

Chartered Institute of Housing submission to the Levelling-up and Regeneration Bill: reforms to national planning policy consultation (March 2023)

Initial comment

Chartered Institute of Housing (CIH) welcomes the opportunity to respond to this consultation and would be happy to discuss any details of our response.

We share the government's aspiration for greater planning certainty and a simpler, clearer system, and we are pleased the government remains committed to delivering 300,000 homes a year by the mid-2020s. However, we are concerned that many of the proposed immediate amendments to the NPPF will undermine delivery of homes (including much needed truly affordable homes), making this aspiration impossible to meet. The cumulative effect of these proposals is a watering down of the fundamental idea that local authorities should be meeting housing needs. Given the housing emergency the country faces this is the wrong direction of travel and we would urge government to think again about the impact of these proposals.

On a more positive note, we welcome that the consultation also contains questions relating to longer term policy directions, and we are particularly pleased that the importance of social rented homes is an area of focus. Strengthening policies to encourage greater use of small sites and exception sites to bring forward higher levels of affordable housing is also welcome.

It is important to say at the outset that in delivering on any policy changes, it is essential that local authorities have the resources they need. Many issues around delays in plan preparation, planning decisions and post planning requirements are down to planning teams being stretched too thinly, rather than necessarily fundamental failings of the planning system itself.

In drafting our response, we have consulted with CIH members via a member opinion panel questionnaire, a round table event, and discussions with a number of individual members. We have not responded to all of the questions in the consultation document, instead we have focused on those which we are best placed to answer.

Ch3 - Providing certainty though local and neighbourhood plans

Questions 1 - 3 Reform the 5 year housing land supply (5YHLS)

Whilst we welcome the emphasis on ensuring local authorities have up to date local plans, and recognise a number of frustrations levelled at the role the 5YHLS plays (such as speculative development outside of the local plan process), we are concerned by the proposed reforms.

The proposed removal of the requirement to continually demonstrate a five-year housing supply for the first five years of an adopted plan could protect local plans that are failing to deliver, and further constrain the supply of housing. The 5YHLS is intended as a 'fail safe' and 'check and balance exercise' to remedy any gaps in the trajectory that may open up and to ensure sufficient levels of housing are achieved. Having no requirement to demonstrate a five year housing land supply until a plan is five years post adoption is a significant weakening of the power to hold plans to account once adopted. If it is to be removed, other mechanisms need to be introduced to ensure that plan-making delivers required development.

The buffers provide an opportunity for local authorities to address historic undersupply, and their removal would mean any currently marginal authorities would most likely be able to demonstrate a five year housing land supply. The 5YHLS should be based on the evidence of current demand for homes, rather than previous oversupply, to ensure that oversupply in the short-term does not lead to an undersupply of homes in the long-term (in cases where initial oversupply has not led to a reduction in housing demand). Guidance should focus on ensuring that housing demand is met, including addressing needs across different housing tenures and price points.

The proposals together relating to reforming the 5YHLS are a watering down of the 5YHLS test. Whilst they might result in more plan making and more LPAs being able to demonstrate a 5YHLS the outcome will very likely be fewer much needed homes being planned and built. Given the level of housing need in England and with so many people facing huge challenges in accessing and maintaining affordable, decent homes, a move to enable delivery of yet fewer homes seems an entirely misplaced focus and will serve to make the delivery of 300,000 homes a year even less likely.

Table 2.2.1 Net additions to housing supply in England, 2015/16 to 2021/22

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
New build completions	163,940	183,570	195,390	214,410	219,120	191,820	210,070
+ Net conversions	4,760	5,680	4,550	5,160	4,340	3,410	4,870
+ Net change of use	30,600	37,190	29,730	29,300	26,710	21,470	22,770
+ Net other gains	780	720	680	970	860	640	780
- Demolitions	10,420	9,820	8,060	7,960	8,330	5,480	5,680
= Net additional dwellings	189,650	217,350	222,280	241,880	242,700	211,870	232,820
Quarterly new build figures	139,710	147,520	160,910	169,060	175,340	154,630	171,190

Sources: DLUHC Housing supply: net additional dwellings, England: 2021/22; DLUHC Live Table 213 Quarterly new build completions (not seasonally adjusted).

Note: Totals are affected by rounding and figures may have been updated since the previous Review.

The table from the forthcoming [UK Housing Review](#) for 2023 shows progress in relation to the 300,000 target. As can be seen, there is a considerable shortfall. It should be a matter of concern that housing delivery fell short of the target by 63,000 in 2021/22 and any measures should be aimed at closing the gap, rather than reducing the likelihood of the target being achieved.

Q5. Do you have any views about the potential changes to paragraph 14 of the existing Framework and increasing the protection given to neighbourhood plans?

We are very supportive of local communities planning positively for their future, including through neighbourhood plans. The changes to paragraph 14 could potentially make it more attractive for neighbourhood planning groups to allocate sites for housing, knowing they could now get five years' protection from speculative development.

However, linked to the changes to paragraph 75, the proposed amendment at paragraph 14 would mean that no area with a Neighbourhood Plan which allocates sites to meet identified housing requirement can be subject to five year housing land supply challenges until after five years of the plan being made. As set out in our answer to questions 1 - 4, we have significant concerns about these proposals and the implications for proactively monitoring and managing a plan for the first five years, and the consequences for housing delivery.

In addition, it is important to note that if neighbourhood plans are to be given the same status as local plans for development management purposes, then the differences in the comparable level of rigour in their assessments must be considered. Currently the conditions that a neighbourhood plan must meet if it is to proceed to referendum are much less arduous than the tests of soundness that apply to local plans.

It must also be ensured that in strengthening the power of neighbourhood plans it does not make it easier to resist specific types of housing, particularly accommodation for perceived more “difficult groups” (for example accommodation for people experiencing homelessness).

Ch4 - Planning for housing

Q7: What are your views on the implications these changes (relating to local housing need and the standard method) may have on plan-making and housing supply?

CIH consider that the changes proposed will weaken the requirements for local authorities to provide an adequate housing supply, reducing the supply of new housing in some areas and increasing unaffordability.

