



---

RESPONSE OF  
ASOCIALDEMOCRATICFUTURE  
TO MHCLG CONSULTATION ON  
PROPOSED REFORMS TO THE  
NATIONAL PLANNING POLICY  
FRAMEWORK AND OTHER  
CHANGES TO THE PLANNING  
SYSTEM

---



SEPTEMBER 1, 2024

[WWW.ASOCIALDEMOCRATICFUTURE.ORG](http://WWW.ASOCIALDEMOCRATICFUTURE.ORG)

[asocialdemocraticfuture@outlook.com](mailto:asocialdemocraticfuture@outlook.com)

## **Introduction/housekeeping**

1. Name of person submitting response: John Newton
2. He is submitting it on behalf of [www.asocialdemocraticfuture.org](http://www.asocialdemocraticfuture.org) (*ASocialDemocraticFuture*) in his capacity as convener of that organisation.
3. Comments or assessments prefixed by 'we' or 'our' should be taken to mean *ASocialDemocraticFuture*.
4. *ASocialDemocraticFuture* is a website committed to identifying and analysing policy pathways to equality and efficiency and their obstacles that is independent of external financial and other support.
5. Contact: [asocialdemocraticfuture@outlook.com](mailto:asocialdemocraticfuture@outlook.com)
6. Comments relate only to Chapters Three to Six.
7. This version includes some minor revisions to the version submitted to the MHCLG.

## General overarching comments

The [consultation](#) sets out strategic aims to achieve economic growth and the delivery of 1.5m additional dwellings by the summer of 2029 (delivery target).

It expects the [draft revised NPPF](#) (2024 NPPF) to contribute to their achievement by reversing the previous government's December 2023 NPPF changes, and through new provisions.

These include changing the standard method (SM) of local housing need (LHN) assessment and making it mandatory, requiring all Local planning authorities (LPAs) to demonstrate a five-year supply of developable housing land (5YHLS), and encouraging the release of Green and grey belt land for residential and growth enhancing development in accordance with 'golden rules'.

The fundamental point that this response makes is that without wider overarching changes to public and private delivery systems, the stated aims of the consultation will not be met.

First, the translation of LHN figures (that can be loosely defined as targets) into Local Planning Authority (LPA) planning permissions will be subject to local willingness and action. Many LPAs with higher revised LHN figures can be expected to drag their feet or lack the capacity to produce up-to-date plans with alacrity (an onerous process that necessarily involves extended stakeholder consultation).

In addition, the proposed changes to the treatment and definition of Green and grey Belt designation are likely to be contentious, open to interpretation, and ultimately litigation.

While such LPAs will become subject to the presumption to sustainable development and the 'tilted balance' and hence will be exposed to planning appeals pertaining to speculative applications. But speculative private-led applications are unlikely meet the 'golden rules' and other requirements, will be discussed more fully under the *Chapter Five* heading and question responses.

Even without LPA foot dragging and process delay and uncertainty, it will take time for the new NPPF to bed-in and generate a higher volume of permissions, with or without central intervention.

Moreover, given the time lags between permissions granted and completions, some, if not much of their delivery impact can be expected be delayed until the end of this current parliament and beyond.

That will mean that permissions granted will not translate into "*spades in the ground*" completions at around the annual 370,000 dwelling volumes required during 2027-29 to offset the cumulative under delivery accumulated during 2024-26, as was explained in more detail in [The 1.5m delivery target-prospects-and-issues](#), submitted earlier this month as part of our consultation response.

Second, annual starts have historically undershot annual permissions granted across the 40% to 60% range, reinforcing the point above.

Annual LHN figures in aggregate may total around 370,000 but even if that total is translated into a similar level of planning approvals by 2027 (doubtful as per first point above), such a figure is consistent with annual starts figure hovering somewhere around the 300,000 level, insufficient to clear the accumulated backlog.

Third, and crucially, a substantial and sustainable and steady step change putting housing supply around a future sustainable annual 300,000 dwelling level cannot be expected, nor will it occur, without mutually supportive systemic changes to the operation of both the predominant private speculative and public delivery models.

Simply put, even if such an increased level of planning permissions was achieved, their roll out within the existing speculative model - certainly in the case of the large-scale schemes that will be needed to deliver the target - will continue to be slow and extended over decades rather than concentrated in the short-term here and now.

## Chapter 3 – Planning for the homes we need

### General points

The consultation advises that the new government believes that decisions about what to build and where should reflect local views, and that planning should be about how to deliver the housing an area needs - not whether to do so at all.

It believes that by removing opt outs or alternatives to the standard method (SM) “*will stop debates about the right number of homes to plan for and support authorities to get on with plan making*”.

