

Overview

The Land, Planning and Development Federation (LPDF) is very supportive of the Government's drive to reform the planning system to ensure that it is fit for purpose and helps to bring forward much-needed new homes, commercial development, and new infrastructure as quickly as possible. We also recognise the need for improved data collection on many aspects of the planning system, so that a robust analysis of policy changes which are intended to improve the system can be undertaken.

We acknowledge that the changes implemented through the new National Planning Policy Framework (NPPF) in December 2024, along with subsequent changes to the Planning Practice Guidance (PPG) and other elements of the planning system, will make a positive difference. Indeed, research by the LPDF has shown that in the first two quarters of 2025, there is an anticipated 160% increase in the numbers of planning applications which our members are seeking to submit, compared with the 6 months leading up to the publication of the new NPPF.

However, despite many reports having been prepared debunking the land-banking myth including the Letwin Report (2018)¹, the CMA Housebuilding Market Study (2024)², and a series of reports prepared by Lichfields on behalf of the LPDF and HBF including 'Taking Stock'³, 'Tracking the Progress'⁴ and, 'Feeding the Pipeline'⁵ there is still a perception that housebuilders do not build out sites sufficiently quickly. To quote from the Working Paper, "*We know that slow build out rates are of great frustration to many local planning authorities*"; this statement is neither helpful nor based on factual evidence, as has been shown from the reports listed above.

The CMA looked at this issue in some depth through their Market Study and they clearly concluded that

"Overall, we do not consider that competition in the land market, or the land banks held by different housebuilders individually or in aggregate either locally or nationally, is significantly distorting competition between housebuilders in delivering houses. While it is likely that the amount of land being held in housebuilders' land banks is above the level we would see in a well-functioning market, this is primarily a symptom of wider problems in the market, mainly driven by the time and uncertainty associated with obtaining planning permission."

¹ [Letwin review web version.pdf](#)

² [Housebuilding market study final report](#)

³ [Taking stock -LPDF - HBF Research - May21 Final-compressed \(1\).pdf](#)

⁴ [Tracking Progress - Insight - Sept 21.pdf](#)

⁵ [Feeding the Pipeline Research.pdf](#)



Artificially reducing the levels of land banks without addressing these underlying drivers would be most likely to have a negative effect on the amount of housing that is being built.”

The CMA went on further to state that:

“Given this conclusion, we do not propose any remedies directed at land banks.”

As the Government have started to address some of the underlying drivers which were highlighted by the CMA, if these changes are implemented properly, and other barriers in the system are tackled, then build out rates will increase as a result. Housebuilders only see a return on their capital employed when they sell houses. It therefore makes no economic sense for a housebuilder to delay delivery. However, housebuilders are unlikely to build homes which they cannot sell, so they do need to pay careful attention to wider economic conditions such as mortgage interest rates and mortgage availability, to gauge so-called ‘market absorption rates’.

The LPDF firmly consider that the best way in which the Government can increase housing delivery, is by ensuring that we have countrywide coverage of up-to-date local plans and that those local plans allocate a wide variety of sites, in a geographical spread of locations, and of varying sizes, to allow volume housebuilders and SMEs numerous opportunities to deliver. This should be supported by an efficient and effective Development Management process which provides certainty and consistency of outcome and allows for decisions to be made within statutory timeframes. It also needs Government demand-side support, in the form of an equity loan scheme, to stimulate first-time buyers to enter the market and to give confidence to the housebuilders to increase delivery to meet that increase in demand.

The response to this consultation should be read alongside our submission on the ‘Implementing Measures to Improve Build Out Transparency’ consultation.

About the LPDF

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

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

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



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

Our key values include:

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



Questions

(a) Do you agree with the evidence base and theory we have set out on build out rates?

No. As set out above, the myth of slow build out rates has been disproven by many studies and most recently, the CMA Market Study which stated that build out rates are a symptom of the time and uncertainty associated with obtaining planning permission.

The LPDF's research undertaken by Lichfield entitled 'Taking Stock'⁶, undertook a detailed analysis of the stock of unbuilt planning permissions back in 2021. This concluded that the often-quoted figure of 1.1 million unbuilt permissions was both misleading and based on poor-quality data. The research offered four reasons why the 1.1 million permissions figure was misinterpreted:

"a. First, there is a lag - typically a minimum of two years - from a permission being granted and a completion being recorded, so permissions granted in the most recent 2-3 years would not be expected to appear as completions;

b. Second, the number of permissions granted will include homes on larger sites that, once started, may be subject to phasing and will be built out over several years in parallel with new infrastructure;

c. Third, some sites are delayed while they address technical, legal and financial issues and discharge conditions;

d. Finally - and crucially - the 1.1m figure includes double counting because some permissions will be replacements (in whole or part, and as s.73 variation or fresh applications) for approvals granted in previous years, to reflect technical changes, redesigns, alterations in housing mix or design detail, often on sites that are already underway. Some permissions will also genuinely lapse, for example if the site is no longer viable or the land is retained for another use.

