

Levelling Up, Housing and Communities Committee

Oral evidence: Reforms to national planning policy, HC 1122

Monday 24 April 2023

Ordered by the House of Commons to be published on 24 April 2023.

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Members present: Mr Clive Betts (Chair); Bob Blackman; Ian Byrne; Mrs Natalie Elphicke; Kate Hollern; Andrew Lewer; Nadia Whittome; Mohammad Yasin.

Questions 56 - 165

Witnesses

I: Rachel Maclean MP, Minister of State (Housing and Planning), Department for Levelling Up, Housing and Communities; and Emran Mian, Director General, Regeneration, Department for Levelling Up, Housing and Communities.

Examination of witnesses

Witnesses: Rachel Maclean and Emran Mian.

Chair: Welcome to this afternoon's session of the Levelling Up, Housing and Communities Select Committee. This afternoon we have the second of our evidence sessions in our inquiry into reforms to the national planning policy. There are quite a few reforms going on in various ways at present. There are reforms to the NPPF, there are lots of reforms in the levelling-up Bill going through the House of Lords, and in other ways as well. It is a pleasure to welcome the Minister of State for Housing and Planning this afternoon to her first session before this Committee.

We will come to you in a second, but just before then we will ask members of the Committee to put on record any interests that they may have that may be directly relevant to our inquiry. I am a vice-president of the Local Government Association.

Mohammad Yasin: I am a member of Bedford Town Deal board.

Ian Byrne: I employ a councillor in my office.



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Kate Hollern: As do I.

Nadia Whittome: I am a board member of One Nottingham.

Bob Blackman: I am a vice-president of the Local Government Association and I employ councillors in my office.

Mrs Elphicke: I am a vice-president of the Local Government Association and I am an unpaid director of the Housing and Finance Institute.

Andrew Lewer: I am a vice-president of the Local Government Association and a member of Northampton Forward board.

Q56 **Chair:** Thank you all for that.

Minister, over to you now and welcome to our session this afternoon. Perhaps you would like to introduce the official you have brought with you. That would be helpful.

Rachel Maclean: Thank you very much. It is a pleasure to be here. The official I have brought with me is Emran Mian. I will ask him to tell the Committee his title.

Emran Mian: I am the Director General, Department for Levelling Up, Housing and Communities, responsible for regeneration, which includes housing and planning.

Q57 **Chair:** I think we have seen you before, not too long ago, Mr Mian, with the Permanent Secretary, as was. We have had a change of Permanent Secretary since then, along with changes to Ministers from time to time. Welcome to you this afternoon, Mr Mian.

Beginning now with our questions, we are looking at reforms to the national planning policy, of which there seem to be an awful lot. When we talk to builders, developers, planners, local authorities or, indeed, anyone involved in the business of building or planning, one of the things they say to us is, "Give us certainty because that affects how we do our planning, the speed at which we do it and how we do developments". If you were trying to think of a way of creating more certainty, it would be difficult to imagine having more than nine consultations going on now about planning changes, wouldn't it?

Rachel Maclean: You make a very good point, Chair. Hearing from stakeholders across the sector as I have done in the three or four months since I have been the Minister, that is exactly what they are all asking for; not only them, I am sure that for you on the LGA—and it seems that a lot of you are—and councillors, they are often saying the same thing. We know that the planning system is asked to do a lot so it is right that we are making some changes to it. You are right to challenge me on that.

We are trying to get to a position where the planning system is clearer and easier to use, but unfortunately there always has to be a transitional period to go from where we are now to where we will be in future.



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However, I am optimistic that the system will be simpler and more straightforward and will have less complexity when we have been able to implement some of the changes that we have all talked about not only in the consultations but also in the levelling up Bill.

Q58 Chair: We might come on to look at the complexity issues in due course and probably think about whether the reforms that come out are likely to simplify the process. However, what is very often important is looking back and examining your reforms to see if they are working. In 2012, this Committee looked at the national planning policy framework when it was introduced. We consulted on it and did a report. Has there been an impact assessment since then of any of the changes that were made?

Rachel Maclean: I am sure there will have been, Chair, but I am going to ask Emran Mian to perhaps fill in the detail on that.

Emran Mian: To accompany the passage of the Levelling-up and Regeneration Bill, we are making some changes to the plan-making process. We have published an impact assessment alongside the Bill. That is the most recent document. Over the time that you are referring to, we have also published impact assessments on particular pieces or policies to check on whether the implementation of those policies has been consistent with our aims.

Q59 Chair: So you could tell us that for each of the changes made from the NPPF changes initially onwards there has been a detailed study of what has worked and how well it has worked?

Emran Mian: I don't think I would be able to go so far as to say that we have a detailed study of every single change that we made over that period, but if it would be helpful for us to provide an account of where we have been able to assess the impacts of policy change, we would be very happy to write to the Committee.

Q60 Chair: It would be helpful to see what has been done because sometimes we just have the feeling that changes come a bit out of the blue and there is not necessarily an evidence base to sustain them. I think that is always the worry that people in planning have.

Rachel Maclean: I accept that, but in response I would say that in all areas of Government policymaking we need to take account of a vast range of views. I think we have received something like 26,000 responses to the NPPF prospectus consultation and I am sure that some of the views expressed will be the complete opposite of some others. Certainty for one person will be a completely different certainty for somebody else. Somehow Government have to balance the views of those stakeholders and that is why it takes some time, but we are getting evidence from external to Whitehall and are making sure that we are at least considering those views. That is obviously my job, guided by officials in the Department.

Chair: With 26,000 responses to the consultation you are probably



having quite a time working through them.

Rachel Maclean: A fair amount of work to do, yes.

Q61 **Chair:** Is there now a timeframe or a date for implementation of any changes you finally agree, both to the NPPF and other changes, say to the levelling-up Bill?

Rachel Maclean: I want to be as helpful as I can but some of the things that we are consulting on now are not yet Government policy. Some consultations have closed. Some are still open. I think we have sent you a list of them and you will know that a lot of things are still open to consultation. When they have closed, we will have to work through them all, reach a policy position and agree it across government. Of course, the levelling-up Bill still has not returned to Parliament and there may well be some changes to that, which we will have to consider.

If I can make a general point, the system is complex and the changes we are making are quite wide-ranging. Take, for example, something like the infrastructure levy, which I am sure we will get on to later, but taking that as an example for now, we will not be able to suddenly roll that out across the whole country overnight. That would be wrong. It could have unintended consequences. We need to proceed much more carefully. We need to roll the system out and learn from it. We need to take a test and learn approach and make sure that we have rolled it out in areas that are different from each other's, have different characteristics, so we can take a view across the country about whether we have the system right. I think we are all quite open that we do not have all the answers. Sometimes we need to learn from how policy is implemented. We don't know absolutely everything from the outset.

Q62 **Chair:** You mentioned the infrastructure levy. We will come back to look at that, although generally, as a Committee, we have accepted that the idea of testing something first is not a bad idea even if it does add a bit of complication. We will explore that in a little while.

You have given us a list of the consultations. It might be helpful at some point, when you are a bit clearer, to have an idea of when implementation might come. It sounds a bit like there is going to be an awful lot of uncertainty for the next two years while these changes are thought about and before they are implemented.

Rachel Maclean: What we want to achieve is to be as clear as possible as quickly as possible, and there is another reason why I want to do that. That is because we know that it takes quite a long time for local areas to make a local plan. That is at the heart of the system and we do not want to slow down that process while these changes are taking place. Can I give you some reassurance? I am very concerned about that and so is the Secretary of State. When I say "concerned", I mean that I am holding it very tightly in the sense that I have a very good line of sight from me as the Minister through Emran Mian and his team, who have very close connections with the local areas. We are hearing that feedback from the



ground and we do need to have sensible transitional arrangements in place so that we don't have adverse consequences. We want the benefits of the system to be felt so that local authorities can benefit from it and can get on and plan.

Chair: Andrew Lewer is going to follow up on that and then go on with his own question.

Q63 Andrew Lewer: On this, you will recall that under a previous Prime Minister in this Government, Richard Bacon MP was commissioned to produce a review of self-commissioned, self-build housing. It was a Government commitment that that would be included in the NPPF, but it did not appear in the announcements that were made about this in December. I want to know whether that was deliberate or an omission or if it is intended that those review recommendations, given that they were prime-ministerially commissioned, will be part of a future NPPF.

Rachel Maclean: Thank you. I have met Richard Bacon, have worked closely with him and have read his report. It may be that there is a bit of a process—and I will perhaps ask Emran to come in—but I can reassure you about the overall objective. We do want to encourage more self and custom-built homes and to that end we have commissioned a unit within Homes England, which also works with our Department, to look at where the barriers are. We know there are lots of barriers for people who want to build their own houses and smaller builders. We think people building their own houses is a good thing so we want to make sure that we do take account of the barriers and challenges and bring in the changes that Richard Bacon recommended.

He has called for a number of things. From memory, I think we are doing the vast majority of them but whether we are doing it through that prospectus or perhaps through other routes in the levelling-up Bill, perhaps Emran Mian can clarify.

Q64 Andrew Lewer: Before Emran comes in, one of the points of the Bacon review was to get to grips with what those blockages were rather than begin a dialogue about what they were. We have all been saying for a long time that we like this idea but it is all very difficult, so the point of the review was to work out what was difficult and come up with solutions rather than use it as a starting point. It was supposed to be a conclusion point. Part of the recommendations were clearly NPPF requirements within the NPPF, but it was not there in December. Is that just because they are on their way or are you just going to do it through other means and not have part of his review within the NPPF after all?

Emran Mian: Our analysis, and I hope this is consistent with his recommendations, is that the most pressing problems facing people trying to do this for themselves are access to finance and the expertise to wrap around it. We have a programme running now through Homes England to improve access to finance for people trying to self-build. It is continuing to prove very difficult. Mortgage lenders do not see this



community of people yet as the first set of customers that they want to go to, so we definitely have more to do on that. We have acted on it, we have Homes England working on it, and we are talking a lot to the mortgage lenders. We are hoping to make progress exactly in the way that Richard Bacon recommended.

The second issue has been providing people with access to some of the other expertise they may need to be able to execute their projects, which may be expertise in some remediation issues on land, perhaps on architecture and design, or about connecting to other bits of infrastructure. Again, we have a unit within Homes England, our delivery body, which is seeking to provide that expertise. We have tried to focus on the issues that Richard Bacon identified as the most pressing to work on. If there are additional planning issues that we ought to be considering, of course, the NPPF is a way for us to do that in future.

Rachel Maclean: I will ask Emran to help me with this because I think there is an amendment in the levelling-up Bill that Richard Bacon asked for, asking for more clarity in the planning system. Forgive me; it was from before I was in the post so I am not quite sure why it is not in the planning guidance that you have talked about but we can take that away and check into the position on that one.

Q65 **Andrew Lewer:** That would be helpful. The real thrust of the review was about self-commissioning rather than self-building and there is expertise within the building trade. It is not just about people turning up with a pile of bricks and doing it themselves.

Moving on to local plan delays, the Committee has heard evidence that at least 25 local authorities—others suggest significantly more—have delayed their local plans since Michael Gove's written statement on 6 December. Why do you think that so many authorities have paused their plan-making process?

Rachel Maclean: There is a bit of nuance to get into with some of the data. There may be other reasons for why local authorities have paused their plans. What we know from our side, because we do maintain very close contact with local authorities, is, we understand, that plan-making is continuing in the majority of them with 96% of local authorities having a plan adopted under the current system. We do want to make sure that those timetables are progressing. Where there are issues, I and the Department have very close relationships with local authorities to try to bottom out what is going on and there is progress all the time. In the last six months, three of the planning authorities of those previously without a plan in the current system have adopted one. Of the 4% without an adopted plan, six are at examination or advanced stages of plan preparation. We do want to see that progress and see things moving through, so it is important that we do not have plans stopping and the reason why is because we know that getting plans in place is the best way to achieve the right amount of development and housing supply for those authorities.



Q66 Andrew Lewer: Do you have any evidence to suggest that the changes that were made in the 6 December statement are going to lead to more local plans being adopted?

Rachel Maclean: We do have evidence that where local plans are in place, that results in more homes being built. We know that local authorities that have plans in place will build 14% more houses across the board, but that was not your question, though, was it?

