LPDF

Creating Places ■ Delivering Communities

Housebuilding market study

Planning working paper

CMA

November 2023

Introduction

Please find below the response of the Land, Planning and Development Federation (LPDF) to the Competition and Markets Authority (CMA) working paper on 'Planning' published in November 2023.

About the LPDF

The LPDF was set up in April 2018 and 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; and
- Promoting diversity and inclusivity within the sector.

Context

The LPDF welcome the CMA's recognition that the planning system has had a large part to play in shaping the house building sector as it is today, and in dictating the behaviours of the organisations who interact with the system. We responded to your Statement of Scope back in March 2023 and set out quite clearly, that we believe the planning system to be fundamental in shaping the current housebuilding sector and having a detailed knowledge of this system, will help the CMA to understand how the market is structured, the relationships between the participants, and the way in which the industry operates.

We concur that the concerns raised by the respondents to the Statement of Scope including the complexity of the system, resourcing of the system, constant change within the system, a bias towards large sites and difficulties and delays in securing S106 Agreements, have all contributed to the failure of the country to meet its housing targets and to the ever growing housing crisis. If these issues are not addressed at a national level, the housing crisis will continue to worsen, many more people won't be able to own a home of their own and the government's ambition for 300,000 new homes a year will never be realised.

The planning system has become increasingly complex over the years with planners having to consider and balance a wide spectrum of issues across the economic, environmental, social and political agendas, often with competing and conflicting objectives and limited resources. Government guidance and advice from different departments is often contradictory, and responses which planners receive from statutory consultees and the public can pull them in different directions. This increasing complexity has led to the level of information that is required to support a planning application, even in Outline, to be complex, unwieldy and increasingly costly. This results in significant barriers to entry for organisations, especially for SME housebuilders, with the larger housebuilders still impacted but more able to navigate the system due to their greater financial resources and in-house expertise. The LPDF were pleased to see that the research that we commissioned with Lichfield 'Small Builders, Big Burdens'[1] was referenced by the CMA as clear evidence of the increased complexity and cost of the planning system over the last 40 years. Work was also undertaken by the Housing Forum looking at planning validation requirements and how the significant growth in the breadth of planning policy coverage over the last decade or so, has resulted in the need for a significant body of evidence to be submitted as part of major planning applications (residential schemes of 10+ homes) in particular[2].

The CMA are correct to highlight that the planning system is constantly in a state of flux. When the system is stable, housing delivery increases as organisations in both the public and private sectors understand the requirements and can predict, with greater accuracy, the outcome of the process. This can be seen from the introduction of the National Planning Policy Framework (NPPF) in 2012 until 2017 when the Housing White Paper was published. During this period, Local Planning Authorities (LPAs) made significant progress putting in place up-to-date local plans and housing delivery increased as a consequence. Since 2017, the government has published various consultation documents setting out potential ways in which the planning system could be overhauled including the 2017 Housing White Paper, the 2020 Planning White Paper, the Levelling Up and Regeneration Act (LURA), changes to the National Planning Policy Framework (NPPF), Community Infrastructure Levy (CIL),

[1] Small Builders, Big Burdens : How changes in planning have impacted on SME housebuilders : Lichfields, LPDF, United Trust Bank

[2] Planning validation requirements: Moving to a planning statement approach instead of checklists : The Housing Forum

Environmental Outcome Reports (EOR), National Significant Infrastructure Projects (NSIP), the Future of Local Plans, the Future Homes Standard and Building Safety regulations as well as others. The outcome of all of these consultations, with the exception of LURA, is still unknown and this has led to a significant policy vacuum, inertia in the planning system, a catastrophic collapse of local plan preparation as shown by Lichfield's research on the future of local plans[3], and decreasing housing delivery. If there is one fundamental ask of the government from the sector, it is for stability in the planning system going forwards.

The concerns expressed above have significant consequences for the planning system and the housebuilding sector which depends on it. Organisations, even the large housebuilders, are increasingly unable to predict the outcome of the process, costs and delays associated with the preparation and determination of planning applications has spiralled, and the barriers to entry for all housebuilders, but particularly SMEs, have increased to a level where they are forced out of the market. This has to change if we are to truly address the housing crisis.

Having set out some of the context above, we will go on to cover some of our main concerns in response to the questions which the CMA have set out in the Working Paper (WP). However, there is one comment which needs to be made strongly and which will affect any recommendation made by the CMA. If the planning system is not properly resourced and implemented, any suggested improvements will have little impact on the outcome. LPAs are significantly under-resourced in terms of both funding from central government and staffing and if this is not addressed, the system will always struggle and improvement is unlikely to have anything but a limited positive impact.

Turley assisted the LPDF with the response to **Questions 4.3 and 5.1** on housing requirements and we have attached their briefing note on the issue as Appendix 3.

Question 4.1

1. Do you agree that planning risk is a key issue for the planning system?

Yes - The plan led approach, which is the cornerstone of the planning system in England, is broken. The LPDF fully supports the plan led approach, but only if local plans are prepared and kept under review by **all** LPAs so that we have countrywide plan coverage that is up-to-date (i.e. less than 5 years old).

Local plans are there to identify local needs and to guide and manage development in an LPA's area. They are important documents for local communities as they set out the future development framework for their area. It is therefore of critical importance to the planning system, LPAs, the development industry and local communities, that the local plan system is fit for purpose, easy to navigate, up-to-date and delivers the economic and housing growth that this country needs. As it stands today, it doesn't. Out-of-date local plans cause uncertainty for councils, communities and developers while threatening to overwhelm already struggling LPAs with unnecessary workloads caused by a lack of strategic direction. The lack of up-to-date local plans is one of the fundamental reasons why risk is a key factor in the current planning system. In order to have consistency of decision making and a level of predictability in the outcome, there must be a foundation of countrywide coverage of up-to-date local plans.

[3] Timed Out : A projection of future local plan coverage in 2025 under prevailing policy conditions : Lichfields, LPDF

As the CMA are aware, Lichfields found that currently 67% of local plans are out-of-date (over five years old) and this will have risen to over 75% by the end 2025 if current policy conditions continue. In addition, 38% of LPAs will have a local plan that is more than 10 years old by the end of 2025, with nearly two-thirds of the annual national housing need being located in local areas where plans were adopted over 7 years ago[4].

These findings are a clear indication that the current local plan system is no longer fit for purpose and therefore, proposals for reform are long overdue. It must be recognised that to fix the local plan system, and to turn around the decline of up-to-date local plans will take time, strong political leadership at both a national and local level, and proper resourcing of LPAs to ensure that any new system can be implemented effectively.

2. Do you agree with our analysis of the causes of the uncertainty in the planning system and how they contribute to under delivery of housing?

Yes - The causes of uncertainty are multitudinous but can mainly be categorised into two areas; policy and political. We have set out above why any functional planning system must be predicated on up-to-date and consistent policy at both a national and local level. Inertia, continuous revision or a lack of clear policy can only lead to uncertain outcomes, frustration with the system, conflicting objectives and a lack of faith in the ability of the system to deliver.

As we have set out, the government's recent inability to establish an improved planning system has led to local plans being delayed, paused or withdrawn. Many local plans which are currently in place are more than 5 years old, contain out-of-date policies and have allocations for housing, commercial and other uses which have already been delivered. The only options left available for further growth in these areas to meet housing and employment needs is on sites outside of the local plan. The predictability of outcomes on such sites is inevitably more uncertain as they do not accord with an adopted plan and therefore, risk is significantly increased. The only way to address this is to have a consistent and clear national approach to planning policy which is reflected in up-to-date local plans at a local level, which are reviewed regularly, and which are implemented consistently through the LPAs decision making process.

It is accurate to state that development, particularly residential development, has become increasingly political with councillors having to balance competing agendas in their local areas (development vs environmental protection for example) and local communities have become ever more vocal in their opposition to new development. Whilst the public often accepts the need for more homes, localised and often very vocal opposition stimies it. Without clear national policy and an up-to-date local plan, councillors have less justification for approving new development schemes and local decisions, as a result, have become more unpredictable and risky. Local plans are therefore the right place to consider the needs of an area as a whole, to judge the best sites to deliver those needs and to ensure that balanced decisions are made in broader public interest

The only way to address this is for all LPAs to have an up-to-date local plan in place which reflects the development needs of the area and sets out clearly to developers and local communities, what development will take place in an area and where. Whilst this will not guarantee the outcome of any particular planning application, it will increase the certainty and predictability of the outcome considerably.

[4] Timed Out : A projection of future local plan coverage in 2025 under prevailing policy conditions : Lichfields, LPDF

In addition, the CMA state in paragraph 4.174 of the WP, that because of the proposed NPPF reforms, there is a risk that the changes may result in fewer planning permissions and fewer homes being built. The LPDF agree, however, we would go further to suggest that there is now very clear evidence that the new NPPF will, and indeed is, resulting in fewer planning permissions being granted as shown by the Lichfield's report 'Making a bad situation worse'[5]. The recent DLUHC statistics on housing starts on site, housing completions and the number of new planning permissions for residential development being granted are also clear evidence of the impact these proposed changes are having.

3. Are there any other factors that we should consider?

Yes – In terms of the risk factors, the CMA have set out the majority of those which are the most pertinent in their WP. However, the LPDF consider there to be two other issues which increase the risk faced by developers when navigating the planning system.

Public attitudes towards development is often negative, especially from the vocal NIMBY minority in a community. This is fuelled by a lack of understanding of the need for development, a fear of change within their local community, and the use of social media and other journalistic mediums to spread mis-information. Whilst this issue cannot be addressed fully, strong leadership at both a national level and local level, communicating clearly and simply the need for development in an area and the benefits that come from that development, helps to inform the public of why certain decisions are taken. This improvement in communication may not irradicate risk, but it would certainly lessen the risk involved.

On a similar theme, it is important that councillors who sit on planning committees understand the planning system, keep up-to-date on the latest policy developments, and take decisions in line with both national guidance and the policies in their local plan. This takes strong leadership locally and a clear narrative about the social and economic benefits of new homes, but there is also a need for a commitment to regular councillor training to ensure that the decisions that are taken are robust, justified, consistent and in the public interest. This would reduce the risk associated with navigating the planning system considerably.

4. Do you consider there to be any significant difference in the level of planning uncertainty between England, Scotland and Wales?

Yes – In 2018, the Welsh Government disapplied paragraph 6.2 of the Technical Advice Note 1 (TAN1) which gives considerable weight to the supply of new housing when dealing with planning applications in areas with a housing land supply of less than 5 years; the so called 'tilted balance'. This disapplication means, that the Welsh planning system is currently wholly reliant on the plan led approach to deliver new residential development. As the plan led system in Wales is currently suffering from significant delays and very few local authorities have up-to-date local plans in place, the supply of new housing to meet identified needs is falling significantly short of identified targets and most local authorities cannot currently demonstrate a five year housing land supply. This situation is of real concern, and needs to be addressed quickly.

[5] Making a bad situation worse : The impact on housing supply of proposed changes to the NPPF : Lichfields, LPDF, HBF

Question 4.2

1. Do you agree that the current level of planning, policy and regulatory costs could threaten the viability of development at some sites? To what extent do you think that this is currently happening? Are some sites and areas more at risk than others?

Yes – Planning, Policy and regulatory costs have all risen considerably in recent years and as a result, they have become a significant barrier to entry into the housebuilding market, particularly for SME housebuilders.

The Lichfield's research, undertaken on behalf of the LPDF and referenced by the CMA, shows the extent to which this increase in costs has occurred and how this impacts on SME builders[6]. The need for specialist consultant input to many of the supporting documents which LPAs require for planning applications means that the cost of preparing of a planning application, almost regardless of the size of the scheme, is frequently prohibitive.

Whilst many larger builders are more easily able to absorb these costs, or lessen them using in-house expertise or economies of scale when procuring consultant services, many SMEs struggle to do the same. The resulting effect is that the costs involved with making a planning application impact to a greater extent on SME builders. When this is combined with the risks associated with making a planning application, the impact on SME builders is even greater and given that many SME builders deliver smaller scale sites, often in urban areas where land values are lower and costs of delivery are higher, this can make such sites unviable.

Finally, even large scale brownfield regeneration sites in urban areas may be rendered unviable by increasing costs associated with making planning applications. Such sites are frequently at the margins of viability to begin with and any increase in cost can tip them into being unviable. This can lead to the need to negotiate over the planning benefits which may be delivered by such schemes with affordable housing provision often being reduced as a result.

2. Do you agree with our analysis that shows the length and complexity of the planning system may contribute to the under delivery of housing?

Yes – As the CMA have correctly established, the length of the planning application process has grown almost exponentially over recent years with larger applications now taking well over a year from submission to determination. This has a significant impact on the delivery of housing as delays in the process cause inevitable delays in delivery. If you couple these delays with the increasing uncertainty over the outcome of the process, this leads to larger housebuilders having to have a larger pool of sites in their pipeline to ensure continuous delivery whereas for smaller SME builders, the length of delay may mean the difference between the businesses surviving or folding.

These delays occur at every stage of the planning process whether that be outline stage, detailed stage, or discharge of conditions stage. All of these lead to significant delays in housing delivery contributing to the current under supply situation.

