

Ministry of Housing, Communities and Local Government
3rd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

30th January 2025

Response submitted via email only to: Nutrient.PPD@communities.gov.uk

Dear Sir/Madam,

Re: Planning Reform Working Paper: Development and Nature Recovery

Introduction

Thank you for releasing the ‘Development and Nature Recovery’ Working Paper which we understand to be part of an on-going engagement with stakeholders on changes to the planning system. The Land Planning and Development Federation (LPDF) recognises the need for reform to the current approach to nature recovery which has been causing significant barriers to development. The Federation also recognise and applaud the government on the speed of change to the planning system being pursued, in direct recognition of the need to make the necessary reforms and get Britain building again.

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

The general direction of travel displayed by the proposed changes is seen as a positive step, however the Federation believes that this could go further still in order to overcome the barriers to development and help the government in their aim of delivering 1.5 million homes this parliament. The delays to development resulting from nutrient neutrality and water neutrality issues has a disproportionately greater impact on SME housebuilders and in many cases these issues are threatening their livelihood. SME builders lack the cash reserves to procure the necessary solutions, or the ability to switch their finance to another project in a non-constrained location.

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 consider this approach would be likely to provide tangible improvements to the developer experience while supporting nature recovery?

Yes, the LPDF are supportive of a more strategic approach to nature recovery and believe that the proposed changes moving to a tariff-based system will result in positive benefits for the development industry whilst maintaining the necessary support for nature recovery. Whilst the Federation are generally supportive of the proposals set out in the working paper, it is essential that the details of these reforms are carefully considered to ensure the best possible outcome for both the development industry and the natural environment.

The Federation believe that the preparation and implementation of the Delivery Plans should not be the responsibility of Local Planning Authorities (LPAs), as they lack the necessary resources and expertise in this area. Their approach is likely to be overly cautious, leading to unnecessary complications and delays in preparing the plans. Instead, organisations such as Natural England and the Environment Agency should take the lead on this, with close oversight from Defra and MHCLG to ensure timely progress.

The main benefit from the proposed approach for applicants would be the relief it will provide from the planning bureaucracy currently associated with demonstrating that environmental obligations have adequately addressed.



Shifting away from project-by-project assessments will save both time and costs for developers. It should also save time for LPAs who are already suffering from significant resource constraints.

To ensure the benefits of these proposals, it is crucial that the rules of the approach are clear and that LPAs are not able to introduce additional issues, create new rules, or impose extra conditions related to the environmental obligations addressed by the Delivery Plan.

The payment of the levy, based on the Delivery Plan, should discharge the liability of the applicant allowing the construction and occupation of the new housing to proceed without any further planning condition relating to that environmental obligation, or further delays. This, if successfully implemented, would ease the development management process and assist the delivery of new homes in a timely manner.

Notwithstanding the above support for the tariff-based approach, it is essential that applicants should be free to pursue their own solution, if they wish to do so, by continuing down the mitigation route. Since the introduction of nutrient neutrality restrictions in 2019, housebuilders have received almost no practical support for successful implementation. As a result, they have been left to find their own solutions. Many have made significant investments in technologies and solutions that work in certain areas. They should be allowed to continue these efforts, whether on-site or off-site, if they choose to do so.

Another important point to address in order to allow applicants to quickly resolve delays related to nutrient and water neutrality, as well as recreational impact zones, is to clarify who is responsible for approving the proposed solutions. It should be clear whether Natural England (or another public body) will take on the responsibility for this within the Delivery Plan.

b) Which environmental obligations do you feel are most suited to this proposed model, and at what geographic scale?

The LPDF believe that ideally, all environmental obligations should be included within this proposed approach. Whilst we acknowledge, that at this stage, Biodiversity Net Gain (BNG) and SANG are not covered by these proposals, the Federation submit that consideration should be given to bringing BNG and SANG into scope of these proposals in the future. Particularly for SME housebuilders, the simplicity and certainty that would come from having just one environmental payment needs to be recognised and potentially rectified in later reviews of this approach.

The LPDF believe that as far as possible the environmental obligations identified should be assessed on a catchment wide basis. So, for example for nutrient neutrality, this would be on the 27 catchment areas already defined.

c) How if at all could the process of developing a Delivery Plan be improved to ensure confidence that they will deliver the necessary outcomes for nature?