Local planning authorities will be expected to make all efforts to allocate land in line with their housing need as per the (revised) SM local housing needs (LHN) assessment.

They will only be allowed to set a lower housing requirement than their resulting LHN figure where they can demonstrate that ‘hard’ local constraints on land and delivery exist, such as across existing National Park, protected habitats and flood risk areas.

Such exceptions will need to be justified, as now, through the local plan consultation and examination process, after LPAs have demonstrated that they have taken all possible steps, including:

- optimising density;
- sharing need with neighbouring authorities, and;
- reviewing Green Belt boundaries.

It can be anticipated, however, that across the two thirds of LPAs currently without an up-to-date plan, ‘local views’ will sometimes remain resistant to additional housing and to ‘knuckling down’ to producing a Local Plan (LP or plan) and to releasing land consistent with their revised SM LHN figure in the way the consultation envisages.

In that light, the government may wish to consider the need for supporting incentives and sanctions other than simply extending and clarifying the presumption to development and the ‘tilted balance’, as the revised *para 11* of the NPPF and its footnotes set out.

The consultation explains the primary function of the revised presumption is to provide a “*fallback*” to encourage planning permission to be granted where its plan policies are not up to date, specifically relating to the supply of land, by bringing into use (development) land, where it is has:

1. not been specifically allocated for development (e.g. a site on the edge of existing settlements), or
2. been allocated for another purpose (e.g. where housing may be proposed on a site allocated for employment uses).

Additionally, the presumption '*tilts the balance*' (tilted balance) towards approval by making clear that permission should be granted unless doing so would:

- cut across protections for safeguarded areas, like National Parks and habitat sites; or where the *adverse impacts* of the proposed development would
- "*significantly and demonstrably*" outweigh its benefits when assessed against the NPPF "*taken as a whole*".

The consultation recognises that the twin-effect of introducing more demanding local targets and reinstating the general and universal requirement on LPAs to demonstrate a five-year housing land supply (regardless of Plan status) along with a five per cent buffer "*is likely to bring more local planning authorities into the scope of the presumption in the short-term*", and that outcome is necessary "*to ensure that we urgently address the issue of chronic undersupply of land that has underpinned the housing crisis and support our drive to deliver 1.5 million new homes over the next five years*".

Specific changes to presumption are made in *para 11(d)* as clarified by *footnote eight*, that make it clear that it will be triggered at the local LPA level if its policies for the supply of land (*those which set an overall requirement and/or make allocations and allowances for windfall sites for the areas and type of development concerned*) are either absent or out-of-date.

That is they cannot not demonstrate an up-to-date supply of specific or deliverable sites over the next five years or where delivery has "*substantially*" below (less than 75%) of its housing requirement over the previous three years.

In response to concerns that some developers have used the presumption to promote low quality, unsustainable development, explicit reference is made in revised *footnote 9* to the need to consider local locational and design policies (as set out in chapters nine and 12) as well as those relating to the delivery of affordable housing, when the presumption is engaged, concluding that "*these safeguards will mean that schemes that rely on the presumption to secure approval will meet the high standards (that) we expect of all development*".

#### Questions 1-5

All yes.

#### Question 6.

Yes, but recourse to the presumption to development and the tilted balance as revised is likely to result in the submission of speculative private applications outside a plan led system (the end-state desired) in a way that will not necessarily meet local design, locational or affordable housing requirements.

Many LPAs subject to the revised presumption are not likely not to have such strategic policies in place.

Given that it may be necessary for further local planning guidance to define default standards.

It can be anticipated, also, that across the two thirds of LPAs currently without an up-to-date plan, 'local views' will sometimes remain resistant to additional housing and to 'knuckling down' to producing a LP and to releasing land consistent with their revised SM LHN figure in the way the consultation envisages.

In that light, the government may wish to consider the need for supporting incentives and sanctions other than simply extending and clarifying the presumption to development and the 'tilted balance', as the revised *para 11* of the NPPF and its footnotes sets out.

The adding of the rider '*substantially*' below the 75% HDT test could add uncertainty. Consideration should be given for its deletion so making it consistent with the drafting of *para 152b*.

#### Question 7

Yes, although recourse to the presumption to development and the tilted balance as revised by this change is also likely to result in the submission of speculative private applications outside a plan led system.

#### Questions 8 and 9

All yes, although nine is subject to ten.

#### Question 10

No strong view as others with more direct experience may offer a more informed view.

#### Question 11

No strong view.

