped the nettle and proposed a modernised Green Belt policy, fit for the 21st century. In the first instance, it requires local authorities to use the local plan process to adopt a 'sequential approach', considering brownfield, then grey belt, and only then higher performing land. Where local planning authorities fail to plan for and meet their development needs, developers may bring forward proposals on low-performing grey belt land, but with higher performing land protected from this form of release.

Through our consultation we found broad support for this strategic approach to Green Belt release but, in response to feedback on the proposed definition of grey belt, we have set out a clearer description of how to assess whether land meets the definition, and we will be providing further guidance in the new year.

At the centre of our reformed Green Belt policy lie our golden rules, which mean that housing can only be built on Green Belt land if developers deliver high levels of affordable housing, appropriate local infrastructure, and accessible public green space. We received significant feedback from a wide range of stakeholders who welcomed the ambition of these rules and the commitment to maximising affordable housing delivery, but who shared strong evidence that fixing the affordable housing requirement at 50 percent nationally would not reflect regional variations in viability and would hinder delivery. This risked leaving authorities with a choice: allow flexibility and turn the amount of affordable housing into a negotiation; or hold firm and make sites unviable, delivering no homes, affordable or otherwise. Responding to this, our final policy introduces a 15 percentage point premium on top of existing affordable housing requirements, up to a maximum of 50 percent, and rules out any negotiation until we have strengthened national planning practice guidance on viability – in which we will consider the case for permitting viability negotiations on previously developed land and larger strategic sites, likely to carry greater infrastructure costs.

Universal coverage of local plans

The plan-led approach is, and must remain, the cornerstone of the planning system. We understand the need to balance keeping plans progressing with making sure they plan for sufficient housing.

We are proposing a transitional approach that will allow those local plans that have reached examination to continue, along with those who have made it to the final stage of the plan-making process (Regulation 19), so long as they provide for at least 80% of the new housing need figure.

In response to feedback, we will also be extending the period from which the revised NPPF takes effect for plan-making to three months after its publication, rather than one month as was consulted upon. In addition, and to close the gap between existing plan allocations and new targets, we will introduce a new requirement that authorities with plans adopted under the old standard method must provide an extra year's worth of homes in their 5-year housing pipeline from July 2026.

Following this announcement, we will be asking councils to provide us with up to date plan timetables within 12 weeks, and reiterate that we are prepared to use our intervention powers if necessary to ensure plans are prepared and adopted.

Securing high quality development and more affordable housing

Rapidly driving up planning consents in the context of a system with woefully inadequate local plan coverage will increase the number of permissions secured outside of local plan allocations in the short-term. This is necessary if we are to see the scale of delivery we need to meet our commitment to 1.5 million homes. Therefore, where it applies, the presumption in favour of sustainable development must have real teeth. The changes we made yesterday ensure that the presumption carries real weight, acting as a significant adjustment to the decision-making balance in favour of approving development. We are however absolutely clear that this is not a green light for low-quality development. That is why we have amended the presumption to call out the existing safeguards that exist in national policy around the provision of affordable housing, design quality, and sustainability of location, in line with the proposals we consulted on. We simply do not accept there is an inherent trade-off between supply and quality.

We have taken wider steps to drive the reformed housebuilding industry we are committed to delivering – one that is more responsive to consumer needs, which places affordability at the heart of what it does, and which builds out faster. We have therefore made changes to set an expectation of mixed-tenure by default on large sites, support more small sites to come forward to support SME delivery, and lend additional weight in the planning balance to majority Social Rent schemes. Reflecting the absolute priority we attach to delivering Social Rent homes, we are amending the definition of Affordable Housing to carve it out as a separate category, distinct from the broader category of affordable housing for rent.

As new land enters the system, we expect to see new permissions rapidly translated into build out. In order that we have transparency and accountability I will introduce secondary legislation next year to implement powers brought forward under the Levelling Up and Regeneration Act 2023 to require developers to commit to a build out trajectory upfront and report on delivery against it. Where that does not happen, authorities will be empowered to hold them to account – including through refusing applications from developers with a poor record of delivery. We will publish technical consultations to guide delivery of the necessary regulations in the new year.