Andrew Lewer: That is part of the question, except it tends to suggest the opposite: that people will not proceed to adopt their plans due to the confusion created on 6 December and that would lead to fewer houses being built on that basis.

Rachel Maclean: It is quite hard for me to comment on what happened on 6 December because I wasn't the Minister. What I know now about what we are doing now is working closely with those local authorities. Do we have evidence to suggest how many of them paused their plans? I am going to ask Emran Mian if he can come in on that.

Emran Mian: Our intelligence suggests that the figure you quoted at the beginning of your question is probably an overestimate of the number of authorities that have paused plan production. As the Minister was describing, we have seen lots of evidence of local planning authorities continuing to take measures to complete plans that were in preparation. Indeed, three that did not have a plan in the current system have adopted a plan in the last six months.

You asked whether we think the changes that we are currently consulting on will lead to a position where more places adopt plans. I think that was what was behind the desire to consult on those very proposals and the consultation responses will tell us if we have the balance right. What we were increasingly picking up from a number of places was that the thing that was blocking progress on making a plan was that the plan would have necessitated development in an area where there were strong local views that it would be wholly out of character with existing development. Equally, other areas found that in order to be able to create a plan under the current system, they would have had to plan for growth in the green belt in a way that was not consistent with either their local policies or national policy on green belt. Those are the reasons why we have chosen to consult on those issues as part of the follow-up to the December announcement.

If we do have that balance right, and the consultation responses will tell us, that ought to help to get more plans through the system and that is our overarching aim. The more plans we can get made, the more up-to-date plans we have, the more sustainable development there is, the less development that relies on speculative development and, therefore, the more development that continues to have community consent.

Q67 Andrew Lewer: I am interested that you say that you think 25 might be



an overestimate because our other figure, which is from the Land Promoters and Developers Federation and the Home Builders Federation together, said that it was 55.

Rachel Maclean: There is a bit of a debate about this because there are different ways of assessing whether this is a delay due to the Secretary of State's statement or a delay due to other factors because there are a number of parts and aspects to the plan-making process that may have been delayed for other reasons, and obviously that may have occurred at the same time as the Secretary of State made his announcement. We are working through this in a bit more detail so that we can have more granular data. At the same time, however, the key point is about putting all our effort and resources into getting the system reformed and changed, providing that clarity so that we do not have the delays because, of course, we do not want delays.

Q68 **Andrew Lewer:** Some of them were before the Theresa Villiers and Iain Duncan Smith amendment was agreed to. The original Michael Gove plan was itself different and was completely different from the one that Robert Jenrick had in mind. Feel free to comment, because it was all well before your time, but is that not possibly one of the reasons for the delays—not specifically the written ministerial statement but the background to it and due to the chops and changes beforehand?

Rachel Maclean: Clearly, there have been changes. We all know that. It is also right that we do take into account what Parliament expresses through the debates that we had on the levelling-up Bill and that is the role of any Government. We live in a democracy. We have to take account of the views expressed by Members of Parliament, who are representing their communities, and, therefore, Government policy sometimes has to change or be amended. That is the process we have and are all part of. It is right that we take the time to reflect and consider the impact.

What might be helpful is if I just mention something because I think it is the key here. This goes to what the Chair mentioned earlier about when these things are going to start. We will be setting out the transitional arrangements and are working closely with local authorities on that. For example, if I am a local authority and my plan is at stage 1, that means that I have to do A, B and C and, by year X, I will still have to be in the old system, but if I am already at a later stage, that means I can take advantage of the new system. That means a lot of detail has to go into that and communicating it to local authorities so that they will know that if they are at a given stage, it means they need to continue under the old system. Some authorities will have to continue under the old system because the new system is not yet law. Others, because they are quite advanced and because of the timescales they are working towards, will be able to take advantage of the new system when it is introduced. That is something that we will have to work very closely with local authorities on to make sure that they know, because there will be differences among



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them and a lot of work is needed to make sure that they understand that. We will, of course, work through the LGA and others to help bed that in.

Q69 Andrew Lewer: Authorities are on different tracks but the Government have said that overall they expect their proposed changes to the NPPF to lead to more housebuilding.

Rachel Maclean: Yes.

Andrew Lewer: But doesn't this all just have a gargantuan Titanic iceberg-sized hole in it, because targets in local plans are now only advisory?

Rachel Maclean: I don't think it does. We are very clear that we want to see those numbers of houses built. We need to have them built because we need houses in this country for people to live in. We have that commitment of 300,000 a year and the way for us to achieve that is by having local plans and making it quicker, easier, simpler and clearer for local authorities to get their local plans in place. Those local plans will still need to take account of the housing needs in their areas, let's not forget. There is still that requirement for them to set out how many homes are needed in their areas and I think that is the way that we will get those houses built.

We must get those houses built, make no mistake about that. That joins up with everything else that we are doing across the system, which also includes all the investment in brownfield investment, the levelling-up money, all these things, and also more powers, for example, for fantastic mayors like Andy Street, who is building more houses than his target suggested. All that will help us to build those homes in the right places with the consent of communities.

Andrew Lewer: I could say more but I should hand over.

Chair: Moving now to the issue of national housing targets, Natalie Elphicke.

Q70 Mrs Elphicke: That leads very nicely into this segment. Minister, as we move from this national imposed target system to a locally set planning target system, do you think it will ultimately encourage or discourage local plan-making and accountability and responsibility at the local level compared with the system now?

Rachel Maclean: Yes, I think it will. The changes we are making across the board are designed to move from an appeal-led system, which is what we have at the moment, to a plan-led system. If we get that right, and subject to the complexities we are talking about in Parliament, it will mean that local communities will be, or should be, more supportive of developments. We all know at the moment why development is opposed. Through the system and the changes we are making in line with the BIDEN principles that the Secretary of State has talked about many times—and I am sure he has before this Committee—we know that if



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development is built according to those principles, it is much more likely to achieve support in a local community. That is the way that we will drive those houses to be built in the right places for local people who can afford them.

- Q71 **Mrs Elphicke:** May I explore the potential for a gap between locally led targets and nationally led aspirations and targets? There is the national 300,000 target by 2025, but in addition, Mr Mian, when you were last before the Committee we explored the issue of the Department setting targets and monitoring. I want to explore how you see that the Department's internal monitoring, accountability and transparency of local government will have to change in order to assess and, if necessary, intervene on any gap between the sum of the local target and the aspiration at the national level.

Rachel Maclean: Are you talking about a new mechanism?

Mrs Elphicke: Yes, because there is no monitoring. We had evidence last time that no departmental target is set each year at present. Going forward, how will the Department look at any potential gap between the target that is set at a national level to meet national housing needs and the cumulative sum of all the local authority targets that are being set?

Rachel Maclean: I think there are a few ways it can be achieved through the system in the future.

The first is through the housing need numbers. That is a nationally recognised method for calculating how many houses we need. That will remain. So will the housing delivery test. That will remain, although it will interact in the system in a slightly different way. Those levers or fundamentals in the framework will still exist. It is still very clear that houses need to be built, so nothing that we are doing—and I personally as a Minister would not have supported anything—is taking away from that need to deliver houses, to deliver those 300,000 houses. We absolutely must do that.

As I said before, there are quite a lot of different stages in delivering all this, so we will need to continually monitor the impact of it. Fundamentally, the way that the national Government work with local government is very much a locally led approach. We have had that, I think, as a principle for quite a long time. That is the way that we now work with local government. We do give them the powers, the resources, those freedoms, if you like—and more freedoms in some places such as the combined authority areas and the investment zones and in devolution deals—to chart their own destinies. I think that is the right way of doing it. If you have this very top-down approach, with the man or woman in Whitehall saying, "You need to build this many houses," I think that is just going to be philosophically very difficult for any central Government to impose on a local area without the consent of the local area. That would be the way to get fewer houses built. You may disagree. I don't know if Emran Mian has any points to make.



Emran Mian: No. I would just reinforce the point, Minister, that you were making that 300,000 remains the guiding principle. That is the local housing need that we are trying to get the system as a whole to plan for. What we are recognising through the consultation to which people have been responding is that individual local planning authorities may have very good reasons why they are not able to deliver in full their portion of that 300,000, which may be to do with the character of the area or green belt. That is what we are recognising: that individual areas may be up against those constraints, but we will nevertheless continue to monitor what local planning authorities are delivering against what they said in their plans that they will deliver. The housing delivery test, as the Minister says, will continue to be there.

Another thing that we observe is that a number of authorities, quite a few authorities, in the country deliver more than their share, if you like, of local housing need. A number of places, including many cities, are delivering quite a bit more than 100% of local housing need.

Q72 **Mrs Elphicke:** But not London for a very, very long time and not the home counties.

To press you on the issue of this gap or potential gap, Lichfields has said, as you will know, that there has been effectively a downing of tools, if you like, of councils impacting on around 77,000 homes as a result of the expected changes in the NPPF. Minister, you asked did I agree that locally led plan making was the right way to go. I wrote a Government paper on it with Keith House, so yes, I absolutely think that local authorities' housing delivery enablers is the right way to go. However, what I am keen to understand is how the Government will be driving interventions and monitoring if that local housing need is not being met, if councils are not meeting the needs of their local communities or might be meeting the needs of a particular part of their electorate but not necessarily meeting their full responsibilities to everyone within that area. How are the Government going to intervene to make sure that they do?

Rachel Maclean: Government do have some powers to intervene; for example, calling in planning applications. That is an accepted method that exists in the system at the moment. It may or may not be something that the Secretary of State wishes to do and that will obviously have an impact on housing supply in some cases, in some applications.

What I observe, and we have evidence, is that where local plans are in place, more houses are built. I think it is something like 14% more. Based on that one piece of evidence is a pretty strong argument to me to say do everything you possibly can to enable more local authorities to get more local plans. That is the best way to get more houses built. It is everything that we are doing across the system. You can't pick one thing out because it is a set of things. Obviously, planning is complex; we ask it to do a lot. It is all those things taken together, with the overriding objective of making it much easier for local authorities to make those plans, engage with their communities, get the consent—digitisation is one



of the things we are doing as well—to speed that whole thing up because that is what we want. That is the approach that we are taking.

In your scenario, let's say we take an argument where we try to have targets for each area. If we did that we would be left without any levers if somewhere fell short because we would just say, "You have to build"—however many houses—and they would just say, "No, we can't because no one wants it and we have to have the green belt". We think the right way of doing this is from first principles, reforming the system. Of course, we will keep it under review and seek to make changes if necessary.

I would observe that our record of housebuilding is not where we need it to be, but it is not bad. We had a record year just before the pandemic. I think it was 2020-21. We built more houses in this country than I think in the last 20 years. So the system can work but we need to boost it.

Q73 Kate Hollern: From what Natalie Elphicke says, the Lichfields report suggests there will be 25% fewer houses built. I am unclear, from your response, about how the Government would address that difference. You said that some authorities will provide 14% more than expected but, given the housing crisis, there will still be a massive gap. Surely the Government must have some plan or strategy to make up that shortfall.

Rachel Maclean: We do not necessarily accept the premise and analysis that Lichfields used to come up with those numbers because, frankly, Lichfields does not know but are projecting into the future something that does not exist yet. I think I am right in saying that we are working through some of the granular details and trying to dig into Lichfields' analysis so that we can come up with perhaps a more detailed rebuttal to give people confidence. We respect Lichfields' research—Lichfields is a well-respected body—but we do not necessarily agree with it because it makes assumptions.

Of course, we want to see that gap be filled. On that point, I would just mention that we have a £11.5 billion affordable home-building programme, which is boosting housing supply across the country, and that is just one intervention. Unfortunately, I did not have that response to the Lichfields report with me today, but we are quite concerned to get that response out into the public domain to alleviate concerns.

Emran Mian: I should give the reason for that. The reason is that the Lichfields study was submitted to the consultation as part of the consultation response to the Home Builders Federation and we need to go back to all the consultation responses in one rather than pre-empt the consultation and comment only on one response. As the Minister has indicated, I don't think we would necessarily agree with the Lichfields analysis but we will give the Government's view of that analysis and what we think will happen as a consequence of the changes. That is part of closing the consultation and giving our responses.