[6] Small Builders, Big Burdens : How changes in planning have impacted on SME housebuilders : Lichfields, LPDF, United Trust Bank

3. Do you agree that we have identified the key causes of delays in the planning system? Are there any other factors that we should consider?

Yes - However, we consider that alongside the 5 sources of delays in the planning system listed in para 4.113 of the WP, there are a number of additional causes of significant delays in the process.

The LPDF agree that LPAs face increasing pressures on both budgetary and staffing resources which are the cause of many of the delays faced when interacting with the planning system. These resource issues lead to delays in validating perfectly acceptable planning applications, even before a planning officer begins the process of determining the application. This can lead to months of delay which is not accounted for in the figures when calculating average determination periods for such applications. Resource issues are also the cause of delays in the receipt of many statutory consultee responses as organisations other than the LPAs, also suffer with similar resource and staffing constraints. These constraints also make the process of negotiation between the applicant and LPA throughout the processing of the application even more difficult, as officers become harder to contact and take longer to respond to queries, the submission of new information, or simply to inform the applicant as to how the application is progressing.

These issues continue to cause problems post the approval of an application with severe delays often caused through the negotiation period for S106 agreements because of a lack of legal resources within LPAs (Appendix 1), and through the discharge of pre-commencement planning conditions process. These latter two issues are the cause of severe post approval delays which mean that delivery on newly approved applications can appear slow through no fault of the developer. This is an issue that is frequently overlooked when considering the issue of so called 'land banking'.

4. Do you consider there to be any significant difference between England, Scotland and Wales in: i) the extent to which planning policies and costs threaten the viability at some sites; and ii) the causes and extent of planning delays and their impact on delivery of housing?

Yes – Whilst we have limited expertise in both Wales and Scotland on this issue, viability has a disproportionate impact in lower value areas such as in Scotland and Wales, and on more marginal brownfield sites. This means that the impact of escalating and prohibitive costs associated with planning applications in these areas is more prominent.

Question 4.3

1. Do you agree with our analysis that in some cases local targets may not accurately reflect underlying housing need and the reasons for this? What impact do you consider this has on housing delivery?

Yes - We set out further detail within our response to **Question 5.1**, with specific reference to the standard method in England, but we agree that the analysis presented in the paper shows instances where local targets are not reflective of underlying housing need.

As we set out in our response to **Question 5.1**, a key factor in the disparity between targets and need is the integration of backward-looking household projections[7]. Where these are trend-based they

[7] The household projections are prepared by the ONS and are not intended to be a projection of future housing needs. The ONS has increasingly made this clear in response to criticism of their use for this purpose, explicitly stating in its latest release that '*household projections are not a prediction or forecast of how many houses should be built in the future*'

project forward historic patterns of household formation. These are themselves constrained by actual housing provision as households are unable to form if insufficient housing is available to, for example, enable younger people to form separate households. It is widely accepted that the projections neither reflect market demand nor indeed, the critical objectives of addressing historic economic imbalances across the country. The result is a picture of need which is disproportionately oriented to southern parts of England where housing provision and economic growth have historically been higher. Setting targets below market demand in the North and Midlands has arguably had the unintended consequence of constraining the level of delivery which could have been achieved.

The CMA's analysis correctly diagnoses that consideration of land availability, including 'footnote 7 land', in the examination and setting of a housing target also contributes to targets falling short of need at a local and consequently national level. A key reason for this is the lack of an enforceable mechanism for redistributing needs within functional market geographies. This results in market demand not being satisfied, contributing towards the creation of housing market crises including worsening affordability.

2. Do you agree that in some case the planning system lacks internal consistency within its objectives, meaning that LPAs may be insufficiently focused on meeting housing need?

Yes – LPAs have a wide agenda to consider from wider environmental considerations such as tackling climate change, to infrastructure delivery, economic growth, meeting housing needs, social wellbeing, protecting heritage assets and of course, the elected members' political considerations. Often, these wide and disparate considerations are in conflict with each other and it is the role of the LPA to balance these conflicting agendas to reach a justified approach to development in their area. This process is usually done through the local plan making process, but as the CMA have rightly identified, the local plan process is failing with only 33% of LPAs currently having an adopted up-to-date plan in place[8].

Often, these conflicting objectives cannot be delivered alongside each other and difficult decisions need to be made as to the priority that the LPA places on these objectives. Again, the right place to make these decisions is through the local plan preparation process where the decisions can be based on the detailed evidence available and can be justified and scrutinised through public consultation and the independent examination process.

However, with there being a lack of incentives for fully meeting housing need within an LPA area, and no real sanction for not preparing a local plan or meeting housing need, then LPAs are insufficiently focussed on achieving this objective. As meeting housing need in full is often a politically sensitive decision, this lack of focus leads to other, more politically palatable objectives of the LPA, gaining greater priority; thus housing needs remain unmet.

3. Are there any other issues relating to targets, incentives of planning constraints that we should consider?

Yes – There are a number of incentives which could be considered to ensure that LPAs focus on getting an up-to-date local plan in place and on delivering housing to meet the identified needs in their area including:

[8] Timed Out: A projection of future local plan coverage in 2025 under prevailing policy conditions : Lichfields, LPDF

- An increase to the New Homes Bonus (NHB) which was introduced in the early 2010's to incentivise the grant of permissions for new residential development, but which has been pared back since then. Given that the current context is now similar to that which was faced in the early 2010's (i.e. reducing housing completions and an economic downturn) but that housing need has significantly worsened, it would make sense to re-inflate the NHB or to re-introduce a Planning Delivery Grant system based on LPAs meeting key performance indicators which are set by government. These could be introduced in a way that isn't prohibitively costly to the Treasury so that the effect on public finances isn't significant;

- Making eligibility for government and other funding streams conditional upon having an up-to-date local plan in place;

- Making it clear in national policy that LPAs will have a reduced level of protection from applications on sites outside of the local plan, where there is no up-to-date local plan in place. This clear statement of national policy could emphasise that any Green Belt designation does not apply with full weight, where there isn't an up-to-date local plan in place;

- Awarding costs to any appellant by default where a refusal of an application is subsequently granted at appeal, unless the LPA can prove its refusal reasons were legitimate and grounded in clear and robust evidence; and

- Removing Green Belt from the list of policies contained in footnote 7 of the NPPF.

<u>4. Do you consider there to be any significant differences between England, Scotland and Wales in either how targets are set, the balance of incentives faced by LPAs and the extent of local planning constraints? If so, how do you think they impact housing delivery?</u>

The LPDF have no comments to make on this question.

Question 4.4

<u>1. Do you agree with our analysis of how the planning system may be having a disproportionate impact on SME housebuilders?</u>

Yes – The CMA has correctly identified that the contribution that SME house builders have made to the delivery of new homes has dramatically decreased over the last three decades and that without reversing this trend, the country will not meet the government's ambition for 300,000 new homes per year. Anecdotally, this issue is worsening under the current economic and policy climate, with high interest rates impacting financial borrowing, and policy uncertainty and the lack of local plan preparation impacting land supply and certainty in the planning system.

By their nature, SMEs are less resilient to changes in economic conditions as they have limited financial flexibility and they are usually focussed on a small number of sites. If these sites stall because of a lack of progress on a local plan, or delays occur in the planning process caused by a lack of LPA resources, unforeseen issues such as nutrient (or the other) neutralities, or inconsistent political decision taking, these can have a drastic impact on the financial position of an SME. If these circumstances do occur, SMEs lack the ability to redirect their operations towards other more favourable sites in their portfolio and they lack the financial capital to have sites delayed by any significant period, particularly under the current economic circumstances where the cost of debt financing is considerable. This can lead to

SMEs having to make difficult decisions on whether to remain operational or to leave the sector, a situation which is sadly occurring at the present time.

The LPDF's recent research on SMEs which was undertaken by Lichfields and referenced by the CMA, has highlighted some of these issues finding that the planning system has become slower, riskier, more costly and more politicised[9]. Without significant change to the current system, SMEs will simply not be able to survive or grow to increase their contribution to overall housing supply.

2. Do you agree that we have identified the key issues faced by SMEs due to the planning system?

Yes – We consider that the CMA has identified many of the key issues faced by SMEs who interact with the planning system including the cost and complexity of making a planning application regardless of site size, risk, uncertainty and delay in the process which SMEs are less able to mitigate, and the financial implications of delay which impact disproportionately on SMEs.

However, there are a number of other matters which also impact significantly on the SME sector including the lack of local plan preparation, a focus within local plans on larger site sizes, a lack of more permissive policies within local plans for smaller developments, and a focus on the small (sites under 10 dwellings) element of SMEs without due regard to medium sized housebuilders operating on sites of up to 100 dwellings.

The LPDF believes there is a fundamental flaw within the current NPPF. There needs to be a re-definition of what is meant by 'small sites', 'small builders' and 'SMEs'. Small builders and SMEs should not be viewed as one in the same. Small builders, who could be well served by current definitions of a small site in the NPPF, are not medium sized builders which, within the sector, is likely to refer to a privately owned enterprise seeking to grow organically and develop into a housebuilder with a multi-regional operation. As such, they are likely to be delivering anywhere between 50 and 1,000 dwellings per annum.

3. Do you consider than the current planning system is incentivised to deliver housing on larger sites? If so, what are the implications of this for the housing delivery?

Yes – There has been a growing shift of emphasis in adopted local plans in recent years towards larger scale site allocations. This shift has been driven by a number of factors including political motivation, LPA resource management, infrastructure delivery, and the national policy direction.

In term of political motivation, it is less politically sensitive to allocate a small number of large scale sites in a local plan which are focussed in a small number of locations, than allocate a large number of smaller scale sites distributed over a wider variety of locations thus impacting on a greater number of existing residents. It also means that less LPA resources are required to analyse a smaller number of large scale sites and to process the representations that are inevitably generated as a result of those allocations.

There is also a common perception that LPAs need to allocate large scale sites to ensure that they generate sufficient S106 contributions to deliver key infrastructure in the area, but this perception is often misjudged. With an effective Community Infrastructure Levy in place, most developments would

[9] Small Builders, Big Burdens : How changes in planning have impacted on SME housebuilders : Lichfields, LPDF, United Trust Bank

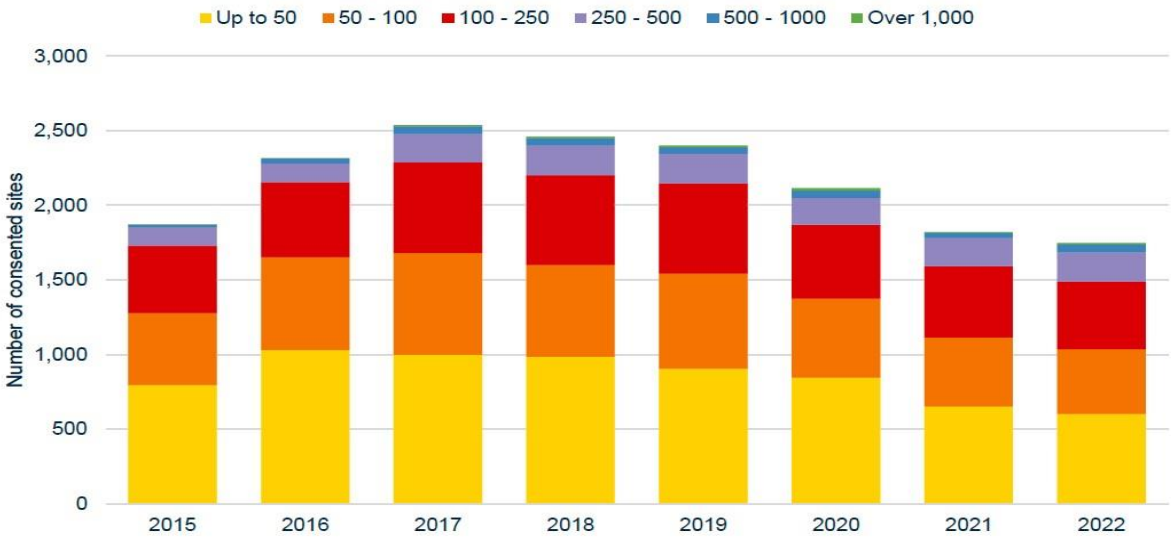
contribute to infrastructure provision, thus overcoming this perceived issue. In addition, there is a need to allocate more sites which are viable and can deliver policy compliant levels of affordable housing of all types and tenures to address the acute need for this provision. However, often large scale sites impair affordable housing delivery due to the cashflow of infrastructure provision.

In early 2022 Savills research[10], in their regular updates on Residential Development Land, highlighted the proportion of sites in the most popular size range (50 to 200 units) gaining consent declined between 2015 and 2020 whilst an increasing proportion of homes were granted consent on large sites of over 500 units over the same period. This trend is likely to be accentuated for those sites of 100 dwellings or less, the core site size for SME housebuilders. The situation has been made even more acute as a consequence of the reductions in the number of new homes overall that are being consented. Savills note that "The shortage of land supply is further challenged by ongoing capacity constraints in the planning system. 94% of SME developers cited delays in securing planning permission as a major barrier to new development according to a HBF, Close Brothers and Travis Perkins survey published in December 2021".

