Public Bill Committee – Planning & Infrastructure Bill

Written evidence submission by the National Housing Federation

24 April 2025

Introduction

1. The National Housing Federation (NHF) is the voice of not-for-profit housing associations in England. Our members own 62% of all social homes in England, providing 2.7 million homes to around six million people.
2. Housing associations share the government’s ambition for better homes and communities for everyone. Housing associations exist to provide good quality, affordable social homes for people who need them and offer vital services to support their communities.
3. **Planning reform to speed up the delivery of new affordable homes is an essential part of solving the housing crisis, so we welcome the introduction of this Bill.** Last year, housing associations delivered one in four of all new homes and 83% of affordable and social homes built in England. But we are ambitious to do so much more and to enable our members to generate economic growth and jobs while boosting living standards as mission-delivery partners for government. With more than 160,000 children in temporary accommodation, it's never been more urgent to build the new social homes we need and tackle the housing crisis – and this legislation is a clear step in the right direction.
4. **The proposed return to strategic planning in this legislation is welcome.** A focus on certainty and enabling local areas to work together to plan for the homes, jobs and infrastructure needed in communities will ensure every area benefits from growth.
5. **We strongly support measures to reform compulsory purchase orders (CPOs) in this Bill.** Enabling local councils to buy land at a fair and reasonable price in a way that strikes the right balance between landowners and the overall public benefit will allow them to build more of the affordable homes the country desperately needs, in the right places for the people who need them most.
6. **To speed up delivery, legislative changes should be accompanied by boosting capacity and resourcing in the planning system.** Our members continue to report delay due to resourcing strain inside the planning profession. The government’s own recently published Local Planning Authority Capacity and Skills survey found that 97% report at least some planning skills gaps. Of the local planning authorities with a gap, 63% have skills gaps in master planning.
7. **Alongside planning reform, to build the social and affordable homes the country needs, it is vital that the upcoming Spending Review includes a significant boost in funding for social rented homes, including a long-term rent settlement, convergence and ambitious grant funding to enable members to invest in existing and new homes.** This must form part of a package of long-term measures to help the social housing sector rebuild its financial capacity after over a decade of cuts.
8. We are grateful that Kate Henderson, NHF Chief Executive, was able to assist the Public Bill Committee by providing evidence as a witness on Thursday 24 April 2025. This written submission provides further information.
9. The NHF also declares Kate Henderson’s membership of the New Towns Taskforce, an independent advisory panel to support the government to deliver the next generation of new towns. For this reason, this submission does not address the work of the Taskforce. All views and representations are those of the NHF.
10. If you wish to discuss this submission further, please contact Adam Gravely.

**Planning fees: Part 2, Clause 44**

1. We welcome proposals within the Bill to better reflect the costs involved in determining planning applications. Ensuring fees go towards the resourcing of the planning function are welcome too. Our members want planning fees to be clear and identifiable, and any increase in fees should result in improvements to planning delivery and within local planning authorities.
2. We support the principle of boosting investment in the vital public service planning departments provide. The NHF and our members recognise there are huge issues with capacity in local government and that this won’t be fixed overnight. The Ministry of Housing, Communities and Local Government’s (MHCLG) recently published Local Planning Authorities Capacity and Skills survey highlighted that 97% report at least some planning skills gaps. Of the local planning authorities with a gap, 63% have skills gaps in master planning. Improvements in service delivery will therefore take some time to embed.
3. Planning fees need to clearly reflect the costs involved in determining planning applications. We recognise that there are internal support services (e.g. design and heritage services) which are an important part of the planning function and will need adequate funding. We want to see a balanced ringfencing approach which supports the whole planning function and delivers an adequately resourced planning service but does not add undue costs.
4. Some of our members have fed back that the use of Planning Performance Agreements (PPAs) has helped improve service delivery between housing associations and local authorities. An increase in planning fees and corresponding service improvement will hopefully negate the need for additional PPA fees. However, we hope that lessons can be taken from where PPAs have worked well and that there will continue to be a regime of clear service level agreements.

**Planning committees: Part 2, Clauses 45-46**

The role of planning committees

1. It’s important that planning reforms in this legislation strike the right balance between the views of local people to ensure community buy-in, deliver higher quality developments, and further the absolute imperative to build sufficient housing, particularly social and affordable housing, which is urgently needed to address the housing crisis and generate economic growth.
2. Councillors have a vital role to play to ensure that planning decisions are grounded in accountability. But the planning system does need reform, and it is right to focus on the role that strategic planning can have in enabling local authorities to get better local plans in place and avoiding the kind of speculative development that does so much to corrode local support for some schemes.