Whilst the objective to speed up and incentivise plan-making is positive, the provisions and greater flexibilities proposed around circumstances for housing targets not being met, and emphasis being added on housing need using the standard method being only as an “advisory” starting-point, will not move us closer to delivering the government’s own target of 300,000 homes per year.

The proposed amendments allow for several ways in which local authorities can under-supply new homes or set their housing targets below local housing needs assessments and the Housing Delivery Test. That is not to say that some of these instances are not without merit; many local authorities are operating in very constrained and challenging situations. However, these proposals potentially undermine the government’s own Levelling Up agenda, given the scale of the housing shortage across all tenures.

We have serious concerns that the provisions proposed could be used as a justification to not provide adequate housing to meet need, or to exclude certain types of housing (including, for example, housing for homeless households). Local plans must include a robust assessment of the need for homes in an area which addresses homelessness, temporary accommodation, housing waiting lists, supported housing needs and other factors. The NPPF should ensure requirements that the LPA sets an optimum mix based on a comprehensive and robust needs assessment.

It is important to note that whilst the proposed amendments to the NPPF seek to incentivise plan-making, since the proposed changes began being trailed in late 2022, a number of Plans have been paused or progress delayed. An unintended consequence of the consultation could be that some draft Local Plans (including plans which are advanced) could be abandoned and restarted to propose reductions in housing requirements and/or re-review approaches to Green Belt land. [Lichfields](#) reported at the end of January 2023 that 33 plans have been delayed, paused or withdrawn, and that these plans have a combined annual housing need of c.38,200 homes, equivalent to over 12 per cent of the national figure (outputted by the Standard Method).

Q8: Do you agree that policy and guidance should be clearer on what may constitute an exceptional circumstance for the use of an alternative approach for assessing local housing needs? Are there other issues we should consider alongside those set out above?

No. There is a risk in defining what “exceptional circumstances” are with some form of list that using a method other than the standard method becomes the norm rather than the exception. Planning Practice Guidance (PPG) already states that use of the standard method is not mandatory for strategic policy making purposes and that if it is felt that circumstances warrant an alternative approach authorities can expect this to be scrutinised more closely at examination. Many of the objections to the housing figures arise from the adoption and application of the standard housing need methodology. However, as the consultation does not propose any changes to the standard method but instead states that a review will take place after 2024, it should be made clear in the NPPF that it remains the starting point for planning for housing.

Q9: Do you agree that national policy should make clear that Green Belt does not need to be reviewed or altered when making plans, that building at densities significantly out of character with an existing area may be considered in assessing whether housing need can be met, and that past over-supply may be taken into account?

No.

Green Belt

Green belt is a controversial topic and is often used as a 'political football', but undoubtedly it could hold some of the answers to the UK's housing crisis. It is also worth noting that according to [DLUHC statistics](#) 12.6 percent of England is designated as Green Belt, and that the Green Belt was actually 1.5 per cent larger as at March 2022 than it was a year earlier. For the government to meet its target of 300,000 new homes a year and for local authorities to meet their local plans, there may be instances where altering Green Belt is necessary. We are concerned that a strengthening of the Green Belt policy will act as a local political green light to plan for below required needs and offer the opportunity for current emerging local plans to reduce or completely remove any Green Belt allocations. This proposal also seems at odds with other proposals in the consultation. For example, many of those larger urban authorities expected to deliver the majority of new housing are constrained by Green Belt.

An important point to note is that fundamentally given its nature, Green Belt cannot be reviewed effectively at an individual authority level. It needs to be reviewed at strategic level, and this process needs to be made easier for authorities, not more difficult.

Densities significantly out of character

Whilst building at higher densities may not always be appropriate, this blanket reference to "significantly out of character" presents a potential contradiction with other proposals. For the twenty towns and cities subject to the urban uplift realistically there is unlikely to be a great supply of appropriate, deliverable brownfield land in areas where high density development would be in character. As explained in [Lichfield's blog which considered the implications for suburbia](#) these towns and cities will likely need to look to locations within their lower density, suburban areas to attempt to meet their housing needs. But higher density development would be "out of character" in these locations. This leaves a difficult problem to resolve.

Also, it is important to note that areas evolving and changing is not necessarily negative, and appropriate character and densities should be considered on a site by site basis. Given the desperate need for affordable high quality housing, proposing a positive view of what places might evolve into rather than only preserving places as they are seems like a more helpful narrative.

Q13: Do you agree that we should make a change to the Framework on the application of the urban uplift?

No.

Whilst we do not disagree with the approach to locate more homes in sustainable urban locations, we consider there are a number of issues with this proposal.

Firstly, housing markets do not operate in this manner but extend across local authority boundaries and so must be considered in a more holistic way. It is important to note that the urban uplift came about as a result of a backlash to what became coined as the [mutant algorithm](#). It was a quickly derived solution rather than anything which was based on thorough testing and analysis. The extent to which voluntary cross-boundary agreements will be achieved when the 20 areas cannot accommodate the uplift internally, will be even less likely with the removal of the duty to cooperate (even with all its drawbacks and limitations). Whilst a duty to cooperate is not effective for managing strategic planning matters, it is at least a legal test with sanctions attached to it. No details are provided in the consultation on the 'alignment test' to replace it, but these will be voluntary undertakings and will rely on the willingness of all partners to make some difficult, potentially very unpopular, political decisions.