#### Question 12

We note that *Paras 24-28* of the consultation highlights that housing need in England cannot be met without planning for growth on a larger than local scale, and that it will be necessary to introduce effective new mechanisms for cross-boundary strategic planning, including the development and agreement of Mayoral Spatial Development Strategies (SDSs), to be formalised in future primary legislation, after further consultation.

We agree with the proposed changes to *paras 24-28* to maintain "*effective co-operation*" in the short-term to share unmet housing need between neighbouring authorities and to further other strategic issues where plans are being progressed in conjunction with the Duty to Cooperate in the current plan making system.

We would urge the government, however, with alacrity to prioritise, encourage, and facilitate initiatives by Mayoral, Combined Authorities and Development Corporations to work together and develop strategic plans/projects that could contribute to its delivery target prior to more formal arrangements being put in place.

#### Question 13

Question comes across as rather vague and tautologous without clear purpose.

#### Question 14

As a means of providing a prod to LPAs to produce an up-to-date plan, the government will need to largely depend on the extension of the presumption to development to increase supply in the period until 2026-27 and resulting flow of speculative applications outside a plan-led system.

In such circumstances, it will be important for LPAs and PINS to be provided with clear guidance on the design, affordable housing and other requirements that they should weigh when determining applications.



## Chapter 4 – A new Standard Method for assessing housing needs

### General points

*A Social Democratic Future* strongly agrees that local housing targets (loosely defined, local assessed housing need figures (LHN) assessed by the SM) should be made mandatory and should increase and aggregate to a level consistent with national and local new supply requirements, as soon as possible.

The mandatory shift to the proposed new SM is expected to be consistent with but will not ensure an annual new housing supply reaching at least 300,000 dwellings later in this parliament.

As this [briefing note](#) by the planning consultancy, Lichfields, has pointed out, the proposed changes are not calibrated at even a design level to achieve an accumulating 300,000 annual supply over five years in accordance with the delivery target.

More importantly, in our view, is that the SM methodology, even as revised, is a mechanistic exercise that produces a total delivery figure not necessarily related to the type, tenure, and affordability of dwellings locally needed.

Although, subject to these limitations, the proposed revised SM is generally welcome in terms of its more predictable methodology and the increased numbers that it will generate, it will prove quite insufficient and incapable by itself of achieving the government's delivery target and other strategic housing objectives, for the reasons set out in the introductory overarching comments of this response.

### Questions 15-18

We consider that the technical and assumptive underpinnings of the SM (whatever is adopted) will have advantages and disadvantages that can vary according to the circumstances of each authority and will not capture necessarily what is needed locally, in terms of type, tenure, and affordability).

It follows they are far less important than the outcomes that different methodologies with combinations of other reform measures produce in practice.

In that light, although we are broadly supportive of the changes to a stock-based measure (baseline taken as 0.8% of stock) and a stronger affordability multiplier and the case for such changes made in the consultation, we also share the concerns of others that the revised SM could skew future planning-led activity sometimes away from the areas with the highest need demand pressures (areas with high historic stock levels can have a surplus of poor quality housing rather than a shortage per se); while increased housing supply in such areas could offer better choice and opportunity, the economic benefit of such additional housing may be less than it would be across areas that currently, and potentially in the future, are likely to add most economic value.

While concurring that the London-wide target, for instance, although reduced will be more realistic and deliverable in practice rather than rhetoric, we would suggest that the role of increased housing supply in generating future economic growth across areas where the most agglomerative and other external economic benefits can be reaped is given due weight, as well as local capacity and deliverability considerations.

#### Question 19

As was discussed in the last chapter, increased delivery will depend upon the two-thirds of LPAs without an up-to-date Plan being made subject to the presumption to development and 'the tilted balance' well into the period of this parliament, generating speculative private applications that will not necessarily accord with not only local preferences, but with wider sub regional and national requirements.

Moreover, as was highlighted in the introductory overarching comments, only a proportion of planning permissions are delivered as completions and then after an uncertain time lag - often extended on larger sites, especially.

Deliverability of assessed targets will therefore be crucially dependent on the business plan requirements of the larger housebuilders based on maximizing profit margin rather than volume.

For these reasons we consider the proposed changes to the SM necessary within a local plan-led system will prove quite insufficient on their own to achieve set strategic ends without accompanying changes to public and private delivery systems.

## Chapter 5 – Brownfield, grey belt and the Green Belt

The progression of the government's strategic policies including its delivery target presupposes that there is effective and timely release of green and preferably grey belt land, as well as optimised and timely development of brownfield land, although that is not made explicit.

The government intends that the release of Green and Grey Belt land whether through plan apportionment or by individual planning decisions will be conditional on the resulting developments (meeting exemplary design requirements) providing at least 50% affordable housing (with an appropriate proportion being Social Rent) *subject to viability*, the necessary supporting physical and social infrastructure including transport connections, schools, and GP surgeries, as well as additional or improved green spaces (*a-c, para 155*).