National scheme of delegation

1. It is right to bring in a consistent and standardised approach to this, so the planning system can combine local democratic oversight with clear national priorities, such as the delivery of urgently needed affordable housing at an appropriate site in line with the development plan. It is also important to ensure that the system of delegation ensures democratic oversight and accountability is most squarely focused on the most sensitive applications.
2. In developing a national scheme of delegation, we would support a solution which allows planning committees to focus on the most significant and sensitive applications, boosting capacity and efficiency in the approval process.
3. Significant regional variation across local planning authorities will bring in additional complexity – which underlines how important it is that each option is comprehensively modelled in different parts of the country. And importantly, for us, delegation needs to include significant safeguards for affordable housing.

Training

1. Councillors play a vital role in the planning system and will be instrumental if we are to end the housing crisis. It’s essential that they are given sufficient training and support to help them fulfil their roles to their potential, as set out in Clause 45. It is in the public interest that high quality planning decisions are made, so enhanced training and support is an important way in which the planning system can be improved.
2. Several of our members have expressed a recommendation that training covers topics including Section 106, social housing stigma, and the importance of supported housing. Last year, one in three supported housing providers had to close schemes because of funding pressures, and 60% say they will be forced to close schemes in the future.

**Spatial development strategies (SDS): Part 2, Clause 47**

The importance of strategic planning

1. Returning to a system of strategic planning is very welcome. We have always been clear that solving the housing crisis will require action across local government boundaries to enable a more joined-up approach to delivering high quality developments alongside transport, green space and other infrastructure. To meet housing need and deliver 1.5 million homes by the end of this parliament, we need to move beyond local authority boundaries and think at a bigger spatial scale.
2. How quickly this can be done will depend on a number of factors. Those involved in developing spatial development strategies must have the resources necessary to make them successful. Our members are keen to be involved in helping to develop spatial development strategies, especially given how housing associations already operate across multiple local planning authorities.
3. London is presently the only part of the country that has a spatial development strategy. The reason that we have a crash of supply in London is not because of strategic planning. It is because of a building safety crisis, high inflation, huge land prices, a crisis in temporary accommodation, and pressures that have happened across the social housing sector over the last 15 years in terms of cuts and caps to housing association income.
4. To address the housing crisis across the country, we need a comprehensive planning system that is based on objectively assessed need; a long-term housing strategy that looks at our existing homes as well as new homes; a rent settlement, including convergence; and funding that addresses building safety as well as new supply. Those are all things that the government is looking at ahead of the Spending Review, which is welcome.
5. It is critically important that we use these reforms to deliver a more ambitious approach to affordable and social housing, with a tenure mix that most appropriately reflects housing need.

SDS sequencing and local plan development

1. It is important to recognise that these reforms are taking place alongside local government reorganisation and the forthcoming English Devolution Bill. In its long-term housing strategy, the government must be clear about how these reforms work in tandem to deliver the homes we need.
2. We welcome the government’s ambition to see clear local plans developed alongside spatial development strategies. As we have mentioned previously, capacity issues in local government remain a concern. The department’s recently published Local Planning Authority Capacity and Skills survey highlighted 97% report at least some planning skills gaps. Of the Local Planning Authorities with a gap, 63% have skills gaps in master planning.
3. Alongside measures to boost capacity within the system, the government will need to be clear on the levels of priority between the spatial development strategies and Local Plan, how these interact, are democratically consulted on, and agreed.

