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East of England Local Government Association Response to “Proposed reforms to the National Planning Policy Framework and other changes to the planning system”

I am writing to you today in response to the “proposed reforms to the National Planning Policy Framework and other changes to the planning system”, due to conclude on 24 September 2024. This response follows engagement with EELGA members, which consist of the fifty local authorities within the East of England, and our affiliate partners, including the Cambridgeshire and Peterborough Combined Authority.

In summary, we have received strong feedback across the region that the measures announced will not lead to increased housebuilding unless key steps are taken to increase capacity, create vital enabling infrastructure, and strengthen building regulations. If these issues are not addressed, then there is a risk that the measures will either not lead to the desired quantity of construction, lead to a degradation of housing quality, or undermine local plans and create a “planning by appeals” system by default.

Within this response, unless otherwise noted, numbers within brackets are to bring attention to the specific consultation question.

Standard Method – Ambitious targets must be matched by comprehensive support.

The new Standard Method being used to calculate housing need creates a huge target for housebuilding within England, and the East of England is no different (19). It is a 28% increase on the region’s housing target compared to the previous system, requiring the construction of nearly 10,000 more homes per annum. Nationally, the satisfaction of this target would require a record number of houses to be built, levels even higher than the record numbers built in the 1960s and 70s.

While we welcome this ambition towards increased housebuilding, there is a strong feeling that the necessary groundwork to achieve this unprecedented level of construction is absent. If these record-breaking housebuilding targets are to be met, then it is our view that there are four prerequisites that must be put in place: the provision of enabling infrastructure; investment in housebuilding; investment into all actors within the planning system; and stronger building regulations.

Enabling infrastructure and public services

First of all, there is a need to ensure that the required infrastructure for housing is in place before the site is built out. Key infrastructure can include:

- Transportation of all kinds is important to ensure that these new housing developments are connected to amenities, public services and jobs. Public transport requires planning for and should be considered a top priority when investing in infrastructure.
- Utilities – water and energy alike - are a key planning constraint in the East of England. For example, there are parts of Cambridgeshire where businesses cannot start because there is not enough water to let them draw from the local supply, while other areas are vulnerable to flooding.
- Key public services are also needed, with residents opposing developments due to a lack of local doctors, teachers and other key local services.

To do this, funding must be provided – either in terms of cashflow management to enable developers to deliver their own infrastructure contributions, or direct funding to local authorities to manage infrastructure development themselves. This has a proven track record in Essex, where the Housing Infrastructure Fund was successful in delivering transport infrastructure for new garden communities. Without this infrastructure in place, the right number of sites will not be made available, and even if they are, they are likely to be in unsustainable locations, or local communities will be more likely to resist any new housing that is proposed.

The previous administration had proposed using an Infrastructure Levy as an answer to the pressing need for infrastructure development. However, as set out in our response to that consultation, we had significant reservations on those proposals.

Firstly, it would have placed funding for affordable and social value homes in direct competition with infrastructure provision. The reality is that more funding is needed for both, and that no-one benefits when the two are pitted against one another.

Secondly, the funding would have come later in the process, which would create a situation where local authorities would have to borrow against presumed future receipts. Given the current precipitous state of local authority finances due to years of austerity, this would have impacted on council resilience greatly and could have had extremely negative outcomes should the final sum be challenged on viability grounds.

Finally, this late payment of funding does nothing to encourage the kind of pre-site investment in infrastructure that's often needed to open prospective sites. It would therefore not increase the total number of sites available. This kind of active site creation will be essential if the Government wants to see the record-breaking scale of construction it has set targets for.

For more information on our response to the previous administration's plans to institute an Infrastructure Levy, please [look at our website](#).

Housebuilding industry – support and development

Secondly, there are concerns that the construction market is not in a strong enough place to construct the homes required by these targets. It will be difficult to assemble the finance, capital, and labour to construct at the pace required by these housing figures. This is especially pertinent

at a time where supply costs, interest rates and labour costs are all relatively high, limiting the cashflow of developers further. This can be seen in the drop of the number of applications being made by developers over the past few years, despite the rate and speed of approval within the planning system increasing¹.

As a result, we have strong doubts that the private sector will be able to deliver the requisite number of homes. There is therefore a case for the public sector, specifically local authorities, to become more involved in the construction of housing. Local authorities played a significant part in housing construction during the last construction boom in the 60s and 70s, often responsible for between 30% and 50% of homes completed during this time².

