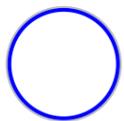


The Next Stage in Our Long Term Plan for Housing Update

Statement made on 19 December 2023

Statement UIN HCWS161

Statement made by

**Michael Gove**

Secretary of State for Levelling Up, Housing and Communities and Minister for Intergovernmental Relations

Conservative

Surrey Heath

Commons



Statement

This Government is committed to building more homes; more quickly, more beautifully and more sustainably. The best way to deliver is through a reformed planning system. Today we lay out our plan for reform. It is only through up-to-date local plans that local authorities can deliver for communities, protect the land and assets that matter most, and create the conditions for more homes to be delivered. Having plans in place unlocks land for homes, hospitals and GP centres, schools, power grid connections and more – laying foundations for the country’s economic growth and the levelling up of communities for decades to come.

Too many local authorities have no up-to date plan, too many take too long to get their plan in place and too many plans do not deliver as they should. Even when plans are in place, too many local authorities take too long to determine applications, too many reject proposals which are in line with their policies, and officers’ recommendations, and too many fail to ensure a proper pipeline of housing delivery.

Where plans are not in place, or not working effectively, communities are unprotected from speculative development. Houses still get built. But too often in inappropriate locations. Too slowly. And without the right infrastructure or community assets in place.

That serves no-one well. Communities do not have control. Developers do not have certainty. Homes for the next generation do not get built at the rate, or in the locations, we need.

This Government has a coherent, holistic, long-term reform programme to ensure the planning system at last delivers as it should.

Today’s update to the National Planning Policy Framework (NPPF) addresses the concerns expressed by local elected representatives about weaknesses in the planning system which led to frustrations about the nature of development. It provides clearer protection for the Green Belt, clarity on how future housing supply should be assessed in plans, certainty on the responsibility of urban authorities to play their full part in meeting housing need and protections for the character of precious neighbourhoods, safeguarding the gentle density of suburbs and ensuring family homes are there for the next generation.

These changes meet the clearly expressed, and wholly understandable, wishes of elected politicians of all parties to deliver for their communities. Taken alongside other changes in the Levelling Up and Regeneration Act, they entrench the importance of beauty in new development, facilitate the delivery of improved infrastructure, respect the democratic voice of local communities, secure enhancements to our natural environment and deliver quality new neighbourhoods.

With these changes secure, there is now an added responsibility on local government to deliver. The reasons sometimes cited for resisting new development and expediting its delivery have been clearly addressed. So I am setting new expectations for faster delivery, strengthening accountability so poor performers can be better identified, taking further steps to enforce effective delivery of new housing where local authorities have failed most egregiously and putting other, failing, local authorities on notice of my intention to intervene if performance does not improve significantly.

With this higher level of expectation comes additional resource. We need excellent planners, well funded and well supported, to deliver the many more beautiful new homes we need. Planning is a noble profession and its role in making our communities work for every citizen is vital. That work has not always been recognised and respected as it should. So I will provide funds to support and reward planners in local government and dedicate the very best in central government to work with them to deliver.

Our approach to planning is of a piece with the broader approach my department has taken to local government. We have listened sensitively to elected representatives, we have given them more of the powers and freedom they have requested. But with that greater freedom comes greater accountability. Where failure occurs, we intervene more quickly and decisively. Where failure risks compromising the national interest, we intervene more comprehensively. We will provide additional resource to support vital professional leaders on the front line. We will champion their good practice, not least through our new watchdog Oflog, but we will also demand that all aspire to reach the standard of the best.

With both the Levelling Up and Regeneration Act and the new NPPF now in place, alongside the additional resources for planning departments I am announcing today, our planning reforms will accelerate the delivery of new homes. We are on track to deliver one million homes this Parliament, in line with our manifesto commitment. Our reforms will also strengthen our ability to meet our target of 300,000 additional homes a year. The next generation need those homes built. Future generations need to know the developments we build for them will be beautiful and will endure. And they want the natural environment enhanced to match a better built environment. That is what we will deliver.