The impact of nutrient neutrality has only made this position worse. Anecdotal evidence suggests that due to the scarcity of implementable planning consents coming to the market at any one time, volume (large) housebuilders have found it necessary to build on sites falling within the 25 – 100 dwelling size range in order to maintain the flow of land for their regional operations. As a consequence, medium sized housebuilders have been priced out of this segment of the market which would be viewed as core to their survival and expansion of their businesses. The situation is no better for Registered Providers in receipt of Affordable Homes Programme funding where they have been competing in a land market driven by scarcity.

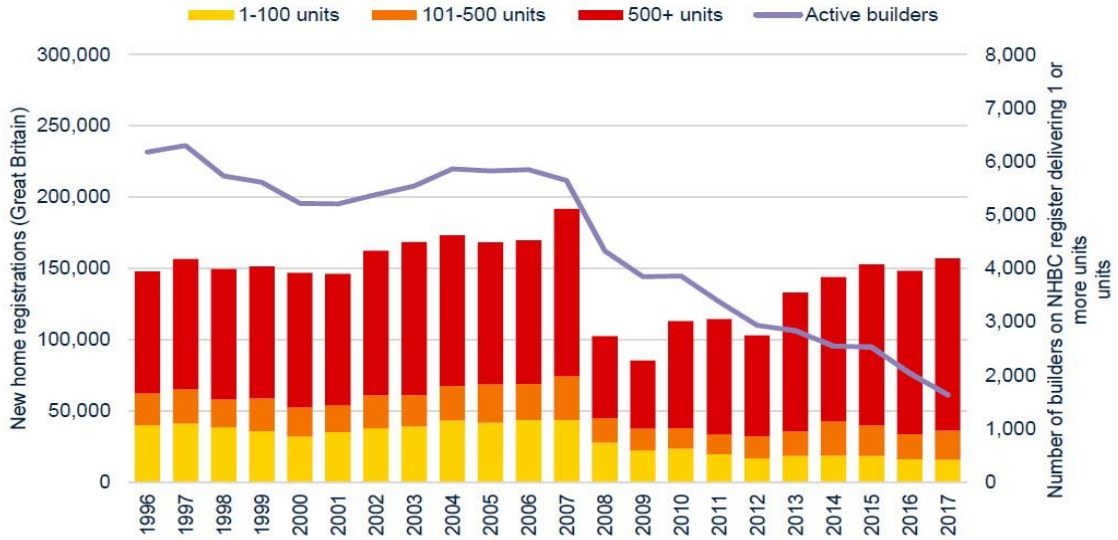
Research undertaken by Savills, published on 1 March 2023, for the LPDF and Richborough Estates, highlights that the number of plots on sites under 100 homes gaining consent in 2022 was at its lowest level for a decade[11]. Indeed, the report goes on to highlight that the fall in the number of sites has been greater than the fall in the number of consented plots over the last 3 years. The number of consented plots was 15% lower in 2022 compared to 2017, while the number of consented sites was 31% lower. The fall in the number of sites with fewer than 100 plots was greater still, 38% down in 2022. The report illustrates the failure of the existing Framework to provide sufficient homes for housebuilders who aspire to grow (see figures 1 and 2).

[10] mim---residential-development-land-q4-2021.pdf (savills.co.uk)
[11] Richborough Estates and LPDF - a new normal for housebuilding.pdf



Source: Savills Research, Glenigan

Figure 1: Number and size of consented sites across England



Source: Savills Research, NHBC

Figure 2: Number of new home registrations across Great Britain by size of housebuilder

This focus on large scale sites has led to a number of unintended consequences in terms of housing delivery which would not occur if a greater number of smaller scale sites were allocated.

Firstly, large scale sites take a considerable length of time to reach the point of delivery because of their scale and complexity which increases the lead in time before units can be completed. This often means that local plans which are overly focussed on large scale sites have lower housing delivery in the early years of the plan period.

Secondly, if a local plan is heavily reliant upon a small number of large-scale sites and one or more of those sites encounters technical issues which delay their delivery, then a significant gap can occur in the delivery of new homes within that LPA as a result of less built-in flexibility to cope with such unforeseen circumstances. Often, the only way to address these issues is through a lengthy review of the local plan or by accommodating new development on sites which are not allocated.

Accordingly, the LPDF believe that an update of the NPPF is required to address the supply of land for SME housebuilders including:

- To add 'medium sized sites' policies to the NPPF, defined as those below an appropriate threshold, say 5 ha or 100 dwellings, whichever is the lower;

- To create a 'permissive' regime for these sites, especially where affordable housing delivery is in line with local policy and includes social rent. Simplifying and strengthening the presumption in favour of sustainable development (Paragraph 11d of the NPPF) by making it clear that it will apply if a local plan is more than 5 years old and the proposal being considered is sustainable;

- To develop 'exception site' policies for sites between 10 and 25 dwellings for self /custom build consents which will support small housebuilder activity, again where affordable housing is delivered in line with local policy;

- To allow sites where Registered Providers are looking to use Affordable Housing Program funding to deliver a 100% scheme to be viewed as 'affordable exception sites' within planning policy; and

- To ensure that local plans deliver a range of sites suitable for housebuilders of all sizes, especially critical if there is to be any form of 'holiday' from applications made on the basis of an absence of 5YHLS in the first years of a local plan as proposed in the recent DLUHC NPPF consultation.

4. Are there any other aspects of the planning system that have an impact on SME housebuilders that we should consider?

Yes – As we have set out above in some detail, urgent changes are needed to the planning system and how it operates if SMEs are to be encouraged and supported to increase housing delivery and to ease their journey through the planning system. A number of these improvements have been detailed in our response to Q4.3 (3) above, but we also set out a number of short-term measure which could be taken to address some of the barriers SMEs face in our 'Turning the Dial' document which we have submitted to government (Appendix 2).

As detailed in our response to **Question 4.4(3)**, research has shown that the number of planning consents for sites below 100 dwellings has fallen by 38% between 2017 and 2022[12]. Many of these sites are traditionally developed by small and medium sized developers seeking to grow their businesses to compete with the volume housebuilders. There should be a renewed focus on sites below 100 dwellings to increase delivery by SME housebuilders, to diversify the market, to increase the speed of delivery, and to ensure a focus on high quality design by:

- amending the definition of small sites to encompass sites of up to 100 dwellings;

- including positive and permissive wording in the PPG to ensure decision makers attach significant weight to the planning benefits of sites for under 100 dwellings in the planning balance;

[12] Richborough Estates and LPDF - a new normal for housebuilding.pdf

- considering freezing (or reducing) planning fees for schemes below 100 dwellings and finding ways to minimise the supporting information requirements for these planning applications; and

- encouraging LPAs to allocate a greater proportion of their housing requirement on small sites of up to 100 dwellings in their local plans.

5. Do you consider there to be any difference between how the planning system impacts SMEs between England, Scotland and Wales?

The LPDF have no comments to make on this question.

Question 5.1

1. Should the UK, Scottish and Welsh governments be considering changes to their various existing methods of assessing housing requirements? If so, should providing certainty, stability and consistency to the housebuilding market feature?

Yes - We are strongly of the view that each of the governments should make changes to the methods of assessing housing requirements to improve certainty, stability and consistency in the housebuilding market. To achieve this objective, changes must ensure that:

- national targets are sufficient to address the full range of housing needs in the country, including to address longstanding under-supply and chronic affordability challenges;

- sub-national mechanisms are in place to ensure that the national target is translated into local targets which cumulatively add up to the national target;

- the arbitrary urban uplift figure which was applied by the government in England is removed from the calculation of housing requirements; and
- the policy landscape within which these targets sit is sufficiently clear and positive towards new housing so that these targets can be achieved.

Within the current systems, national targets are not demonstrated to be sufficient to fully meet housing needs; there is no certainty that local targets will actually add up the stated national target; and other policies often mitigate against the timely delivery of new homes on the ground. These factors act as barriers to entry for new businesses in the market and disincentives for current businesses to invest and grow.

The role of housing targets in the determination of planning applications for new housing make them integral to attracting and maintaining a diverse range of businesses and investment into the sector, which is itself essential in boosting delivery of new homes to the levels sought by relevant governments. Across all three countries, levels of housing provision have continued to fall short of market demand (and the respective targets), manifesting itself in worsening affordability, constrained labour mobility, and significant numbers of households whose housing needs are not being met.

Taking England as an example, the introduction of a standard method for calculating local housing need (in 2018) is widely accepted as representing a progressive step. This is because the system it replaced, in which each LPA was required to assess its own housing need, resulted in inconsistencies of approach and, without a national target, no ability to benchmark the extent to which proposed local targets were proportionate. It also resulted in a significant expenditure of time and resource, serving to delay the plan-making process.

However, from its inception many commentators identified fundamental weaknesses in the standard method that have prevented it from achieving the objective of boosting supply in line with the national target. Identified structural weaknesses in the method include:

- Its reliance on official household projections which are backward rather than forward looking; quickly become out of date; and have a disproportionate impact on the modelling outputs. This was clearly illustrated in the decision taken to retain the 2014-based projections in the method rather than to update to use the subsequent 2016 or 2018-based datasets. As a result, the method continues to come under significant challenge (from those within and outside the industry) for the use of out-of-date data;

- Its use of an affordability ratio which has created some very challenging increases in housing targets at an authority level, especially in London and the South East; while projecting needs well below the actual number of homes being delivered in many parts of the North and Midlands; and

- The reliance on household projections and affordability ratios that fluctuate, creating avoidable uncertainty and unpredictability for those investing in the sector and communities where housing is needed.

As a result of these flaws and the uncertainty they generate, the plan-led system has not provided the certainty investors need. This has constrained the number and variety of housebuilders and increased the already high barriers of entry for potential new entrants. All of this contributes to actual housing delivery in England falling well short of required levels.

In the five years since 2018, completions in England have averaged approximately 236,500[13]. This level of delivery, over the five-year period, is over 315,000 homes (over 21%) short of the government's target for England of 300,000 homes per annum, despite the latter broadly aligning with the outcome of the standard method.

Challenges associated with the standard method have been compounded by the uncertainty caused by recent government proposals to change the NPPF to make calculated housing targets advisory[14]. The HBF have noted that the impact of the uncertainty created by the government's proposals, along with other factors – including a failure to address issues of nutrient neutrality – are apparent in a range of datasets which confirm that rather than increasing towards a national target housing completions are set to suffer a notable reduction[15].

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[13] DLUHC (November 2023) Table 118: annual net additional dwellings and components, England and the regions
[14] DLUHC (December 2022) National Planning Policy Framework: draft text for consultation
[15] HBF Briefing (29 November 2023) Housing delivery levels in England stagnate in 2022-23

For example:

- In the 12 months to September 2023, the number of EPCs lodged for new build dwellings decreased by 4% on the previous year. This follows a 10.7% fall during the first half of the year as compared to the same period in 2022. EPC numbers largely mirror the net additions numbers but are published more regularly, so are more up to date; and

- The HBF's Housing Pipeline Report, an indicator of future supply levels, shows that the number of units granted planning permission in England during the first half of 2023 fell by 17% as compared to the first six months of 2022.

This serves to illustrate the need for reform of the method of calculating housing need in England, with the evidence assembled by the CMA reinforcing that this applies in Scotland and Wales as well. It also clearly demonstrates the importance of the method, and its application in policy, providing certainty, stability and consistency to enable the investment necessary to ensure policy targets are delivered on the ground.

2. Are the criteria we set out in paragraph 5.19 appropriate for determining an improved methodology for target setting?

Yes - We broadly consider that the features listed at paragraph 5.19 of the WP are appropriate for determining an improved methodology for target setting. We set out our thoughts on specific aspects below.

Ease of understanding / using reliable evidence

It is correct to diagnose that the existing methods have drawn most direct challenge due to the underlying data not being readily understood, or being perceived as unreliable or subject to interpretation. In England, the government's introduction of a fourth stage within the method, referenced as the '*urban uplift*', has attracted significant criticism where insufficient justification or clarity was provided to explain its inclusion. To date, none of the plan-making authorities subjected to this uplift have progressed a local plan to adoption or even examination.

Household projections – which are used to some extent in all of the methods across England, Wales and Scotland – are also subject to criticism. This is rooted in a lack of confidence around their robustness and concerns about whether they are reflective of future needs. This is at least partially due to the complexity of their underlying methodology and their reliance on a series of assumptions. The use of data which is readily understandable, publicly available and has a direct relationship to the concept of housing need will be critical in gaining support outside of the technical evidence base.

Regular assessment

It is agreed that a careful balance needs to be struck to ensure that the calculation of need is viewed as sufficiently up-to-date without creating volatility. As noted above for England, the standard method's reliance on household projections was challenged shortly after its introduction when updated data was integrated and brought a statistically significant change, which served to undermine the long-term nature of plan-making.

In this context, it is important that the method is sufficiently stable in its design to reduce the potential for significant variance arising from updates from individual components. In this regard, it would not be considered appropriate, by way of example, to relate an update to national household projections where these are traditionally produced every 2-3 years and are subject to significant methodological variances.