Q74 Bob Blackman: I understand completely why you want to concentrate



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on local plans and that being the thing, but a local authority, having agreed its local plan, can then use that to say, "That's the housing that we're going to have," and they will refuse further applications because they consider them not to be appropriate for their area, they may be overdeveloped, all sorts of reasons. Given that every local authority, local planning authority, will do a local plan, it will come up with its numbers year by year. When those numbers come to 200,000 properties a year instead of 300,000, what do you do?

Rachel Maclean: I would question that assumption that they would do that because if we go back to—

Q75 **Bob Blackman:** The answer is that we don't know at the moment. A lot of local authorities don't have local plans, some have paused, some have more ambitious plans than others, but the key here is that the number of planning applications already in the system is over a million that have not been built so we do not have the housing developed. What do you do when those numbers do not add up to the target?

Rachel Maclean: When local authorities produce a plan, they have to produce a plan with the numbers in the system based on the housing need of that area. They have to come up with evidence. If the housing need is—

Bob Blackman: Minister, can I just interrupt you?

Rachel Maclean: Of course.

Q76 **Bob Blackman:** One of the issues is that, for example, in large parts of this country the housing need for a local area, for the people who live in that local area, will be relatively small, but we will need homes to be built in addition to those areas in order to accommodate the people who need a property but do not have one. That is not a local need. The local need is the need that is there for the people who live in that local area. If you are saying that that is going to change, then you have to implement that as a rule on local authorities, not just local need but the national need as well.

Rachel Maclean: Yes. Forgive me. I did not explain myself well enough. Can I start again, Mr Blackman?

They will have to use the standard method of calculating housing need for their local area, which does take into account the future need of the area, which includes people who do not live there now but may need to move there in the future because the population is growing or there is urban expansion or there is an employment strategy or they are in a life sciences sector. It could be anything. They will have to take into account national factors as well when they are doing that standard calculation.

I am not an expert on this by any means and I am sure that some people in the room are, but it is a nationally recognised standard format that that local authority will have to come with. Then it has to go to the Planning Inspectorate and it has to find the plan to be justified and



sound. If it is not, the local authority will be forced to go and do it again. We are building those targets into the system. They are fundamentally part of the system, part of the architecture of the system.

In answer to your question about what would happen if only 200,000 houses were built and we need 300,000, clearly the Government would have to do something, but none of us can sit here now and know if that would happen or when it would happen or what exactly would be the—

Q77 Bob Blackman: Sorry, Minister, but the point is that originally there was a national target that would be imposed on local authorities and there was obviously huge resistance to that.

Rachel Maclean: It didn't work.

Bob Blackman: You are right, it doesn't work, but the answer is that if the numbers do not match—if the sum comes to 200,000 and the target is 300,000; I am plucking figures out of the air, clearly—you either have to impose targets and tell local authorities, "You must increase your target by 20%," or whatever it may be or, alternatively, you accept the fact that you will not hit the target.

Rachel Maclean: I would make the point that we had a top-down target and it did not work. We all know that. That is why many predecessors before me, Secretaries of State, set out to address that exact problem, because we recognised that it was a failure of the system. The system is not building enough; it is not building enough homes for people to own or to rent or enough affordable homes across the board. That is why we are making all the changes that we are making—huge numbers of changes, and we have not talked about them all yet. We are starting from that basic principle that every change we are making must deliver more houses. Are they in the right place? Are they beautiful? Are they terraced houses or are they environmentally friendly ones? That is all part of what we are trying to achieve.

You are right to ask what happens if it doesn't work, but in a sense I don't think any Minister could answer that question. If we were in that situation three years from now, we would have to take a good long look and ask, "Why isn't it working? What exactly is it? Was it our fault? Was it the economy? Was it another war?" There could be multiple factors and then our policy response would need to be tailored to whatever the factor was.

I am not trying to stonewall you. I am just going back to first principles here. When you are making policy, no one has a crystal ball. You make policy with the best of intentions, you build test and learn into it, you monitor it, you take advice from everybody who has experience, which they all have, and you do your best, but clearly, if it does not work, you then have to do something else in the future.

Chair: Andrew Lewer has a follow-up question.



Q78 Andrew Lewer: Well, I'll give you a little crystal ball. When the Theresa Villiers and Iain Duncan Smith amendment was debated before the Government accepted it—which I opposed because I am not convinced by the benefits of a plan-led system always, but if you have one, you have to have a target or it does not really mean anything—apart from me, every MP stood up and said, "I'm in favour of housing except in my patch", "I'm in favour of housing except where I live because that's urban", "I'm in favour of housing except where I live because it's a rural area", "I'm in favour of housing except where I am because it's got green belt", and so it went on. If every Member of Parliament representing that area takes that view, why are you so confident that local authorities will take a completely different view and deliver?

Rachel Maclean: Can I first of all say that your remarks in Parliament are commendable? Secondly, we do have evidence that some areas can deliver housing. The West Midlands—the figures are somewhere in my pack—has massively exceeded its housing target in Birmingham and there are others—

Emran Mian: It is 176% in Birmingham.

Rachel Maclean—176% and I am sure that lots of MPs in Birmingham stood up and said that they didn't want housing in their areas. Nevertheless, if you have the right incentives in place.

To give credit to the MPs who said that they did not want housing, what they all did say was, "We don't mind housing as long as it has the right infrastructure, has schools and GP surgeries, and is sustainable and built to the latest methods". Most of them did say that in some shape or form and that is exactly what the infrastructure levy and some of the other interventions are designed to do. As well as having the sticks, if you like, of the housing delivery test and some of those other things, other intervention powers, we have those carrots, which will make housing more acceptable to communities. We all know that as constituency MPs. We have all been under pressure to oppose building on the green belt or a greenfield and that is not the ideal way of going about things.

We want there to be development in the places where the communities will accept it. That will make it much easier for those local members, elected members of whatever party and Members of Parliament to accept and stand up and welcome that development instead of opposing it.

Chair: Moving on to the issue of the calculations and the standard method and so on, Mohammed Yasin.

Q79 Mohammad Yasin: The proposed changes to paragraph 61 of the NPPF make it clear that the outcome of the standard method is to become an advisory starting point for establishing an area's housing requirement, whereas currently the standard method is mandatory "unless exceptional circumstances justify an alternative approach". In your view, what role does the standard method play going forward and do you think it is fit for



purpose?

Rachel Maclean: The formula itself is not changing. Forgive me, I just want to make sure that I have the right information to give you. We want to make sure that the formula still supports delivery of those 300,000 houses. Yes, we do think it is fit for purpose. Perhaps you can be a bit more specific in things that you think are problems with it, and I can try to answer them.

Q80 **Mohammad Yasin:** In the future it is going to be advisory while currently it is mandatory. Which one is fit for the purpose: the advisory one or the mandatory one?

Rachel Maclean: We changed it to advisory, and that was basically based on the will of Parliament that was expressed through many of the debates that we had in the passage of the levelling-up Bill. It means that local planning authorities will still need to take account of it. There is still the planning system, and the planning inspectors will have to look at that. We heard feedback that sometimes that method was very difficult for local authorities and it meant that they did have to use the green-belt land, which none of us want to see happening.

We just gave a bit more flexibility into the system for local authorities to make their local plan. They will still have to take account of those numbers, but if there are individual circumstances in their own area that mean that they could not meet the housing need without building, for example, on the green belt or on a flood plain or a coastal area at risk of erosion, to take a few examples, it meant that they did not have to do that. Emran, have I missed anything?

Emran Mian: There is some flexibility already. As you referred to in the current draft of the NPPF, it already says that in exceptional circumstances a local planning authority does not have to plan for local housing need. What we have been learning through the process of having these discussions is that was regarded by many local planning authorities as being too narrow a flexibility. It was meaning that where a local planning authority may have to build on green-belt land, for example, in order to meet local housing need, that did not count as an exceptional circumstance.

What we have tried to do as part of the consultation is to—"clarify" would not be quite the right word, but to expand, in a sense, the flexibility the local planning authorities have in planning against local housing need so that it is clear that where planning for local housing need would necessitate building on green-belt land or it would necessitate building in a way that is wholly out of character with the development that already exists in a place, then there is some flexibility, more flexibility than in the current system in terms of planning against local housing need.

The reason for doing that is because we think local plans were getting stuck for exactly that reason. Local plans were not being made because



there was not the local consent to build on green-belt land and, as a consequence, there simply was not a plan in place. We were ending up in those areas with, as the Minister said, an appeal-led system rather than a plan-led system.

Because it is our firm view, backed up by evidence, that we will get more housing delivery with more sustained community support if we have plan-led development rather than appeal-led development, we thought it was the right thing to do to consult on introducing a little bit more flexibility in the application of local housing need, which is what the consultation aims to do.

Q81 Mohammad Yasin: In your view, if the current standard method is fit for purpose, how do you justify the need for the urban uplift?

Rachel Maclean: The urban uplift is designed to achieve what we often hear in these debates about planning. It is designed to achieve the objective of more density in cities where there is already the transport infrastructure and the social infrastructure that housing needs, as opposed to building in the green belt, for example, or in an area that we need to grow food because obviously we need to be more self-sufficient in our food.

If you are infilling, if you are using brownfield land, if you are asking those urban areas that already have very valuable land in the urban areas so that they can achieve more affordable housing through all the financial developer contributions, then that is a sensible policy objective and helps us deliver those houses that we desperately need over the whole country.

Q82 Mohammad Yasin: How might the standard method be changed based on new household projection data on the 2021 census that is published in 2024?

Rachel Maclean: We have listened to feedback about the census data and we have said, as you have rightly said, that we will use those projections of the 2021 census, which will be released in 2024, and then we will look again at those numbers and look again at that policy and see if any changes need to be made to it.

Q83 Mrs Elphicke: I just wanted to follow up the green belt. It has always been the case that green belt could be reviewed, and I am keen to understand why, in the balance of the approach, greater consideration has not been given to requiring a review of green belt before exceptional circumstances can be utilised. In my constituency, we do not have green belts, but the consequence of the sacrosanct nature of green belt, even though there are pockets of very well-connected brownfield sites within a so-called green belt, means that agricultural fields that we would like to be used for supplying food and other purposes and areas of outstanding national beauty are put under consideration because this is the approach to green belt.



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I am very keen to understand: why not require a thorough review of all land within green belt, including whether it is meeting its green belt objectives, before it can be applied for exceptional circumstances?

Rachel Maclean: Is what you are suggesting that there should be some circumstances where green belts should be used for development?

Mrs Elphicke: There are circumstances where green belt is used for development. We have seen particularly around the midlands, for example, where green belt has been released and new green belt redesignated to more appropriately fit within the developing nature of the cities and towns, to refresh and update green belt to reflect that. Then we have situations, for example, in Surrey, where we have green belt sitting there idly where now the M25 divides two towns in a place where green belt used to, yet that green-belt land cannot come forward, although these two towns can never meet unless something rather drastic happens to the M25.

The question is whether it should be a condition of exercising exceptional circumstances on green belt to undertake such green belt review, to consider and assess whether or not the green belt is still relevant and still meets the purposes of green belt within the development envelope of that particular community.

Rachel Maclean: I will start by stating the Government's current position on the green belt, and if I make a mistake I will ask Emran to fill in. The Government are not going to change the current position on the green belt. That is my understanding of the current agreed Government position. This was discussed, as far as I understand it, quite extensively in the levelling up Bill. The Government's position is that we want to build the houses under the BIDEN principles in the places where local communities want to live and we want that to be a local plan-led system.

It may be that there are some local authorities under this system that we are providing for them and legislating for that would be able to, with the consent of their community and because it works for them, build on the green belt, but that is not the Government's overarching position. Have I stated that correctly?

Emran Mian: Yes, that is right. Essentially, we are not requiring local planning authorities, which I think is your question, to conduct a green belt review exactly because what we have been learning through the plan-making process is that where local authorities feel they have to do a green belt review it is very time consuming and it leads to a massive amount of local controversy. In the end, it impedes the adoption of a plan, which is why we are not requiring local planning authorities to do that because we are prioritising getting a plan in place.

Mrs Elphicke: Just for completeness, Chair, I wanted to note that I have a modest planning application myself under way, given we are talking about planning, albeit under the current system, to propose converting a



brownfield garage site into a modest home for myself and my son. I just wanted to put that on record given the nature of our conversation.

