



House of Commons
Communities and Local
Government Committee

**Department for
Communities and
Local Government's
consultation on
national planning
policy**

Third Report of Session 2015–16



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

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Communities and Local Government Committee

The Communities and Local Government Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Communities and Local Government.

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[Jo Cox MP](#) (*Labour, Batley and Spen*)

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Committee staff

The current staff of the Committee are Mark Etherton (Clerk), Helen Finlayson (Second Clerk), Tamsin Maddock (Committee Specialist), Craig Bowdery (Committee Specialist), Tony Catinella (Senior Committee Assistant), Eldon Gallagher (Committee Support Assistant) and Gary Calder (Media Officer).

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Summary

The National Planning Policy Framework (NPPF) underpins sustainable development and planning in England. The consultation launched by the Department for Communities and Local Government in December 2015 proposes the first changes to the NPPF since its publication in March 2012. We have looked at the consultation proposals, and at the context in which it has taken place.

There are a number of significant developments underway in the housing and planning sectors, not least the passage of the Housing and Planning Bill. The resulting uncertainty presents challenges both to assessing the cumulative impact on wider planning policy and to coordinating these developments in order to meet housing need and build thriving, sustainable communities. Against this backdrop, local authorities and their communities are engaged in planning for the sustainable development of their local areas. We have therefore called for clarity about timescales for the implementation of changes to the NPPF, and for the Minister to write to us to explain any delay which extends beyond summer 2016.

The Government, stakeholders in the housing and planning sectors, and local communities must be able to have confidence in the effective operation of the NPPF. We do not believe that thus far there has been sufficient robust, objective and evidence-based monitoring, evaluation or review of the NPPF. To ensure that proper consideration is given to the impact of changes resulting from this consultation, and from other developments in the sector, a comprehensive review of the operation of the NPPF should be carried out before the end of this Parliament.

We have carefully considered the consultation proposals and the evidence we have received from stakeholders. We welcome many of the proposals, such as the development of brownfield sites and the introduction of a housing delivery test. However, there are also proposals which we believe need to be reconsidered and revised in light of the evidence, including: the reduced discount period for affordable housing, including Starter Homes; the consequences for housing under-delivery; and the definition of a commuter hub.

Ultimately, the success or otherwise of these proposals will depend on their implementation. Many of our recommendations call for the empowerment of local authorities to have flexibility to make decisions which are suitable for their communities. We believe that this is right, as decisions about local development should be taken at a local level. However, whether it is a question of the identification of suitable brownfield and small sites, or of the successful operation of the housing delivery test, we are clear that communities will not benefit fully from the NPPF unless their local authorities properly fulfil their responsibilities to publish and adopt Local Plans. We have therefore called on the Department to set out how it intends to intervene in local authorities which do not have Local Plans in place by early 2017, and how many local authorities it expects will require such intervention.

1 Introduction

1. Sustainable development is key to ensuring that our communities are places where people want to live, work and prosper. It must be underpinned by robust and effective planning policy. The Committee's interest in planning is longstanding, as demonstrated by our predecessors' close involvement in the development and early evaluation of the National Planning Policy Framework (NPPF).¹

2. The Department for Communities and Local Government's *Consultation on proposed changes to national planning policy* ("the consultation") made a number of proposals for changes to the NPPF, including: broadening the definition of affordable housing; strengthening support for new settlements, brownfield and small site development, and the delivery of Starter Homes; and introducing a housing delivery test to monitor the delivery of housing agreed in Local Plans.²

3. If implemented, these would be the first changes to the NPPF since its publication in March 2012. We therefore decided to hold a short inquiry. Our approach was twofold: first, we looked at how and when the consultation was carried out, against a backdrop of significant changes in the housing and planning sector; secondly, we examined the proposed changes in detail, giving particular weight to their impact on the principle that decisions about local development should be taken at a local level.

4. We launched our inquiry in December 2015. We received more than 40 written submissions, and held three oral evidence sessions to explore the issues in detail.³ We are grateful to everyone who contributed to our inquiry, especially as the timescales were unfortunately, but inevitably, short.

1 Communities and Local Government Committee, Eighth Report of Session 2010-12, [The National Planning Policy Framework](#), HC1526 and Communities and Local Government Committee, Fourth Report of Session 2014-15, [Operation of the National Planning Policy Framework](#), HC190

2 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015

3 Full details of the written and oral evidence we received are available on [our website](#).

2 The consultation process

The wider context

5. The consultation sets out its intention to seek “views on some specific changes to national planning policy, while maintaining the overall balance of policy which was carefully established following extensive consultation”.⁴ During our inquiry we have looked carefully at the detail of the consultation proposals, but we have also considered the context within which this consultation was undertaken. If planning policy is to be effective, and meet the needs of our communities, individual policy proposals must be set within a coherent overall picture. However, witnesses such as the Town and Country Planning Association (TCPA) and Historic England cautioned that the focus on housing in this consultation could risk disrupting the NPPF's policy balance.⁵ Maintaining this balance is made more challenging by the number of significant pieces of work under way at the same time:

- the Local Plans Expert Group, announced in September 2015,⁶ tasked with streamlining Local Plan-making procedures, which reported in March 2016;⁷
- the Housing and Planning Bill, which had its First Reading in October 2015 and is currently before the House of Lords;⁸ and
- a *Technical consultation on implementation of planning changes*, launched in February 2016.⁹

6. Brandon Lewis MP, the Minister of State for Housing and Planning (“the Minister”), told us that carrying out work on a number of fronts simultaneously, rather than sequentially, would allow swifter progress to be made.¹⁰ We take his point, but also recognise the concerns raised by Historic England, which argued that “there is a real risk that the interrelationship of the various changes proposed cannot be properly understood, and their cumulative effect adequately assessed”.¹¹

7. We welcome the Minister's indication that any changes to the NPPF resulting from this consultation will be made during summer 2016, and that he intends to draw together the outcomes of the consultation with those of the other changes affecting the sector:

if we are doing things in parallel, it does mean when we get towards the summer we can make sure these things are knitting together properly and actually bring them together, with those pieces of the jigsaw starting to come together as one whole piece—hopefully, one whole beautiful piece as well.¹²

4 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, para 3

5 See for example Town and Country Planning Association ([NPP001](#)) para 2 or Historic England ([NPP020](#)) para 6

6 [“Brandon Lewis launches expert panel to speed up development”](#), Department for Communities and Local Government press release, 15 September 2015

7 Local Plans Expert Group, [Local Plans: report to the Communities Secretary and to the Minister of Housing and Planning](#), March 2016

8 [Housing and Planning Bill](#), [Bill 75 (2015-16)]

9 Department for Communities and Local Government, [Technical consultation on implementation of planning changes](#), 18 February 2016

10 Q52

11 Historic England ([NPP020](#)) para 5

12 Qq51-52

However, in addition to ensuring that the outcomes from this consultation are coordinated with other developments in the sector, the Department must remember that local authorities and their communities are currently engaged in planning for the sustainable development of their local areas and that they need to have a clear understanding of the bigger planning policy picture in which they are working. They will also require a suitable transition period to respond to the changes. Witnesses' views on the time required for the transition ranged from no transition period,¹³ to six,¹⁴ 18,¹⁵ and 24 months.¹⁶

8. We acknowledge that changes to policy are necessarily accompanied by a degree of uncertainty. Such uncertainty can be mitigated by the provision of clear timescales for the changes, and the process which will be followed. We believe that provisional and indicative timescales and anticipated interactions with other relevant programmes of work should be published alongside all consultations when they are launched, if possible, in order to provide clarity for stakeholders about the process. *As a priority the Department should publish clear timescales for the next steps for this consultation, including timescales for the Government's response, implementation, and suitable transitional arrangements. If the changes to the NPPF are delayed beyond summer 2016, we expect the Minister to write to us to explain the reasons and provide updated timescales.*