It takes a considerable amount of time for a site to progress from acquisition to delivery, and a significant amount of this delay is as a result of the process of gaining planning permission. The LPDF's recent research, 'How Long is a Piece of String',⁷ clearly shows that the length of time it takes to gain outline permission for a site has risen to two years, an increase of sixteen months since 2014. As housebuilders have pipelines of sites with planning permissions, which on average only represent 3.3 years of delivery, a finding in

⁶ [Taking stock -LPDF - HBF Research - May21 Final-compressed \(1\).pdf](#)

⁷ [How Long is a Piece of String](#)



the LPDF's research 'Feeding the Pipeline'⁸, housebuilders need to manage their delivery of homes so that they do not run out of sites to deliver that have planning permission.

As the CMA correctly stated, the land pipeline of developers is a symptom of an inefficient and ineffective planning system.

(b) How could we go further to support models of housebuilding which build faster, such as small sites, strategically master-planned and mixed tenure?

The Working Paper already contains a number of elements of the Government's Strategy which they consider will speed up build out, many of which we support.

Continuing with the programme of planning reform is essential for the Government, especially addressing key barriers to delivery through the introduction of National Development Management Policies, a National Scheme of Delegation, a new 30-month process for local plan preparation, and a renewed emphasis on strategic planning. There are also some short-term live issues which need to be addressed as a matter of urgency, to ensure that planning applications are granted as quickly as possible. These include issues such as Surface Water Flood Risk, finding solutions to nutrient and water neutrality and recreational impact, reviewing the role of statutory consultees, introducing standardised S106 Agreements, planning conditions and validation checklists, reducing the evidence base requirements for smaller sites and for outline planning applications and ensuring that LPAs and statutory consultees are adequately resourced.

The LPDF also strongly believes that one of the best ways that the Government can encourage a faster build out rate is to ensure that there is an adequate supply of small and medium-sized sites allocated in local plans, to encourage more SME developers to enter the market and deliver a greater number of schemes.

Local Plans should be required to allocate a certain percentage of their housing requirement on small sites, and a certain percentage on medium sized sites, based on the eventual thresholds that the Government adopt following consultation on 'Reforming Site Thresholds' (please read the response to this question alongside our submission to the 'Reforming Site Thresholds' consultation).

The allocation of sites in local plans, both within the small and medium-sized site categories, would de-risk the planning process for this size of site significantly. This would give SMEs the confidence to invest in bringing these sites forward. Smaller sites generally deliver homes more quickly as they are less complex and often do not require the delivery of major supporting infrastructure, which can delay sites from coming forward. SMEs also need a faster return on capital employed to ensure they have

⁸ [Feeding the Pipeline Research.pdf](#)



sufficient cashflow to continue to operate, a point that the Government recognises in their Working Paper in para 7(c).

The latest report of the Radix Big Tent Housing Commission⁹ concludes, based on evidence prepared on behalf of the LPDF by Savills¹⁰, that SMEs could deliver another 70,000 homes per year if they received proactive support through the planning system. This support includes extending the Medium-Sized site category, potentially up to 100 dwellings, and ensuring only essential information is required for planning applications on such sites. The LPDF fully supports these conclusions. Ensuring local plans allocate a proportion of their housing requirement on Small and Medium Sized sites, would clearly assist the Government greatly in increasing the speed at which new homes are delivered.

Another barrier to the delivery of new homes on sites that currently have planning permission includes the ability of Registered Providers (RPs) to deliver the S106 obligations for affordable housing provision. This has been an issue that has been blocking site delivery in a wide variety of locations across the country, as some RPs have been unable to invest in the provision of new stock. This is an issue that has been recognised by the Government through the recent Comprehensive Spending Review (CSR) with a welcome and significant injection of funding into the Affordable Housing Programme, and the promise of a longer-term rent settlement and potential for rent convergence. However, more needs to be done to support RPs when purchasing S106 homes to allow grant funding to be used more flexibly in affordable housing provision. Without such measures, many existing and new sites coming through the planning process may stall due to a lack of RP partners to deliver the affordable homes.

