

## **Written evidence submitted by Land Planning and Development Federation (LPDF) to the House of Commons Committee on the Planning and Infrastructure Bill (PIB37).**

### **Overview**

The Land Planning and Development Federation (LPDF) welcome the publishing of the Planning and Infrastructure Bill (P&IB) and we consider that the general thrust of the document, and its content is positive and will make a considerable improvement to the operation of the planning system and the delivery of new development in all forms.

The Federation have been pleased with the speed at which the Government has sought to address the issues which are faced by the development industry when trying to bring forward much needed new homes, commercial development and new infrastructure, but there are still a considerable number of issues which need to be resolved, in order for the system to be operating as efficiently and effectively as possible. As was shown in the latest statistical release on planning applications from the Ministry of Housing, Communities and Local Government (MHCLG)<sup>1</sup>, the current position is the worst it has been for a good number of years, with both planning applications submitted and planning applications determined down 7% from the previous year. Not good reading.

The changes implemented through the new National Planning Policy Framework (NPPF) in December 2024, along with subsequent changes to the Planning Practice Guidance (PPG) and other elements of the planning system, will make a positive difference. Indeed, research by the LPDF has shown that in the first two quarters of 2025, there is an anticipated 160% increase on the numbers of planning applications which our members are seeking to submit compared with the 6 months leading up to the publication of the new NPPF.

The changes which are proposed through the P&IB will make a significant positive impact on the operation of the system and will hopefully ensure that those planning applications which are submitted during 2026 and beyond, are processed positively and expediently, to ensure new development can be delivered as quickly as possible.

However, the LPDF suggest that there are a number of elements contained in the P&IB which could, and should, be amended to ensure that the system is operating as efficiently as possible. Those changes which should be considered are detailed below.

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<sup>1</sup> [Planning applications in England: October to December 2024 - statistical release - GOV.UK](#)

## **About the LPDF**

The LPDF seeks to represent the UK's leading land promoters, home builders and commercial developers. LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing "shovel ready" land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.

The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

## **The Planning and Infrastructure Bill**

### **Infrastructure Provision Reforms**

The LPDF welcome the proposals contained in the P&IB relating to Nationally Significant Infrastructure Project (NSIP) reform. Infrastructure delivery over the last few decades has lagged significantly behind the increase in demand for energy, water, transport and renewable energy and this has led to a significant barrier to growth and has delayed the delivery of new development.

There are many examples where the lack of capacity in electricity supply, water supply, the treatment of foul and wastewater and highway capacity, have led to development being significantly delayed or planning permission being refused as a result. This is considered to be unacceptable, as a lack of investment over the years by the main providers of these services, has directly led to this situation. The Government has recognised this fact and has proposed reforms through the P&IB which will have a positive impact on infrastructure delivery.

One such change that is the proposed is the removal of the paper permission stage for judicial reviews of National Policy Statements and Development Consent Orders and the removal of the right to appeal for cases deemed totally without merit at the oral permission hearing. This is considered to be a positive move in infrastructure delivery and one which could be widened to all forms of development, especially major residential and commercial proposals which would significantly speed up the delivery of schemes. There has been an increase over recent years of the use of judicial review to frustrate development, leading to increased risk and costs for developers and significant delays within the planning system. Given the Government's overall objective of delivering significant economic growth over this Parliament, the more that can be done to remove barriers such as the use of judicial review, the more efficiently the planning system will operate.

### **Planning Fee Reforms**

The LPDF recognise that Local Planning Authorities (LPAs) are significantly under-resourced and have been for many years. In fact, this is one of the main factors which has led to a considerable increase in determination timescales for planning applications.

The LPDF are also cognisant of the fact that planning application fees charged by LPAs do not currently cover the full costs of processing those applications, in many instances. Therefore, we recognise the need to increase planning fees and for those planning fees to better reflect full cost recovery for the provision of these services.

In fact, the development industry is supportive of an increase in planning application fees, if it will lead directly to better resourced planning services within LPAs and more efficient and effective

service delivery with better and quicker outcomes. The LPDF are therefore very supportive of the Government's intention to safeguard fee income for spending on an LPAs relevant planning function.