The detail of the proposals

9. We were concerned that a number of witnesses did not believe that they had sufficient detail about the proposals to assess their impact properly. For example, Rachel Fisher, Head of Policy at the National Housing Federation (NHF), described the consultation as “quite pithy, so we don't have a huge amount of detail behind the proposed changes that we see happening”,¹⁷ and Shaun Spiers, Chief Executive of the Campaign to Protect Rural England (CPRE), said it was “a mixture of the good, the bad and the uncertain, and the uncertain could end up being absolutely terrible”.¹⁸ The aim of this consultation was to support policy development—a certain amount of ambiguity or generality is therefore to be expected at this stage, with the detail to be refined through analysis of the responses. However, the Minister has said that he does not envisage further consultation on the specific wording of any changes made to the NPPF.¹⁹ As the detailed wording of planning policy can frequently become the subject of legal argument, it is vital that the wording of the NPPF is precise, clear and well-understood. **As a matter of principle, we believe that when changes are made to the wording of a key policy framework such as the NPPF, there should be a two-stage consultation process: first on the overall policy, and subsequently on the precise wording which will give effect to the change. If there is no further consultation on the specific wording of the consultation proposals, it is essential that the Department listens carefully to concerns about ambiguity or lack of clarity in the revised NPPF, and provides clarification where required.**

13 Home Builders Federation ([NPP031](#))

14 Turley on behalf of CG Fry and Son Ltd ([NPP015](#)) para 3.19

15 East Riding of Yorkshire Council ([NPP016](#)) para 6.1

16 Q22 [Richard Blyth]

17 Q25 [Rachel Fisher]

18 Q4 [Shaun Spiers]

19 Q54

The operation of the National Planning Policy Framework

10. In 2014, our predecessors concluded that there was a lack of “reliable up-to-date data”, which hindered their efforts to assess the operation of the NPPF.²⁰ Peter Andrew of the Home Builders Federation (HBF), among others, praised the robustness of the NPPF since 2012,²¹ but some others expressed concerns that it was not being effectively monitored. Calling for a full review of the NPPF, Cllr Martin Tett, Vice Chair of the Environment, Economy, Housing and Transport Board at the Local Government Association (LGA), told us that the proposals were based on “what appears to be, quite frankly, a fairly ad hoc and anecdotal series of feedback by vested interests”.²² Other witnesses agreed: Kate Henderson, Chief Executive of the TCPA, told us that the extent to which all local authorities were properly implementing the NPPF in relation to “design quality, climate change and greenhouse gas reductions” was unclear.²³

11. When we asked the Minister on what basis the areas for consultation had been chosen, he told us that the NPPF was working, and that the areas selected for consultation were about “fine-tuning and making sure that the NPPF delivers on [manifesto] commitments and is working alongside the other things that we are doing to drive up housing supply and home ownership”.²⁴ Delivering on manifesto commitments is, of course, important, but this should not crowd out robust, objective and evidence-based policy monitoring, evaluation, and review. To this end, we welcome the Minister’s indication of the potential for “a more fundamental review” of the NPPF in this Parliament.²⁵ We firmly believe that such a review should be conducted. ***To ensure that proper consideration is given to the impact of changes resulting from this consultation, and from other developments in the housing and planning sector, the Department should carry out a comprehensive review of the operation of the NPPF before the end of this Parliament. The review must include sufficient opportunity for appropriate consultation with stakeholders, and should follow a two-stage approach to consulting, first on general principles, and subsequently on precise wording.***

The timing of the consultation

12. The consultation was published on 7 December 2015, with a closing date of 25 January 2016. While this gave seven weeks for responses, we were concerned not only that the consultation had been launched without notice, but also that the consultation period was largely taken up by the Christmas and New Year holidays. In addition, many of those who would be likely to respond to the consultation could also be expected to be deeply engaged in the scrutiny of the Housing and Planning Bill, running concurrently. The Heritage Alliance told us that had the original consultation timescales applied, they would not have been able to respond.²⁶ Similarly the Woodland Trust highlighted the “massive strain” the consultation, alongside the Housing and Planning Bill, had put on its resources.²⁷

20 Communities and Local Government Committee, Fourth Report of Session 2014-15, [Operation of the National Planning Policy Framework](#), HC190, para 93

21 Q25 [Peter Andrew]

22 Q25 [Cllr Tett]

23 Q3 [Kate Henderson]

24 Qq46, 48

25 Q47

26 Heritage Alliance ([NPP019](#)) para 6

27 Woodland Trust ([NPP026](#))

13. We are grateful to the Rt Hon Greg Clark MP, Secretary of State for Communities and Local Government, and Brandon Lewis MP, Minister of State for Housing and Planning, for responding positively to our request for the deadline to be extended. Nevertheless, we do not think our intervention should have been necessary. **We hope that the Department will learn lessons from the need to extend the consultation period as a result of the holiday period and the other significant developments in the housing and planning sector.** We therefore welcome the inclusion in the Government's own consultation principles, published in January 2016, of the principle that the needs of those being consulted should be taken into account:

G. Consultations should take account of the groups being consulted

Consult stakeholders in a way that suits them. Charities may need more time to respond than businesses, for example. When the consultation spans all or part of a holiday period, consider how this may affect consultation and take appropriate mitigating action.²⁸

3 Supporting new settlements

Impact of the proposals

14. The NPPF requires local authorities to consider whether new settlements or urban extensions contribute to sustainable development in their areas. Local authorities are expected to work with the support of their communities to achieve this, and to consider whether any new Green Belt should be established.²⁹ The consultation proposes that local authorities should work more proactively to plan for new settlements. This would include working proactively with developers on proposals for new settlements, where such settlements would meet sustainable development objectives.³⁰

15. The LGA questioned the need for the proposals, arguing that “Councils across the country are already working collaboratively with developers to plan for and deliver new settlements and/or urban extensions, where deemed appropriate locally”.³¹ Kate Henderson of the TCPA suggested that there was scope for the Government’s devolution agenda to contribute to the development of new settlements. She told us that, by working together, combined authorities might be better placed to bring together their resources and expertise, and identify sustainable locations.³² We may return to this as part of our follow-up work on our devolution inquiry.³³

The five-year land supply

16. One of the key concerns over new settlements was the interaction between the allocation of land for them and the requirement for local authorities to identify a five-year land supply in their Local Plans. Richard Blyth, Head of Policy, Practice and Research at the Royal Town Planning Institute (RTPI), told us that:

there is the risk that it [the requirement for a five-year supply] can be overzealously interpreted in the situation where, maybe, you have worked really hard [...] to develop a new settlement and the problem is that because the profile of its completions is a little in the future you can still be hammered for not having your five-year supply. There should be some way of taking into account efforts that have been made in relation to new settlements, without at the same time you being allowed to use that as some sort of excuse. It cannot always be mañana, but if there is a reasonably robust and solid proposal for a new settlement that is starting, those completions should be allowed to count rather than being below the horizon.³⁴

29 Department for Communities and Local Government, [National Planning Policy Framework](#), March 2012, para 52

30 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, para 20

31 Local Government Association ([NPP037](#)) para 4.4

32 Q10 [Kate Henderson]

33 Communities and Local Government Committee, First Report of Session 2015-16, [Devolution: the next five years and beyond](#), HC369

34 Q9 [Richard Blyth]

The HBF highlighted the need to be realistic about the role of new settlements in meeting housing supply given the long lead-in times and the need for upfront investment.³⁵ Peter Andrew, the Federation's Vice Chair, argued for the phased development of new settlements—beginning with a smaller number of homes and growing them over time.³⁶

17. We believe that local authorities and their communities are best placed to decide where new settlements or urban extensions might contribute to meeting local housing need. This should include local authorities working proactively with developers, with the aim of ensuring that plans for new settlements are aligned with sustainable development, a core objective of the NPPF. **We are not yet persuaded that the proposals in the consultation will encourage the development of new settlements, partly as a result of the tension between identification of a five-year land supply and the development of new settlements which might take more than five years to complete. This tension could deter the development of new settlements, or result in them being phased in such a way as to reduce their impact on the housing supply. *The Department should identify and put in place arrangements to ensure that where there are robust plans in place for the delivery of a new settlement which may take more than five years, some account can be taken of this land as part of the five-year land supply identified in the Local Plan, but councils should not be able to overly-rely on land in the five-year land supply which in reality will take longer than five years to build out.***