Three main mechanisms are advanced. First, the setting of 'golden rules', as encapsulated in *para 155*, which when translated into planning requirements that developments to be policy compliant must adhere to, will themselves deflate land costs (and/or developer profit margins).

Second, the setting of benchmark land values (BLVs) that for viability purposes keep land acquisition costs close to their existing value.

Third, further reform of compulsory purchase order (CPO) rules, including use of directions to secure 'no hope value' compensation where appropriate and justified in the public interest – in effect to act as a backup default stick and to encourage voluntary exchanges at levels higher than existing use but at still deflated BLV values.

It does seem that the consultation is facing two ways that pull in opposite directions.

To deliver its desired but unprecedented sustainable higher levels of housing, including affordable, supply, it remains reliant on the current private speculative model that is inimical to its realisation

Deflating the development cost and value through local planning policies that incorporate affordable housing requirements, including more Social rent (SR), and moving BLVs for viability purposes closer to existing use values, are either inconsistent with its unreformed operation or will not do anything to encourage, induce, nor force developers to build both more and quicker in contrast to dribbling out supply that for larger schemes means over decades rather than the short- or even medium-term.

Where proposed schemes need to become subject to viability scrutiny, the contribution made by risk-related provisions related to planning and infrastructural provision should be isolated and re-modelled according to assumptions.

These should include making:

- BLVs contingent on planning approval
- sensitivity of viability to reduced developer margins (noting that 50% affordable housing requirement implies known purchase obviating or significant reduction of economic and pricing risk)

#### Question 20

Yes.

#### Question 21

Potentially conflicting or ambiguous drafting could add to confusion concerning interpretation and intention thereby risking retarded or delayed 'spades in the ground' progress.

For instance, *paras 142 and 152* seems to be pulling in different directions reflecting, perhaps, the tension between safeguarding the purposes of Green Belt designation and the economic and social imperative to utilise land more effectively and equitably.

*Para 152, 11b*, will – given the general undershooting of delivery when measured against the scale of local needs (whether assessed by the current or revised SM) across high need/demand areas - surely, cover most LPAs, especially within such areas, so making the definition as to whether development is 'inappropriate' or not rather redundant.

It might be better to simply state that the benefits of development in sustainable locations undertaken in accordance with the 'golden rules' need to be considered with respect to the five Green Belt purposes set in *para 140* and the sequential process set out in *para 144*, as tweaked in our response to *Question 29*.

#### Question 22

See general points above. Not clear why the development and maintenance of glasshouses for horticultural purposes should be accorded special treatment.

#### Question 23

Potentially conflicting or ambiguous drafting could add to confusion concerning interpretation and intention thereby risking retarded or delayed 'spades in the ground' progress.

For instance, *paras 142 and 152* seems to be pulling in different directions reflecting, perhaps, the tension between safeguarding the purposes of Green Belt designation and the economic and social imperative to utilise land more effectively and equitably.

*Para 152, 11b*, will – given the general undershooting of delivery when measured against the scale of local needs (whether assessed by the current or revised SM) across high need/demand areas - surely, cover most LPAs, especially within such areas, so making the definition as to whether development is 'inappropriate' or not rather redundant.

It might be better to simply state that the benefits of development in sustainable locations undertaken in accordance with the 'golden rules' need to be considered with respect to the five Green Belt purposes set out in *para 140* and the sequential process set out in *para 144*, as tweaked in our response to *Question 29*.

#### Question 24

*Intrinsic environmental value* could be added to the *para 139* definitions of openness and permanence.

#### Questions 25/26

Land which is not high performing and whose release would not fundamentally undermine the purposes of the Green Belt as set out in *para 140*.

See our responses to *Questions 23 and 29*.

#### Question 27

No.

#### Question 28

The application of revised *para 152b* will mean that most development in the short term will be subject to speculative private and not-plan-led.

#### Question 29

The definition of not "fundamentally undermining the function of the Green Belt as whole" could be simply related to the five purposes set out in *para 140*, and that the impact of an individual development on that function should be substantive rather than marginal and that the benefits of any such development should be exceptional.

#### Question 30

As per *Question 28* response.

#### Question 31

Non-plan Release of commercial and other development should be subject to their own 'golden rules' relating to their economic return measured against national/regional and local priorities taking account of their environmental impacts.

#### Question 32

No answer.

#### Question 33

No answer.

#### Question 34

The tenure mix within the proposed 50% affordable housing target will have important implications for both placemaking and viability.

See our response to *Question 35*.

