

## **PROPOSED REFORMS TO THE NATIONAL PLANNING POLICY FRAMEWORK AND OTHER CHANGES TO THE PLANNING SYSTEM**

### **CONSULTATION RESPONSE**

**Response from:** BusinessLDN, One Oliver's Yard, 55-71 City Road, London EC1Y 1HQ

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### **INTRODUCTION**

1. BusinessLDN is a business membership organisation with the mission to make London the best city in the world to do business, working with and for the whole UK. BusinessLDN works with the support of the capital's major businesses in key sectors such as housing, commercial property, finance, transport, infrastructure, professional services, ICT, and education. We welcome the opportunity to respond to the Ministry of Housing, Communities and Local Government's consultation on proposed reforms to the National Planning Policy Framework and other changes to the planning system.
2. We have only responded to the questions that we have a direct interest in.

### **RESPONSES TO THE CONSULTATION QUESTIONS**

**Question 1: Do you agree that we should reverse the December 2023 changes made to paragraph 61?**

3. Yes, this reinstatement would be welcome. There should be an expectation that housing targets are derived from the standard method for calculating housing need (the standard method). This approach brings transparency and continuity across the country and avoids lengthy debates at every local plan examination over bespoke assessment methodologies.

4. In 2022, a briefing by Turley<sup>1</sup> noted that the time between a local plan being submitted and found sound had been reduced by 13% since the standard method was introduced. This was based on monitoring by the Planning Inspectorate, which showed that the twenty sound plans submitted since the standard method was formally introduced in 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.

**Question 2: Do you agree that we should remove reference to the use of alternative approaches to assessing housing need in paragraph 61 and the glossary of the NPPF?**

5. The proposed revisions to paragraph 61 are supported. As stated above, there should be an expectation that housing targets are derived from the standard method. However, there may be very exceptional circumstances where a deviation is necessary, for instance when a strategic authority is calculating need on a much larger scale. Any attempt by an authority to move away from the standard method must be required to meet strict tests and agreed with the Planning Inspectorate at the earliest opportunity in the examination process. The wording of paragraph 61 prior to December 2023 allowed for this.

**Question 3: Do you agree that we should reverse the December 2023 changes made on the urban uplift by deleting paragraph 62?**

6. Whilst the principle of encouraging significant housing growth in large urban areas is a sensible approach, the introduction of a 35% uplift for the 20 largest urban areas in England was an overly blunt tool. The removal of this policy, and a more nuanced approach to promoting development in urban areas and on previously developed land more broadly, will create a less prescriptive environment for homes to be delivered and encouraging development where it is needed most.

**Question 4: Do you agree that we should reverse the December 2023 changes made on character and density and delete paragraph 130?**

7. Yes. These changes essentially limited the effectiveness of the planning system to deliver sustainable developments in existing urban areas.
8. To deliver the homes this country needs, it is essential that every opportunity is taken to maximise the efficient use of previously developed land. To achieve this, it will often be necessary for higher densities to be introduced to existing areas subject to amenity and infrastructure capacity considerations.

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<sup>1</sup> *BRIEFING: Locally derived housing need – considering an alternative to the “standard method”* (Turley for the Home Builders Federation (HBF) and the Land Promoters and Developers Federation (LPDF), 2022)

**Question 5: Do you agree that the focus of design codes should move towards supporting spatial visions in local plans and areas that provide the greatest opportunities for change such as greater density, in particular the development of large new communities?**

9. Yes. A design code should be developed to support the strategic vision for an area that has significant potential for growth to ensure the delivery of high quality and sustainable development. Where a mixture of land uses is located in close proximity in developments delivering greater density, the agent of change principle should apply.

**Question 6: Do you agree that the presumption in favour of sustainable development should be amended as proposed?**

10. Yes, the amendments are supported because they make it clearer which policies are considered to have greatest relevance when applying the presumption in favour of sustainable development to planning decisions.

**Question 7: Do you agree that all local planning authorities should be required to continually demonstrate 5 years of specific, deliverable sites for decision making purposes, regardless of plan status?**

11. Yes. This approach is essential for maintaining a continuous pipeline of housing development and delivering upon the ambitious housing targets that have been set out. It will help incentivise development where it is needed most whilst also creating transparency in the process for local communities.

