

About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. Our members are responsible for providing around 80% of all new private homes built in England and Wales and most of our members are small or medium-sized enterprises.

Introduction

HBF and its members are grateful for the opportunity to offer views on the Government's brownfield passport proposition.

HBF is entirely supportive of expediting the delivery of vacant brownfield sites.

Land availability is consistently cited by developers as a challenge, but it is particularly concerning for SME home builders. Indeed, the percentage of smaller developers citing it as a major barrier to growth increased from 32% in 2020 to 52% in 2023-24².

It was also an issue identified in the final report of Competition and Markets Authority's (CMA) housebuilding market study which stated, *"our research supports the view that SME housebuilders face issues that can make the land market more challenging for them"*⁴.

As such, the downward trend in the number of active SMEs is being driven at least in part by the paucity of opportunities for development being provided by the planning system.

Savills⁷ has identified that in 2011 the average size of a local plan allocation was 35 hectares. Between 2012 and 2016 though the average allocation had risen to 60 hectares. Between 2017 and 2021 it was 69 hectares.

Savills has identified a similar pattern in the number of sites gaining full consent. In 2012, sites with capacity for over 1,000 homes comprised less than 2% of all consents granted. That proportion had risen to 10% by 2020. In contrast, the number of homes being delivered on smaller sites has fallen every year since 2017. In 2022, the number of homes consented on sites with capacity for under 100 homes was lower than it was in 2013, even though the total number of homes consented had increased by 32%.

It is clear, therefore, that housing land supply is becoming increasingly concentrated in a smaller number of larger sites and HBF welcomes all initiatives to buck this trend. However, the country's housing needs cannot be met through the development of brownfield sites alone and so the industry would encourage the Government to publish the outcome of its recent consultation on the changes to the National Planning Policy Framework (NPPF), including the introduction of the concept of 'grey belt' land, as soon as possible.

² <https://www.closepropertyfinance.com/news-and-insights/state-play-report-202324-challenges-and-opportunities-facing-sme-home-builders>

⁴ <https://www.gov.uk/cma-cases/housebuilding-market-study>

⁷ https://www.savills.co.uk/research_articles/229130/347962-0



Could national policy be clearer if it were explicit that development on brownfield land within urban settlements is acceptable unless certain exclusions apply?

The changes proposed to the NPPF reinforce an existing presumption in favour of granting planning permission for development proposals on brownfield land.

Paragraph 122 of the draft revised NPPF states that planning policies and decisions should, amongst other things: “give substantial weight to the value of using suitable brownfield land within settlements for homes and other identified needs, proposals for which should be regarded as acceptable in principle, and support appropriate opportunities to remediate despoiled, degraded, derelict, contaminated or unstable land”.

Outwith a national development management policy, this, it could be said, is as close as national policy can be to explicitly stating that the principle of development on brownfield land within urban areas is acceptable.

The reasons why though more brownfield sites do not come forward for development is rarely down to the absence of explicit policy support.

Practically speaking, issues such as the following all increase the risk of taking on and putting together a development proposal:

- Viability pressures caused by higher build costs and higher alternative or existing use values;
- The remediation of former polluting uses;
- Open mosaic habitat and biodiversity net gain obligations; and
- Complicated site assembly issues (e.g. multiple tenancies).

There are many other such others.

The point about risk is fundamental to the decision that a land and development professional must make when confronted with the choice as to either take these issues on or leave them to focus instead on another site and another opportunity.

Identifying potential development sites in existing urban areas is not easy and often requires a number of adjoining land ownerships to be pieced together, or the termination of a significant number of existing tenancies/leases, which can be time consuming.

Whilst national policy might explicitly support the principle of development on brownfield land, the subjective nature of local planning policies, with references to, for example, “appropriate” increases in density or building height, mean that there is very little certainty as to the type and scale of development proposal that might secure planning permission.

This risk serves to reduce what the land and development professional is prepared to offer for the site, which likely has an existing use value that the owner will require a premium for in order to be convinced to sell it.



These barriers are especially troublesome for the SME sector to overcome. According to Lichfields¹⁰:

- The time taken to achieve an outline permission in 1990 was 13-14 weeks, but is now 52 weeks;
- The cost of gathering the evidence required for outline permissions in 1990 (adjusted for inflation) was £28,000, but is now £125,000; and
- SME housebuilders are advised to provide on average 30 separate assessments for outline permissions in 2023.

The difficulty, cost and time required for an uncertain return on a relatively small site, have deterred some developers. That is part of the reason why the number of residential planning permissions granted for smaller sites has more than halved since 2017¹¹.

The case to expedite and maximise the development and potential of brownfield sites is clear and compelling, but it could be said that to do so requires less of a focus on national policy support and more of a focus on local policy support and the practicalities of bringing such sites forward.

It is also germane to point out that a national scheme of delegation could play an important role in expediting the development of brownfield sites by reducing the number of applications that have to be determined by a planning committee. It would seem eminently sensible, for example, for a proposal that is consistent with a Local Development Order (LDO) or a local Design Guide to be able to be determined by professional officers as a matter of course and in the absence of exceptional circumstances.

Could national policy play a role in setting expectations about the minimum scale of development which should be regarded as acceptable in accessible urban locations?

There is a very strong case to say that national planning policy should include a presumption in favour of new development that is no more than one-storey higher than neighbouring buildings. Further, national policy could support minimum density or building heights within a certain distance of, for example, public transport hubs within urban areas such that where a local plan is out of date or a local authority has not proactively identified areas where greater density will be supported the development industry can invest in development propositions knowing that national policy can support the case for development at appeal if the case for development is not supported locally.