#### Question 35

The national target should allow local LPA flexibility to respond to local circumstances and needs to split it on, say, a 30%-40% minimum for SR and intermediate tenures with 20-40% local discretion to allocate between the two, unless lack of need for both or either sub-tenure can be demonstrated.

The danger in reducing national policy certainty – at least regarding to speculative applications relating to non-plan allocated land – is that the purpose and application of ‘golden rules’ will be undermined and that development on released Green and grey belt land will swing towards to developer profit maximising imperatives and phasing rather than local needs.

#### Question 36

No answer.

#### Question 37

Setting BLVs could prove a useful tool to deflate land values generally, lever-in additional affordable housing at any given level of public grant availability as well as impact upon the viability of Green and grey belt land released for future residential development at desired affordable housing levels.

Given that the Government is proposing a target of 50% affordable housing on land released from the Green Belt for residential development as a key ‘Golden Rule’ determinate governing their release, it appears that the desired intention is to encourage or push LPAs to adopt such a requirement.

If so, it should confirm that in guidance and to make it clear when and how such changes should be made operative.

Given the time lag that may occur between such changes being made locally operative and their receipt of possible speculative planning applications on privately promoted Green and grey belt schemes made where the LPA cannot demonstrate a 5YHLS, additional planning guidance should make it clear the weight that LPAs and PINS should give to the requirement.

See our *Annex One* and *Question 38* responses.

#### Question 38

BLV can be a slippery and tautologous concept. Broadly speaking it can be defined as the value below which a reasonable landowner is unlikely to release a site for development.

That, of course, leaves open what that value should be set at in the face of landowner, locational, and site heterogeneity, as *para 28* of the consultation partly recognises.

In addition, with respect to affordable housing obligations, a 50% requirement could cover different sub-tenure composition permutations, ranging from 100% SR to 100% Intermediate, all attached with different cost and value implications to the developer and the LPA.

In short, a bedevilling problem is that while a national policy requirement could offer universal certainty and clarity, differing site and area circumstances are not amenable to a one size fits all approach.

Another is that there is there no consensus on what a “reasonable and proportionate premium” to the landowner should be: subject as it is, not only to varying technical and policy considerations but also to commercial interests and political and social value preferences/judgements, as *para 30* of the consultation also partly (at least implicitly) recognised.

The consultation advised that the government is particularly interested in the impact of setting BLV at the lower end of a spectrum apparently between three and 40 times existing use value.

The Mayor of London’s 2017 Affordable Housing and Viability Supplementary Planning Guidance advised that premium “*could be 10 per cent to 30 per cent, (while recognising) that site specific circumstances will vary and be informed by benchmark land values that have been accepted for planning purposes on other comparable sites where determined on a basis that is consistent with this guidance*” rather than three times EUV.

But representatives of land promoters, major housebuilding companies, and leading property consultancies have already cautioned that in their view/experience reducing BLVs to as low as even three x EUV would compress the future supply of developable land or even lead to ‘land strikes’ that would stymie Labour’s delivery target.

In summary, their argument is that a low BLV will not incentivise landowners/land promoters to part with their land and/or take the risk of development, meaning that most schemes will not be capable of delivering 50% affordable housing, at least under current public funding regimes.

The models they often use to justify that position, however, are predicated on existing speculative housing model assumptions including that planning and infrastructural risk is assumed by landowners/land promoters, bank finance, and 20% profit as a fixed parameter.

A BLV of up to three x EUV – especially when established and certain as an alternative to CPO at existing value - could well be enticing to landowners willing to

leave planning risk to developers and where currently inflated expectations of what landowners could potentially achieve within the current model are deflated by greater policy certainty and by future housing system reforms, sketched out in the concluding comments.

The government should not be 'bounced' by the developer lobby and should stick to its 'golden rule' requirements pertaining to Green and grey belt release, provided with some flexibility as set out in our proposed amendments to *Annex Four* of the NPPF, attached as *Annex One* to this response.

It should also not rely on speculative-led applications on Green and grey belt released land materially contributing to its delivery target; rather, it should focus on shifting to a partial public contracting system with the provision of affordable mainstreamed within a feasible time frame consistent with new housing supply moving to a sustainable more steady state annual 300,000 level with affordable housing accounting for 40 to 50% of that total.

#### Question 39

This would be a logical support to using a national set BLV as means of applying the Golden Rules, including 50% affordable housing, but it equally follows that its efficacy will depend upon the level it is set and whether a 'one size fits all' BLV is appropriate. See our *Annex One* response.

#### Question 40

Research has indicated that some greenfield sites could deliver additional housing over and above what LPA-affordable housing requirements currently specify.

