

# Chartered Institute of Housing's response to the House of Lords Built Environment Committee's inquiry into grey belt housing development

October 2024

## Introduction

The Chartered Institute of Housing (CIH) is the professional body for people who work or have an interest in housing. We welcome the opportunity to respond to the House of Lords Built Environment Committee's inquiry into grey belt housing development. CIH has undertaken extensive member engagement in recent months to explore the impact of proposed planning reforms.

At CIH, we welcome the government's commitment to building 1.5 million homes, including "the biggest boost to affordable housing in a generation", as [stated](#) by Deputy Prime Minister Angela Rayner MP. Housebuilding has failed to keep pace with demand for years. At the same time, home ownership and social renting have fallen, while private renting (generally less secure and more expensive) has increased. Homelessness is at [record levels](#) and one in five children are living in overcrowded, unaffordable or unsuitable homes.

An effective planning system is an essential enabler of housing delivery, and reforms to simplify and speed up planning processes are a positive step in tackling the housing crisis. We welcome the proposed reforms by the government in the National Planning Policy Framework (NPPF); further detail can be found in our [consultation response](#).

We understand that the future of the green belt is a controversial topic but welcome the government's focus on 'grey belt' development as this holds some of the answers to the UK's housing shortage.

## Summary

We have outlined CIH's positions on the inquiry questions below (focussed on the questions which relate to our remit as the professional body for people working in housing). Our headline points are as follows:

- We welcome the review of green belt/grey belt, as we called for in our [Homes at the Heart](#) strategy. Any green belt development must tangibly demonstrate long-term public good, and we hope this inquiry into grey belt development will provide further clarity around this.
- We propose amending the definition of grey belt development, to be more specific and effective for local authorities to plan for their future land supply. Further, the use of 'limited contribution' is too subjective and may lead to lengthy and unnecessary appeals processes, delaying the development of much needed homes.

- Work is needed to ensure that the Section 106 process can work more effectively in delivering new affordable housing that meets local needs, by building relationships and facilitating earlier coordination in the planning process between developers, local authorities, and registered providers.
- We propose expanding the 'golden rules' of the NPPF so that commercial and other non-residential developments should have to contribute financially to the delivery of off-site affordable homes.
- A joined-up approach is required across government to ensure that the right homes are built in the right places. This includes ensuring that sufficient and suitable infrastructure of transport, health facilities, schools and green space is taken into consideration for new developments and local plans. Placemaking is essential to ensure that healthy communities are sustainable and reduce any potential tension with existing communities in areas of development. This includes due diligence to identify and protect natural habitat sites. In short, any green belt development must tangibly demonstrate long-term public good and be mobilised to tackle the housing crisis.

We would also note that whilst planning reforms to use grey belt development are very welcome, they can only be part of the response to tackling the housing crisis and achieving the government's housebuilding objectives. The social housing sector wants to play its role in increasing development and building the homes required, but many providers are scaling back their development activity due to uncertainty and increased financial pressures, with increased investment required for existing home improvements, retrofit, decarbonisation, building safety etc. This has led to a [steady decline](#) in planning applications for new developments, which will only be exacerbated in the next few years without action. In particular, local authorities need the resources, skills, people and capacity to expand their development programmes and meet the mandatory housing targets proposed. The government must act to support local authorities in difficult financial circumstances, as noted in CIH's [report](#) on the council housing debt settlement and Southwark Council's [report](#) with over 100 councils on securing the future of council housing. It is positive to see the government's [announcement](#) of additional funding for councils through the Brownfield Land Release Fund and we hope to see further funding commitments in due course.

Alongside these planning reforms, the government must also provide clarity on the new Affordable Homes Programme, grant levels, and a long-term rent settlement, as well as aligning the planning system with existing net zero targets, carbon budgets, and nature and biodiversity recovery targets. Our [submission](#) to the forthcoming Autumn Statement and Spending Review provides more details.

