



Proposed reforms to the National Planning Policy Framework and other changes to the planning system

G15 consultation response

20/09/2024



About the G15

The G15 is made up of London's leading housing associations. The G15's members provide more than 850,000 homes across the country, including around one in ten homes for Londoners. Delivering good quality safe homes for our residents is our number one priority. Last year our members invested almost £1.5bn in improvement works and repairs to people's homes, ensuring people can live well. Together, we are the largest providers of new affordable homes in London and a significant proportion of all affordable homes across England. It's what we were set up to do and what we're committed to achieving. We are independent, charitable organisations and all the money we make is reinvested in building more affordable homes and delivering services for our residents.

Find out more and see our latest updates on our website: www.g15.london

The G15 members are:

- A2Dominion
- Clarion Housing Group
- The Guinness Partnership
- Hyde
- L&Q
- MTVH
- Sovereign Network Group
- Notting Hill Genesis
- Peabody
- Riverside
- Southern Housing

For more information, please contact: G15@lqgroup.org.uk



Position Statement

We warmly welcome MHCLG's proposals to reform the planning system. A revised National Planning Policy Framework is an important first step in allaying the decline in the delivery of new homes and tackling the housing crisis using planning policy measures. The G15 are particularly pleased to see the new government's intention to build 1.5 million homes across its first parliament, and its plans to address long-standing issues with the planning system in this consultation. This includes proposals to reclassify poor quality green belt land as grey belt and requiring all LPAs to adopt local plans to meet housing targets based on a standardised assessment of housing need.

While we believe the NPPF consultation and wider planning reforms are a positive step in the right direction, we want to emphasise that planning reform alone is unlikely to lead to scale of change that the government has promised.

Last year, housing associations delivered 78% of England's new affordable homes. G15 members alone started building 14,658 homes, of which over two-thirds were for affordable tenures and 70% were in London. However, absent of further intervention, we will be able to build substantially fewer homes over the coming years. In 2023/24 alone, we have seen starts fall by 76%.

It's concerning that the number of new affordable and social homes is falling at a time when the need for them is so great. England, particularly London – where G15 members are primarily based – faces a severe housing shortage, especially of genuinely affordable housing. This shortage has serious human consequences: London's poverty rate rises from 14% to 24% when housing costs are considered and 1 in 23 children in London are living in temporary accommodation.¹

The planning system is just one of a number of current challenges which are holding back delivery of affordable housing. Recent G15 research finds that these pressures include high build cost inflation (23% in the past year), building safety remediation costs (£4bn by 2030 for our members), social housing rent freezes, decarbonisation, and the ongoing need to invest in homes and associated services to the benefit of existing residents.²

To make a success of its planning reforms, we encourage the government to address some of these constraints in the Autumn Statement. It could do this in a number of ways, including:

- Linking social housing rents to inflation and giving the sector long-term certainty around the amount of rent it can collect (we welcome indications that this is in flight)
- Revisiting the Affordable Homes Programme to ensure that grant funding is adequate to build the number of social and affordable homes that the country needs
- Fully extending the Building Safety Fund/Cladding Safety Scheme to the social sector, to reduce the impact that building safety remediation costs have on sector finances
- Releasing the Social Housing Decarbonisation Fund in full, to enable the sector to better plan for and schedule energy efficiency upgrades
- Ensuring that local authority planning departments are well funded and resourced, so that they can deliver the required efficiencies and growth to facilitate the government's new housebuilding targets.

¹ [London Councils](#), Aug. 2023 and [Trust for London](#), 2022/23

² [G15](#), Sept. 2024

We are ready to do more: aided by better policy decisions like this, we can continue to provide the new social and affordable homes London so badly needs. We can multiply whatever money the government chooses to contribute by attracting private investment. And as social landlords as well as developers, we have a long-term interest in ensuring the success of the homes and communities we build.

The specific points from our consultation response we would like to highlight to MHCLG are:

- We support the reintroduction of mandatory housing targets and a standardised approach based on existing housing stock and affordability, as well feel this will provide more stability to the plan-making process
- We suggest that local authority planning department funding is reviewed to ensure that LPAs are appropriately resourced to the proposed reforms to policy set out within this consultation will fail to deliver the efficiencies and growth needed to achieve the government's ambitious house building targets.
- We encourage the government to place greater emphasis on affordable tenures within its overall housebuilding targets, especially homes for social rent, though this should be coupled with realistic consideration to viability challenges in practice
- We agree that local authorities are best placed to advise on the most appropriate tenure mix for their locality
- Greater clarity is needed around how local authority local plans interact with the London Plan, particularly where housing targets set in the London plan are higher than those set by the new Standard Method
- We support the steps taken to require local authorities to review Green Belt land
- We encourage the government to consider implementing a broader definition of previously developed land than as currently drafted
- We suggest that the revised NPPF make clear that Metropolitan Open Land in London should be treated in the same manner as Green Belt land
- We support the 50% affordable housing requirement on Green Belt land, but urge the government to consider how the grant funding regime can be structured in a way that makes it possible to access sufficient funding for such schemes to be viable
- We welcome the removal of the reference to the minimum 25% First Homes requirement, which ran the risk of crowding out more traditional forms of affordable housing
- To unlock higher levels of affordable and social rent delivery, MHCLG should consider reviewing and improving both the availability of grant funding and the stages in which this funding is paid.

Question 1: Do you agree that we should reverse the December 2023 changes made to paragraph 61?

The G15 welcome this opportunity to respond to the proposed changes to the NPPF put forward by the new government, with particular focus on how residential development can help stimulate and grow the economy. Whilst some of the previous amendments to the NPPF captured within the December 2023 iteration were generally supported, such as the emphasis on preparing and maintaining up-to-date local plans, there were concerns that the changes around housing targets and local allocation would negatively impact on housing delivery. It has long been established that there is a national housing crisis and that significant residential growth is needed to meet current and future demand for new homes across all tenures. It is therefore imperative that national planning policy is strengthened to facilitate this.

The watering down of housing targets at a local level, alongside the removal of the requirement for local authorities to demonstrate a five-year housing land supply and removing the mandatory requirement to review green belt boundaries to meeting housing need, would ultimately lead to fewer homes being built. As previously drafted, paragraph 61 significantly diminished the importance of putting in place mandatory housing targets. This approach noted that any requirement would be considered as a '*starting point*' with an alternative approach acceptable if '*exceptional circumstances*' can be proven to justify a different, although implied lower, figure.

Exceptional circumstances in this instance were loosely defined and linked to current and future demographic trends as well as the market within a local authority area. The accompanying footnote to paragraph 61 provided little clarity. Whilst it is true that housing delivery is market-led, at a time when there is a national housing crisis and a demonstrable need for a step change in delivery, allowing LPAs to potentially lower their housing requirement on unknown future trends is counter-productive and would ultimately lead to fewer homes being built.

The G15 support the amendments proposed to paragraph 61, which removes any ambiguity around alternate approaches in justifying a different housing target to that provided via the new standard method. Housing targets should not be 'advisory' in nature and should always be seen as the minimum requirement needed and where possible, LPAs should seek to exceed this and build more much sought after affordable homes, particularly where previous rates of delivery have been poor.

Question 2: Do you agree that we should remove reference to the use of alternative approaches to assessing housing need in paragraph 61 and the glossary of the NPPF?

As set out in our response to Question 1, the G15 supports the removal of any references to alternative approaches to assessing housing need both from paragraph 61 of the Framework and from the glossary. As set out within the 2023 version of the Framework, there is too much ambiguity in establishing an alternative approach, which could leave it open to misinterpretation by LPAs to justify a lower housing target. Removing references to this and reaffirming the need for a mandatory housing target provides certainty within the house building sector and encourages LPAs to plan and allocate land accordingly.

Question 3: Do you agree that we should reverse the December 2023 changes made on the urban uplift by deleting paragraph 62?