**Development and nature recovery: Part 3, Clauses 48-78**

1. At a time of acute housing need, it is right that the government has taken action to seek a more strategic approach to ensure we get the balance between housebuilding and environmental protection right. Solving these two crises together will be the only solution to building 1.5 million homes over five years while at the same time halting the decline in biodiversity by 2030.
2. It is vital that new developments preserve, and if possible, enhance local environments and biodiversity. There have been uncertainty and delays to affordable housing development due to nutrient neutrality issues, and this has impacted on housing associations’ ability to build new social and affordable homes.
3. We need to see more detail set out around the operation of the proposed levy, including further regulations to set out who will need to pay the levy, when the liability to pay arises, and, crucially, at what level the Levy is set to ensure development remains viable.
4. The NHF and our members are very supportive of the aims of the biodiversity net gain (BNG) regulations. Our members are leading the way in responding to climate change and protecting our environment. Housing associations have an ongoing commitment to the sites, communities, and environments where they build for many years after the final home on a site is occupied.
5. Housing associations have been familiarising themselves with the BNG regulations, as many are now looking at developments which will come into scope. It is still too early to judge the financial impact on housing associations, but, as BNG is just one of several new policies, the cumulative impact is likely to have some bearing on the number of affordable homes that are delivered.
6. The impact new regulations will have on already-stretched planning departments is also something to watch out for. A lot of data needs to be submitted, and there’s a risk that limited planning capacity could lead to a delay in delivery.
7. In addition, new results published in the Local Authority Planning Capacity and Skills Survey 2023 show that 72% of planning departments indicated that they currently had skills gaps with regards to ecology and biodiversity. Of those planning departments with any skills gaps, 75% said that skills gaps had impacted on their readiness for Biodiversity Net Gain. Regulation is essential, but it will only work effectively with sufficient capacity in the system.

**Development corporations: Part 4, Clauses 79-82**

1. The NHF believes that development corporations are an important mechanism to deliver affordable housing. The Bill identifies their role in delivering new towns.
2. The level of housing need across England is high and new towns can play an important role in meeting that need through the provision of affordable housing. There are currently 160,000 children living in temporary accommodation and on any given night more than 300,000 children will have to share a bed with a family member. The government has set a very ambitious target of 1.5 million over this Parliament. Research that we have commissioned shows that we need around 145,000 new affordable homes every year, 90,000 of which should be for the most affordable social rent tenure. That is not just in this Parliament but over the course of a decade, to meet the backlog of need.

**Compulsory purchase: Part 5, Clauses 83-92**

Delivering schemes in the public interest

1. We are very supportive of Clause 91 of this Bill which makes specific provision for “hope value” to be disregarded for affordable and social housing where this is justified in the public interest, and for this to become more embedded across the planning system. Given the scale of the housing crisis, these changes appropriately reflect our urgent need to deliver new social homes at scale.
2. The act of granting planning permission is a public good – this is about fair and reasonable land prices and, by ensuring the public can capture the uplift in the value of land after it has been granted permission, delivering viable high-quality developments with sufficient infrastructure, alongside social and affordable housing.
3. For Compulsory Purchase Orders (CPOs) to be used effectively, you need the legal expertise, capacity and risk appetite in a local authority – this is often not the case. The role of Homes England could be significant here in providing support and expertise for local authorities to make more effective use of these powers.
4. In our response to the consultation on CPOs , we raised the matter of resourcing and skills support for local planning authorities to help make CPO reform work well. We are pleased to see the government has brought forward measures around training and fee ringfencing to support local planning authorities.
5. It is important to recognise that CPO is just one of the many things in the toolbox to incentivise and increase the delivery of social housing. At the forthcoming Spending Review, for example, by introducing a package of a long-term above-inflation rent settlement, rent convergence, and grant support for existing and new homes, the government has the opportunity to deliver on its manifesto commitment to restore the financial capacity of the sector and enable our members to act as mission-delivery partners for government.

Affordable housing thresholds and hope value

1. It is right that a threshold of what constitutes public benefit ought to be cleared in order for hope value to be disregarded and enable the public to capture land value uplift. The measures set out in this part of the legislation will increase the viability of delivering more social and affordable homes alongside necessary infrastructure, offering a clear public benefit.

Extending the scope of the Bill

1. As mentioned, the NHF welcomes the introduction of this Bill as an essential step in solving the housing crisis by unlocking more affordable housing delivery. We believe that the government could extend the scope of the Bill to further this aim and ensure that new homes meet the needs of residents.

