

Proposed reforms to the National Planning Policy Framework and other changes to the planning system

Response to proposed National Planning Policy Framework reforms.

18 March 2026

Summary

Introduction

We welcome the Government's National Planning Policy Framework reforms, particularly measures to support SMEs, increase densities, and deliver a broader mix of homes that reflect local needs, including for older people and rural communities.

However, removing the requirement for direct delivery of S106 homes on medium sites risks weakening these reforms. Delays in the current cash-in-lieu system, where funds often go unspent and are ultimately returned to developers, would slow the pace of social and affordable housing development.

Our research shows that over one in ten S106 homes purchased by our members are on medium sites; for small and medium housing associations, this rises to one in four. Almost 10,000 affordable homes delivered nationally over the past three years wouldn't exist if developers hadn't been required to build them.

In exceptional cases, where delivering affordable homes on-site is genuinely unviable, cash-in-lieu contributions must be swiftly converted into new affordable housing delivery by local authorities or Registered Providers. Where funds remain unspent within a set timeframe, they should be transferred to Homes England or the GLA to support grant-funded local delivery.

Effective S106 delivery depends on early and consistent engagement between developers and housing associations and strong customer service throughout development and aftercare. Our research shows that when developers engage with housing associations early, they purchase twice as many S106 homes. DM1 should therefore explicitly name Registered Providers as bodies to engage at the pre-application stage.

We also welcome the inclusion of a clearer policy on Rural Exception Sites (RES); but without a dedicated Permission in Principle (PiP), delays and risks will persist – particularly for smaller providers. We therefore recommend a bespoke RES PiP to streamline approvals and support stronger rural delivery.

Structure

Questions 2 and 2a

2. Do you agree with the new format and structure of the draft Framework which comprises separate plan-making policies and national decision-making policies? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

The clearer separation improves national consistency and reduces duplication, particularly where local plans are out of date or slow to reflect national priorities and would help housing associations navigate planning decisions with greater confidence.

Chapter 2: Plan-making policies

Questions 6, 7, 9, 13, 16a, 17, 17a, 18

6. Do you agree with the role, purpose and content of spatial development strategies set out in policy PM1?

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

Strongly agree that SDS should 'provide a clear spatial framework for new housing, including a strategy for sustainable pattern of growth covering 20 years, including through the apportionment to local planning authorities in the strategy area of objectively assessed needs for housing'.

PM1 provides a stronger basis for delivering homes that match evidenced need, including social rent, and clearer policy support for affordable and mixed-tenure schemes.

However, while a sub-regional strategy is useful, the proposed content overlooks the social and economic needs of rural communities. Therefore, we recommend adding

a clause to PM1 to support rural revitalisation and balanced growth across urban and rural areas.

We further recommend a formal expectation that authorities consult with housing associations when developing the SDS to ensure the housing need assessments accurately capture housing need.

7. Do you agree that alterations should be made to spatial development strategies at least every 5 years to reflect any changes to housing requirements for the local planning authorities in the strategy area? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly disagree.

9. Do you agree with the role, purpose and content of local plans set out in policy PM2? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree with local plans identifying the contributions expected from development towards meeting affordable housing requirements. This is a direct, positive step toward addressing a range of housing needs, including for particular groups such as older people.

13. Do you agree with the approach to the preparation of plan evidence set out in policy PM8? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree, because while the approach in PM8 is broadly sound, the NPPF should require SDSs and Local Plans to collect evidence at geographic scales appropriate to local circumstances, especially parish-level data for rural areas, and reinforce this through clearer guidance in the 'Gathering Baseline Information' section.

16. Do you agree that policy PM12 increases certainty at plan-making stage regarding the contributions expected from development proposals? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

Agree that policy requirements should include the levels and types of affordable housing provision required (with reference to policy HO5).

This is a direct, positive step toward addressing a range of housing needs, including for particular groups such as older people.

However, the policy will only work effectively if the plan is supported by robust viability testing to ensure that the specified contributions are realistic and deliverable in practice. Its successful implementation will also depend on adequate resourcing of local planning policy teams.

17. Do you agree that plans should set out the circumstances in which review mechanisms will be used, or should national policy set clearer expectations?
Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Partly disagree

a. Please provide your reasons, particularly if you disagree.

National policy should provide clear guidance on how viability reviews operate and when they apply, particularly where:

- Viability constraints result in reduced affordable housing provision; and
- Land value uplift occurs, ensuring that any surplus generated is used to meet policy requirements.

Where viability subsequently improves, a review mechanism should be triggered to ensure that any excess profit - or 'super profit' - is directed towards additional affordable housing delivery. This approach ensures that the benefits of land value uplift are shared fairly between developers, landowners, and the public through developer contributions.

Local Plans should set out the approach to viability reviews, including clear methods for calculating and applying surplus profit. Standardising review mechanisms within S106 agreements would further enhance consistency, transparency, and efficiency in negotiations.

18. Do you agree with policy PM13 on setting local standards, including the proposal to commence s.43 of the Deregulation Act 2015? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree that quantitative standards should include affordable housing requirements and tenure mix.

Chapter 3: Decision-making policies

Questions 21, 21a, 22, 24, 24a, 25, 25a, 26, 27a, 28a, 29, 33, 33a

21. Do you agree with the principles set out in policy DM1? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

DM1(1a) and DM1(2) of the NPPF must specifically reference RPs as bodies that must be engaged at the pre-application stage. Early involvement allows RPs to influence key aspects such as design, specification, tenure mix, home types, and long-term service charges. This engagement helps remove barriers that often prevent RPs from purchasing Section 106 homes. NHF research shows that:

- If barriers were to be removed 60% of housing associations would increase their S106 acquisitions.
- RPs that are engaged early purchase twice as many S106 homes, as a proportion of their pipeline, as those that are just offered the units upon completion.

Other recommendations for DM1:

- It is also important to ensure that local authorities provide sufficient support at the pre-application stage for small and medium-sized developments, not just major schemes.
- The policy should explicitly accommodate the additional evidence and process requirements specific to rural exception sites - including local need data, perpetuity and local-connection arrangements, and pre-app engagement - to ensure RES applications can be assessed effectively and viably.