It would be preferable to have a method that can withstand the annual updating of informing assumptions/ datasets, with limited risk of fundamental changes to housing need. This reflects the reality of the market where the need for housing does not significantly vary year-on-year and where there is a recognised need to address a long-standing historic shortfall.

In having such a method, it is also important that the plan-making process is sufficiently flexible to accommodate modest updates to the method outcome. It is noted that in Scotland, the HNDA has been criticised for becoming outdated very quickly, where updates to data inputs are available and present an important consideration in impacting housing needs, with this including economic factors that have been highly volatile in recent years. This presents a challenge where there is a lag between a HNDA being run and its outputs being translated into an LDP.

Unadjusted outputs

It is agreed to be important that a method continues to clearly separate itself out from supply-side factors so that it can be viewed objectively as relating solely to the need side of the planning process. There must though be room for local adjustments to respond to factors that will affect future needs within a locality and could suggest a departure from historic trends. This could include, for example, significant confirmed investment which will serve (or require the attraction of) new labour to an area to sustainably support growth. Examples of significant investment would include Freeports, nationally significant development projects, regeneration-led investment projects and the planned provision of significant amounts of employment land.

Similarly, moderating adjustments could be justifiable where an area has accommodated unusual levels of historic growth aligned, for example, to historic investment which is not anticipated to be sustained.

Where it is proposed that a methodology allows for exceptions in the application of adjustments, it is agreed that as a rule significant adjustments should be kept to a minimum.

Local alignment with national target

It is agreed to be critical that the application of a national target, and derived local targets, should be stated as being mandatory for authorities to use as a minimum starting point. The mandatory designation of local targets which can only be adjusted where there is robust and justifiable evidence is critical in ensuring that a new generation of local plans adds up to and indeed exceeds the national housing target.

The potential to redefine local, to refer to functional groupings of authorities, should be given consideration where the designation of a target to a larger functioning geography (city region / conurbation / combined authority / county) will enable individual authorities to accommodate needs more strategically. It is of note that in this regard, Scottish HNDAs are prepared across housing market

areas, for example the HNDA prepared for South-East Scotland consists of Edinburgh, West Lothian, East Lothian, Midlothian, Fife and Scottish Borders.

3. What is the most appropriate method of forecasting housing need – nationally and locally?

We agree that each of the national governments of England, Scotland and Wales are best placed to determine their own appropriate methodology in the setting of a national target for each. There are significant differences between countries in the nature of housing needs, geographic scale, settlement hierarchy and market demand, making it unlikely that a "one size fits all" method would be optimal. Indeed, it is considered important to gain buy-in from a local level that methods are responsive to specific local housing market issues (noting that optimally this would be at a larger than individual authority level).

Turley has contributed views with regards variations to the current standard method formula in England as part of several consultations on the topic. Details of an alternative approach are included at Appendix 3. This approach would offer longer term transparency and stability of housing targets and in doing so, address some of the aspects of the current standard method which have disincentivised investment and blocked new entrants to the market.

In developing an alternative approach it is considered that for England at least, the current national target of 300,000 homes must be accepted as a minimum level from which a national target is derived, although there is significant evidence that this figure should be significantly greater than 300,000 to catch-up on decades of under delivery[16]. This recognises that there continues to be evidence of a strong need / demand for housing, including:

- A housing market which even in the context of a rapid rise in mortgage rates has not, despite cooling, seen a more fundamental correction to address the consequences of affordability challenges; and

- A growing shortfall in the total number of homes, manifesting in persistent overcrowding and a significant and sustained need for affordable housing across the country.

The method proposed for disaggregating a national target to the local level takes, as its starting point, the existing occupied housing stock of an area and applies a rate by which it should be increased. The rate of increase would be identified to broadly align with an agreed national housing target. The advantage of this method is that it uses a stable and readily understandable metric – occupied housing stock – as the basic input which ensures fair and proportionate growth that will support the national ambition. It is not therefore subject to annual volatility, noting that the occupied stock of an area – whilst growing to different degrees – is comparatively stable. It is also not exposed to methodological changes in the derivation of the dataset, a current weakness of household projections as noted above.

As with the current approach in England, the outcome of this revised standard method would be used as a starting point for LPAs or groupings of authorities to prepare local plans. Guidance to accompany the method would need to explain how appropriate adjustments should be applied to enable the method to be responsive to relevant local circumstances.

[16] The-housebuilding-crisis-February-2023.pdf (centreforcities.org)

Circumstances that may indicate an uplift above the starting point would include:

- A particularly sizeable need for affordable homes;
- Confirmed investment in infrastructure or a significant regeneration-led investment;
- Deficits in specific types of housing; and
- Higher levels of deprivation where the provision of new housing would stimulate regeneration and attract investment.

Question 5.2

1. How could the financial and resourcing constraints facing LPAs in the production of local plans be mitigated whilst incentivising LPAs to produce local plans on time?

Many of the proposals which the government has set out in its recent consultation paper entitled 'The Future of Local Plans' are sensible and practical solutions which if implemented, will lead to a greater number of local plans being prepared and adopted. The LPDF's response to this consultation is included with this response as Appendix 4.

However, it is of critical importance to the success of any new local plan system which is introduced that LPAs are resourced sufficiently to deliver it. The new system also needs to include sufficient incentives and sanctions to ensure that LPAs remain focussed on putting in place up-to-date local plans and regularly reviewing these so that they remain up-to date. The planning system in England is a plan-led system and fundamental to the operation of this system, is countryside coverage of up-to-date local plans.

When the NPPF was first introduced in 2012, the sector saw the delivery of housing increase significantly with an associated increase in the coverage of up-to-date plans across the country. This was the result of strong, clear national policy, a refocussed presumption in favour of sustainable development which was clearly implemented, and the concern that without an up-to-date plan, LPAs were more likely to have to accommodate development that was not allocated in their plan. This led to LPAs focussing their efforts on plan preparation and a consequent increase in local plan coverage.

This increase in supply was also a consequence the rapid growth of the land promotion sector which tends to be more entrepreneurial owned businesses that are more comfortable and financially able to take greater planning risk which lead to an subsequent increase in housing supply. This resulted in land promoters pursuing riskier planning applications on sites outside of the plan in areas where the local plan was out of date and no 5 year housing land supply existed. This meant that the housing supply recovery post the global financial crisis happened sooner that it would have otherwise done and that situation applies at this present time where the local plan system is failing.

But as the presumption in favour of sustainable development (para 11d of the NPPF) was weakened through case law and subsequent revision of the NPPF, this focus on local plan preparation was lost. Therefore, a restrengthening of the presumption in Para 11d so that the presumption applies where a plan is over 5 years old as it is considered to be out-of-date, would no doubt refocus all LPAs attention on plan making.

There is also a need to ensure that the LPAs plan making function is properly resourced as there is a tendency for LPAs to concentrate on their development management function, as this is a fee generating service and has performance indicators attached which can lead to consequences and sanctions for poor performance. This could be achieved, in part, through government performance indicators being focussed on plan making with financial reward for achieving those targets and consequences for poor performance. This financial reward could be made available through a reformed Planning Delivery Grant (PDG) in place of, or in addition to, the existing New Homes Bonus which has had limited impact in the increased delivery of housing. The PDG would be awarded to LPAs based on performance against key government set objectives and would focus their service delivery on those areas. Any financial reward should be ring-fenced for reinvestment in the planning service of the LPA.

Similarly, and a missed opportunity in the recent government consultation on planning fees, planning fee income should be ring-fenced for use on improving the planning service, rather than being diverted into other council services. This would ensure that the planning service gets the investment it requires for it to be properly implemented and would assist in reducing delays in the system.

2. We note in Section 4 above that land supply constraints, such as urbanisation or greenbelt land, affect the availability of sites for local plans. These constraints would not be directly changed by financial incentivisation. How could land supply constraints be managed in an effective way?

It is accepted that in areas which are impacted by land supply constraints such as Green Belt, AONB, flood risk and urbanisation etc, financial incentives are unlikely to directly influence how the LPA undertakes its local plan preparation process.

The most logical way for such areas to deal with nationally identified constraints in their area is through a more strategic approach to planning which crosses LPA boundaries. Many planners lament the loss of strategic planning and its replacement, the Duty to Cooperate (DtC), which never really worked as it was envisaged and is itself proposed to be replaced with a potentially weaker and as yet undefined, Alignment Test. Without strategic planning, there has been less clarity on the distribution of housing requirements, less active collaboration between LPAs, and less alignment on key strategic decisions which cross LPA boundaries with the significant consequence of housing needs going unmet.

Currently, strategic planning can be undertaken by a group of LPAs but only on a voluntary basis, and too few authorities have chosen to pursue this route. Many examples of voluntary cooperation on strategic plans have failed under the current system. The West of England, the Black Country and Oxfordshire are just a few examples where resources have been targeted at voluntary strategic planning cooperation, only for the partnerships to fail and strategic plans to be abandoned when the political will waivers. This mechanism cannot therefore be left as a voluntary agreement between LPAs, as this approach is fraught with difficulties causing delay and political tension locally.

There are many planning issues which would be better dealt with at a wider level than an individual LPA area including Green Belt, nature recovery, infrastructure provision, renewable energy, Biodiversity Net Gain, waste disposal and the distribution of housing and employment growth. These issues should be considered at a geographic scale that is easily identifiable and allows strategic decisions to be taken with regard to their impact across that entire geography. This could be a Housing Market Area (HMA), Functional Economic Market Area (FEMA), County or other construct, but in order for these to operate, it needs to be mandated that these areas work together to implement a strategic planning function that will ultimately guide local plan preparation for LPAs.

Question 5.3

1. What is the most appropriate method for implementing a reformed, rule-based system that is designed rigorously and resilient to future changes in planning policy -and which minimises disputes about the lawfulness of developments?

The current planning system is, in some ways, already a zonal system whereby we categorise urban areas as places where development is in principle acceptable and countryside where in general, major development is restricted. However, this type of approach can only be set out in an up-to-date local plan, and all the zones need to be updated on a regular basis, at least once every five years, to ensure that needs are being met and the zones don't need to be revised in order to ensure that future needs are also met.

As the CMA is aware, the government consulted on the potential for a more rules/zonal based system back in 2020 in its Planning White Paper. But the outcome of this consultation was clouded by the fact that the government also consulted upon new housing requirement figures at the same time and the concern surrounding the latter overshadowed any real discussion on the merits of a fundamental change to planning system. It is the LPDF's opinion that if the government undertook such a consultation now, that there may be a much greater level of support for a zonal and rules based planning system, as long as the current system didn't grind to a halt whilst the new system was considered, designed and brought into operation.

In fact, any fundamental change to planning system must be done in such a way so as to ensure that work on local plans continues until such time as the new system is in operation, an outcome which is hard to achieve. As the CMA have highlighted, the government have recently consulted on a reasonably limited number of changes to the NPPF and as a consequence, local plan preparation across the country has stalled to an even greater extent.

There is also a need to ensure that any introduction of a rules/zonal based planning system is accompanied by comprehensive and robust National Development Management Policies (NDMPs), and a national scheme of delegation for decision making at the local level. This will address one of the key causes of delay and uncertainty in the current planning system which is the consideration of planning applications by planning committee. Planning is a democratic process, but currently far too many applications are considered by the planning committee rather than being delegated to officers. Local Councillors should rightly be involved in the preparation of their local plan, but once this is adopted, if a scheme accords with that development plan, the decision on the application should be delegated to officers. A site size threshold could also be put in place below which, decisions are also delegated to officers. This threshold should be set at a high level so that the number of applications being decided at planning committee is significantly reduced. These improvements would speed up decision making significantly and would reduce the planning risk faced by applicants considerably.

Question 5.4

1. To what extent would increased planning fees materially affect the viability of certain developments? Are there particular circumstances where this is likely to occur?

The LPDF are not sure whether a moderate and propitiate increase in planning fees would unduly impact on the viability of sites across the country save for a few locations where land values are low and / or regeneration costs for brownfield sites are particularly high.

What is more important is that any increase in planning fees is accompanied by an improvement in the quality of service that is received by the applicant through the planning process leading to reduced delays encountered thorough the determination period and better and more consistent decision making at the end of that process. If these issues can be addressed, proportionate increased planning fees are more likely to be accepted.

In addition, it is important that any increase in planning fees is ring-fenced so that it is directed towards improving the overall planning service within LPAs rather than being syphoned off into other parts of the Local Authority. If this is not the case, then there will be far more reluctance from the development sector to accept higher planning fees.

Finally, in order to lessen the barriers faced by SME housebuilders when interacting with the planning system, there should be a separate lower planning application fee charged for schemes of under 100 units which reflects the level of work which should be required to process such applications, and reflects the financial position of developing smaller schemes.

2. How could the availability of qualified planners be improved?

This question is probably best answered by organisations such as the RTPI, TCPA, LGA and others more directly involved with the planning profession as a whole. However, whilst better renumeration and career opportunities in LPAs will make the profession more attractive and would help LPAs with staff attraction and retention, this would not necessarily address the fundamental lack of planners entering the profession.