Secondly, whilst the consultation document makes it clear that the 20 urban areas must do the heavy lifting themselves, it is impossible to see how this will work in practice given other proposed revisions. This links to our answer to question 9. Realistically, we must question how these 20 largest cities and urban centres will accommodate the bulk of housing needs, including a 35 per cent standard method uplift, given the enhanced protection to the Green Belt which surrounds many of these locations. In addition, the issue of development being 'out of character' adds further to the difficulties of delivery. As analysis by [Catriona Riddell](#) reviewing each of the 20 urban uplift areas has demonstrated, most of the areas are impacted by national policy and have no strategic planning arrangements to manage any potential shortfall. The areas where there seems to be some positive progress (including Leicester, Manchester, Nottingham) have longstanding strategic partnerships across the city-region (although these have

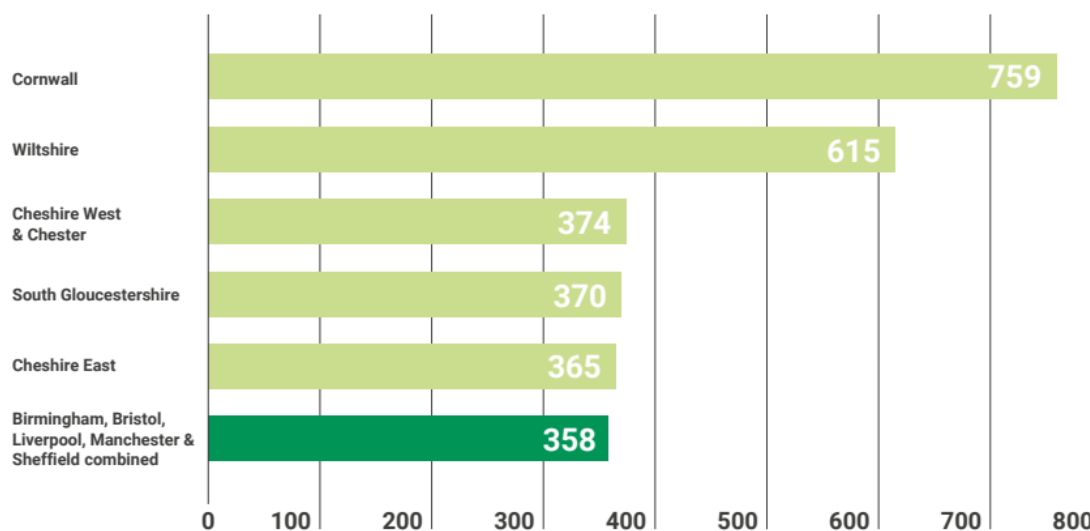
not come without their challenges along the way). Analysis by [Turley and Tetlow King Planning on behalf of the Land Promoters and Developers Forum](#) shows we cannot rely on these cities and urban centres and their perceived abundance of brownfield land availability to deliver the boost in affordable housing supply that is needed. Excluding London, the 19 largest cities and urban centres have delivered only 49,634 affordable homes over the last ten years (2011-21). This is less than 10 per cent of all the affordable homes delivered nationally despite these areas accommodating some 14 per cent of the country's population and dwelling stock as of 2020. This gross figure misrepresents the actual number of additional affordable homes for households to occupy. When accounting for homes lost through Right to Buy over this same ten-year period, these 19 cities and urban centres have only delivered circa 1,200 affordable homes, net, per annum (12,040 in total).

Brownfield supply is another matter. According to [Lichfields research in 2022](#) the maximum housing capacity from building out all sites on the Brownfield Register amounts to under one third of the annual requirement for 300,000 homes per year over 15 years (if all were to come forward for development of housing). Lichfields observe that, not only will all sites not come forward in the quickest possible time, but some sites on Brownfield Registers are not up to date or accurate in their estimated capacity.

Most new homes recently provided in city locations tend to be flats, reflecting the nature of the land available on which to deliver new homes in these urban areas. However, we know that whilst high density flats are entirely suitable for some people's housing needs, we need to provide the right types of homes across a range of locations, and the solution to the housing crisis does not lie entirely in numbers. A wider supply of housing land must be provided to deliver more affordable housing as research by [Turley and Tetlow King Planning has shown](#). This demonstrated that five authorities outside London have individually delivered more affordable homes over the decade to 2021, when accounting for Right to Buy, than the cities of Birmingham, Manchester, Liverpool, Bristol and Sheffield combined. Twenty two per cent of all additional homes were flats in these authorities, compared to 69 per cent across the five cities.

Five authorities outside London have individually delivered more affordable homes over the decade to 2021, when accounting for Right to Buy, than the aforementioned five cities combined.²⁶

Net additional affordable homes per annum (2011-21)



(Source: https://static.turley.co.uk/media/pdf/2022-05/lpdf_affordable_housing_emergency_report_may_2022_0.pdf)

Finally, it is important to note that if national policy is going to concentrate household growth in those 20 largest towns and cities, public funding must also be targeted at those locations.

Q15. How, if at all, should neighbouring authorities consider the urban uplift applying, where part of those neighbouring authorities also functions as part of the wider economic, transport or housing market for the core town/city?

Strategic planning issues, like housing numbers and Green Belt, will inevitably impact on more than one LPA, and need to be planned for accordingly. The duty to cooperate is a less than perfect system for managing strategic planning matters, however no details are provided in the consultation on the alignment test which will replace it. Anything which replaces the duty to cooperate must be designed to deliver good strategic planning outcomes. If needs cannot be met by LPAs, there must be a mechanism in place for cooperating with neighbouring LPAs positively and democratically. Rather than weaken existing arrangements, consideration must be given to ensuring this is on a mandatory rather than a voluntary footing.

Q.18s - 20 Taking account of permissions granted in the Housing Delivery Test (HDT)

A consistent theme that runs through the consultation is a desire to 'switch off' the presumption in favour of sustainable development in as many situations as possible. It is important to remember that permissions in themselves are not the end objective here. It is the delivery of homes for people who need them which must be the focus. Therefore, if there is desire to 'switch off' the presumption relating to the HDT, this test needs to be on the number of homes that have been completed rather than just permissions granted, as there are many reasons as to why not every home that gets planning permission will be built.