- This will require LPAs, statutory consultees, and other relevant bodies to be appropriately resourced and incentivised to engage effectively at the pre-application stage. Clear guidance on what is expected from each party would be helpful.

22. Do you agree with the policy DM2 on information requirements for planning applications? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

While DM2 will reduce risk and delay for affordable housing schemes and rightly ties local lists to NDMP requirements, national guidance should set out clear, consistent information requirements for large, medium, and small sites, including RES and small DRA sites delivering affordable homes (ideally in the NPPF Annex or NPPG).

For consistency in approach, other assessments such as noise or air quality could also be set at a national level.

24. Do you agree with the principles set out in DM3? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

DM3 addresses many of the delays faced by RES applications by reinforcing proportionality, a positive approach and timely decision-making, and its benefits would be maximised by amending DM1(2) to encourage pre-application discussions, including for RES proposals.

However, DM3(1)(d) could be stronger to ensure statutory and internal consultees are incentivised to respond within their deadlines or otherwise lose the opportunity to do so with the information submitted with the application taken as read.

DM3(1)(b) is ambiguous and may require guidance or greater clarification.

25. Do you agree that policy DM5 would prevent unnecessary negotiation of developer contributions, whilst also providing sufficient flexibility for development to proceed? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

The success of DM5 in preventing unnecessary negotiation depends on having a sufficiently robust and credible viability assessment at plan-making stage. If the evidence is not detailed or tested enough early on, it risks being challenged later, which could slow down both plan preparation and decision-making.

Additionally, DM5 should reduce unnecessary negotiation particularly if, as proposed, the NPPG guidance on viability assessments is incorporated into the NPPF. We welcome the inclusion of the statement that the price paid, or intended to be paid, for land – including through an option agreement – should not be used as justification for failing to comply with the relevant policies in the plan.

DM(1) should allow ‘fast track’ through decision-making.

26. Do you have any further comments on the likely impact of policy DM5: Development viability?

Local authorities are increasingly taking different approaches to sustainability requirements, which creates uncertainty for developers. Greater standardisation or clearer national guidance on sustainability expectations would be extremely helpful to ensure consistency, reduce negotiation, and support more reliable viability modelling. Building Regulations should be the basis for energy and sustainability standards to ensure consistency and certainty for developers and housing associations.

27. Do you have any views on how the process of modifying planning obligations under S106A, where needed once a section 106 agreement has been entered into, could be improved?

a. If so, please provide views on specific changes that may improve the efficacy of S106A and the main obstacles that result in delay when seeking modification of planning obligations.

A number of practical improvements would make the S106A process more efficient and reduce delay:

- Extend the period in which a simple deed of variation is permitted. The current five-year limit is too short for large, phased or complex developments. Extending this period, particularly for clauses such as MIP, would avoid unnecessary complexity when schemes build out over longer timescales.
- Introduce standardised, boilerplate clauses for non-contentious S106 obligations. Consistency in routine elements would avoid repeated negotiation and reduce legal drafting time.
- Create national-level template wording in the planning practice guidance for key S106 mechanisms. Many local authorities are drafting highly detailed or inconsistent clauses (e.g. CPI vs RPI indexation, rent definitions, funding-linked conditions). When government guidance changes, these detailed provisions no longer align, forcing repeated deeds of variation. Standard national wording would prevent this churn, and should include viability review mechanisms.
- Improve resourcing and require timely engagement from LPAs and legal teams.

28. Do you have any views on how the process of modifying planning obligations could be improved in advance of any legislative change, noting the government's commitment to boosting the supply of affordable housing.

a. If so, please provide views on the current use of s73 and, if any, the impact on affordable housing obligations.

Section 73 applications allow variations to planning conditions but are often used to revisit viability and reduce affordable housing via new assessments.

To prevent the misuse of Section 73 applications to reduce affordable housing, Government should restrict s73 changes that lower affordable housing within, for example, three years of the original permission. Crucially, any reduced requirement should be conditional on the scheme actually being built out. This means the lower affordable housing level applies only while the developer is demonstrably progressing delivery; if construction slows significantly or stalls, the obligation should automatically revert to the original affordable housing requirement agreed at consent stage.

Local planning authorities would still retain flexibility to agree a Deed of Variation where genuinely necessary to unlock delivery, but this safeguard would stop

developers from securing reduced affordable housing via S73 and then failing to build the scheme. At present, S73 applications can be submitted immediately after committee approval, which represents a cynical manipulation of the process and often precedes profitable land sales. Tightening the rules in this way would protect affordable housing commitments and ensure reductions are permitted only where linked to real delivery on the ground.

29. Do you agree with the approach for planning conditions and obligations set out in policy DM6, especially the use of model conditions and obligations?

Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Partly agree: We support the aim of greater consistency and simplification through the use of model conditions and obligations. However, the policy wording that discourages planning obligations is too broad and risks undermining the essential use of S106 agreements - particularly for securing perpetuity and local connection requirements on Rural Exception Sites. We recommend developing a national model planning obligation specifically tailored for RES schemes.

It would also be helpful for either the NPPF or associated guidance to include explicit reference to the need for appropriate phasing of conditions and obligations on large-scale or multi-phase developments.

33. Do you agree with the new Article 4 direction policy in policy DM10?

Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Partly agree.

a. Please provide your reasons, particularly if you disagree.

While we support LAs having more discretion to restrict conversion to HMOs in general, we note the risk that this could reduce provision of certain types of supported housing delivered via HMOs. We suggest that there is a specific reference to the importance of assessing the impact of using Article 4 on the local provision of supported housing, when making decisions.

Chapter 4: Achieving sustainable development

Questions 34, 34a, 35, 36a, 36, 36a, 37, 38, 38a, 39, 40

34. Do you agree with the proposed approach to setting a spatial strategy in development plans? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

Although a clear spatial strategy is essential, the combined wording of S1, S2, CC1 and CC2 risks concentrating growth in larger centres and limiting rural opportunities, and should be amended so S1 explicitly requires planning positively for growth in both urban and rural areas while promoting sustainable development and climate mitigation.

Specific requirement should be included to ensure that the spatial strategy reflects other relevant documents e.g. Local Nature Recovery Strategies, national 10 year infrastructure plan etc.

