

14th October 2024

Response submitted via the online form

Dear Sir/Madam,

Re: The House of Lords Built Environment Committee – Grey Belt Inquiry

Introduction

I am writing on behalf of the Land, Planning and Development Federation (LPDF) in response to the current call for evidence regarding the grey belt. This response provides a brief introduction to the LPDF and what we do, and then moves on to answer the questions set out by this inquiry.

The LPDF welcome this inquiry, recognising the important role that the grey belt has to play in the delivery of much needed housing and commercial development and consequently the need to ensure that grey belt policy is as effective as possible.

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.

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

1. *What is your assessment of the Government's definition of "Grey Belt"?*

As outlined in our response to the recent NPPF consultation, the LPDF welcomes the concept of the grey belt as it demonstrates a recognition that not all land which is currently designated as Green Belt significantly contributes to the purposes of the Green Belt as set out in paragraph 140.

However, in order for this concept to be effective, and for it to make a meaningful contribution to achieving the government's ambition to increase economic growth and deliver new homes, there needs to be some minor changes made to the wording to widen the definition slightly so as to ensure that the operation of policies which marshal the release of grey belt land, are clear and effective and to ensure that it is clear to decision takers, how these policies should be implemented.

At present, the definition of grey belt includes PDL and parcels of land which make a limited contribution to the five Green Belt purposes. However, it is considered that this definition should be widened to take account of land which is fully enclosed by existing built development and or infrastructure, so as to make it clear that land which falls into this category should be considered as grey belt. This would remove the need for LPAs to have to determine if such land makes a limited contribution to the five purposes of the Green Belt through their Green Belt Studies and would increase the number of sustainable sites which could be brought forward with little impact on the integrity of the Green Belt as a whole.

In addition, the proposed definition suggests that grey belt land should not strongly perform against any of the five Green Belt purposes. This requirement seems likely to give rise to dispute. It is possible, for example, that any greenfield site that is designated as Green Belt, no matter how poor quality, could be claimed to strongly protect the countryside from encroachment, excluding it from the grey belt category. That doesn't appear to be the intention of the policy change. Instead, we would suggest that the definition is amended to state that grey belt sites are those which do not strongly perform

against the green belt purposes assessed as a whole. Further sub criteria could then be used to make explicit reference to specific purposes where they are especially important to the definition - such as the merging of settlements and protecting the setting of historic towns.

a. What is your understanding of what makes a “limited contribution” to achieving the purposes of the Green Belt?

The term “limited contribution” is highly subjective and therefore can result in different interpretations and different results. For this reason, we recommended that the grey belt definition should be widened to take account of land which is fully enclosed by existing built development and/or infrastructure, so as to make it clear that land which falls into this category should be considered as grey belt. This would provide further clarity and reduce the likelihood of differing interpretations with regards to whether land makes a “limited contribution” or not. As outlined above, we would also recommend that the definition is amended to state that grey belt sites are those which do not strongly perform against the Green Belt purposes when assessed as a whole. Clear guidance is needed from Government alongside the NPPF on the definition of the grey belt.

In addition to this, as set out in our NPPF consultation response, it is considered that the five purposes of the Green Belt which are set out in paragraph 140 are no longer fit for purpose and should be reviewed by the Government as soon as possible to ensure that they fit with their current thinking on how Green Belt policy should be implemented.

2. Do you think the Government’s Grey Belt proposals will contribute to delivering new homes across the country and, if so, how quickly?

Yes, the LPDF believe that with some minor changes, as set out above and within our response to the NPPF consultation, that the government’s grey belt proposals will play a role in the delivery of new homes across the country. However, a significant concern we raised in our NPPF submission, and below in response to question 7, is the proposed 50% affordable housing requirement for grey belt sites and how, due to viability issues, it may significantly restrict the delivery of grey belt sites, particularly in the north and midlands where land values are considerably lower than in the south.

With regards to how quickly grey belt development will deliver housing, whilst things are moving in the right direction, the speed of delivery will be highly dependent upon how local planning authorities respond to grey belt policy and how they apply this through the decision making process. Amendments to the definition, as outlined above, would provide further clarity and thus potentially speed up the delivery of new homes.

Whilst the intent of these policy proposals may be to speed up the delivery of land in the grey belt, it is still likely (especially in the early days of this policy) that a significant number of these sites will end up at appeal, so delivery might not be as quick as is hoped.

a. How many new homes could be built on Grey Belt land?

In response to this question, we refer to research undertaken by Land Tech (who we understand are submitting their own response to this call for evidence) which highlights the potential total area of grey belt land across the country, along with the potential number of sites and also the potential number of homes which could be delivered as a result, when certain assumptions are applied. This has been split out by region and is shown in the Table 1 below.

