



30th October 2020

House of Commons Select Committee on Housing, Communities and Local Government,  
House of Commons,  
Westminster,  
LONDON,  
SW1A 1AA

Dear Sirs,

***Inquiry into Future of the Planning System in England.***

***Submission by the Land Promoters and Developers' Federation (LPDF)***

The Land Promoters and Developers' Federation (LPDF) comprises the UK's leading land promotion and development businesses. We have some 27 members and 51 affiliates who specialise in the promotion and development of particularly strategic land for both housing and commercial development, throughout the country – helping to generate homes and jobs and to move towards delivering the Government's target of building 300,000 new homes per year by the mid 2020's. Following a gradual change in the development market over the last decade, land promoters and developers have adopted a business model which provides a vital service to housebuilders, local communities and the nation by sourcing land, delivering implementable sites and de-risking the process for the house-building industry, to enable housebuilders to excel in what they do best – building high quality new homes underpinned by strong principles of place-making.

Our members promote sites ranging from 20-30 dwellings to schemes of 10,000 new homes or more, both on brownfield and greenfield sites. Having sourced and selected the land from a variety of different landowners, land promoters do the 'heavy lifting' and bare the risks, undertaking the patient work of negotiating on the land, and then promoting, servicing, and preparing it to bring forward sites which are 'ready to go' so that homes can be delivered quickly for the housing market. These are sold on to housebuilders, both large and small, providing a full range of sites to meet a variety of needs and demands. We therefore welcome the diversification of the housing market.

We welcome the opportunity to respond to the various questions raised by the Select Committee (outlined below) although we feel the timing of this debate whilst people are still considering their responses to the Government's White Paper may be a little premature.

**1. Is the current planning system working as it should do? What changes might need to be made? Are the Government's proposals the right approach?**

No. The system is struggling. However, this is not simply a result of its structure or format. It is largely due to the complexities and political interference in the process; the pressures (or priorities) of local authorities and the expectations which are placed on the planning process by Government, local authorities, the development industry and the public. Planning is expected to be responsive to economic change, satisfy peoples demands for homes and jobs, as well as addressing environmental issues, climate change, flood risk, heritage concerns and many other issues, all at once – whilst also

bending to the whims of political expedience at both Parish, local authority and National level. Planning has to strive to remain robust despite shifts in public opinion and changes in political control.

The planning process is often seen as being slow and bureaucratic and yet extensive engagement and consultation has become an essential part of the democratic process. Yet Councils are often reluctant to proactively promote new development against a background where their electorate can be resistant to change and they will often resist Local Plan reviews to obviate the need for more housing. These are the many tensions which exist in planning. But those problems will not be solved by simply changing to a 'zonal' system – this will merely slow down delivery as the system adapts to change during the long transitional period. In our view, the process needs to be streamlined, with clear timetables for plans, 'binding' housing targets and a quicker and more efficient means of seeking consents with a clear hierarchy of plans and decision making and less restrictive policies.

## **2. In seeking to build 300,000 homes a year, is the greatest obstacle the planning system or the subsequent build-out of properties with permission?**

Neither. The system is not broken. It is simply not working efficiently (see above). There are many ways in which the system can be improved without wholesale change which would otherwise lead to unnecessary and significant upheaval. But it is not simply the build-out of properties with permission which is responsible for the shortfall either. The LGA claim that there are 1,000,000 plots unbuilt. This is a simplistic figure which merely adds up the difference between permissions and completions over a 10 year period from 2009-2019. It does not reflect lapsed consents, large schemes where there is extensive work in progress, or schemes held back through un-discharged conditions or constraints. But in any event, 1 million permissions only accounts for a 3+ year housing supply (at a rate of 300,000 dwellings per year), when each LPA is expected to hold a minimum 5 year housing land supply and in any event will not be distributed equally amongst all authorities.

Nevertheless there are other measures which can be applied to speed up housing delivery, such as performance monitoring, widening the portfolio of sites (and builders) to ensure no one landowner has a monopoly, broadening tenure mix (ie. BTR, care homes etc), improving consultation responses from highway authorities & statutory undertakers, speeding up S106 negotiations by introducing standard clauses, stricter Local Plan timetables, and reducing commencement conditions.