The G15 supports the removal of paragraph 62 of the NPPF to align with the new standard method of calculating housing need and to provide a consistent approach. However, it should be noted that urban areas, where there is good access to public transport, employment, retail, leisure and associated non-residential services will always be highly sustainable locations, which are naturally suitable for residential development.

Whilst the deletion of paragraph 62 will remove the mandatory requirement for additional land to be made available in these locations, in practice the market will naturally gravitate to these locations. Due consideration should therefore be given to the importance of urban areas to continue to provide a suitable supply of brownfield sites, which can accommodate housing growth at greater densities.

Question 4: Do you agree that we should reverse the December 2023 changes made on character and density and delete paragraph 130?

A design-led approach to density and housing delivery should be encouraged. However, within urban areas it will often be more appropriate to develop at higher densities as these locations tend to be highly sustainable with good access to public transport and commercial uses. The restrictions mentioned within paragraph 129 regarding the use of design codes to ensure development is in keeping with location-specific circumstances should already be applied by LPAs within their local plan policies. It therefore feels counterproductive to include such restrictions within the framework, especially if interpreted and applied in a manner that would curtail development opportunities within urban areas.

Whilst the G15 support the use of design codes to provide certainty within the planning system, any such codes should be drafted in partnership with affordable housing providers. In doing so, any established design codes should acknowledge the important role viability plays in bringing forward suitable land for residential development and provide sufficient flexibility to ensure sites can be optimised, with the maximum number of homes being delivered.

Question 5: Do you agree that the focus of design codes should move towards supporting spatial visions in local plans and areas that provide the greatest opportunities for change such as greater density, in particular the development of large new communities?

Design codes are particularly useful in guiding the principles for residential led development. The G15 supports the focus of design codes in supporting spatial visions in local plans and recognises their contribution in assisting the delivery of homes in response to new housing targets. We recognise the importance of design codes in addressing design parameters and having a visual framework that can guide new development opportunities.

Having said this, we are concerned about whether the preparation and delivery of localised design codes could in practice delay development delivery on allocated sites. We support the use of design codes in promoting residential development so long as viability is considered.

It is essential that design codes are flexible documents that are adaptable to site specific design requirements. Effective design codes should be prepared in partnership with communities, urban design specialists and developers in the interest of supporting spatial visions in local plans. Effective design codes will be ever more important in the context of

changes to housing targets and cross border co-operation in supporting spatial visions at a strategic scale.

Question 6: Do you agree that the presumption in favour of sustainable development should be amended as proposed?

The G15 support the proposed amendments to the presumption measures set out within the revised paragraph 11 of the draft NPPF. The specific reference to the supply of land and the corresponding footnote 8 provides greater clarity in the application of the 'tilted balance' as well as highlighting the importance of maintaining up-to-date land supply position and solidifying the requirement for a rolling 5YHLS, including windfall sites.

With it estimated that only around 1/3 of local plans are considered up-to-date, we anticipate that there could be a high number of LPAs across England falling into presumption measures. With reference to this likely outcome, the G15 also supports the emphasis placed on affordable housing delivery and the need for development to meet high standards of design, when weighing up the public benefits case for bringing forward additional land for housing.

Question 7: Do you agree that all local planning authorities should be required to continually demonstrate 5 years of specific, deliverable sites for decision making purposes, regardless of plan status?

A deliverable supply for housing land to meet demand is imperative if the government is to meet their target of delivering 1.5 million new homes within the current parliamentary term. As a result, the availability of land will need to be continually demonstrated over the lifetime of a local plan period, with additional sites earmarked for development in the case of poor housing delivery. The best way to achieve this is to provide a suitable 'buffer' in land supply, as proposed as part of this consultation. However, at the point of adoption, a local plan and the allocations and policies within it should be considered sound and any review requiring additional land to come forward would need to occur at appropriate points post-adoption.

There are a number of reasons why housing delivery within a local authority area may slow down. This may be a temporary pause in delivery due to circumstances out of the control of both the developer and the local authority, or it could simply be that sites with high levels of delivery are to come forward at a later stage within the plan period. It would be resource-intensive for local authorities to be continually reviewing housing delivery with a view of providing additional housing sites if annual targets are marginally missed. The measures set out within the Housing Delivery Test, which are being retained within the NPPF, offer sufficient safeguards in the case of poor delivery.

That said, if it becomes apparent that the anticipated housing delivery is falling significantly behind the anticipated trajectory over a five-year period, then a review of housing land should be undertaken to avoid presumption measures and development by appeal. The delivery of affordable housing should also be reviewed and where chronic poor delivery rates are proven, sites should be considered favourably where above-policy levels of affordable housing can be delivered.

Question 8: Do you agree with our proposal to remove wording on national planning guidance in paragraph 77 of the current NPPF?

As set out in our response to Question 7 above, the G15 support the requirement for local authorities to demonstrate a rolling supply of land for new homes in principle, however where an adopted plan has been considered sound by an Inspector, there needs to be a consistent period of poor housing delivery before a full review of deliverable sites is undertaken. If a sufficient 'buffer' has been provided and residential consents remain in line with the published housing trajectory, additional sites should only be considered where they are proven to be sustainable and deliver significant public benefit, such as above-policy compliant levels of affordable housing.

Question 9: Do you agree that all local planning authorities should be required to add a 5% buffer to their 5-year housing land supply calculations?

Housing targets should be seen as minimum requirements, with local authorities seeking to exceed their targets where possible. In light of this, the G15 support the need for an additional 5% buffer to be included within housing land supply calculations. When identifying additional land, it is vital that this allows for the right tenure split, size and mix to ensure that the homes being built are directly linked to the needs of the local population. We acknowledge that the new standard method has produced significant uplift in housing numbers across England, which some LPAs will find challenging. In light of this, the G15 are eager to work closely with authorities to help identify suitable sites for affordable-led residential development.

Question 10: If yes, do you agree that 5% is an appropriate buffer, or should it be a different figure?

The G15 support the requirement for a 5% buffer to be included in the housing land supply calculations, however this should be kept under review and increased if proven to be insufficient. We therefore support the additional requirement within paragraph 76 b) to provide a 20% buffer in the case of significant under delivery over the previous three years.

Question 12: Do you agree that the NPPF should be amended to further support effective co-operation on cross boundary and strategic planning matters?

The G15 supports amendments to the NPPF that encourage effective co-operation on cross boundary and strategic planning matters, included in Paragraph 21, 27, 28 and 36. Co-operation across local authority boundaries is particularly significant in regions that have joined up policy initiatives and strategic visions, such as in London and Manchester. In areas like these, it is essential that there is cohesive thinking and approaches to affordable housing delivery across a number of authorities.

Co-operation and cross boundary working will be ever more important for local planning authorities in the context of revised housing targets and meeting the delivery of these targets.

Question 15: Do you agree that Planning Practice Guidance should be amended to specify that the appropriate baseline for the standard method is housing stock rather than the latest household projections?

The G15 supports the government's ambition to build 1.5 million new homes over the next five years, but believe that within this, MHCLG must prioritise the delivery of new affordable homes across a range of tenure types and sizes. The reintroduction of mandatory housing targets and a standardised approach will provide certainty to the housebuilding industry in a

period where ongoing changes to national planning policy, economic uncertainty, and financial constraints have hindered affordable housing delivery.

The proposed 'stock-based' approach advocated by the government is a shift away from the uncertainty and inaccuracy of using shifting household projections to demonstrate housing need, which made little to no reference to existing housing stock and local levels of affordability. The stock based approach avoids the volatility of household projections, instead using standardised inputs that are of a known quantity over a longer period of time. Rolled out across all local authority areas with fewer provisions for LPAs to cite 'exceptional circumstances' to push for a lower, alternate housing target, this revised method has the potential to genuinely boost housing supply in all areas.