**Question 8: Do you agree with our proposal to remove wording on national planning guidance in paragraph 77 of the current NPPF?**

12. Yes. The ambitious housing targets of this government, paired with the growing housing crisis, mean that any previous over-supply should not be used as a reason to scale back the development pipeline in an area. As the consultation outlines, strong delivery records should be celebrated. However, in areas which have previously over-supplied, those local planning authorities (LPAs) must still proactively maximise their remaining sites for development in the most efficient and sustainable way.

**Question 9: Do you agree that all local planning authorities should be required to add a 5% buffer to their 5-year housing land supply calculations?**

13. Yes. The reintroduction of a 5% buffer on the 5-year housing land supply calculations will help maintain some competition in the market and provide contingency where unforeseen barriers to delivery may stall some sites in the pipeline.

**Question 10: If yes, do you agree that 5% is an appropriate buffer, or should it be a different figure?**

14. 5% is an appropriate starting point, provided the new replacement part (b) to existing paragraph 75 is also taken forward to require a 20% buffer from any LPA that has a weak track record of delivery.

**Question 11: Do you agree with the removal of policy on Annual Position Statements?**

15. Yes, Annual Position Statements are an unnecessary complication and resource burden provided that existing paragraph 75 is amended as currently proposed, i.e. requiring a 5% buffer as a starting point and increasing to 20% in circumstances of under delivery.

**Question 12: Do you agree that the NPPF should be amended to further support effective co-operation on cross boundary and strategic planning matters?**

16. Yes. Whilst we await the government's legislation on this matter, the proposed amendments to paragraphs 24-27 of the NPPF are supported. Whilst London already has cross boundary, strategic planning through the London Plan, encouraging strategic planning with, and within, the wider South East is welcomed. Key housing and economic issues must be understood at a more strategic level, with many of those who work in London living outside of the city.
17. Another example is the freight and logistics sector, a core element of our national infrastructure. A more strategic approach to planning for freight and logistics would allow for development to be based in optimum locations, factoring in transport links, supply chains and related economic markets. Large scale sites will likely require effective coordination across local authority areas and we welcome the plans to support and encourage this.
18. For all sectors, encouraging cross boundary co-operation and strategic planning ensures that developments can be linked to wider plans, needs and infrastructure to maximise their growth benefits. Ultimately, cross boundary cooperation will help to deliver better outcomes at a quicker pace across all types of projects.

**Question 13: Should the tests of soundness be amended to better assess the soundness of strategic scale plans or proposals?**

19. The tests of soundness in paragraph 35 are largely fit for purpose. However, they would benefit from a small tweak to the 'justified' test at sub-paragraph (b). The reference to 'reasonable alternatives' can be onerous for plan making in terms of the resource required for evidence preparation and examination. A simpler reference to 'evidence' would allow an Inspector to take a proportionate approach when examining a local plan.
20. Part (b) of paragraph 35 should be amended as follows:

b) **Justified** – an appropriate strategy, ~~taking into account the reasonable alternatives, and~~ based on proportionate evidence;

**Question 14: Do you have any other suggestions relating to the proposals in this chapter?**

21. Further clarity is required in terms of mandatory national housing targets and how these are cascaded down through each tier of government and, in particular, what this means for the preparation of spatial development plans which sometimes need to take a bespoke approach, like the London Plan.

**Question 20: Do you agree that we should make the proposed change set out in paragraph 124c, as a first step towards brownfield passports?**

22. Yes. Ensuring that development proposals on previously developed land are supported in principle is integral to maximising the land supply across the country to deliver economic growth and meet housing need.

23. It is important that all forms of economic and housing development are encouraged on brownfield land, together with the infrastructure needed to support intensification. In many cases, commercial development is well-suited to brownfield land and housing should not take precedence. Instead, local plans should ensure that the right land uses are placed where they are most suited and needed.

**Question 21: Do you agree with the proposed change to paragraph 154g of the current NPPF to better support the development of PDL in the Green Belt?**

24. Yes, the proposed change to 154g is supported because it provides greater clarity to the principle of redeveloping sites in the Green Belt. The previous wording was unnecessarily complicated.

