



From Scarcity to Stability: Planning for the Future of Housing

July 2024

Turley

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The arrival of a new Labour Government has brought a renewed sense of hope to the housing market, after what has been a challenging few years for the sector with numerous proposed planning reforms started and then scrapped.



The first 100 days of any new Government is critical in outlining its ambitions during its time in office, and while we welcome Labour's promise to fix our housing challenges as a priority, wholesale reform may not be required.

Keir Starmer's commitment towards building quality homes in the places people want to live was evident in the run-up to the election. From the party's promise to continue to deliver 1.5 million homes over the next five years, to the unveiling of its new towns plan at UKREiF in May 2024 – Labour has pledged to be the party that will solve Britain's housing crisis.

The availability of good quality homes is critical to our social, economic and environmental wellbeing. But the key to delivering that is a planning system that supports development.

In recent years, the housebuilding industry has faced paralysis and uncertainty in the plan-making system, resulting in lower starts and completions on site. The system has been a catalyst in our inability to meet our housing targets, which has seen delivery averaging c. 236,594 homes per year (between 2018-23) – 21% short of the 300,000 target.

The Labour Party has promised to address this. In a keynote address in March 2024, the then Shadow Chancellor Rachel Reeves confirmed that Labour intends to "put planning reform at the very centre of our economic and political argument".

The subsequent Labour Party manifesto promised immediate updates to the National Planning Policy Framework to "undo damaging Conservative changes".

The first 100 days of any new Government is critical in outlining its ambitions during its time in office, and while we welcome Labour's promise to fix our housing challenges as a priority, wholesale reform may not be required.

Instead, greater clarity and resource across the planning sector would likely overcome many of these challenges.

In this paper, we set out our plan for the new Government, outlining our recommendations to help significantly boost the supply of housing, remove the barriers to development that have marred the housebuilding sector in recent years and provide certainty for an industry that is crucial to our economic growth.

Over the following chapters, we outline our recommendations for the short term, with immediate changes that could deliver instant improvements in the first 100 days, as well as longer-term recommendations that will positively shape the future of UK housing stock.

Inaction is simply not an option when it comes to the housing crisis. There is a very real imperative for planning to be seen as an agent for positive change.

We hope the new Labour Government takes that opportunity and provides our sector with the tools and clarity it needs to deliver the quality housing that is so paramount to the success of our economy.



Stephen Bell
Chief Executive

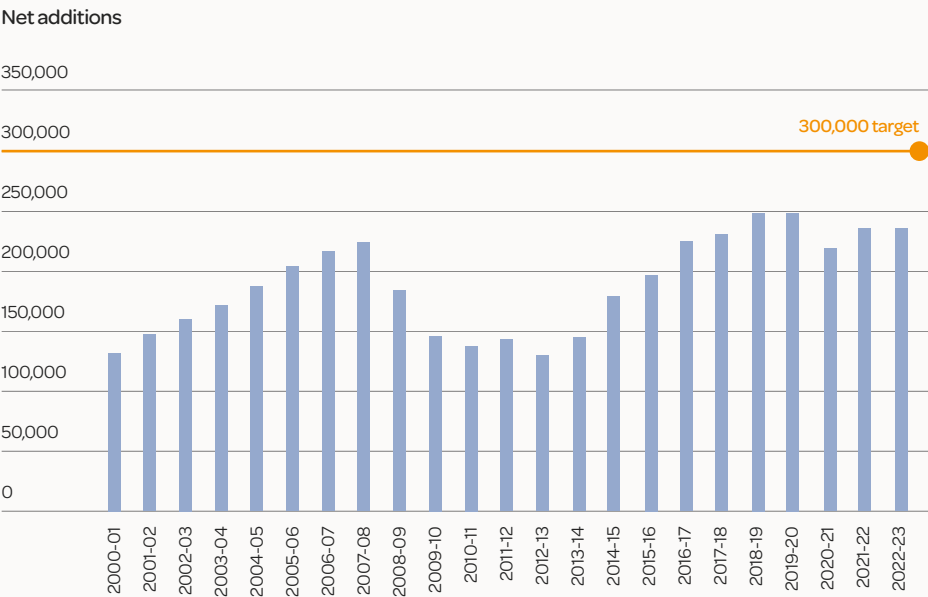
02

First 100 days in office

Written Ministerial Statement

Despite the former Conservative Government’s target of building 300,000 homes a year in England, set out in its 2019 manifesto, no more than 248,591 houses have been delivered in any single year since 2000.¹