Chapter 5 - A planning system for communities

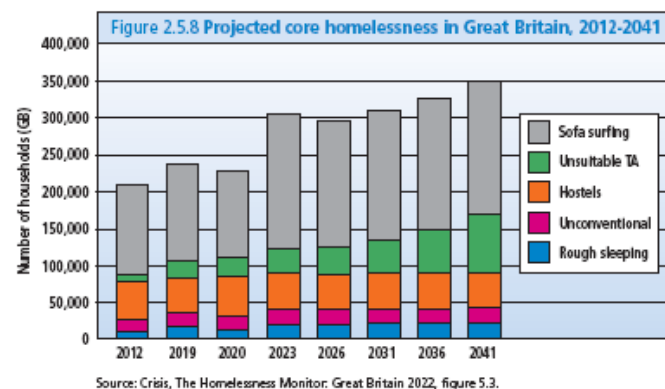
Q22: Do you agree that the government should revise national planning policy to attach more weight to Social Rent in planning policies and decisions? If yes, do you have any specific suggestions on the best mechanisms for doing this?

Yes.

We welcome the commitment in the Levelling Up White Paper to "increase the amount of social housing available over time to provide the most affordable housing to those who need it" and support the intention in the consultation proposals that changes will be made to the NPPF to make it clear that local planning authorities should give greater importance in planning for social rent homes.

Increasing the supply of social rented homes must be an absolute priority for the government. Analysis [by Herriot Watt University on behalf of Crisis and the National Housing Federation](#) in 2018 identified a need for 145,000 affordable homes per annum over the ten years 2021-31, of which 90,000 would be for social rent and the remainder for low-cost homeownership or intermediate renting. [The National Housing Federation's 'People in Need'](#) report in 2021 identified that 8.5 million people in England are facing some form of unmet housing need. For almost half of those people (more than 4.2 million people), social rented housing would be the most appropriate tenure to address that need. This equates to 1.6 million households - roughly 500,000 more than the 1.1 million households recorded on official waiting lists. As the cost of living crisis deepens, we are in a situation with over [120,000 children](#) now homeless and living in temporary accommodation (the equivalent of [one in every 100 children](#)), and even more families facing housing insecurity. The [UK Housing Review](#) addresses the issue of 'core homelessness' which covers all types of insecure accommodation. It projects

core homelessness to grow markedly over the next two decades unless there are significant policy changes (see chart).



An emphasis on the importance of social rented homes in the NPPF is a very positive step and amending paragraph 65 to replace a focus on homeownership with a focus on homes for social rent would demonstrate that this is the government's priority. However, setting nationally prescribed targets (in the way that has been done for First Homes) may not be the best way to ensure the right homes are delivered in the right places. We would support an ambition for social rent in national planning policy, whilst also requiring local planning authorities to conduct robust local needs assessments and set an optimum local tenure mix to support their Local Plans. Robust local assessments must take account of the full range of needs including people who are homeless, people living in temporary accommodation and people registered with a housing need on council waiting lists. This is essential to build up a full profile of the types and tenures of homes needed to meet need and demand. Planning policy should enable local authorities to have the flexibility, tools, and guidance to carry out assessments and assign policy appropriately to ensure it delivers the right mix of housing required locally. The NPPF should require the LPA to set an optimum mix based on its available evidence rather than setting targets at a national level which may not be appropriate in all circumstances. This will ensure that affordable housing meets local need as effectively as possible and avoid the delivery of homes for which there is little demand.

Section 106 (s106) agreements currently deliver a significant number of affordable homes. In the last three years 2018/19-2020/21 delivery has been 168,175 affordable homes (average 56,058 annually) of which 76,485 (av. 25,495 annually) have come via s106 contributions with no grant. That is 45 per cent. Of the 76,485 over the three years, 46,795 were for rent, of which 10,298 were for social rent. This demonstrates that s106 is an extremely important source for delivery of rented homes at no cost to the Affordable Homes Programme (all data from [The UK Housing Review 2022](#) (table 20a) and from [government data on affordable housing supply](#)). We recently wrote a joint [letter to the Secretary of State](#) (as public, private and third sector organisations from across the housing sector) to

express our concern about the impact that proposals for a new Infrastructure Levy in the Levelling Up and Regeneration Bill will have on the supply of new affordable and social housing. In its current form, the Infrastructure Levy risks a significant reduction in the delivery of affordable housing and homes for social rent through the planning system. With the detail of how the proposed levy would operate yet to be shared, we believe that fundamental issues need to be addressed on the 'face' of the Bill to provide assurances on affordable and social housing delivery.

CIH are part of the [Better Planning Coalition](#), and have worked as part of the affordable housing subgroup on the following amendments:

- **Amendment 414** - Reform to the 1961 Land Compensation Act: remove or limit 'hope value' for schemes that deliver social housing
- **Amendment 323** - Redefining 'affordable housing' to mean social rent, which is tied to local income
- **Amendment 359** - Making social housing an onsite requirement of new housing developments.

Placing emphasis on homes for social rent within the revised NPPF would be a positive step, but it is important to note that the levels of subsidy required to achieve a meaningful uplift in delivery of the tenure will need to be reviewed. The [UK Housing Review 2022](#) shows that, of some £40 billion being invested by the government in housing in the current four-year period, 56 per cent is spent on support for the private market. A major shift of subsidy away from private market support would enable funding to be directed where it would meet the greatest housing needs. In Scotland and Wales, by comparison, 89 per cent of support goes towards affordable housing. Work by [CIH and the Centre for Homelessness Impact in 2021](#) showed that a modest increase in output of social rented housing of 10,000 homes annually could largely be financed by direct savings in temporary accommodation costs and in housing benefit/universal credit that would otherwise be paid for higher-cost private rented properties. Since then, use of temporary accommodation has grown still further making the need for more social rented homes even more urgent, on cost grounds alone. Investment in social housing is the most cost-effective way to tackle homelessness and reduce housing benefit costs, providing a safety net to those who need it.

First Homes came up frequently with members in discussions to inform our consultation response. CIH have repeatedly [stressed our concerns](#) relating to First Homes, most notably their role in potentially displacing the provision of more affordable and more locally required tenures (usually social rented homes). Flexibility is needed for LPAs to determine the percentage of affordable homes that should be First Homes. The ability to seek affordable housing contributions from sites of less than 10 dwellings was also an important point raised by our members for delivery of social rented homes, particularly in rural areas. The UK Housing Review has consistently questioned the value of First

Homes in helping people into homeownership, arguing that the scheme risks displacing low-cost rented accommodation while being far less effective than the now defunct Help to Buy scheme, which was assisting 40-50,000 first-time buyers annually.