25. The deletion of the affordable housing test is also welcomed. Depending on the economic and housing needs of the area in question, it is important that all forms of development can take place on PDL in the Green Belt and not just housing. For some sites, commercial development may be best suited, and these schemes should be encouraged to come forwards to support economic growth.

**Question 23: Do you agree with our proposed definition of grey belt land? If not, what changes would you recommend?**

26. Yes, we support the definition of Grey Belt as proposed.

27. Whilst the NPPF policy should not be prescriptive, Planning Practice Guidance should provide further clarification on how a “limited contribution” is interpreted to ensure this does not create challenges for plan makers and decision takers. It is important for LPAs,

developers and communities that areas of Grey Belt can be clearly identified in a transparent and efficient manner.

**Question 25: Do you agree that additional guidance to assist in identifying land which makes a limited contribution of Green Belt purposes would be helpful? If so, is this best contained in the NPPF itself or in planning practice guidance?**

28. As stated above under Question 23, further clarification on the assessment process should be provided, especially in providing further clarification to define how a “limited contribution” should be interpreted. When National Development Management Policies are brought forward, this would be the most suitable place to provide clarification as this would then form part of the development plan.

**Question 26: Do you have any views on whether our proposed guidance sets out appropriate considerations for determining whether land makes a limited contribution to Green Belt purposes?**

29. As stated above under Questions 23 and 25, further guidance is needed. Whilst the definition should refrain from being too prescriptive, adding more specific – and perhaps quantifiable – measures to help assess “limited contribution” would help create clearer guidance for all.

**Question 28: Do you agree that our proposals support the release of land in the right places, with previously developed and grey belt land identified first, while allowing local planning authorities to prioritise the most sustainable development locations?**

30. Yes, but it must be acknowledged that what determines a ‘sustainable development location’ will vary according to the type of development and its locale.
31. Requiring LPAs to review their Green Belt if they are not meeting their identified needs for development is a positive move and we support the sequential test proposed to guide release as a high-level principle. However, factors that should guide a sustainable development location for housing (e.g. creating mixed and balanced communities) will vary from factors that should be prioritised for offices (e.g. focused at public transport nodes) and again industrial and logistics development (e.g. its relationship to the wider supply chain). Accordingly, we support LPAs having discretion to release land in the right places and prioritise according to local development needs.

**Question 29: Do you agree with our proposal to make clear that the release of land should not fundamentally undermine the function of the Green Belt across the area of the plan as a whole?**

32. Yes. The function of the Green Belt is to manage urban sprawl and this overarching objective must be maintained. However, in the past, Green Belt designation has been used in a more protectionist fashion to prevent any new development. The proposed changes to permit development on areas of previously developed land or on Grey Belt land allow for schemes to come forwards in suitable locations whilst still allowing for the Green Belt to maintain its actual function.

**Question 30: Do you agree with our approach to allowing development on Green Belt land through decision making? If not, what changes would you recommend?**

33. Yes, subject to some proposed improvements to the wording of new paragraphs 152 and 155 set out below.

34. Given the number of authorities that do not have an up-to-date plan in place, it is imperative that the NPPF allows for Green Belt release, where appropriate, through the development management process. As stated in the consultation document, it is currently possible for Green Belt land to be released outside the plan-making process where 'very special circumstances' exist, but there can be inconsistency in the approach to application and appeal decisions.

35. In the section entitled 'Proposals affecting the Green Belt' it is submitted that the proposed new wording could be improved to provide enhanced clarity. We propose the following changes to new NPPF **Paragraph 152**:

*In addition to the above, housing, commercial and other development in the Green Belt should not be regarded as inappropriate where:*

*a. The development would utilise grey belt land in sustainable locations, the **relevant** contributions set out in paragraph 155 below are provided, and the development would not fundamentally undermine the function of the Green Belt **across the area of the plan as a whole**; and*

*b. ~~The~~ **In the case of schemes involving the provision of housing**, the local planning authority cannot demonstrate a five year supply of deliverable housing sites (with a buffer, if applicable, as set out in paragraph 76) or where the Housing Delivery Test indicates that the delivery of housing was below 75% of the housing requirement over the previous three years; or there is a demonstrable need for land to be released for development of local, regional or national importance.*

