



CIC response to MHCLG consultation on proposed reforms to the National Planning Policy Framework and other changes to the planning system

Introduction

The Construction Industry Council (CIC) is the representative forum for professional bodies, research organisations and specialist business associations in the construction industry. Our members collectively support and represent circa 500,000 individual professionals and 25,000 firms of construction consultants.

Our members play a vital role in regenerating towns and cities, delivering vital new skills and working in partnership with local authorities, businesses and housing providers to build and refurbish new homes, schools, offices, hospitals and factories. In the past five years we have been involved with a number of programmes to improve the quality of new homes and raise standards widely.

We are bringing our collective experience and expertise of our members together to comment on the Draft National Planning Policy Framework.

Our members' perspective in responding to this consultation comes from a view of what works best to provide much-needed housing that is well designed, well-constructed and safe, while building strong communities through excellence in place-making.

Our Response

We recognise the consultation is asking specific questions relating to the changes proposed to the NPPF and related questions regarding bringing new commercial, energy and research-based developments into the Nationally Significant Infrastructure Projects regime.

We present a broad church of industry views and have elected to provide an overarching response that reflects the headline views of our members. Some of the professional bodies that make up the CIC membership will be submitting their own, more detailed comments.

CIC's view is that it is vital to boost housebuilding, including much needed affordable housing, and we welcome the new government's ambition to do that and to act with urgency.

To that end we are supportive of many of the proposed amends to the NPPF and other measures that could bring about a boost to housebuilding. We welcome the setting up of a New Towns task force to identify locations for New Towns, including urban extensions.

The Homes England Housing Accelerator scheme is also a positive step. We note and welcome that that government has been stressing cross-boundary cooperation and pressing mayors to play a major role in undertaking strategic planning.

To this extent, we support what the government is doing, including much of the detail in the NPPF (which we go on to address below). However, the NPPF will not be able to deliver on its own, and there is a real risk that without addressing other changes needed, government will fall well short of its ambitious housing targets.

In particular we need:

- Greater clarity on strategic planning and more resources channelled into this to enable 'regional' planners, thus pooling resources to take some of the strain from local planning departments.
- A strategy for increasing construction skills, which are lacking in many housebuilding trades and professions. We cannot emphasise enough the importance of this. Increasing skills requires a long-term plan involving actions across a number of fronts, including funding for further education.
- Higher grant levels for affordable housing on brownfield sites, both to unlock the viability and also to provide more homes for social rent. Sites cannot be allowed to stall because affordable housing does not stack up financially for developers, and higher levels of grant would encourage housing associations and local authorities to increase their activities. Many have curtailed development to concentrate funding on their existing stock.
- The need for joined-up thinking. Initiatives being launched across a number of fronts (review of green belts, new towns and urban extensions, for example) create uncertainty for local authorities, particularly in the creation of local plans. An overall housing policy, which sets out not just house building targets but also plans for retrofit and renewal, and has a clear strategic vision would help give greater sense of direction.



Where we support the amended NPPF

With regard to the proposed amends to the NPPF, our feedback is largely positive. In particular we welcome:

- abandoning the previous government’s policy that housing targets are advisory and returning them to mandatory status;
- prioritising brownfield development;
- abandoning the previous government’s other modifications to the NPPF and reinstating them, including requiring a five-year supply of land, and strengthening the presumption in favour of sustainable development where local plans are not in place;
- restoring the requirements for local planning authorities to demonstrate a five-year housing land supply, even when the adopted plan is less than five years’ old.
- returning to the former requirement that Green Belts should be reviewed if this is necessary to achieve the target numbers;
- reinforcing and adding to previous government’s proposals to speed up production and examination of local plans;
- the new focus on use of design codes to be applied by local authorities to areas where the greatest change will be seen. This is a very sensible approach. And steps to enable small housebuilders to return to the market would inherently add to the diversity of design in a positive way;
- requiring that ‘grey belt’ land should be used to secure targets where (using new so called ‘golden rules’) developers will be required to provide 50 percent of new homes as affordable, including social rented, homes
- introducing new provisions for compensation where land is compulsorily acquired to remove (much of) its hope value – which we believe will make it more affordable for councils;
- proposing mechanisms for increasing fees for determining planning applications, including allowing local authorities to also set their own fees to cover other planning services;



- bringing new energy, IT and laboratory space into the NSIP regime and/or requiring planning authorities to reflect on the benefits of new developments when considering applications. It is essential to take a more holistic view if there is to be a sufficient supply of electricity and water to meet the demands of new homes.

Areas of concern with the NPPF

Our main concern on our initial reading is that, whilst being gratified that the government is endorsing the role of planning and of local plans, we have reservations that without greater resource the ambitions set out by government to deliver new homes by amending the planning process will not deliver. We also think it important to underline the need for high quality development, and to ensure that we strive for excellent sustainable placemaking.

We are concerned that some of what government is proposing risks undermining these important objectives. In particular, the NPPF does not address concerns regarding poor quality that often results through housing created under Permitted Development Rights (PDR). With such urgency to increase numbers more new homes could be created through this mechanism. Our view is that this would be detrimental to communities in the longer term and we would like to see a new approach to PDR.

The lack of up-to-date adopted plans, combined with the urgency to get new sites started, means that there will be much case-by-case determination in a local strategic policy vacuum. We appreciate that government is keen to rectify this situation but it will take time and resources.

Our view is that for the government to achieve its house building target, then there may need to be greater reliance on green field developments, where there is land value to be captured. We accept this is likely to meet local resistance.