- Q84 **Chair:** Going back to the standard method of assessment and the flexibility with it being no longer mandatory but advisory, it is quite clear, isn't it, from the wording you are proposing in paragraph 61, "The outcome of the standard method is an advisory starting point for establishing a housing requirement for the area" and no longer mandatory. I think you said, Emran, that it would allow flexibility. Is that flexibility defined precisely in the NPPF or is it a general flexibility that authorities can use?

Rachel Maclean: Like many things in the system—I think Emran set out how the previous definition was too narrow and it needs to be expanded somewhat—there is a lot of judgment, as we know. There is a lot of judgment because the local plans will be interpreted by a local authority and local communities will have a view on it. One person's flexibility may be too broad for another one, which is why we then have the Planning Inspectorate, which will then have a role in determining, "Is this plan appropriate and will it meet the needs of the definition of the planning framework?" That will be where that scrutiny comes in around flexibility and precisely how broad it is.

- Q85 **Chair:** It is helpful for local authorities to understand how broad it is when they are drawing up their local plan, otherwise they are going to do something and the planning inspector is going to say, "Oh, you can't do that, that is not within the rules". Is the flexibility precisely defined in the NPPF or can local authorities say, "We have this new advisory system situation and we can alter the figures that we have that are formed, that previously would be mandatory on the standard method assessment, and adopt a different fee because we think that is better"?

Rachel Maclean: I want to make a general point, which is that when we do publish the prospectus, after we have done the consultations, it will, of course, have a lot of detailed guidance in it. We are not in a position to define that in this Committee because we have not finished all the consultation processes. There is going to be another one on the full NPPF following the Royal Assent of the levelling up Bill in any case. Of course, when we do that, we will be providing very detailed guidance to local authorities but, Emran, you wanted to make a point.

Emran Mian: I think that is quite right. It is incumbent on us to provide as much certainty as we possibly can to local planning authorities about what we mean by the flexibility. The first step we took on that was the written ministerial statement that the Secretary of State made in December.

The next step was the consultation that we have been talking about, which is a consultation on the national planning policy framework, where broadly we have indicated two types of flexibility, if you like. One is around where planning for local housing need, for the number, would



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require a local authority to countenance development that is wholly out of character with the development that already exists in that place. The second flexibility is where planning for local housing need would require a local planning authority to countenance development in the green belt. Because we are not requiring a green belt review, that is the second flexibility.

That is what we have consulted on. We are going through the consultation responses now and then when we publish our response to the consultation, and in due course a full national planning policy framework, that is where we will go the next step in terms of spelling out exactly what this means. I think that is important for everybody. That is important for local planning authorities. It is important for communities that will be part of the local plan-making process. In the end it is important for the Planning Inspectorate as well because the Planning Inspectorate will continue to have a role in looking at whether a local planning authority has applied national planning policy. It is important for us to have provided as much guidance as possible to all those parties, including the Planning Inspectorate, which ultimately has to make a judgment on the plan.

Q86 **Chair:** Essentially, the standard method is mandatory apart from the exceptions that you are going to allow local authorities to look at?

Emran Mian: There is a greater level of flexibility in the application of local housing.

Q87 **Chair:** That flexibility will only operate in the precise terms that you are going to come up with in the guidance that you are going to issue?

Emran Mian: The guidance that we are consulting on at the moment we think seeks to provide exactly the flexibility that local planning authorities and communities have—

Chair: But the flexibility is going to be very specific in the guidance, is it?

Rachel Maclean: Yes, just on those two points at the moment.

Q88 **Chair:** Although the standard method then includes the urban uplift, there will be no flexibility on the urban uplift?

Rachel Maclean: We are keeping the urban uplift—I think it was changed in 2020—and obviously the standard method, as we have just discussed, will change on the basis it was—

Chair: It was brought in in 2020, wasn't it? I do not think it existed before.

Rachel Maclean: Was it? I am sure you know, yes. I stand corrected.

Emran Mian: We are still expecting local planning authorities to plan for local housing need, including the urban uplift where it applies.



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Chair: There will be no flexibility on that at all, though?

Emran Mian: There is the flexibilities that we are consulting on.

Q89 **Chair:** Yes, but they do not include building on Moor Green open space if you have to use the urban uplift, do they, because I think we had that discussion last time?

Rachel Maclean: We are still keeping the urban uplift; we are still keeping that as a principle. Are you asking about if that urban uplift means building—

Chair: As in what flexibilities there are, given that it is a figure plucked out of thin air

Rachel Maclean: As we have said, there is a lot of consultation going on overall across the board. We are committed at the moment to the urban uplift figure because we think it is the right thing to do. Those urban areas—I think it is 20 of them—based on the analysis that we have done we do think it is right that they do absorb more housing.

Q90 **Chair:** I think if I was a local authority and I had some good lawyers behind me, I would challenge a figure of 35% where there is no justification for it that you can show. Last time Emran came to the Committee he accepted the figure was plucked out of thin air. There is no assessment done in each local authority.

Emran Mian: Chair, I hope those were not the words that I used.

Chair: Yes, they were. We have them on record, yes.

Emran Mian: Ultimately, what we are trying to do through the urban uplift is to plan for local housing need overall for the country at a level of around 300,000 homes per year.

Chair: It is a national issue, isn't it?

Rachel Maclean: Yes, it is.

Emran Mian: The view that we are talking is that in urban areas the opportunities to have denser development are very significant. That supports lots of other policy objectives as well. As the Minister is describing, it supports policy objectives around carbon.

Rachel Maclean: It does, decarbonisation.

Emran Mian: It supports opportunities around urban renewal.

Q91 **Chair:** There is no link between the 35% and the needs and particular circumstances of any individual urban authority, is there?

Emran Mian: The reasons underlying the 35% are those wider policy reasons. We think there is a very strong set of arguments to be made for development to be focused in urban areas.



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Rachel Maclean: If I can come in, I think there is a benefit of having clarity, which we have all accepted in many circumstances. That figure exists. People can argue about it. They would argue about any figure that we came up with. However, when you are making national policy, you have to demonstrate a policy need, and lawyers challenge Government policy all the time. If you can demonstrate what the policy objective is that you are trying to achieve, clearly we need more houses in this country, we have an environmental agenda, and we have all signed up to net zero. We have all signed up to all these things. There are multiple policies that drive that number. Any number that you came up with people could argue with. I think there are very good reasons for having that number and it is working. It is delivering houses for people to live in.

Q92 **Chair:** Isn't the real answer—it is the answer to Bob Blackman's questions earlier—that if the sum total of all the different numbers that authorities come up with for meeting their housing needs does not meet 300,000, the urban uplift is supposed to make up the difference? That is what it is about really, isn't it?

Rachel Maclean: Of course, the urban uplift is going to play a part in this and we all understand that people live in cities. That is where the population tends to be concentrated. You might not agree with that formula for it; that is fine, you can propose another one. That is the formula that we are working towards and we believe there are very good policy reasons for sticking with it and it is delivering housing.

Q93 **Bob Blackman:** I think we should move away from delivering housing to delivering housing units. In London we have not had a single house built for God knows how many years. It is all very dense flats, but that is another issue.

One of the issues that I want to cover very briefly is that the duty to co-operate is obviously going. That was originally in the Localism Act and has caused immense arguments between local authorities, as we know. There is now this alignment test. Could we just clarify? According to what I understand, this alignment test will be produced after consultation, so what is the alignment test?

Rachel Maclean: I was fully expecting you to ask me that. The duty to co-operate is being abolished because I think everyone accepts it was bureaucratic and it did not work. There were all sorts of political difficulties for different authorities, so that is why we set out our objective to replace it with the alignment test. That has not been developed yet. We are in the process of developing a lot of this policy because clearly it is very important how it works.

Bob Blackman: Sorry, so there is not a definition of the alignment test?

Rachel Maclean: No, there is no definition at the moment.

Q94 **Bob Blackman:** Okay, that is fine. How do you envisage this working then? You are going to consult on an alignment test but we do not know



what an alignment test is. Normally, when you consult on something you say, "This is what it looks like. What do you think of it?" Is it an open floor then, and anyone can say, "I think this is what you should have"?

Rachel Maclean: Can I ask Emran to fill the Committee in on the process to date with the alignment test?

Emran Mian: I think probably the most important thing to recognise is the duty to co-operate is not working. We have been getting that feedback consistently from across local planning authorities and in discussions in the House of Commons and in the House of Lords. That poses the question of how we replace it while retaining some of what we think are the legitimate aims of it.

For example, when it comes to planning for infrastructure, infrastructure projects are going to span local planning authority boundaries. That is exactly the space where we think the alignment test will be useful because you would want however many local planning authorities that have a stake in an infrastructure project and are going to be affected by that infrastructure project to make local plans that align so that that infrastructure project delivers the right benefits, can be delivered to programme and can be delivered in a sensible way. Infrastructure, we think, is an example of where the alignment test will be important.

Equally, another area where we think it might be important is when it comes to selling biodiversity net gain and nature recovery strategies. Those two are often going to span local planning authority boundaries.

The area where we expect it will be most challenging and we will have to consult very carefully on anything is where it relates to the delivery of housing numbers because that is exactly where the duty to co-operate has not been working.

Q95 **Bob Blackman:** The classic example that is given in evidence is in Bedfordshire between, I think, Luton and mid-Bedfordshire where the arguments have been going on forever about who builds the housing where.

Emran Mian: Our expectation is that if two neighbouring authorities wish to work together to deliver local housing needs, because they want to deliver it together across two planning authorities, they should have a mechanism to be able to do that. They should be able to decide to make a joint local plan or across a wider geography have a spatial development strategy, but there should not be a requirement to have to do that.

We are stepping away from using the alignment test as a way of delivering local housing numbers while ensuring that the alignment test is still used for developing infrastructure in common and developing nature recovery strategies in common.

Q96 **Bob Blackman:** One of the concerns is going to be that different local authorities may be at different stages of developing their local plan. One



may have a local plan already there operating, another is still producing it. What happens then?

Rachel Maclean: I missed something out earlier, and you were very right to ask me. When we do a consultation we have a set of proposals and we ask people if they prefer A, B or C. The reason I could not answer that is because I had, frankly, got a little bit lost in the number of consultations that we are in the middle of doing and about to. We are not at that stage yet. We are not at the stage where the consultation document is being worked up.

Obviously, all those questions were exactly the questions that we would have to put in, so in my few brief months as Minister I have worked through a number of consultation documents on short-term holiday lets and a number of other things. You are right to say that we would go through that in a lot of detail and take on board a lot of feedback from this Committee and from others before we even do the consultation document.

Q97 **Bob Blackman:** The final point is in terms of spatial planning. The Government are looking, as I understand it, at making spatial development strategies mandatory for all cities. I would be interested in defining what a city is, by the way, because some people would regard the London area as a city. We do not live in a city, we live in suburbs in outer London, and there is a big challenge here across the piece as to where spatial development has to be aligned. I wonder whether that is part of what you are intending to do.

Rachel Maclean: My understanding of this is that London already has its own version of the spatial development strategy because it is obviously planning across a wide—

Bob Blackman: We have the London plan.

Rachel Maclean: The London plan, which is a variety of this.

Q98 **Bob Blackman:** If we move, then, to other cities, what is the position there?

Rachel Maclean: Emran will have to correct me if I am wrong. I do not think we are making them mandatory. We are not, are we?

Emran Mian: No.

Rachel Maclean: They are going to be an option if a local authority wants to do it. It may well be beneficial or helpful for them if they are planning a large project such as a transport link or some roadworks or some of these other larger areas that they all need to respond to. We are not planning on making it mandatory.

Bob Blackman: Spatial development strategy will not be mandatory for cities?



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Rachel Maclean: No.

Bob Blackman: Or anywhere?

Rachel Maclean: No.

Bob Blackman: They can decide what they want in terms of—

Rachel Maclean: They will still have to do a local plan.

Bob Blackman: I understand that.

Rachel Maclean: Obviously, it will be a more extensive local plan because they are a city.

Emran Mian: It will depend on the governance arrangements in each city or city region. As the Minister said, as part of the governance arrangements for London there is a London plan led by the Mayor, which is the equivalent of a spatial development strategy. That is not the case in the West Midlands, for example. As part of the devolution deal in the West Midlands there is no requirement for a spatial development strategy.

Bob Blackman: The West Midlands is not a city.