*~~c. Development is able to meet the planning policy requirements set out in paragraph 155.~~*

36. We also propose the following changes to new NPPF **Paragraph 155**:

*Where major development takes place on land which has been released from the Green Belt through plan preparation or review, or on sites in the Green Belt **permitted to be determined** through development management, the following contributions should be made **to the following where relevant to the proposed development**:*

*a. In the case of schemes involving the provision of housing, at least 50% affordable housing [with an appropriate proportion being Social Rent], subject to viability;*

*b. Necessary improvements to local or national infrastructure; **and or***

**Question 31: Do you have any comments on our proposals to allow the release of grey belt land to meet commercial and other development needs through plan-making and decision-making, including the triggers for release?**

37. It is welcomed that the proposed insertion to existing paragraph 145 includes an explicit reference to “identified need for housing, commercial or other development”. Whilst much of the debate on Green Belt release has historically been in relation to housing delivery, it is critical that the importance and growing need for commercial development is not overlooked given the need to boost the national economy. In some circumstances, the imperative to meet economic needs may be greatest and some Grey Belt sites may be better suited for commercial development. Therefore, each site and its use should be viewed on a case-by-case basis.

**Question 34: Do you agree with our proposed approach to the affordable housing tenure mix?**

38. Yes, we support the principle of local authorities deciding the target tenure split for affordable housing in their areas. Policy requirements should reflect local housing need rather than be dictated nationally in a blanket policy. Whilst this will influence the viability of each scheme, and thus the headline affordable housing percentage, it is better that these decisions are made at the local level.

**Question 35: Should the 50 per cent target apply to all Green Belt areas (including previously developed land in the Green Belt), or should the Government or local planning authorities be able to set lower targets in low land value areas?**

39. Financial viability inputs, including land values and sales values, vary significantly in different parts of the country. Therefore, whilst it is fine to have an aspirational, overarching target of 50% in the NPPF, this will need to be applied flexibly and treated as a target that is subject to local plan viability testing, rather than an absolute requirement. In this context we support the principle of LPAs being able to set lower targets where appropriate, including – but not limited to – in low land value areas.

The 50% target for affordable housing in Green Belt areas will undoubtedly create viability challenges for some projects that come forward. Consequently, LPAs must be pragmatic when developing their local plan policies to ensure that projects can come forward and be delivered to meet housing and economic targets.

**Question 36: Do you agree with the proposed approach to securing benefits for nature and public access to green space where Green Belt release occurs?**

40. Yes, we support the principle that the release of Grey Belt land should benefit communities and nature.



**Question 37: Do you agree that Government should set indicative benchmark land values for land released from or developed in the Green Belt, to inform local planning authority policy development?**

41. Values vary significantly in different parts of the country and can even do so within one authority area. It would therefore be a very challenging exercise to set indicative benchmark land values on a countrywide basis that could be used in any meaningful and helpful way without risking unintended consequences.

**Question 39: To support the delivery of the golden rules, the Government is exploring a reduction in the scope of viability negotiation by setting out that such negotiation should not occur when land will transact above the benchmark land value. Do you have any views on this approach?**

42. No, we do not support this approach. For the reasons set out above, under Questions 35 to 37, if the Government intends to embed its ambition for 50% affordable housing on Green Belt land in the NPPF, there will need to be some flexibility on local targets and consideration of viability issues. Whilst there may be scope to reduce viability negotiation in the wider planning system, sites in the Green Belt will only be coming forward on a limited basis and will require careful balancing of the relevant planning issues. As such, viability negotiation on these projects will be more appropriate to ensure sites actually come forward and can be delivered.

**Question 41: Do you agree that where viability negotiations do occur, and contributions below the level set in policy are agreed, development should be subject to late-stage viability reviews, to assess whether further contributions are required? What support would local planning authorities require to use these effectively?**

43. No. Late-stage reviews add significant risk to a project, especially larger projects that are delivered over a number of phases, because they can prevent a developer from securing finance and being able to start on site. Planning permissions comprising significant numbers of new homes, jobs and other benefits are worthless unless they are implementable permissions and those benefits are realised.