National Planning Policy Framework

The NPPF is the backbone of the planning system – it sets the Framework within which local authorities, the planning inspectorate and applicants to the system must operate. Plans must take the Framework into account, and it is a material consideration for decisions. This makes it fundamental to the delivery of new housing in the right places, while also protecting and enhancing the things we care most about: our environment, heritage assets, our high streets and beyond.

In December 2022, I launched a consultation on changes to the NPPF. We received 26,000 responses and have considered them carefully. In summary, the new NPPF will: facilitate flexibility for local authorities in relation to local housing need; clarify a local lock on any changes to Green Belt boundaries; safeguard local plans from densities that would be wholly out of character; free local authorities with up-to-date local plans from annual updates to their five-year housing land supply; limit the practice of housing need being exported to neighbouring authorities without mutual agreement; bolster protections from speculative development for neighbourhoods that develop their own plans; support self-build, custom-build and community-led housing; and cement the role of beauty and placemaking in the planning system.

There is now no excuse for local authorities not rapidly adopting ambitious plans. The more plans adopted quickly, the more homes delivered quickly - and we have created the right incentives for rapid plan adoption.

The updated NPPF published today contains and should be referred to for the policy changes described in this statement. The full suite of changes are detailed in the Government's consultation response, but the principal changes are set out here.

The Purpose of Planning

The opening chapters of the NPPF have been updated to provide clarity on a core purpose of the planning system: planning for homes and other development that our communities need. It is also clear that having up-to-date plans in place is a priority in meeting this objective. All the following changes in the Framework reflect this fundamental purpose and priority.

Local Housing Need

The standard method for assessing Local Housing Need ensures that plan-making is informed by an unconstrained assessment of the number of homes needed, in a way which addresses projected household growth and affordability pressures; alongside an efficient process for establishing housing requirement figures in local plans.

These figures have, however, sometimes been difficult to achieve in some areas and blind to the exceptional characteristics of a local community. That is why the new NPPF makes clear that the outcome of the standard method is an advisory starting point in plan making for establishing the housing requirements for an area. Some local authorities may wish to deliver more homes. Where a local authority considers the number unachievable, it must provide robust evidence for that judgement. The revised NPPF provides clarity on what may constitute such exceptional circumstances for using an alternative method to assess housing need, including the particular demographic characteristics of an area, which could include those that may result from the unique nature of islands. Any assessment will be subject to examination as usual.

The Government also considered allowing authorities to take account of past 'over-delivery' when preparing new plans. Having considered responses to the consultation, which raised questions over needing to also consider 'under-delivery' and the risk of double counting homes via the standard method, we are not proceeding with this change at this time.

Green Belt

This Government is committed to protecting the Green Belt. Planning policy already includes strong protections to safeguard Green Belt for future generations. The Green Belt is vital for preventing urban sprawl and encroachment on valued countryside. England's cities are already less dense than those of most of our European neighbours. That is environmentally wasteful and economically inefficient. We seek to support the gentle densification of urban areas in preference to the erosion of Green Belt land. That is why the Government is ensuring it is clear there is generally no requirement on local authorities to review or alter Green Belt boundaries if this would be the only way to meet housing need. Where a relevant local planning authority chooses to conduct a review, existing national policy will continue to expect that Green Belt boundaries are only altered where exceptional circumstances are fully evidenced and justified, and this should only be through the preparation or updating of plans.

The Government is making no changes to the rules that govern what can and cannot be built on land that is Green Belt, but we are clarifying in guidance where brownfield development in the Green Belt can occur provided the openness of Green Belt is not harmed. I understand that the Opposition has advocated this as if it would be a new approach, suggesting a misunderstanding of existing policy, which the Government is therefore happy to make even clearer in practice guidance.

Character

This Government believes in heritage, beauty and community. It is important that the character of an existing area is respected by new development, particularly in the historic suburbs of our great towns and cities. The new NPPF therefore recognises that there may be situations where significant uplifts in residential densities would be inappropriate as they would be wholly out of character with the existing area, and that this may in turn affect how much development can be planned for in the area concerned. This will apply where there is a design code which is adopted or will be adopted as part of the local plan.