Thus, it is possible that opportunity to lever-in additional affordable housing could be lost by such an approach. On the other hand, it may provide an incentive for the responsible LPA and developer to approve and develop such schemes without delay.

We suggest that optimum approach might be to allow the flexibility for LPAs that we have recommended in our response to *Question 35* combined with the attachment of planning conditions requiring delivery to be rolled out within defined time milestones, as recently advocated by the Conservative-run Wiltshire County Council.

#### Question 41

MHCLG should support LPAs in developing viability expertise consistent with the proposed NPPF and wider system changes that this response recommends.

#### Question 42

See *Question 28* response.



### Question 43

Land values should be frozen at existing use value for assessment of CPO compensation purposes (see *Question 45* response) to discourage future speculative applications based on hope value and to avoid a two-tier market on released green and grey belt land.

### Question 44

See *Annex A*, which tracks our proposed changes to *Annex Four*.

### Question 45:

Rather strangely, no direct reference was made to the S190 LURA reform, which provided such powers to development corporations as well as to Homes England and made the 'no scheme' reference out of date.

There have been indications that the intention of the government is to progress further primary legislation pertaining to CPO reform (presumably within the Planning and Infrastructure Bill announced in the July King's Speech), including making it unnecessary for sponsoring councils and development corporations to secure S of S approval for a S190 LURA direction, as well as otherwise to streamline the process.

It is, however, by no means clear that would remove the main impediments or obstacles to effective delivery of the reformed CPO framework with the consistent with the new government's 1.5m delivery commitment.

Many informed stakeholders consider that this is the general lack of human and other resource capacity of LPAs to initiate, progress and complete substantive CPOs on the scale and timescales required.

CPO approval processes including a public inquiry are extremely time consuming demanding intensive skilled staff inputs that will need to be built up and justified relative to other delivery and resource demands.

The risk is that the prospect of default compulsory purchase at existing use values is perceived and becomes a 'paper tiger' threat to be largely ignored, rather than an effective default last resort power underpinning the uptick of voluntary exchanges and purchases involving any significant release green and grey belt land close to their existing values.

Opponents of the principle of such CPO reform, whether motivated by commercial or other interests, have begun to argue that setting benchmark land values for Green Belt below that of other land, and then using CPO powers to ensure policy-compliant schemes come forward would mean a differential viability approach creating a two-tier land market for Green Belt release compared to other areas of land.

Thus, according to that reading, would be both inequitable and discourage such landowners not to release such land through voluntary negotiation, especially if

default CPO action was considered unlikely, encouraging them to wait for a change in government or a lobby-assisted policy reversal as indeed proved the case with the 1975 Community Land Act and Kate Barker's Planning Gain Supplement.

However, the horizontal inequity that landowners owning similar parcels of land can receive differential rewards or windfalls as a product of the planning system – whether through LPA plan apportionment or the approval of speculative planning application already exists and would continue to do so quite regardless of LURA and associated reforms.

This website has previously argued in [a previous consultation response](#) that it would be both fairer and create more certainty to remove the prospect of hope value more generally where public benefit can be demonstrated.

That change could then be incorporated into in planning guidance relating to the setting of benchmark values and of affordable housing obligations.

CPO would then need to offer an effective last resort backstop for schemes, where they involve delivery of a high proportion of affordable housing and/or social infrastructure providing a compelling case in the overall public interest.

The rights and expectations of landowners connected to land value increases unrelated to their own efforts or activities should then be balanced with those of households priced out of affordable housing partly because of such increases.

The key policy and equity issues continue to revolve around the practicability of uplifting additional affordable housing through the mechanism of deflating land prices by planning policy requirements and setting BLV values closer to existing use values for viability purposes, as discussed in our responses to Questions 35, 37 and 38.

Question 46: Do you have any other suggestions relating to the proposals in this chapter?

See Chapter general comments and responses to *Questions 35, 37 and 38*.

Landowners voluntarily releasing land at EUV+plus values consistent with the 'golden rules' could be made exempt from Capital Gains Tax on their premium profit.

## Chapter 6 – Delivering affordable, well-designed homes and places

### General points

The consultation reiterates the new government's manifesto pledge to "*deliver the biggest increase in social and affordable housebuilding in a generation*".

The mechanisms it identifies to do so include strengthening planning obligations to ensure new developments provide more affordable homes (part of which will be to set clear planning policy requirements on Green Belt land) considered in the last chapter.

The government also intends councils and housing associations to build their capacity and make a greater contribution to affordable housing supply through the changes to the NPPF that promote mixed tenure development, community development, small sites, and design, changes that also aim to support "*a more diverse housing market, that delivers homes more quickly and better responds to the range of needs of communities*", which appears the main focus of this chapter.