We also have specific concerns regarding some of the proposals in the new NPPF draft:

- The new standard method being proposed to set housing targets takes no account of demographic changes and assumes each area needs the same increase in new homes based on the national percentage that new homes add to the national housing stock (modified by affordability evidence). This has clearly thrown up some nonsensical numbers – with targets being significantly raised in areas where financially they would fail to compete with existing stock. We hope that a new ‘strategic layer’ of planning will redistribute allocations to smooth out more illogical targets.



- Relying on planning to capture land value via S106/CIL to fund new infrastructure and affordable housing will not be adequate without additional funding, given the low values and costs on brownfield sites and in the context of housing associations currently having no funding (nor appetite) to acquire affordable homes. And as has been mentioned, obliging developers to provide more social rented homes flies in the face of the evidence which shows that this is difficult to achieve without more grant funding.
- There are many issues associated with benchmark land values with suggestions ranging from 3 to 40 times agricultural use value, implying there will almost certainly be negotiations if 'grey belt' land is to come forward, notwithstanding the new 'golden rules' about developer contributions.
- The proposed compensation provisions removing (much of) hope value may run into equitable treatment issues related to the differential value secured by private compared with CPO transactions on similar sites.
- Greater clarity is needed on the definition of grey belt land – the definition in the NPPF leaves too much scope for interpretation.
- Greater consistency in terms of standards across local authorities in terms of environmental requirements are needed for planning consent and would make it easier for housebuilders to scale-up designs and reduce planning delays. We very much support the direction of travel in terms of decarbonisation and improving and protecting biodiversity but simplifying the process and better promoting the transfer of knowledge would be beneficial to our valuable SME developers and housebuilders.

Comments on how the NPPF can be used to address climate change

A sufficient supply of safe, sustainable and affordable homes would deliver a huge boost to the UK's economic, social and environmental wellbeing. It is vital that the new homes built and converted under this framework are low carbon and energy efficient as well as of high build quality. This ambition must not be set off course by short-termism.

If government's ambitious housing targets are to be met, we will be building or converting millions of homes in the next few years and therefore building to new Future Homes Standards must be supported within the new NPPF from adoption. CIC put in a comprehensive response to the Future Homes and Buildings Standard consultation earlier this year, drawing on work from the likes of RICS, CIBSE, RIBA, CIOB and BRE to illustrate



how improved standards of quality, climate resilience and decarbonisation could be set and achieved. We followed this up with a set of 56 recommendations to government. Our suggestions included making post occupancy evaluations the norm, regulating total energy consumption across the UK and ultimately mandating the measurement and reporting of whole-life carbon across the built environment through a 'Part Z' amendment to the Building Regulations.

The new homes are likely to see the worst impacts of climate change and will need to be robust and resilient. Government should act to close any loopholes lowering standards and spatial planning provisions should be enhanced to support the existing legal obligations under the Climate Change Act 2008. CIC supports Part O and the need for appropriate standards to be met across the entire built environment, including PDR.

The NPPF should include further provisions to support and maintain nature-based solutions and Blue-Green Infrastructure. Urban greening and Sustainable Drainage Systems (SuDS) can help address the implications of a changing climate by cooling urban areas and reducing surface water flood risks. To begin with this would mean working with industry stakeholders to set out a delivery schedule and introduce legislation to make SuDS mandatory for new builds in England. In addition to this communities need adequate and equal access to high quality green spaces for health and wellbeing purposes yet there is no robust requirement for local authorities to protect, provide and maintain such spaces. The NPPF and the renewed emphasis on spatial planning could play a key role here too.

The construction industry has a significant embodied carbon footprint. Embodied carbon emissions amount to some 40 to 50 million tonnes of CO₂ annually (around 10% of total UK emissions). Construction, demolition and excavation waste has recently been estimated at 138m tonnes, or 62% of the total yearly figure.

The policy of “encouraging” the reuse of existing resources including the conversion of existing buildings is insufficiently strong in the NPPF. A recent High Court ruling found that it failed to give proper effect to the clear priority of achieving radical reductions in GHG emissions by properly helping or rewarding development which repurposes or reuses buildings. Paragraph 158 should be amended and strengthened to support a presumption against demolishing buildings and structures capable of refurbishment and/or adaptation including via changes of use. This could be a vital tool to incentivize retrofitting, improve design solutions and dramatically reduce waste and carbon emissions in line with government’s stated commitment to a more circular economy.



Summing up:

We are hugely supportive of government's ambition to build 1.5 million new homes in this parliament and we back many of the changes that are being proposed across several fronts. We have been opposed to the previous administration's dropping of local housing targets and are pleased to see these reinstated – alongside pledges to take sanctions against those authorities that fail to draw up local plans and meet targets.

Notwithstanding that, we are concerned that too much 'heavy lifting' relies on the private sector and market forces. We hope in the forthcoming budget that more funding for affordable housing will be forthcoming. Without it, many schemes will remain unviable.

We are also cognizant of the huge onus being put on planning departments to speed up applications, develop local plans and bring forward new land. All of this requires a step-change in the work of planning departments and the resources they need, after so many years of underfunding.

Government's proposal to hire 300 planning officers to 'get Britain building again' will replace less than a tenth of the planners who have left public service and roughly equates to one planning officer per department. This is insufficient to 'get Britain building again'.

It may be that these new planners are best deployed as a focused strategic planning workforce across combined authorities. We are very supportive of the idea of some of the more specialist work of planning departments (which requires specialist expertise) being carried out on a regional level. This could, in part, provide a solution to chronic understaffing and skills shortages in planning.

There are many strands of housing policy yet to be developed by the new government but speed in setting the new guidelines is essential. A broader vision for housing, taking into consideration existing as well as new stock, is needed sooner rather than later. With clarity and context of the bigger picture, councils, developers and housing providers will be in a better position to understand and embrace proposals set out in the new NPPF.