Exporting Housing Need

The standard method was amended in 2020 to include an uplift in need for the 20 most populated English cities and urban centres. This urban uplift supports the Government's objectives, as outlined above, to make the best use of previously developed land and locate more homes in our larger towns and cities, where development can help to reduce the need to travel and contribute to productivity, regeneration and levelling up. The updated NPPF now makes clear that this uplift should, be accommodated within those cities and urban centres concerned rather than exported to surrounding areas – except where there is a voluntary cross-boundary agreement to do so, or where this would conflict with other policies in the NPPF. This complements the repeal of the duty to cooperate through the Levelling Up and Regeneration Act which will shortly come into effect.

Five-year Housing Land Supply

Up-to-date local plans ensure local communities are in control of where and what development happens in their area. They are key to getting more homes built in the right places. Where such plans are in place, the Government is committed to protecting local authorities from unwarranted speculative development.

The Government considers an up-to-date plan to be a plan that is less than five years old, and which contained a deliverable five-year supply of land at conclusion of its examination. All planning authorities are required to maintain a five-year supply of land to ensure homes and wider developments are built in the right places. However, authorities have previously been required to update this supply annually in a process that was burdensome and provided too many opportunities for speculative development.

We are now changing this and removing the requirement for planning authorities that have done the right thing and put an up-to-date plan in place to update annually their five-year supply of land. This change provides these authorities with additional protection from the presumption in favour of sustainable development. I am also fully removing the 5% and 10% buffers that could be applied to an authority's housing land supply. A transitional arrangement will ensure that decision making on live applications is not affected, avoiding disruption to applications in the system.

We are also rewarding local authorities at an advanced stage of plan making. Some local authorities have paused plan making in recent months. That is not good policy, lets communities down and we have warned of the consequences. Local plans at examination, Regulation 18, or Regulation 19 stage with a policy map and proposed allocations towards meeting housing need only have to demonstrate a four-year housing land supply (as opposed to five years) for a period of two years for decision making purposes. That protection is not afforded those who have dragged their feet.

And tough measures will bite where local authorities do not have an up-to-date local plan. They will be required to update their supply annually, and if they fail to do so, they will therefore be subject to the presumption in favour of sustainable development. Local authorities will have a clearer than ever incentive to get plans in place. Without them, authorities will not be able to control development as their community might wish. There are clear consequences to failing to get a plan in place which delivers a pipeline of new housing.

Another way in which consequences are applied in the planning system is through the Housing Delivery Test. This Test is an assessment of an authority's previous three years of housing delivery, and where there has been under-delivery, consequences follow. Today I am making some changes to these consequences. The 20% buffer an authority needs to add to its housing land supply where housing delivery falls below 85% of its requirement will now only apply to those authorities that do not have an up-to-date plan in place.

All authorities will however continue to be subject to the other consequences: producing an Action Plan identifying the reasons for under-delivery and the measures the authority will take to correct it where delivery falls below 95%; and becoming subject to the presumption in favour of sustainable development where delivery falls below 75%.

In summary, we want to make life easier for those authorities who are doing the right thing, getting their plans in place and delivering housing. But also ensure that authorities that continue to fail their communities on housing delivery are held to account.

When it comes to calculating a five-year housing land supply, the Government is clear that we want to bring the position on past oversupply in line with that of past undersupply. We have amended the NPPF to formalise existing planning practice guidance on this topic and will in due course update this guidance to bring the over-supply position in line with under-supply. We will also give further consideration to the proposal to take permissions granted by a local authority into account in the application of the Housing Delivery Test, in particular the operational challenges with doing so identified in the consultation.

Neighbourhood Plans

The poor performance of local planning authorities will lead to consequences. But local communities that have worked hard to put neighbourhood plans in place should not be penalised for the failure of their council to ensure an up-to-date local plan. The new NPPF therefore protects neighbourhood plans from speculative development from two to five years, where those plans allocate at least one housing site.