Rachel Maclean: But it is a combined authority area.

Bob Blackman: It is a combined authority but it includes areas of the city, the suburbs and green areas as well.

Rachel Maclean: It does.

Q99 **Bob Blackman:** I just want to be clear what is going to happen here because I think there will be a lot of people out there thinking, "What are the Government thinking now?" It has changed, without doubt, between the various different phrases of the levelling-up Bill in terms of what is going to happen on planning. We want some clarity here.

Rachel Maclean: We used to have a system of regional spatial strategies, which was abolished in 2011 because it imposed things on local authorities. This is not in any way designed— I will give a broad overview and then I will let Emran come in on the detail.

This is designed to be a large local plan. We have a number of things in any local plan to do with the environment, nature, transport, infrastructure, food production, net zero, all these other things, and it may be a voluntary arrangement for some local authorities who would find it helpful for local circumstances to join together to make one of these for whatever reason. It could be an investment zone or a combined authority or possibly a devolution deal. They may find it a useful tool to use. My understanding is that it will only be produced by elected Mayors or voluntarily by groups of other local authorities. Is that right?



Emran Mian: Yes.

Q100 **Bob Blackman:** Where no local Mayor exists or directly elected Mayor exists, then it would be up to local authorities coming together?

Rachel Maclean: Yes, if they wanted to.

Bob Blackman: I will leave it there, thank you.

Q101 **Chair:** Currently, some combined authorities have to have a spatial strategy but not all.

Rachel Maclean: Manchester is in the middle of trying to work one up, I think.

Chair: I think Manchester, Liverpool and the west of England have to have them. Are the other combined authorities going to have to have them as well?

Rachel Maclean: No. This is not my area, but the devolution deals are all slightly different and they have different elements to them when they are agreed with that area or the mayor or whatever.

Emran Mian: It will continue to require the consent of the constituent authorities to want to work together to have the spatial development strategy, whether they are part of a mayoral combined authority or not. If they are part of a mayoral combined authority they can choose to have a spatial development strategy, if they have not already chosen to do so. Then the Mayor and the combined authority would lead that process.

If the local authorities are outside of a mayoral combined authority, they can still choose to create a spatial development strategy but it will be a matter of choice for them, it is not a requirement.

Q102 **Chair:** In terms of where the Government are taking this, just generally, there are going to be some more proposed changes to the NPPF, are there, about transport infrastructure, climate change, and looking at the wider view for plans in the future?

Rachel Maclean: As we have discussed, we have had a couple of areas that we have already consulted on the prospectus. Then there will be a wider consultation on all those issues because clearly planning does have a massive impact on climate change and the net zero commitments that we have.

Chair: That is coming some time this year?

Rachel Maclean: Yes, it will come after the Royal Assent of the levelling-up Bill.

Chair: Moving on to something completely different, developers' accountability, Kate Hollern.

Q103 **Kate Hollern:** Can I come in on that last question very quickly? Has the



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Department done any scenario building plans for cross-authorities? Have you imagined in perhaps some of the areas that were mentioned what combination could come forward?

Rachel Maclean: In a sense, this would sit with the levelling-up Minister when she is having those discussions with those different areas in terms of those devolution deals. It would be very much for that local authority to indicate that they wanted to have this arrangement. Then, of course, the Department would support them with it. It is not something that we are imposing on areas, to be clear.

Q104 **Kate Hollern:** I was just questioning whether in the minds of civil servants and Ministers anyone has considered or done some scenario building on how it would work to get local authorities to agree or if local authorities do not agree. I am concerned we have this figure and I do not see how we have a plan to reach that figure. I do not see how there is any mechanism to get local authorities to work together to help achieve your figure.

I am concerned that this consultation will come in and there will be a lot of bits that will not work and we are going to go back to scratch and we are going to be consulting again on a strategy. It is going to continue to roll on and local authorities are going to be left in a situation where they are unclear on what they are supposed to be doing.

Rachel Maclean: If you will permit me, I did reference quite a bit of those criticisms earlier on in the session. The spatial strategies are not a tool that we see as impacting on housing supply. This is a tool for local authorities. You mentioned if two of them do not want to work together; then they do not have to. It is clearly a voluntary arrangement. If you have two local authorities, a bit like Redditch and Bromsgrove, which are joined together—my local authority and Bromsgrove neighbouring—they do join together a number of things. They do that voluntarily because there are some sensible synergies.

It is maybe something that they wish to adopt. It is not something that we would impose on a local area. It is a strategy that is being used by London; that is something that they wish to do. It is a form of arrangement that has been used in the West Midlands through the iterations of the West Midlands Combined Authority. Those are local authorities under very different political Administrations, yet they are able to work together. Where you have good leadership you are able to resolve those differences by sitting round the table and talking often. That is what they have done in the West Midlands.

Q105 **Kate Hollern:** I will move on very quickly, but my concern was that in the consultation the local authorities are unclear as to the scope in which they can work. Anyway, we will move on to the next question.

Separately from the proposed changes to the NPPF, the consultation seeks views on whether developers' "past irresponsible behaviour" should be taken into account when considering proposed development. What do



you hope to achieve by allowing local authorities to take irresponsible behaviour into account?

Rachel Maclean: What we have heard from local authorities is that there is an abuse of the system where we see developers achieving planning permission and then not abiding by planning conditions. They damage wildlife or they damage the environment or they often do not put in place—not all developers, can I please say, because I am sure they are watching this. Obviously, some are brilliant and they do exactly what they should do and they do a very good job and deliver houses for the country.

There are some, as in any system, who do not do that and abuse the system. It is very difficult then for local authorities to take those enforcement steps that they need to, and that is when the local communities are frustrated because they say, “You have built these houses, yet you have not delivered the school,” or, “You have planning permission, you have ripped up all the wildlife in the hedges; you should not be doing that”.

We want to make sure the system gives those local authorities the tools to tackle that. They cannot do that with the current legal framework we have. That is why we are making the changes and we are making a number of changes. The feedback that we have had is that the local authorities do welcome that because they do want those powers to enforce those things. What that means is when they are looking at the planning permissions that they are granting in the future, if they have a developer who has a bad track record of doing that on multiple occasions, they can look to refuse to grant the planning permission, or there will be different ways that they can enforce those breaches of the system.

Q106 **Kate Hollern:** You have had developers granted planning permission and then the land sits vacant for such a long time. How does that proposal sit with the long-established principle that permission is granted to the land and not the developer?

Rachel Maclean: You are right to highlight that, and I am afraid the Committee is going to get a bit bored of me saying this, but there is a consultation on this as well to deal with this exact issue. We know it is a big legal change because the permission does go with the land, not with the person.

What we are proposing is to introduce that as a material consideration. We need to look at the law surrounding that and how we would do that. At the same time, we are introducing more enforcement powers, which we will definitely be able to do as a matter of law, which will also give local authorities more tools. Have I missed anything, Emran?

Emran Mian: No.

Kate Hollern: Yes, the Minister missed something, or not?



Rachel Maclean: Not on this occasion.

Q107 **Kate Hollern:** Is there a danger that developers will set up companies to gain planning permission?

Rachel Maclean: Any system that you design, you design it with the objectives that you want to achieve now. Are there criminal people or unscrupulous people in the world? Yes. Will people try to exploit any system? Yes, of course they will. We have tried to think about how they would do that and design a system in good faith that enables good developers, who are doing a good job, to have a better experience, but that also deters those bad developers that we do not want, without being overly bureaucratic. That is why we are consulting, to make sure we have that balance right. I think that if there was a lot of evidence that the system we are proposing did have a lot of loopholes in it, that would come out in the consultation and we would think about that.

Q108 **Kate Hollern:** How will you prevent abuse of the system and possibly unwanted claims of past irresponsible behaviour?

Rachel Maclean: That is something that we will need to do, you are right to say. Of course, we do not want them to be exploiting a loophole, so when we finish the consultation and we have analysed that and come up with the policy that we introduce, we will design it in such a way that we do not do that.

I will just make the observation that if people were going to do— What was it you said—selling the permission on or something like that?

Kate Hollern: Creating companies.

Rachel Maclean: Creating companies, yes. If you think about if someone did want to do that, that is a cost to them, isn't it? They have to spend money to do that. There is a financial disincentive in and of itself, which would disincentivise them from doing that. At the same time, there are still some other unanswered policy questions in how we make sure that this thing works, which we will be considering in the consultation response.

Q109 **Kate Hollern:** Will local authorities be expected to make decisions on individual cases?

Rachel Maclean: Yes, they do.

Emran Mian: They already do. These local planning authorities have the responsibility for enforcement at the moment. Essentially, what a local planning authority would be doing is— The frustrating thing I think for local planning authorities at the moment is they will know which developers; and, as the Minister said, we do think it is a very small minority of developers. A local planning authority will know which developer in their patch has previously breached planning conditions or done something that damages heritage or damages wildlife. Currently,



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they are not allowed to take that into account when considering an application for planning from that very same developer. What we are consulting on is making it possible for the local planning authority to take that into account.

Rachel Maclean: We are introducing a new power in the levelling-up Bill for local authorities to tackle where they have been building out unreasonably slowly. That will enable them to decline those planning applications where they have that past evidence that they did not build out to a reasonable timeframe.

Q110 **Kate Hollern:** This could possibly leave local authorities open to a number of legal challenges, couldn't it?

Rachel Maclean: We would hope not. Sometimes that does happen in any system. Clearly, when we designed the previous policy that we were discussing and how we would take that into account, any Government policy that we introduce has to be legally analysed and legally tested by the Government's counsel. We would take their advice and consider the risk of legal challenge of any policy that is introduced. We would take that into account before we legislate or introduce a policy.

Kate Hollern: It is a very expensive process for councils when they are open to legal challenge on planning.

Rachel Maclean: There is a broader point as well. I think you are right to question this, but across all these changes that we are making, a lot of what we are doing is sending a signal to the system as well and saying to people, "This is what we expect you to do". We are making these changes to the system, which, as you rightly flagged, are complicated and perhaps slower than people would like, but we are doing it for these reasons because we want developers to play by the rules and we will not accept the ones that do not.

Over time, that message needs to get out to people and, as part of what we are doing here, that message will get out to people and we will get to a point where that is disincentivised.

Emran Mian: Ultimately, the discretion will lie with the local planning authority. It is a decision for them to make. They would not be required to turn down a planning application on this ground; they would choose to do it. I suspect what would happen is that local planning authorities would only do that where there was very clear evidence, a consistent pattern perhaps for a particular developer having failed to respect planning conditions in the past. I expect a local planning authority would do this where it is pretty sure of its ground.

Q111 **Ian Byrne:** Listening to what you are saying, Minister, are we not lacking a bit of ambition here? Potentially, could this ruling be used to change the culture many call for within the building industry? Take, for example, the polluter pays principle, which the Secretary of State is trying to push



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through for cladding remediation. The developers say they are not going to pay the remediation for their role in the cladding scandal. Should they not then fall foul of this rule and be refused planning permissions on future works due to past irresponsible behaviours from local planning authorities? Could this not be a silver bullet to clean up?

Rachel Maclean: I think the Secretary of State has been very clear that he has put that duty on developers and he has been very clear that that will form part of the future consideration of a developer.

Q112 **Ian Byrne:** Could this then be used to exclude developers who are involved in those scandals to build within other local authorities?

Rachel Maclean: Yes, in my understanding of the framework, that is part of what is in the proposals that we are looking at. Forgive me; all this was discussed before I was in the role, so we are just catching up.

Emran Mian: I think we would probably deal with that differently because we are also in parallel creating the responsible actor scheme for developers. Developers who have not respected their obligations on building safety, I think we would probably use that as the regulatory—

Q113 **Ian Byrne:** This could be used as a disincentive to build future poor buildings because then hopefully they will be excluded from planning permissions in other areas. It is a big threat to put to developers that, potentially, planning permissions could be refused right across the board if they build substandard buildings.

Rachel Maclean: Yes, that is the intention of the policy.

Q114 **Andrew Lewer:** This is on Ian's theme, but at the other end of the scale. Kate was talking about people serially setting up companies and you were saying there was a cost. I would suggest, for the purposes of consultation, that the cost of setting up a new company serially is significantly less than the cost of declaring the company liquidated and setting up a new one and, therefore, not having to pay to discharge your 106 obligations or other developer requirements. There will be a problem with this, in that if people are labelled as being dodgy development companies, the people in question will just set another one up.