The outputs from the new standard method has generated a net housing need figure of approximately 370,000 per annum, which is in excess of the previous target of 300,000 homes. Government published data for housing delivery in the post-war period to the current day makes for difficult reading, with government published data showing that annual housing delivery has only exceeded 300k on just six occasions in the post-war period between 1964-1969. A significant bulk of this was in the form of mid-high density, local authority-built affordable homes on public sector land. This demonstrates that a joined-up approach between planning policy and land-disposal, along with political willpower and resource has in the past successfully accelerated housing delivery. We hope that the reforms to the NPPF, in particular the new standard method and emphasis on making sufficient land available, will form part of a wider package of planning reforms, coupled with additional funding and resource to facilitate the required levels of housebuilding. We therefore support the proposed uplift to 370,000 homes, but note that any target must be supported by other measures to provide a realistic chance of being met.

Question 16: Do you agree that using the workplace-based median house price to median earnings ratio, averaged over the most recent 3 year period for which data is available to adjust the standard method's baseline, is appropriate?

As major contributors to affordable housing delivery across England, the G15 agree with the principle of requiring an affordable housing uplift as part of the new standard method to in calculating housing need. Improving house price affordability and building good quality new affordable homes should be at the forefront of the government's housing building agenda.

Should the house price to median earnings ratio be maintained as a means to determine affordability, then the use of a 3 year average dataset to establish the ratio is preferable than using a single year. However, it should be noted that it has been a systematic failure of successive governments in not taking sufficient steps to tackle the housing affordability crisis faced within all regions of England. As of March 2024 the average home in England sold for £290,000, whilst average full time earnings were £35,100; this would equate to needing to spend 8.3 times earnings to purchase a home in your local authority area.

The link between increasing the overall number of homes being built and improved affordability is tenuous and whilst increased levels of new homes will in theory bring with it increased affordable housing delivery, it is unclear whether this alone will improve overall affordability. It is therefore imperative that the new government establish and put in place a long term housing strategy that not just improves the delivery of affordable homes across a range of tenures, but also invests in wealth and employment growth.

The financial pressures on the affordable housing sector also need addressing, with additional subsidies in the form of improved levels of grant funding required. Whilst existing mechanisms such as the social housing relief for the Community Infrastructure Levy are welcomed, further financial incentives and support are needed. Furthermore, government funding needs to be structured to ensure this is delivered over the lifetime of a development, as opposed to on completion of the affordable homes. Planning policy also needs to be strengthened to ensure that viability is not used to water down affordable housing requirements, or lead to financial contributions being paid in lieu of on site provision. The G15 are willing to meet and work with government ministers and officials to ensure this is achieved.

Question 17: Do you agree that affordability is given an appropriate weighting within the proposed standard method?

As set out with our response to Question 15, the proposed standard method generates ambitious housing targets, which are far in excess of current and historic rates of delivery. Whilst the provision of affordable housing should be front of centre of the government's ambitions to build more homes across all tenures, targets need to be set at realistic levels. The delivery of more affordable homes must be incentivised but also set at a level that does not discourage development from happening or be diluted on viability grounds. The 0.6% multiplier is a sizable uplift on the 0.25% set out within current methodology, but the G15 would welcome this to be reviewed on a regular basis with an intention of increasing this further if necessary.

Question 18: Do you consider the standard method should factor in evidence on rental affordability? If so, do you have any suggestions for how this could be incorporated into the model?

While we believe the proposed standard method is significantly better than the current approach, we believe a formula based on rents is worthy of further consideration for the following reasons:

- Rents are a truer picture of underlying housing need than house prices. House prices are significantly determined by interest rates. If interest rates rise or fall, house prices – and therefore the proposed adjustment factor – will rise or fall with them. But changes in interest rates do not affect the true underlying housing need in an area. A housing need target based on rents would therefore be a more accurate picture.
- Using an affordability ratio is less optimal than using a variable that does not take earnings into account. This is because in areas of high demand, prices will be higher, but earnings will also be higher. This creates a denominator effect that will systematically underestimate housing need. A variable based only on rents, and not earnings, will more accurately report underlying housing need.

Please see the appendix for an alternative formula to derive the adjustment factor.

Question 19: Do you have any additional comments on the proposed method for assessing housing needs?

We need clarity in relation to the role of the London Plan (2021) and whether London Boroughs will still be considered separately. Currently, local housing targets within London must conform with those set out within the London Plan, with many boroughs progressing with a new local plan on that basis. With the new standard method showing London as the

only region in England where the housing target falls, a clear steer will be needed from MHCLG on whether the new, lower, mandatory targets within the capital will supersede the London Plan targets.

Further consideration should be given to the role of community consultation and engagement if the proposals within the revised NPPF, particularly the allocation of additional land to meet the new higher targets, are implemented. This will be particularly important where land supply has been constrained by the green belt and there has been significant local resistance to development. The relationship between locally elected members and central government will be extremely important, especially in areas where the local politics is different to that in government. Whilst local voices and the opinions of residents remain important, there needs to be a clear message from government that so-called 'NIMBYism' will not frustrate the development process and block new homes from being built.

Question 20: Do you agree that we should make the proposed change set out in paragraph 124c, as a first step towards brownfield passports?

The consultation draft of the NPPF has referred to the incorrect paragraph numbers in relation to Question 20. The original paragraph was paragraph 123 of the 2023 NPPF, however the consultation draft now has this information listed as paragraph 122.

The G15 agree with the proposal that proposals for brownfield redevelopment should be regarded as acceptable in principle, especially in the delivery of more affordable housing. It is noted that within the same sub-paragraph of the NPPF that such proposals will carry 'significant weight' in the decision-making process, thereby ensuring national policy support. Bringing forward new permission in principle rules would remove any uncertainty in the planning process, but this in theory should already be the case due to the robust nature of securing allocations as part of the local plan allocations process. Clarity would therefore be welcomed on the difference between the proposals for 'brownfield passports' and allocated development sites.

Question 21: Do you agree with the proposed change to paragraph 154g of the current NPPF to better support the development of PDL in the Green Belt?

As per our response to question 20 above, this paragraph numbering does not align with the consultation draft. This question relates to 153g of the NPPF 2023, which is now covered by paragraph 151 of the consultation draft.

The G15 agrees with the proposed rewording of 153g as it simplifies the policy and provides a clear presumption in favour of the reuse of PDL within the green belt, whilst also protecting and not compromising land, which contribute towards the green belt's function of maintaining openness.

Question 22: Do you have any views on expanding the definition of PDL, while ensuring that the development and maintenance of glasshouses for horticultural production is maintained?

The G15 would welcome a broader definition of PDL than as currently drafted. This will maximise opportunities for the effective reuse of brownfield land, which could cumulatively make a significant difference to meeting housing needs. The definition within the NPPF can retain protection for certain land uses (as it currently does for agricultural or forestry buildings, for instance).

Question 23: Do you agree with our proposed definition of grey belt land? If not, what changes would you recommend?

Given the pressing need for residential development and particularly affordable housing, the G15 welcomes the overall measures set out within this consultation with regards to reviewing Green Belt boundaries. Where development pressures cannot be met within established settlement boundaries, it is important that further land is reviewed and that poor performing sites within the Green Belt are identified in order to help to meet the needs of the population.

We also agree that it is beneficial to require Green Belt LPAs to identify PDL and other poorly performing Green Belt parcels in order to assess the ability of these land parcels to meet the requirements of draft Paragraph 142. The identification of 'Grey Belt' land is considered to be an effective method for achieving this purpose.

As a matter of clarification, it is unclear whether PDL within the Green Belt would automatically fall within the grey belt definition, or whether it would need to be proven to make a *'limited contribution to the five green belt purposes.'* Furthermore, within London this is approximately 15,600 hectares of designated Metropolitan Open Land (MOL), which has equal legal status and protections to Green Belt. Whilst this has an important role in providing green infrastructure for the city, there may be areas which are low performing and make a limited contribution to its overall function. The G15 therefore believe MOL should also be subject to regular review in line with the revised criteria for Green Belt. Clarification on both these points is needed if the changes set out within this consultation are adopted.