Developer contributions to conversion schemes

1. The NHF reiterates our call in the National Planning Policy Framework consultation for an extension of developer contributions to conversion schemes making use of permitted development rights. We strongly believe that office to residential conversions should be fully contributing towards affordable housing and other forms of infrastructure in an area and would urge the government to bring forward the requirement through its legislative programme.
2. The NHF would like to see the Planning and Infrastructure Bill amend the General Permitted Development Order to bring office-to-residential conversion into the developer contribution regime so that it contributes to high quality affordable housing and other social infrastructure.
3. Known as Class MA permitted development rights, they are presently exempt from making developer contributions to affordable housing under Section 106 agreements. Analysis for the NHF by the planning consultants, Lichfields, has found that if Class MA was amended to require a 15% developer contribution, up to 1,500 affordable homes per annum could be delivered from 2028-29.
4. In addition, the use of permitted development rights must meet the highest quality standards. A 2018 report by the Royal Institute of Chartered Surveyors on the impact of extending permitted development rights on public authorities and communities found that the quality of office to residential conversions was ‘significantly worse’ than those which had been brought through the planning process. Other than the nationally described space standards and requirements around natural light, there are no minimum standards for these converted homes relating to safety, facilities, communal space or connection to amenities. This needs to be addressed to make commercial to residential conversions a viable solution to addressing the housing crisis. We think the Healthy Homes Principles, brought forward by the Town and Country Planning Association’s (TCPA) ‘Healthy Homes Campaign’, is a positive place to start. Embedding these in planning law would greatly improve the quality of outcomes for commercial to residential conversions.

Accessibility requirements

1. As a member of the Housing Made for Everyone (HoME) coalition, the NHF recommends that the government use the Planning and Infrastructure Bill to make mandatory M4(2) Category 2 – Accessible and Adaptable Dwellings – under Schedule 1 of the Building Regulations 2010.
2. The government has already committed to consulting through the Building Safety Regulator on making M4(2) the baseline standard. However, this has been subject to delays due to the general election and the other important priorities of the Building Safety Regulator. Any further delay will continue to have a significant impact on the lives of older and disabled people. Furthermore, the consultation by the previous government showed overwhelming support for raising the accessibility standards, with 98% of respondents in favour[[1]](#footnote-2).
3. This is a vital step to improving the lives of older and disabled people, particularly given the role of unsuitable housing as a barrier to hospital discharge. Research by our member, Habinteg, found that 1.8 million people in the UK need an accessible home[[2]](#footnote-3). Yet only 9% of housing stock meets minimum accessibility standards[[3]](#footnote-4).
4. Adaptation costs through the Disabled Facilities Grant (DFG) are putting significant pressure on stretched local authority finances, with the annual DFG spend project to hit £711million[[4]](#footnote-5). There is a clear cost benefit in building homes to M4(2). Further research by Habinteg found that adapting an older home at the current M4(1) standard could cost up to £27,000 more than when adapting an M4(2) property[[5]](#footnote-6). The previous Department for Levelling Up, Housing and Communities estimated that the additional cost to build a house to M4(2) rather than M4(1) would be an extra £1,400 per unit[[6]](#footnote-7).
5. As such, it is important that this change is progressed quickly, either by progressing the timeline of the consultation by the Building Safety Regulator, or by amending the Planning and Infrastructure Bill, like that proposed by Gideon Amos MP (NC11).
1. [Department for Levelling Up, Housing and Communities (2022) – Consultation outcome: raising accessibility standards](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#:~:text=Costs%20and%20benefits&text=81.,as%20impact%20assessment%20work%20progresses.) [↑](#footnote-ref-2)
2. [Habinteg – Hidden Housing Market](https://www.habinteg.org.uk/hidden-housing-market) [↑](#footnote-ref-3)
3. [Ministry of Housing, Communities and Local Government – English Housing Survey 2018-19](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/898205/2018-19_EHS_Adaptations_and_Accessability_Fact_Sheet.pdf) [↑](#footnote-ref-4)
4. [NHS England – Grants and Funding 2025-26](https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/grants-and-funding/#:~:text=The%20grant%20determination%20will%20require%20funding%20to,will%20be%20issued%20before%2031%20March%202025.&text=Funding%20for%20the%20Disabled%20Facilities%20Grant%20in,to%20prevention%2C%20and%20from%20hospital%20to%20home.) [↑](#footnote-ref-5)
5. [Habinteg (2024) - Adaptations to Older Homes](https://www.habinteg.org.uk/latest-news/adaptations-to-older-homes-could-cost-households-thousands-habinteg-2478/) [↑](#footnote-ref-6)
6. [Department for Levelling Up, Housing and Communities (2022) – Consultation: Raising accessibility standards (Assessment of Impacts)](https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/raising-accessibility-standards-for-new-homes-html-version#assessment-of-impacts) [↑](#footnote-ref-7)