Rachel Maclean: I think it is a fair challenge. We will need to consider that and make sure that whatever we design goes as far as— You can never design anything out of a system. You can never have a perfect system, but you are right to challenge us on that.

Q115 **Chair:** I am not opposed; indeed, I have drawn attention to some problems I have with a developer in my constituency who might fall within this category. However, why at least, as well as, do the Government not look to give local authorities better enforcement powers? That is what comes back to me all the time. Authorities are struggling for resources in planning departments and they just think, "Can we have more powers to make sure developers on site now are made to do what



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they are obligated to do?”

Rachel Maclean: Yes, I agree with that. We are doing that. We have various measures we are introducing through the LURB, the levelling-up Bill, extending the time limits within which they can take enforcement action from four years to 10 years, because that is often what they—

Chair: Yes, but it is the here and now, not the—

Rachel Maclean: Yes, extending the period for which a temporary stop notice can have effect from 28 to 56 days, restricting the circumstances in which they can appeal, and we are giving the inspectors the power to dismiss enforcement notice and lawful development certificate appeals if they are causing undue delay, and also increasing fines. There is a suite of measures.

Q116 **Chair:** Yes, it is all right but it is not going to make a lot of difference in practice. Would the Government be open to suggestions from local authorities about what extra powers they could have that they would feel might be more effective in stopping developers behaving badly?

Rachel Maclean: We have sought feedback from local authorities in designing these powers, and we have had good feedback from them. Of course, we are always open to more feedback and we will look to incorporate that. These are measures that we believe are a balanced package to deter those persistent offenders. However, we are always happy to look at more suggestions, of course.

Chair: We will see if that can be provided for you.

Rachel Maclean: Okay, thank you.

Chair: Moving on now to the issue of the types of tenure of houses to build, particularly social rented homes, Nadia Whittome.

Q117 **Nadia Whittome:** Minister, the Government have this target of 300,000 homes per year. Let's set aside for a moment the fact that the Government have failed to meet this target every year since the pledge was made in their manifesto and the fact that you have not been able to set out a clear plan today for how that target will be met this year. Setting that aside for a moment, of these 300,000 homes, what is the expected breakdown of types of tenure? How many of these will be affordable homes? How many will be homes for social rent?

Rachel Maclean: We believe that local authorities are best placed to decide what tenure is needed in their local area, which is why we have given local authorities the freedoms to do that and also why we have provided billions of pounds of grants—£11.5 billion of grants—through the affordable homes programme, which has delivered significant numbers of affordable and homes for social rent across the country in England. In the Levelling Up White Paper we committed to increasing the supply of socially rented homes because we recognised that we wanted more of a



balance of homes for social rent. That is why there will be a large number of new homes delivered through the affordable homes programme for social rent.

It is right to reflect on the fact that the existing system is already delivering affordable housing. About half of all the affordable housing delivered is delivered through the section 106 contributions at the moment and, of course, we expect that to increase through the infrastructure levy. We do expect the new system to deliver at least as many affordable homes, if not more, when we have made these changes.

Q118 Nadia Whittome: In short, the Government have no target for the proportion of homes built being for social rent or affordable housing?

Rachel Maclean: I slightly disagree with that—

Nadia Whittome: What is the target?

Rachel Maclean—because we have discussed extensively how targets are created and how homes are delivered through the system earlier on in the session. We all agreed that instead of having a top-down target, which we do not believe in for all sorts of reasons, it should be for those local areas. We have local authorities accountable to their members. They are democratically—*[Interruption.]* Can I just finish my point? They are democratically elected and accountable to their local communities to deliver the right housing that is needed in their local areas. That is the Government's position. That is the policy framework for delivering housing.

Q119 Nadia Whittome: Thanks for that, Minister. The Government have the target of 300,000 homes per year so you agree with the principle of having a target?

Rachel Maclean: Yes.

Q120 Nadia Whittome: I have asked you what the target is for homes for social rent and affordable housing. You do not have one.

Rachel Maclean: No, as I said to you, we don't break the target down into types of tenures across the country in a top-down manner. What we are expecting local authorities to do is to deliver affordable social housing.

Q121 Nadia Whittome: You have answered the question, thanks, Minister. In 2020 this Committee found that England needs at least 90,000 net additional social rent homes a year and it recommended that the Government publish annual net addition targets for social rent, affordable rent, intermediate rent and affordable home ownership. Why haven't you done this?

Rachel Maclean: I was not the Minister in 2020 and obviously any report from a Committee we would take very seriously, but we would not necessarily always—with the greatest of respect to the expertise of the



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Committee—turn the Committee’s recommendations into Government policy. I imagine the answer to that is because it wasn’t the Government’s policy at the time to do that exact policy proposal.

Q122 Nadia Whittome: The consultation that we spoke about earlier sought views on how to achieve the Government’s ambition to give greater importance to social rent homes and planning decisions. How will the changes to the NPPF facilitate more social rent homes being built?

Rachel Maclean: As we discussed, we are consulting on the NPPF and many aspects of it. We will consider those responses and then we will come forward with the details of what it actually means in terms of planning policy.

Is there anything you can add on planning policy and social rented homes at this point, Emran?

Emran Mian: We were continuing to essentially not take the Committee’s advice in terms of having specific targets for social rented homes or, indeed, other forms of social tenure. However, what we are doing as part of the consultation in the national planning policy framework is saying that we do think local authorities should give greater importance to planning for social rent homes because it is the most affordable form of affordable housing in their local plans.

It would become something that would be the subject of consideration in a local plan-making process. A local authority would then be expected to say what importance it has given to planning for social rent homes. It is ultimately something that there would be a debate about locally and the Planning Inspectorate could also take a view on. Exactly how far to go in specifying what it means to have planned for social rent is exactly what we have consulted on at the moment.

Q123 Andrew Lewer: As part of this delivery for social and affordable housing, one of the key delivery factors for it will be small sites?

Rachel Maclean: Yes.

Q124 Andrew Lewer: You may know that I put an amendment in, which had quite a large and broad measure of cross-party support, about small sites development for affordable housing. The Government did commit to review small site delivery within the NPPF as a result of my not putting that to the vote. Has that been taken on board? Have we had any progress with that within your overall developing?

Rachel Maclean: I know the reason why you brought forward the small sites policy is because small sites are important. Often they need a specific approach. They are often an important part of how you are going to deliver social affordable or any type of housing, and they need a slightly different approach, a larger approach. For the detail of where we are at with that, I am going to ask Emran if he has any up-to-date response.



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Emran Mian: I am sorry, Minister, I do not know the answer to the precise question. It may be something that we can follow up on.

Rachel Maclean: We will.

Andrew Lewer: I will use the Committee meeting as a useful reminder that that commitment was given.

Rachel Maclean: A very useful reminder, thank you very much, Mr Lewer.

Q125 **Bob Blackman:** I have a quick follow-up. One of the concerns that this Committee has had for a long time is the number of social rented homes made available. The problem that comes is a developer will say, "Fine, thank you very much, we can build this number of homes but we cannot build in the socially rented homes because they cost too much to build and we do not get the money for them. Therefore, it doesn't work financially. We have to have all this for private sale". Then the private sale prices are such that no local people can afford them and, lo and behold, they then get bought by speculators and rented out in the private sector market and the housing benefit pays for the rent.

That is the cycle that exists in many areas now. In terms of that, how are you going to ensure that we get a mix of different types of tenure? Whatever the figures are, how are you going to enforce that? I have sites in my constituency, to give you an example, where planning permission was granted 10 years ago and the housing association is saying, "We can't make it work. We have to keep coming back and keep trying to cram more properties into a site in order to make it work". I have sites in my constituency that would be ideal for homes to be built. I would love them to be built but the developers say, "No, we can't make it work".

Rachel Maclean: Yes, and, of course, you have very high prices in your constituency.

Bob Blackman: Yes. One of the reasons why is because no housing developments have taken place in a very long time.

Rachel Maclean: Yes, of course, it is a vicious cycle. This takes us back to why we are making all these changes in the first place. It is designed to address that exact problem. The most important tool with that will be the infrastructure levy because you have just touched on the developer negotiations that go on in the current scenario. While they might initially come along and say, "We will build 30% affordable housing", by the time they are at the point of 10 years later they are able to negotiate out of it and the local authorities have no leverage because if they say, "You still have to do it," they just will not do it. It is a stalemate.

With the infrastructure levy, the intention and the objective of introducing that is that it will be non-negotiable. There will be no negotiation going on in the system. It will be something that captures the real value of that land value uplift—basically, which reflects the fact that when someone



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has planning permission, it is worth a lot more. That will effectively be a tax that is levied, linked to the sales price of the housing. Question: how will that work? We will park that for a moment.

The essentials of it are that that will not be something that they can negotiate away. That then gives that local authority the certainty that they will be able to borrow against it and do a number of other things to help the development get going. Ultimately, it will get more money out of the developer into the system in a more certain way, which will enable the whole system to deliver more affordable housing because it smooths the path.

Q126 **Bob Blackman:** I understand that, except what happens is that the developer then says, "Okay, here is a contribution of"—whatever the figure is—"You can go and organise the social housing somewhere else with the local authority, not on our development site", which does not provide any social housing at all, basically. The local authority then has to find someone to do the project. The development—

Rachel Maclean: Under the current system, yes. That is why we are changing it.

Bob Blackman: That will mean there will be no social housing built in any of these developments. The developer will just say, "Here's the infrastructure levy, that's fine, we'll pay the levy, but we are not responsible for providing the housing".

Rachel Maclean: No. We will probably get on to the infrastructure levy, and again there is a lot of work going on, but the objective of the infrastructure levy is to deliver at least as much, if not more, social and affordable housing than we currently are. All the elements of the design of the policy are to capture that land value uplift, have that certainty, and stop them negotiating their way out of it.

One important element of it is that the local authority will have to produce what we are calling an infrastructure delivery strategy saying, "We need you to deliver 20, 30"—whatever it is—"affordable social rent tenures". It may also be retirement housing or other specialist housing. They will have to set all that out and that will then be something that forms part of the whole system. On your point about the developers coming along and saying they can't do it, that will no longer be possible, because once the planning permission is granted, along with that strategy committing them to all those different things, they will have to deliver it. That is what they will be taxed on and it will be linked to— If you think about the price of houses 10 years in the future in your constituency compared with what it is now, the delta there is going to be significantly higher so the value captured for the local authority to require that social housing, schools, GP services and everything else is going to be significantly greater.

Q127 **Chair:** You have the draft local plan out for consultation now. The



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planners are saying—and I think they tried very hard—that there is nothing they can do to ensure more social houses are built by simply a change to the local plan. You can put in an aspiration, which is I think what the Government would like, an aspiration, but that is it. There is no mechanism.

Rachel Maclean: I don't know what your local authority's local plan is or why it would say that. You are Sheffield, aren't you?

Chair: Yes.

Rachel Maclean: Homes England is doing a huge amount of work in Sheffield and it is delivering affordable homes funded by a central Government grant in Sheffield. I think that highlights also possibly a problem with the current system and why we are trying to change it.

Q128 **Chair:** No, but this is about planning. You can put something in the local plan and it is an aspiration. There is no means of delivery. You look at the issue of viability sites. You are right, Homes England is being helpful and trying to enter into partnership, so I do not want to take anything away from what it is doing. One of the other problems is, given that the council quite rightly—cross-party support—is trying to build on brownfield sites, brownfield sites have a lot lower level of surplus, if you like, to be able to build social housing with, a lot lower.

Rachel Maclean: Yes, which is why we have the brownfield land fund and various other pots of money that are being used to deliver housing, because it is more expensive, obviously, to remediate that land so they need more support to bring it forward. That is delivering quite a lot of land and housing across the country.

Q129 **Chair:** We are talking about 10% affordable housing as part of the local plan requirement for most of the city, but if the Government are saying 10% has to be affordable homes to buy, that does not leave much left for social housing, does it?

Rachel Maclean: No, the Government are not saying that. The Government do not have targets of different types at 10 years. The Government believe that it is for local authorities to assess the need in their local area of how much should be social rent, how much should be affordable, how much should be for buy, how much should be for older people and specialist accommodation. That should be for your council to come forward and say, "We want more than 10%; we want 50%". Then it would be for them to set out their strategy for doing that. The point is at the moment under the current system, even if your council did that, there would still be problems further down the line with that negotiation with the developer.