Social rent housing performs a unique function as it is the only tenure which is affordable to those who are currently homeless or at risk of homelessness. It is also the only tenure which is tied to local incomes which is extremely important. Although slightly outside the scope of this planning consultation, members also raised the point that if the mechanisms were clearer for calculating social rents this would likely increase its use by providers.

Right to Buy losses are another important dimension to this issue. When these are taken into account, it can quite dramatically change housing numbers, particularly in major cities (where government is focusing housing delivery through this consultation). As highlighted by planning barrister [Chris King QC](#), in Birmingham last year there were 3,177 new homes completed. Of that only 376 were affordable. However, there were also 689 Right to Buy sales. The net result is a loss of 313 affordable homes. This trend has been going on for several years now – the number of affordable homes lost in Birmingham over the last 5 years is close to 1,000 (despite building 17,800 new homes). This is of course not an issue isolated to Birmingham. [The UK Housing Review 2022](#) demonstrated that the Right to Buy policy had led to an erosion of the stock of social rented homes, many of which have, through subsequent sales, found their way into the unregulated private rented sector (currently 40 per cent), thus undermining the ambition to boost home ownership. The graphic overleaf highlights the situation starkly.



(Source: https://static.turley.co.uk/media/pdf/2022-05/lpdf_affordable_housing_emergency_report_may_2022_0.pdf)

23: Do you agree that we should amend existing paragraph 62 of the Framework to support the supply of specialist older people’s housing?

Yes.

In providing for existing and future local communities, local authorities must take into consideration the varying needs of different groups within their local area, including disabled and older people, and the level and quality of existing provision. CIH welcomes the recognition that the population is ageing, and the ambition that this should be addressed in the framework, the type of homes we build and the location.

As a starting point, CIH urges government to bring forward without delay its [commitment](#) to ensuring that all new homes are developed to the higher ‘accessible and adaptable’ standards that it made in July 2022. This will make a huge contribution to making our housing stock more fit for purpose for older and

disabled people. [Analysis](#) of local plans by Habinteg in 2020 revealed that only 31.5 per cent of homes planned would meet accessible housing standards - a decrease from 34.4 per cent in 2019 - with considerable regional variations. Currently over 400,000 people using wheelchairs are estimated to be stuck in an unsuitable home, affecting educational, employment and social opportunities.

The TCPA's [principles](#) for healthy homes and places should also underpin the development of new homes and neighbourhoods, including specialist housing, to ensure that the health and wellbeing of local communities, including older people, can be maintained.

Whilst many older people are living longer in good health, others live with significant life limiting conditions. In 2020, there were 1.7 million people aged 85 and over; that will almost double to about 3.1 million or 4.3 per cent of the population by 2045 ([ONS national population projections: 2020 based interim](#)). About half of people between 65-74 live with one long-term limiting illness, while for those over 85 it rises to nearly two-thirds. One in three over 85 year olds also require help with at least one activity of daily living. By 2040, an estimated 5.9 million of older people will be disabled ([Age UK, State of health and care of older people 2019](#)).

So, the type, quality and location of our housing - ensuring that it is safe, accessible and affordable, well situated with links to services and facilities, and with flexible, appropriate support - are crucial to enabling older people to continue to live as independently as possible, limiting the impact on health and care services, and supporting ongoing social involvement, tackling the risk of loneliness. Research has demonstrated a range of benefits for individuals and public services (usefully summarised in this [report](#) from the Housing LIN in 2019), including a headline estimated figure of £2,441 per year per person living in housing with care cost benefit arising to health and social care services.

The recognition of this by Government in its white paper, [People at the heart of care: adult social care reform](#), was very significant, with its emphasis on the role of appropriate housing and the aim to 'make every decision about care a decision about housing.'

In its aim to increase the availability and choice of housing options for older people, to support their care and health, specialist housing with care featured frequently. We appreciate that the government also committed up to £300 million in funding to enable a more joined up and strategic approach to housing solutions for long term wellbeing, care, and support. Increasing and strengthening partnerships across health, care and housing bodies, including within Integrated

Care Partnerships, will be needed to develop robust, integrated local strategies. These partnerships should work with local planning authorities to inform shared assessments of housing need and encouraging more developments (or re-development of existing schemes where appropriate). There should be guidance to support local authorities and partners to take a robust and consistent approach to assessing the housing needs of older people, alongside their health and care needs, to underpin local plans and specialist housing and care strategies. A national older people's housing strategy would provide a positive framework for local planning authorities and partners to develop local strategies and underpin local plans. CIH encourages government to implement its proposals for a national older person's housing taskforce to encourage the development of national, as well as local, strategies.

The benefit of specialist housing, and the importance of the planning system in delivering it, has been highlighted in a planning practice advice note from the Royal Town Planning Institute (RTPI), in partnership with CIH and the Centre for Ageing Better, the Older People's Housing Champions Network and Associated Retirement Community Operators (ARCO): [Housing for older people: planning for the future](#). It demonstrates the pivotal role of town planning working within and supporting a collaborative approach to developing more housing solutions for older people. It also emphasises the importance of involving current and future residents in local places, as well as partners across local services to identify the housing and support people want to help them age well in their neighbourhoods - as part of the wider community consultation process within the development of Local Plans.

Qs 24 and 25: Small sites policy

CIH welcome the recognition that small sites play an important role in delivering affordable housing. However, this is not just the case in urban areas as noted in the consultation document; small sites also have an important role in delivery of affordable homes in rural areas. Similarly, SME builders do not just face problems accessing small sites in urban areas, it is also a challenge in rural communities. This is not just because of the availability of sites, or issues around planning policy, but also cost and financial barriers and uncertainties to overcome (including issues around viability, interest rates and other matters). Enabling support may be what is required to ensure greater use of smaller sites.