**Question 42: Do you have a view on how golden rules might apply to non-residential development, including commercial development, travellers sites and types of development already considered 'not inappropriate' in the Green Belt?**

44. It is important that different types of development are permissible in the Green Belt, ensuring the golden rules do not act as a barrier to development. The affordable housing requirement would not be appropriate for commercial development, but the other golden rules requiring development to contribute to local or national infrastructure improvements, and provide enhanced public access to green space, remain relevant.

45. As stated in the consultation document, local leaders are best placed to identify the infrastructure that their communities need. Any contribution to national infrastructure should be reflective of the nature and scale of the development.

46. Commercial developments on Green Belt land should make greater contributions to transport links and strategic infrastructure. They should also contribute to green space and nature. Where practical and desirable, publicly accessible green space should be provided on site, however this may not always be the most sustainable, or desirable, outcome. If existing communities are not located in close proximity, commercial developments may deliver greater community benefits through investing in green space improvements off-site.
47. It would be beneficial for Planning Practice Guidance to confirm that it is appropriate to deliver green space improvements off-site, if this generates a better outcome for the community.

**Question 43: Do you have a view on whether the golden rules should apply only to 'new' Green Belt release, which occurs following these changes to the NPPF? Are there other transitional arrangements we should consider, including, for example, draft plans at the regulation 19 stage?**

48. Yes, the golden rules should not be applied retrospectively.

**Question 44: Do you have any comments on the proposed wording for the NPPF (Annex 4)?**

49. The reference to 'policy compliant development' creates a challenge as the majority of planning decisions are taken on balance. We propose that this should be replaced with 'development which accords with paragraph 155'.

**Question 47: Do you agree with setting the expectation that local planning authorities should consider the particular needs of those who require Social Rent when undertaking needs assessments and setting policies on affordable housing requirements?**

50. It is critical that housing needs assessments are undertaken at a local level to ensure that local plan policies seek a diverse mix of tenures that directly respond to the specific local needs identified. Local Authorities should be given the flexibility to support the forms of affordable housing that they need the most, ensuring that decisions are made at the right level.
51. However, if policy places a particular emphasis on the delivery of Social Rent then it must also acknowledge that this type of affordable housing requires the most subsidy, and without a significant increase in government funding for its provision, such a policy is likely to reduce the overall percentage of affordable homes that can be provided through planning obligations.

**Question 48: Do you agree with removing the requirement to deliver 10% of housing on major sites as affordable home ownership?**

52. Yes. Allowing for greater flexibility in the type of housing that is delivered on major sites is a positive step. In order to increase the delivery of all forms of housing, and particularly affordable housing, developers should be given the flexibility to respond to local market conditions and the need identified by the LPA.

**Question 49: Do you agree with removing the minimum 25% First Homes requirement?**

53. Yes. Similarly to the proposal in Question 48 above, this would provide much needed flexibility for developers to respond to local market conditions and the needs identified by the LPA. Ultimately, this enhanced flexibility will incentivise developers to bring forward schemes and ensure more homes are delivered overall.

**Question 51: Do you agree with introducing a policy to promote developments that have a mix of tenures and types?**

54. Providing a mix of tenures and housing types can increase the build out rate of a development whilst also creating diverse and sustainable communities.

**Question 55: Do you agree with the changes proposed to paragraph 63 of the existing NPPF?**

55. Yes, in part, however it should go further. The new references to Social Rent and looked after children are supported, however as stated above under Question 47, if policy places a particular emphasis on the delivery of Social Rent then it must also acknowledge that this type of affordable housing requires the most subsidy. Without a significant increase in government funding for its provision, such a policy is likely to reduce the overall percentage of affordable homes that can be provided.

56. Whilst existing NPPF paragraph 63 makes a specific reference to housing for older people and care homes, in reality LPAs do not plan adequately for housing for older people and unless sites are specifically allocated in local plans providers cannot compete with housebuilders on the open market. Paragraph 63 should also refer to nursing homes and the wording should be strengthened to place a specific requirement on LPAs to plan for older people in the same way that they do for conventional C3 housing.

**Question 57: Do you have views on whether the definition of 'affordable housing for rent' in the Framework glossary should be amended? If so, what changes would you recommend?**

Allowing for organisations that are not Registered Providers to provide new affordable homes in a build to rent scheme is integral to the success of such development and the wider build to rent asset class as a whole. We support maintaining this wording.

