

To:  
House of Commons Public Bill Committee  
scrutiny@parliament.uk

20.07.2022 **CLC POSITION ON THE PLANNING PROPOSALS FOR HOUSING IN THE LEVELLING UP AND REGENERATION BILL**

### Introduction

The Construction Leadership Council's (CLC's) mission is to provide sector leadership to the construction industry.

Its main objective is – through working with government and industry organisations - to promote industry initiatives that will develop and deliver to solutions that meet the challenges it has adopted for 2025.

The CLC also convenes the industry response to urgent issues such as the Covid-19 pandemic. It has restructured to bring together the industry, pooling resources and working collaboratively to support industry change. It has also forged an effective working relationship with government, highlighted by their engagement in developing the Industry Recovery Plan.

Construction output comprises 8% of GDP, and we employ over 10% of the UK workforce. In addition, over 90% of the industry is comprised of SMEs. The homes, schools, hospitals, and railways that the construction sector is set to deliver will underpin the UK's future low-carbon growth ambitions.

The CLC's Housing Working Group leads the CLC's work on housing and home building issues and has wide representation from across the housing sector. It exists to foster the building of good quality homes that are affordable for people across all tenures and parts of the country.

### CLC Housing Working Group's commentary on the proposals for planning reform in the Levelling Up and Regeneration Bill

The CLC's Housing Working Group wishes to make the following comments on the Bill's proposals:

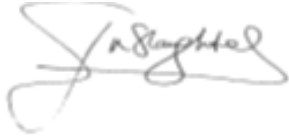
1. We welcome the Bill's provisions for requiring local development plans to be adopted and renewed on a timely basis (within 30 months) by all local authorities across the country and for up to date, adopted local plans to carry full weight in making decisions on planning applications. The fact that only some 40% of local authorities have up to date local plans at present is a major factor in frustrating the housing sector's ability to deliver the homes we need.

2. The proposed introduction of national development management policies is also welcomed. This will reduce the burden for local authorities in producing local development plans and will create more certainty for the housing sector in investing in and bringing forward sites for new residential development. The current position whereby each local authority produces its own development management policies slows down and complicates the plan-making process and leads to a fragmentation of policy requirements across the country which is sub-optimal for efficient housing delivery. We recognise that further discussion will be required on the content of the national development management policies and what flexibilities may be necessary within them and stand ready to contribute to this discussion.
3. The proposal for a new model to establish Combined County Authorities would create positive opportunities for strategic planning for housing and infrastructure across wider areas and is supported.
4. However, we are concerned that the Government's proposals do not provide any clear mechanism through which the number of homes to be delivered under each local development plan will be determined and specified in the plan. Some specification of housing numbers in a local plan is necessary to enable the housing sector to have confidence to invest in new sites and schemes. Residential development is known to be a sector already subject to significant risk factors and the absence of any clear means for determining the number of homes to be delivered under local plans will increase commercial risk. This additional risk is likely to bear particularly on SME developers who often face the greatest challenges in navigating the planning system and are more exposed to the downside risks of failed planning applications than larger companies.
5. Allied to this point, we are also concerned by the proposed removal of the requirement for local development plans to have a rolling 5-year deliverable land supply for housing provided the local plan is up to date. Without both a clear mechanism for specifying housing numbers **and** a 5-year land supply to deliver this, the housing sector would face considerable uncertainty about committing investment to potential residential developments in any local area. Again, the negative commercial implications and risks that could stem from these changes are likely to most adversely affect SMEs.
6. Our concerns about points 3 and 4 of this commentary are compounded by the proposed removal of the Duty to Co-operate and the lack of a mechanism for cities and large urban areas to share their housing numbers with other areas where the cities themselves cannot deliver these – as is likely to be the case in many instances.
7. In addition, it is of concern that some aspects of the Bill's proposals lack a proper understanding of how the land market works and effectively assume a greater scope for securing land value for public policy objectives than is actually likely to be possible. In this respect, we have many concerns about the proposals for the new Infrastructure Levy. In particular, we are concerned that in practice the scope and scale of what the Levy is intended to finance could result in a reduction in the delivery of affordable housing despite the Government's stated objective that this should not be the case.
8. The proposals for the Infrastructure Levy also risk complicating and undermining other aspects of the Government's proposals. There are many issues to consider here, but a major consideration is how the process for determining the rate of the Levy for different locations and types of development in local plan areas will fit with the process for adopting the local plan itself. The two processes will need to

inform each other, but arrangements for determining the Levy will probably be complicated and difficult and so risk undermining the objective of up to date local plans being adopted in a timely way. At the same time Section 106 obligations will continue to apply to larger sites and consideration will probably need to be given to the rate of the Infrastructure Levy down to individual site level in many cases. In this respect it is sensible that the Government plans to introduce the Levy on a gradual basis, but we think nevertheless that this part of the Government's proposals does require further careful consideration in dialogue with relevant stakeholders.

9. We support the promotion of good quality design for new residential development, but are concerned that the proposed approach to design codes may result in over-prescription of design and in practice produce sameness within an area rather than the diversity and innovation in design quality the Government wishes to see.

Yours sincerely

A handwritten signature in black ink, appearing to read 'John Slaughter', written in a cursive style.

**John Slaughter**  
Chair, CLC Housing Working Group