It repeats the government's belief that that local areas are best placed to decide the right mix of affordable housing for their communities, including a mix of affordable homes for ownership and rent.

Although LPAs are currently required to consider the needs of different groups in the community, the consultation proposes that the needs of households that require Social Rent (SR) are explicitly considered.

We strongly endorse the confirmation that the government will not proceed with the Infrastructure Levy as it would cause disruption and confusion, distracting policy attention and resources away from the needed reforms this response outlines, as we argued in [The-new-infrastructure-levy-going-round-the-mulberry-bush](#).

We also support in general terms the policy intentions that this chapter sets out including its support for greater tenure diversity.

Consistent with the overall thrust of our response, however, it is difficult to discern how the general aims that the chapter rather abstractly proclaims will be realised without further and even fundamental reform of both public and private delivery systems.

Specifically, as [Annex-Table-Four](#) of [Making Sense-of-the-English-Housing-Statistics](#) catalogues, the last peak of SR delivery was close to 40,000 dwellings in 2010-11, compared to the preceding 1995-96 peak of around 57,000. During 2022-23, around 14,000 SR and London Affordable Rent (let close to SR levels) homes were delivered.

Increasing that level to a sustainable annual 40,000 let alone 50,000 level (which still is way the below the 90,000 SR level that most commentators consider is the

necessary to meet the need for SR and which would be consistent with the achievement of a steady state 300,000 total annual delivery total) will require substantial increases in central housing grant support beyond sensible shifts to long-term funding and rent settlements currently indicated.

It is not clear that such a step increase will be consistent with the new government's fiscal rule framework.

Certainly, the government will be unable to rely upon the planning obligations system to deliver the required elevated levels in lieu of direct grant support.

[Annex Table Five](#) shows in 2022-23 only around 5,200 SR dwellings were delivered through the nil grant Section 106 mechanism out of the 30,000-odd affordable dwelling total provided that year.

Increasing that proportion as part of the 'golden rules' for Green and grey belt is likely to reduce the viability of development schemes on such sites; more generally a trade-off is likely to be encountered between maximising the volume of affordable housing delivered via obligations and the SR proportion – at least without the injection of grant support.

We would recommend that the Affordable Rent sub-tenure introduced by the 2010 Coalition government is classified and supported as an intermediate tenure rather than as an alternative to SR.

Access to and allocation of intermediate affordable tenures should be reviewed with a view of them being more effectively targeted towards households that otherwise could not afford speculative home purchase but are unlikely to qualify for SR in the short term.

One of the purposes of reform to the private speculative model should be to increase the affordability of market housing so to increase the access of moderate-income households to it.

#### Question 47

Yes, subject to general comments made above.

#### Question 48

Yes, subject to general comments made above and in response to *Question 51* below.

#### Question 49

Yes, subject to comments made above and in response to *Q51* below.

#### Question 50

The relative potential contribution offered by First Homes to meeting affordable compared to alternative intermediate tenures such as shared ownership and

intermediate rent should be reviewed, as was recommended above in the general chapter comments.

#### Question 51

Yes, but the wider policy purpose and context of this proposal - whether referenced to the proposed NPPF or wider strategic changes - and mechanisms by which it could be achieved is not set out.

Essentially, securing a greater mix of tenures and types as was proposed by the 2018 Letwin Review and the 2024 CMA Housebuilding Study requires reform of the private speculative model as discussed and outlined in the introductory and concluding, as well as the in the above chapter comments of this response.

In addition, the introduction of policy requirements on tenure and property mixes that LPAs assess as most needed within their areas as part of a policy compliance approach to deflating land values, as well as to placemaking, should be part of the reform process identified as necessary in the introductory and outlined in the concluding comments.

However, these may have on an impact on scheme viability and/or the composition affordable housing requirements within an unreformed private speculative model, highlighting again the imperative for the accompanying reforms that the concluding comments outline supported by clear and concerted supported policy messaging by this government as to the direction of travel.

#### Question 52

Some of the wider overarching policy issues and challenges are spelt out in the introductory and chapter comments above, as well as in the preceding chapter, and the way forward sketched out in the concluding comments and see response to question below.

#### Question 53

In relation to the possible socio-economic drawbacks that could follow, and be connected to tenure concentration, tenure distinctions should be both blurred and variegated as much as is possible and is feasible.

The multi-tenure approach adopted by Barking Council and its development company, BeFirst, appears to be a model that could repay granular investigation and review in relation to its possible replication and development across future large site developments, whether undertaken by New Town, development corporations, or combined authorities acting strategically in partnership with other authorities.