Community-Led Housing and Self and Custom Build

The best councils know that driving faster housing delivery requires supporting diversity in the number and type of builders. Councils which support small and medium sized enterprises in the housing market, and which enable custom and self-build homes, drive the necessary increase we need in supply and better ensure the right homes are provided in the right places. The updated NPPF now emphasises the importance of community-led housing development, including by introducing an exception site policy for community-led housing development. Our policy changes also ensure that local authorities should seek opportunities to support small sites to come forward for community-led housing, and self-build and custom build housing. They also encourage 'permission in principle' alongside other routes to permission (such as local development orders) to remove barriers for smaller and medium site builders in the planning system.

The Government will also encourage the delivery of older people's housing, including retirement housing, housing-with-care and care homes by requiring these to be specifically considered in establishing need.

The Role of Beauty

Building beautifully and refusing ugliness has been central to the Government's planning reforms, as the right aesthetic form makes development more likely to be welcomed by the community. From today, the NPPF goes further to cement the role of beauty and placemaking in the planning system by expressly using the word 'beautiful' in relation to 'well-designed places'. It also now requires greater 'visual clarity' on design requirements set out in planning conditions to provide certainty for those implementing planning permissions and supports gentle density through mansard roof development where appropriate.

Environment and energy

The new NPPF also strengthens protections for agricultural land, by being clear that consideration should be given to the availability of agricultural land for food production in development decisions; and supports the Government's Energy Security Strategy by giving significant weight to the importance of energy efficiency in the adaptation of existing buildings, while protecting heritage. These amendments will not impose any costs on home or building owners.

Wider reforms beyond the NPPF

In addition to those policies we have now updated in the NPPF, in December 2022 I also set out ambitions for other housing policies in relation to short-term lets regulations and the character of developers, noting the importance of these issues to communities.

On the character of developers, I also set out concerns about examples of how the planning system is undermined by irresponsible developers and landowners who persistently ignore planning rules and fail to deliver legal commitments to the community. I consulted to explore whether an applicant's past behaviour should be taken into account in decision making either through making irresponsible behaviour a material consideration or allowing local planning authorities to decline applications from applicants with a bad track record. Both options would require primary legislation and therefore are beyond the scope of this NPPF update. I welcome views expressed in the consultation and will consider these carefully in further policy development. To address the concerns and frustrations expressed by communities about breaches of planning control more immediately, I am now implementing the planning enforcement package in the Levelling Up and Regeneration Act. This includes extending the time limits to take enforcement action, increasing maximum fines and reducing loopholes to appeal against enforcement action.

Finally, I am committed to tackling slow build out rates, recognising that it remains a major concern. I will do so through a consultation on measures to improve build out rates once the Competition and Markets Authority has published its final report as part of their housebuilding market study in 2024.

Planning Performance

With the updated NPPF now reforming the planning system to take account of the concerns and hopes expressed by locally elected representatives of all parties, it is now up to those who make it work – local authorities, the Planning Inspectorate and statutory consultees – to expedite delivery.

My expectations are simple: planning decisions must be taken on time, should be robust in their reasoning, and all authorities must have an up-to-date local plan. After a period of review and reform, local authorities now have certainty, and with that certainty I now expect a higher level of performance.

As I said in a letter to all local authorities in September, that means: development should proceed on sites that are allocated in an adopted local plan with full input from the local community unless there are strong reasons why it cannot; councils should be open and pragmatic in agreeing changes to developments where conditions mean that the original plan may no longer be viable, rather than losing the development wholesale or seeing development mothballed; and better use should be made of small pockets of brownfield land by being more permissive, so more homes can be built more quickly, where and how it makes sense, giving more confidence and certainty to SME builders.

Today I am going further still, taking steps to improve planning performance on four fronts.

Greater Transparency

Being transparent about data improves understanding of relative good and poor performance, and sparks action. That is why we will publish a new local authority performance dashboard in 2024.

As part of that reporting, we will expose the way in which some local authorities drag their feet. We will strip out the use of Extension of Time agreements, which currently mask poor performance. While I recognise that there will be instances where such agreements are necessary, I am concerned by the increase in their use – in particular for non-major applications, where the figure has jumped

from 9% during the two years to March 2016 to 38% during the two years to March 2022. I therefore intend to consult on constraining their use, including banning them for householder applications, limiting when in the process they can apply, and prohibiting repeat agreements.

