

Planning and Infrastructure Bill 2025 – Response from TheCityUK

About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK and internationally that drive competitiveness, support job creation and enable long-term economic growth. The industry contributes 12% of the UK's total economic output and employs over 2.4 million people – with two thirds of these jobs outside London across the country's regions and nations. It pays more corporation tax than any other sector and is the largest net exporting industry.

Our industry is involved with the UK's planning system at all stages. On the wholesale side our members provide capital, investment, professional advice, and insurance which are essential to getting major projects built. On the retail side our members make a real difference to families and small businesses by helping them save for the future, buy and invest in improvements to their homes, and invest in a business and manage risk.

Risk and opportunity

The operation of the planning system has consistently been identified as a challenge by the financial and related professional services. The impact of the current system can be felt in several areas, both on our industry as an investor and as an employer.

Access to talent is crucial to our industry and our ability to grow regional financial centres, which is a mission the government has set for itself. To do this, we need housing in all parts of the country so that people can live in great towns and cities and have fulfilling jobs in our industry. Compared to the average European country, Britain today has a backlog of 4.3 million homes¹, which is holding back growth in all parts of the country.

Making the UK's planning system more predictable can also increase investment in other areas that the government has made a priority, including energy security, defence and infrastructure. Wider public infrastructure and services in the broadest sense also have consequences for the environment in which businesses operate. As well as a lack of housing, our planning system has failed to deliver essential elements of the public realm over several decades such as reservoirs, power stations, and grid connections.

¹ [The housebuilding crisis: The UK's 4 million missing homes | Centre for Cities](#)

Over the past 20 years, the UK has built only one new nuclear power station, Hinkley Point C, which is still under construction. In contrast, France has built several nuclear power stations, maintaining a total of 56 operable reactors².

Similarly, the UK has not built any new reservoirs since the early 1990s³. Meanwhile, France has constructed multiple reservoirs, including 25 in the Vendée region alone between 2007 and 2011⁴.

Planning for growth

In our [submission](#) to the revised National Planning Policy Framework, we highlighted three key areas which our members felt acted as barriers to growth and investment:

1. **Resource:** Local planning authorities are under resourced and unable to handle the number and increasing complexities of planning applications.
2. **Predictability:** A lack of consistency between (and within) local planning authorities, creating uncertainty and unpredictability in decision making.
3. **Efficiency:** To make the UK more attractive to investors and facilitate investment decisions, the planning process needs to prioritise efficiency and timely decisions.

We were pleased that so many of our initial recommendations were acknowledged by government:

- The Bill's provision for a national scheme of delegation aligns with our call for greater predictability and efficiency in the planning process.
- The acceleration of the Nationally Significant Infrastructure Projects (NSIP) regime and the overhaul of challenges to major infrastructure projects resonate with our emphasis on streamlining the planning process to attract investment and boost economic growth.
- The stronger development corporations proposed in the Bill support our stance on facilitating large-scale development and addressing resource constraints in local planning authorities.
- Strategic planning across spatial planning strategies, as outlined in the Bill, mirrors our advocacy for coherent planning ecosystems and strategic localised plans.
- The Bill's reforms to the grid connections process reflect the importance of the need to improve access to the grid for the delivery of affordable, easily accessible, sustainable energy to our industry and the projects it seeks to support.

² [Nuclear Power in France - World Nuclear Association](#)

³ [The UK is surprisingly short of water – but more reservoirs aren't the answer](#)

⁴ [What are France's 'mega reservoirs' and why are they so controversial?](#)

Next steps

To build on these positive outcomes, we recommend that the government deliver further amendments to deliver positive changes to the legislation in the three key areas we have identified as important.

1. Resource

New developments provide significant funds for local planning authorities to deliver the wider infrastructure and change required in their areas. We therefore agree that the Section 106 and community infrastructure levies are an essential part of the existing system. **Some members have identified the option to re-negotiate Section 106 Agreements that are less than five years old as being one route to allowing viable sites that are currently unviable due to market changes to be unlocked with a more flexible approach.**

It was also noted that some local authorities require additional levies from developers. This discourages investment and development and adds a further layer of cost and unpredictability for companies looking to invest across the UK. For example, some London authorities require small development sites – with fewer than ten C3 units – to pay an additional levy on each home before sale. This is a significant disincentive to develop and has led to a huge drop off in approvals in these areas⁵.

The government should set new guidance to prevent these discouraging practices and ensure that all of the UK has a predictable and helpful planning regime which encourages sustainable development.

2. Predictability

We have long argued that the expansion of the metro mayor model is a boost to business as it gives the area a single, focused leader to drive change and advocate for their region. We are pleased to see a more prominent role for metro mayors, in particular their responsibility to drive Spatial Development Strategies and the prospect of them playing a bigger role in major planning decisions.

To make a success of the various plans and strategies being set out by policy makers (including but not limited to the International Trade Strategy, the Industrial Strategy, the 10 Year Infrastructure Strategy and Local Growth Plans) it will be important that many policy areas have a coordinating hand to ensure that areas such as planning reflect local economic priorities. If, for example, an area is hoping to become a hub for energy intensive sectors like digital technology, ensuring that data centres can be built, powered and connected to the grid will be important. We view metro mayors as being well placed to deliver this coordination and would like the government to explore formalising their role in certain areas of the planning process in future devolution deals.

⁵ [Planning Performance Dashboard Table Final.xlsx](#)

One way to maximise the value added by the metro mayor model would be to explore allowing mayors to designate zones with a much greater presumption of planning approval. The UK's current planning regime of application and appeal is an international outlier, and its delivery has presented challenges to the building of homes and infrastructure. The exploration of a zoning model within future devolution deals would give far more certainty for international and domestic investors and align us with our global competitors.

3. Efficiency

Local planning authorities must engage with a significant number of statutory consultees before progressing applications. This process can be laborious and slow down the delivery of new homes and other essential development.

We welcome the government's commitment to a further consultation on reducing the number of statutory consultees as well as the steps advised in the Written Ministerial Statement to make engagement with statutory consultees more manageable.

We would like to see the government go further, mandating that responses from statutory consultees will only be considered if provided within a strict deadline. We also propose that if no response is received from a statutory consultee within the stated period, it will be presumed that they assent to the proposal.

This assumption of assent will also support planning officers to understand which objections from consultees are materially significant. Guidance and the proposed mandatory training for committee members should make it clear that consultees should only oppose applications when there are serious issues, and that they must do so in a timely manner. This would also add efficiency to the process.

Conclusion

Our members in the financial and related professional services industry welcome the Planning and Infrastructure Bill and its attempts to streamline and support the operation of the planning system. We are ready to work with the government and parliament to refine some of the specific measures highlighted in our submission to a maximise their impact on economic growth across the regions and nations of the UK.