Giving local authorities the resources they need to construct social housing will increase the number of homes built and sold in the market. The Letwin Report³ identifies that one of the chief factors holding back the housing market is the absorption rate of new homes into the housing market and raises that housebuilding at different tenures will increase the total absorption rate. Therefore, if there is a desire to sustain a large number of homes being built year-on-year there must be funding for direct intervention by both housing associations and local authorities to once more build the homes their areas need.

Currently, neither the public nor private sector have the capacity to build at the pace required. The private sector is struggling to build at a rate even close to the current target; the public sector's housebuilding capacity has greatly diminished and would require significant capital to regain the capacity; and housing associations are prioritising their resources on much-needed improvements to housing standards, leaving precious little capital for new housing development.

However, investment in the public sector on its own is unlikely to increase supply on its own, as the two sectors will find themselves fighting over the same employees and materials. Only a long term, well established and well-funded plan to boost the workforce, reintroduce the public sector, and support the private sector, will see housebuilding grow at a rate necessary to bring down prices and increase availability.

There is also a case for Homes England. It already supports the development of homes across the region, but it could be useful if the organisation could take on the role of a strategic master-builder role, bringing forward bigger sites. These can then be subdivided downwards, to provide sites for small and medium builders as well. This would enable a boost in the number of developers able to act in a given area, and would promote construction, along with a more resilient economy.

Planning and statutory consultees – support is needed.

Thirdly, there is a need to increase the capacity within the planning system. The planning system has been a casualty of austerity, with planning budgets around 25% lower in the East of England in 2020/21 compared to 2009/10⁴. To this end, provisions regarding the increase in planning fees towards a cost-recovery basis are a welcome development for local authorities. However, some

¹ [Live tables on planning application statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

² [House building data, UK - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

³ [Independent review of build out: final report - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

⁴ [Plan The World We Need \(rtpi.org.uk\)](https://rtpi.org.uk)

upfront funds would be appreciated to enable local government to investigate the correct level to set the rates.

However, it is not just local authorities that require support. Statutory consultees of all kinds are an important part of the planning landscape, and while they can offer invaluable support within their area of expertise, they also lack the resources to manage a large number of planning applications. If a record number of sites do come forward to be delivered, then statutory bodies must be given the capacity to work through this enlarged number of planning applications, or they risk becoming a further bottleneck in the system.

Furthermore, the Planning Inspectorate must be funded well enough to keep up with developers and planners. Previously, we have raised that the low capacity within the Planning Inspectorate can act as a bottleneck for housing development in the region. This will only intensify if more houses are built, especially if many of them are built using the presumption in favour of sustainable development and will therefore be contested. It is imperative that any approach to boosting housing must also boost the capacity of this organisation.

Stronger building standards

The final prerequisite to enable this ambitious housing agenda to work properly is the need for sound-yet-enforceable building standards, which must align with UK statutory climate commitments and aims for the energy system. Some elements of planning have had to develop to 'fill the gap' left by inadequate or silent Building Regulations, particularly in relation to carbon emissions (both operational and embodied), energy efficiency and renewable energy generation. There is scope to reduce the number of issues that planners should have to consider and resolve at any one time by broadening the scope and strengthening mandatory building regulations (and the former Government's proposed Future Homes Standard) in line with climate targets and industry best practice. Please refer to [EELGA response to the Future Homes Standard Consultation for more information](#). However, there were some areas where a level of control is mandatory, particularly around maintaining high building standards.

For example, energy efficiency is a crucial area of building standards where compromise should not have to be accepted. The estimated bill to retrofit homes in the UK has already been calculated to around £250bn by 2050⁵. We cannot allow the vast number of homes that the Government wants to see constructed be built to standards that will require further retrofit maybe only a few years from now. It would not only be bad for the environment, but also a false economy, and a price that would inevitably be paid for by residents and taxpayers, rather than the developers that should be building homes well in the first place.

It is therefore important that key elements of these standards need to not only be ambitious, but mandatory, to ensure a level playing field across developers.

However, the existence of strong building standards will not be enough, as local authorities will require funding to enforce these required measures. As referred to above, planning departments are currently struggling with capacity, and while the new measures may provide more funding for application and approval, they do not provide any additional funding for enforcement. We can see that the new administration is taking enforcement seriously, with the decent homes standard to

⁵ [Decarbonising heat in homes - Business, Energy and Industrial Strategy Committee \(parliament.uk\)](#)

be applied to both the public and private sector. We therefore ask that this same approach be taken to building regulations in other areas, such as sustainability.