However, the proposal to allow each individual LPA to set their own planning application fees may have some unintended consequences which do not achieve the Government's key objectives. Many of these concerns are highlighted in Lichfield's recent blog on this issue entitled 'Planning fees – All Power to Local Authorities'<sup>2</sup>.

There is a concern that LPAs will struggle to evidence, in a robust and transparent way, the costs involved in processing certain types of applications, particularly householder applications which can take up a considerable level of resource, despite their apparent smaller scale and lesser impacts. This could lead to fees being set which are inappropriate and do not reflect the true costs involved in service provision. This approach may also reward LPAs which are ineffectively run and penalise those that run extremely efficient services, an outcome which the Government will wish to avoid.

The LPDF note within the accompanying fact sheet, reference made to *"a fee model that allows for local variation from a national default fee."* The LPDF suggest that reference to a national default fee should also be made within the P&IB itself. This could help prevent large variation in fees between LPAs and provide a degree of certainty for the development industry, particularly SME builders.

The proposal also says little about the performance measure that will be put in place to monitor and ensure that LPAs (and statutory and non statutory consultees) are improving service provision as a result of the increased income. This is something that the Government will need to introduce in order to ensure that value for money is being achieved, and that LPAs and statutory and non-statutory consultees are delivering against the Government's expectations. Local fee determination may also lead to wide variation in fees across the country which renders financial planning for the development industry, particularly SME developers who work on tighter margins, extremely difficult.

Finally, whilst the P&IB talks about fee setting for planning applications, it does not talk about the income which is generated by LPAs from pre-application advice and the use of Planning Performance Agreements (PPAs), the latter of which are intended to guarantee an improved service provision in exchange for a greater level of income. The LPDF consider that the Government should review all of the charges associated with the submission of planning applications, including pre-application advice fees, planning application fees and PPA fees holistically, in order to ensure a transparent, fair and appropriate fee setting regime which does not negatively impact the financial viability of schemes, especially for SME developers (see the

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<sup>2</sup> [Planning Fees – All Power to Local Authorities?](#)

LPDF research 'Small Builders, Big Burdens' for an explanation of the impact of increasing costs on SME developers<sup>3</sup>).

### Planning Committee Reforms

The general direction of travel displayed by the changes proposed to planning committees in the P&IB is very positive and is supported by the Federation as shown by our response to the 'Planning Reform' Working Paper<sup>4</sup>. LPAs workloads are significant, and their resources are limited, therefore anything that can be done to reduce the impact on LPAs and their committees is to be welcomed.

The LPDF are particularly supportive of the introduction of a National Scheme of Delegation (NSD) as this will have a significant positive impact on the planning system that will improve the speed, efficiency and quality of decision making. We also believe that the local plan should be the heart of the democratic process, during which land allocations are made and local policies are set out, and detailed democratic scrutiny over these takes place. The processing and determination of planning applications should then be a technical exercise to be undertaken by professional officers in line with the policies set out in the local plan. If implemented successfully, this would lead to a reduction in workload for professional officers, elected members and all those who help service the planning committees, thus having a positive impact on limited LPA resources, as well as leading to better outcomes.

However, in order to ensure that any NSD is as effective as possible, it will require the approach to be standardised so that it follows a consistent approach ensuring that local politicians, local communities and the development industry, can clearly establish whether an application will be determined by a delegated decision or if it will be required to go to planning committee.

It is suggested that any NSD should remove the ability of local councillors to call-in any applications once it qualifies as a decision to be delegated to officers. It is also suggested that any Reserved Matters application for an outline planning permission which has already been granted, or detailed permission for a site allocated in an adopted local plan, must be considered by officers only and not by any associated planning committee. These types of applications should only be going to committee in the most exceptional of circumstances. It should be the Chief Planning Officer (which could be made a statutory role) to determine what these exceptional circumstances are. This will ensure that decisions are made in a consistent manner, that risk is significantly reduced, and that the planning system is as efficient and effective as possible.

The LPDF strongly supports the introduction of mandatory training of planning committee members, but believe that this could go further to ensure its effectiveness. As such, the Federation

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<sup>3</sup> [Small Builders, Big Burdens LPDF Report - Sept23.indd](#)

<sup>4</sup> [LPDF Response to Planning Committee Reforms - January 2025.pdf](#)

suggest that there is also a need for a formal assessment or examination process following the mandatory training. It is recommended that members need to pass an examination following the mandatory training and that there should be provisions included to ensure that refresher training takes place if new policy or legislation is introduced. This would help to guarantee that the members understanding of planning policy and legislation is kept up to date and would help to improve the robustness of the planning decisions being made at committee.