Given the undoubted need to increase the supply of SR, especially in areas with ballooning homeless and temporary accommodation numbers, will mean that need-based and community development/sustainability objectives, as well as fiscal constraints and opportunities, will need to be carefully balanced.

In that light, acquisitions and transfers of existing private rental housing (PRS) for SR or intermediate tenure use could provide contribute to both objectives but would require public grant funding – although in the longer term the funding intermediary reforms suggested in the concluding comments could reduce public subsidy input.

Affordable housing requirements offer the potential advantage of promoting tenure mix, but as was explained in the chapter general comments will not provide the volume of SR and affordable housing consistent with the government's delivery target or wider objectives without the addition of substantial public grant input.

#### Question 54

Apart from noting that rural exception policies and support can and could provide a community-acceptable way of expanding local housing opportunity even within protected areas, we would leave organisations and individuals with more direct experience and expertise in this area to input.

#### Question 55

No comment.

#### Question 56

Not clear what is the justification or purpose of the change proposed in 13b of the consultation and what it would achieve.

#### Question 57

We would recommend that the Affordable Rent sub-tenure introduced by the 2010 Coalition government is classified and supported as an intermediate tenure rather than as an alternative to SR.

This would mean that Intermediate rent would be defined separately within the Glossary.

#### Question 58

This is a complex area in which organisations, firms, and individuals with more direct experience are probably best placed to contribute.

We would, however, note that support and site allocation for SME builders would be best promoted and monitored by development corporations on large sites rather than the major housebuilders.

#### Question 59

Yes.

#### Question 60

No comment.

#### Question 61

See chapter general comments.

## **Concluding Comments**

In summary, the proposed revisions to the NPPF will not allow the government's delivery or wider strategic objectives to be met.

It is on the horns of a dilemma insofar that in its efforts to accelerate and bring to fruition a plan-led system when currently only a third of LPAs have, involves using the prod of an extended presumption to development that will encourage speculative applications outside such a system.

In addition, it appears to rely on a strengthened planning obligations system and the introduction of 'golden rules' on released Green and grey belt land to secure increased affordable and in particular SR delivery in accordance with its delivery and other objectives, which, in the absence of substantial public support, an unreformed private speculative housing system will be unwilling to deliver.

In such circumstances, we consider that the government should be more realistic and focused with its aims and approach and lay the foundations for a shift to a partial public contracting model that is capable of delivering a sustainable steady state 300,000-plus delivery taking on some of the incremental responses we have made to this consultation, while putting in hand more fundamental systemic reforms that could include:

- the development of innovative forms of institutional infrastructural funding that would reduce the cost of development funding;
- ramping up and facilitating development corporations to master plan and manage large scale developments offering a range of property types and tenure at different affordability levels on a Letwin-plus model that would bring on stream a transformational step change delivery within ten years;
- promote and foster partnership planning between public and private sectors through the mainstreaming of affordable housing across both,

## **Annex 1 (Changes proposed to Annex 4 by ASocialDemocraticFuture):**

### Viability in relation to Green Belt release

1) To determine land value for a viability assessment, a benchmark land value should be established on the basis of the existing use value (EUV) of the land, plus a reasonable and proportionate premium for the landowner to encourage voluntary release of land at a BLV consistent with the achievement of the 'golden rules' set out in para 155.

BLVs should not take account of planning-related and infrastructural costs to develop the site, which should be accounted for separately.

For the purposes of plan-making and decisiontaking, ~~it is considered that a benchmark land values should be set that are consistent with above-of [xxxx] allows an appropriate premium for landowners. Local planning authorities should set benchmark land values informed by this, and by.~~

Such BLVs should -lie within the range of EUV to three times EUV depending on site circumstances and local material considerations.

2) When determining planning applications, if land released from Green Belt is transacted above the benchmark land value and cannot deliver policy-compliant development, then planning permission should not be granted, subject to other material considerations.

3) Where policy compliant development can be delivered, viability assessment should not be undertaken, irrespective of the price at which land is transacted, and higher levels of affordable housing should not be sought on the grounds of viability.

4) Where land is transacted below the benchmark land value but still cannot deliver policycompliant development, it is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.

The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. Where a viability negotiation to reduce policy delivery has been undertaken, a late-stage review should be conducted to assess whether further contributions are required

Where proposed schemes become subject to viability scrutiny, the contribution made by risk-related provisions related to planning and infrastructural provision should be isolated and re-modelled according to assumptions that could include making:

- BLVs contingent on planning approval



- sensitivity of viability to reduced developer margins (noting that 50% affordable housing requirement implies known purchase obviating or significant reduction of economic and pricing risk)