18. The Chancellor of the Exchequer announced in the 2016 Budget that: additional capacity support would be provided for local authorities wanting to establish garden towns and villages; new legislation would be introduced to simplify and speed up the delivery of new settlements; and planning incentives would be put in place to “support areas seeking to bring forward new settlements, in return for commitments to significant housing delivery”.³⁷ ***In its response to this report, the Department should provide further detail about how the measures to support the development of garden towns and villages announced in the 2016 Budget will relate to the new settlements proposals in the consultation.***

35 Home Builders Federation ([NPP031](#))

36 Q32 [Peter Andrew]

37 HM Treasury, [Budget 2016](#), March 2016, para 2.285

4 Brownfield sites

Presumption in favour of development

19. The consultation proposes a presumption in favour of development on brownfield land, unless there are overriding conflicts with either the area's Local Plan or the NPPF which cannot be mitigated. The consultation proposals are intended to complement provisions in the Housing and Planning Bill which will require local authorities to maintain registers of brownfield sites suitable for development. Such registers will “be a vehicle for granting permission in principle for new homes on suitable brownfield sites”.³⁸ While there was a broad welcome for the establishment of a register of brownfield sites suitable for housing development,³⁹ witnesses were concerned about how the circumstances of particular sites—for example biodiversity, environmental or archaeological value, or the adequacy of the infrastructure in place—would be taken into account when determining whether a site should be included on the register.⁴⁰ We welcome the confirmation from the Minister that local authorities will continue to have an important role in assessing the viability of individual sites for development, and that this will not be overridden by a presumption in favour of development.⁴¹

20. We also heard that the definition of ‘brownfield’ is not always sufficiently clear.⁴² Richard Blyth of the RTPI illustrated this:

If you imagine a situation where there might be a hospital or a large institution in the green belt, with a large landholding around it, the current definition of brownfield in the NPPF says, “Land which is or was occupied by a permanent structure, including the curtilage of the developed land (although it should not be assumed that the whole curtilage should be developed)...”. So if you have a large redundant hospital or institution sitting in a large number of acres of ground, it is not terribly clear from the current definition of previously developed land whether the whole of that curtilage could be assumed to now be fair game, although it is in the green belt, or not.⁴³

21. In 2014 our predecessors recommended that a fund should be established to support the remediation of brownfield sites.⁴⁴ We welcome the positive reception that recommendation received, and the subsequent establishment of the Brownfield Regeneration Fund. We note that a Starter Homes Land Fund, providing £1.2 billion for the remediation of brownfield land for use for Starter Homes, was announced in the 2016 Budget.⁴⁵ ***In its response to this report, the Department should confirm whether the Starter Homes Land Fund constitutes new funding, available in addition to the Brownfield Regeneration Fund.***

38 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, paras 21-22

39 See for example Campaign to Protect Rural England ([NPP023](#)) para 26 or Home Builders Federation ([NPP031](#))

40 See for example Q33 [Cllr Tett], Royal Society for the Protection of Birds ([NPP007](#)), Campaign to Protect Rural England ([NPP023](#)) para 26, the Wildlife Trusts ([NPP030](#)) paras 3.2-3.6 or Chartered Institute for Archaeologists ([NPP034](#)) para 11

41 Qq59-62

42 See for example Community Voice on Planning ([NPP009](#)) para 5.2 or Wildlife Trusts ([NPP030](#)) para 3.7

43 Q5 [Richard Blyth]

44 Communities and Local Government Committee, Fourth Report of Session 2014-15, [Operation of the National Planning Policy Framework](#), HC190, recommendation 28

45 HM Treasury, [Budget 2016](#), March 2016, para 2.297

22. We continue to support the development of brownfield sites for housing where it contributes to meeting local housing needs. However, it is important that local circumstances are taken into account when determining whether or not a particular brownfield site is suitable for housing development. We agree with Rachel Fisher of the NHF, who said that local planning authorities were best placed to make decisions on where housing should be developed:

Whether that is brownfield, greenfield or, indeed, green belt, we need to have a grown-up and nuanced conversation about where the homes are going to go so we ensure they are in the right places.⁴⁶

It is important that there is flexibility for local authorities to fully consider particular sites' suitability for development before they are included on the brownfield site register. There must also be clarity about the definition of 'brownfield', so that national planning policy can be applied consistently across England. *We recommend that as part of its response to the consultation, the Department draws up an authoritative definition of brownfield sites to which the presumption in favour of development proposed in the consultation will apply.* We believe that there is a need for greater clarity about how the proposed presumption in favour of development will operate alongside the register of brownfield sites, and how the register will be used to deliver the granting of 'permission in principle', in particular who will bear the costs of achieving that permission and what it will entail. *We recommend that in its response to this report, the Department sets out how the brownfield site register and permission in principle system will operate in practice, including the arrangements for community engagement and consultation, and the relationship between permission in principle and technical details.*

Viability of brownfield sites

23. The HBF cautioned against a presumption that all brownfield land would be viable for redevelopment, and called for the introduction of tax breaks to assist in increasing the viability of brownfield sites.⁴⁷ Historic England told us that there was a risk that developers might not develop "more challenging" brownfield sites, particularly as the consequence of under-delivery of housing under the proposed housing delivery test would be the allocation of more land, which might be considered more viable.⁴⁸ [See Chapter 7 of this report for further discussion of the housing delivery test.] The CPRE suggested that the proposals should be strengthened to allow local authorities to refuse permission for development on greenfield sites where such developments would "make competing demands in relation to alternative brownfield sites on local services such as public transport".⁴⁹ We agree that the lower viability and higher costs of developing brownfield sites may be a deterrent for some developers, and are not persuaded that this barrier will be overcome by the proposals in the consultation and in the Housing and Planning Bill. **We have particular concerns about the risk that developers will delay developing brownfield sites because local authorities will be required to release more profitable greenfield sites if insufficient housing is delivered to meet local needs. *In its response to this report, the Government should set***

46 Q33 [Rachel Fisher]

47 Home Builders Federation ([NPP031](#))

48 Historic England ([NPP020](#)) para 14

49 Campaign to Protect Rural England ([NPP023](#)) paras 27-32

out how its proposals will overcome the potential cost barriers to the development of brownfield sites, and the steps it will take to encourage the development of such sites in order to meet local housing needs.

Green Belt land

24. The NHF has estimated that of the 49,000 hectares of brownfield land in England, 23,500 hectares are suitable for use for housing. Noting that this would be enough land for approximately one million homes, or four and a half years of housing demand, it advocated a “pragmatic” approach to the release of some Green Belt land for use for housing.⁵⁰ A joint report published by Shelter and the Quod planning consultancy, published in February 2016, argued that brownfield land alone would not be sufficient to meeting London’s housing needs. It proposed a multi-layered approach, including development on London’s Green Belt.⁵¹

25. We endorse recommendation 36 of our predecessors’ 2014 report:

We encourage all councils, as part of the local planning process, to review the size and boundaries of their green belts. They should then make any necessary adjustments in their local plan.⁵²

We agree that, in some circumstances, it may be appropriate for local authorities to allocate Green Belt land for housing, and establish new Green Belt land elsewhere. As a rule, local authorities should carry out proper reviews of the Green Belt as an integral part of their local planning process. However, at present, we do not believe that there is sufficient guidance available to local authorities on whether it is appropriate for Green Belt land to be used to meet housing needs, although in practice many local authorities are allowing for development in the Green Belt. We are likely to return to this as part of our future work on housing supply. *In the short term, the Government should publish guidance for local authorities, setting clear guidelines on when and how it may be appropriate for a local authority to review its Green Belt boundary in order to deliver new homes to meet local need.*

50 National Housing Federation (NPP002)

51 Quod and Shelter, *When brownfield isn't enough: strategic options for London's growth*, February 2016

52 Communities and Local Government Committee, Fourth Report of Session 2014-15, *Operation of the National Planning Policy Framework*, HC190, recommendation 36

5 Small sites

Impact on small and medium-sized developers

26. The consultation proposes a presumption in favour of sustainable development on sites of fewer than ten units which are within or adjacent to existing settlement boundaries. It suggests that this will result in better opportunities for small and medium-sized developers, increase build-out rates, create jobs and sustain local growth, and make effective use of land.⁵³