## Response

### 1) What is your assessment of the Government's definition of "Grey Belt"?

As outlined in our NPPF [response](#), we support the strategic release of the green belt in sustainable locations. Thus, the exploration of releasing land from the green belt (grey belt land), is a welcome step in ensuring the planning system allows for the development

of homes to meet people's needs. We must ensure the right homes are built in the right places, on suitable land with necessary infrastructure, as well as increasing supply itself.

However, clarity is required to determine what is meant by grey belt land, and how local authorities and others are to identify and prioritise this. CIH members have raised concerns around the vague nature of grey belt, particularly with some confusion around previously developed land in the green belt versus brownfield land, and the purposes of the green belt (as noted further in Question 1a). There is also some concern around expanding grey belt development on previously developed land onto surrounding fields if developers argue it is more financially viable. More certainty is needed as to what is meant by grey belt, including its aims and nature, as well as wider clarification of the green belt purposes.

We propose amending the definition of grey belt to be more specific, giving examples of the types of land which should be considered, e.g. golf courses, land which is or has been occupied by a permanent structure or area of hardstanding. This would provide more clarity over grey belt status for at least some land, reducing the time and capacity needed to release land, which should then deliver higher levels of social rent and other affordable tenures than local plans require for other land.

Additionally, it is positive that steps have been taken to limit 'hope value', which will discourage landowners from degrading green belt land to meet grey belt criteria. At CIH we would support the swift preparation of rigorous local authority grey belt surveys and registers, to ensure that land identified as grey belt can be effectively designated for development. These registers should also ensure that sites are only included as grey belt parcels subject to standardised biodiversity and land quality surveys. In our [NPPF response](#) we made further detailed recommendations to protect land on the green belt being purposefully degraded to grey belt to make way for development.

### **1a) What is your understanding of what makes a "limited contribution" to achieving the purposes of the Green Belt?**

We believe the inclusion of the wording 'limited contribution' is too subjective and could leave legitimate planning decisions that deny developments on the green belt open to lengthy litigation and 'planning by appeal'. We would also argue that, though useful, the five original purposes of the green belt as defined in the Town and Country Planning Act 1947 may not be fit for current needs and fail to include assessments of the quality and the public use of each part of green belt land considered for release.

We would further welcome more clarity on the relationship between Local Nature Recovery Strategies and the guidance for identifying land which makes a limited contribution to green belt purposes. Wherever possible, areas identified in draft or published Local Nature Recovery Strategies should be excluded from land considered for development.

### **2) Do you think the Government's Grey Belt proposals will contribute to delivering new homes across the country and, if so, how quickly?**

Meeting the government's supply ambitions is going to be challenging to achieve at current development levels, particularly whilst we await certainty on necessary funding to deliver these homes. Building on the green belt is publicly contentious, if somewhat misunderstood, however reviewing it is necessary to address the housing crisis.

First, we would support calls from organisations such as [CPRE](#) to strengthen the 'brownfield first' approach. This might be in allowing local authorities to undergo sequential release of land identified in their supply, exploring remediation funds for brownfield development, or encouraging local authorities to prioritise these sites through reform of the New Homes Bonus (NHB) to apply only to the development of brownfield sites and/or truly affordable homes. CPRE's previous [research](#) has shown that there is space for at least one million homes on suitable brownfield land, much of this in the Midlands and North of England as well as the highly pressured Southeast. One of the criticisms of brownfield-first planning approaches is they will not deliver on the homes that people want to live in, such as family homes with gardens. With [latest statutory homelessness figures](#) showing 150,000 children currently living in temporary accommodation and four per cent of households living in [overcrowded homes](#), it is not feasible that every family would be able to live in houses with gardens. Therefore, where it is likely that apartments are going to be delivered, efforts should be for those blocks to be designed with families in mind, with elements such as enclosed common play areas in direct sightline of family units, adequate sound-proofing, and flexible living spaces, as described by the [Cities People Love](#) guidance.