**Question 59: Do you agree with the proposals to retain references to well-designed buildings and places, but remove references to ‘beauty’ and ‘beautiful’ and to amend paragraph 138 of the existing Framework?**

57. Removing references to ‘beauty’ and ‘beautiful’ will bring greater clarity to the planning process. The use of these subjective terms can cause ambiguity because they are not applied consistently by different organisations and individuals operating within the planning system. To meet the government’s ambitious development targets, consistency and transparency is key. In this regard, the changes to existing paragraph 138 to place greater emphasis on the National Model Design Code is welcomed.
58. It is important that projects make positive contributions to their surroundings and the focus should be on the measurable qualities of good design.

**Question 60: Do you agree with proposed changes to policy for upwards extensions?**

59. Yes. We supported the changes to the NPPF in 2023 at Paragraph 124(e) to encourage upwards extensions as they play an important role in urban intensification especially in lower density suburban areas. However, during that previous consultation process, we did not support the explicit reference to mansard roof extensions as this was overly restrictive and would not provide adequate incentivisation. We therefore support the amendments to 124(e) to broaden the definition of upward extensions, of which mansard roofs are one option.

**Question 62: Do you agree with the changes proposed to paragraphs 86 b) and 87 of the existing NPPF?**

60. The additions to existing paragraphs 86 b) and 87 are welcome changes to support the economy, especially in growth sectors across the UK and within London. Creating a positive climate for essential infrastructure such as laboratories, gigafactories and data centres will help incentivise the development of these projects and remove some of the uncertainty from the planning process.
61. Existing NPPF paragraph 86 a) should also make reference to understanding demand and supply for office development in addition to the existing reference to Local Industrial Strategies. Commercial offices remain a critical element of the UK’s economy and a key driver of economic growth, especially in London. As well as supporting growth sectors, the NPPF should retain explicit support for delivering office floorspace growth in highly sustainable locations. Where vacant commercial buildings have become stranded assets because of the quality of stock and/or location, the NPPF should recognise that these redundant buildings can make an important contribution to housing land supply. Some office protection policies in secondary and tertiary locations in London are outdated and are not agile enough to support a changing office market, so opportunities to contribute to housing are not being realised.
62. The focus upon supply chains and the freight and logistics sector are also welcome inclusions, helping to support critical elements of the economy and its supporting infrastructure. Further consideration should be made to the types of infrastructure that

supports these economic growth sectors, whether it be energy infrastructure, transport links or other forms of infrastructure.

63. In terms of omissions, and where the NPPF could go further in this area, a specific reference to international trade should also be included in **paragraph 87(b)** relating to storage and distribution operations.
64. Whilst it is important that suitable sites are identified in local plans, it should be made clear that these growth sectors, and the infrastructure to support them (including utilities more broadly), should be viewed at a more strategic level, ensuring that projects are planned in the right areas to maximise their economic and sustainability benefits.
65. In addition to these changes, further guidance on how the NPPF will interact with the National Industrial Strategy would be a welcome addition, ensuring that these two documents are aligned in a forward-looking approach for the economy.

**Question 63: Are there other sectors you think need particular support via these changes? What are they and why?**

66. E-commerce is a key growth sector and major driving force within the economy, with almost 30% of goods purchased online in the UK<sup>2</sup>. The importance of this sector is likely to increase, as London's population increases, alongside an increase in the delivery of housing in the capital. It is unclear whether reference to 'freight and logistics' includes this. Given the current ambiguity, we would like to see the NPPF explicitly reference the importance of e-commerce as a growth sector.

**Question 64: Would you support the prescription of data centres, gigafactories, and/or laboratories as types of business and commercial development which could be capable (on request) of being directed into the NSIP consenting regime?**

67. Yes, provided applicants have the option to choose either the route through the planning process or the NSIP consenting regime depending on the process that best reflects their needs for that particular project and in that particular location. In theory, the NSIP regime should be better suited to consenting major infrastructure projects, however, the process has seen a 65% increase in the average time for a case to reach decision between 2012 and 2021<sup>3</sup> so it is not clear if this would improve the speed at which these projects are delivered. Speeding up the NSIP consenting regime will therefore be essential if its benefits can be realised for these types of economic infrastructure.