27. The consultation states that in 2014 only 2,400 registered house builders built between 1 and 100 homes per year, compared to 5,700 in 2006.⁵⁴ Richard Blyth of the RTPI told us that “Bringing forward small deliverable sites, smaller than the major builders want, will definitely help [small and medium-sized developers]”.⁵⁵ Peter Andrew of the HBF said that there had been an 80 per cent reduction in the number of small and medium-sized builders, and that the small sites policy and brownfield register could encourage them back into the industry.⁵⁶ We strongly welcome the anticipated positive impact on small and medium-sized developers. ***To assess whether its small site policy is having the intended positive effect on small and medium-sized builders and developers, the Government should monitor its impact, and provide us with an update on the numbers of small and medium-sized builders and developers in the construction industry twelve months after the proposals have come into effect.***

The cumulative impact

28. We heard from some witnesses that there was a risk that multiple small sites within an area being developed could cumulatively have the same impact on a community as a larger site, but without being subject to the same planning arrangements.⁵⁷ Shaun Spiers of the CPRE warned that the small sites proposals could undermine communities’ faith in the planning system, and their willingness to engage with it.⁵⁸ Cllr Tett of the LGA explained the issue:

Quite often, where there were once big houses, they come down and you get a replacement of blocks of flats or whatever. Very quickly, the next one will go and then the next one will go. Individually, each one is a small site; cumulatively, there is a lot of extra housing there that puts a big strain on local infrastructure. You will get lots of congestion; there will be lots of strain on local schools, doctors’ surgeries and so on. Each of them, however, is below the threshold for a section 106 contribution. Local authorities get no money to mitigate the impact of what turns into quite a substantial number of new properties, new residences and so on.⁵⁹

53 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, paras 23-24

54 [Consultation on proposed changes to national planning policy](#), para 23

55 Q14 [Richard Blyth]

56 Qq37-38 [Peter Andrew]

57 See for example Teignbridge District Council ([NPP003](#)) or Regional Studies Association ([NPP036](#))

58 Q15 [Shaun Spiers]

59 Q38 [Cllr Tett]

These concerns echo those heard by our predecessors during their 2012 inquiry into the NPPF about the contribution single developments might make to a resulting 'severe' cumulative impact, in that case, on the transport network.⁶⁰ The Government accepted the need for the NPPF to take account of the cumulative impact of multiple developments in its response to the report,⁶¹ and subsequently amended the wording of the NPPF.⁶²

29. The Minister said that approximately 150 Neighbourhood Plans had been adopted, and that over 1,000 were in progress, covering around 6 million people.⁶³ He explained that the small sites proposals are intended to work in harmony with Neighbourhood Planning processes, and told us:

Generally, once a neighbourhood plan is in place—it has been found sound and been out to a referendum—and particularly if there is a local plan as well, for a developer to get planning permission on something outside the neighbourhood plan, unless they have managed to convince the community it is something they want, should be pretty much impossible.⁶⁴

30. While we welcome the Minister's reassurance that where Neighbourhood and Local Plans are in place, development on small sites will only take place with the support of the local community, we believe that there is a risk that the presumption in favour of development on small sites could have a cumulatively detrimental effect if multiple small sites within an area are developed. In addition, not all local areas have Local Plans in place, and relatively few have adopted Neighbourhood Plans. The Department should review the proposals relating to presumption in favour of development of small sites to ensure that local authorities have sufficient flexibility to mitigate against harmful unintended consequences.

Existing settlements and rural exception sites

31. We heard concerns from some witnesses that a presumption in favour of development on small sites adjacent to existing settlements could result in inappropriate development, or have a detrimental effect on the character and appearance of small settlements.⁶⁵ Calling for exceptions for the Green Belt, Areas of Outstanding National Beauty, National Parks, and historic towns and villages, the National Trust warned that there was a risk that the proposals could "encourage speculative proposals at the edge of existing settlements on previously undeveloped sites".⁶⁶

32. The Campaign for National Parks cautioned that the policy "undermines rural exception sites and will do nothing to deliver affordable homes to help meet local housing need".⁶⁷ The CPRE agreed with this, saying that there was a risk that landowners would be discouraged from releasing land for rural exception sites for affordable housing, in favour

60 Communities and Local Government Committee, Eighth Report of Session 2010-12, [The National Planning Policy Framework](#), HC1526, para 95

61 Department for Communities and Local Government, *Government response to the Communities and Local Government Select Committee Report: National Planning Policy Framework*, Cm 8322, March 2012, para 35

62 Department for Communities and Local Government, [National Planning Policy Framework](#), March 2012, para 52

63 Q67

64 Q68

65 See for example East Ridings of Yorkshire Council ([NPP016](#)) para 3 or Campaign for National Parks ([NPP027](#)) para 10

66 National Trust ([NPP011](#)) para 7

67 Campaign for National Parks ([NPP027](#)) para 10

of more profitable developments on the edges of settlements.⁶⁸ Rachel Fisher of the NHF described this as “a real concern”, particularly when combined with the policy of allowing rural exception sites to be used for Starter Homes for which the discount would not be applicable in perpetuity.⁶⁹

33. We would be concerned if a presumption in favour of development on small sites adversely affected existing settlements, or led to landowners being less likely to bring forward land for rural exception sites. *In its response to this report, the Department should set out how its proposals for changes to the NPPF will complement the existing rural exception site policy, and ensure that rural communities' needs for affordable housing are met.*

68 Campaign to Protect Rural England ([NPP023](#)) para 15

69 Q39

6 Definition of affordable housing

Starter Homes

34. The Housing and Planning Bill introduces a statutory duty on local authorities to promote the delivery of Starter Homes, defined as homes costing up to £250,000 (£450,000 in London), to be available at a 20 per cent discount to first time buyers that meet qualifying criteria.⁷⁰ The consultation proposes broadening the definition of affordable housing in the NPPF by removing limitations on the “availability of home ownership options for households whose needs are not met by the market”, thereby including Starter Homes in the definition.⁷¹ As we highlighted in our recent report on *Housing associations and the Right to Buy*, the classification of Starter Homes as ‘affordable’ has been widely criticised.⁷² Research published by Shelter, which applied the 20 per cent Starter Home discount to median house prices in local authority areas across England, found that such homes would be unaffordable for families earning average wages in 58 per cent of local authority areas, and unaffordable in 98 per cent of local authority areas for families earning the new National Living Wage.⁷³

35. The Bill will require suitable, reasonably-sized housing developments to include a proportion of Starter Homes.⁷⁴ We heard that this could lead to reductions in other forms of affordable housing, and that there should be greater flexibility for local authorities to determine the appropriate mix of affordable housing suitable to meet local needs.⁷⁵ The LGA estimated that for every 100 Starter Homes, between 56 and 71 affordable or social rented homes would not be built.⁷⁶ Research published by Savills in November 2015 found that “reduced development of sub-market rental housing will leave a gap of at least 70,000 potential new households each year being unable to access the housing market”.⁷⁷ ***We understand stakeholders’ concerns about the potential impact on the delivery of other types of affordable housing, and reiterate recommendation 28 of our Housing associations and the Right to Buy report:***

Home builders will understandably seek to build the products with the highest return, and we are concerned that the Government’s policy should not lead to fewer truly affordable homes to rent being built. There is a finite amount of money available from developers to deliver affordable housing, and the duty placed on councils is likely to mean that building Starter Homes could be prioritised over other types of affordable housing. Local authorities will be under pressure to satisfy their legal obligations, and this could make negotiations with developers extremely difficult and could undermine Local Plans. Starter Homes should not be built at the expense of other forms of

70 [Housing and Planning Bill](#), [Bill 75 (2015-16)]

71 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, para 8

72 Communities and Local Government Committee, Second Report of Session 2015-16, [Housing associations and the Right to Buy](#), HC370, paras 78-81

73 Shelter, [Starter Homes: will they be affordable?](#), August 2015, table 2

74 [Housing and Planning Bill](#). The proportion is to be determined in subordinate legislation.