### Nature Recovery

The LPDF strongly welcome the Government's proposals contained in the P&IB for the establishment of a Nature Recovery Fund (NRF). The Federation concur with the Government's assertion that taking a holistic and strategic approach to nature mitigation, will lead to better outcomes for the environment.

Through our response to the 'Development and Nature Recovery' Working paper<sup>5</sup>, the LPDF pushed for the proposals to go further so as to capture all environmental obligations including BNG and SANG. It is considered that only once all of these environmental obligations are wrapped into one, that the simplification this would bring would benefit both SME housebuilders and the Nature Recovery.

In addition, the LPDF recognise that the preparation of Environmental Delivery Plans (EDPs) by Natural England (NE) will need considerable resources dedicating to ensure the timely delivery of these vital documents. It must be noted that development must not be delayed from coming forward because of the lack of an EDP, especially where NE have not been timely in the preparation of these documents, and alternative approaches must remain available, as these documents are put in place. It should also be ensured that the EDPs align with the strategic objectives of housing delivery (numbers), commercial development and infrastructure.

The EDP should not be solely funded by housebuilders. It will be important to bring together a range of different parties to ensure the aims of the EDP are met, including water companies, farmers and other activities in the development sector.

The LPDF note that Clause 67 in the P&IB makes reference to provisions regarding payments being made in instalments. The LPDF would welcome the introduction of payments in instalments as this would be of great assistance to SME housebuilders. As such, the Federation are keen to understand the circumstances under which payment by instalments will be permitted.

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<sup>5</sup> [Nature Recovery Working Paper - LPDF response .pdf](#)

## Strategic Planning Reforms

Again, the LPDF welcome the return of strategic planning as the demise of this level of planning in 2010 has been one of the fundamental reasons why economic growth has been stifled, housing delivery has reduced significantly and often, the delivery of large scale, regionally or nationally important commercial development, has been stymied.

The LPDF are strongly of the opinion that decisions on where strategic services and facilities should be located, on where development should be directed, on where key infrastructure is required which serves a greater than local purpose, and on where economic growth should be focussed, should be taken at a greater than local level. This would ultimately ensure that a coordinated approach is achieved to the delivery of new development and infrastructure, and that issues of greater than local significance such as tackling climate change and addressing environmental concerns, can be achieved through a consistent approach across a wide geographic area.

It will be important for Strategic Planning to deal with the distribution of housing, and other development needs, across their geographic area, as many local plans were significantly delayed as decisions about the level of growth to accommodate in a particular area were argued over. However, the LPDF suggest that any Strategic Plan cannot simply locate all development needs, particularly housing, in any one or two of their constituent LPA areas. There should be a minimum level set for each LPA area, in order to ensure that each constituent LPA areas' needs are met through new development. In this regard the LPDF would suggest that no less than 70% of an LPAs need is met within their own authorities boundaries.

Strategic Plans should also be able to identify strategic growth opportunity areas and potentially review Green Belt boundaries at a strategic level, in order to determine the most sustainable locations for such growth opportunity areas. Whilst it is recognised that Strategic Plans should not allocate specific sites, the identification of general directions / areas of growth, would significantly assist LPAs in the preparation of their subsequent local plans.

The Federation believe that Strategic Development Strategies (SDSs) need to provide the long-term strategic vision for the area and therefore they should cover a minimum period of 20 years. They should, however, also be subject to formal review every 5 years, and the necessary revision made, to ensure they remain aligned with key policy such as the current standard method for calculating housing need.

Finally, the Government must ensure that LPAs continue to prepare their local plans whilst Strategic Plans are in preparation, so as to avoid policy vacuums in any particular LPA and so that development is not delayed due to the lack of an up-to-date local plan.