Region Name	Grey Belt (ha)	Number of sites	Dwellings at 30 dph	Dwellings at 50 dph
North West	26,706	6,363	480,708	801,180
West Midlands	23,492	4,841	422,856	704,760
Yorkshire and the Humber	18,936	3,547	340,848	568,080
Eastern	17,636	3,596	317,448	529,080
South East	17,445	5,416	314,010	523,350
London	9,179	2,294	165,222	275,370
East Midlands	8,900	1,598	160,200	267,000
North East	8,388	907	150,984	251,640
South West	4,666	1,444	83,988	139,980

Table 1. Grey Belt by region. Source: Land Tech

It should however be noted that this is a data led approach to the quantification of potential grey belt land, so it is likely that this is the very top end of the scale and what is actually brought forward and delivered on grey belt sites will be much lower.

b. Will the creation of a new Grey Belt category be a better way to deliver new homes in the Green Belt than the existing processes for redesignating Green Belt land?

Without the proposed grey belt policy land within the Green Belt would otherwise have to be brought forward for development through the local plan process, or via a Very Special Circumstances (VSC) route. These are both lengthy, time consuming processes, which can be subject to various delays along the way and are extremely risky for investors in the sector. Therefore, in terms of increasing delivery in the short to medium term, this should potentially provide a quicker route to bringing sites forward and therefore should be seen as a positive approach to increase housing delivery. However, it is important that the definition is widened and the policy clarified to reduce the likelihood of significant delays through the appeals process and ongoing litigation.

Whilst the LPDF believe that the creation of a new grey belt category will assist in the delivery of new homes, it is still critical that comprehensive Green Belt reviews are undertaken at the local plan stage, and we would recommend that a standardised approach for this should be provided through the PPG. As outlined in our response to the NPPF consultation we also consider that further clarity is needed regarding what can constitute VSC.

3. Do the current proposals for identifying Grey Belt land provide local planning authorities with sufficient scope to meet their housing targets and the needs of local communities?

Grey belt development will provide a component of supply for local planning authorities however, on its own, it is not the only solution to meeting housing need in full. The LPDF consider the grey belt

proposals to be a step in right direction, but that this does not negate the need for full scale strategic reviews of the Green Belt across the country through the plan making process.

In order to meet housing targets and the needs of local communities, local planning authorities will need to be delivering a wide range of sites, in terms of scale and type, in a range of locations across their area. Whilst grey belt land will be an important component for some locations, for others it will have limited or no impact.

a. Are there any strategic considerations concerning the designation and development of Grey Belt land that may require an unusual degree of collaboration between neighbouring local authorities and, if so, what are they and how is that collaboration to be achieved?

The LPDF have no comments to make in response to this question.

4. Do you think the proposed sequential test for allocating land in the Green Belt for development will provide sufficient protection for “high quality” Green Belt land whilst still ensuring sufficient land is released for new housing?

The LPDF would urge the committee away from referring to “high quality” Green Belt land as this creates the risk that local planning authorities will start to identify areas they consider to be of “high quality” to enhance the degree of protection for these areas. This should not be the case as areas of importance are already afforded additional protection through the application of footnote 7 of the NPPF.

As noted above, the LPDF consider that the grey belt definition should be widened slightly to take account of land which is fully enclosed by existing built development and or infrastructure, so as to make it clear that land which falls into this category should be considered as grey belt. This would remove the need for LPAs to have to determine if such land makes a limited contribution to the five purposes of the Green Belt through their Green Belt Studies and would increase the number of sustainable sites which could be brought forward with little impact on the integrity of the Green Belt as a whole.

a. The current NPPF designates specific categories of land as “areas of particular importance” which cannot be developed and would be excluded from being considered Grey Belt land. Should the Government review which areas receive this designation?[1]

It must not be lost that areas which are covered by national designations such as National Landscapes, still need to plan for growth which is proportionate to their area. Local populations in these areas still need access to local employment and housing, especially affordable housing, as these areas tend to be impacted by high levels of unaffordability. This could be addressed by redefining the definition of major development in such areas in the guidance given in the PPG, to assist decision makers when considering proposals under paragraph 183 of the Framework.

The LPDF note the inclusion of “areas at risk of flooding or coastal change” within footnote 7 of the NPPF. This should be reviewed as it has the potential to limit development on sites which may have

some or limited flood risk that can easily be accommodated through the masterplanning process or appropriate drainage. As it currently reads it could mean that grey belt policy does not apply to any site with any level of flooding no matter how minor.

5. What infrastructure and local amenities are necessary to ensure that a Grey Belt housing development is a good place to live?

Ensuring that a grey belt housing development is a good place to live is no different than any other type of housing development. These sites will need to be well planned and well balanced ensuring access to a range of local services and facilities in a sustainable manner. These considerations will be factored into the decision making process and the sites assessed on their own merits to ensure the delivery of sustainable development. The LPDF would recommend avoiding strict plan style requirements on transport proximity and rather indicate that this should be taken into consideration in the decision making process.

The application of the presumption relates to sustainable development, therefore the Land Tech figures included within Table 1 above, outlining the total amount of grey belt land will be at the top end of the scale. Many of these sites may not be sustainable locations in relation to transport, services and infrastructure provision and therefore will not be successfully brought forward for development.

a. Should the identification of Grey Belt land be influenced by the proximity of public transport amenities or other services, or is this better handled through individual planning applications?