Additional Financial Support

In recognition that we are expecting better performance from local authorities, we are providing additional resource to help meet those expectations through a range of new funding streams.

First, as of 6 December, planning fees have increased by 35% for major applications and 25% for other applications. Local authorities are obliged to spend these fees on planning services, and I am clear there should be no decrease in authorities' spend on planning from their general fund.

Second, following the Chancellor's boost to the Planning Skills Delivery Fund at the Autumn Statement to a total £29 million, 180 local authorities have today been awarded a share of £14.3 million from the first round of funding. This will better enable them to clear their planning application backlogs and invest in the skills needed to deliver the changes set out in the Levelling Up and Regeneration Act.

Third, we are establishing our Planning Super Squad members – the new team of leading planners and specialists whose talents will be used to unblock major developments, with £13.5 million to fund their work.

Fourth, the Autumn Statement allocated £5 million to support Local Development Orders. These are a powerful way for local authorities to grant planning permission upfront where development meets pre-determined rules, but have been underused. The Government recognises both the different nature of the process for developing a Local Development Order and the loss of fee income could disincentivise take up, and will therefore use this £5 million to support a small number of authorities with exciting proposals to get such Orders in place – and if successful, look to expand this kind of support more widely.

Fifth, and demonstrating that we will act to support development where the Opposition seems determined to block it, we are today allocating up-to £57 million to the eight successful bids in the first round of the Local Nutrient Mitigation Fund. At the same time, we are confirming that the second round will open for bids in January 2024, and providing a further round of Nutrient Support Funding in the form of £100,000 to the lead local authority for large, affected catchments. The Environment Secretary and I are determined to do more in the new year to unblock these stalled homes, while enhancing public access to nature and leaving our environment in a better state than we found it.

Faster Processes

Today we also address wider causes of delay in the planning system, with action on statutory consultees, customised arrangements for major applications, and support to prioritise the work of planning committees.

On statutory consultees, while the statistics suggest that most do respond within the 21-day limit, the use of holding responses is disguising a process that is too slow. The Levelling Up and Regeneration Act makes sure statutory consultees can charge for pre-application advice, which should tackle problems upstream for developers and reduces downstream requests from local authorities.

I am however convinced there is more we can do. I am asking Sam Richards to lead a rapid, three-month review into the wider statutory consultee system to understand how best to direct their advice and resources to support speedy and effective decision making. I also expect to see greater discretion and judgement applied by both local authorities and statutory consultees on where advice is sought and where it needs to be offered.

On accelerated planning services, which were confirmed in the Autumn Statement, these will build on the existing model of Planning Performance Agreements, which are struck between local authorities and developers, detailing how an application will be handled and what timescales will apply. While we know these agreements work well in some areas, it is also clear that they are used inconsistently – with many developers finding that the payments charged and the level of service offered vary significantly between authorities.

We will now look to regularise these arrangements – making sure that they are offered across England, that clear milestones have to be agreed, that fees are set at an appropriate level, and that those fees have to be refunded where milestones are missed. Given the complexity and necessary flexibility that comes with such applications, we will work closely with the sector as we design these arrangements before consulting in the new year.

On planning committees, we rightly see elected representatives judge the merits of significant applications – and it is vital that they focus their time on applications that truly merit such scrutiny, and arrive at decisions following legitimate reasoning. On this basis, I have asked the Planning Inspectorate to start reporting to the department about cases where a successful appeal is made against a planning committee decision, and the final decision is the same as the original officer’s recommendation. The overturning of a recommendation made by a professional and specialist officer should be rare and infrequent – such that I have reminded the inspectorate that where it cannot find reasonable grounds for the committee having overturned the officer’s recommendation, it should consider awarding costs to the appellant.

I intend to consider what more we can do to support planning officers and the committees they serve to focus on the right applications. This might be about providing more training, or using guidance to share best practice on the tools that can help to prioritise a committee’s time – including the schemes of delegation that authorities adopt to determine which applications get determined by officers and which warrant committee airing.