Currently, both the public and private sectors are struggling to recruit suitably qualified and experienced planners and this lack of supply has to be addressed through the education system at all levels, particularly through Universities. The RTPI have some great initiatives in place to encourage people to enter the profession, but to address this issue fully will take a considerable length of time and some major changes in how the profession is portrayed.

LPAs used to train junior staff through day release courses and other appropriate training avenues, but this practice has all but stopped due to a lack of LPA resources. This approach could be revisited with the support of local or national bursaries, with agreements put in place so that the trained employee stays in post for a period of time post completion of the course or the course fees will be required to be repaid by the individual.

Question 5.5

1. What measure would be most effective in supporting SMEs to navigate the planning process effectively?

See our response to **Questions 4.3 (3) and 4.3 (4)** above.

Conclusion

The LPDF welcome the CMA's WP on planning and the recognition that the planning system has had a large part to play in shaping the housing sector as it is today. We firmly believe that the planning system is fundamental in shaping the current housebuilding industry and having a detailed knowledge of this system, will help the CMA to understand how the market is structured, the relationships between the participants, and the way in which the industry operates.

The LPDF would welcome the opportunity to discuss the WP and our response to the questions set out in the document with the CMA early in the New Year. We will make contact with the CMA following the close of this consultation to establish a suitable meeting date and location, once the CMA has had a chance to digest all the responses it receives.

Appendix 1

Comments on Appendix A of the Planning Working Paper

The process for securing developer contributions

LPDF

December 2023

Comments on Appendix A: The process for securing developer contributions

In analysing the current system of developer contributions, this part of the working paper explores its potential impact on the supply of land. In setting the context, it correctly acknowledges that National Policy requires local plans and policies to set out the contributions expected from new developments, including the level of affordable housing, alongside other infrastructure such as education, health, transport, flood and water management, green and digital infrastructure.

In order to determine the appropriate level of developer contributions, Planning Practice Guidance (PPG) states that viability assessments should be used at the plan-making stage to ensure that policies are realistic and that the total cumulative cost of all relevant policies will not undermine the deliverability of the plan. NPPF paragraph 58 also confirms that where up-to-date policies have set out the contributions expected, planning applications that comply with them should be assumed to be viable.

The analysis in the WP then looks at two perceived challenges faced by LPAs in securing developer contributions. These are firstly, the delay to the planning process arising from negotiating legal agreements that secure developer contributions and secondly, viability challenges where developers look to suppress the level of contributions sought.

As acknowledged at paragraph A.23, we would agree that housebuilders and indeed the development industry as a whole, are incentivised to ensure that planning applications are compliant with local policies on developer contributions to reduce risk and delay in the planning process.

One cause of delay in negotiating legal agreements mentioned at paragraph A.20 is where developers challenge the level of contributions by submitting a site-specific viability assessment, although this practice is not considered to be widespread, with paragraph A.25 confirming that this is a relatively rare occurrence.

The experience of LPDF members is that there are a range of issues that are likely to cause delay at the stage of negotiating the legal agreement to secure developer contributions. In many cases, the lack of resources, both within the planning and legal departments, is the principal factor. Another key factor relates to the lack of up-to-date local plans and policies, which often means that the evidence relied upon to determine the level of contributions required to support planned development is also out of date. In such circumstances, LPAs are reliant on other parties to provide more up-to-date information at the planning application stage to determine appropriate levels of contribution. Again, due to lack of resources, it is often the case that responses from various external consultees can be delayed.

It is also of note that paragraph A.27 suggests the limited evidence of housebuilders seeking to suppress the level of contributions may be indicative that there is scope for some LPAs to ask for higher contributions. We would however wish to make a number of points on this matter:

- Regulation 122(2) of the Community Infrastructure Levy Regulations 2010 states that planning obligations must only be sought where they are: necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development.

- Up-to-date local plan policy requirements must be set at a level that will not undermine deliverability of the plan. As evidenced at paragraphs A.23 and A.24, developers are incentivised to ensure their proposals are policy compliant to reduce risk and delay, so it is

not surprising that they will have full regard to the local plan and aim to meet these requirements in full.

- It may well be the case that where there is not an up-to-date local plan, the viability evidence that informed its policies will also be out of date, and therefore not fully reflective of the actual cost of the infrastructure required to support future development across an area. In such circumstances, it may well be the case that in achieving a greater level of up-to-date local plan coverage across the country, higher levels of developer contributions can be secured.

As with other aspects of the current planning system, it is our view that it is not necessarily the framework itself that is impacting on the supply of land, but more the resources available to implement it. As highlighted above, with appropriate resources to ensure up-to-date local plan coverage across the country, and properly resourced planning and legal departments, delays in securing developer contributions through S106 legal agreements would be significantly reduced.

Appendix 2

Turning the Dial

Improving the performance of the planning system

LPDF

July 2023

Turning the Dial

Improving the Performance of the Planning System

There has been a hiatus in the planning system since the 2020 Planning White Paper which has been exacerbated by a lack of resources in the planning system, reduced funding for local planning authorities (LPAs) and delays caused by the emerging Levelling Up and Regeneration Bill ('LURB') and wider consultation on planning reforms and the National Planning Policy Framework (NPPF).

Local plans continue to be abandoned, delayed or deferred, the numbers of planning applications being submitted is declining, the pipeline of planning permissions is dwindling rapidly, and the level of housing completions for 2023/24 is highly likely to fall well below the levels achieved in recent years as a result, further adding to the Centre for Cities[1] findings that Britain has a backlog of 4.3 million homes missing from the national market.

In these circumstances, we believe there is a pressing need to make immediate small-scale changes to policy, guidance and procedures, to 'turn the dial' on delivery to ensure there is a sufficient pipeline of sites with residential permission, to increase the numbers of starts on sites, and ultimately, to ensure housing delivery does not suffer.

We believe that an improved environment for decision making could be achieved in the first instance, through the issuing of a Written Ministerial Statement (WMS) to emphasise the need for up-to-date local plans to continue to be prepared to support economic growth and housing delivery. This would then be followed by minor changes to the NPPF, revisions to the Planning Practice Guidance (PPG) and other procedural guidance, to help LPAs to deliver against the WMS.

We believe the Government should:-

Issue a WMS

This should be a high level positive statement (along the lines of the attached) which emphasises the national need to deliver economic growth and should highlight:

- the emphasis which LPAs should place on the presumption in favour of sustainable development;
- the need for LPAs to plan positively for growth to meet their needs for housing, employment and other developments, as set out in the NPPF;
- the importance of plan making and of keeping local plans up-to-date;
- the crucial role that the housebuilding and construction sector plays in boosting the economy to ensure that decision makers accord significant weight to the economic benefits of proposals in the planning balance. In particular, it could highlight the weight to be accorded to sites for SME housebuilders (see below), affordable housing (perhaps picking up on Q22 in the NPPF consultation on social rent), the need to ensure that local economies create and react positively to applications for new employment space, the need to boost self / custom build, and the need to ensure an adequate supply of dwellings focussed on the senior living sector .

Expedite the application process for sites allocated in an adopted local plan.

It is an increasing trend that planning applications on sites which are allocated in adopted local plans are refused planning permission. As the emphasis is on a plan led system, and these sites have been democratically scrutinised and been found to be sound through the local plan preparation process, their route through the planning system post-allocation should be simplified by:

[1] The housebuilding crisis | Centre for Cities

- providing strong encouragement through the PPG, that planning applications for allocated sites should be dealt with positively and granted planning permission, unless exceptional circumstances indicate otherwise;
- emphasising that LPAs should deal with applications on sites allocated in adopted local plans by way of delegated powers, especially where schemes accord with the Council's Design Guide .

Support delivery by SME housebuilders

Research has shown that the number of planning consents for sites below 100 dwellings has fallen by 38% between 2017 and 2022[2]. Many of these sites are traditionally developed by small and medium sized developers seeking to grow their businesses to compete with the volume housebuilders. There should be a renewed focus on sites below 100 dwellings to increase delivery by SME housebuilders, to diversify the market, to increase the speed of delivery, and to ensure a focus on high quality design by:

- amending the definition of small sites to encompass sites of up to 100 dwellings;
- including positive and permissive wording in the PPG to ensure decision makers attach significant weight to the planning benefits of sites for under 100 dwellings in the planning balance;
- considering freezing (or reducing) planning fees for schemes below 100 dwellings and finding ways to minimise the supporting information requirements for these planning applications;
- encouraging LPAs to allocate a greater proportion of their housing requirement on small sites of up to 100 dwellings in their local plans.

Refocus on the delivery of affordable housing

The delivery of affordable housing remains one of the primary focusses of the government, in both qualitative and quantitative terms. Tackling the housing crisis relies upon achieving these objectives. The government should:

- change the emphasis in the 5YHLS measure to require LPAs to maintain a 5YHLS of affordable housing. This could be done by amending or adding to the definition of what constitutes a 5YHLS in the PPG which will ensure that the mix of sites will boost the supply of all housing, including affordable housing;
- provide clear guidance in the PPG on how LPAs should calculate the need for affordable housing (focussing on issues such as the length of housing register, the lower quartile affordability ratio, turnover of stock, right-to-buy losses and the percentage of income which should be spent on accommodation) and how they should calculate affordable housing supply;
- re-emphasise the importance of delivering homes for Social Rent as part of the overall affordable housing provision in schemes;
- broaden the definition of affordable housing provision to include private sector models which achieve the same outcomes as Registered Providers, such as the Rent Plus model;
- widen the definition of 'exceptions sites' to include those where a Registered Provider is proposing to use grant funding, through the Affordable Housing Programme, to deliver the units.

Positively encourage the provision of self and custom build sites

Whilst only contributing a small, but growing part to housing supply, LPAs could do more to encourage the delivery of such sites by:

- introducing an 'exception sites' policy for self and/or custom build homes, on sites of up to 20 dwellings (see Bacon Review, p63, small custom build developments), which are contiguous with an existing settlement boundary, which deliver policy compliant levels of affordable housing, and that will deliver self / custom build homes (in line with the recommendation in the Bacon Review). Again, it is possible that this could be done between emphasis in a WMS and amendments to existing exception site definitions in the PPG.

Emphasise the weight that should be given to delivering housing in the planning balance

There needs to be a re-emphasis placed on the presumption in favour of sustainable development, especially where the local plan is out of date, as the system is predicated on a plan led system. This will act as an incentive to LPAs to ensure that their local plans are kept up-to-date. This could be achieved by:

- providing additional guidance in the PPG on the interpretation of Para 11 (d) to rebalance the weight to be given to the delivery of housing, affordable housing and economic growth, within the planning balance.

[2] Richborough Estates and LPDF - a new normal for housebuilding.pdf

Facilitate solutions to nutrient neutrality

There are some actions that can be taken to lessen the impact that nutrient neutrality is having on housing delivery. These include:

- not challenging any legal judgment which is handed down by the High Court in the C G Fry case should the judge find in favour of the Claimant;
- requiring Natural England to review their nutrient neutrality calculator, especially with regards to its use of occupancy rates, so that they are in line with Lichfield's research, whilst broadening potential mitigation to include non-night time uses (i.e. non-residential technical solutions);
- encouraging the use of some of the local mitigation scheme funding to facilitate improvements to the WwTW that serve populations of less than 2,000, which could also be funded by contributions from developers through S106.

Provide additional funding into the system

It is accepted by all that the planning system is under-resourced. Active consideration should therefore be given to:

- the re-introduction of Planning Delivery Grants (PDG) which would be determined by an LPAs performance against a set of planning measures. This would encourage LPAs to focus on the performance of their planning departments and to invest their PDG into their planning service functions. The use of PDG has proved successful in the past;
- introducing a fee for the submission of a planning appeal, including householder applications, to discourage the submission of cases with a lower chance of success, and to provide additional funding to the Planning Inspectorate to process appeals and improve performance.

Simplify development management procedures

As planning departments are under-resourced, any procedural improvements to simplify the planning process are likely to reduce costs, minimise delays, and improve performance. Such improvements could include:

- introducing a standard planning application validation checklist at a national level, with additional guidance on document lengths and the circumstances where some of the documents should not be required;
- extending the provisions covering the deemed discharge of planning conditions including automatic approval of condition discharge applications which have been with a LPA for a certain period of time.

LPDF
Creating Places • Delivering Homes

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Appendix 3

Assessing Housing Need
Taking Stock

Turleys, LPDF and HBF

May 2023

May 2023

Assessing housing need
Taking stock

Benefits of a standard method for assessing housing need

When it was introduced in 2018 the "standard method" for calculating local housing need replaced an approach where each local planning authority was required to assess its own housing needs. There was little consistency of approach; no link with any national target for increasing the number of homes; and significant time and resources were spent, before and during local plan examinations, debating the merits of different approaches. This was a significant factor in delays in local plan preparation.

The introduction of a standard method, which provides a clear starting point for consideration of need, has reduced the time and resources taken in planning for new homes[1]. Until recent interventions, which have introduced uncertainty and delay in local plan making, the standard method had been a significant factor in boosting housing completions to the highest level for 30 years[2].