As part of the Government's plans to deliver much needed affordable homes, Homes England yesterday launched a new clearing service to help unblock the delivery of section 106 affordable housing. This follows reports in recent months of developers experiencing greater difficulty in selling

section 106 affordable homes for which they have planning permission. This new service will help improve the functioning of the market for affordable housing, by supporting buyers and sellers to find each other more effectively.

Delivering community needs

We have been clear that changes need to be made to support the needs of communities beyond the provision of homes and jobs alone. Meeting community needs goes beyond providing homes and jobs – we need the range of services and infrastructure to support communities. The NPPF has therefore been amended to further support the provision of public infrastructure, like health, blue light, library, adult education and university facilities, to help create sustainable, healthy communities.

Building infrastructure to grow the economy

We will confirm the changes as trailed in the consultation and make it easier to build laboratories, gigafactories, data centres and digital infrastructure, and the facilities needed to support the wider supply chain. We will also specifically recognise the need to support proposals for new or upgraded facilities and infrastructure, setting the expectation that suitable sites for these types of modern economy uses are identified in local plans. We will follow through with prescribing data centres, gigafactories and laboratories as types of business or commercial development capable of being directed into the Nationally Significant Infrastructure Projects consenting regime.

Green energy, flood risk, and the natural environment

We have changed the NPPF to support climate change mitigation and adaptation, through increased deployment of renewables and changes to wording to emphasise the importance of climate change considerations in both decision-making and plan-making. As proposed in the summer, we will bring onshore wind back into the Nationally Significant Infrastructure Projects consenting regime, and raise the threshold of projects for both onshore wind and solar to 100MW. We have made changes to flood risk planning policy to support the delivery of Sustainable Drainage Systems and to improve the operation of the flood risk sequential test in cases where no development on site would be at risk from flooding. We have also signalled support for priority and threatened wildlife such as bats, hedgehogs and swifts.

Planning capacity and capability

We acknowledge that many of the reforms announced yesterday represent significant changes in the planning process and may also provide extra pressure on planning authorities, and indeed planners themselves. Therefore, I wanted to make it clear that the Government remains committed to enhancing the capacity and capability of local planning authorities. This is why we have set aside over £14m to provide grant funding support which will enable local authorities to implement our policy changes. This funding will be provided to local authorities that are at an advanced stage of the local plan making process (Regulation 19 stage), and that will need to revise their draft plans to accommodate the increase in their local housing need figures as a result of our changes. The funding will also provide additional support to local authorities that will need to undertake a Green Belt review. This comes on top of the additional £50 million announced at Budget to boost capacity in the planning system.

This should be seen alongside the wider initiatives that are already having an impact in the sector, including the ongoing Pathways in to Planning programme run by the LGA, which continues to see new graduates placed into local planning authorities, as well as the funding provided to grow the work of Public Practice in placing senior built environment professionals in to the public sector.

Planning fee increases

The scale of our ambition means we will be asking much more of the planning system. We have therefore announced an increase in householder and other minor planning fees to provide an immediate boost to LPA resourcing. We will also take forward measures to enable LPAs to vary or set fees to cost recovery level as appropriate for their area, and to enable host local authorities to recover costs of the services they provide in relation to applications under the Nationally Significant Infrastructure Projects consenting regime. This will be critical to supporting their role in ensuring local issues are considered in major infrastructure proposals. We expect this shift towards cost recovery to generate over £50m in additional revenue for local planning authorities.

Only by delivering these reforms will we unlock investment and delivery. It is also vital that, alongside the appropriate infrastructure, these reforms also deliver substantial affordable housing. It is vital that local communities can see the benefits of development in terms of enhancements to public services and more affordable housing for local people. We recognise that to deliver on these reforms we will need to work in partnership with local leaders, housebuilders and infrastructure developers to deliver investment into these sectors, and we are grateful for the support for these proposals from across the sector.

I would like to thank you for your continued engagement with Government as we deliver our hugely ambitious goal of delivering 1.5 million new homes this Parliament, and the infrastructure needed to grow our economy and support public services. You play a key role in delivering our Plan for Change and I look forward to continuing to work together to deliver for our country.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Angela Rayner', with a stylized flourish at the end.

Rt Hon Angela Rayner MP
Deputy Prime Minister