Direct Action

Where these expectations for the planning system are not met, I will intervene.

I support transferring power to local areas so decisions are taken as close as possible to the areas and people most affected by them. With sharper power, authority and flexibility, however, comes sharper accountability. Where there is failure, and communities are in danger of being let down, the Secretary of State must act.

In this spirit, I am issuing a direction to seven of the worst authorities in terms of plan-making, requiring them to publish a plan timetable within 12 weeks of the publication of the new NPPF – and should they fail, I will consider further intervention to ensure a plan is put in place. This does not mean I am not prepared to act elsewhere, and I expect all other authorities to make sure that they have an up-to-date plan timetable in place within the same timeframe, with a copy provided to my department.

I have also designated two additional authorities for their poor-decision making performance and intend to review the thresholds for designation to make sure we are not letting off the hook authorities that should be doing better. The 2022 Housing Delivery Test results will be published today too, with 20 new authorities becoming liable to the presumption in favour of sustainable development.

Finally, as the results of the Housing Delivery Test show us, action is required in London, where the homes we need are simply not being built and opportunities for urban brownfield regeneration go begging. The average of 38,000 net additional dwellings over the past three years has considerably undershot the Mayor’s own target in the London Plan.

I made clear previously that I want to work with the Mayor, and I still do. But it has become evident that changes to the Plan itself may be needed if our capital is to get the homes its people need to flourish and thrive. Therefore, I am today asking Christopher Katkowski KC, Cllr James Jamieson, Paul Monaghan and Dr Wei Yang to review the London Plan, and identify where changes to policy could speed up the delivery of much needed homes in urban city sites in the heart of the Capital.

Reflecting the sincere spirit of partnership that I emphasised in the summer and repeat now, their recommendations will come to me early in the New Year and I will share their report with the Mayor of London. But recognising my responsibilities to the citizens of London, and London’s role in driving growth that benefits the whole country, I stand by what I said in July – that if directing changes becomes necessary, I will do so.

Cambridge

Finally, I want to provide an update on the Government’s vision for Cambridge 2040. In July, I outlined plans for a new urban quarter – one adjacent to the existing city – with beautiful Neo-classical buildings, rich parkland, concert halls and museums providing homes for thousands. This would be accompanied by further, ambitious, development around and in the city to liberate its potential with tens of thousands of new homes.

In the intervening months, Peter Freeman, the Chair of the Cambridge Delivery Group, has been developing our vision for the city, in collaboration with a whole host of local leaders and representatives. I am clear that delivering our vision means laying the groundwork for the long-term, and that starts now.

We plan to establish a new development corporation for Cambridge, which we will arm with the right leadership and full range of powers necessary to marshal this huge project over the next two decades, regardless of the shifting sands of Westminster.

We recognise the scale of development we are talking about will require support from across the public and private sectors, to realise our level of ambition.

And we must also ensure we have an approach towards water that reflects the nature of Cambridge's geography. So today I am also announcing that we will review building regulations in Spring next year to allow local planning authorities to introduce tighter water efficiency standards in new homes. In the meantime, in areas of serious water stress, where water scarcity is inhibiting the adoption of Local Plans or the granting of planning permission for homes, I encourage local planning authorities to work with the Environment Agency and delivery partners to agree standards tighter than the 110 litres per day that is set out in current guidance.

A copy of the updated National Planning Policy Framework and associated documents have been placed in the libraries of both houses. Following the judgment in the Court of Appeal in the case of Smith v SSLUHC & Ors, the Government is reverting the definition of Gypsies and Travellers used in the Planning Policy for Travellers Sites to that adopted in 2012, with this change applying from today for plan and decision making. The Government intends to review this area of policy and case law in 2024. The revised definition has been published on gov.uk.

Statement from

Department for Levelling Up, Housing and Communities



Linked statements

This statement has also been made in the House of Lords

Department for Levelling Up, Housing and Communities



The Next Stage in Our Long Term Plan for Housing Update



[Baroness Penn](#)

Parliamentary Under Secretary of State for Housing and Communities
Conservative, Life peer

Statement made 19 December 2023

HLWS158

Lords