35. Do you agree with the proposed definition of settlements in the glossary? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly disagree

a. Please provide your reasons, particularly if you disagree.

The proposed approach works well for urban areas well served by public transport, opportunities for non-car to access a range of services. However, these opportunities are less available in rural areas and there is a risk that these communities will not receive the development that will support the rural economy or rural communities. Instead they will be reliant on the limited forms of development identified in the policy S5. This could be avoided by changing the definition of settlements to explicitly state that in rural areas settlements can include villages and clusters of smaller villages that share services and together act as a sustainable settlement.

36. Do you agree with the revised approach to the presumption in favour of sustainable development? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

The policy is helpful and should ensure faster and more positive planning decisions, but to work effectively in rural areas the definition of settlements needs to include that in rural areas settlements can include individual villages and clusters of smaller villages that share services and together act as a sustainable settlement.

37. Do you agree to the proposed approach to development within settlements? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Strongly agree.

38. Do you agree to the proposed approach to development outside settlements? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Partly agree.

a. Please provide your reasons, particularly if you disagree.

The inclusion of exception sites as a form of development that would be allowed is helpful, but it would be useful if it explicitly noted the types of exception site development noted in H010, particularly rural exception sites. It would support faster delivery of affordable homes in rural areas.

In respect of the policy for development near railway stations, this approach would support faster delivery of affordable homes in accessible, well-connected urban locations. This would be particularly beneficial for schemes where residents depend on public transport or local community-based services.

However, 'well-connected' should be more consistently and clearly defined across the NPPF and consider that some rural stations are small and sometimes at a distance from the settlement and the densities proposed would not be appropriate in most rural station locations.

Additionally, this definition potentially excludes suitable areas as indicated by analysis from Lichfields. Expanding this definition to the top 80 Travel to Work areas

and widening the frequency criteria to include a frequency of one train per hour would ensure that more suitable locations can benefit from this policy. Consideration should also be given to including support for sites that are within cycling as well as walking distance of railway stations.

In relation to Policy S5(j) we welcome the reference to support for proposals where there is an evidenced unmet need for the type of development proposed, which in the case of housing includes where there is a lack of a 5 year housing land supply of deliverable sites including the relevant buffer, or where the Housing Delivery Test is below 75% over the previous three years. To support the delivery of affordable housing at a time of chronic need, clarification should be provided that in the case of affordable housing proposals this can also include where there is an evidenced unmet need for affordable housing.

39. Do you have any views on the specific categories of development which the policy would allow to take place outside settlements, and the associated criteria? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree, as meeting rural communities' affordable housing needs requires the policy to allow limited infilling in groups of houses and rural exception sites (HO10) outside settlements to ensure suitable development can come forward where it is most needed.

However, to meet this objective it is vital that HO8 still sets an expectation that affordable housing will be provided on site and where cash contributions in lieu are taken in exceptional circumstances, that affordable housing be delivered either by local authority or registered provider in the local community within agreed timescales.

40. Do you agree with the proposed approach to development around stations, including that it applies only to housing and mixed-use development capable of meeting the density requirements in chapter 12? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree. Refer to question 38.

Chapter 5: Meeting the challenge of climate change

Question 47

47. Do you have any other comments on actions that could be taken through national planning policy to address climate change?

We welcome the greater clarity and emphasis placed on climate change mitigation and adaptation in the proposed draft Framework. The inclusion of distinctive chapters on climate adaptation and flood risk, as well as the clearer signposting to other relevant policies, make the Framework a more effective and comprehensive guiding document.

The planning system has a crucial role to play in bolstering climate resilience and therefore the more proactive management of climate risks across both plan-making and decision-making is a positive step. In particular, we welcome the stronger consideration of future climate impacts over the lifetime of developments.

Housing associations are increasingly integrating climate resilience measures into the design and management of their new and existing homes. To assist them in this process, we would welcome as much detail as possible on the application of the Framework's climate policies in the accompanying Design and Placemaking Planning Practice Guidance. In particular, we ask that this guidance aligns with the climate adaptation guidance promised through the Decent Homes Standard, to ensure greater consistency between new and existing homes.

Chapter 6: Delivering a sufficient supply of homes

Questions 48, 49, 49a, 52, 52a, 55, 55a, 56, 57, 58, 59, 60, 61, 61a, 62, 64, 64a, 65a, 67, 67a, 67b, 68, 69, 70, 70a,

48. Do you agree the requirements for spatial development strategies and local plans in policy HO1 and policy HO2 are appropriate? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

This is a direct, positive step toward addressing a range of housing needs, including for affordable housing and for particular groups including older people.

We strongly agree that spatial strategies and local plans should be based on a housing need assessment, using the standard method; that development plans should also account for size, type and tenure of housing needed for different groups, including affordable housing (inc. social rent) and older people; and that the housing requirement figures should be higher than the figure identified through the local housing needs assessment.

Greater clarity should be provided on what the 'appropriate level' is for the assessment of size, type and tenure of housing – this could be provided in guidance and clarity that if set at SDS level should not be adjusted through the local plan.

It is important that this positive step is integrated with new regulatory changes and local authority duties relating to supported housing under the *Supported Housing (Regulatory Oversight) Act 2023*. The recent publication of the Local Supported Housing Strategies guidance, issued under section 2 of the Act places a new statutory duty on local authorities to produce and publish local supported housing strategies, including need assessments and 5-year delivery plans to meet that need. These strategies are expected to be produced in close collaboration with planning departments, to be informed by local and national contexts, and to set out how supported housing will be planned for as part of wider housing, infrastructure and land use. Although the legal requirement is to meet housing in scope of the statutory minimum, the guidance encourages adoption of a wider scope inclusive of all forms of supported and older persons housing. The framework should be aligned with this process, which will require joint working between planning departments and adult social care and housing teams and should be reflective of annual data reporting (from 31 March 2027).

49. Is further guidance required on assessing the needs of different groups, including older people, disabled people, and those who require social and affordable housing? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Strongly agree.

a. If so, what elements should this guidance cover?

Clearer national guidance on defining housing need is required, supported by more standardised data inputs. This would help ensure that local management or

reduction of social housing waiting lists does not artificially suppress assessed levels of need. Given the variation in local eligibility policies, waiting list data alone should not be treated as a reliable indicator of housing need.