Second, we welcome the 'golden rules' put forward in the NPPF in relation to the grey belt with the commitment to delivering affordable housing in all major residential developments. We believe that those who are profiting from the release of grey belt land should be compelled to contribute to the public good. Thus, the cost of achieving the primary aim of building 1.5 million homes should be shared through the application of all three golden rules to any 'major development' whether residential, or commercial. As such, we propose that commercial and other non-residential developments should have to contribute financially to the delivery of off-site affordable homes. This contribution should be added to a ringfenced pot within the relevant local authority to drive the delivery and viability of affordable and socially rented homes. This would contribute towards the government reaching its 1.5 million homes target, by ensuring that growth in the wider economy also contributes to the new homes required.

Finally, it is crucial that we are building the right homes to meet housing needs. Social rented homes are the most truly affordable housing option, often the only option for those in most need. Investment in social housing is the most cost-effective way to tackle homelessness and reduce the housing benefit burden, providing a safety net to those who need it. A clear case has been made for the [economic benefit](#) of building more social homes. Thus, we would encourage the government to set out the proportions of different tenures that will make up the overall target of 1.5 million homes, with a clear focus on the role of social rented homes. This emphasis must be demonstrated and explained throughout planning policy, to ensure local authorities incorporate social rent into local plans and ensure the development of truly affordable homes under the 'golden rules' for grey belt land.

## **2a) How many new homes could be built on Grey Belt land?**

It is difficult to quantify how many new homes could be built on grey belt land without more clarity on what falls within the scope of grey belt, as noted in our answer to Question 1.

Some speculative [research](#) notes that building on all of the 35,000 hectares of green belt land around London could deliver close to half a million homes, although not specified for grey belt. Another [survey](#) by Virgin Land, based on current understandings of grey belt from the NPPF consultation, demonstrates that less than one per cent of all green belt land in England could be classed as grey belt, which is largely based in the Northwest and Midlands. There is [potential](#) in developing on grey belt land, but this must be clarified in its definition and objectives, and also ensure that land is released in areas with high housing need.

## **2b) Will the creation of a new Grey Belt category be a better way to deliver new homes in the Green Belt than the existing processes for redesignating Green Belt land?**

We understand the need for creating a new grey belt category in demonstrating the difference between land suitable for development and green fields, particularly for public support. However, as noted, it is important that more clarity is provided in defining grey belt land, as vagueness can cause subjectivity and differences in interpretation, and it may lead to longer planning appeals processes for local authorities trying to identify applicable land in the green belt.

Please see our answer to Question 1 for more details on this.

## **3) Do the current proposals for identifying Grey Belt land provide local planning authorities with sufficient scope to meet their housing targets and the needs of local communities?**

We support the reintroduction of mandatory housing targets and reviews of local plans by local authorities to ensure we are developing at the scale required, including the review of green belt and grey belt land. However, there are practical implications created by the current proposals. Through our member engagement, we have spoken to local authorities who have delivered above their existing housing targets, with the understanding that more homes are needed in their area. However, their new targets, using the proposed standard method, far exceed this recent overachievement, and the NPPF consultation does not consider local authorities who have historically exceeded targets.

Whilst most local authorities are aware of the wider supply issues and need to boost development and housing in their areas, it must be noted that these increased expectations are being introduced at a time when many are struggling with capacity, resources, and finances. Increasing the demands on local authorities is only feasible if they are given the necessary support. There are two issues here:

- As outlined in CIH's recent [report](#) on the 2012 debt settlement, assumptions made a decade ago for the sustainability of Housing Revenue Accounts are no longer applicable given changes in government rent policy, unexpectedly high inflation, and extra demands for investment in the existing council housing stock. This has been further demonstrated by the [report](#) by Southwark Council et al., which outlined the extreme scenarios many local authorities are now operating in.
- Furthermore, the [LGA](#) and others have pointed to the growing crisis in local authority general funds, with many local authorities facing potential Section 114 notices, and therefore paring back resources needed for their strategic housing and planning roles at a time when they should be growing.