75 See for example London First ([NPP029](#)) or National Housing Federation ([NPP002](#))

76 Local Government Association ([NPP037](#)) para 3.3

77 Savills, [Spotlight: the future of sub-market housing](#), November 2015

*tenure; where the need exists, it is vital that homes for affordable rent are built to reflect local needs. The definition of affordable housing should better reflect individual and local circumstances.*⁷⁸

36. *The Government should monitor the impact of the inclusion of Starter Homes in the definition of affordable housing on the availability of other types of affordable housing. We expect the Department to provide information to us on an annual basis on the mix of affordable housing which is delivered following the implementation of the proposed changes to the NPPF.*

The discount period

37. The consultation proposes that some of the products included within the definition of affordable housing to promote home ownership will not be subject to discount in perpetuity, or to recycling of the subsidy.⁷⁹ This was a significant cause for concern for many witnesses. The Building Societies Association suggested a minimum discount period of 10 to 15 years, in order to act as a “barrier to market abuse”.⁸⁰ Walsall Council told us that the five-year discount period proposed for Starter Homes “has the potential to distort the housing market, as people could buy these units purely to achieve a profit after 5 years when the discount retention/clawback falls away”.⁸¹ The Housing Solutions Group cautioned that removing the requirement for the discount to be in perpetuity would have a particular impact on rural exception sites because “removal of the in perpetuity requirement will result in the land becoming like any other development land, including its value, which will subsequently make the provision of affordable housing on rural exception sites unviable”.⁸² The Country Landowners Association told us that the five-year discount period could discourage rural landowners from offering land for rural exception sites because “land intended for affordable housing for the community is likely to be lost after only five years and generate a healthy profit for an individual rather than the community”.⁸³

38. If the discount only lasts for five years, Starter Homes are likely to be an extremely attractive investment with an almost guaranteed profit when sold after that period. Rachel Fisher of the NHF told us that the removal of the ‘in perpetuity’ restriction could mean “that you would actually get less truly affordable housing in perpetuity back, [...] we don’t think that would necessarily represent value for money to the public purse”.⁸⁴ Cllr Tett agreed. He outlined the situation, saying that:

if the discount only applies, effectively, for five years and then you can sell at a market price, you will have this constant situation where you produce

78 Communities and Local Government Committee, Second Report of Session 2015-16, [Housing associations and the Right to Buy](#), HC370, recommendation 28

79 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, para 9

80 Building Societies Association ([NPP025](#)) para 4

81 Walsall Council ([NPP032](#)) para 17

82 Housing Solutions Group ([NPP014](#))

83 Country Landowners Association ([NPP028](#))

84 Q40 [Rachel Fisher]

something that is quasi-affordable and in five years' time it just goes straight back to the market price and you have lost that affordability in the local area, and only people who can afford the new real market price can move in.⁸⁵

39. The Minister told us that applying a longer discount period would risk creating two classes of home owners: "if someone is a home owner, they are a home owner and should have the same rights as any other home owner to sell or let their property or anything else after that period".⁸⁶ He said that the affordable housing supply would be maintained, because:

We have a clear determination to keep building these and to make sure we continue with the supply coming forward so that when the first ones are built in five years, yes they will acquire those full rights [...] but more and more starter homes will be coming forward so we will keep driving that supply of homes that are affordable to buy.⁸⁷

40. We recognise that the Government plans to ensure a continuing supply of Starter Homes, and we support the aspiration of enabling people to own their own homes. Nevertheless, we are concerned about the effect on the supply of affordable housing of removing the discount 'in perpetuity' restrictions, and reiterate recommendation 29 in our recent report on Housing associations and the Right to Buy:

*We urge the Government to review the period of time over which the [Starter Home] discount would operate.*⁸⁸

Use of land for Starter Homes

41. In March 2015 the Minister announced that local planning authorities would be required to work with landowners and developers to secure sites for Starter Homes.⁸⁹ The Government proposes that Starter Homes will be built in a range of locations, including:

- brownfield sites in the Green Belt, provided that the development is subject to local consultation;⁹⁰
- small sites in the Green Belt, where the sites are allocated in Neighbourhood Plans;⁹¹ and
- rural exception sites (in addition to other types of affordable housing) with local authorities having the flexibility, exceptionally, to require residents to have a connection to the local area.⁹²

85 Q40 [Cllr Tett]

86 Q72

87 Q72

88 Communities and Local Government Committee, Second Report of Session 2015-16, [Housing associations and the Right to Buy](#), HC370, recommendation 29

89 HC Deb, 2 March 2015, [col 42WS](#) [Commons written ministerial statement]

90 HM Treasury, [Spending review and autumn statement 2015](#), November 2015, para 3.107

91 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, para 49

92 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, paras 46-47

We heard from a number of witnesses that limiting the use of such sites only to the development of Starter Homes would limit communities' ability to determine the housing mix which would best suit their local areas.⁹³ For example, the British Property Federation believed that:

Local communities should be able to allocate sites in the Green Belt to meet wider housing need in their area, not just that of starter homes. This would allow for the elderly to downsize and still stay within the familiar area, and for families to expand and grow (or contract), providing a balanced community.⁹⁴

42. The consultation also proposes that land previously used for retail, leisure, and non-residential institutional uses, and underused or unviable commercial or industrial land may be used for Starter Homes. Local authorities would be required to establish policies to limit the time for which such unused land may be protected, and “unviable or underused employment land should be released unless there is significant and compelling evidence to justify why such land should be retained for employment use”.⁹⁵ The NHF told us that allowing the use of such unviable or underused commercial land only for Starter Homes might be “counterproductive given that they are exempt from planning obligations, which could result in other essential infrastructure such as schools, health facilities and transport not being provided”.⁹⁶ Other witnesses cautioned against the creation of “dormitory towns”, and emphasised the importance of retaining a mix of uses within an area.⁹⁷ Conversely, the HBF welcomed the proposals, citing the benefits of bringing unused land back into productive use.⁹⁸ **We believe that when decisions are taken about whether unviable or unused commercial or industrial land should be used for housing, local authorities should have discretion to take local circumstances into account.** In this context we welcome the Minister's confirmation that local authorities will be able to use Article 4 of the Town and Country Planning Act 1990 to avoid inappropriate changes of use, and that they will not be liable for costs as a result.⁹⁹ *In addition to being able to protect commercial or industrial land from development if appropriate to do so in the local circumstances, local authorities should have the flexibility to decide that housing other than Starter Homes may be developed on such land, if that housing would better meet identified local housing needs.*

93 See for example Housing Solutions Group ([NPP014](#)), Country Landowners Association ([NPP028](#)) or London First ([NPP029](#))

94 British Property Federation ([NPP022](#)) para 8

95 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, paras 37-40

96 National Housing Federation ([NPP002](#))

97 See for example the Heritage Alliance ([NPP019](#)) paras 4.1-4.2 or Campaign to Protect Rural England ([NPP023](#)) para 24

98 Home Builders Federation ([NPP0031](#))

99 Qq75-80

7 The housing delivery test

The operation of a housing delivery test

43. Proposals for a housing delivery test were first announced by the Chancellor in the 2015 Spending Review and Autumn Statement.¹⁰⁰ The consultation proposes comparing the housing targets identified in a local authority's Local Plan with net additions to the housing supply. It seeks views on the baseline for assessment, and any incentives or penalties which should apply.¹⁰¹ Although the National Trust warned that the test could “add additional confusion and complexity to the planning process, and could undermine the primacy of local plans”¹⁰² and some witnesses cautioned that focusing solely on housing numbers could risk undermining a Local Plan-led approach,¹⁰³ the evidence we heard showed a broad welcome for a housing delivery test to assess whether the housing delivered in a local area was sufficient to meet housing need.¹⁰⁴