Supported Housing encompasses a wide range of provision types, from housing for working-age adults with physical disabilities to older people's sheltered housing and housing-with-care schemes. Local authorities should conduct thorough needs-based assessments, using national guidance – specifying local requirements, tenures, and support models (including adapted shared ownership) – to inform planning and delivery.

The housing needs assessments required as part of the new Local Supported Housing Strategies differ from the needs assessments under the NPPF. Issued guidance should be clear about how these should be integrated by local authority departments.

Further guidance is needed to ensure affordable housing policies properly reflect rural needs, including parish-level evidence using models such as Arc4's Rural Affordable Housing Needs approach.

The Older People's Housing Taskforce Report (2024) recommended that a common standardised methodology for local assessment of minimum need for the various forms of older people's and later living homes is established and that it must be simple, universally recognised, transparent and available for use free of any costs. There is therefore a clear need for further guidance, and more specifically a standardised methodology, for assessing the needs of older people.

52. Do you agree the new Annex D to the draft Framework is sufficiently clear on how local planning authorities should set the appropriate buffer for their local plan 5-year housing land supply? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

We broadly agree that Annex D brings greater clarity to the interaction between 5YHLS, the Housing Delivery Test and decision-making. However, we are concerned that the transitional arrangements allow some authorities to adopt Local Plans using older, lower housing need figures. These suppressed figures are then

used in the Housing Delivery Test, which masks genuine under-delivery and reduces the application of policy consequences.

To maintain integrity in the system, the Government should consider applying a higher buffer (e.g., 25–30%) for authorities adopting plans under transitional, lower housing need figures. This would help counteract the under-delivery embedded in the lower requirement.

In addition, policy HO3 should be expanded to require local plans to identify a sufficient supply and mix of sites to meet, or exceed, the requirement for older persons' housing identified for their area. Without this clarity, there is a risk of continued under-delivery of appropriate housing for older people. This aligns with the findings of the Older People's Housing Taskforce Report (2024), which called for the planning system to include specific, agreed requirements for local planning authorities to make provision and allocate sufficient land to ensure the viable delivery of sufficient older people's and later living homes.

55. Do you agree the plan-making requirements, for both local plans and spatial development strategies, in relation to large scale residential and mixed-use development are sufficiently clear? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

The strengthened expectations around quality of place, deliverability, and ensuring housing delivery meets local needs are particularly welcome.

56. Do you agree our proposed changes to the definition of designated rural areas will better support rural social and affordable housing? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree. The proposed extension of the Designated Rural Areas definition is helpful and provides significantly better coverage than the current approach. However, important gaps remain. The revised definition still leaves some areas, particularly in the South East, outside the designation.

57. Do you agree with our proposals to ask authorities to set out the proportion of new housing that should be delivered to M4(2) and M4(3)

standards? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

58. Do you agree 40% of new housing delivered to M4(2) standards over the plan period is the right minimum proportion? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

This change would significantly increase the capacity of our housing stock to meet the needs of an ageing society.

We have previously supported the government's commitment to make M4(2) the mandatory standard for all new homes, implemented through Building Regulations. We continue to believe this would be the most effective approach. However, we welcome the proposed inclusion of a minimum proportion of homes that should meet the M4(2) standard, which should be set at no less than 40%, and ideally higher. Alongside this, local authorities should assess the local needs for the proportion of homes that should be delivered to the M4(3) standard.

In addition, separating parts A and B within M4(2) would improve clarity and acknowledge that there are exceptional circumstances where viability challenges may arise – for example, where the provision of lifts is required.

59. Do you agree the proposals to support the needs of different groups, through requiring authorities to identify sites or set requirements for parts of allocated sites are proportionate? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

60. Do you agree with our proposals to ask authorities to set out requirements for a broader mix of tenures to be provided on sites of 150 homes or more? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

61. Do you agree with proposals for authorities to allocate land to accommodate 10% of the housing requirement on sites of between 1 and 2.5 hectares? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

a. Please provide your reasons

We particularly support the requirement that LPAs allocate sites that will support and enhance the vitality of urban as well as rural communities and allow villages to grow. This will increase the supply of small, deliverable rural sites, supporting thriving villages, enabling more rural affordable housing through a plan led approach, reducing over reliance on exception sites.

However, this will only be effective if the expectation for on-site affordable housing is firmly retained, and where cash contributions are accepted in exceptional cases, these must be directed to registered providers to deliver affordable homes within the same community.

62. Are any changes to policy HO7 needed in order to ensure that substantial weight is given to meeting relevant needs?

Strongly support the new requirement for substantial weight to be given to the benefits of providing accommodation that meets evidenced local needs.

At appeal, it has historically been difficult to argue that affordable housing should carry greater weight than market housing, even when it more directly addresses local needs. The proposed policy shift - giving substantial weight to accommodation that meets evidenced need - would therefore be valuable, as it would strengthen the case for prioritising affordable housing in the planning balance.

64. Do you agree flexibility relating to the size of market homes provided will better enable developments providing affordable housing? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly disagree.

a. Please provide your reasons, particularly if you disagree.

Housing associations may purchase “additionality” units to deliver as affordable homes. Therefore, any such homes must comply with the Nationally Described Space Standards (NDSS). An over-concentration of a single unit size also limits the creation of mixed communities and reduces the attractiveness of the scheme to housing associations.

65. Would requiring a minimum proportion of social rent, unless otherwise specified in development plans, support the delivery of greater number of social rent homes? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree: Setting a minimum proportion of social rent, by default where local plans do not specify, would significantly support the delivery of additional social rent homes. A national baseline would help ensure consistency and raise provision in areas where currently very low levels of social rent are delivered.

a. If so, what would be an appropriate minimum proportion and development size threshold taking into account development viability?

A minimum threshold of 20% would be appropriate on large and medium sites; and for Designated Rural Areas this threshold should apply to large, medium and small sites.

When adopting the social rent threshold, local councils should consider local housing need, viability, and deliverability, and adjust the threshold up or down to reflect local circumstances where this is not already set out in development plans.