Costs are also exacerbated by the NPPF policy that prevents LPAs seeking an affordable housing contribution from sites of less than 10 dwellings (particularly the situation in rural locations). Changing policy to allow these contributions to be secured would bring down the value of sites and sales of the affordable homes to

registered providers who guarantees a cashflow for the SME builders. This could be achieved by the NPPF explicitly supporting the adoption of lower thresholds in rural areas and changing the definition of 'designated rural areas' to all parishes with populations of 3k or less and in all parishes in AONBs and National Parks.

In an urban context, the 10 per cent of housing requirements on sites not larger than one hectare is often accommodated by LPAs on windfall sites in urban areas. This is quite an uncertain route for SME builders. Potentially policy could be strengthened by an expectation that LPAs identify sites of no more than one hectare, that will accommodate at least 10 per cent of their housing requirement, in the same way as any other local plan allocations, providing greater certainty.

Q26: Should the definition of "affordable housing for rent" in the Framework glossary be amended to make it easier for organisations that are not Registered Providers - in particular, community-led developers and almshouses - to develop new affordable homes?

We acknowledge that the 'burden of registration' may lead to delays for community led organisations in starting onsite and there may be scope for amendments around starting to build whilst this registration is underway. Similarly, we can understand that broadening the definition of affordable rented housing to include provision by non-Registered Providers could be attractive to encourage others such as Community Led Housing groups to provide this tenure. However, the unintended consequences of this must be carefully considered as it is imperative that the door is not left open to potential exploitation by allowing unregistered providers to provide housing without the level of scrutiny commensurate with the reformed social housing regulation regime. As we have seen with exempt accommodation, loopholes can be exploited, and so any changes must be thoroughly in-line with the Social Housing Regulation Bill. Providers must be held to the Consumer Standards regime and subject to proactive regulation.

An alternative mechanism could be the government considering how the approach of the social regulator could be tailored to support small community led bodies to enable greater involvement. Potentially this could include proactively supporting partnerships between community bodies and experienced registered providers, or making provision for adaptations to the application and oversight process for particular categories of small organisation.

Q27 and Q29 Exception sites and community led development

It is welcome that the consultation is seeking views on how the delivery of affordable housing on exception sites could be increased. However, the proposals and questions are framed solely in terms of community-led development, and this should be considered more broadly. Whilst we fully support community led-development, only a small proportion of rural exception sites are delivered by community-led groups; most are provided by Registered Providers with close engagement of the community. Regardless of who is providing it, it is the provision of housing which is affordable for local communities which is important here.

Community led development has an important role to play and a definition of what community led development is in the NPPF would allow LPAs to support this form of development more actively. However, this should not be at the exclusion of other providers.

Considering the topic of exception sites provides opportunity to look at a range of measures to tackle the factors that impede delivery through the exception site route, particularly in a rural context. For example, exploration could be given to adopting the Rural Exception Site Planning Passport developed by the [CLA](#) and [Rural Housing Solutions](#), into national planning policy. This can apply for sites of up to 15 dwellings in parishes of 3,000 or fewer, all AONBs and National Parks. It is intended to tackle the principal factors that have hindered delivery of rural exception sites, namely the cost and risk to the landowner and affordable housing developers, the speed and/or lack of capacity in local planning teams, and the variable political commitment to providing rural affordable housing between local authorities.

Helping community groups to deliver affordable housing on exception sites should also consider the access to skills and knowledge required to deliver the schemes, and the time that it takes for them to be delivered. If government wants to support community led schemes it needs to make sure the community can access the appropriate support and partners for delivery (which a number of our members noted is becoming harder now that RPs are focussing on meeting the Homes England partnership targets).

Q30: Do you agree in principle that an applicant's past behaviour should be taken into account into decision making?

No.

Planning decisions should be based on the planning merits of the proposed development.

Q32: Do you agree that the 3 build out policy measures that we propose to introduce through policy will help incentivise developers to build out more quickly? Do you have any comments on the design of these policy measures?

We agree in part that the build out measures proposed will help incentivise developers to build out more quickly, however other factors should also be considered as below.

Timely build out is to be encouraged, and measures such as: agreeing commencement dates; developers explaining how they propose to increase the diversity of housing tenure to maximise absorption; and showing a trajectory for delivery, will all help. However, build out is more complicated than developers merely 'choosing' to build out slowly and "land banking". The final report of [Sir Oliver Letwin's independent review of build out](#) concluded that the homogeneity of the types and tenures of homes on offer on large sites limits the rate at which the market will absorb them. Like the [Lyons review](#), Letwin's review concluded that there was no evidence of "land banking" through deliberately slow build-out rates. [Lichfield's](#) report on the build-out of housing planning permissions explained:

"the mismatch between planning permissions granted and housing output on a yearly basis is readily explained by the simple matter of the time it takes to progress development through the regulatory stages, the risks associated with small site delivery (and by smaller builders), the overall phasing of build-out on larger sites, and the role of the planning system (via new planning permissions) in facilitating changes to planned development schemes to reflect practical requirements."

Unlike market housing, social housing is particularly suitable for rapid build-out. Research by [Lichfields](#) has shown that housing sites with a larger proportion of affordable homes deliver more quickly. For both large and small-scale sites, developments with 40 per cent or more affordable housing have a build rate that is around 50 per cent higher compared to developments with less than 10 per

cent affordable housing. If the government were to commit to making social and affordable housing a national priority and place it at the centre of policy, an opportunity exists here to shape a recovery that benefits every community and leaves no one behind.

The resourcing of local authorities to be able to discharge planning conditions and amend applications after permission has been granted should also be a focus here. Improving the resourcing of the planning system is largely absent from this consultation but essential for speeding up the process. It is encouraging to see government consulting separately on how to boost resources for planning departments by increasing fees.

Chapter 6 - Asking for Beauty

Q33 and Q34 inclusions of the word beauty and beautiful.