The development of the Delivery Plan will improve efficiency by shifting away from the current case-by-case environmental assessments required for each residential planning application. This will also lead to better environmental outcomes by identifying the most effective actions to restore habitats to a favourable condition, and do so more quickly, as opposed to the current fragmented method. To ensure the actions taken to support nature recovery are effective, the process needs to allow for regular monitoring. This monitoring and reporting should undergo independent verification. We recommend that this be included in the legislation.



The LPDF believe that housebuilders and promoters should only be required to contribute to the cost of the Delivery Plan in proportion to the industry's contribution to the problem. The housebuilding industry should not be financing the Delivery Plan in its entirety. Consequently, the Delivery Plan will need to detail how other sectors will be involved in nature recovery and the proportionality of any such contributions.

The LPDF note that the proposals are for payment to be made prior to the commencement of works. In general, the Federation agree with this, however we believe that this should be kept entirely separate from the LPA development management process. The applicant would then just need to present a certificate of payment to the LPA to demonstrate that payment has been made. An alternative that the government could consider would be the potential for phased payments. The LPDF would be keen to see this made available, specifically for SME builders who generally do not have large cash reserves, but generate cash as dwellings are completed and sold. This could be an option which is reserved solely for the use of SME builders.

d) Are there any additional specific safeguards you would want to see to ensure environmental protections and / or a streamlined developer experience?

The LPDF seek reassurance that once housebuilders have paid the tariff, they will not be prevented from starting or completing the construction of a scheme, either by the public delivery body responsible for creating the Delivery Plan or by the LPA, should subsequent monitoring reveal that the actions in the Delivery Plan are not achieving the intended outcomes.

e) Do you support a continued role for third parties such as habitats banks and land managers in supplying nature services as part of Delivery Plans?

Yes. The LPDF believe that it should remain an option for housebuilders to contract with private providers to satisfy the environmental obligations required.

f) How could we use new tools like Environmental Outcomes Reports to support this model?

Environmental Outcomes Reports (EOR) could be used to monitor and report the effectiveness of the Delivery Plans. Regular assessments will be needed, including routine monitoring of the condition of the habitats that the environmental obligations are designed to improve. This could then be reported through the EOR. Monitoring of outcomes will need to be done routinely and in a transparent manner, as such, the LPDF recommend that this requirement should be written into the Planning and Infrastructure Bill.

g) Are there any other matters that you think we should be aware of if these proposals were to be taken forward, in particular to ensure they provide benefits for development and the environment as early as possible?

The LPDF believe that the government should automatically extend the life of a planning permission where schemes with planning permission have been caught by the water and nutrient neutrality rules or by the imposition of recreational impact zones. Some schemes have been delayed since 2019, and the proposals in the working paper will not take effect until spring 2026. Therefore, a number of these permissions will elapse during this period, wasting large amounts of public and private money and time. Again, we believe that the Planning and Infrastructure Bill would provides the means to do this.



Conclusions

In general, the LPDF are supportive of the nature recovery proposal set out within this working paper and welcome the government seeking to address these issues which have been a significant barrier to housing delivery for far too long. If the government are to achieve anywhere near the 1.5 million new homes this parliament target, then unlocking the development delayed by these environmental based issues is imperative. It is also key to enabling new proposals to come forward in a timely and efficient manner, whilst still addressing the necessary environment obligations.

Whilst we are supportive of the move to a strategic tariff-based approach and the introduction of Delivery Plans to achieve this, we believe that the proposals need to go further to capture all environmental obligations including BNG and SANG. It is only once all of these environmental obligations are wrapped into one that the benefits will truly be felt by the SME housebuilders.

Removing the bureaucratic planning process regarding environmental obligations is a positive step for the development industry and moving away from a project-by-project assessment will save considerable money and time for both the public and private sector, providing that the new system is clear and universally applied.

The LPDF welcome the opportunity to comment on 'Development and Nature Recovery' working paper, and hope that these comments are taken in the constructive and positive nature that they are intended. Should you wish to discuss any of the points raised in further detail please do not hesitate to get in touch with one of the LPDF team.