Limitations of the current standard method

Over time, the current standard method has struggled to gain the confidence of local communities. There are a number of reasons for this but two aspects of the current approach are cited consistently:

- It relies on ONS household projections which are backward rather than forward looking and quickly become out of date, reflecting a period of economic decline rather than the growth now required[3]; and
- Its use of an affordability ratio[4] has created some very challenging increases in housing targets, especially in London[5] and the South East; while projecting needs well below the actual number of homes being delivered in many parts of the North and Midlands.

The Government has proposed changes to the National Planning Policy Framework (NPPF) which seek to reduce the number of homes built in significant parts of the country without increasing the number anywhere else. These are widely expected to result in a significant reduction in housing delivery nationally. Coupled with the delays caused by requirements around nutrient neutrality, estimates suggest homebuilding could fall to the lowest levels since the Second World War[6].

There is an alternative, which can be introduced swiftly, and which would address current concerns while boosting the overall amount of new homes and economic growth. This alternative is to introduce a revised standard method.

An alternative approach

A new method must retain the positive aspects of a standardised approach while addressing the existing shortcomings. We propose an alternative which takes as its starting point the existing occupied housing stock of an area[7] and applies a rate by which it should be increased. The rate of increase would be in line with the national housing target of at least 300,000 new homes per year.

The occupied housing stock of an area is a good proxy for the population of an existing community. It reflects housing provision, need and demand over the long-term. It is not subject to the fluctuations that household projections are subject to. The Government has previously identified that housing stock offers 'the stability and predictability which has been absent when solely relying on household projections'[8].

An agreed minimum rate by which the existing stock should grow each year would establish a starting point for every authority to work from in deriving their need and target. It would ensure that all areas grow by a proportionate amount.

Urban areas would see higher levels of need, helping to deliver national policy objectives of sustainable development and encouraging an urban focus. All parts of the country would play their part in meeting needs and none would be seen as being asked to contribute more than a "fair share".

The baseline would need to be set at an appropriate level to ensure that momentum in housing delivery is sustained. Testing of different annual growth rates, summarised at Table 1, suggests that 1.0% would establish local baselines that collectively amount to circa 250,000 homes per annum. This is close to recent delivery rates and high enough to continue the progress of recent years. To achieve a national ambition for 300,000 new homes per annum the annual growth rate would need to be 1.2%.

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The rate of increase would be in line with the national housing target of at least 300,000 new homes per year.

Urban areas would see higher levels of need, helping to deliver national policy objectives...

Turley

Table 1: Testing stock growth rates

	0.8%	1.0%	1.2%
National total	198,975	248,719	298,463
Authorities with higher figures than current method[9]	107/309	150/309	197/309
Authorities with figures higher than peak delivery[10]	16/309	51/309	104/309

Figure 1 shows how an annual growth rate of 1.0% would result in lower housing targets in large parts of the South East with increased provision in the North and Midlands. This is consistent with objectives of levelling up and closer to the levels of housing delivery being achieved in those areas[11].

As with the current approach, the outcome of this revised standard method would be used as a starting point for local planning authorities to prepare local plans. Guidance to accompany the method would need to explain how locally appropriate adjustments should be applied. It would provide a set of parameters and could recommend proportionate uplifts to respond to local circumstances.

Circumstances that may indicate an uplift above the starting point would include:

- Availability of high levels of previously developed land - typically within larger urban areas
- A particularly sizeable need for affordable homes
- Local labour market pressures – where the number of jobs is higher than the number of working age residents[12]
- Confirmed investment in infrastructure or investment that will create new jobs
- Deficits in specific types of housing (for example older persons, family homes, or student housing)
- Higher levels of deprivation where the provision of new housing would stimulate regeneration and attract investment

Circumstances that may justify a level of new housing below the starting point would include significant areas of protected land (such as AONB and SSSIs); high concentrations of holiday or second homes; or where historic drivers of demand such as university expansion are unlikely to be replicated in future.

Summary

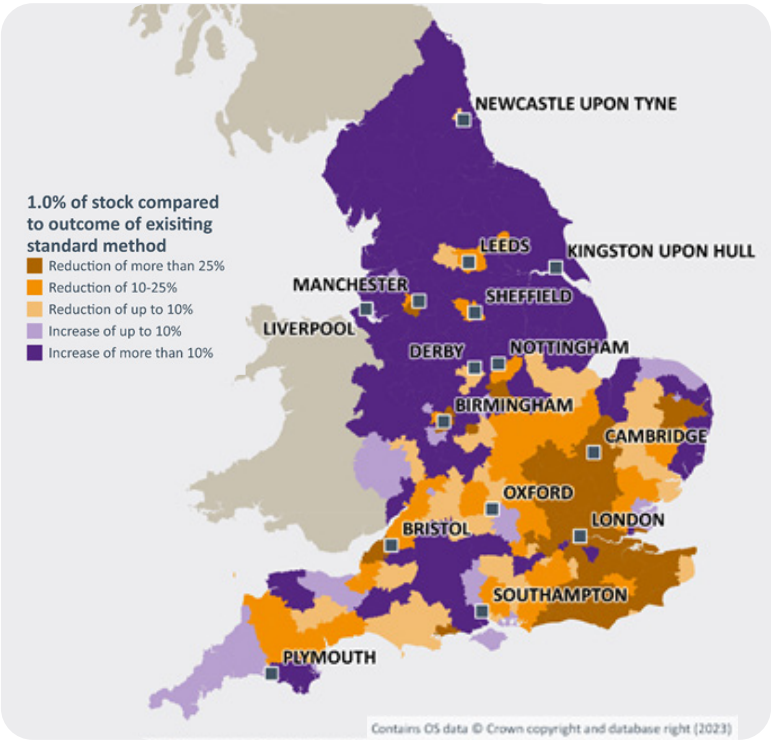
A stock-led starting point for the standard method removes reliance on now discredited household projections. This would help to address concerns about the shortcomings of the current standard method which are repeatedly raised by communities and councillors.

It would also distribute new housing more evenly and equitably across the country, with places growing by a proportionate amount. By doing so it can be a positive agent for levelling up.

By focussing new housing towards larger urban centres it would align with the Government's aim of delivering sustainable development and optimising the re-use of brownfield sites.

Accompanying guidance on use of the stock-based approach would set out clear parameters for adjustments to reflect local opportunities for growth and constraints on capacity to accommodate it.

Figure 1: 1.0% of stock compared to outcome of existing standard method



Endnotes

1. As of March 2023, monitoring by the Planning Inspectorate indicated that the twenty sound plans submitted since the standard method was formally introduced on 24 January 2019 took an average of 20 months to be found sound, compared to an average of 23 months for the plans submitted in the preceding year

2. C. 243,000 new homes completed in 2019/20 – DLUHC Live Table 118

3. The current standard method relies on the 2014-based household projections

4. Which compares the average house price to average earnings in an area

5. The standard method currently indicates a need for c.97,700 homes per annum in London but it has delivered no more than 40,870 homes in any year this century

6. https://www.hbf.co.uk/news/government-planning-reforms-could-see-housing-supply-fall-record-low-and-cost-400000-jobs/

7. Occupied stock is not currently reported by DLUHC and Live Table 125, which measures all stock, is therefore used for illustration in this note

8. MHCLG (August 2020) Changes to the current planning system: consultation on changes to planning policy and regulations, paragraph 20

9. As of March 2023

10. Since 2001

11. 104 of 137 authorities in the North and Midlands have, since 2001, delivered the number of homes implied by a growth rate of 1.0%

12. The "jobs density" metric reported by the ONS

Appendix 4

The Future of Plans and Plan Making

LPDF's response to the DLUHC consultation paper

LPDF

October 2023

LPDF

Creating Places ■ Delivering Communities

The Future of Plans and Plan Making

A non-technical summary

DLUHC

October 2023

Introduction

Please find below the response of the Land, Planning and Development Federation (LPDF) to the government's open consultation on the 'The Future of Plans and Plan Making' published in July 2023.

About the LPDF

The LPDF was set up in April 2018 and 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.

Overview

The plan led approach, which is the cornerstone of the planning system in England, is broken. The LPDF fully supports the plan led approach, but only if local plans are prepared and kept under review by **all** Local Planning Authorities (LPAs) so that we have countrywide plan coverage that is up-to-date (i.e. less than 5 years old).

As the consultation paper sets out in its overview, local plans are there to guide and manage development in an LPAs area and they are important documents for local communities as they set out the development framework for that area. It is therefore of critical importance to the planning system, LPAs, the development industry and local communities, that the local plan system is fit for purpose,

easy to navigate, up-to-date and delivers the economic and housing growth that this country needs. At it stands today, it doesn't. Out-of-date local plans cause uncertainty for councils, communities and developers while threatening to overwhelm already struggling LPAs with unnecessary workloads caused by a lack of strategic direction.

The LPDF recently commissioned Lichfields to undertake research on current local plan coverage across England and how this may change by the end of 2025 and the results were startling (Appendix 1).

The research found that currently 67% of local plans are out-of-date (over five years old) and that this will have risen to over 75% by the end 2025. In addition, 38% of LPAs will have a local plan that is more than 10 years old by the end of 2025, with nearly two-thirds of the annual national housing need being located in local areas where plans were adopted over 7 years ago.

These finding are a clear indication that the current local plan system is no longer fit for purpose and therefore, the government's proposals for reform are welcomed and long overdue. It must be recognised that to fix the local plan system, and to turn around the decline of up-to-date local plans will take time, strong leadership at both a national and local level, and proper resourcing of LPAs to ensure that the government's vision which is set out in the consultation paper can be delivered.

The government must therefore remain committed to this reform agenda, providing sufficient resources to ensure that LPAs can implement the system, meet the deadlines for plan preparation and so that the growth which takes place across England is delivered in a planned and coordinated way.

However, it must be emphasised that any reforms to speed up and simplify the local plans system will not be effective if the plans which are prepared as a result of the new system do not deliver on their objectives. Whilst the reforms themselves are in many cases sensible, they have to be taken in the context of other changes that the government is proposing to make, particularly those proposed through the recent NPPF consultation such as removing housing targets, amending the tests of soundness to remove the need for plans to be 'justified' and amending the need to demonstrate a 5-year housing land supply.

Questions

<u>Question 1: Do you agree with the core principles for plan content? Do you think there are other principles that could be included?</u>

Yes. The LPDF agree that plans prepared under the current system are often lengthy, overly complex, repeat national policy and are generic rather than being locally specific in what development their area requires to meet the needs of their local communities. It is welcomed that plans prepared under the new system will be shorter, more focussed and more visual, making them quicker and easier to prepare and navigate.

They should not repeat policies that will be contained in the National Development Management Policies (NDMPs) unless there is very clear evidence why a locally specific amendment is required, and this should only occur in exceptional circumstances.

Plans should focus on establishing a spatial strategy for the area, determining the amount of development that is required to meet needs and deliver the strategy, and determining where that new development should be located. This should all be backed up by clear evidence and robust justification.

The LPDF note that the employment evidence supporting current local plans is often very old, and unlike the housing evidence, and the requirement to demonstrate a five years supply of housing land, there is nothing to ensure that LPAs have up to date and effective evidence to support the employment policies in the local plan to deliver sufficient land for employment uses.

The LPDF therefore believe that there is a significant flaw in the current local plans system in the lack of focus on the freight and logistics sector, and employment more generally. As we see it, housing is always placed at the forefront of discussions and debates and the employment elements of local plans is often seen as a bit of an afterthought. National planning policy would benefit from taking a more collaborative approach to the housing and employment sectors and establishing the mutually beneficial elements of these.

A notable absence on employment is the lack of a robust methodology for calculating employment land needs. At present, in the absence of such guidance, LPAs and the Planning Inspectorate tend to rely on methods that are based on past trends which often lead to low requirements as they reflect a period in which provision/take-up was adversely affected by the 2008 economic downturn, the impact of Brexit, and the pandemic. These methods therefore do not reflect the type, size and range of floorspace that a forward-looking economy will need. This needs to be addressed through any new guidance which is issued to support the new system of local plan production.

Question 2: Do you agree that plans should contain a vision, and with our proposed principles preparing the vision? Do you think there are other principles that could be included?

Yes. Plans should contain a vision for their area that is unique and clearly based on the areas' local characteristics and specific requirements. All too often, current local plans have generic visions containing statements which could apply to anywhere in the country. Plans under the new system need to be far more locationally specific setting out clear aims, objectives and priorities around which policies can be formulated to deliver these objectives. These should be measurable to ensure that the policies which are put in place are actually working and so that LPAs can identify if a plan review is required as the objectives of an area are not being met.

Question 3: Do you agree with the proposed framework for local development management policies?

Yes. The LPDF consider that local Development Management (DM) policies need to be focussed on issues related to the specific local area and how the local plan will meet its objectives. Local DM policies should not repeat NDMPs in order to ensure a consistency of approach to the issues contained in NDMPs which will assist developers, particularly SMEs, to navigate the planning system without incurring unnecessary costs.

Local DM policies should be backed up by evidence and should be clearly justified showing exactly how they will meet the objectives of the plan. It is considered good practice that local DM policies should be tested through a gateway assessment to ensure that they are justified and do not run contrary to national guidance or unnecessarily include issues adequately covered by NDMPs.

