Expanding the role of the private sector in nature recovery

Overview

The Land, Planning and Development Federation (LPDF) welcomes the current call for evidence on expanding the role of the private sector in nature recovery. This follows on from the Development and Nature Recovery Working Paper consulted on earlier this year. The LPDF recognise that balancing the environment and development is a key issue and submitted a response to the previous working paper[1].

The LPDF recognises the need for reform to the current approach to nature recovery which has been causing significant barriers to development. The Federation also recognise and applaud the government on the speed of change to the planning system being pursued, in direct recognition of the need to make the necessary reforms and get Britain building again.

The delays in housebuilding caused by issues such as nutrient neutrality, water neutrality, and the increasing number of recreational impact and air quality impact zones designated by Natural England, are creating significant barriers to construction. The HBF and LPDF surveyed their members in 2022 and revealed that a total of 19,452 homes were delayed across the five local authorities affected by Natural England's advice to the Hertfordshire and Buckinghamshire local authorities in relation to the establishment of the Beechwoods Recreational Impact Zone. This is just one example of the impact that the issues are having on the delivery of much needed housing.

As noted in previous responses the general direction of travel displayed by the proposed changes is seen as a positive step. The delays to development resulting from nutrient neutrality and water neutrality issues has a disproportionately greater impact on SME housebuilders and in many cases these issues are threatening their livelihood. SME builders lack the cash reserves to procure the necessary solutions, or the ability to switch their finance to another project in a non-constrained location. This is fundamental concern as the government is seeking plurality in the housing market, to increase housing delivery and help them work towards their target of delivering 1.5 million new homes this parliament.

Whatever route the government take regarding nature recovery, it is fundamental that this must be a clear and consistent regime that is easy to implement by all involved. The LPDF believe that the local nature recovery strategies need to be in place to then assist in how best to deliver nature restoration.

About the LPDF

The LPDF seeks to represent the UK's leading land promoters, home builders and commercial developers.

LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing "shovel ready" land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

[1] Nature Recovery Working Paper - LPDF response .pdf

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The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.

The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

Questions

The LPDF are only providing comments to a limited number of the questions set out in the call for evidence. Please see our comments to these specific questions and topic areas set out below.

Policy Approach

Q1. Do you agree with the 4 intended objectives for policy to increase investment in nature set out above?

Yes, the LPDF agrees with the 4 intended objects and provides our thoughts on each of these in turn below. The LPDF agree with the comments in the call for evidence noting that economic growth and thriving nature are not conflicting objects. It is in all of our interests to see nature restored, which we believe has been demonstrated through the house buildings sectors willingness around the Biodiversity Net Gain (BNG).

Objective 1: Economic Growth - This should be at the top of the government's agenda, and everything they do should be focused on this. Whatever approach the government takes to increase investment in nature recovery, it should not negatively impact on economic growth but should have a positive benefit for nature recovery.

Objective 2: Business Certainty - Certainty is critical for generating investment in both nature recovery and economic growth, but whatever the government do to increase investment in nature recovery should not make investment in

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development more risky. Long-term planning in relation to nature recovery and investment from the private sector is critical to providing certainty and enabling business to invest and grow.

The LPDF believe that when local plan allocations are discussed through the examination process, then the high-level restorative obligations should be known (and therefore it can be ensured that these will not compromise viability). In a similar vein, when planning applications are approved, the mechanisms for delivering the nature restoration obligations are similarly known and therefore should not then delay these sites from coming forwards.

Objective 3: Innovation – The LPDF completely agree that any process should not be administratively burdensome or inflexible.

Objective 4: Proportionate burden sharing – The LPDF agrees that addressing issues with nature recovery will need a proportionate approach to burden sharing. At present, the development industry is disproportionately impacted by these issues which is impacting viability and causing delays to delivery. This needs to be addressed through a sharing of the burden.

In this regard we refer to the Planning and Infrastructure Bill amendments, proposed by Lord Banner, suggesting the inclusion of a new clause, after Clause 42, on the principal of proportionality in planning.

Outcome 1: Clean and Plentiful Water

Q3. Which sectors could and should contribute as part of a catchment-based approach to water management for nature recovery?

The LPDF are firmly of the view that Natural England, Developers and Water Companies should all contribute proportionately as part of a catchment-based approach to water management. This should not be solely the responsibility of the housebuilding industry particularly as other industries contribute far more to the issues.

In this regard we refer to the recent Independent Water Commission review of the water sector[2] that highlights that whilst 8% of waterbodies in England are reportedly affected by what is characterised as a 'domestic general public' category land use (of which new housing will only represent a fraction), 45% of waterbodies are affected by agriculture and rural land management and 44% by the water industry.

Q7. How can the water sector ensure that opportunities to deliver multiple benefits are considered from the start of investment planning and decision-making?

The LPDF reiterate the need for the water sector to align with and work with the local planning authorities regarding the scale of growth within their area. There needs to be constructive collaboration with planning and local plan making teams to ensure that Asset Management Plans are realistic, pragmatic and take account of projected growth.

The Independent Water Commissions review of the Water Sector highlighted a lack of integrated planning across water systems. These types of issues will need to be addressed.

[2] Independent Water Commission: review of the water sector - GOV.UK

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Outcome 3: Access to nature

Q15. Would you support greater application of the polluter pays principle in Protected Landscapes?

Yes, in principle, the LPDF would be supportive of the polluter pays principle with regards to protected landscapes. This should be the starting point and would we believe suggest a need for greater contributions being made by agricultural /farming sector and also water companies.

Outcome 4: Flood Management

Whilst not a specific question in this call for evidence a key issue faced by LPDF members relates to the application of planning policy regarding surface water flooding and we believe this to be a significant issue worth raising as part of this response. 20 of our largest members responded to a request for information, with 85% of those stating that they are delaying the submission of planning applications on sustainable sites as a consequence of the lack of clarity on the sequential test, as it applies to surface water flooding.

The data that we have collected from this exercise shows that from the members who responded, almost 57,000 units are being delayed from coming forward as a result of the surface water flood risk issue. These units would have been part of planning applications made by our members during Q2 and Q3 2025, so the impact of the uncertainty being caused by this issue is both immediate and of a significant scale.

This is only a small sample of our members who we approached for information, so the scale of the impact is likely to be considerably greater than the figures quoted. We know from our regular interactions, that a majority of our members, and those of the HBF, are similarly impacted by this issue.

The LPDF and its members consider that a small amendment to paragraph 181 of the NPPF would be the most effective and easy to implement change which the Government could make in the short term. This amendment would clarify the situation, and would give confidence to those currently delaying the submission of applications, allowing them to accelerate their submission leading to an increase in the delivery of new homes to meet the Government's stated ambitions.

Conclusions

The LPDF welcomes this call for evidence regarding the role of the private sector in nature recovery. We would like to emphasise the relative role that other sectors (outside of the development and housing industry) play in diminishing nature and subsequently the role that those other sectors should also play in restoring nature. In this regard the LPDF believe that DEFRA should be doing more to incentivise and demand change to agricultural practices that have impacted upon nature.

The LPDF reiterate support for the principle behind the Nature Restoration Fund. However, at present, the precautionary principle dictates that nature restoration measures must be operative before, for example new homes can be occupied. We believe that with restoration at scale, as proposed through the Nature Restoration Fund, that this has to mean revisiting this principle.

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