Finally, as clearly recognised by the Government in para 9(b) of the Working Paper, the speed of delivery on sites will be significantly improved if first-time buyers are supported through a new targeted equity loan scheme. Recent research by the HBF, conducted by Public First, suggests that the introduction of such a scheme could enable a significant number of first-time buyers to enter the property ladder, varying from 333,000 to 490,000 over a five-year period. Without such demand-side interventions from the Government, it could mean that current delivery rates of around 0.6 homes per week are unlikely to be exceeded.

Research recently undertaken by Savills for the LPDF entitled 'Land Matters', analyses sale rates, outlets, the stock of current planning permissions, and the impact of demand-side support for house purchase. The research highlights that in 2024, sale rates on sites were on average, between 0.57 and 0.61 homes per week, with the volume house builders operating out of 8% fewer sites than over the previous decade. It is anticipated

⁹ [Radix Big Tent - Unblocking the Housing Ecosystem](#)

¹⁰ [What size of housebuilder do we need to deliver more homes - October 2024 final.pdf](#)



that sales rates going forward are likely to remain close to 0.6 homes per week without any demand-side support from the Government.

What is clear is that the reasons why sites are not built out at a faster pace are complex and multi-faceted, and simply introducing build out monitoring and penalties for delivery which is not at a pace that was originally envisaged will do very little to increase delivery rates. In fact, it is likely to have the opposite effect of encouraging housebuilders to be extremely conservative in their estimation of how fast sites will be delivered and may reduce investment in bringing new sites forward, as investors will see penalties and the potential of a refusal to process a planning application(s) as a greater risk to their investment.

(c) For mixed tenure, what would you consider to be an appropriate threshold level?

It is considered that the proposed threshold for mix tenure sites of 500, is too small. In some areas, the affordable housing provision on such sites could be 40% or even 50%. This would mean that on the smallest sites, if these thresholds were used, sites of only 250 homes market houses would require a mix of tenures to be provided. This is likely to increase the complexity of such sites and may be of a size which is too small to attract other tenure providers due to viability issues and the potential long-term management costs of such small sites.

It is therefore considered that if introduced, this threshold should be raised to 500 homes, after allowing for the affordable housing element, as a minimum (i.e. 700 when there is a 40% affordable housing requirement).

It must also be remembered that some schemes may come forward as 100% affordable housing provision, and this option must not be precluded by this proposal

(d) Do you have any views on how the proposed CPO measures would work best in practice?

The LPDF make no comment on this question.

(e) How should MHCLG guide local authorities and developers towards reasonable build out schedules (noting that ultimately this will be negotiated locally)?

The LPDF sees merit in improving the data which is routinely collected about the delivery of residential development through the submission of build out statements by developers. However, we are of the firm opinion that this should be done for information purposes only and should not be able to be negotiated locally by the LPA.

Developers are best placed to know what the optimal build out rate for a particular site will be, given the issues with the site, the prevailing economic conditions, current sales



rates and the wide range of other issues which could impact upon the speed at which a site is delivered. Having to negotiate an acceptable build out rate with an LPA through the determination of a planning application will only add further complexity to an already overly complex system and will add to the workload of already over-stretched LPAs. This is likely to have the overall impact of slowing the delivery of new houses rather than speeding them up.

If the Government does introduce the submission of build out statements to LPAs, then this should only be required at the detailed stage of any planning application process. At earlier stages, such as the outline stage, there would be no accurate way for the applicant to assess when homes on the site would be delivered. There are still many stages to go through, which are outside of the applicant's control before an accurate picture of likely delivery can be determined. These issues include, the determination of the outline application itself, the completion of any S106 agreement, the sale of the site to a developer and/or the preparation and determination of a Reserved Matters application, the discharge of conditions, receiving any required technical approvals, and any other actions required to be delivered by an organisation other than the developer (e.g. service and utility connection, the delivery of a new road by the Highways Authority etc).

It is only when all of the elements listed above have been fulfilled that the requirement to commit to a detailed and reasonably accurate delivery schedule should be enacted. Even then, the schedule may still be impacted by other external factors such as economic conditions or unforeseen site issues, which render the submitted build out statement inaccurate.

If the Government introduces these proposals, then it should provide a template build out statement in order to ensure a consistency of approach in data collection across the country, allowing for detailed data analysis going forward. The Government should consult on any proposed build out statement template before it is implemented.

(f) What are the right set of exemptions for external factors that impact build out rates? Should this include economic downturns which reduce sales rates, or does that mean that payments would be too weak to induce the shift toward the partnerships business models we want to see?

It is extremely difficult to identify an exhaustive list of all of the relevant external factors that could impact upon build out rates. However, the Government should provide detailed guidance to LPAs about the factors that are among those which they must consider when determining whether a proposed build out rate has not been achieved for legitimate and understandable reasons. This guidance should be consulted on before it is introduced.