Question 24: Are any additional measures needed to ensure that high performing Green Belt land is not degraded to meet grey belt criteria?

The Green Belt is a blanket designation that seeks to manage urban sprawl, and the proposed NPPF policy, with reference to the five purposes, provides an appropriate framework for the assessment of whether land comprises 'high performing Green Belt.'

Footnote 7 provides protection for other land designations which are protected for other reasons, such as landscape and heritage.

Question 25: Do you agree that additional guidance to assist in identifying land which makes a limited contribution of Green Belt purposes would be helpful? If so, is this best contained in the NPPF itself or in planning practice guidance?

The assessment of how land performs against Green Belt purposes will always be on the basis of planning judgement, however it will be beneficial to have additional guidance around this. The G15 would support specific guidance being provided within national Planning Practice Guidance for use by LPAs and developers. Any such guidance should also address how BNG and (if applicable) nutrient neutrality requirements should be considered with respect to poorly performing Green Belt sites.

Question 26: Do you have any views on whether our proposed guidance sets out appropriate considerations for determining whether land makes a limited contribution to Green Belt purposes?

In principle, we agree that the proposed guidance sets out a reasonable basis for assessing whether land makes a limited contribution to the Green Belt, though as set out in response to Question 25, we would welcome guidance which addresses how BNG and (if applicable) nutrient neutrality requirements should be considered in respect of poorly performing Green Belt sites.

Question 28: Do you agree that our proposals support the release of land in the right places, with previously developed and grey belt land identified first, while allowing local planning authorities to prioritise the most sustainable development locations?

The G15 support the Government's ambition to build 1.5m new homes across the term of the current parliament, and the intention to review all Green Belt land in order to contribute to this, given the scale of challenge presented by the pressing housing crisis. Moreover, as a broad point, the NPPF should make clear that within London, the same approach should be applied on Metropolitan Open Land, as well as Green Belt land.

Whilst we agree with the intention to support the redevelopment of appropriate PDL as identified at draft Paragraph 154, we do raise some concern with the proposed revised wording set out at draft Paragraph 144. Notably, it is highlighted that PDL and other grey belt land may not always be the most sustainable location for new development – for instance, greenfield land around an existing settlement that is well served by existing infrastructure would likely comprise a more sustainable pattern of development than an isolated parcel of PDL. Similarly, market forces will be a relevant factor; for instance a PDL site which is affected by contamination and located in a poor market area, regardless of land use designation, would likely be less favourable than alternative greenfield sites.

It is suggested that draft Paragraph 144 is amended to afford plan-making authorities with the flexibility to determine the appropriate strategy for meeting development needs, cognisant of contribution to Green Belt purposes, the environmental benefits of redeveloping PDL, accessibility to infrastructure, and sustainable patterns of development. This could be supported by reference to the use of sustainability appraisals to inform decisions around plan-making.

Question 29: Do you agree with our proposal to make clear that the release of land should not fundamentally undermine the function of the Green Belt across the area of the plan as a whole?

The G15 agree with the proposed approach set out at draft paragraph 142. It is important to protect the overall function of Green Belt across the area of the plan as a whole. Development should be focused on areas that can support housing growth (i.e. those with sufficient existing infrastructure, or the ability to provide this) as a priority. As identified in our answer to Question 28, this will comprise a planning judgement by the plan-making authority cognisant of a range of factors, and in practice there is a risk that this policy would be applied by local planning authorities in different ways, potentially to stymie development. Therefore, we would welcome specific guidance within national planning practice guidance on this matter, in particular that ensures that tests concerning overall Green Belt openness and settlement are consistent.

Question 30: Do you agree with our approach to allowing development on Green Belt land through decision making? If not, what changes would you recommend?

We support the proposed approach taken. The housing crisis is urgent, and the G15 is clear that a significant uplift is required for the supply of new homes in the short term, as well as considering long-term needs. The proposed change in policy is targeted, so that it would apply only in specific circumstances, where an LPA cannot demonstrate it can meet its 5 year housing land supply, or where it has underdelivered in the past delivery of housing. There would remain an onus on developers to demonstrate the suitability and sustainability of individual proposals (correctly).

Question 32: Do you have views on whether the approach to the release of Green Belt through plan and decision-making should apply to traveller sites, including the sequential test for land release and the definition of PDL?

Green Belt land is likely to be highly suitable for use by Gypsies and Travellers who wish to establish a permanent home, yet the rules around the Green Belt have been a bar to this occurring. These changes could provide more choice in where Gypsies and Travellers can live, improve equality of opportunity, speed up the planning process to reduce the length of temporary permissions, and help local authorities, housing associations, and other social housing providers to develop appropriate accommodation/caravan sites for Gypsies and Travellers.

In assessing the future need of accommodation for Gypsies and Travellers in order for LPAs to undertake a Green Belt review, we would welcome:

- More robust consultation with families currently living in bricks and mortar to determine whether they would prefer to relocate to living in a caravan
- More robust consultation with Gypsies and Travellers residing on their own land, or those proposing to purchase land, within the Green Belt
- Improved location of caravan sites to reduce health inequalities
- Consultation with Gypsies and Travellers as well as local communities to ensure sites are sustainable economically, socially and environmentally
- Consideration of the history of Gypsies and Travellers residing in an area

Question 34: Do you agree with our proposed approach to the affordable housing tenure mix?

The G15 agree that it should be for LPAs to set a tenure split for affordable homes through the plan-making process. Through survey work and evidence from local waiting lists, LPAs will know the specific need for different tenure types and will therefore be best placed to advise on an appropriate split. This should highlight and identify the need for social rented homes, and as key contributors to the delivery of affordable housing of all tenures, the G15 supports any policy shift that prioritises the need for new homes for social rent.

It is important that any tenure mix brought forward into adopted policy makes due consideration to viability concerns and is robustly tested through the Local Plan examination process. National policy should also enable a flexible approach in relation to rented and intermediate tenures, allowing for low cost rental products as well as affordable home ownership models, and policy should have sufficient flexibility to facilitate changes between tenures following approval, to suit and adapt to changes in market.

Question 35: Should the 50 per cent target apply to all Green Belt areas (including previously developed land in the Green Belt), or should the Government or local planning authorities be able to set lower targets in low land value areas?

In principle, the G15 support the 50% affordable housing requirement across all land parcels within the Green Belt – whilst ambitious, it is important to increase the number of affordable homes, including for social rent, as part of a mix of affordable and other tenures. However, it is also imperative that the grant funding regime reflects the importance of delivering new affordable homes, and supports the approach taken in national planning policy. Notably, existing grant funding regimes make it more difficult to secure grant funding on affordable homes already enshrined within Section 106 agreements, so it is more difficult to use grant funding in schemes where the affordable housing policy requirement is higher.

The G15 welcome the fact that some flexibility is included to allow for viability issues to be addressed, so long as there is a rigorous framework in place for considering such viability issues. For instance, there are more likely to be viability constraints associated with PDL compared to greenfield land given the comparative existing use values and costs associated with remediation. In addition, some regional flexibility may be appropriate because of how development markets vary across the country. This approach would enable a planning judgement on the benefits of development against any shortfall in affordable housing provision.

Question 36: Do you agree with the proposed approach to securing benefits for nature and public access to green space where Green Belt release occurs?

The G15 agree with the requirement to secure benefits for nature and public access to green space where Green Belt release occurs, given the multiple socio-economic benefits which these deliver for our residents. G15 members are responsible landlords and strive to deliver these benefits as part of new development proposals wherever feasible as a matter of course. There may be instances where access to nature is not possible (for example on small infill sites surrounded by private land parcels), and yet the scheme may meet all other criteria and deliver other public benefits. Therefore, it may be beneficial to include an exemption where site size and neighbouring land ownership makes this unfeasible.