Chair: I understand that, yes.

Rachel Maclean: That is what the infrastructure levy is then designed to tackle.



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Q130 **Chair:** We will come on to that in a second. It was Government policy that the first 10% had to be affordable homes to purchase. That is no longer the first take.

Emran Mian: We are leaving it for local planning authorities.

Rachel Maclean: We do not have any numbers at all in the system. I do not think that we have.

Chair: Let's move on to the infrastructure levy.

Q131 **Kate Hollern:** How will you ensure that local authorities continue to deliver as much affordable housing, or more, under the new infrastructure levy?

Rachel Maclean: We have touched on it a little bit already, and it is big change to the system. The first thing to say is that the new infrastructure levy will remove all the protracted negotiations that happen at the moment. The developer will have to pay a figure to the local authority. They will not be able to get out of it; they will be committed to paying it. The local authority will also be able to draw down on some of that earlier on. Often what we hear from local authorities is that the problem is that you have the 106 agreement but the houses get built first and then the school does not get built for ages. That leads to frustration across the whole system.

The infrastructure levy will come with a requirement for the local authority to have an infrastructure delivery strategy setting out exactly what is needed in that area, as part of the planning consent. Then they will be held to account to do it. We have already touched on some of the enforcement measures that we are bringing in as well as part of the reform. It will be a much clearer strategy for that local area to set out what it needs and to have the resources for it to be delivered as well.

Q132 **Kate Hollern:** Sorry, did you just say the 106 money could build a school?

Rachel Maclean: No, I am saying the 106 moneys at the moment are the developers' contributions. That is what is in the system at the moment. However, that is unsatisfactory because often it does not work very well because there is a protracted negotiation. Local authorities are not able to deliver, for example, as much social housing from the 106 money as they would like because of cost increases and so on, so it does not work very well in terms of delivering what the local authority wants or delivering the infrastructure up front. That is why we are changing the infrastructure levy to give much more certainty to developers and to the planning authority.

Kate Hollern: Yes, and it is a very important issue, isn't it?

Rachel Maclean: It is very important.

Q133 **Kate Hollern:** That leads me to ask: why does the Levelling-up and



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Regeneration Bill only require local authorities to have “regard...to the desirability” of delivering the same levels or more of affordable housing? Surely “act in accordance with” is a much stronger phrase than “have regard”. Should that be strengthened?

Rachel Maclean: What we have said is that through the Levelling Up White Paper we have made a commitment and we have also provided billions of pounds of Government funding through the affordable homes programme to give local authorities the resources, because they are never going to build it without some Government support. By making that funding available and working with Homes England and our partners, that is the way that we think that we are going to enable those local authorities and developers to deliver the social homes and the affordable homes that are needed in the local area.

Q134 **Kate Hollern:** However, you do not agree that “having regard” is quite weak and it would be easy for people to say, “We did have regard to—” whatever? Do you not think that it should be strengthened to support local authorities?

Rachel Maclean: No, I don’t necessarily think that it should be strengthened. I am sure that we will have this debate in Parliament and I will be able to set out more detail then. I say that because our whole policy response, everything that we are introducing, whether through the Levelling-up and Regeneration Bill, affordable homes programme or other mechanisms, is the way that we will deliver that social housing and give local authorities the power, the tools and the resources to deliver it.

Q135 **Kate Hollern:** Do you think local planning authorities will be able to oversee in parallel the running of the new infrastructure levy and the section 106 agreements?

Rachel Maclean: You are right to highlight the capacity of local authorities, and we do recognise that. I am sorry that I sound like a broken record but there is a consultation on the infrastructure levy, unsurprisingly. There is one out at the moment because it is a complicated and big change and we want to take their feedback. The question that they might ask is how they introduce it and when.

I said earlier on that we are committed to a test and learn approach with this, because it is a huge change. We want to find some areas to pilot it and we have local authorities already coming to us saying that they are interested in doing that and that they are keen to pilot it because they do recognise the benefits of it and they want to start using it. We will work carefully with the local authorities, we will listen to their feedback, we will have the pilots and we will learn from them before we roll it out across the whole country.

Q136 **Kate Hollern:** How will you ensure that it makes it simpler?



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Rachel Maclean: By taking the feedback from the local authorities and the planners. If they say that it is too complicated and ask to change things, we will consider that.

Kate Hollern: Is that part of the consultation?

Rachel Maclean: Of course it is, yes.

Q137 **Kate Hollern:** How will you ensure that the new infrastructure levy delivers sufficient funding in areas with lower land values?

Rachel Maclean: That is a fair point. You will know at the moment that there is already not as much in developer contributions in areas with lower land value, because clearly what we are capturing is that land value uplift. Therefore, it is obviously going to be greater in Mr Blackman's constituency than it is in someone else's because of the value of the land, or areas that are nearer a transport link and so on. That is why we are thinking very carefully about the design of it. It will come down to what the number is and how we link it to the house prices.

However, the broader point is that where areas will not be able to raise as much, it is also slightly cheaper. The land does not cost as much, so the costs are overall slightly lower anyway for that development. Secondly, there is other funding that we are making available to local areas through the levelling-up funding. Many areas have had levelling-up funding and that will help them to address some of those objectives that they need in their communities.

Q138 **Kate Hollern:** I find that very hard to believe. My real concern is that, rather than levelling up poorer areas, or areas where the land is a bit cheaper, it will actually be levelling down.

Rachel Maclean: I will just push back on that because at the moment those areas are suffering because the developer contributions are not delivering for those areas, as Mr Betts just mentioned. They are not getting the money out of the system. The new system will give more certainty to those local authorities to enable them to plan for what they need in the area and it will allow them to plan for that essential infrastructure such as GP surgeries and schools and other things that the community needs.

At the moment we are finding that the system does not deliver. It does not deliver the infrastructure that people need and that is often why people object to the development, because it does not come with the infrastructure that is needed. That is why they are objecting to it and it is hard to build it. It all goes back to that. It goes back to getting the consent of the communities through the system that is supported locally. That is how you get that development and you get the funding from the infrastructure levy.

Kate Hollern: You are certainly much more optimistic than I am.



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Rachel Maclean: My motto is being optimistic.

Kate Hollern: It will be interesting to see if this levy gets us GPs and schoolteachers.

Rachel Maclean: There is a bigger debate there and we are probably straying beyond.

Q139 **Mrs Elphicke:** Very briefly—I am mindful of the time—I want to exactly identify the gap between planning and delivery. As a brief example, a new station stop is planned as an essential part of a large development. The developer puts in the money. Network Rail says at that point that it will deliver the new station. Lo and behold, five years go past. The conversation with Network Rail is, “Are you going to get on with it? The houses are nearly all built”. In 10 years Network Rail says that it is now going to cost 20 times more than it said five years ago and the station does not get built. Will the Government be using their convening and directing powers to support local councils that want to see that infrastructure being delivered so that they do not end up with a pot of money that cannot be spent, be that schools, GPs or major rail changes?

Rachel Maclean: The changes to the policy are designed to address exactly that problem, because during that time that the houses have not been built, everything has become more expensive. When the planning permission was granted the house might have cost £200,000 or whatever. By the time that it is built 10 years later, it is going to be two times or whatever that number was. However, that is not captured in the developer contributions because they were agreed at the beginning. Nobody knew what the prices were going to be at the end of that, and a council could not use that increase in housing prices to get more money out of the system to enable that to be built. That is why the infrastructure levy will have more certainty in it, because it will be linked to the actual sale price of a house, which no one can argue with. That is a pot of money that they will then be able to use in order to get that infrastructure delivered earlier on in the process.

Q140 **Mrs Elphicke:** It is often not about money; it is about asking that other partner or forcing that other partner to act at the right time when it is affordable and achievable. The longer it goes on, they do not. It is more about these instances where the money has been set aside, where it has been future-proofed to the extent that it can be, but the delivery of it is wholly outwith the Department, council and so on. In good faith the money has been paid over, in good faith the council and the developers have worked together to try to secure this necessary infrastructure to support the community, but it is completely outwith their control to require Network Rail or whoever it is, or the local authority perhaps in relation to schools, to deliver the infrastructure that they feel that they would need.

In terms of looking at that in the consultation, could you consider what more Government across the piece in their convening and directing



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powers could use to support local authorities to make sure that that infrastructure gets built?

Rachel Maclean: Those are very fair points and we should think about all that when we designate the system.

Chair: Moving on to the resources of planning authorities, which we have mentioned a few times, Ian Byrne.

Q141 **Ian Byrne:** Minister, the NAO's data visualisation shows that between 2010-11 and 2019-20, local authority planning services have experienced a £1.3 billion reduction, which is over half their 2010 budget. In the first session before you, James Jamieson of the LGA argued that there were not enough planners working in local authorities. Are you totally confident that local authorities are adequately resourced to implement these reforms? If not, what is your strategy to fix the problem? If yes, can you outline what gives you this confidence?

Rachel Maclean: Yes, we recognise the issue. I know that it has been discussed here before. One thing that will help is the freedom for local authorities to increase the planning fees. That allows them to have more money in the system to upskill to develop their planning departments and the planners in their departments. We are still in consultation with the fee issue and will have to come forward with what we decide to do.

Separately to that, as a Minister I am working very closely with the professional bodies, listening to their concerns about the career progression through the system. We have a number of interventions to help the local authorities to deal with some of the planning backlogs that they have in the system. We have a planning backlog taskforce that is providing resource to local authorities to help them speed up the system. Someone mentioned the number of planning applications in the system and we obviously want to get that number down.

The final bit of the puzzle is digitisation of the whole system. We know that it is full of forms and bureaucracy and it is really lengthy and that is dragging the system down. The more that we can do to streamline it, the simpler it will be for everybody to use and it will not require as many people.

Q142 **Ian Byrne:** Who is going to pay for that?

Rachel Maclean: The Government are paying for it. It has already been paid for by Government. It is a Government programme that is already in development and there is funding already allocated to that. The taxpayer is paying for it, ultimately.

Q143 **Ian Byrne:** Are you confident that there is going to be enough resource within the planning departments to carry out the reforms?



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Rachel Maclean: Of course, it is something that we keep constantly under review. We know that it is a constraint and we need to make sure that we do have the resource in there to deliver it.

Ian Byrne: Because if you do not, it is going to fail?

Rachel Maclean: Absolutely, I would accept that.

Q144 **Ian Byrne:** On that, 58% of all councils are having difficulties recruiting planning officers. Are we going to ensure that local planning authorities are able to recruit and retain staff in-house, including those with technical expertise and skills necessitated by the reforms? You touched on speaking to bodies. What is the strategy, what is the plan?

Rachel Maclean: Some of it is what I mentioned, working with those professional bodies and finding out what they need from Government. Of course, we recognise that there is always a lot of demand on those resources. Planning is a skilled job and there are lots of openings for those people to go and work elsewhere. We do need to make sure that we are helping those planning authorities to make sure that it is an attractive place for those planners to work. That is why we were working with the various professional bodies. We have various support funds that we are making available to them to help them with these challenges. We also think that it is for the industry itself to step up and do its own work and help to meet the need.

Q145 **Ian Byrne:** With all the moneys that have been lost since 2010, is there any thought on recapitalisation of the local authorities to ensure that they have the moneys to do what is required?

Rachel Maclean: The financing for local authorities is a constant issue that is debated in the Chamber. I do not recognise your accusation that this is due to lack of funding more broadly.

Ian Byrne: It is not an accusation, it is from the NAO. They are the figures that cuts have been made to council budgets in planning departments.

Rachel Maclean: As I said to you, I recognise that there is a challenge in the system and I have been perfectly frank about that. That is why we are taking the steps that we are taking to simplify the system so that you do not need as much budget to deliver it. We are making funding available through the various measures that I set out, the interventions that we are working on with local authorities to help them address the backlogs and help them to address those resource challenges.