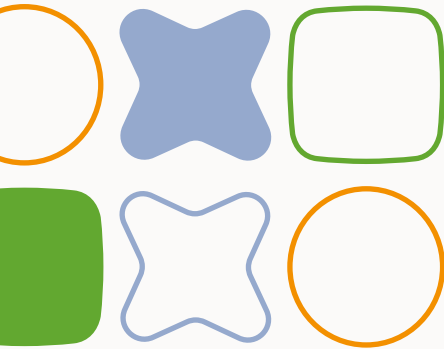
DLUHC Table 118, annual net additional dwellings and components, England and the regions



To add to the undersupply of homes, house prices in England have grown an average of 6% per annum over the last 30 years,² and the number of households on local authority waiting lists in England has grown by some 14% over the last five years (2018-2023).³

The first 100 days in office of the new Labour Government will therefore be a critical period in setting a new, positive tone for housing, highlighting the party’s short and long-term priorities to the electorate.

An immediate Written Ministerial Statement in the early days of office, outlining the new Government’s objectives to improve plan-making and speed up decision-taking, would set a clear commitment to addressing the housing crisis and increase the confidence in the housing sector.



We believe there are eight key areas of particular attention for this Written Ministerial Statement:

- **Establishing in policy an ambitious national target for new homes** and economic growth which recognises that more planning permissions need to be approved than the houses required to be delivered (continuing to support the delivery of at least 300,000 homes per annum as a minimum).
- **Increasing the weight in decision-making** (local planning authorities (LPA) and PINS) to be afforded to the potential of development to create new, high-quality jobs, boost productivity and address housing needs.
- **Prioritising affordable housing provision** and ensuring substantial weight is given where proposed provision exceeds prevailing local policy requirements.
- **Supporting development of Green Belt land where appropriate**, by easing the strict requirements currently set by paragraph 11 of the NPPF, restoring an appropriate balance between meeting housing need and protecting land.
- **Reviewing Green Belt boundaries when local plans are prepared**, revising Paragraph 145 of the NPPF to include a requirement for Green Belt boundaries to be reviewed when plans are being prepared and updated, ensuring they remain fit for purpose and contribute to fostering sustainable development patterns.
- **Applying a presumption in favour of development on brownfield land**, by extending current proposals to include housing and economic development (optimising the number of homes and jobs) as well as all brownfield land within built up areas, not just within the 20 largest.
- **Expedite nutrient neutrality mitigation**, by revisiting the Government's consultation from 2023 to abandon the requirements and unlock development which is currently being held up by the existing legislation.
- **Introduce a 'duty to plan'** to ensure each Local Authority in England has a Local Plan that is adopted within the next 30 months.



Setting clear priorities from the outset



Recent research we conducted found that authorities that adopted Local Plans since publication of the original NPPF in 2012 subsequently boosted housing delivery by on average 39%.

A Written Ministerial Statement outlining the changes above would provide the housing sector with the confidence and tools it needs to tackle the housing crisis head-on.

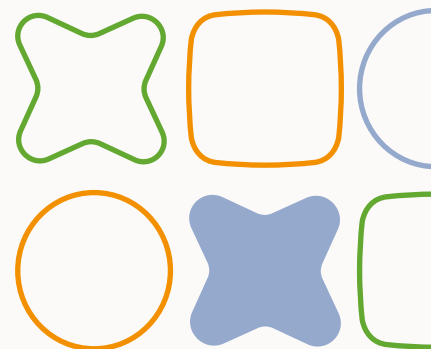
We know, for example, that an immediate introduction of a 'duty to plan' could have a significant impact on housing delivery within Labour's upcoming time in power.

Recent research we conducted found that authorities that adopted Local Plans since publication of the original NPPF in 2012 subsequently boosted housing delivery by on average 39%.⁴ Yet only 90 of England's 309 local planning authorities (29%)⁵ have adopted a Local Plan within the last five years (to March 2024). A further 71% of Local Planning Authorities (LPAs) do not have a plan for their entire area.⁶ And according to research by the LPDF by the end of 2025, 38% of the Local Plans that currently exist across England will be more than 10 years old.