44. Of course, the housing delivery test will only be able to operate where the local housing supply need has been identified. **We are disappointed that four years after the NPPF was published, 17 per cent of local authorities have still not published Local Plans and 34 per cent have not yet adopted Plans.**¹⁰⁵ In July 2015, the Minister announced that “In cases where no Local Plan has been produced by early 2017—five years after the publication of the NPPF—we will intervene to arrange for the Plan to be written, in consultation with local people, to accelerate production of a Local Plan”.¹⁰⁶ However, in September 2015 the Minister told us that he was not yet in a position to give details of what form the interventions might take, and ruled out placing a statutory duty on local authorities to produce a Local Plan,¹⁰⁷ despite our predecessors recommending such a duty.¹⁰⁸ We note that in its report to the Secretary of State, the Local Plans Expert Group recommended legislating to place “a statutory duty on local authorities to produce a local plan and to maintain an up to date local plan”.¹⁰⁹ The 2016 Budget reiterated the Government's intention to “accelerate the preparation and adoption of Local Plans”, and stated that “measures to encourage the production of Local Plans” would be announced later in the year.¹¹⁰ *In its response to our report, we expect the Department to set out how it intends to use its powers of intervention in local authorities which do not have Local Plans in place by early 2017, and how many local authorities it expects will require*

100 HM Treasury, *Spending review and autumn statement 2015*, November 2015, para 3.105

101 Department for Communities and Local Government, *Consultation on proposed changes to national planning policy*, December 2015, paras 31-33

102 National Trust ([NPP011](#)) para 7

103 See for example National Trust ([NPP011](#)) para 7, East Ridings of Yorkshire Council ([NPP016](#)) para 4.5 or Theatres Trust ([NPP024](#)) paras 5-8

104 See for example Campaign to Protect Rural England ([NPP023](#)) para 5, Building Societies Association ([NPP025](#)), paras 6-7 or London First ([NPP029](#))

105 Department for Communities and Local Government, *Consultation on proposed changes to national planning policy*, December 2015, para 27

106 HC Deb, 21 July 2015, [col 86WS](#) [Commons written ministerial statement]

107 [Oral evidence taken on 7 September 2015](#), HC (2015-16) 354, Qq2-9 [Brandon Lewis]

108 Communities and Local Government Committee, Fourth Report of Session 2014-15, [Operation of the National Planning Policy Framework](#), HC190, recommendation 17

109 Local Plans Expert Group, [Local Plans: report to the Communities Secretary and to the Minister of Housing and Planning](#), March 2016, recommendation 17

110 HM Treasury, [Budget 2016](#), March 2016, paras 2.287-8

such intervention. In the light of the Local Plans Expert Group's report, the Department should reconsider the recommendation made by our predecessors that a statutory duty should be placed on local authorities to produce and maintain Local Plans.

Consequences for housing under-delivery

45. The CPRE questioned the focus of the proposed housing delivery test, on the grounds that requiring local authorities to allocate more sites if they were found to be under-delivering was “profoundly misguided and would exacerbate the problems of poor planning already arising from current, over ambitious targets”.¹¹¹ An LGA-commissioned study, published in January 2016, found that in 2014/15 475,647 homes had been granted planning permission, but had not yet been built. This was an increase on 443,265 homes granted permission in 2013/14, and 381,390 in 2012/13.¹¹² The LGA told us that this demonstrated that the proposed housing delivery test would address “a symptom rather than the causes” of housing under-delivery.¹¹³

46. We believe that the housing delivery test will provide clarity about whether the housing delivery in a local area is sufficient to meet the identified local need. However, we are not yet persuaded that the consequences for under-delivery are such that they will bring about increased housing delivery. The proposed consequence of identified under-delivery—requiring local authorities to allocate more land for development—may not, by itself, mean that more houses will be built.

47. It is clear that to ensure that the housing delivered in a local area is sufficient to meet local housing needs, local authorities and developers must work together effectively. The HBF told us that it wanted to see local authorities “work closely with the development industry to secure agreement over the intended delivery trajectories for sites allocated within plans and with planning permission”.¹¹⁴

48. We were encouraged to hear that, in addition to directly commissioning the building of up to 13,000 new homes,¹¹⁵ the Minister was in discussion with developers about build-out rates.¹¹⁶ We support his desire to see build-out rates increase, but do not believe that the housing delivery test will be enough to achieve this in the form proposed. Further thought must be given to the consequences which result from the identification through the housing delivery test of housing under-delivery in a local area. The aims must be to incentivise developers to develop the sites for which they have planning permission, and to help to ensure that local authorities allocate land and grant planning permissions in a timely way. We heard a number of suggestions from witnesses about possible consequences, for example:

- allowing local authorities to levy council tax or the community infrastructure levy on sites which remained undeveloped after a “reasonable” period of time, on a sliding scale which increased the longer the site remained undeveloped (subject to any justifiable reasons for the lack of development);¹¹⁷

111 Campaign to Protect Rural England (NPP023) para 5

112 Local Government Association, “[475,000 homes with planning permission still waiting to be built](#)”, 7 January 2016

113 Local Government Association (NPP037) para 5.3

114 Home Builders Federation (NPP031)

115 “[PM: the government will directly build affordable homes](#)”, Prime Minister's Office press release, 4 January 2016

116 Q90

117 Q44 [Cllr Tett]

- allowing local authorities access to fast-track compulsory purchase of land for which planning permission had been granted but which had remained undeveloped for an unreasonably long period of time, with compensation based on the original, not the developable, land value;¹¹⁸
- loss of planning permission for sites not built out within five years of planning permission;¹¹⁹ and
- financial penalties for uncompleted houses for which planning permission had been granted but which had not been completed within five years.¹²⁰

49. We recognise that there is no simple, one-size fits all solution. For example, the Minister told us that a likely consequence of applying council tax to undeveloped sites might simply be developers staggering applications for planning permissions for larger developments.¹²¹ **Nevertheless, we believe that if the housing delivery test is to be an effective mechanism for ensuring that housing supply meets housing demand, there should be a combination of both carrot and stick. Local authorities must have a range of tools at their disposal which are appropriate to their local circumstances, including direct involvement in developments, either independently or in partnership with developers. There should also be a clearer set of criteria which may be used to identify when a development scheme has stalled. *The Department should review the appropriate consequences of housing under-delivery. In addition to the consequences already proposed where local authorities may be failing to grant permissions or allocate sufficient land, this should include identifying the powers local authorities ought to have in order to require or encourage developers to build out sites in their areas.***

118 Q44 [Cllr Tett]

119 Campaign to Protect Rural England ([NPP023](#)) para 23

120 Campaign to Protect Rural England ([NPP023](#)) para 23

121 Q90

8 Density around commuter hubs

Housing density levels

50. The consultation recognises that local authorities take different approaches to housing density levels: some set overall levels, while others determine density on a site by site basis. While ruling out setting national minimum housing density levels, the consultation proposes that local authorities should require “higher density development around commuter hubs wherever feasible”.¹²²

51. The HBF questioned the need for the proposals, on the basis that housing density around commuter hubs was already higher than average.¹²³ The flexibility for local authorities to determine minimum levels in their areas was welcomed by the LGA, which told us that “Local planning authorities should be able to continue to decide the right levels of density for new development across their local area based on local context, as well as determining locally which are the main commuter hubs”.¹²⁴

The definition of a commuter hub

52. The consultation proposes defining a commuter hub as:

a) a public transport interchange (rail, tube or tram) where people can board or alight to continue their journey by other public transport (including buses), walking or cycling; and

b) a place that has, or could have in the future, a frequent service to that stop. We envisage defining a frequent service as running at least every 15 minutes during normal commuting hours.¹²⁵

53. The Woodland Trust cautioned that the proposal was “very ambiguous and open to abuse”.¹²⁶ Cllr Tett of the LGA argued that the proposal was “terribly vaguely defined: an interchange between a train and something that has a cycle capability. You can park a bike outside a railway station; does that make it a commuter hub?”.¹²⁷ The Campaign for National Parks illustrated the difficulties of the proposed definition: “In theory, virtually all rail stations could have a service of this frequency, meaning that this policy would allow very dense housing development around small rural stations in designated landscapes”.¹²⁸ The Guildford Greenbelt Group believed that the lack of size thresholds within the definition—whether in terms of population or number of dwellings—could lead to increased traffic congestion, poor road safety, or increased pollution, particularly in rural areas.¹²⁹

122 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, paras 13-17

123 Home Builders Federation ([NPP031](#))

124 Local Government Association ([NPP037](#)) para 4.2

125 Department for Communities and Local Government, [Consultation on proposed changes to national planning policy](#), December 2015, para 15