Q146 **Ian Byrne:** What you said there was that potentially we do not need the capital to carry out the reforms that are required in the developments. In the 2020 planning for the future White Paper, the Government announced that they would "develop a comprehensive resources and skills strategy for the planning sector to support the implementation of our reforms". In 2021 the Committee backed and endorsed those aims,



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"The Government must undertake and publish a resources and skills strategy in advance of primary legislation, to clearly explain how the various skillset needs of the planning system will be met." Responding to this recommendation in May 2022, the Government recommitted to publishing a resources and skills strategy. This strategy has not yet been published. It is three years on. Will we see it this Parliament?

Rachel Maclean: Obviously, you are talking about a lot of historical things that happened before I was in.

Ian Byrne: They are relevant now, aren't they?

Rachel Maclean: I will ask Emran to give us an update on where we are with that particular workflow.

Emran Mian: We have tried to say a bit more about this as part of the consultation that we have done on planning fees. What we have proposed as part of that is to increase planning fees by up to 35% for major applications and 25% for other applications. That is quite a significant increase in the amount of funding that should be available to planning departments.

Ian Byrne: That is the strategy that forms the strategy.

Emran Mian: The next stage of that is asking how we expect those fees to be used. Ultimately, that will be at the discretion of planning authorities themselves. However, we think that there are things that we should be doing alongside them to grow the capacity of the profession as a whole. We already do some things in that space. We fund, for example, placements across the sector; we fund the Planning Advisory Service, which creates capacity. We have been having lots of further conversations with local planning authorities as well that, as part of the additional income that comes in through the increase of planning fees, how do we work together to ensure that that genuinely increases the capacity across the system.

Q147 **Ian Byrne:** The Government are talking about implementing the skills strategy, pulling it together and developing it. It sounds as though it is increased planning fees and it is up to local authorities how to spend that.

Emran Mian: Plus a number of cross-sector programmes, as I was saying: continuing to fund the Planning Advisory Service, continuing to grow the number of planners who are funded through the public practice programme.

Q148 **Ian Byrne:** Are we going to see this on paper? Are we going to see a strategy that we can all look at, analyse and dissect on this Committee, and that people can look at? You have some ideas there but we have waited three years now for this, so it is time now that it is in.



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Rachel Maclean: We can certainly write to the Committee with an update of those previous commitments. There is quite a lot of work going on.

Q149 **Ian Byrne:** The system falls down without this. The system will fall down without these reforms, so we can implement what you are trying to do.

Rachel Maclean: Yes, and the reforms will need funding. The key thing is to enable those planning authorities—this is what they all tell me—to charge more. That will help them employ more people. It comes down to that.

Q150 **Chair:** When I have spoken to developers and been in the planning system recently, they are saying that even when developers go along and say that they are happy to pay more for the particular application and they reach an agreement, the authorities cannot employ any planners because they are not there. This is the issue. It is not just about resources, although they are important; it is about a long-term strategy to get more people in the planning system, or planners. You have promised this strategy; are we going to get it in this Parliament?

Rachel Maclean: That is a fair challenge. I was not the one who made the promises. Can we come back to you on that one?

Chair: You can. I would have thought, given that it was a promise in 2020, you would have been able to say when it is coming. We will push on this one.

Rachel Maclean: I have accepted that it is a fair challenge. Please carry on pushing.

Q151 **Chair:** All right. I have a few further issues. On the national development management policies, the Government have made it clear that they want to stick with the wording in the levelling up Bill despite concerns that this seems to override local plans, that NDMP policies cannot override them. Therefore, it is important that those policies are only adopted after full parliamentary scrutiny. Why will the Government not commit to a process like the national planning strategies have to go through?

Rachel Maclean: I am aware that this is an issue of debate in the other place. Their lordships are taking a close interest in this. Clearly, the Government will need to reflect on the outcome of those debates when the Bill comes back to Parliament.

Q152 **Chair:** There is an established process here, isn't there? The Liaison Committee sorts out who is going to do it and it gets done and it does not cause any problems for the policy statement. Therefore, what is the problem about committing to the NDMPs? The House of Lords is interested but it is going to be this House that does the scrutiny.

Rachel Maclean: Correct, and we need to always maintain the balance between streamlining and simplifying and clarity of a system, which you have rightly called for. The policy objective of these interventions is to



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reduce a lot of duplication and bureaucracy out of the system. The reason that local plans take so long is because there are a lot of things that everyone agrees with. They are national policies, yet local areas have to go through that again and duplicate what is in a national policy. Therefore, we do think that this is a sensible and streamlined amendment to the current system as it is. We do think that it is right that a Secretary of State can have powers to make these changes.

However, of course, we are mindful of the debates in the other place and the demands of parliamentarians to scrutinise them. It would not be right for me to make that commitment in front of this Committee, as you will know, but we are listening to it very carefully.

Q153 Chair: Moving on to another subject, the Government are proposing changes to the way that planning permission for development on Crown land is given. It is quite a high-profile issue. Does that mean that the changes are likely to ensure or prevent local people from having a say on these developments and that it will simply be decided nationally?

Rachel Maclean: No, it will not mean that. There will still be a role for a consultation process. We already have this process so this is not a completely new concept. We are just making a few changes so that it works better in the case where there is a real evidenced national need for a development on a piece of Crown land.

Q154 Chair: Therefore, local people can have their say and say that they do not want it. Then who makes the decision?

Rachel Maclean: The way that the decision-making process works is already set out in legislation. As I understand it—and I am going to ask Emran to comment a bit more, because it is quite technical and I do not want to get it wrong—there are two routes, urgent and normal. There are obligations for the Department that is requesting it to come forward with the reason why it wants it, to make the case. There will also need to be consultation, as there currently is in the system. It does not take away that local accountability. Can I ask Emran to clarify?

Q155 Chair: The Department comes forward with the reasons for urgency and it simply has to give the reason, full stop. There is no consultation about the reasons, is there?

Emran Mian: It would not necessarily be the case that under an urgent development there would be no public consultation whatsoever. If there was not to be any public consultation, the Government would have to be very clear on why it is so urgent that there is not the possibility to build in time for public consultation. The only circumstances where we envisage that that might be needed is, for example, in response to a health emergency or a pandemic, where you need to very quickly ensure that on Crown land you have facilities for, for example, testing. That would be a case where you possibly have to stand that up within a matter of days and there would not be necessarily the time to carry out public consultation. If that case for urgency was not made, then the way in



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which we have laid out the provisions in the Bill is that it would go down the regular route rather than the urgent route and then there would have to be public consultation.

Q156 **Chair:** Housing asylum seekers on a piece of public land, an old Air Force base—would that be counted as urgent?

Rachel Maclean: Not necessarily.

Emran Mian: It could be.

Rachel Maclean: It would be very much for the Home Secretary at the time to come forward with the need—the evidenced need—for that, as it currently is. That currently exists already; there is no change. That already exists in our legislation. Then it would be for the Secretary of State, who is accountable to Parliament, of course, to determine that application, having followed the processes that Emran has just set out.

Q157 **Chair:** Then the Secretary of State could just say, “I deem this to be urgent” and that is it?

Rachel Maclean: There would be a process to go through, but they would have to demonstrate that it is urgent.

Chair: There is no consultation then, it is just done?

Rachel Maclean: Not necessarily. As Mr Mian said, there is provision for a consultation.

Chair: Even on urgent issues?

Rachel Maclean: Yes. There may be a situation where there is not a consultation. It is quite hard to generalise about this because there are different circumstances.

Q158 **Chair:** Is it possible the Secretary of State could say that it is urgent and there would be no consultation?

Emran Mian: It is possible but we would only envisage that being used in circumstances where it is absolutely impossible, because of the urgency of the situation, to allow any time for public consultation.

Rachel Maclean: It is worth saying that that power already exists.

Q159 **Chair:** What’s new, then?

Rachel Maclean: I want to be clear that this is not a new power. It is an existing power, which has existed in the planning system since 2006. We want to change it so that it can be used more effectively. As far as I am aware, it has never or very rarely been used. Obviously, the experiences of the pandemic have shown us that it may be necessary in some situations.

Chair: I am still not quite sure why the change is necessary.



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Emran Mian: The primary reason why it is necessary is to cover for the non-urgent Crown developments for which we do not currently have an adequate process because we do not think that in those circumstances it would be right to completely exclude the possibility for public consultation, for example. There should be a regular route by which a Secretary of State considers the case for planning permission on Crown land, but that should go with consultation requirements. We are legislating to create that route. Because we are legislating to create that route, alongside it we are in a sense restating what the urgent route looks like as well.

Rachel Maclean: We have been very clear in the policy that this will be used where it is necessary to do it in the national interest and where it needs to be built and operational quickly. The examples are, as we said, pandemic, possibly storage and distribution for goods and services and military bases, and development to support readiness at military bases, communication, threat detection or surveillance. They are very serious issues. You can envisage that this is something that is very rare but nevertheless important for any Government to have in terms of the national interests when it is necessary to protect the country.

Q160 **Chair:** If it is non-urgent, why not let the local authority determine the planning application in the normal way?

Emran Mian: Because it may nevertheless be the case that it cannot follow a completely standard procedure, so it is something that falls somewhere in between leaving it in the hands of the local planning authority versus treating it through the urgent process. We also think that there are cases where ultimately the reason for the development is a Crown reason. It is for the purposes of—as a national purpose rather than a local purpose.

Q161 **Kate Hollern:** Can you give us some examples of where it would actually be used? That all sounds a bit vague.

Rachel Maclean: I have given you as many examples as I possibly can. Obviously, by the nature of threats, we do not know what they are. No one knew that there would be a pandemic. The pandemic has taught us and we have learnt lessons from that as a Government. We have learnt that we may need to do things quickly in the national interest. I think that people will understand that national interest emergencies are things that any Government would need to use in response to an unforeseen event, which by its very nature is unforeseen. None of us know what it would be.

Q162 **Chair:** Finally, permitted development rights are obviously an issue of interest—so much so that the Committee did a report in 2021. It would be nice to have a response from the Government.

Rachel Maclean: Have you not had that? Okay. Has that not been produced? I know that we are doing a fair bit of work on permitted development. It may be that it would be forming part of the consultation



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that we are designing on permitted development more broadly. I can ask Emran to bottom that out for you.

Q163 **Chair:** We raised this issue with the Secretary of State as well. I appreciate that this is all well before your time as a Minister, before the time of several housing Ministers. However, it is supposed to be eight-week responses. Occasionally, Ministers write to us and say that there is going to be a couple of weeks' delay for whatever reason and we accept it, but this is getting on for 18 months now, not eight weeks.

Rachel Maclean: You have my apologies, Chair. It is not something that I was aware of.

Chair: Can we ask for it within the next two weeks? Is that reasonable?

Emran Mian: As the Minister suggests, in the context of the consultations that we have at the moment on the national planning policy, there are obviously interactions with permitted development rights. Therefore, I am not sure, as a consequence, that we would be able to commit to giving you a response within two weeks.

Rachel Maclean: We could write to the Committee and set out the position.

Q164 **Chair:** Could you give us a date in that letter to the Committee of when you are going to be able to respond?

Rachel Maclean: We can certainly set out the timeline for the work that is going on and I can give you a commitment that we will write to you on that point.

Chair: We would rather like a date. If you say that there is a consultation and that is going to end in six weeks, we will have to accept it, but it is not unreasonable for the Committee to say, "Please give us a date".

Rachel Maclean: It is not unreasonable. As you will know, with the consultation we would not necessarily be able to give you a date of when we will come forward with the final response, but we can certainly tell you when it is opened, when it is closing and we can give you all that detail.

Q165 **Chair:** The NPPF consultation—what is the date for that? That is the final question.

Emran Mian: I am sorry, Chair, I am going to frustrate you again. We do not have a date by which we will publish our response to the consultation. As the Minister said earlier, we have had over 20,000 responses to it. We do want to work through those carefully, and there are a lot of issues to cover as part of that. We are trying to do that as quickly as we possibly can.

Chair: It is something that I am sure we will come back to if we do not see it.



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Rachel Maclean: I am sure you will.

Chair: Thank you, Minister and Emran, for coming this afternoon and answering a lot of issues, or at least telling us a lot of issues are still being consulted on. That is an understandable response to many of our questions. There are a lot of things the Committee will want to follow up on, not least responses to previous reports. We will be doing a report about this that we hope will add to further the informative reading for you when you come to your final views about the NPPF and other planning matters.

Rachel Maclean: Thank you very much for your interest.

Chair: Thank you for coming today.