Question 4: Would templates make it easier for local planning authorities to prepare local plans? Which parts of the local plan would benefit from consistency?

Yes. Templates for the preparation of local plans could be extremely helpful to LPAs to increase consistency, reduce workload and cost, and assist with the digitisation of the planning system. Plans prepared using government templates would be easier to navigate by communities, developers and all who engage with the planning system and they could make the plan preparation and examination process easier and shorter.

The government should mandate that LPAs utilise the templates for plan preparation rather than leaving it to each LPA to decide whether or not to follow this approach. This is particularly important to ensure consistency of approach which is essential for digitisation to have a meaningful impact.

Question 5: Do you think templates for new style minerals and waste plans would need to differ from local plans? If so, how?

N/A. The LPDF have no comments on this question.

Question 6: Do you agree with the proposal to set out in policy that planning authorities should adopt their plan, at the latest, 30 months after the plan preparation process begins?

Yes in part. Local plans take far too long to prepare, especially as they should be reviewed at least once every 5 years. The length of the preparation process and the costs associated with undertaking this task is one of the principle reasons why up-to-date local plan coverage across the country has fallen to just **33% in 2023** (Appendix 1). It is agreed that slow plan preparation means that plans are at greater risk of being out-of-date upon adoption. The LPDF therefore strongly support the proposal to ensure that new plans are prepared and adopted within 30 months.

We recognise that this is a challenging target and LPAs will need the resources (both people and finances) and the skills and tools made available to them to enable them to achieve this target. Digitisation of the planning process, templates and the use of NDMPs will assist greatly in reducing the length and complexity of local plans, allowing them to be able to focus on purely local issues. This will reduce the numbers of policies required in local plans and will reduce the need for some of the evidence base which takes so long to prepare under the current system.

However, the LPDF do have some concerns about the timeframe proposed within the consultation paper. The first stage of the process, scoping, is the stage where an LPA undertakes its evidence gathering. This can be an extremely lengthy process, especially as the requirements for evidence to back up a local plan has increased significantly over recent years and because a number of the required surveys are time or season specific (e.g. bird surveys, ecological surveys, highways assessments etc). LPAs are also vastly under-resourced and need to budget for evidence work, often over several budget years, because of the cost. All these factors lead to the evidence gathering stage being lengthy.

As set out presently in the consultation, there is a requirement for LPAs to give a minimum of 4 months notice before they intend to commence the 30 month plan preparation period. Given the issues set out above, the LPDF consider that a 4 month notice period is too short and the pre-preparation period is likely to be far longer. However, of greater concern is that there is no maximum period specified in the consultation paper for this pre-preparation stage. Therefore, in order to ensure that plans are prepared and kept updated at least once every five years, and that LPAs are focussed during evidence gathering, a maximum period for this pre-preparation stage should be specified in the plan preparation timeframe. This should be set at **12 months**.

The ability of LPAs to stick to the 30 month preparation timeframe will also lie in the hands of other organisations who are outside of the control of the LPAs. Statutory consultees such as County Councils, Natural England, Environment Agency, Highways England, Historic England etc. will all need to play their part by actively engaging in the early stages of plan preparation and by responding promptly to requests from the LPAs when required. This will mean that those organisations will also need to be suitably resourced to ensure that these timeframes can be delivered.

It is considered that the government should clearly define the role, purpose and issue technical guidance on how gateway assessments will be implemented. This guidance should make it clear that

these assessments will be led by PINS and should set timeframes for how long they should take, when feedback from the gateway assessments will published and what happens if timeframes for the assessments are not met.

A particular concern which is not clearly set out within the consultation paper is what happens if a gateway assessment is not passed by a LPA. Does this cause a pause in the 30 month preparation timeframe to allow the LPA to rectify the issue, or does the clock continue to run? If it is the former, timeframes need to be put in place at the gateway stage to hold the LPA to account and to set a reasonable timeframe for the issues to be rectified. This is essential to ensure that the overall plan preparation timeframe remains on-track and that no unnecessary delays occur as a result.

Finally, no guidance is given as to what the implications will be if the 30 month preparation period is not adhered to. LPAs need to be held to account for failing to deliver an up-to-date plan within the prescribed period and one simple way of achieving this is to clearly set out, within the Framework, that local plans which are older than 5 years old are considered to be out-of-date for decision making purposes.

Question 7: Do you agree that a Project Initiation Document will help define the scope of the plan and be a useful tool throughout the plan making process?

Yes. The LPDF agree that the Project Initiation Document (PID) will be a useful tool for LPAs to plan for the resources required to prepare the plan and for ensuring that the 30 month timeframe is achieved. The PID should be tested at the first gateway stage to ensure that the scope of the plan is justified, local issues have been identified and are appropriate, and the resources are sufficient to ensure the plan is delivered within the timeframe. It is important that the PID preparation process involves key stakeholders so as to ensure buy-in from all who have an interest in the outcome of the process, and so that local Members know what they are committing to.

Question 8: What information produced during plan-making do you think would most benefit from data standardisation, and/or being openly published?

The LPDF support the digitisation and standardisation of certain parts of the planning process so that the process is transparent, easy to negotiate and that the data that supports a plan is consistent across the country. This will enable easier monitoring of the effectiveness of plan policies and will allow national statistics to be collated and analysed easily. The vision that the local plan is based upon should also be measurable, and the data that underlies it should be open source data that is easily accessible. Ideally, all Councils would have a webpage showing the Vision and objectives with live-data showing progress against those objectives.

Data such as the numbers and types of planning applications received, granted and refused, development completion information, environmental and other evidence base indicators such as those related to economic, transport and infrastructure factors should all be collected through a standard approach. There is also often a mismatch between the local plan and other Council objectives set out in their Corporate Plan, Economic Development Strategy, housing strategy etc which makes transparency and consistency of approach difficult to understand. The digitisation of information should ensure that the objectives of the local plan match those of other Council strategies so that each strategy can be monitored against the same set of targets.

This digitisation process will also help considerably with planning across wider than individual authority geographies as the data which is collected across these areas will be consistent and

compatible with each constituent LPA. This may encourage more LPAs to work together on cross-boundary issues, wider strategic planning processes and potentially, on sharing constrained resources.

Finally, the data which is captured through this digitisation process should be made freely available to all who wish to access it and this should be available in an easily accessible and understandable format.

Question 9: Do you recognise and agree that these are some of the challenges faced as part of plan preparation which could benefit from digitalisation? Are there any others you would like to add and tell us about?

Yes. The LPDF strongly support the digitisation of the planning system for the reasons set out in response to **Q8** above, especially as it would simplify a more strategic approach to planning across wider geographic areas.

Question 10: Do you agree with the opportunities identified? Can you tell us about other examples of digital innovation or best practice that should also be considered?

N/A. The LPDF have no comments to make on this question.

Question 11: What innovations or changes would you like to see prioritised to deliver efficiencies in how plans are prepared and used, both now and in the future?

The standardisation of data for input into plan preparation is essential in creating consistency and efficiency in the process. Therefore, this should be prioritised as part of the process, alongside the establishment of templates for local plan structure.

Question 12: Do you agree with our proposals on the milestones to be reported on in the local plan timetable and minerals and waste timetable, and our proposals surrounding when timetables must be updated?

Yes. Setting out standard reporting requirements against which LPAs must justify progress is essential to ensure LPAs keep on track, everyone can monitor progress and delays in the process, and so that issues can be identified and rectified. However, as set out in our response to **Q6** above, there is no indication of the implications for LPAs who miss key milestones. This step is critical to ensure that the 30 month preparation timetable is adhered to.

Timetables should be updated each time a milestone is reached to ensure that the timetable is as up-to-date and accurate as possible. Digitisation and standardisation of the reporting procedure will make the updating of timetables a quick and easy process. If a milestone is missed by an LPA, a clear explanation and justification of the circumstances as to why this occurred should be given by the LPA and the corrective action that the LPA has taken / will take to rectify the situation and get the local plan back on track should be clearly stated. We also agree that LPAs should not need to have to go through Full Council each time their local plan timetable is updated, but there should be some scrutiny of the timetable through a council committee process. The local plan itself should still be endorsed by Full Council before it is made available for consultation exercises or the Examination.

Question 13: Are there any key milestones that you think should automatically trigger a review of the local plan timetable and/or minerals and waste plan timetable?

Yes. When a gateway check is not passed or a key milestone is missed.

Question 14: Do you think this direction of travel for national policy and guidance set out in this chapter would provide more clarity on what evidence is expected? Are there other changes you would like to see?

Yes. It is important for the expediency of the plan preparation process, especially in the evidence gathering stage which can take a considerable length of time, that more clarity is given on the required forms of evidence. Proportionality of evidence should be expressly reinforced and any standardisation of evidence gathering would greatly assist this process.

Additional detailed guidance on what evidence is required, in what format, to what level of detail, and when it should be updated would significantly assist LPAs to stay on track, meet plan deadlines and provide evidence that is consistent with other local plans across the country. This standardisation will also greatly assist those authorities which chose to work together on more strategic style plans and will make discussions under the Duty to Cooperate, or its replacement, much easier.

Question 15: Do you support the standardisation of evidence requirements for certain topics? What evidence topics do you think would be particularly important or beneficial to standardise and/or have more readily available baseline data?

Yes. The LPDF support the standardisation of evidence base requirements on as many of the key documents as possible. It is particularly important for housing and economic needs assessments, housing and employment land availability assessments, Green Belt reviews where appropriate, Environmental Outcome Reports, transportation assessments, flood risk assessments and any evidence required to support local environmental issues not covered in NDMPs. The guidance should also set out clearly how often the evidence base should be updated and when an evidence base may be considered to be out-of-date.

Question 16: Do you support the freezing of data or evidence at certain points of the process? If so which approach(es) do you favour?

Yes. Freezing of the data at the point of submission of the plan for examination is supported as it would limit the need for late changes to the plan at a stage when the opportunities for consultation have passed. However, it is essential for this process to be effective, for LPAs and the government to ensure that key information such as population and household data, HDT results and LPA monitoring results are published on time so that key information is not released soon after the freeze point.

It is also agreed that the freezing of evidence should not preclude the Inspector from asking for more information as part of the Examination process. In addition, if there are any significant delays in the process post the submission of the plan, there needs to be the ability to update key evidence, if it is considered that the evidence as submitted needs updating, as this will ensure that the local plan preparation process can continue without significant delay.

Question 17: Do you support this proposal to require local planning authorities to submit only supporting documents that are related to the soundness of the plan?

No. It is considered that all evidence supporting the local plan should be submitted for Examination as this allows a thorough and robust testing of the local plan through the process. It should also be ensured that all evidence that is used to support the local plan has been subject to adequate public consultation prior to submission so as to avoid the preparation of late evidence which has not been properly scrutinised.

It should be in the Inspector's gift to determine the issues which need to be tested at the Examination stage and which of the evidence base documents should be made available for discussion through this process.

Question 18: Do you agree that these should be the overarching purposes of gateway assessments? Are there other purposes we should consider alongside those set out above?

Yes. The purposes of the gateway assessments seem appropriate and proportionate. Gateway assessments should also test, the suitability of the PID, whether local DM policies are justified, whether any deviation from NDMP are similarly justified and that the evidence base has been prepared according to the guidelines set out by the government as suggested in the consultation document.

Gateway assessments should also test the local plan against the tests of soundness outlined in the NPPF so as to ensure consistency with the Examination process and to make sure that the local plan, once it is adopted, is robust, effective and deliverable.

Question 19: Do you agree with these proposals around the frequency and timing of gateways and who is responsible?

Yes in part. However, the LPDF consider that the Planning Inspectorate should always undertake the gateway assessments at each stage as they are an independent organisation with the requisite skills and experience to undertake the role in a consistent and robust manner. The Planning Inspectorate ultimately examine the submitted plan and for the sake of a consistency of approach, they should undertake each of the gateway assessments. Wherever possible, the Inspectors who undertook the gateway assessments on the plan should be involved in the plan's Examination. This would improve consistency in the approach taken and could reduce the length of the Examination process as the Inspectors would already be experienced in dealing with the issues contained in the plan.

Question 20: Do you agree with our proposals for the gateway assessment process, and the scope of the key topics? Are there any other topics we should consider?

Yes. However, see our response to **Q18** above for additional suggested considerations.

Question 21: Do you agree with our proposal to charge planning authorities for gateway assessments?

Yes. LPAs currently cover the cost of the Examination process and as gateway assessments should significantly reduce the length of the Examination process, covering these should not require additional funding.

Question 22: Do you agree with our proposals to speed up plan examinations? Are there additional changes that we should be considering to enable faster examinations?

No. The LPDF agree that the Examination phase of plan making should take no longer than 6 months to complete. We also concur that panels of two Inspectors or more should be appointed to Examinations by default. This will significantly speed up the reporting stage of the Examination process.

However, the LPDF do not consider that the Matters, Issues and Questions (MIQs) phase should be limited to submissions by the LPA only. Frequently, issues are raised by Inspectors in their MIQs and LPAs in their response to those MIQs that raise new issues that have not been previously considered. As the process of responding to MIQs by both LPAs and representors happens simultaneously,

removing this requirement will not save any time and may reduce the robust testing of the plan as evidence goes unchallenged.