## **3. How can the planning system ensure that buildings are beautiful and fit for purpose?**

'Beauty' is not easy to define, nor even necessarily to recognise. 'Beauty, after all, is in the eye of the beholder'. The planning system can make a contribution to achieving better design of places and spaces. Government has already produced a National Design Guide, which will be supplemented by a National Design Code (to be published this autumn). This is expected to provide a template for local Design Codes intended to reflect local character which will be subject to local engagement.

There is a clear tension however between flexibility and consistency - between variety and standardisation. Georgian squares and Victorian terraces are quoted within the White Paper as exemplars, and 'pattern book' housing is suggested within the White Paper as being suited for 'permission in principle'. Yet the volume builders' standard house types are often criticised for their mediocrity and lack of character. Highway design requirements too can often have a disproportionate impact on design outcomes at the expense of variety and diversity. We therefore welcome the introduction of 'Manual for Streets' (and 'Manual for Streets 2') as providing a strong design narrative and a greater emphasis on walking, cycling and public transport instead of the private car. The Government is currently considering the proposed Housing Space Standards and we understand will be reporting on this during the autumn.

#### **4. What approach should be used to determine housing requirements of a local authority?**

The Government has consulted extensively on their revised Standard Methodology for assessing housing requirements through the '*Changes to the Current Planning System*' consultation earlier this month. The LPDF welcomes the review of the Standard Methodology and agrees that a change in the formula to reflect the ratio of housing stock together with an affordability adjustment, is appropriate. It will introduce more stability into the system. However, we feel the SM needs further refinement to avoid a formula which focuses too many homes on London and yet falls short of genuine needs in the north and fails to achieve the 'levelling up' agenda. We expect the Government to redress this during their re-assessment of the housing formula following the 'Changes' consultation.

There are clear problems however in deducing how capacity and constraints should be factored into the figures. We consider that there is a strong justification that, if we wish to meet needs sustainably and where they arise, there needs to be a separation of statutory designations protected by separate legislation (i.e. AONBs/SSSIs/National Parks) and land use designations set locally (i.e. Green Belt). Initially, the Government expects the Duty to Co-operate process to continue. But in due course, figures are likely to be 'binding' on local Councils. This could be done through simple 'Housing Market conferences' whereby time limited discussions and negotiations could resolve tensions over how and where housing should be allocated.

#### **5. What is the best approach to ensure public engagement in the planning system? What role should modern technology and data play in this?**

Public involvement in the planning process is important at all levels, whether by local authorities (on Local Plans), or by developers and consultants (on site-specific proposals). But getting through to all groups of the public where they can make a genuine contribution has always been a difficult problem. People only tend to get involved when they feel directly (and usually adversely) affected. This gives a distorted impression of the wider public's genuine attitudes to plans and proposals. Furthermore, it tends to be those people and organisations with most to gain (or lose) from the process who get most involved; landowners (and their agents), pressure groups (with a specific interest), home-owners and those wishing to protect their surroundings – taking a NIMBY view. This is partly a reflection of the consultation mechanisms (exhibitions and public meetings) rather than more informal means (eg. social media and opinion surveys) which are more the province of the younger generation.

But things are changing. Public consultation now needs to move so that local authorities gain a better impression of broader public attitudes – including hard to reach groups. Some developers also need to get better at projecting the merits of their schemes and being more prepared to change their schemes to respond to ideas. Data technology also has a greater role in making information available to a wider audience and in presenting information on Local Plans so that people can understand the full and fair implications of proposals.

#### **6. How can the planning system ensure adequate and reasonable protection for areas and buildings of environmental, historical, and architectural importance?**

The planning system is adept at providing comprehensive policies to support the legal protection of buildings of environmental, historical and architectural importance. There are Chapters on both topics in the NPPF, in each case backed by passages in the NPPG. These are supported by extensive policies in local plans. Heritage officers within local authorities are charged with the responsibility of protecting buildings of historic and architectural importance and their setting and they are meticulous in controlling every aspect of Conservation Areas, Listed Buildings and other protected heritage and environmental assets. This is another example of the widespread 'reach' of the planning process.