As such, local planning departments across England have faced [significant reductions](#) in staffing levels over recent years, largely due to budget cuts and the ongoing challenges in recruitment and retention of skilled staff. This reduction in capacity has led to increased workloads for existing planning officers, resulting in delays in processing applications, reduced capacity for proactive planning, and limited engagement with communities and stakeholders. In parallel, the complexity and volume of planning applications have grown, further exacerbating the strain. In addition to capacity issues, there are notable skills gaps within the planning profession. The commitment to introduce 300 new planners and the [Planning Skills Fund](#) are an opportunity to address this somewhat but further consideration is needed of action to boost current and future staffing of planning officers.

All of the government's proposals, including the review of grey belt land, must take into account the funding and staff resources to provide local authority capacity to deliver them, or they will not be achieved.

**3a) Are there any strategic considerations concerning the designation and development of Grey Belt land that may require an unusual degree of collaboration between neighbouring local authorities and, if so, what are they and how is that collaboration to be achieved?**

The duty to cooperate in the NPPF plays a vital role in cross-boundary strategic planning, to ensure an area can meet its housing needs and support local communities by releasing land from the green belt. We are encouraged by this emphasis in the proposals, with an understanding that joint and collaborative working is the only way that these wider societal issues will be addressed. To facilitate these strategic considerations, government should provide support to local authorities in cases where these relationships do not currently exist.

In areas where grey belt land is limited for local authorities and their surrounding neighbours, such as the Southwest with Areas of Outstanding Natural Beauty, the duty to cooperate would not be applicable to facilitate the release of land. In these instances, specific measures to release and encourage the development of homes at social and affordable rent, such as Rural Exception Sites, need to be considered to ensure that rural communities are not left by the wayside in current planning reform and strategic development.

Additionally, there is some concern that development may be encouraged on flood plains and coastal areas vulnerable to sea level rise, which is becoming an increasingly widespread issue in relation to climate change. Under the most significant global warming [scenarios](#), the Met Office predicts that median winter precipitation could increase by up to 20 per cent across most of the country, increasing the risk of flash flooding and rivers bursting their banks. As such, there must be greater strategic consideration to ensure that the designation of grey belt land is appropriate and suitable for development, particularly for residential development.

The government's plans to work with local leaders to support and develop the arrangements for cross-boundary strategic planning are encouraging, to ensure that this is practical and useful for local authorities to meet their housing targets and support local plans. This is particularly important for areas, such as those identified above, where it may be more difficult to designate or develop on grey belt land.

**4) Do you think the proposed sequential test for allocating land in the Green Belt for development will provide sufficient protection for "high quality" Green Belt land whilst still ensuring sufficient land is released for new housing?**

Please see our answer to Question 1 on the sequential process.

**4a) The current NPPF designates specific categories of land as "areas of particular importance" which cannot be developed and would be excluded from being considered Grey Belt land. Should the Government review which areas receive this designation?**

Please see our answer to Question 3a on Areas of Outstanding Natural Beauty and Question 1a on land included in Local Nature Recovery Strategies.

**5) What infrastructure and local amenities are necessary to ensure that a Grey Belt housing development is a good place to live?**

**5a) Should the identification of Grey Belt land be influenced by the proximity of public transport amenities or other services, or is this better handled through individual planning applications?**

**5b) How can identified Grey Belt sites be connected with social infrastructure such as schools and health facilities?**

[Response to Questions 5, 5a and 5b](#)

We support the restoration of strategic level planning, as called for in our '[Homes at the heart](#)' strategy, to encourage greater collaboration and certainty in areas requiring growth and regeneration, and it is positive to see its inclusion in the government's proposals.