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<sup>2</sup> Internet sales as a percentage of total retail sales (ratio) (%), ONS, 2024

<sup>3</sup> 3 key takeaways from the UK's nationally significant infrastructure projects action plan, ICE, 2023

**Question 67: Do you agree with the changes proposed to paragraph 100 of the existing NPPF?**

68. Yes, this addition is supported. It is critical that the provision of key public service infrastructure is encouraged through the NPPF to support existing communities and support sustainable growth.

**Question 68: Do you agree with the changes proposed to paragraph 99 of the existing NPPF?**

69. Yes, these additions to provide specific references supporting early years and post-16 education facilities are strongly welcomed.

70. Earlier this year, BusinessLDN, KPMG and Central District Alliance published research looking at how the UK's childcare system is negatively impacting the labour market. The report, *No Kidding: How Transforming Childcare Can Boost The Economy*<sup>4</sup>, shows that increasing the employment rate among parents with children under the age of five by 250,000 could increase GDP by up to £11.3bn per annum, giving a potential annual boost to the UK's public finances of up to £3.2bn. Enhanced support for such facilities through the NPPF will provide a key element of a wider package of measures.

**Question 69: Do you agree with the changes proposed to paragraphs 114 and 115 of the existing NPPF?**

71. We support the move towards a 'vision-led' approach to transport planning as explained in the consultation document as this will help support greater long-term growth and strategic placemaking. However, the simplistic changes to paragraph 114 do not provide adequate explanation. At the very least, 'vision-led approach' should be defined in the NPPF glossary at Annex 2. Increased use of Grampian conditions to deliver transport improvements should also be avoided.

**Question 73: Do you agree with the proposed changes to the NPPF to give greater support to renewable and low carbon energy?**

72. We support the aspiration set out in the consultation document to strengthen the NPPF to give significant weight to renewable and low carbon energy generation, however we do not agree that this aspiration is adequately reflected in the minor revision to paragraph 160.

73. It is important that both local plan policies and planning permissions are sufficiently flexible to allow for technological advancements in renewables to be incorporated into schemes. In many cases, there are policy lags that delay the adoption of new and evolving renewable energy technologies that could provide significant benefits to schemes and local communities.

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<sup>4</sup> [No Kidding: How Transforming Childcare Can Boost The Economy](#) (BusinessLDN, KPMG and Central District Alliance, 2024)

74. In addition, the proposed deletion at paragraph 163 is supported to make clear that consideration of renewable and low carbon energy should be at all stages of the planning process, not just in the determination of planning applications. Accelerating the transition to clean power is essential for boosting Britain's energy independence, reducing energy costs, supporting high-skilled jobs, and addressing the climate crisis. The NPPF must support steps to balance the immediate energy demands with the long-term sustainability goals.

**Question 89: Do you agree with the proposal to increase householder application fees to meet cost recovery?**

75. Yes, this would be a welcome change. As of March 2023, 56% of decisions made by LPAs were for householder applications<sup>5</sup>, representing a significant proportion of the work that LPAs undertake. These applications can be relatively time intensive for LPAs to process and yet their fees are set very low.
76. LPAs' budgets have fallen significantly over the last 10 years, with the RTPI reporting a fall in LPA spending of 43% between 2009/10 to 2020/21<sup>6</sup>. Consequently, opportunities to pursue cost recovery should be encouraged to ensure that LPAs are properly resourced.
77. A further consideration is that the majority of householder applications granted planning permission will increase the value of that property. As a matter of principle, it is the applicant who benefits from that value uplift so it is therefore perplexing that the taxpayer should be expected to subsidise the processing of householder applications whereas larger schemes, and the planning system more broadly, bring wider community benefits.
- 78.

Whilst the increase to householder application fees would be a welcome inclusion, further thought must be put towards ringfencing these fees. We understand that there may be challenges to ringfencing fees, however there must be a clear direction from national government that any increase in planning fees received must be spent within the LPA. This issue of ensuring that increased fees are spent within the LPA is relevant to any increase of fees, whether that be for householder applications, major applications or any other form of application.