These factors will include, amongst other things, discharge of conditions, technical approvals, sectional agreements such as S104s and S278s, delays caused by other public bodies such as infrastructure provision, utilities connections, unforeseen site



issues, changes which may result in a negative impact on site viability such as increased build costs, external economic factors, local housing market factors, global issues such as pandemics, wars or worldwide financial issues etc.

As can be seen from this list, which is certainly not exhaustive, there are a considerable number of varying issues which can have a legitimate and justified impact on the speed of build out on a specific site. This makes the art of predicting a specific build out schedule at the point of determination of a planning application, extremely inaccurate, almost rendering the process worthless. This again will create additional workload for LPAs who are already vastly over-stretched, with application processing times increasing as a result.

(g) For the Delayed Homes Penalty, do you agree with the intention to use it to incentivise the shift towards higher build out models of housebuilding?

The LPDF does not agree that the proposal for the introduction of a Delayed Homes Penalty (DHP) is justified.

It will introduce an increased risk for prospective investors in the development sector which cannot be accurately accounted for at the investment stage. It is likely to disincentivise organisations from investing in the development sector, which could have the unintended consequence of reducing housing delivery.

The proposals, as they are currently set out, have the potential to increase the adversarial relationship between developers and LPAs, especially if build out statements have to be negotiated at the local level. This will mean that LPAs will be setting the build out rates, assessing whether developers have met these targets, and then penalising developers as a result. This type of relationship is unlikely to be a positive one and may lead to legal challenges if either party feels aggrieved by the process, arguing about who is responsible for slow delivery. This is hardly likely to lead to a speeding up of delivery rates.

We therefore strongly disagree with the proposal to introduce a DHP.

If the Government is minded to introduce this proposal, against all the potential negative issues related to its implementation, then it must set out clear guidance to LPAs that they should only be used as a last resort. The circumstances where a DHP may be justified would have to be set out clearly, as would the long list of potential factors which must be taken into account by LPAs when determining if a DHP is justified. This process must also have an independent appeals procedure to ensure that the system is not abused.

Any revenue that an LPA gains from the DHP procedure should also be ringfenced for reinvestment in the LPAs planning system.



(h) How should the Penalty be calculated? What are the strengths and weaknesses of using a percentage of house price, or reference to local council tax rates? What information would local authorities require?

The LPDF reiterate that we strongly disagree with the proposal to introduce a DHP for the many reasons set out in this consultation response.

If the Government are minded to introduce a DHP procedure, then the penalty must be calculated based on a nationally set levy which is clear, transparent, proportionate and not open to dispute.

(i) Are there wider options you think worthy of consideration that could help speed up build out of housing?

There are a number of wider options which the Government should be considering to help speed up site build out, many of which are set out in the LPDF's response to the questions posed above. These would be far more effective than simply penalising developers for build out rates which are simply reflective of current market conditions.

These options include:

- Increasing resources within LPAs to reduce validation and determination periods for planning applications and to deal efficiently with the progress of S106 Agreements, discharging of planning conditions, and receiving all technical approvals. This could be assisted by the completion of the review of Statutory Consultees, reducing the evidence base requirements required to support applications, particularly of a smaller scale, introducing standard validation checklists, S106 Agreements and conditions, and introducing an effective National Scheme of Delegation and National Development Management Policies.
- Significantly reducing the evidence base requirements for outline planning applications (See 'How Long is a Piece of String – Lichfields & LPDF¹¹').
- Ensuring that up-to-date countrywide coverage of Local Plans is delivered and that these plans are kept up-to-date with robust reviews being undertaken at least once every 5 years.

¹¹ [How Long is a Piece of String](#)



- Ensuring that there is an adequate supply of small and medium-sized sites allocated in local plans so as to encourage more SME developers to enter the market and deliver a greater number of schemes, potentially at a greater delivery rate.
- Introducing greater performance management monitoring for LPAs Development Management and Local Plan functions, with potential financial rewards being available for LPAs who achieve certain performance levels (like the previously administered Planning Delivery Grant).
- Introducing demand-side support for first-time buyers in the form of an equity loan scheme.
- Ensuring that Registered Providers have the financial flexibility to invest in new affordable housing stock delivered by way of S106 Agreements.

(j) Do you anticipate any environmental impacts from these proposals that the government must consider and the Environmental Principles Policy Statement?

The LPDF make no comment on this question.

(k) Do you anticipate these proposals giving rise to any impacts on people who share a relevant protected characteristic, as defined by the Equality Act 2010, that the government must consider under the Public Sector Equality Duty?

The LPDF make no comment on this question.