Enforcing Local Plan preparation in a meaningful way will ensure LPAs can be held accountable, while providing the development industry with the clarity it needs to build homes in the places that need them most.

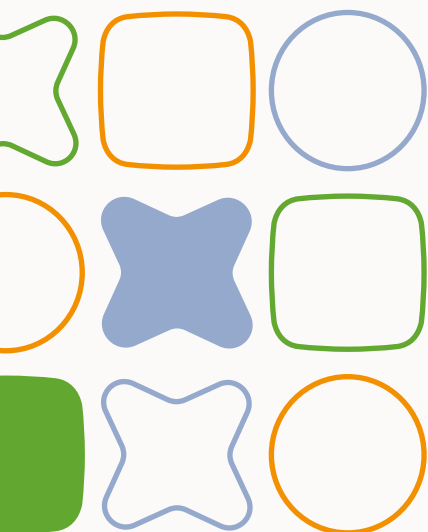
Elsewhere, immediate clarity on the Green Belt will support this Government in overcoming the misconceptions that have developed in recent years over the function and significance of Green Belt land. The discourse surrounding Green Belt land has resulted in little to no progress made on how it can be utilised effectively, while simultaneously protecting important Green Belt land where appropriate.

Creating certainty to the housebuilding industry on such areas should be a primary objective for this new Government if it is to provide the population with the housing it requires.





Successive revisions of the NPPF have blunted this positive impact and contributed to the undersupply of housing across the UK.



Revisions to the NPPF

When the National Planning Policy Framework (NPPF) was first published in 2012, the introduction of “the presumption in favour of sustainable development” was a positive response to the challenges that followed the global financial crisis. It was a “golden thread running through both plan-making and decision-taking” and set a positive tone for the roles planning and development can play in driving economic recovery and boosting housebuilding.

Successive revisions of the NPPF, however, have blunted this positive impact and contributed to the undersupply of housing across the UK.

The Labour Government promised immediate planning reform in its manifesto, and we look forward to seeing the details of what that entails. What is certain, however, is changes to the NPPF within this Government’s first 100 days in office is critical to boosting housing supply and remedying the housing crisis.

In addition to the changes to paragraph 11 and 145 in relation to the Green Belt, our other recommended immediate revisions to the NPPF include:

- Reversing the dilutions of policy on meeting housing needs introduced in December 2023 and amending policy to make clear that strategic policies within local plans should fully meet identified needs.⁷ The previous changes made are incompatible with the objective of delivering at least 300,000 homes per year and should be removed.
- Amendment to paragraph 76 of the NPPF, reverting to previous versions with regards to need for local planning authorities to demonstrate a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing for decision making purposes.
- Removal of paragraph 14 in the NPPF, to allow decision-makers to weigh the provisions of Neighbourhood Plans alongside other material considerations.
- Reintroducing a full five-year housing land supply requirement test – not to be softened through the existence of Neighbourhood Plans.
- Increase the Housing Delivery Test bar to place greater onus on delivery, ensuring local plans have a necessary buffer in place and allocate sufficient deliverable sites.
- Require Local Plans to be formally reviewed by an Inspector every five years, on a rolling basis.
- Ensure that Local Plans have a robust supply of sites at the point of adoption, that will deliver in the first five years, rolling forwards, which is fully tested at examination.
- Ensure a range of site sizes and locations to facilitate diversification and ongoing delivery in Local Plans, supporting SME builders.
- Require LPAs to publish forward plans for under-utilised public land and assets, with Government funding made available to deliver these in partnership with the private sector. The Homes England [Land Hub](#) currently identifies only 82 sites, with capacity for c.10,795 homes. This suggests that little public sector land is currently being disposed of by the public sector.
- Updates to paragraph 60 of the NPPF to ensure that Local Authorities are planning for its minimum housing need, accounting for groups with different needs such as older people or students.

While NPPF revisions are fundamentally required to improve the UK’s planning system, the ad hoc approach taken to NPPF amendments and revisions in recent years has created ambiguity across the industry. Outlining clear and transparent revisions from the outset of this Government’s term would provide the certainty the industry needs for long-term success.

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Longer term changes

While there are some immediate steps that can be taken in the first 100 days of this new Government's term, 100 days isn't enough to rectify the challenges that the housing industry has faced and create a robust and sustainable future for the market, and for the UK population.