Could more use be made of design guidance and codes to identify specific forms of development that are acceptable in particular types of urban area?

Without substantive pre-application advice, it is very often the case that the only way to find out if a development proposal will be supported is to submit a planning application. Even then, and even if officers are minded to support an infill development or a taller building than something existing, objections from existing residents about 'the character of the area' might result in a planning application being, at best, delayed by a planning committee and, at worst, refused.

¹⁰ <https://lichfields.uk/content/insights/small-builders-big-burdens>

¹¹ https://www.savills.co.uk/research_articles/229130/363288-0



Design guides are a way for Local Planning Authorities (LPAs) to proactively set out the type and scale of development that will be considered acceptable in a given area, without, as with design codes, being overly prescriptive as to architectural styles or introducing additional policy obligations.

The clear rules set by design guides make it clear for land and development professionals as to what type of development will be approved and, therefore, which areas that land buying efforts should be focused on. Further, without needing to factor as much risk into the development appraisal, those land buyers will be able to offer more to acquire sites, increasing the pool of landowners that might be agreeable to selling.

What sort of areas would be most suited to this approach, and at what geographic scale could such guidance and codes be used?

HPF is supportive of the intention to move away from district-wide design coding, provision for which was included in the Levelling Up & Regeneration Act, and towards the preparation of localised design codes, masterplans and guides for areas of most change and most potential, such as regeneration priority area, areas suitable for densification, urban extensions and the development of large new communities.

How could Local Development Orders be best used with these proposals?

The widely understood benefits of LDOs are that:

- They simplify the planning process by removing the need for planning permission where appropriate and proportionate;
- They can be applied to a range of sites and types of development;
- They reduce the pressure on resources for both applicants and LPAs;
- They provide greater certainty and make investment in a site more attractive; and
- They can bring forward regeneration faster.

HBF is not aware of any more recent data, but in 2018 the Planning Advisory Service found that over 100 LDOs had been granted across 54 councils in England, but, since LDOs were first introduced by the Town and Country Planning Act 1990, that does not seem a great deal.

It would be interesting to understand from the local government sector what the incentives and disincentives to the preparation of LDOs are and why they are not deployed more frequently.

Are there any other issues that we should consider if any of these approaches were to be taken forward, in particular to ensure they provide benefits as early as possible?

Similarly, Permissions in Principle (PiP) were introduced to the planning system in 2018, but their deployment also seems modest.

The laudable ambition for PiP was to provide an alternative route to obtaining planning permission that separates the principle of development from the technical detail.

PiP can be granted following an application to a LPA or a LPA can automatically grant a PiP to brownfield sites by including them in Part 2 of a Brownfield Land Register.



Again, it would be interesting to understand from the local government sector what the incentives and disincentives to activating Part 2 of a Brownfield Land Registers are because very few LPAs have done so.

One reason that brownfield registers might not being used as intended could be because the fee arrangements actually act as a disincentive to LPAs to prepare them because the fee paid does not recover the time involved.

Consider, for example, a site of one hectare proposed for 30 homes.

Under a conventional outline application (£4,620) and reserved matters submission (£13,860) the LPA receives £18,480 towards the cost of the development management function.

For a LPA to confer PiP by way of Part 2 of the register the LPA would only, having displayed the relevant notices and taken representations received in response into account, receive a fee of £4,020.

That imbalance surely needs to be addressed, and LPAs rewarded, or at least compensated appropriately, for proactively identifying the small and medium sized sites that officers would like to see come forward for development.

From the development industry point of view, applications for PiP can only be made for minor residential sites and are subject to a number of restrictions, such as not being able to apply for PiP for EIA development or development subject to a Habitat Regulations Assessment.

Further, PiP is perhaps not seen as providing very many advantages over an outline planning permission, which is a much more established and widely understood form of consent.

Brownfield Registers should play an important role in building the pipeline of sites and especially small sites within urban areas, but, as Savills¹² has identified, the data held by many LPAs is not currently fit for purpose, with many registers containing duplicates, sites already under construction, and sites that the LPA has already assessed as not suitable for housing.

As well as LDOs and PIP, Supplementary Planning Documents (SPDs) such as that adopted by Lewisham¹³ in 2021 offer the potential to create a more supportive policy environment for small sites and here the experience in Croydon is instructive.

The net completion of homes on small sites in Croydon rose from 770 between 2012/13 and 2016/17 to 1,965 between 2017/18 to 2021/22, which was almost three times as much as second-placed Barnet¹⁴.

This was widely attributed to a 2019 Suburban Design Guide SPD that won an award that year for increasing housing delivery.

¹² https://www.savills.co.uk/research_articles/229130/347962-0

¹³ <https://lewishamsmallsites.co.uk/>

¹⁴ <https://data.london.gov.uk/housing/housing-in-london/>



However, one of the candidates to become Croydon's first elected mayor singled out the 'destruction of Croydon's character' as a focus for his campaign and, once elected, scrapped the 'developers charter' in July 2022¹⁵.

The evident success of this policy, and its vulnerability to the viscidities of local politics, make a compelling the case for the policies included in the Suburban Design Guide to be included in National Development Management Policies.

In addition to streamlining permissions on urban brownfield sites, where else do you consider this type of policy could be explored to support economic growth?

LDOs, conferred at the same time as a local plan is adopted, could have the potential to expedite delivery of urban extensions and new settlements.

¹⁵ <https://www.croydonconservatives.com/news/spd2-planning-document-withdrawn>