'Beauty' and 'beautiful' are subjective. 'Well-designed' would be a better term as it could show a process has been undertaken. Well-designed schemes and places, which extend beyond matters of building aesthetics, areas important in rural as urban context. It also enables the incorporation of design features to meet the needs of local populations (e.g. Healthy Homes principles, accessibility and HAPPI standards for older people's housing)

Chapter 7 - Protecting the environment and tackling climate change and Chapter 8 - Onshore wind and energy efficiency

CIH is not able to answer the majority of these questions on protecting the environment and tackling climate change given the specific focus of the questions. However, in view of the climate emergency, CIH considers that this consultation misses opportunities for greater scope for the strengthening of policies to tackle the climate issues head-on and in a more holistic way. It is disappointing, for example, that the NPPF draft still does not reference the UK's net zero targets. The recently published [Climate Crisis Guide for Local Authorities on Planning for Climate Change](#), co-authored by The Royal Town Planning Institute (RTPI) and the Town and Country Planning Association (TCPA), urges councillors, planners, and other practitioners to prioritise addressing climate change as a primary objective of planning and placemaking.

Furthermore, in rightly seeking to qualify agricultural land from development as these proposals do, there is a risk that policies will place significant restraint on development in these areas, exacerbating problems of housing unaffordability

and limiting opportunities to meet local housing needs, including of those people employed in food production and processing. Small rural affordable housing schemes can provide multi-functional benefits through their design.

Q44: Do you agree with our proposed Paragraph 161 in the National Planning Policy Framework to give significant weight to proposals which allow the adaptation of existing buildings to improve their energy performance?

We welcome the proposal to make it as simple as possible to install measures to improve the energy performance of properties (including through the installation of fabric efficiency measures and heat pumps and other low carbon technologies like solar panels). We support the inclusion of paragraph 161 but would encourage government to go further and enshrine a commitment and alignment to net zero throughout the NPPF.

At present, planning rules can hold back improving the energy efficiency of homes in conservation areas and listed buildings. Recent [study data from CAGE in 2023](#) has shown that conservation area status in England may be responsible for up to 3.2 million tons of avoidable CO₂ emissions annually. Properties in conservation areas have a notable worse energy efficiency; experience lower investment in retrofitting and consume notably higher levels of energy owing to poor energy efficiency. The public benefit of improved energy efficiency of domestic homes is extensive. Our leaky homes (both those with conservation status and without) are putting more families at increased risk of fuel poverty, as inefficient properties cost more to heat. In England alone, nine million poor people live in energy-inefficient homes, making them particularly vulnerable to inflated energy prices. Cold, damp homes create conditions in which mould can develop, with significant health risks; [data from End Fuel Poverty](#) has shown that over 1,000 people died in England as a result of living in cold damp homes in just December 2022.

In discussion with members for this consultation we have heard that this proposed including of paragraph 161 could be very helpful and would result in opportunities to improve a variety of properties including almshouses that often provide a source of affordable housing in rural areas. However, further detail is needed in Chapter 16 as the heritage versus harm formula of “significant weight” given to retrofit measures and “great weight” applied to conservation is likely to lead to difficulties in terms of interpretation and uncertainties around which should be prioritised. This could be clarified through a redefinition of ‘public benefit’ which gives greater weight to prevention of the climate emergency. It is important that the NPPF shows prioritisation and support of net zero so that local authorities

feel confident to streamline the planning process for listed buildings. This would give local authorities the confidence to make planning for energy efficiency and net zero technologies much simpler for homeowners and ensure more consistency across the country. We hope that the forthcoming National Development Management Policies will provide guidance for Local Planning Authorities to prioritise green adaptation.

Decarbonising the residential sector (not just in relation to homes with heritage designation) is key in meeting our net zero targets. It is clear the government recognises this, having committed last year to reduce energy demand by 15 per cent by 2030. But to meet this target, we need a concerted effort and increased government funding.

The housing sector is committed to working towards net zero, but sector-wide assessments of the costs summarise the scale of the task. Research by [Savills](#) estimates that up to £330 billion could be needed (seven times the current spend) for the UK residential sector to meet government targets, including a desire for all homes to reach EPC level C by 2035 and by 2030 for fuel poor homes.

CIH acknowledges the various funding support available (Social Housing Decarbonisation Fund, Home Upgrade Grant, Local Authority Delivery scheme and Energy Company Obligation) but the scale of the task to remediate building safety risks and retrofit homes is huge and social housing providers face a large shortfall which cannot simply be passed on through higher rents. There would be substantial benefits to the government from investing in energy efficiency measures, beyond working to meet net zero targets. Research by the [Institute for Public Policy Research](#) shows that a government retrofitting programme could sustain over 400,000 direct jobs and 500,000 indirect jobs by 2030. Fast, targeted government investment in energy efficiency schemes could prevent more households experiencing fuel poverty, support job growth and save the government money.

To assist with the adaptation of existing buildings to improve energy efficiency, HMRC extending the list of energy saving materials that are subject to a zero VAT rate for installation to include double and triple glazed windows, would be helpful. Alongside this, the period for which this relief applies should be extended beyond March 2027. Many housing providers still have homes in need of double glazing, and many will need to replace and improve existing double glazing in the coming years. This will be a costly exercise and a VAT relief consistent with other important energy saving materials (such as insulation and ground/air source heat pumps) will be a significant of assistance.

Chapter 9 - Preparing for the new system of plan making

Qs. 45 - 48 Transitional arrangements

The government must have in place the necessary programme for resourcing and upskilling LPA planning teams in order for transitions to be successful. [Research by the RTPI in 2022](#) showed that Local Authority net expenditure on planning has fallen by 43 per cent, from £844m in 2009/10 to £480m in 2020/21. This amounts to just 0.45 per cent of local government budgets allocated to planning services. The fall in public spending has varied across regions, with the North East of England facing a 62 per cent fall in funding whilst Yorkshire and The Humber (49 per cent) and the North West (46 per cent) have also faced significant cuts (this is a matter to be considered in any reflections on 'Levelling Up'). These cuts have had a clear effect on the performances of planning services, with the RTPI's research highlighting that less than half (49 per cent) of planning applications were decided within statutory time limits in 2021 - continuing a downwards trend since 2010. Planning teams cannot continually be asked to do more with less, and in transitioning to any new system of plan making it must be ensured that planning teams are given the time and resources necessary.