As set out in our response to Questions 25 and 26, the challenge of delivering BNG and NN on Green Belt land should be carefully considered and addressed in guidance.

Question 37: Do you agree that Government should set indicative benchmark land values for land released from or developed in the Green Belt, to inform local planning authority policy development?

In principle, setting a benchmark land value in the NPPF may help LPAs develop policy, though there is some concern that this approach may be too prescriptive, given that values can depend on location, and also change in response to changing market conditions. Notably, if the benchmark land value is set at too low a level, this will disincentivise land from coming forward. By comparison, an increased BLV will incentivise landowners to release land for residential development, but this could lead to developers overpaying for the site and using viability concerns to chip away at the affordable housing provision. In London, GLA guidance is provided on the approach to setting BLV and a similar approach could be adopted on a national basis through the National Planning Practice Guidance (NPPG).

Question 38: How and at what level should Government set benchmark land values?

As mentioned in response to Question 37, we suggest that rather than setting a national BLV, guidance is provided on the approach to setting BLV set by Government and

published within the NPPG. The benefits of the existing system are that it applies locally set benchmark land values, and the market dictates land values, cognisant of planning obligation requirements.

We note that Paragraph 30 of the consultation highlights a range of potential benchmark land values of between three to 40 times existing use value, and states that the Government is particularly interested in the impact of setting BLV at the lower end of this spectrum. We would raise concern over whether this would be wise given the Government's housebuilding ambitions for the current parliament. Any benchmark land value needs to be set as a level which incentivises land to come forward for development at a rapid rate but also enables the delivery of the golden rules, noting that to date, the market has dictated land values at a level which has historically been lucrative for landowners.

We support the strong policy requirement for 50% affordable housing as part of the golden rules, however this is more onerous for developers than the vast majority of existing Local Plans. This policy requirement combined with an overly restrictive benchmark land value may cause existing prospective schemes to be abandoned because of a significant reduction in the expected land value.

Question 39: To support the delivery of the golden rules, the Government is exploring a reduction in the scope of viability negotiation by setting out that such negotiation should not occur when land will transact above the benchmark land value. Do you have any views on this approach?

We would support the Government's proposed approach here; that is, that where land transacts above the relevant benchmark land value and a policy-compliant level of affordable housing is not proposed, viability discussions are not entertained. This is on the proviso that any benchmark land values, or guidance around this are clear to landowners, and are set at a reasonable rate and do not disincentivise landowners from bringing forward land.

Question 40: It is proposed that where development is policy compliant, additional contributions for affordable housing should not be sought. Do you have any views on this approach?

The G15 agree that where a planning policy-compliant level of affordable housing is provided as part of a Green Belt release development, no viability testing should be required. Placing additional viability scrutiny above and beyond policy compliant level would significantly reduce certainty for developers, add delays to the process, and disincentivise development proposals from coming forward.

Question 41: Do you agree that where viability negotiations do occur, and contributions below the level set in policy are agreed, development should be subject to late-stage viability reviews, to assess whether further contributions are required? What support would local planning authorities require to use these effectively?

We agree that the proposed late stage viability review approach (as suggested at Option c) would be a logical approach, building on a practice well established in London. This is on the proviso that any benchmark land values, or guidance around this, are reasonable and do not disincentivise landowners from bringing forward land. LPAs will need resource to manage this process effectively and make sure negotiations are not protracted. The Government may also seek to issue template formulas and s106 clauses for guidance.

Where a development has failed to deliver the public benefits set by policy, the use of late-stage reviews would be an appropriate method in capturing any additional value from the development, should the viability position improve. However, any further contributions sought at this stage would be in the form of financial payments or commuted sums. In the context of affordable housing, the opportunity to provide additional affordable homes on site is lost. It is therefore imperative that the 50% affordable housing requirement for land released from the green belt is ringfenced and prioritised as part of the pre-application negotiations and reflected in the land value. Where viability concerns have led to significantly below-policy levels of affordable housing, the application should be refused.

Question 43: Do you have a view on whether the golden rules should apply only to 'new' Green Belt release, which occurs following these changes to the NPPF? Are there other transitional arrangements we should consider, including, for example, draft plans at the regulation 19 stage?

In the interests of clarity, the G15 agree that there should be a clear distinction set out in national policy, so that only those development in the Green Belt consented as a result of the proposed NPPF changes should be required to comply with the golden rules.

Question 44: Do you have any comments on the proposed wording for the NPPF (Annex 4)?

The G15 are broadly supportive of the approach proposed at Annex 4, building on the principals of viability assessment well established in London, though as set out in our answer to Question 38, much will depend upon what benchmark land value is settled on. The proposed approach effectively means a two-tier land market for Green Belt release compared to other areas of land, and therefore care needs to be taken to avoid unintended consequences.

We note that Paragraph 30 of the consultation highlights a range of potential benchmark land values of between three to 40 times existing use value, and states that the Government is particularly interested in the impact of setting BLV at the lower end of this spectrum. We would raise concern over whether this would be wise given the Government's housebuilding ambitions for the current parliament. Any benchmark land value needs to be set as a level which incentivises land to come forward for development at a rapid rate but also enables the delivery of the golden rules, noting that to date, the market has dictated land values at a level which has historically been lucrative for landowners.

We support the strong policy requirement for 50% affordable housing as part of the golden rules, however this is more onerous for developers than the vast majority of existing Local Plans. This policy requirement combined with an overly restrictive benchmark land value may cause existing prospective schemes to be abandoned because of a significant reduction in the expected land value.

Question 45: Do you have any comments on the proposed approach set out in paragraphs 31 and 32?

In principle, the G15 would support the potential use of CPO powers on Green Belt land in order to deliver new homes at scale, including a high proportion of affordable housing in accordance with the golden rules set out within the consultation draft. Given the pressing need for new housing, it is imperative that there are tools in place to facilitate land release and unlock new housing sites. However, CPO powers should always be a last resort both in

principle because it represents the state seizing private property, but also in practice as the process is costly to the LPA and resource intensive. We therefore do not believe the use of CPO powers is a realistic option for releasing significant amounts of land. At a national level, the use of CPO powers to obtain land for high profile projects would be useful, but this may prove more challenging when seeking to unlock smaller sites. For this to be effective, LPAs will need additional investment to ensure they have sufficient resource and expertise.

Question 47: Do you agree with setting the expectation that local planning authorities should consider the particular needs of those who require Social Rent when undertaking needs assessments and setting policies on affordable housing requirements?

The social rented tenure has the most pressing need, and it is imperative that this is captured by LPAs when undertaking needs assessments and setting affordable housing requirements. In the experience of G15 members, this is typically addressed by LPAs in the plan-making process, however we would support the proposed amended wording, which would enshrine this requirement in national policy. It may also be beneficial for national guidance to provide clear direction regarding how social rent need should be calculated by local authorities to ensure that this need is accurately captured.

As London's largest social housing providers, we would support any measures which would boost the provision of new affordable housing, including social rented housing. In this respect, our members look forward to working with the Government in respect of future grant funding and wider support for affordable housing delivery.

Question 48: Do you agree with removing the requirement to deliver 10% of housing on major sites as affordable home ownership?

The G15 support the proposed removal of the 10% affordable home ownership requirement. LPAs are well placed to identify the appropriate affordable housing mix for their areas (so long as this has some flexibility to allow for individual scheme context and viability, and is tested through the Local Plan examination process).

Question 49: Do you agree with removing the minimum 25% First Homes requirement?

The G15 support the removing reference to the minimum 25% First Homes requirement from the NPPF. Concerns were raised when the policy requirement was initially adopted, as a mandatory provision ran the risk of squeezing out more traditional forms of affordable housing. In the context of London, where G15 members have geographical focus, First Homes are considered unaffordable with significant discounts required to be considered a genuinely affordable product. As a result, few if any First Homes were delivered resulting in no meaningful uplift in affordable delivery. Furthermore the GLA did not ask for First Homes provision on referable planning applications, with the preference remaining for more traditional forms of affordable tenure, namely homes for affordable and social rent. The G15 agree with the GLA's stance and are in favour of prioritising genuinely affordable housing tenures over discounted market sale products.

