



House of Commons
Levelling Up, Housing and
Communities Committee

**Reforms to national
planning policy**

Seventh Report of Session 2022–23

*Report, together with formal minutes relating
to the report*

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Summary

National planning policy in England consists of both guidance and duties which local authorities must adhere to under planning law. The Government principally sets out its national planning policy in a single document: the National Planning Policy Framework. A key aspect of national planning policy, which successive governments have grappled with, is how to deliver more housing to meet both the needs of local communities and housing demand more widely. The Government's national housing target is to deliver 300,000 net new homes per year by the mid-2020s and 1 million new homes over the course of this Parliament. While the Government is on track to deliver 1 million new homes over the course of this Parliament, it is not forecast to deliver 300,000 net new homes per year by the mid-2020s. The current affordability crisis in the housing sector and the rising cost of living makes the value of achieving this target clear to see and of vital importance.

However, the Government has made differing proposals for national planning policy reform since 2019, which has resulted in uncertainty among local authorities and other key stakeholders. The Government's December 2022 announcement of its intention to make changes to the National Planning Policy Framework, and the subsequent public consultation, has continued the trend of stop-start planning reform that we have seen over several years. This uncertainty has resulted in 58 local authorities stalling, delaying, or withdrawing their local plans to deliver housing—28 of those since the December 2022 announcement. Contrary to the Government's objective of facilitating local plan-making, the short-term effect of announcing the planning reform proposals has been to halt the progress of local plans in many areas.

The Government's reform proposals include making local housing targets advisory and removing the need for local authorities to continually demonstrate a deliverable 5-year housing land supply. We have heard evidence from many stakeholders that these measures will render the national housing target impossible to achieve. While the Government's objective to ensure more local authorities have up-to-date local plans is laudable, the Government has not provided sufficient evidence to demonstrate how its proposed reforms will increase housebuilding to meet the national housing target by the mid-2020s. The Government has said it will publish its own analysis as part of the December 2022 consultation outcome, however this has itself been delayed from its originally anticipated publication in spring 2023.

It is imperative that truly affordable housing forms a substantial proportion of the 300,000 new homes delivered each year. In that vein, we reiterate our long-standing recommendation that the Government should set out the proportions of different types of tenure that will make up the 300,000 figure. 90,000 of the new homes delivered annually should be designated for the most affordable housing tenure, Social Rent. The Government must also fulfil its commitment that the new Infrastructure Levy will deliver at least as many affordable homes as the current developer contribution regime, and so we welcome that the Government has tabled amendments to the Levelling-up and Regeneration Bill to make this a statutory requirement.

During our inquiry, we have also considered how local housing need should be calculated. The standard method—the formula used to calculate local housing

targets—is not currently fit for purpose. It is based on 2014-based housing projections, focusses housebuilding in areas where economic activity is already high, and includes an arbitrary 35% uplift for urban centres. Instead, a revised standard method should take account of future local need, encourage regeneration across the country, and apply fairly to all local authorities.

The Government's reforms to national planning policy will fail if local authorities lack sufficient resources to implement them. The package of support which the Government has outlined does not go far enough to address the significant resourcing challenges which local authorities currently face. Moreover, it appears the Government no longer intends to publish the resources and skills strategy for the planning sector which it first promised in 2020. We support the Government's ambition of empowering local authorities through a commitment to the local plan-led system. To this end, we are concerned that the Levelling-up and Regeneration Bill requires little scrutiny of the new National Development Management Policies (NDMPs), which will override local plans in favour of national policy in some cases. We therefore believe that the Bill should require that draft NDMPs be subject to formal parliamentary scrutiny before they are made.

The housing sector is hungry for clarity, consistency and certainty over the Government's national planning policy. It is time for the Government to present its final package of reforms to the National Planning Policy Framework, alongside its strategy to increase the rate of housebuilding through these measures. Over several decades, successive governments have failed to build enough new homes, which is an underlying cause of the current affordability crisis. The Government must now take urgent action to reverse this trend in short order, or else it will not achieve its national housing target of building 300,000 net new homes by the mid-2020s.