Instead, if this new Government wants to make meaningful, long-term change when it comes to housing supply, it must remain a serious focus throughout its term. To ensure housing remains a priority, the Government must create an ambitious National Strategy for Housing to form part of a National Spatial Strategy for England.

A national strategy should set a minimum housing target and indicate priority growth areas and be set in context of priorities for levelling up, investment in infrastructure and priorities for decarbonizing.

While much of this is already implicit within existing policy, it is not well understood and responsibility is spread across various Government departments and bodies. A national strategy would collate national objectives, mediate any competing interests and provide a clear long-term framework for investment.

This National Strategy for Housing should be prepared by the new Government, take account of wider stakeholder engagement and become a material consideration in plan-making and decision-taking of similar weight to the NPPF and the emerging National Development Management Policies (NDMP).

Specifically, there are several key elements, which we outline throughout this section of the document, which must be considered if the next Government is to positively shape the future of UK housing stock.

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A new approach to assessing housing need

The previous housing target was a key talking point for all sides in the lead up to the 2024 General Election, with a common perception being that it was based on outdated projections and “mutant algorithms”. While restoring mandatory housing targets was a key pledge in Labour’s manifesto, we must adopt a fresh approach to creating these targets.

This new approach should use the existing occupied housing stock of an area⁸ as the starting point and apply an amount by which this should increase. This would be a simple and more transparent approach and address criticisms of the current standard method by directly linking future housing need with the current population of an area.

The Government must also provide national guidance which provides clarity on how this approach would work, including;

- How to account for indicators such as economic growth, investment in infrastructure, and market signals of affordability which indicate a higher level of need.
- How to account for unusually high concentrations of older people or students which might indicate lower levels of need.

Subject to these exceptions, each local authority should be required to plan for its minimum need (with paragraph 60 of the NPPF immediately updated), unless a binding agreement has been secured with a neighbouring local authority to accommodate any unmet need. This should include identifying and meeting the needs of all sectors of the community, fronting into the challenges that we will continue to face regarding housing an older population.⁹

Strategic spatial guidance

To bridge the current gap between national policy and local plans, the key priorities of a national plan should be translated into spatial guidance at strategic level.¹⁰

This guidance would disaggregate national targets for economic growth, housing delivery, infrastructure investment and environmental protection to areas covering large groups of local authorities.¹¹

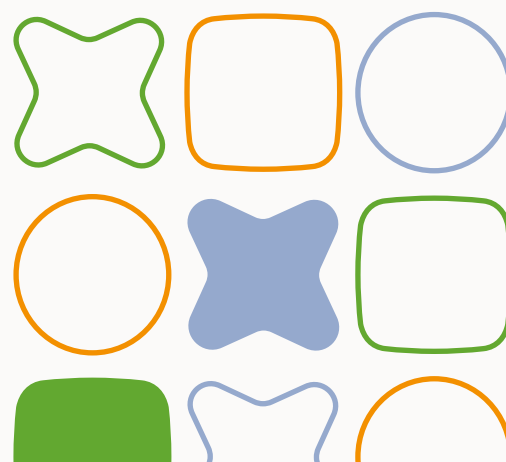
The guidance would align with strategic economic plans and nature recovery strategies (where they exist), identify growth areas, and establish “areas of search” for new settlements, strategic employment sites, and significant infrastructure projects.

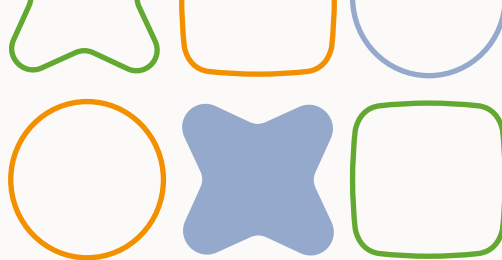
Crucially, governance arrangements must enable approval by a majority rather than requiring unanimity. The requirement for unanimity has effectively created a veto for each LPA and has been a root cause of the collapse of several strategic plans and led to a lack of ambition in others.

Strategic guidance would establish a framework for preparation of more detailed local plans, whether by individual authorities or jointly with neighbours. It should also detail how plan makers should collaborate to ensure that any unmet needs are provided for within neighbouring areas.