Question 50: Do you have any other comments on retaining the option to deliver First Homes, including through exception sites?

The G15 maintains our previous position in opposing the policy requirement for First Homes as a form of affordable housing. Whilst a discounted market product may be an appropriate source of affordable housing within certain locations, the mandatory 10% requirement on new sites has failed to provide a step change and uplift in affordable provision. In London, most London Boroughs with backing from the GLA did not enforce this provision, preferring the delivery of more traditional affordable products, such as social rented homes or shared ownership models.

Providing affordable housing on exception sites is considered a key public benefit in the decision making process, but this should favour and give greater weight to more affordable tenures such as social or affordable rent for which there is a greater need.

Question 51: Do you agree with introducing a policy to promote developments that have a mix of tenures and types?

The G15 would fully support the introduction of a policy to promote developments that have a mix of tenures and unit types, in the interest of supporting mixed and balanced communities in new developments. We believe that it is good that national planning policy can be more explicit in defining affordable housing, acknowledging that this covers a mix of sub-market tenures, serving different identified needs. Though, it is important to note that grouping together particular tenures is often required due to management and maintenance responsibilities. A degree of recognition should be given to how this is handled in practice so that residents on the most affordable tenures are not disproportionately affected by this or associated service charges.

Question 52: What would be the most appropriate way to promote high percentage Social Rent/affordable housing developments?

Any policies setting out tenure split requirements for affordable housing development will need to be established within the adopted local plan for an area and backed up with a robust evidence base establishing need. There needs to be an acknowledgement that homes for affordable or social rent are expensive to deliver and fail to make a surplus for the housing association for a number of years post-occupancy. It is therefore vital that this is subsidised by other forms of affordable housing as well as market sale. If the policy requirement for social rented homes is set too high, the delivery will be watered down on viability grounds, or the policy position will discourage development from taking place at all. Viability must continue to underpin planning policy during the plan making process.

The NPPF can play a role in encouraging the delivery of a higher percentage of social rented homes by establishing the degree of weight and public benefit that can be attributed to this particular tenure. This should play a role in determining the suitability of windfall development as well as reiterating the important role of affordable housing in determining rural exception sites. In addition to this, as is already the case in London, providing a fast-track planning route for applications which meet or exceed policy requirements for affordable tenures could be more explicit and encouraged through national planning policy.

Furthermore, if MHCLG would like to see increased levels of affordable delivery across different tenders, the availability of grant funding and the stages in which such revenue streams are paid needs to be reviewed and improved. Finally, in addition to this, it is essential that social housing CIL relief is maintained and sufficient clawback arrangements put in place should additional affordable homes be delivered post-planning approval.

Question 54: What measures should we consider to better support and increase rural affordable housing?

National Housing Federation research published in July 2023 identified that in England between 2019 and 2022 social housing waiting lists grew by 31% compared to only a 3% increase in urban areas. The same research noted that many rural areas within England have become popular tourist spots, further driving up demand as they become more desirable holiday locations. Low levels of new housing stock, coupled with increases in private rents have exacerbated the issue, with house price rises far in excess of the national average. Whilst the new standard method has increased housing targets significantly in rural areas, new residential development will continue to be heavily in favour of market sale housing and viability will still underpin delivery, with the affordable provision either a small percentage of the number of homes built or negotiated out entirely. Policy in the form of rural exception sites guidance does allow for the use of unallocated ‘windfall’ sites to come forward for affordable development. The G15 supports this policy in principle but notes that it is extremely restrictive in terms of the total number of homes permitted.

One way to improve on the delivery and increase rural affordable housing would be to review the policy relating to rural exception sites and strengthen the affordable housing requirement so that a higher percentage of homes are of affordable tenures. The quantum of development on such sites should be maximised. In particular if a development comes forward as 100% affordable, a sizeable uplift in numbers should be considered acceptable. This could be strengthened further to ensure that the affordable homes are retained as affordable in perpetuity to stop developers applying to flip the tenures to market sale once constructed.

In addition to the above, MHCLG could consider making it a requirement in areas where there has historically been poor affordable delivery, to allocate new housing sites for 100% affordable housing schemes.

The G15 would be happy to engage further with the government on this issue.

Question 55: Do you agree with the changes proposed to paragraph 63 of the existing NPPF?

The G15 agree with the proposed inclusion of ‘looked after children’ as a specific need for LPAs to consider when addressing overall housing need.

Question 56: Do you agree with these changes?

Whilst the focus is rightly on providing bringing forward new housing at scale given the scale of the housing crisis, in principle, the G15 support the proposed amendments. The proposed changes would encourage opportunities to bring forward community-led housing in order to contribute to meeting pressing housing needs in local areas.

Question 57: Do you have views on whether the definition of ‘affordable housing for rent’ in the Framework glossary should be amended? If so, what changes would you recommend?

In principle, the G15 raises no objection to the proposal to widen the definition of affordable housing for rent so that organisations such as community-led developers and almshouses are better able to develop homes. However, it is important that any new definition includes



robust criteria to ensure that homes provided are genuinely affordable and does not disadvantage registered providers. We look forward to working constructively with MHCLG on this point in the future.

Question 58: Do you have views on why insufficient small sites are being allocated, and on ways in which the small site policy in the NPPF should be strengthened?

Whilst the G15 members do not comprise SME housebuilders, the nature of our organisations mean that we hold many assets which would fall within the small sites definition, for instance small scale infill opportunities on existing estates, or underutilised land such as garages, which could cumulatively make a significant contribution to addressing housing needs.

These smaller sites typically comprise highly constrained sites in built up areas where the various planning policies and design standards cumulatively affect the capacity of new developments. When combined with other challenges in bringing forward brownfield land, for instance viability issues associated with existing use value remediation costs, this can cause barriers to bringing sites forwards. In order to encourage development of small sites, MHCLG may consider measures such as amending Paragraph 129(c) (draft new Paragraph 129(c)) to explicitly state that flexibility should also be applied to local policies requiring the re-provision of existing uses, including car parking, when developments deliver as many homes as possible. This suggestion was made by G15 in response to the 'Strengthening planning policy for brownfield development' consultation in March 2024.

In respect of the site allocation process we wish to highlight that engagement with this process can be time consuming and expensive, and so it is perhaps natural that owners of small sites are typically unable to invest as much in this process.

Given the challenges highlighted above, we suggest that the proposed removal of the current caveat is not implemented until alterations have been made to planning policies in order to incentivise development on small sites.

Question 59: Do you agree with the proposals to retain references to well-designed buildings and places, but remove references to 'beauty' and 'beautiful' and to amend paragraph 138 of the existing Framework?

The G15 recognises the importance of well-designed places, especially in new build residential developments, as a key feature that contributes to the success and enjoyment of where people live. Good design and well-integrated communities are important in contributing positively toward the lived experience of residents and it is therefore necessary to retain references to such in the NPPF. However, the emphasis on beauty has caused confusion for planners due to the issues in defining it, relying as it does on subjective aesthetic judgements. Removing references to beauty would put the emphasis on securing quality development through a coherent design process. Furthermore, we question how far this is currently included in the weight of planning decisions (in practice, this may differ between local planning authorities). In the current context, the quantity of new homes to be delivered should be the key consideration for developments.

Question 73: Do you agree with the proposed changes to the NPPF to give greater support to renewable and low carbon energy?

We support the proposed changes to the NPPF to give greater support to renewable and low carbon energy, which are particularly prevalent in new build residential development and regeneration. However, it is important that the development of renewables that are proposed in sensitive areas do not harm biodiversity. Carbon sequestration should be balanced with the needs of biodiversity, unless biodiversity can be protected/enhanced at the same time.