Arup’s recent analysis estimates that 25,300 social rent homes could be delivered if the NPPF was amended to stipulate that a duty to require a minimum of 20% of homes on larger developments should be for social rent.

The New Towns Taskforce recommends 20% for social rent and 40% for affordable housing. Shelter’s recent report [Brick by Brick: A Plan to Deliver the Social Homes We Need also](#) recommends 20% for social rent on larger sites.

67. Do you agree that applicants should have discretion to deliver social and affordable housing requirements via cash payments in lieu of on-site delivery

on medium sites? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly disagree with applicants using discretion to deliver social and affordable housing requirements via cash payments in lieu of on-site delivery on medium sites.

a. If so, would it be desirable to limit the circumstances in which cash contributions in lieu of on-site delivery can be provided – for example, should it not be permitted on land released from the Green Belt where the Golden Rules apply? Please explain your answer.

S106 planning obligations remain essential to delivering social and affordable housing. We strongly believe that on-site provision of affordable housing must remain the default including on medium size sites.

Blanket discretion for cash in lieu on medium sites would reduce S106 supply, weaken mixed communities and harm rural delivery; commuted sums rarely match delivery costs and have often gone unused.

b. If you do not believe applicants should have blanket discretion to discharge social and affordable housing requirements through commuted sums, do you think cash contributions in lieu of on-site delivery should be permitted in certain circumstances – for example where it could be evidenced that onsite delivery would prevent a scheme from being delivered? Please explain your answer

As is the case currently, we recognise that limited, exceptional circumstance, such as specific site characteristics, or lack of affordable housing demand, may justify some flexibility regarding on-site delivery of S106 homes. In line with the government's manifesto commitment to strengthen the s106 system, we recommend that in such cases:

- Developers must provide clear, evidence-based justification for why on-site provision is not possible, alongside proof of early and meaningful engagement with RPs to ensure the affordable housing is acceptable to RPs.
- Any financial contributions must be tightly controlled, transparently ring-fenced, and directly linked to the delivery of affordable housing

within the local community, by local authorities or Registered Providers.

- Guidance on speedier payment of funds, particularly to Registered Providers already active in the local authority area would also be useful in the Planning Practice Guidance.
- In Designated Rural Areas if the money cannot be spent in the local community where it was raised, it should be used to support the delivery of rural affordable housing for three years before being made available for affordable housing elsewhere in the LPA.
- Payments in lieu must reflect the full and current cost of affordable housing delivery, using standardised calculations that account for inflation. Cash in lieu must also include the cost of land. There must be an RP partner to ensure the level of commuted sum reflects the true cost of delivery.
- Currently, LPAs can be required to return funds to developers if they aren't spent within a specified time period. Clauses in S106 requiring returning of funds should be prohibited. Instead, any unspent funds could be given to Homes England or the GLA to grant-fund affordable housing delivery in the local area, if the LPA is unable to spend it within a specified period.

68. What risks and benefits would you expect this policy to have? Please explain your answer. The government is particularly interested in views on the potential impact on SME housing delivery, overall housing delivery, land values, build out rates, overall social and affordable housing delivery, and Registered Providers (including SME providers).

NHF data shows that in the last three years, 12% of S106 acquisitions were on medium sites. For small and medium housing associations, the impact is even greater: 26% of their S106 acquisitions came from these sites. Almost 10,000 affordable homes delivered nationally over the past three years wouldn't exist if developers hadn't been required to build them.

Why on-site provision of affordable housing must remain the default, particularly on small and medium size sites:

- Financial contributions rarely match the true cost of delivering affordable or social homes, and historically have seldom resulted in new delivery. In some cases, local authorities have been forced to

return unused funds to developers, even where RPs were ready to deliver.

- Delivery depends on local authorities having the necessary sites, funding, expertise and capacity – conditions that are often absent, leading to lost, diluted or delayed affordable housing.
- On-site delivery ensures affordable homes are located where need arises and supports mixed communities, which is particularly critical in rural and medium-sized developments that play a vital role in place-making.
- Exempting medium-sized sites from on-site provision would disproportionately affect rural areas, where there are very few alternative development opportunities. In consequence cash contributions would be likely to be used elsewhere, leaving the host community without an improved supply of affordable housing. This would undermine the benefit of HO3 and HO5 could bring to meeting rural affordable housing needs.
- A medium size threshold could drive up land prices while disincentivising larger schemes (e.g., 50–70 dwellings), pushing developers to downsize just to meet the 49-dwelling threshold.
- Home Builders Federation’s 2026 report findings show that:
 - An estimated £9 billion of developer contributions is held unspent (England and Wales).
 - This is a rise of £800 million from mid-2024 despite declining housing delivery and reduced developer contribution receipts in recent years.
 - Almost £3 billion is estimated to have been held for over five years, despite many agreements requiring infrastructure to be delivered within that period.
 - £700m for Affordable Housing and £2bn for schools is waiting to be spent.
 - Local authority compliance with reporting of their unspent developer contributions has fallen from 90% to 75%.
 - A small number of councils hold disproportionate sums – with Tower Hamlets holding over £260 million.
- To ensure Section 106 system operates effectively:
 - Homes delivered through planning must align with what housing associations need and can afford. This relies on consistent collaboration between developers and housing associations,

supported by early engagement and good customer service throughout development and aftercare.

- The NPPF should explicitly require developers to engage with registered providers (RPs) at the pre-application stage.
- To ensure this happens in practice, DM1(1a) and DM1(2) of the NPPF should specifically reference RPs as bodies that must be engaged at the pre-application stage.
- Early involvement enables housing associations to influence design, specification, tenure mix, home types, and long-term service charges – addressing frequent barriers that often prevent RPs from purchasing Section 106 homes.
- NHF research shows that if barriers were to be removed 60% of housing associations would increase their S106 acquisitions.
- The research also indicates that housing associations that are engaged early purchase twice as many S106 homes, as a proportion of their pipeline, as those that are just offered the units upon completion.
 - A third-party dispute resolution service, such as through the New Homes Quality Board, is also needed to minimise time and cost spent on aftercare disputes. This is consistent with the Oct 2025 HCLG Committee report which recommended the Government introduce a statutory S106 dispute resolution scheme, under the provisions of the Housing and Planning Act 2016.
- Disputes between developers and housing associations are often protracted and costly, particularly in relation to aftercare obligations once tenants have moved in. Currently, Section 106 homes fall through the cracks, as they are not covered by either the Housing Ombudsman or the New Homes Ombudsman.
 - We also support the Competition and Market Authority recommendation for government to develop an independent single consumer satisfaction survey and publish key quality metrics. Or at a minimum, the Home Builders Federation's Star Rating Scheme should include social housing residents.
- Having a scheme that includes these residents within a single customer satisfaction survey would help create the right incentives for developers to maintain consistent quality and service standards across all homes, including those delivered through Section 106 agreements.
 - We support government's roadmap including a national guidance on S106 and a standard national S106 template.