**Question 91: If we proceed to increase householder fees to meet cost recovery, we have estimated that to meet cost-recovery, the householder application fee should be increased to £528. Do you agree with this estimate?**

79. We support the principle that householder application fees should be in line with cost recovery. The estimation in the consultation document that a cost recovery fee would be £528 seems sensible and it would still be a tiny fraction of the overall budget for a householder development project. We would therefore support fee of this level.

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<sup>5</sup> Planning applications in England: January to March 2023, GOV.UK

<sup>6</sup> Planning Agencies, RTPI

**Question 94: Do you consider that each local planning authority should be able to set its own (non-profit making) planning application fee?**

80. LPAs are best placed to assess their fee levels to ensure they can deliver a good quality and timely service whilst being mindful of the types of applications they receive and development values in their area. Allowing LPAs to set their own, non-profit making fees should let them increase their fee revenue to cover the cost of service delivery and invest in improved resourcing and other areas such as technology to improve service efficiency. As outlined in the response to Question 89, LPAs have seen significant cuts to their funding and any efforts to enhance their resourcing should be encouraged.
81. In return for an increase in fees, applicants expect to see an increase in the reliability and efficiency of the service they receive. Planning application fee income should be ringfenced by that planning department and reinvested to ensure that it can deliver a high-quality, timely service and thus help facilitate development and economic growth.
82. Increasing application fees is only one aspect of the challenge in enhancing the resourcing of LPAs. Creative solutions must also be used to overcome the recruitment issues that many LPAs face. BusinessLDN established a Planning Resource Taskforce comprised of our members, the GLA, London Councils and individual boroughs to explore the role that the private sector can play in supporting the resourcing of LPAs. We are approaching the end of the process with our final recommendations due in the autumn which will be shared with MHCLG officials, who were involved in the initial phase of this work. While the Taskforce's work is focussed on London, it is likely to have wider applicability to the rest of the country.

**Question 95: What would be your preferred model for localisation of planning fees?**

83. Allowing for **local variation** would be the best approach, whereby there remains a nationally set default fee which LPAs can choose to adopt, or alternatively they can view this as a guideline from which they can deviate.
84. Any local variation from the nationally set fees should be evidence based and this will require additional work. LPAs are already under significant resource strain and forcing them to set their own fees may not be beneficial to all. Instead, provision should be made to allow those that would benefit from higher or lower fees to undertake the necessary work to justify this, whilst reducing the workload for those that may prefer to adopt the national default fee schedule.

**Question 96: Do you consider that planning fees should be increased, beyond cost recovery, for planning applications services, to fund wider planning services?**

85. No, planning fees should not be increased beyond cost recovery. Other than the processing of planning applications, the wider planning service is providing a civic function that is in the wider public interest. Functions such as plan making and planning enforcement, as well as associated services such as highways and legal, should continue to be resourced through taxation and public funding.



**Question 97: What wider planning services, if any, other than planning applications (development management) services, do you consider could be paid for by planning fees?**

86. If the use of increased fees to pay for wider planning services was to be explored, then the following services should be considered:

- Legal Services
- Specialist Services e.g. sustainability, highways and transport, ecology, heritage

**Question 103: Do you agree with the proposed transitional arrangements? Are there any alternatives you think we should consider?**

87. Yes, the proposed transitional arrangements for plans already being prepared are clear, proportionate and fair whilst ensuring that the Government's commitments to housing delivery can be acted on without delay. With housing delivery, in particular, having slumped in recent years, accelerating blanket coverage of up-to-date local plans is critical to ensuring that plan led development can come forwards and the Government's growth targets can be achieved.

88. The commitment that funding will be made available for those LPAs that incur unforeseen costs to undertake additional work to adopt their local plan under the new NPPF is also welcomed.

89. There is some concern that there could be a rush of Local Plans from LPAs that wish to deliver upon their previous, lower housing targets. An alternative solution could be that a Local Plan should proceed under the new NPPF if the emerging Local Plan underdelivers by more than an agreed amount against the Local Housing Need figure, regardless of where the Local Plan is in the process.

**Question 104: Do you agree with the proposed transitional arrangements?**

90. Yes, the longer-term transitional arrangements are also clear and proportionate.