However, it is vital that joined-up thinking and cooperation ensures that developments meet the needs of a local area as a whole. This means connecting housing and wider infrastructure to create well-designed, practical and healthy communities, which includes shops, GP services, transport networks, and basic services such as water and sewerage

systems. This wider and strategic approach is necessary to solve the housing crisis in its entirety, and the government should ensure this joined-up thinking extends across departments and non-governmental agencies.

We also support the development of healthy communities through incorporating safe and accessible green and blue space and encouraging walking and cycling. These are important factors but not the only means by which the planning system can and should be embedding healthy homes and places into its local plans and strategic approaches. CIH supports the [healthy homes principles](#) set out by TCPA to be the baseline to incorporate health within new housing development, to support activity that would contribute to reduced childhood obesity. We would encourage consideration of how these principles can be embedded within or used to inform national planning policy and guidance. Understanding the needs of current and future communities, to ensure that the right homes are built in the right places, is also critical to support people for whom proximity to amenities and public services is needed to support independent living, including but not exclusive to housing for older and disabled people and people with learning disabilities. The accessibility level of services may also vary for urban and rural communities, which must be considered when land released from the green belt is considered for new developments.

Another key example of the need to integrate infrastructure and housing is energy grid capacity. CIH members we have consulted with have noted that extra electricity demand will be created by new homes, especially as they are increasingly fitted with electric heating and electric vehicle charge points. The planning system needs to be more attuned and aligned to challenges associated with the provision of electricity and water network infrastructure for new homes. Several barriers have been identified in this area, including:

- Delays to handover and occupation of new homes due to problems with substation energisation.
- The cost of new substations, especially on smaller developments, due to the infrastructure requirements of electric heating systems and electric vehicle (EV) charge points. CIH members have experienced costs of between £80,000 and £100,000 in such scenarios, as well as reduced site layout efficiencies due to the space required for new substations.
- Challenges working with independent distribution network operators (IDNOs). CIH members have reported that an increase in the number of IDNOs is reducing choice and competition in infrastructure development.
- Challenges whereby housing developments and renewable energy developments effectively compete for space, especially near substations.
- A broader lack of electricity network capacity in certain areas, which has two negative outcomes: a) delaying new developments due to waiting for network connections, and b) challenges in developing innovative low- or zero-carbon developments (e.g. with solar PV and battery storage), due to a lack of capacity or feed-in mechanisms.

This step towards strategic and joined-up thinking for housing, health, infrastructure, and wider planning is crucial, and CIH welcomes further detail on the universal coverage of strategic planning as promised in the upcoming Planning and Infrastructure Bill.

**6) The Government has pointed to disused petrol stations and car parks as instances of Grey Belt land. Are any additional special measures needed to support the potential decontamination of Grey Belt land, beyond those that are currently available?**

Whilst we support the prioritisation of brownfield land and previously developed land, we do understand that there are unique concerns regarding development. Decontamination of land is crucial, as [research](#) shows that it may pose potential risks to the health of tenants or nearby communities. The sector has also [raised concerns](#) regarding derelict structures, land contamination, poor ground and archaeological features that can complicate or delay development. For example, a [report](#) produced by the Auditor General for Wales highlighted that the cost of removing contaminants such as oil, chemicals, and asbestos can make sites unviable, with the decontamination cost greater than the redeveloped value.

As such, it is important that the government review the evidence regarding the contamination of previously developed land, and more broadly across the grey belt, and ensure adequate protections, guidance and support are available to boost development safely and effectively. This has been recently reflected in the government's [announcement](#) of additional funding in the Brownfield Land Release Fund, including for the increased costs of decontaminating brownfield sites.

**7) The government has proposed a 50 per cent affordable housing target on Grey Belt sites. Is the current approach to viability assessments and s106 agreements able to deliver this?**

We believe the 50 per cent target should apply to all land released from the green belt (including previously developed land in the green belt). We would encourage the government to ensure that the tenures of affordable housing are determined by local planning authorities to reflect the local assessment of need, prioritising social rent.