- For SME housing providers, a key challenge is limited access to S106 opportunities. Many smaller RPs with active development ambitions report that they are not approached by developers or local authorities and are often unaware of the clearing house.
- This government's proposed guidance should clarify the role of local authorities in facilitating partnerships between developers and housing associations, and influencing tenure mix and housing type to ensure supply aligns with sector needs.

69. What guidance or wider changes would be needed to enable Local Planning Authorities to spend commuted sums more effectively and more quickly? Please explain your answer.

Guidance on speedier payment of funds, particularly to Registered Providers already active in the local authority area would also be useful in the Planning Practice Guidance.

70. Would further guidance be helpful in supporting authorities to calculate the appropriate value of cash contributions in lieu?

Yes

a. If so, what elements and principles should this guidance set out? Please explain your answer. For example, guidance could make clear that contributions in lieu should be an amount which is the equivalent value of providing affordable housing on site, based on a comparison of the Gross Development Value of the proposed scheme with the Gross Development Value of the scheme assuming affordable housing was provided onsite.

Key principles for the guidance could include various approaches:

- a. Recommended: Sale-Based Approach - The cash payment equals the difference between the open market sale value and a typical RP bid. LPAs or RPs must independently appraise the scheme and negotiate the sale price with developers.
- b. Not recommended: Cost-Based Approach - Include land values, build costs, and inflation; the payment reflects the residual value.

- c. Grant Rates Proxy: Use Homes England benchmark grant rates at local/regional levels as a cost benchmark. This is likely not practical as Homes England does not reveal grant rates.

The Sales-Based Approach is more reliable than the Cost-Based Approach as the costs can be more easily manipulated and therefore advocated by developers. Regardless of approach used, there should be a 20% uplift on calculated sums (e.g., £2.5m becomes £3m) to encourage RP partnerships over pure cash payments, balancing viability with housing delivery.

71. Do you support proposals to enable off site delivery where affordable housing delivery can be optimised to produce better outcomes in terms of quality or quantity? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly disagree.

a. Please provide your reasons, particularly if you disagree.

Support off site delivery in exceptional circumstances only if cash-in-lieu is used immediately (e.g. by a RP) and is calculated based on the Sales-Based Approach referenced in 70a, offering no financial advantage to the developer (i.e. there should be a 20% uplift on calculated sums) to encourage RP partnerships over pure cash payments, balancing viability with housing delivery.

Refer to 67 b.

72. Do you agree the with the criteria set out regarding the locations of specialist housing for older people? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly disagree

a. Please provide your reasons, particularly if you disagree.

A requirement for all older persons' housing to be within walking distance of services is overly restrictive and risks limiting delivery. For many older people, access to services by public transport is sufficient, and a lack of walkability alone should not preclude otherwise sustainable, and much-needed development.

Additionally, the proposed criteria would also fail to meet the needs of older people in rural areas – where centralisation of services and limited public transport undermine access – and should be amended to support small, locally based specialist schemes that allow older residents to remain in their communities with appropriate on or off site care, as reflected in a revised clause in HO9(1)(a)(i).

75. Do you agree the proposals provide adequate additional support for rural exception sites? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, including what other changes may be needed to increase their uptake?

The inclusion of a clearer rural exception site policy as a NDMP in the NPPF is helpful. It will bring greater consistency and uptake of the policy. However, the absence of a dedicated RES Permission in Principle risks undermining these benefits as RES schemes experience considerable delays at the planning decision making stage. This adds time, cost and risk for RPs, particularly smaller RPs who are the mainstay of small RES delivery. In turn this can dissuade RPs from engaging in these schemes. The government's Social and Affordable Homes Programme explicitly goes some way to address this problem, but to maximise the benefits of this funding we recommend the introduction of a bespoke RES PiP.

76. Do you agree with proposals to remove First Homes exception sites as a discrete form of exception site? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

Removing First Homes exception sites will better allow local authorities to meet evidenced housing need in rural areas by ensuring that RES sites come forward at a price that makes it viable to deliver the range of affordable homes needed.

77. Do you agree proposals for a benchmark land value for rural exception sites will help to bring forward more rural affordable homes? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree: A benchmark can help ensure land comes forward at a price that makes it viable to deliver policy compliant RES sites. It prevents public grant funding from inflating land prices rather than boosting affordable housing supply. By offering a range of values that can reflect local circumstances (e.g. current use of the site, varying agricultural land values across the country) provides flexibility to ensure that land does still come forward.

However, we caution that £10,000 might be too much in some areas and not enough in other areas – there should be a greater range to reflect viability of local areas (and avoid skewing development based on cost rather than need).

80. Do you agree the proposals in policy HO13 will help to ensure development proposals are built out in a reasonable period? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Neither agree nor disagree.

a. Please provide your reasons, particularly if you disagree.

We support the proposals in Policy HO13 to discourage delivery delays and accelerate build-out rates among private developers, particularly through shorter commencement periods and upfront deliverability assessments.

However, exemptions should be considered for registered providers, as they are not motivated by profit and therefore do not benefit from holding sites under the same incentives as private developers. Implementation of shorter commencement periods could create challenges for registered providers, who frequently acquire sites with outline planning permission. These acquisitions require extensive technical due diligence, followed by detailed design work to discharge pre-commencement conditions and prepare Reserved Matters Applications.

Furthermore, delays are often compounded by limited local planning authority capacity to determine such applications in a timely manner. As a result, shorter implementation timescales risk causing planning consents to lapse before development can commence.