Question 74: Some habitats, such as those containing peat soils, might be considered unsuitable for renewable energy development due to their role in carbon sequestration. Should there be additional protections for such habitats and/or compensatory mechanisms put in place?

The G15 agree that there should be additional protection for sensitive habitats, with recognition to the role that they play in supporting a sustainable and low carbon environment. We note that this should be assessed on a site-by-site basis and a blanket approach on a regional scale may not be the most appropriate one for local habitat areas

Question 81: Do you have any other comments on actions that can be taken through planning to address climate change?

The G15 fully support increased emphasis of green infrastructure and biodiversity measures to combat climate change and mitigate its effects in new build development. It is commonly understood that linking to the local nature recovery strategies should be a key part of proposals and how development will contribute toward these. Partnership working with community and resident groups in the interest of mitigating climate change is yet another action that can be taken through the planning process and supported by the NPPF.

Question 87: Do you agree that we should we replace the existing intervention policy criteria with the revised criteria set out in this consultation?

The G15 supports the proposed revised criteria in relation to intervention measures as set out within the consultation. To deliver new homes at the rate set out in response to the new standard method, LPAs will need to be proactive in getting sufficient and suitable land identified for housing. With an estimated 1/3 of local plans currently considered up-to-date and sound, there is a risk that many LPAs will struggle to avoid central government intervention. To assist and ensure that the planning system can function and deliver the quantum of new homes needed, additional resource will be required at both local and national level. Resourcing local authorities through improved levels of funding whilst retaining and recruiting talented and experienced planning professionals needs to occur with immediate effect. Change at a national level cannot take place in a timely manner if local authority planning departments are under resourced. In addition, intervention powers will only be effective if the Planning Inspectorate (PINS) also has sufficient resource to work at pace to bring local plans up to date.

Question 88: Alternatively, would you support us withdrawing the criteria and relying on the existing legal tests to underpin future use of intervention powers?

As set out in our response to Question 87, we support the proposed revised criteria in relation to intervention measures as set out within the consultation, however we stress that this must be supported by additional resource at both local and national level for the planning system to function effectively.



**Question 94: Do you consider that each local planning authority should be able to set its own (non-profit making) planning application fee?
Please give your reasons in the text box below.**

The G15 queries the logic of each local planning authority being able to set its own planning application fees and question how this would be calculated. We also have concerns as to how this would work at a regional scale across London, and not disproportionately affect developers primarily based in the capital. Our preference would be to retain nationally set application fees as this provides clarity, consistency and certainty.

**Question 95: What would be your preferred model for localisation of planning fees?
Full Localisation – Placing a mandatory duty on all local planning authorities to set their own fee.**

Local Variation – Maintain a nationally-set default fee and giving local planning authorities the option to set all or some fees locally.

Neither

Don't Know

Please give your reasons in the text box below.

As set out in our response to Question 94 above, the G15 raises concerns about having locally set fees, as this removes the current consistent approach. If localisation of fees is a concept which the government is determined to proceed with, then we would expect this to be guarded by strong parameters and rigorously tested to show value for money. Our concerns are that locally set fees may be complex to administer and cause confusion, but also that it may impose disproportionate costs on developers which do not represent value for money or may even disincentivise development (as can sometimes be the case with the pre-app and PPA fee regimes).

Whilst we acknowledge there is an opportunity to link fees to specific geographical areas or local authority performance, this could lead to the reinforcement of regional divides based on wealth, for example paying higher fees in parts of London. There is a logic to this, as overheads in high value areas will be more than in other parts of the country and the cost to deliver good planning services will naturally be higher. However, regional disparity in resource costs is already captured in pre-app and PPA fee regimes, which as indicated previously have typically not been proven to deliver value for money or improve performance.

If the concept of localised application fees is progressed by the government, a degree of variation from nationally set fees would be the most appropriate approach. However, in order to prevent the vast majority of local planning authorities from simply adopting the highest level available (making the principle of localisation effectively pointless) some tests should be required. These may be linked to local planning authority performance, and the requirement that any uplift in planning fees is ringfenced to improve the relevant local planning authority's performance.

**Question 96: Do you consider that planning fees should be increased, beyond cost recovery, for planning applications services, to fund wider planning services?
If yes, please explain what you consider an appropriate increase would be and whether this should apply to all applications or, for example, just applications for major development?**



The G15 supports a proposed increase in planning fees for planning application services and to fund planning application being processed and believes this would lead to a better, more efficient and well-rounded planning service. However, clarity should be provided on what services are to be covered by the planning application fee alone, as wider services, such as plan-making are local authority-wide issues and therefore should be paid for from general taxation. Any potential changes to the application fee structure also provides an opportunity to ringfence fees to improve overall local authority performance to demonstrate value for money, with potential penalties or refunds offered if application targets are not met. Similarly, the G15 would welcome a review of the use of Planning Performance Agreements (PPAs), with particular regards to their soaring costs and lack of enforcement.

We would expect an improved planning service that maintains statutory timescales as a result of any increase to planning fees. We understand that this should apply to all applications, though suggest that there could be a degree of flexibility to the additional fee in instances where an additionality of affordable housing is provided, in the interest of supporting viability of affordable housing led schemes in practice. Planning Performance Agreements (PPAs) have similar objectives to this proposed policy change, though PPAs are typically an additional cost and burden to developers that often do not deliver on the agreements made in lieu of payment, or lead to additional resourcing in practice, which we raise concerns about in this instance. We would expect an observable, measurable and overall improvement to planning services, value for money and quality resourcing as a result of any proposed increase to planning fees.

Question 103: Do you agree with the proposed transitional arrangements? Are there any alternatives you think we should consider?

As a matter of principle, the G15 emphasise the importance of the NPPF setting out clear transitional arrangements in order to avoid ambiguity at the examination stage. Moreover, we support the proposed transitional arrangements in broad terms; the arrangements are a pragmatic and balanced, and encourage LPAs to progress development plans so long as there is not a significant under provision of housing under the new standard method.

Question 104: Do you agree with the proposed transitional arrangements?

As set out within our answer to Question 103, we support the approach proposed. It is right to provide LPAs with time to accommodate the proposed changes to NPPF and incorporate these within emerging local plans before wider changes to the plan making system are introduced.

Question 105: Do you have any other suggestions relating to the proposals in this chapter?

The G15 support the principle of National Development Management Policies and national policies for plan-making in order to streamline the development management procedure and create more certainty in the process. Moreover, the measure would also mean that LPA plan-making can focus on those elements of local specificity. We also support the intention to assist LPAs in producing digital Local Plans which are user friendly.

Appendix: Factoring rental affordability into the standard method for assessing housing need

Please see the response to question 18 for the reasoning behind this formula.

We offer the following alternate formula to derive the adjustment factor.

$$\frac{\text{District's median 2 bed private rent}}{\text{Median 2 bed private rent across all districts}} \times 1.6$$

For example, the median 2-bed private rent in Oxford is £1,370. The median of all districts' private rents is £805.

$$\frac{1,370}{805} \times 1.6 = 2.72$$

So under our proposals, Oxford's adjustment factor would be 2.72, compared to 2.19 under government's proposed formula.

We chose 1.6 as a multiplier because that is the value that makes the aggregate of all districts' adjustment factors the same as the aggregate of all districts' adjustment factors under government's proposals, which should mean the total number of homes England is told to build should be broadly the same as government's proposals.

Adopting this definition of adjustment factor means new development would be focused more in areas of highest demand – London and the South East would see higher targets relative to other regions, but also within regions, large cities would see higher targets relative to rural areas. This is an advantage, because government's proposals have potential to demand significant building in areas where it may not be economically viable to build the homes that the calculation demands.

As Figure 1 below shows, approximately two thirds of districts would see their housing need fall by a little, whereas one third of districts would see their housing need rise.