## 7. What changes, if any, are needed to the green belt?

The Green Belt is often described as the most well-known but commonly misunderstood planning policy. Green Belts were initially established as part of a twin 'stick and carrot' approach to prevent the spread of conurbations and protect historic towns and cities, whilst at the same time promoting new and expanded towns to absorb development pressures. They were also established largely in the 1940s and 1950s when the development considerations and needs of the country were substantially different. The coverage of Green belt has grown substantially since its inception and now surrounds London, the West Midlands, Greater Manchester, large parts of Yorkshire as well as Nottingham, Oxford, and many other towns and cities.

Green Belts were never intended to be fixed for all time, but reviewed periodically, where appropriate, to allow for peripheral growth which might otherwise be deflected beyond the green belt. However, the Green Belt has effectively become a straitjacket which prevents towns and cities from growing, providing the type of housing that people want (especially post pandemic), whilst preserving the treasured countryside largely for the wealthy and those with a home to call their own. At the same time, commuters may have to travel further as development leap-frogs the Green Belt, causing unsustainable patterns of growth. It has also become a political 'hot potato' so is difficult to change.

Green belt is a physical rather than a landscape or environmental constraint. In fact, some Green Belt is quite unattractive, often comprising horsiculture, nurseries, roadside uses and possibly brownfield land. Most of the professional Institutes (including the RTPI, RIBA and Landscape Institute) have argued that a review of the role and function of Green Belts is long overdue to give them a more positive purpose. The LPDF share that view.

In our view, Green belt policy needs to be reviewed in the context of wider strategic policies and pressures for economic growth. Local plans should not be regarded as up-to date unless Green Belts have been properly reviewed on a 5 year cycle to reflect the areas' development needs. To use a current real world example we would point to Buckinghamshire, and specifically the examples of South Buckinghamshire and Chiltern – two of the most unaffordable areas of the country outside of London - and an area that is tightly constrained by the Green Belt. Their neighbour Wycombe is also heavily constrained by the Green Belt. However in 2019 they adopted a new Local Plan to meet housing needs to 2033, including required Green Belt release to achieve sustainable growth.

The Councils have resolved to withdraw the emerging South Bucks and Chiltern Local Plan and note in their press release that: *"We do acknowledge that withdrawal of the CSB Plan may put pressure on housing land supply in the short term, but we believe this will be mitigated by the fact that 87.5% of the CSB Plan area is within the Green Belt... which offers it a significant degree of protection."* Essentially the Council feel safe to withdraw their Local Plan as, other than in specific proposals that demonstrate very special circumstances, there will be full protection of the Green Belt.

In our view, if the Government want to deliver 300,000 dwellings per annum, motivate Councils to maintain up to date Local Plans, it cannot be right that the Green Belt in Wycombe, which has been reviewed to take account of current needs, is given no greater protection than Green Belt in South Bucks and Chiltern, which contained 5,200 dwellings on draft allocations in the emerging Local Plan. Such an approach can only serve to empower Councils to avoid reviewing Plans in Green Belt areas and lead to an extensive void in housing delivery, often where affordability and needs are most pressing.

**8. What progress has been made since the Committee's 2018 report on capturing land value and how might the proposals improve outcomes? What further steps might also be needed?**

Significant steps have been made since the 2018 HOCSC 'Land Value Capture' report. For example, the 2019 version of the NPPF places an obligation on local authorities to undertake viability assessments at Local Plan level and reduces the scope for developers to review viability at the application stage. Furthermore, the basis for scheme viability is now 'Existing Use Value' (plus a premium) which reflects the need for S106 contributions and Community Infrastructure Levy, instead of basing viability on assumptions of full development value. This effectively 'raises the bar' for landowners and developers.

Depending on the proposed Infrastructure Levy rate, (which has not been specified in the White Paper) schemes could in future be made unviable from the new Levy. Future development opportunities may also dry up if there is insufficient incentive for the landowner to bring sites forward.

We would welcome the opportunity to appear at future hearings of the Select Committee and contribute to the Committee's work. The LPDF has commissioned work from Lichfield's (consultants) to explore the nature of the land promotion market and in particular focus on the work of the Small & Medium Enterprise (SME) housebuilder. Hopefully, this evidence will be available for later stages of the Committee's work.

Yours faithfully

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