If this proposal moves forward, safeguards are needed to prevent developers from using these mechanisms to negotiate down affordable housing delivery by claiming that securing a registered provider slows build-out (e.g. clear structures for review of viability).

Chapter 13: Protecting Green Belt land

Questions: 133a, 136, 136a, 139, 139a, 140, 141, 142, 145, 145a

133. Do you agree with proposals to better enable development opportunities around suitable stations to be brought forward? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

a. Please provide your reasons, particularly if you disagree.

(Repeat responses re: clarity in definitions of well connected stations)

136. Do you agree policies GB6 and GB7 set out appropriate tests for considering development on Green Belt land? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree

a. Please provide your reasons, particularly if you disagree.

In the case of Grey Belt land and the circumstances at Policy GB7(g), we welcome the reference to support where there is an evidenced unmet need for the type of development proposed, which in the case of housing includes where there is a lack of a 5 year housing land supply of deliverable sites including the relevant buffer, or where the Housing Delivery Test is below 75% over the previous three years.

To support the delivery of affordable housing at a time of chronic housing need, clarification should be provided that in the case of affordable housing proposals this can also include where there is an evidenced unmet need for affordable housing.

To better support rural affordable housing, GB7(1) should be clarified to avoid subjective use of “openness”.

In relation to GB7(h) we strongly agree with the support for housing and mixed use development within the Green Belt where sites are within a reasonable walking distance of a railway station capable of providing a high level of connectivity to services and employment. Footnote 52 defines well connected stations with reference to the top 60 Travel to Work areas and in relation to the frequency of trains serving the station. This definition may potentially exclude suitable areas as indicated by analysis from Lichfields. Expanding this definition to the top 80 Travel to Work areas and widening the frequency criteria to include a frequency of one train per hour would ensure that more suitable locations can benefit from this policy. Consideration should also be given to including support for sites that are within cycling as well as walking distance of railway stations.

139. Do you agree that site-specific viability assessment should be permitted on development proposals subject to the Golden Rules in these three circumstances? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Partly agree.

a. Please provide your reasons, particularly if you disagree.

Need to ensure that Local Plan viability testing is sufficiently robust and includes testing strategic sites and a range of development models to minimise the need for site specific viability assessments on Green Belt Land. In terms of the three circumstances these should be extended as follows:

- The majority of the site should have been previously developed land.
- For multi-phase strategic sites, site-specific assessment should only be permitted where abnormal or unforeseen costs arise that were not capable of being tested at Local Plan stage.
- A wholly different development model is proposed, with a clearly distinct economic profile, and is supported by the Local Planning Authority because it better meets identified housing need or local commercial/community/economic priorities.
- GB8 should be amended to ensure proportional non affordable housing contributions so rural exception sites remain viable.

140. With regards to previously developed land, are there further changes to policy or guidance that could be made to help ensure site-specific viability assessments are used only for genuinely previously developed land, and not predominantly greenfield sites?

The majority of the site should have been previously developed.

141. Do you agree with setting an affordable housing ‘floor’ for schemes subject to the Golden Rules accompanied by a viability assessment subject to the terms set out? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Strongly agree.

142. Please explain your answer, including your view on the appropriate approach to setting a ‘floor’, and the right level for this?

The affordable housing floor would help protect affordable housing delivery on the Green Belt more consistently across the country; Green Belt sites are typically more viable and profitable than brownfield land; however, there are exceptions where there is lack of appropriate infrastructure. There is a case for an affordable housing floor that is higher than on brownfield sites. A clear floor will also prevent land prices escalating on these sites.

On brownfield sites, we support a minimum social rent threshold of 20% on large and medium sites. The New Towns Taskforce recommends 20% for social rent and 40% for affordable housing.

Arup’s recent analysis estimates that 25,300 social rent homes could be delivered if the NPPF was amended to stipulate that a duty to require a minimum of 20% of homes on larger developments should be for social rent.

There is merit in both option A and option B. A national approach (A) would ensure consistency and clarity across the country and would ensure that new social rented homes are built in locations with no development plan or in areas with a development plan that does not currently seek any affordable housing.

An affordable housing 'floor' reflecting differing local circumstances (B) may support viability and may allow for a floor that is higher than 10%-15% (or 20%) where appropriate.

145. Do you agree that proposed changes to the grey belt definition will improve the operability of the grey belt definition, without undermining the general protections given to other footnote 7 areas? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

This as it is a welcome change that provides much needed clarity to the definition of grey belt land.

Chapter 16: Promoting healthy communities

Questions: 158, 158a

158. Do you agree with the approach to planning for healthy communities in policy HC1, including the expectation that the development plan set local standards for different types of recreational land, drawing upon relevant national standards? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Strongly agree.

a. Please provide your reasons, particularly if you disagree.

This aligns well with the advocacy to create age-friendly, dementia-inclusive, faith and culture-sensitive communities in Chapter 4 of the Older People's Housing Taskforce Report, and in addition, implicitly requires Local Planning Authorities to think about inclusive non-residential uses and genuinely healthy placemaking as part of large new developments, moving the focus of larger developers beyond just volume to genuine community quality.

Chapter 19: Conserving and enhancing the natural environment

Question 183, 83a

183. Do you agree the policy in Policy N4 provides a sufficiently clear basis for considering development proposals affecting protected landscapes and reflecting the statutory duties which apply to them? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly disagree.

a. Please provide your reasons, including how policy can be improved to ensure compliance.

Policy N4 is not sufficiently clear because it refers only to National Parks' statutory purposes and omits their statutory duty to foster the social and economic wellbeing of local communities. This duty is crucial for enabling positive development, including rural affordable housing. The NPPF should explicitly reference this statutory duty and clarify that development supporting local communities' needs, such as affordable housing, can be appropriate within protected landscapes.

Annex B - Viability: Standardised inputs in viability assessment

Questions: 201, 203, 203a, 204a, 207, 207a, 209, 209a, 209b, 210, 210a, 211a, 213, 213a

201. Would you support the use of growth testing for strategic, multi-phase schemes? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree: Developers consider likely value growth and cost inflation when assessing the viability of larger schemes that will be delivered over many years. It is important that viability testing for planning purposes mirrors the approach taken in commercial decision making as much as possible to ensure it is realistic. Testing growth enables LPAs to understand how the scheme will be delivered and to take an informed decision on whether the proposed level of affordable housing is acceptable.