Viability concerns are often valid in difficult financial environments. However, it is a concern of many in the sector that these can often be used as 'loopholes' to avoid developing affordable housing, as sometimes seen in Section 106 (S106) agreements (see more detail below). Involving all parties (developers, local authorities, and registered providers) early in the process is necessary to ensure that the right type, quality, and tenure of homes are being built to meet local needs. This will also mean that viability concerns must be raised early on, with sufficient evidence. Local authority representatives may be best placed to address whether late-stage viability reviews would be appropriate, as it can be considered useful to ensure that developers are fulfilling commitments to contribute to the required supply of affordable housing, but may create more limitations in capacity, resource, and speed in the planning process. This may not always be appropriate for all local authority areas, particularly in relation to rural areas.

In relation to S106 agreements, members have increasingly been reporting issues relating to their effectiveness to deliver good quality affordable housing. S106 developments are crucial to boosting supply and building the new homes we need, accounting for [just under half of affordable supply](#) in 2022/23. However, internal research from CIH members has revealed ongoing concerns regarding registered providers not taking up completed or proposed S106 properties. This has left some local authorities in difficult circumstances, as they are not stock-holding authorities. This can be for a range of reasons, such as quality, type, and tenure (for example, one-bed properties being built instead of required family homes), and gas boilers being installed, which would then require additional cost to retrofit to meet providers' sustainability strategies. To tackle these issues, our members have emphasised the need to include all parties earlier in the process and to build stronger relationships, so that the S106 homes built would meet the needs of the local community and providers. It is worth noting that more work is ongoing in the sector and by CIH to determine the scale and trends of these concerns, such as potential regional differences, but it must also be addressed at government level, so as not to hinder future development and [wider housing delivery](#) in achieving the objective of 1.5 million new homes.

Finally, the government can go further to promote the build-out of land with planning permission, following viability discussions. Once approved, the [transition](#) to work starting on site can take considerable time, [impacting](#) upon housing delivery and targets. Whilst there must be an understanding of exceptional circumstances and valid reasons for delays, increased powers for local authorities or central government to encourage or enforce build out would be valuable additions to planning legislation.

### **8) In order to facilitate Grey Belt development, what flexibility in the process could be introduced without compromising the Government's overall housebuilding objectives?**

CIH members have suggested that it would be helpful to have a 'toolkit' for identifying, designating and approving planning applications on grey belt land. This would provide further clarity, alongside a stronger definition, which would help local authorities and help avoid delays in the planning process due to appeals or uncertainty.

Additionally, whilst a concerted push on boosting (truly) affordable housing supply is needed, we must not lose sight of ensuring the quality of new homes. The work of the [New Homes Quality Board](#) and New Homes Ombudsman hopes to improve the outcomes and quality of new developments, and it is important that this is not sacrificed to increase quantity.

This includes reforming permitted development rights (PDR). Whilst there is a clear need for expedited development of new homes, the ever-increasing move towards deregulation through the continual expansion of PDR over the last decade has had a negative impact. In 2020, government commissioned [research](#) found that homes created through permitted development conversions "create worse quality residential environments than planning permission conversions in relation to a number of factors widely linked to the health, wellbeing and quality of life of future occupiers". The TCPA have also [found](#) evidence that excess cold and excess heat hazards are common issues in homes created through permitted development, which can leave their occupants at an

increased risk of ill-health and make it more difficult for them to attain adequate levels of thermal comfort.

This evidence shows that in its current form, the PDR process does not ensure the necessary standards and safeguards are in place to deliver the new quality homes we need. We encourage the government to review the [February 2024 proposals](#) and ensure that all homes are developed to a high quality and energy efficiency standards.

## About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – 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 so 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 the public and private sectors, in 20 countries on five continents across the world. Further information is available at: [www.cih.org](http://www.cih.org).

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