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Embedding social value into planning and housing

A common reason cited by communities that oppose development in their areas is a perceived lack of supporting social infrastructure such as school places, community facilities or open spaces. Communities perceive that they experience the impacts of a new development but not its benefits.

We consider that a more transparent and consistent approach to assessing social value of proposals would help to address these concerns. If an applicant is required to engage with the community to identify local needs and include proposals for how these needs would be addressed, this would enable more local communities to welcome development in their areas as they see developers, local authorities and Government working together to improve the social value of development.

We propose that applicants for larger developments be required to demonstrate the social value of their proposals using a consistent and transparent approach.

This would include undertaking meaningful engagement with local stakeholders to understand the needs of the area - specify how they would address these needs and optimise the social value of the development - and set out robust proposals for the delivery of the necessary infrastructure.

Many applicants already adopt this best practice approach. Making this a standard requirement for certain types of development would help to ensure more informed, better and quicker planning decisions.



We propose that applicants for larger developments be required to demonstrate the social value of their proposals using a consistent and transparent approach.



Up to date local plans in 30 months

With appropriate local authority resourcing, and support from statutory bodies, the previously proposed improvements to the plan-making process have much to commend them.¹² Proposals to streamline information requirements, include independent gateway assessments throughout the process, freeze the evidence base at key milestones and focus examination on key issues of soundness are particularly welcome, and the new Government should continue implementing these recommendations.

Further to these, if the new Government were to bring in shorter, digital plans covering all of England, and these were kept up to date, prepared with extensive public and stakeholder engagement and examined and adopted within 30 months, it would be transformative.

This would create the sort of certainty and consistency that developers and investors, particularly smaller businesses, need in order to boost the supply of new homes.



The role of the Green Belt in the future of our country is widely, and in some cases deliberately, misconceived.

Update Green Belt policy

The role of the Green Belt in the future of our country is widely, and in some cases deliberately, misconceived. Since their inception, Green Belts have been effective in managing the outward spread of towns and cities and stimulating urban regeneration.¹³ However, as the population has grown and needs have changed, they have choked economic growth and the supply of new homes.

It is against this backdrop that the new Government has the opportunity to establish an independent and objective review of the purposes of and policy for the Green Belt. The Labour Party outlined its commitment to a brownfield-first approach in their manifesto, but clarity on Green Belt development remains critical. While there are short term changes the new Government should make within the first 100 days to improve Green Belt policy, we must also adopt longer-term thinking to ensure it supports sustainable development.

Terms of reference should include:

- Assessment of long-term growth needs of towns and cities affected by Green Belt.
- Identifying the implications for the economy and society if Green Belts remain as they are.
- Reviewing to what extent the current purposes of Green Belt remain relevant.
- Considering alternatives to Green Belt if it was to be superseded.
- If Green Belt is to remain, how the need for review of its boundaries should be approached.

The incoming Government should appoint an independent and appropriate expert body, such as a Royal Commission, and should potentially also be informed by voices such as citizens' assemblies to ensure that all perspectives are heard and taken into account.

Accelerating the delivery of large scale housing projects

To address the housing crisis, the Government must plan for development of scale and new settlements, including new towns, garden villages and urban extensions, which often represent the most sustainable way to create communities, deliver infrastructure and boost housing delivery over the medium term.

While it is positive to see the Labour Party recognise the importance of these types of developments - with Angela Rayner announcing that sites for the "towns of the future" will be unveiled by the end of a Labour Government's first year in power - as part of its New Town Commission, to date these schemes have been held back by uncertainty of delivery and open-ended application processes.

These developments also take time. In fact, it is unlikely a single home can be delivered as part of a new town within this Government's time in office. It is critical, therefore, that our planning system facilitates the long-term delivery of housing.

The system of Development Consent Orders (DCO) uses early confirmation of the nature of development, extensive public consultation, consistent requirements for evidence and supporting information and defined timescale for decision making. As a result, it has been effective in managing these risks and uncertainties for larger/complex infrastructure projects. If the Government were to extend DCOs and allow larger scale residential-led developments to adopt this process, they could expedite housing delivery in this country exponentially.

Accelerate starts on site

As it currently stands, even if planning permission has been granted, work starting on site can be significantly delayed due to delays in discharging planning conditions.