203. Do you agree greater specificity, including single figures, which local planning authorities could choose to diverge from where there is evidence for doing so, would improve speed and certainty? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please explain your answer. If you agree, the government welcomes views on the appropriate figure – for example, whether 17.5% would be an appropriate reflection of the industry standard for most market-led development.

The current range set out in PPG provides a reasonable framework. It allows flexibility where risk varies from scheme to scheme and for rates at the lower end of the scale to be applied to relatively straightforward schemes with the higher rates applied to complex brownfield developments. Where rates at the higher end of the range i.e. over 17.5% are used this should be fully justified and different rates tested to look at the outcome on the provision of affordable housing in the scheme.

204. Are there any site types, tenures, or development models to which alternative, lower figures to 15-20% of Gross Development Value might reasonably apply?

a. Please explain your answer. The government is particularly interested in views on whether clarifying an appropriate profit of 6% on Gross Development Value for affordable housing tenures would make viability assessments more transparent and speed up decision-making.

Yes. The 15–20% GDV profit range should continue to apply to market sale housing, as this product carries the highest sales and delivery risk. Other tenures and development models have materially different risk profiles, meaning lower profit levels are appropriate.

We support a profit allowance of 6% GDV for affordable housing. This reflects the lower sales risk and the forward-funded nature of these products.

Lower profit rates are also appropriate where the development will be forward sold to an investor, rather than sold on the open market to individual purchasers, as the reduced sales risk is much lower.

207. Do you agree there circumstances in which metrics other than profit on gross development value would support more or faster housing delivery, or help to maximise compliance with plan policy? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly disagree

a. Please explain your answer.

It is important that any alternative approach to profit does not increase profit allowances above those currently set out or this will impact directly on the delivery of affordable housing. The developer profit allowance should be the minimum return that will allow the development to proceed in line with the minimum return to landowners currently set out in PPG Viability.

However, in the case of large strategic sites and new settlements, introducing a separate allowance for a master developer return can be appropriate. These projects often involve extensive up-front infrastructure, longer build-out periods, and greater risk. Recognising a clearly defined master developer return, without inflating overall profit levels, could support delivery by properly reflecting the structure of these complex schemes.

209. Do you agree that guidance should be updated to reflect the fact a premium may not be required in all circumstances? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree

a. In what circumstances might a premium, or the usual premium, not be required?

A premium should only be applied where it is genuinely needed to incentivise a landowner to release their site. In cases where the existing use is being re provided or improved – such as redevelopment of social housing or replacement of an outdated supermarket – the landowner already benefits from receiving a modern, lower maintenance asset. In these situations, an additional premium above existing use value is not justified (unless there is evidence of having significantly higher risks such as abnormal costs around demolition, brownfield land, decant, etc.).

However, in other cases removing a premium might result in landowners not selling land.

b. What impact (if any) would you foresee if this change were made?

Removing the assumption that a premium is always required would help prevent inflated land value expectations, improve the realism of viability assessments, and

support stronger affordable housing delivery, as unnecessary premiums reduce the funding available for policy compliant contributions.

210. Do you agree that extant consents should not be assumed to be sufficient proof of alternative use value, unless other provisions relating to set out in plans are met? Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Strongly agree.

a. Please explain your answer.

If extant consents with lower levels of affordable housing are used to set benchmark land values (assumed as an alternative use to the proposed scheme) this will increase the BLV and so reduce the affordable housing than can be provided in the proposed scheme.

211. If extant consents were not to be assumed as sufficient proof of alternative use value, should this be at the discretion of the decision-maker, or should another metric (e.g. period of time since consent granted) be used? Decision maker discretion / Another metric / Neither

a. If another metric, please set out your preferred approach and rationale.

Extant consents should not be used to determine Benchmark Land Values unless they are adjusted to reflect full compliance with current affordable housing policy requirements. Without such adjustment, landowners are incentivised to secure consents (particularly where viability challenges have led to reduced affordable housing obligations) that are unlikely to be delivered in the short term, purely to establish land values based on lower policy requirements.

213. Do you agree that the residual land value of the development proposal should be cross-checked with the residual land values of comparable schemes; to help set the viability assessment in context. Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.

Partly agree

a. Please explain your answer.

Cross checking the residual land value of a proposal against comparable schemes is helpful to ensure viability assessments are realistic and grounded in market context. Many assessments report very low or even negative residual land values, which can distort decision making. Comparing with other schemes can identify whether assumptions used by the applicant are reasonable and whether the reported land value reflects typical market behaviour.

However, the price paid for the land should not be used to determine Benchmark Land Value. Using price paid risks embedding overpayment or speculative land value expectations in the viability process, which would undermine the ability of schemes to meet policy requirements - particularly affordable housing delivery.

Annex C - Reforming Site Thresholds

Questions: 216, 217, 225, 223a

216. Do you foresee risks or operability issues anticipated with the proposed definition of medium development? *Yes/No.*

Yes

217. If so, please explain you answer and provide views on potential mitigations.

Any changes associated with the medium threshold (e.g. commuted sums) would result in perverse incentives for developers to limit size of schemes to meet the threshold limits.

Need to ensure threshold changes do not diminish affordable delivery, SME participation or rural outcomes.

223. Do you agree with the proposal to extend the Permission in Principle application route to medium development? *Strongly agree, partly agree, neither agree nor disagree, partly disagree, strongly disagree.*

Partly agree.

a. Please provide your reasons, particularly if you disagree.

Support the proposed extension of Permission in Principle (PiP) to medium sites, but there should also be a bespoke PiP route specifically for Regulated Exception Sites (RES). The generic PiP framework for medium sites is not appropriate for RES applications, as it only requires the applicant to specify the location and number of dwellings, without any information on tenure mix. As a result, PiP would grant approval for residential development in general, rather than confirming that the scheme meets the fundamental RES requirement of delivering affordable housing in perpetuity to meet local housing needs. Consequently, local planning authorities would be justified in refusing a generic PiP application for an RES scheme.