This is also likely to significantly reduce the transparency of the process as local communities will feel unfairly treated by not being able to respond to the Inspector's MIQs. This could be seen as a negative step backwards in encouraging greater engagement with the local plan process and may reduce the robust testing of the plan.

In addition, LPAs frequently rely on private landowners or developers for their inputs during the Examination as they control many of the allocations proposed in plans. Excluding them from the MIQ process could leave key gaps in the information required for the robust testing of the plan and may prevent Inspectors from testing key issues, whilst also preventing landowners and/or developers from properly representing their interests.

Question 23: Do you agree that six months is an adequate time for the pause period, and with the government's expectations around how this would operate?

Yes. But this should only be used in exceptional circumstances as all issues with the plan should have been addressed at the various gateway assessments. The LPDF consider that should the LPA not have resolved the issue within the 6 months timeframe, they should only be allowed to extend this period with express agreement of the Inspector.

Question 24: Do you agree with our proposal that planning authorities should set out their overall approach to engagement as part of their Project Initiation Document? What should this contain?

The LPDF agree that there should be an increased level of engagement which takes place during the plan making stage so as to give all stakeholders an opportunity to shape the plan. The engagement that takes place should be outlined in the PID with a focus on the quality of that engagement and the breadth of engagement, especially with hard to reach groups. The role of digital engagement can help significantly with achieving these objectives and the government should set out clearly in guidance, how LPAs should prepare their PIDs so that there is an element of consistency of approach across the country.

Question 25: Do you support our proposal to require planning authorities to notify relevant persons and/or bodies and invite participation, prior to commencement of the 30 month process?

Yes in part. However, as set out in our response to **Q6** above, the LPDF do have some concerns about the scoping stage where an LPA undertakes its evidence gathering. This can be an extremely lengthy process and LPAs are vastly under-resourced and need to budget for evidence work across a number of budget cycles. These factors can lead to the evidence gathering stage being lengthy. Although in the consultation there is a requirement for LPAs to give a minimum of 4 months notice before they intend to commence the 30 month plan preparation period, no maximum period is specified. Therefore, in order to ensure that plans are prepared and updated at least once every 5 years, and that LPAs are focussed during the evidence gathering stage, a maximum period for this stage should be specified in the plan preparation timeframe. This should be set at **12 months**.

Question 26: Should early participation inform the Project Initiation Document? What sorts of approaches might help to facilitate positive early participation in plan-preparation?

N/A. The LPDF have no comments to make on this question.

Question 27: Do you agree with our proposal to define more clearly what the role and purpose of the two mandatory consultation windows should be?

Yes. The clearer the guidance is from government about the purpose of the two mandatory consultation periods, the less likely it is that issues will arise as a result of those consultation processes. There have been instances under the current system where LPAs have carried out consultation exercises incorrectly, and this has led to significant delays in the preparation of plans. This risk needs to be minimised by the guidance on the two mandatory consultation periods being detailed, clear and unambiguous.

Question 28: Do you agree with our proposal to use templates to guide the form in which representations are submitted?

Yes. This will ensure a consistency of approach and will assist LPAs in analysing the responses more efficiently. However, these templates should not restrict the ability of representors to respond to all of the potential issues raised by a local plan and should not restrict responses to those questions specifically posed by the LPA.

Question 29: Do you have any comments on the proposed list of prescribed public bodies?

Yes. Active Travel England should be included on the list of prescribed public bodies.

Question 30: Do you agree with the proposed approach? If not, please comment on whether the alternative approach or another approach is preferable and why.

N/A. The LPDF have no comments to make on this question.

Question 31: Do you agree with the proposed requirements for monitoring?

Yes. Monitoring of local plan effectiveness has been poor under the current system with reporting being sporadic, inaccurate and often, non-existent. In order to ensure that the policies of a local plan are, effective in delivering the plan's objectives, accurate, detailed and prompt, reporting of key indicators is essential. This will ensure that the operation of the plan is transparent, its effectiveness can be scrutinised by all stakeholders, and LPAs can determine as early as possible, if the local plan is in need of review. There should be a consistency of approach to monitoring across the country so that relevant performance of areas can be compared with others, this will be particularly important to assist with the Duty to Cooperate or its replacement.

If it is proven by the monitoring undertaken by a LPA that a local plan is in need of review before the required 5 year review period, then the LPA should commence the review process as soon as possible. If they do not, then there should be consequences for the LPA not acting promptly such as the plan being considered to be out-of-date for decision making purposes. In these cases, the Secretary of State should also intervene to direct that the LPA updates its plan.

Question 32: Do you agree with the proposed metrics? Do you think there are any other metrics which planning authorities should be required to report on?

Yes. However, the LPDF consider that some additional indicators are necessary to ensure that key government agendas are being addressed. These include:

a. The LPA's five year housing land supply position.
b. The LPA's affordable housing land supply position, calculated by a prescribed method to ensure consistency across the county.

c. The number of units with planning permission but not yet built, and the number of units which are deliverable/developable but not yet consented.
d. The LPA's employment land supply position calculated against its assessment of need from its evidence base.
e. Net additional units of older persons housing set against the needs outlined in the evidence base.
f. Number of planning permissions refused against officer recommendation.
g. Number of appeals granted as a proportion of all appeal decisions.

Question 33: Do you agree with the suggested factors which could be taken into consideration when assessing whether two or more sites are 'nearby' to each other? Are there any other factors that would indicate whether two or more sites are 'nearby' to each other?

N/A. The LPDF have no comments to make on this question.

Question 34: What preparation procedures would be helpful, or unhelpful, to prescribe for supplementary plans? e.g. Design: design review and engagement event; large sites: masterplan engagement, etc.

The LPDF support the move away from Supplementary Planning Documents (SPDs), which are not tested through an Examination process, to Supplementary Plans (SPs) which have a more formal approach to their preparation. It is agreed that they should only be used in certain circumstances and that the main policies applicable to an LPA should be contained in the local plan.

The proposal that SPs will be subject to both a period of public consultation and a formal Examination process is welcomed, as too often under the current system LPAs have sought to introduce policies through the SPD route which should have been included in the local plan and therefore should have been properly tested at Examination.

Question 35: Do you agree that a single formal stage of consultation is considered sufficient for a supplementary plan? If not, in what circumstances would more formal consultation stages be required?

Yes. The LPDF have no specific concerns that SPs have only one formal stage of public consultation as long as the consultation process follows a very similar process to that required for local plans or goes beyond those requirements given it is just a single stage of consultation. If these documents are to have the same weight as local plans, they should be subject to the same procedures for both consultation and Examination, albeit limited to one consultation period.

However, the LPDF do not agree with the statement in para 191 of the consultation paper that given the possible diversity and flexibility of SPs, different preparation procedures may be suitable for different SPs. In order to ensure a consistency of approach, and to simplify the SP preparation process for all stakeholders, there should be a prescribed approach to SP preparation that is applicable to all SPs.

Question 36: Should government set thresholds to guide the decision that authorities make about the choice of supplementary plan examination routes? If so, what thresholds would be most helpful? For example, minimum size of development planned for, which could be quantitative both in terms of land use and spatial coverage; level of interaction of proposal with sensitive designations, such as environmental or heritage.

No. The LPDF do not consider that there should be a choice of Examination routes available for SPs. If they are to have the same weight as local plans then they should be tested at Examination under the same regime. SPs should be submitted to the SoS and tested at Examination by the Planning Inspectorate to ensure that they are robust, and justify the weight that is to be attached to them in the decision making process. The LPDF consider that this robustness of testing can only be achieved by the Planning Inspectorate.

Question 37: Do you agree that the approach set out above provides a proportionate basis for the independent examination of supplementary plans? If not, what policy or regulatory measures would ensure this?

No. See our response to **Q36** above regarding the appropriate nature of the Examination procedures for SPs.

Question 38: Are there any unique challenges facing the preparation of minerals and waste plans which we should consider in developing the approach to implement the new plan-making system?

N/A. The LPDF have no comments to make on this question.

Question 39: Do you have any views on how we envisage the Community Land Auctions process would operate?

The LPDF recognise that the government's proposals regarding Community Land Auctions (CLAs) are in their embryonic stages, with little detail on how they would be implemented, and with a test and learn approach to their implementation using pilot projects. Therefore, the comments we make in the bullet points below reflect the fact that many of these issues remain unknown and will need careful consideration in the designing of the process, should the government pursue such an approach.

The LPDF have some specific concerns set out below, including:

- Questioning the fact that at a time when planning resources are already spread thinly, whether LPAs will have the capacity or skills to manage what could become a very significant additional process in plan preparation, especially considering the number of potential submissions that they may have to assess and the desire to 'speed up' and 'simplify' local plan making.

- Understanding the definition of a landowner - Some land will be owned by housebuilders and developers, some will be controlled by various legal agreements with restrictions attached as a consequence. Therefore, not all land in a specific community will be owned by individuals who can participate in a CLA process.

- Recognising that the price at which a landowner may be willing to sell land could be impacted by Options Agreements or Planning Promotion Agreements with minimum land value prices specified in legal contracts between the landowner and a housebuilder, developer or strategic land promoter. This could effectively exclude them from the CLA process despite those sites

being potentially the most logical and sustainably located sites for development.

- Being aware of the fact that if the price at which the land is made available is the determining factor in the site selection process, this may lead to landowners with sites which are in less sustainable locations or with other technical issues affecting their deliverability, being promoted through the CLA process at a price that is more than Existing Use Value, but less than the price of other more suitably and sustainably located sites, just because landowners consider that this is their only chance to secure an allocation.

- Knowing that the CLA process has the potential to cause the unintended consequence of a two-tiered land market. For example, will land be allowed to come forward by way of a planning application and/or planning appeal in the settlement, if it hasn't been part of the CLA process?

- Considering whether sites / proposed allocations brought through the CLA process are assessed by a Planning Inspector without any knowledge of the price, or of any underlying 'option' in favour of the Council, so that the sites which are ultimately selected are the most logical and sustainable which can be justified in a local plan context.

Question 40: To what extent should financial considerations be taken into account by local planning authorities in Community Land Auction pilots, when deciding to allocate sites in the local plan, and how should this be balanced against other factors?

See our response to **Q39** above. The LPDF consider that the determining factor to any site selection process must be the suitability, availability and deliverability of the sites which are allocated so as to ensure that the government's fundamental aim of delivering sustainable development is not seriously undermined. There is a very real potential, if the price paid for land becomes a determining factor in the site selection process, that this aim will be significantly weakened.

Question 41: Which of these options should be implemented, and why? Are there any alternative options that we should be considering?

The LPDF agree that the cut off date for submission of plans under the old system should be **30 June 2025** at the latest, and that this should not be extended for any circumstance in order to avoid unnecessary delays in the transition to a new system.

We also agree that where an LPA has an adopted plan which is more than 5 years old when the system goes live, and where they are not working towards submitting a review of that plan for the June 2025 deadline, there is a requirement to start preparing a new style plan immediately. We strongly consider that this requirement should also apply to those authorities that have an adopted local plan which is subject to an early review mechanism as required by an Inspector in their report of the Examination. This will ensure that plans which should have been updated as they were considered to be unsound without a commitment being made to a review are properly reviewed as quickly as possible under the new system.

However, we have to be cognisant of the fact that there is the real risk of further hiatus in plan-making if the regulations and guidance for the new system are delayed in any way. The government should be aiming to publish the additional information and guidance required to operate the new system as soon as possible. This will avoid having councils who want to start a review but can't because they'll

miss the June 2025 deadline not knowing the standardised evidence requirements for the new system in order to allow them to prepare a new style plan.

It is also considered essential that those authorities who have undertaken an assessment of their local plan under Regulation 10a of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended), should be required to start work immediately on a new style plan. This is due to the fact that Regulation 10A Reviews are not subject to public scrutiny or testing and are not externally audited by the Planning Inspectorate or the Secretary of State. Councils can conclude through an internal review, that their local plan remains in conformity with national planning policy guidance and does not require modifying or updating, by providing a justification for this decision without any independent scrutiny. If the government want to ensure that all local plans are comprehensively reviewed at least once every five years, then this route for plan reviews needs to be rescinded.

Whilst it is understandable to phase the introduction of new plans to avoid issues with resourcing, particularly within the Planning Inspectorate, it is essential that the government keep the pressure up on all LPAs to get local plans in place as quickly as possible. As set out in our introduction, as at June 2023, only **33%** of LPAs had up-to-date local plans in place and this could drop to **25%** by the end of 2025 if current plan preparation rates continue (Appendix 1). This is unacceptable in a plan led system. Therefore, the government should be doing everything it can to ensure that new style local plans are put in place as expediently as possible.

Question 42: Do you agree with our proposals for saving existing plans and planning documents? If not, why?

Partially. Whilst we recognise that existing local plans and saved policies will remain in force until a new style local plan is adopted, it is considered that in order to encourage LPAs to adopt new style local plans as quickly as possible, existing local plans and saved policies which are more than 5 years old, should be considered to be out-of-date for decision making purposes.