The default – what happens without these four prerequisites

If these conditions are not met, there is a real danger that many planning authorities in the East, and England more widely, immediately fail their Housing Supply and Housing Delivery Tests. This will push their areas into a presumption in favour of sustainable development and markedly reduce the ability of local areas to determine the shape and organisation of any proposed development via their local plans.

Local plans are put together at significant local cost and are built in consultation with the community. The NPPF consultation rightly raises the importance of universal coverage of local plans across the UK. However, if these new targets are put into place, the ability of local authorities to plan for sites will be greatly reduced, and developers will be able to argue their case, leading to much more resource use in the planning phase, more difficult administration and infrastructure provision due to the unplanned nature of the sites, and housebuilding in potentially unsuitable places. There are several reasons why this kind of unplanned development would be an unfortunate development in policy:

- It will overwrite the wishes of citizens, creating hostility towards new development, disenfranchising citizens and creating a “planning by appeal” system.
- It is not a guarantee of more homes – as we raised before, current capacity within all sectors of housebuilders is low.
- It will require the use of considerable amounts of local authority time and capacity to design a document with limited use in planning.
- It makes it harder for infrastructure bodies, such as the National Grid or water providers, to plan their infrastructure requirements, and manage their budgets.

Spatial Development Strategies – The case needs to be made

Most strategic infrastructure, potential new towns, proposed Local Growth Plans, Local Nature Recovery Strategies, and cross-border housing sites are best handled at a geographic level wider than the individual planning authority level. Further guidance is required regarding the overarching mechanism for strategic planning other than spatial development strategies and it is hoped that this will be forthcoming. We welcome reference to Government working with local leaders to develop and test these proposals before legislation is introduced and we can assist in progressing the Government’s thinking in this area.

Other points

We would also like to take this opportunity to raise some other considerations regarding this consultation:

- The focus on renting at social value, rather than the first time-homeowner metric used before is positive.
- Local authorities are best placed to know what their area needs and are as a result unlikely to block the development of sites crucial to the industrial strategy, such as laboratories and

data centres. However, we do welcome the Government's attention on prioritising inclusive economic growth.

- We ask that the concept of “vision-led” transport is carefully and clearly defined so that transport authorities have a clear expectation of what is expected of them.
- The transition period for local authorities is too much of a cliff-edge. While we appreciate the Government's wish to act with speed, the current deadline – that is, as soon as the NPPF comes into effect, so will the housing targets – local authorities will be consumed with reviews of existing local plans, or the creation of new ones.
- S115 of the NPPF outlines how development can be prevented or refused on highways grounds - if it would have an unacceptable impact on highway safety or cause severe cumulative impacts on the road network. However, the new version of this provision, S113, steeply curtails the ability for this to be used by saying that this must be the case in all tested scenarios. This greatly impacts the ability of a transport authority to control traffic impacts in their area.

Conclusion

For the Government to succeed in its stated goal of increasing housebuilding by a substantial amount, we would recommend the following:

- Put in place structures, agencies and funding that would enable the preconstruction of enabling infrastructure to help increase the number of available sites across the region.
- Boost the housing construction industry – both private and public – to help enable capacity.
- Build capacity within all areas of Government relating to planning, be that local government planning departments, statutory consultees, or the Planning Inspectorate.
- Strong building standards that ensure that ambitious sustainability, energy efficiency and net-zero requirements are mandatory when building new buildings.

In addition:

- Strategic planning of infrastructure and housing is welcome in principle, and we would like to continue take part in discussions around how this will be best established in the East of England.
- The new focus on renting for social value is welcome.
- The new changes to how transport authorities can prevent development on highways do not give local authorities enough say over potentially disruptive sites and should be reverted.
- We ask that the concept of “vision-led” transport is carefully and clearly defined so that transport authorities have a clear expectation of what is expected of them.
- A focus on inclusive growth is welcome, but local authorities are well-suited for identifying what would be good for our local areas.
- The transition period to the new system of targets needs to give local authorities time to plan, adapt, and reform.

We have recently published a report on the economic potential and infrastructure of the East of England, called “Opportunity East”. [This can be found online](#) and will guide the position of many regional stakeholders going forward.

We have also published two reports on the housing crisis that may be relevant to understand the region's position with regards to housing. The documents, "Act now, before it gets worse", focus on the short-term impacts of the housing crisis, such as an increasingly large number of households being put in temporary accommodation, and the medium-to-long term barriers to building more and better homes. [The short-term document can be found here](#), while the [medium-to-long term document can be found here](#).

Yours sincerely,



Councillor Graham Butland

Chair of the East of England Local Government Association

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