Funding and resources will be needed to support Neighbourhood Plan groups to transition to the new system, particularly if it is to be ensured that they are as inclusive as possible. A lower take-up of neighbourhood plans has been shown to be found in more deprived and urban areas which may partly be explained by the technocratic (and often costly), legal process and considerations involved (<https://acre.org.uk/reflections-on-a-decade-of-neighbourhood-planning/>).

Chapter 10 - National Development Management Policies

Qs 49 - 52 National Development Management Policies (NDMPs)

There are both potential benefits and risks to introducing NDMPs. With so many changes being proposed through legislation and policy it is disappointing that further detail has not been made available at this point. The proposed role of NDMPs is not currently set out in enough detail, nor are the details around public and parliamentary scrutiny, or how they might be reviewed. We look forward to further information being released so that we can make further comment.

Making local planning and decision making simpler, clearer and quicker are welcome aims. NDMPs could potentially help to reduce policy related uncertainty

and make it easier for developers to align their development with what is required. They could be used for national issues, where there is currently no conformity (including for example in relation to Net Zero carbon). They could provide welcome guidance, providing extra protection for vulnerable groups in national policy. For example, supporting positive planning for gypsy and traveller sites (largely absent in the NPPF) given that we currently have a chronic shortage of sites available and little repercussions for local authorities who consistently fail to identify any land for Gypsy and Traveller people to live on in their area (as explained in the [Friends Families and Travellers Report in 2021](#)). They could also perform a role in setting minimum standards and providing additional guidance for local authorities.

However, there is also a risk that they do not leave enough scope for local plans to respond to local circumstances and that NDMPs could affect the primacy of local plans. The notion that local plans are not allowed to contain policies on the same areas as NDMPs is concerning and would potentially prevent LPAs from setting more ambitious targets locally. Flexibility must be built into the system to enable councils to respond to local, complex and changing circumstances.

Chapter 11: Enabling Levelling Up

Qs 53 and 54 - Levelling Up

CIH has welcomed the government's ambition to level up the UK, as set out in the Levelling Up White Paper, and the clear recognition within this that housing plays a key role. However, whilst there is a brief chapter in the consultation document on 'enabling levelling up' there is no real reflection of 'levelling up' priorities geographically or spatially elsewhere in the document, nor any concrete proposals in the current consultation to implement 'levelling up'.

The intention of levelling up is to spread opportunity 'more equally' across the UK. A planning system that puts the delivery of quality, affordable housing at its heart is crucial for this. For everyone affected by the housing emergency, levelling up starts with home, as home is the foundation for a decent life. The current construction of the standard method with arbitrary uplifts is not fit for purpose (as we have discussed in earlier questions), baking in low delivery with backward looking demographic trends. Policy reform to enable positive planning to meet objectively assessed housing needs with meaningful mechanisms to plan across local authority boundaries would assist in levelling up. The Devolution Framework included within the Levelling Up White Paper in 2022 made no reference to housing and planning, but in our consultation with members it was brought up

time and again that we need to be able to plan for and provide housing at a strategic level.

Social housing is the most affordable type of housing. It stays affordable over time, anchoring local people in the places they want to live and enabling them to share in the benefits of levelling up. A large-scale programme to build affordable homes, in particular homes at social rents, would deliver substantial national and local economic benefits including creating jobs in the construction and associated industries. A report by [Savills in 2020](#) estimated the macro-economic benefits of investing in social housing - along the lines suggested by the Herriot Watt Study commissioned by Crisis and the NHF (discussed earlier) - would generate around 340,000 construction jobs (direct and supply chain).

As already noted, CIH are part of the [Better Planning Coalition](#), and have worked as part of the affordable housing subgroup on the following amendments for the Levelling Up and Regeneration bill (LURB) as it moves through the House of Lords.

- **Amendment 414** - Reform to the 1961 Land Compensation Act: remove or limit 'hope value' for schemes that deliver social housing
- **Amendment 323** - Redefining 'affordable housing' to mean social rent, which is tied to local income
- **Amendment 359** - Making social housing an onsite requirement of new housing developments."

More details on the better planning coalition proposed amendments to LURB to can be found [here](#).

We have also recently [co-signed a letter](#) to Michael Gove with the National Housing Federation and other organisations in the sector to express our concern about the impact proposals for a new Infrastructure Levy in the Levelling Up and Regeneration Bill will have on the supply of new affordable and social housing.

Q55: Do you think that the government could go further in national policy, to increase development on brownfield land within city and town centres, with a view to facilitating gentle densification of our urban cores?

As discussed in our response to question 13, whilst there is undoubtedly an important role of brownfield land development within our city and town centres at higher densities, there must be a wariness about a fixation on housing numbers alone. This is not just about 'unit numbers'; it is about making sure that the people behind those numbers have a suitable home to meet their needs.

Q56: Do you think that the government should bring forward proposals to update the framework as part of next year's wider review to place more emphasis on making sure that women, girls and other vulnerable groups in society feel safe in our public spaces, including for example policies on lighting/street lighting?

Yes. We welcome this intention.

We know that access to public spaces and green spaces are essential for wellbeing and health. This was highlighted starkly through the Covid 19 pandemic lockdowns. The safety and inclusivity barriers depriving women and girls and other marginalised groups to access and enjoyment of nature and open space. Our planning system has an important role to play in addressing this.

Public Sector Equity Duty

Q58: We continue to keep the impacts of these proposals under review and would be grateful for your comments on any potential impacts that might arise under the Public Sector Equality Duty as a result of the proposals in this document.

A planning system that does not enable local authorities to meet the needs of their local communities, including people experiencing poorer quality housing who have less ability to resolve this through the market, will inevitably have a negative impact on people with protected characteristics.

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is to provide housing professionals and their organisations with the advice, support, and knowledge they need. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org.

Contact:

Hannah Keilloh, policy and practice officer, Hannah.keilloh@CIH.org

2 March 2023