The new Government could address this with the early introduction of policy guidance and performance indicators to:

- Require model wording for planning conditions and planning obligations unless bespoke wording is genuinely necessary.
- Increase the fees for discharge of conditions and introduce a fee refund where a decision is not received within six weeks of submission.
- Strengthen existing provisions for deemed approval of conditions where a decision is not issued within a set period from submission, and reduce the number of pre-commencement planning conditions proposed that overlap with other legislative regimes.¹⁴

Supporting local authority resourcing

Key to every point we have made in this document is a properly funded and resourced planning system. This is arguably the single biggest barrier to the delivery of housing through the planning system.

The DLUHC “Reforms to National Policy”¹⁵ consultation report (July 2023) recognised these challenges and stated that:

“The Government should publish a comprehensive resources and skills strategy for the planning sector, in line with its commitment to us. The strategy should clearly explain how the resourcing and skill needs of local planning authorities will be met; and should be published before future reforms to national planning policy are implemented.”

The accompanying July 2023 ‘Technical Consultation: Stronger performance of local planning authorities supported through an increase in planning fees’ sought views on improving performance of local planning authorities by:

1. Increasing planning fees
2. Building capacity and capability
3. Introducing a more robust performance regime

However, since then, and despite the fact that there have been application fee increases, these have not been ringfenced to support local authority planners, and as a result we have not seen any notable improvement in performance.

Addressing the chronic shortage of planning professionals and in particular experienced officers, must also be a priority for this new Government to improve the performance of local planning authorities. It is vital Labour consider means to attract qualified planners into public sector roles. Key to this is increasing the profile of planners and related staff.

There are five key steps we recommend the Government take in order to increase resource:

- Introduce a national ‘scheme of delegation’ for planning applications, allowing more decisions by delegated powers making most effective use of stretched officer resources.
- Stipulate RTPI Accredited training for all Planning Committee Members before deciding planning applications.
- Ringfence planning application fees for planning departments and supporting services, and introduce fees for other statutory consultees within application fees to ensure that they are able to respond to planning application consultations within 21 days.
- Benchmark public sector salaries with private sector equivalents, continuing to invest in young professionals to attract them to planning as a career, and starting a targeted campaign to encourage retired and semi-retired planners to return to the profession.
- Require a Chief Planner role in every local planning authority.



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Concluding thoughts



Good quality homes affect every area of our lives. In a landscape where living costs are rising, interest rates have risen and economic growth has been flat, this new Government must navigate multiple challenges and housing must sit at the heart of their agenda.

If the Government can get housing right, including by making meaningful changes to the planning process, we expect that a plethora of other challenges will be easier to overcome.

The Government has a huge opportunity ahead of them, and our hope is that this document gives them a clear foundation of actions that should be taken.



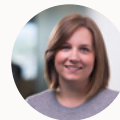
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Endnotes

1. DLUHC Table 118, annual net additional dwellings and components, England and the regions
2. ONS (March 2024) House price to workplace-based earnings ratio
3. DLUHC (December 2023) Live Table 600: Local Authority Waiting Lists
4. DLUHC, Table 122: housing supply: net additional dwellings by local authority district. Delivery in the three complete years following adoption of Local Plans (as recorded by the Planning Inspectorate) has been compared to the three years prior, to estimate the average increase facilitated by newly adopted Local Plans
5. <https://www.centreforcities.org/publication/homes-on-the-right-tracks/>
6. Includes newly formed authorities where predecessors adopted Local Plans that endure for part of the new geography
7. In particular NPPF paragraphs 60, 61, and 145
8. Taking account of second and holiday homes
9. <https://www.turley.co.uk/comment/why-should-we-support-later-living-sector-through-planning>
10. Potentially applying the principles of a Spatial Development Strategy but with a clear emphasis on genuinely strategic matters and avoiding duplication of national policy or covering matters that are more appropriate within a local plan
11. For example devolved groupings which capture main cities and their spheres of influence our county authority boundaries
12. Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms. Department for Levelling Up, Housing and Communities. 25 July 2023
13. In London Metropolitan Open Land performs a similar role
14. The relevant period being the statutory determination period for the application which led to the permission
15. <https://committees.parliament.uk/publications/40872/documents/199083/default/>



About Turley

Trusted independent advisors with restless ambition to shape a more sustainable future.

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