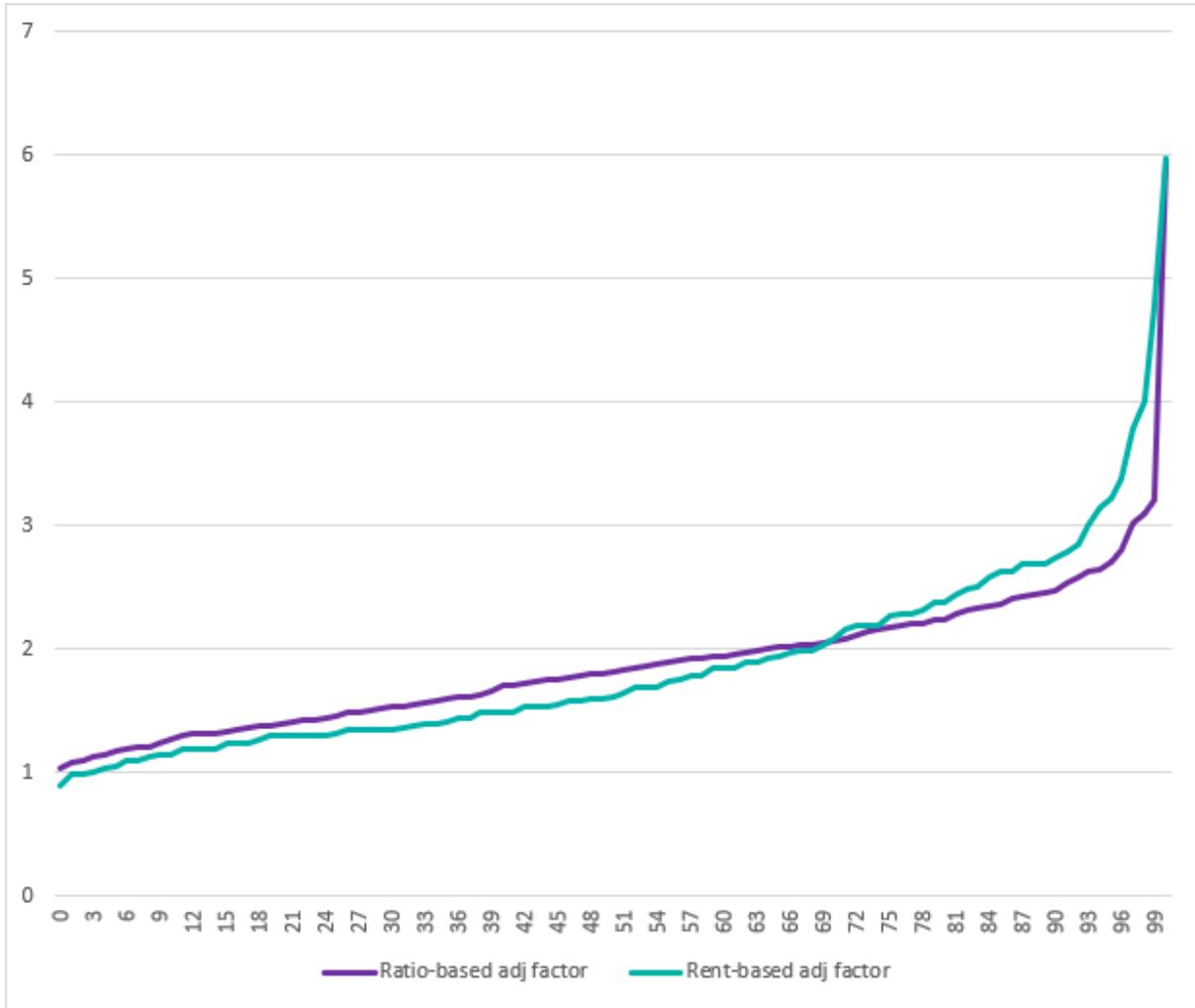


Figure 1: Percentile distribution of proposed ratio-based adjustment factor and alternative rents-based adjustment factor

Figure 2 below shows how the adjustment factor would change by region, and by a few selected cities/districts. The areas of highest demand see the numbers rise, whereas areas in less high demand would see a fall in derived need.

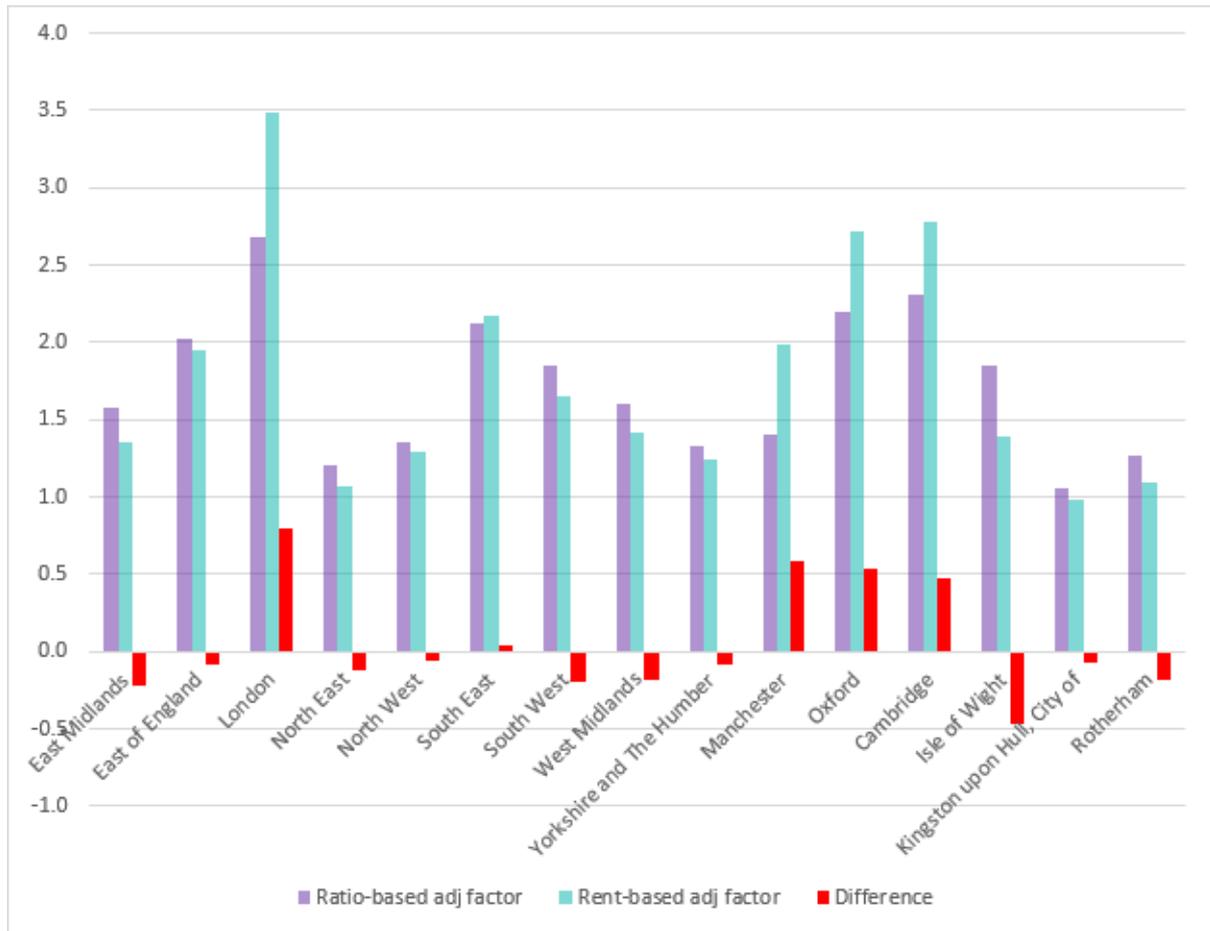


Figure 2: Region and selected district view of proposed ratio-based adjustment factor and alternative rents-based adjustment factor³

³ For regions, the chart shows a mean average of adjustment value across all districts in the region