The LPDF believe that grey belt planning applications should not be handled any differently, and that any housing scheme is assessed on the basis of its merits to ensure the delivery of sustainable development.

b. How can identified Grey Belt sites be connected with social infrastructure such as schools and health facilities?

Please see our response to question 5 above. Grey belt sites will need to be able to demonstrate they will deliver sustainable development, this should factor in the need for local infrastructure and facilities such as schools, transport and health facilities.

6. The Government has pointed to disused petrol stations and car parks as instances of Grey Belt land. Are any additional special measures needed to support the potential decontamination of Grey Belt land, beyond those that are currently available?

The LPDF have no comments to make in response to this question.

7. The government has proposed a 50 per cent affordable housing target on Grey Belt sites. Is the current approach to viability assessments and s106 agreements able to deliver this?

In our response to the recent NPPF consultation, the LPDF strongly opposed the 50% affordable housing target on grey belt sites. It is understandable that the government want to see an increase in the level of affordable housing provision as a result of the release of land from the Green Belt, but the

generalised approach which is promulgated under paragraph 155 does not recognise how the value of land differs across the country and, as a result of varying site conditions. It also fundamentally fails to acknowledge that a majority of land that is sustainably located in relation to existing settlements, even in the Green Belt, is currently under contract of varying lengths and therefore subject to conditions which are unlikely to include the provision of 50% affordable housing.

If the government is to stay with the requirement for 50% affordable housing provision within paragraph 155, then it is likely to render a large number of sites, particularly in the Midlands and North of the country, where land values are significantly lower than those found in a majority of the south, unviable and therefore these sites will not be brought forward for development as a result. This will impact considerably on the government's ability to reach its key objectives and it will cause major disruption and delay within the planning system as sites, which are already in the system or close to being submitted, are reassessed to consider whether they remain viable.

In our response to the NPPF consultation, we suggested an alternative approach which whilst still achieving their key aim of delivering a greater percentage of affordable housing on schemes which involve the release of land from the Green Belt would avoid some of the issues outlined above. Our recommendation was to have a policy setting a target for affordable housing provision of at least 10% above the most up-to-date development plan affordable housing requirement. This would achieve the government's aim of getting a boost in affordable housing delivery above the development plan requirement, whilst making sites in the lower value areas of the country more likely to remain viable as they leap from the current plan requirement for affordable housing, to the new requirement set under paragraph 155.

Given the likely remediation costs associated with many grey belt sites, the proposed 50% affordable housing target will not be viable in the vast majority of cases. If the government are wanting to prioritise the delivery of housing on grey belt land, then we believe it will be necessary to amend the proposed approach to affordable housing requirements for these type of sites.

Research undertaken by Lichfields (Appendix 1) on behalf of the LPDF and HBF has evidenced that it is unlikely that 50% affordable housing will be viable in a majority of LPAs who are impacted by Green Belt designations under the proposed approach to viability. Therefore, setting a flat national target at 50% is likely to mean that viability testing is required on the majority of Green Belt and grey belt sites that might come forward, adding cost and uncertainty, especially for any applications or allocations that were made under existing NPPF policy.

It is also worth noting that there isn't currently a market for buying s.106 affordable housing to this quantum. 50% affordable housing, particularly on larger sites, will potentially swamp the market with affordable and end up stifling delivery.

8. In order to facilitate Grey Belt development, what flexibility in the process could be introduced without compromising the Government's overall housebuilding objectives?

As noted above, and within our response to the NPPF consultation, the LPDF are generally supportive of the grey belt concept. However, for this to achieve increased commercial development and housing delivery, the policy approach needs to relate to a greater number of sites, and as such, we have recommended that the definition of grey belt needs to be revised and widened. It will also be important for further guidance to be provided through the PPG to give effect to the definition as set out in the NPPF.

Conclusions

The LPDF welcome the opportunity to provide evidence as part of this inquiry and support the committee in seeking to establish a better understanding of what the grey belt is and what it could contribute to housing targets. Whilst the grey belt is only part of the picture in terms of increasing housing delivery, it does still have a vital role to play and therefore it is important that its potential is reached and that an effective policy approach is introduced.

As currently proposed, whilst being a step in the right direction, the LPDF do not believe that the grey belt definition and policy is quite right. Amendments are necessary, as set out within this response and our NPPF consultation response, to ensure that the operation of policies which marshal the release of grey belt land are clear and effective and to ensure that it is clear to decision takers, how these policies should be implemented. Amendments are also necessary to increase the number of sustainable sites which could be brought forward as grey belt sites, with little impact on the integrity of the Green Belt as a whole.

Notwithstanding the above support for the concept of the grey belt, it remains of fundamental importance that a full scale strategic review of the Green Belt across the country is undertaken and also that consideration should be given to reviewing the 5 purposes of the Green Belt as these may no longer be fit for purpose or align with current thinking on how Green Belt policy should be implemented. The LPDF believe that standardising the review methodology for the Green Belt would be beneficial so that there is clarity over the approach to use and consistency across the country.

We hope that this response to the call for evidence is helpful and if you wish to discuss these matters in any further detail, the LPDF would be only happy to assist.

Yours faithfully,



Nicole Burnett

LPDF Senior Policy and Research Manager