Our wider views on Strategic Planning, and other matters covered by the P&IB, can be found in our detailed response to the NPPF consultation is 2024.<sup>6</sup>

### Compulsory Purchase Reforms

The use of CPO powers in the delivery of development is a long-established process which is used in the public interest and as a last resort, after all other avenues of delivery have been exhausted. The level of evidence that should be required to prove that all such avenues of development have been pursued, before the CPO process is engaged, should be significant. In addition, the level of public benefit which should be derived from schemes which have been subject to the CPO process should also be significant and cannot for example, be simply the delivery of a scheme which is policy compliant with the relevant NPPF and up-to-date adopted local plan. In order to address these concerns, the term 'in the public interest' should be clearly and tightly defined by the government with reference to the government's core objectives and specific examples such as the provision of a scheme for 100% affordable housing or the delivery of a critical piece of nationally important strategic infrastructure.

The Government suggest that the increased use of CPO powers will accelerate development on sites which have failed to come forward. However, there are numerous reasons why a site, which is either allocated in a local plan or has planning permission for development, has not come forward in a reasonable timescale. Many of these are not related to land ownership or viability issues and many could not be overcome through the use of the CPO process. Therefore, in the majority of cases the use of CPO Powers will not speed up delivery and, because of the controversial nature of the CPO process, could lead to increasing delivery timescales. The removal of hope value may well increase the level of objections raised to the use of CPO powers, as well as increase the number of legal challenges that are submitted as a result, because landowners do not believe they are being paid a fair price for their land. Hence, these proposals could lead to a significant increase to the delays in the CPO process.

The thought that the CPO process will speed up the delivery of development is therefore misguided, as the commitment from the purchasing authority in terms of financial and personnel resources, timeframes, and risks, are significant and can take longer to deliver than working proactively with the landowners / developers to overcome the issues which are impacting the delivery of the scheme. Therefore, the use of CPO in these circumstances may have the opposite effect to that which the government would want.

There are a number of long-held myths which are frequently quoted by those who are ill-informed about the development process, those being that developers are sitting on land with planning permission in order to take advantage of increases in market value (so-called land-banking) and

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<sup>6</sup> [LPDF Response to NPPF Consultation 2024](#)



second, that the removal of hope value will speed up the delivery of housing and commercial development and its associated infrastructure.

The land-banking saga has been disproven on many occasions, not least by the government's own investigations through the Letwin review<sup>7</sup> and through the recent Competitions and Markets Authority (CMA) investigation into the housebuilding industry<sup>8</sup>. The conclusion of both was that developers do not landbank and any need for them to manage their development pipelines of planning permissions, is simply a result of the inefficient operation of the planning system. This is being addressed by the government through the new NPPF published in December 2024 and the associated legislation, guidance and policy changes which will be issued throughout 2025.

In terms of the removal of hope value, there are also serious concerns that if implemented, it will negatively impact the land market. Land promoters and developers will not invest in promoting land through the local plan process if there is a threat that the site could be acquired, through the CPO process, at below market value, at some point in the future. This could seriously impact the ability of the government to deliver its fundamental objectives of delivering significant economic growth and 1.5 million new homes over the course of this parliament.

The government have considered the issue on Land Value Capture on two previous occasions and both have been unsuccessful because of the negative impact it would have on the land market. This is of particular concern if the government, as indicated in the consultation paper, include land allocated for residential development in a local plan which has not come forward for development in the proposal to remove hope value.

The risks and costs which are involved in promoting land through the local plan process, and subsequently through the development management system are considerable, a fact that disproportionately impacts SME developers given their more limited resources<sup>9</sup>. Investors are therefore highly unlikely to continue to invest in the development process, if the risks to that investment are increased by the threat of future CPO acquisition.

Rather than the government considering fundamental changes to the CPO process, it would be considerably more beneficial for the government to ensure that LPAs get up-to-date local plans in place which include policies that guide developers on the contributions they should be making to affordable housing and other key infrastructure as part of their proposals. This approach is subjected to viability testing and is independently examined, ensuring that the deliverability and viability of any proposed allocations is robust. The proper implementation of the plan led system,

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<sup>7</sup> [Letwin review web version.pdf](#)

<sup>8</sup> [Housebuilding market study final report](#)

<sup>9</sup> [Small Builders, Big Burdens](#)

alongside the introduction of a mandatory Community Infrastructure Levy (CIL) process for all LPAs, would ensure that maximum value can be extracted from land for the public benefit whilst ensuring that development remains a viable proposition for investors.

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