126 Woodland Trust ([NPP026](#))

127 Q26 [Cllr Martin Tett]

128 Campaign for National Parks ([NPP027](#)) para 10

129 Guildford Greenbelt Group ([NPP017](#))

54. We also heard evidence on the need for the nature and capacity of the infrastructure to be considered, not just its presence. London First welcomed the proposals for higher housing density, provided account was taken of the capacity of the local transport network.¹³⁰ The City of London Corporation noted that in London the definition of commuter hub proposed would include a significant number of rail or tube stations. It suggested that a distinction be drawn between hubs at which commuters are likely to start out on their journeys from home, and the hubs where those journeys end, on the grounds that “The latter are likely to be situated in areas of valuable employment use, where increased residential density may not be an appropriate or feasible goal”.¹³¹

55. Local authorities are best placed to know their own areas, and the definition of a commuter hub should not be unnecessarily restrictive. But even so the proposed definition is too vague and is therefore unhelpful both to local authorities and local communities. While it rightly addresses the presence of transport infrastructure, it does not take account of whether that infrastructure has, or will have, sufficient capacity to accommodate higher housing density. We welcome the Minister’s confirmation that the final definition of a commuter hub will be published by summer 2016, alongside any other changes made to the NPPF.¹³² Nevertheless, local authorities and communities preparing or reviewing Local Plans at present need to have clarity about the framework within which those Plans are being made. *We recommend that the Department reviews the proposed definition of a commuter hub as a matter of priority, with a view to removing the present ambiguity and providing greater clarity about which locations are included, and should therefore be expected to have higher levels of housing density. The revised definition should be published before the House rises in July 2016, and the Department must listen carefully to any ongoing concerns about the definition’s clarity.*

130 London First ([NPP029](#))

131 City of London Corporation ([NPP041](#)) para 6

132 Q95

Conclusions and recommendations

The consultation process

1. We acknowledge that changes to policy are necessarily accompanied by a degree of uncertainty. Such uncertainty can be mitigated by the provision of clear timescales for the changes, and the process which will be followed. We believe that provisional and indicative timescales and anticipated interactions with other relevant programmes of work should be published alongside all consultations when they are launched, if possible, in order to provide clarity for stakeholders about the process. (Paragraph 8)
2. As a priority the Department should publish clear timescales for the next steps for this consultation, including timescales for the Government's response, implementation, and suitable transitional arrangements. If the changes to the National Planning Policy Framework are delayed beyond summer 2016, we expect the Minister to write to us to explain the reasons and provide updated timescales. (Paragraph 8)
3. As a matter of principle, we believe that when changes are made to the wording of a key policy framework such as the National Planning Policy Framework, there should be a two-stage consultation process: first on the overall policy, and subsequently on the precise wording which will give effect to the change. If there is no further consultation on the specific wording of the consultation proposals, it is essential that the Department listens carefully to concerns about ambiguity or lack of clarity in the revised NPPF, and provides clarification where required. (Paragraph 9)
4. To ensure that proper consideration is given to the impact of changes resulting from this consultation, and from other developments in the housing and planning sector, the Department should carry out a comprehensive review of the operation of the National Planning Policy Framework before the end of this Parliament. The review must include sufficient opportunity for appropriate consultation with stakeholders, and should follow a two-stage approach to consulting, first on general principles, and subsequently on precise wording. (Paragraph 11)
5. We hope that the Department will learn lessons from the need to extend the consultation period as a result of the holiday period and the other significant developments in the housing and planning sector. (Paragraph 13)

Supporting new settlements

6. We are not yet persuaded that the proposals in the consultation will encourage the development of new settlements, partly as a result of the tension between identification of a five-year land supply and the development of new settlements which might take more than five years to complete. This tension could deter the development of new settlements, or result in them being phased in such a way as to reduce their impact on the housing supply. (Paragraph 17)
7. The Department should identify and put in place arrangements to ensure that where there are robust plans in place for the delivery of a new settlement which may take more than five years, some account can be taken of this land as part of the five-year

land supply identified in the Local Plan, but councils should not be able to overly-rely on land in the five-year land supply which in reality will take longer than five years to build out. (Paragraph 17)

8. In its response to this report, the Department should provide further detail about how the measures to support the development of garden towns and villages announced in the 2016 Budget will relate to the new settlements proposals in the consultation. (Paragraph 18)

Brownfield sites

9. In its response to this report, the Department should confirm whether the Starter Homes Land Fund [announced in the 2016 Budget] constitutes new funding, available in addition to the Brownfield Regeneration Fund. (Paragraph 21)
10. It is important that there is flexibility for local authorities to fully consider particular sites' suitability for development before they are included on the brownfield site register. There must also be clarity about the definition of 'brownfield', so that national planning policy can be applied consistently across England. (Paragraph 22)
11. We recommend that as part of its response to the consultation, the Department draws up an authoritative definition of brownfield sites to which the presumption in favour of development proposed in the consultation will apply. (Paragraph 22)
12. We believe that there is a need for greater clarity about how the proposed presumption in favour of development will operate alongside the register of brownfield sites, and how the register will be used to deliver the granting of 'permission in principle', in particular who will bear the costs of achieving that permission and what it will entail. (Paragraph 22)
13. We recommend that in its response to this report, the Department sets out how the brownfield site register and permission in principle system will operate in practice, including the arrangements for community engagement and consultation, and the relationship between permission in principle and technical details. (Paragraph 22)
14. We have particular concerns about the risk that developers will delay developing brownfield sites because local authorities will be required to release more profitable greenfield sites if insufficient housing is delivered to meet local needs. (Paragraph 23)
15. In its response to this report, the Government should set out how its proposals will overcome the potential cost barriers to the development of brownfield sites, and the steps it will take to encourage the development of such sites in order to meet local housing needs. (Paragraph 23)
16. We agree that, in some circumstances, it may be appropriate for local authorities to allocate Green Belt land for housing, and establish new Green Belt land elsewhere. As a rule, local authorities should carry out proper reviews of the Green Belt as an integral part of their local planning process. However, at present, we do not believe that there is sufficient guidance available to local authorities on whether it is appropriate for Green Belt land to be used to meet housing needs, although

in practice many local authorities are allowing for development in the Green Belt. We are likely to return to this as part of our future work on housing supply. (Paragraph 25)

17. In the short term, the Government should publish guidance for local authorities, setting clear guidelines on when and how it may be appropriate for a local authority to review its Green Belt boundary in order to deliver new homes to meet local need. (Paragraph 25)

Small sites

18. To assess whether its small site policy is having the intended positive effect on small and medium-sized builders and developers, the Government should monitor its impact, and provide us with an update on the numbers of small and medium-sized builders and developers in the construction industry twelve months after the proposals have come into effect. (Paragraph 27)
19. While we welcome the Minister's reassurance that where Neighbourhood and Local Plans are in place, development on small sites will only take place with the support of the local community, we believe that there is a risk that the presumption in favour of development on small sites could have a cumulatively detrimental effect if multiple small sites within an area are developed. In addition, not all local areas have Local Plans in place, and relatively few have adopted Neighbourhood Plans. (Paragraph 30)
20. The Department should review the proposals relating to presumption in favour of development of small sites to ensure that local authorities have sufficient flexibility to mitigate against harmful unintended consequences. (Paragraph 30)
21. We would be concerned if a presumption in favour of development on small sites adversely affected existing settlements, or led to landowners being less likely to bring forward land for rural exception sites. (Paragraph 33)
22. In its response to this report, the Department should set out how its proposals for changes to the National Planning Policy Framework will complement the existing rural exception site policy, and ensure that rural communities' needs for affordable housing are met. (Paragraph 33)

Definition of affordable housing

23. We understand stakeholders' concerns about the potential impact on the delivery of other types of affordable housing, and reiterate recommendation 28 of our Housing associations and the Right to Buy report:

Home builders will understandably seek to build the products with the highest return, and we are concerned that the Government's policy should not lead to fewer truly affordable homes to rent being built. There is a finite amount of money available from developers to deliver affordable housing, and the duty placed on councils is likely to mean that building Starter Homes could be prioritised over other types of affordable housing. Local authorities

will be under pressure to satisfy their legal obligations, and this could make negotiations with developers extremely difficult and could undermine Local Plans. Starter Homes should not be built at the expense of other forms of tenure; where the need exists, it is vital that homes for affordable rent are built to reflect local needs. The definition of affordable housing should better reflect individual and local circumstances. (Paragraph 35)

24. The Government should monitor the impact of the inclusion of Starter Homes in the definition of affordable housing on the availability of other types of affordable housing. We expect the Department to provide information to us on an annual basis on the mix of affordable housing which is delivered following the implementation of the proposed changes to the National Planning Policy Framework. (Paragraph 36)
25. We recognise that the Government plans to ensure a continuing supply of Starter Homes, and we support the aspiration of enabling people to own their own homes. (Paragraph 40)
26. Nevertheless, we are concerned about the effect on the supply of affordable housing of removing the discount 'in perpetuity' restrictions, and reiterate recommendation 29 in our recent report on Housing associations and the Right to Buy:

We urge the Government to review the period of time over which the [Starter Home] discount would operate. (Paragraph 40)
27. We believe that when decisions are taken about whether unviable or unused commercial or industrial land should be used for housing, local authorities should have discretion to take local circumstances into account. (Paragraph 42)
28. In addition to being able to protect commercial or industrial land from development if appropriate to do so in the local circumstances, local authorities should have the flexibility to decide that housing other than Starter Homes may be developed on such land, if that housing would better meet identified local housing needs. (Paragraph 42)

The housing delivery test

29. We are disappointed that four years after the National Planning Policy Framework was published, 17 per cent of local authorities have still not published Local Plans and 34 per cent have not yet adopted Plans. (Paragraph 44)
30. In its response to our report, we expect the Department to set out how it intends to use its powers of intervention in local authorities which do not have Local Plans in place by early 2017, and how many local authorities it expects will require such intervention. In the light of the Local Plans Expert Group's report, the Department should reconsider the recommendation made by our predecessors that a statutory duty should be placed on local authorities to produce and maintain Local Plans. (Paragraph 44)
31. We believe that the housing delivery test will provide clarity about whether the housing delivery in a local area is sufficient to meet the identified local need. However, we are not yet persuaded that the consequences for under-delivery are such that they

will bring about increased housing delivery. The proposed consequence of identified under-delivery—requiring local authorities to allocate more land for development—may not, by itself, mean that more houses will be built. (Paragraph 46)

32. We believe that if the housing delivery test is to be an effective mechanism for ensuring that housing supply meets housing demand, there should be a combination of both carrot and stick. Local authorities must have a range of tools at their disposal which are appropriate to their local circumstances, including direct involvement in developments, either independently or in partnership with developers. There should also be a clearer set of criteria which may be used to identify when a development scheme has stalled. (Paragraph 49)
33. The Department should review the appropriate consequences of housing under-delivery. In addition to the consequences already proposed where local authorities may be failing to grant permissions or allocate sufficient land, this should include identifying the powers local authorities ought to have in order to require or encourage developers to build out sites in their areas. (Paragraph 49)

Density around commuter hubs

34. Local authorities are best placed to know their own areas, and the definition of a commuter hub should not be unnecessarily restrictive. But even so the proposed definition is too vague and is therefore unhelpful both to local authorities and local communities. While it rightly addresses the presence of transport infrastructure, it does not take account of whether that infrastructure has, or will have, sufficient capacity to accommodate higher housing density. We welcome the Minister's confirmation that the final definition of a commuter hub will be published by summer 2016, alongside any other changes made to the National Planning Policy Framework. Nevertheless, local authorities and communities preparing or reviewing Local Plans at present need to have clarity about the framework within which those Plans are being made. (Paragraph 55)
35. We recommend that the Department reviews the proposed definition of a commuter hub as a matter of priority, with a view to removing the present ambiguity and providing greater clarity about which locations are included, and should therefore be expected to have higher levels of housing density. The revised definition should be published before the House rises in July 2016, and the Department must listen carefully to any ongoing concerns about the definition's clarity. (Paragraph 55)

Formal Minutes

Tuesday 22 March 2016

Members present

Mr Clive Betts, in the Chair

Helen Hayes

Jim McMahon

Kevin Hollinrake

Mary Robinson

Julian Knight

Alison Thewliss

David Mackintosh

Draft Report (*Department for Communities and Local Government's consultation on national planning policy*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 55 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Third Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Monday 11 April at 3.45 p.m.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry page](#) of the Committee's website.

Monday 8 February 2016

Question number

Kate Henderson, Chief Executive, Town and Country Planning Association, **Richard Blyth**, Head of Policy, Practice and Research, Royal Town Planning Institute, and **Shaun Spiers**, Chief Executive, Campaign to Protect Rural England

[Q1–23](#)

Rachel Fisher, Head of Policy, National Housing Federation, **Peter Andrew**, Deputy Chairman, Home Builders Federation, and **Councillor Martin Tett**, Vice-Chair, Local Government Association Environment, Economy, Housing and Transport Board

[Q24–44](#)

Tuesday 24 February 2016

Brandon Lewis, Minister for Housing and Planning, Department for Communities and Local Government

[Q45–95](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry page](#) of the Committee's website. NPP numbers are generated by the evidence processing system and so may not be complete.

- 1 British Property Federation ([NPP0022](#))
- 2 Building Societies Association ([NPP0025](#))
- 3 Campaign for Better Transport ([NPP0035](#))
- 4 Campaign for National Parks ([NPP0027](#))
- 5 Chartered Institute for Archaeologists (CIfA) ([NPP0034](#))
- 6 City of London Corporation ([NPP0041](#))
- 7 Civic Voice ([NPP0038](#))
- 8 Community Voice on Planning ([NPP0009](#))
- 9 Country Landowners Association ([NPP0028](#))
- 10 Campaign to Protect Rural England ([NPP0023](#))
- 11 Crisis ([NPP0033](#))
- 12 East Riding of Yorkshire Council ([NPP0016](#))
- 13 Gardner Planning Ltd ([NPP0004](#))
- 14 Guildford Greenbelt Group (GGG) ([NPP0017](#))
- 15 Hertsmere Borough Council ([NPP0005](#))
- 16 Highbury Group on Housing Delivery ([NPP0039](#))
- 17 Historic England ([NPP0020](#))
- 18 Housing Solutions Group ([NPP0014](#))
- 19 Local Government Association ([NPP0037](#))
- 20 London First ([NPP0029](#))
- 21 National Housing Federation ([NPP0002](#))
- 22 National Trust ([NPP0011](#))
- 23 Nick Norton ([NPP0018](#))
- 24 One Housing Group ([NPP0040](#))
- 25 Protect Congleton – Civic Society ([NPP0008](#))
- 26 Regional Studies Association ([NPP0036](#))
- 27 Rentplus ([NPP0021](#))
- 28 Residential Landlords Association ([NPP0012](#))
- 29 Royal Town Planning Institute ([NPP0006](#))
- 30 RSPB ([NPP0007](#))
- 31 Teignbridge District Council ([NPP0003](#))
- 32 The Heritage Alliance ([NPP0019](#))
- 33 The Home Builders Federation ([NPP0031](#))
- 34 The Riverside Group ([NPP0042](#))

- 35 The Theatres Trust ([NPP0024](#))
- 36 The Wildlife Trusts ([NPP0030](#))
- 37 Tony Howe ([NPP0010](#))
- 38 Town And Country Planning Association ([NPP0001](#))
- 39 Turley ([NPP0015](#))
- 40 Walsall Council ([NPP0032](#))
- 41 Woodland Trust ([NPP0026](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the Committee's website at www.parliament.uk/clg.

Session 2015–16

First Report	Devolution: the next five years and beyond	HC 369
Second Report	Housing associations and the Right to Buy	HC 370
First Special Report	Child sexual exploitation in Rotherham: Ofsted and further government issues: Ofsted Response to the Committee's Ninth Report of Session 2014–15	HC 435
Second Special Report	Private rented sector: the evidence from banning letting agents' fees in Scotland: Government Response to the Committee's Eighth Report of Session 2014–15	HC 434