



Rt Hon Angela Rayner MP
Secretary of State for Housing, Communities and Local Government
Ministry of Housing, Communities and Local Government
2 Marsham Street
London SW1P 4DF

5 February 2025

Dear Deputy Prime Minister,

The National Planning Policy Framework and the Grey Belt

There is a lack of housing in England and successive governments have set ambitious housebuilding targets to remedy this. Your Government has matched the ambition of its predecessor, with a target of 1.5 million new homes to be built during this parliament.

During the 2024 election campaign, and subsequently, the Government identified the planning system and, in particular, the Green Belt, as a source of friction, impeding construction on the scale needed to meet its housebuilding target. Shortly after entering office, on 30 July 2024, the Government published a draft revised National Planning Policy Framework (NPPF), including a number of policy initiatives aimed at reducing this friction.

One policy within the draft NPPF particularly intrigued the Built Environment Committee: the proposal to introduce a new category of land within the Green Belt, dubbed “grey belt” land. This was originally defined as “land in the Green Belt comprising Previously Developed Land and any other parcels and/or areas of Green Belt land that make a limited contribution to the five Green Belt purposes.¹”

On 12 December 2024, the final NPPF was published². The cumulative effect of several relatively minor changes to the draft text was significant, particularly in terms of the workability of the grey belt policy. Following the conclusion of our inquiry and the publication of the final NPPF, we suspect that the concept of grey belt land may now be largely redundant, having been eclipsed by more significant changes to other aspects of the NPPF, which will be likely to result in Green Belt land being released through existing channels instead. These

¹ The five Green Belt purposes are: “a) to check the unrestricted sprawl of large built-up areas; b) to prevent neighbouring towns merging into one another; c) to assist in safeguarding the countryside from encroachment; d) to preserve the setting and special character of historic towns; and e) to assist in urban regeneration, by encouraging the recycling of derelict and other urban land” – Ministry of Housing, Communities & Local Government, *National Planning Policy Framework* (updated 12 December 2024) para 143: <https://www.gov.uk/government/publications/national-planning-policy-framework--2> [accessed 20 January 2025]

² Ministry of Housing, Communities & Local Government, [National Planning Policy Framework](#)

changes, as well as subsequent policy developments, have raised further questions about the original grey belt policy and there is, consequently, still much to be explored in this letter.

Our Inquiry

On 6 September 2024, we launched our inquiry into the proposal to introduce a new category of land termed 'grey belt land' under the draft revised NPPF. We received a wide range of perspectives on this matter, hearing from 13 stakeholders in person and receiving 102 pieces of written evidence. The evidence we received is available on our website.³

In principle, we believed that this new category could make a positive contribution to meeting housing targets in a sustainable way, building on land with limited environmental value, and close to existing settlements. We recognised that Government policy over the last 70 years had been to treat the Green Belt as sacrosanct (with limited exceptions). This has created a dynamic in which local planning authorities have found it extremely difficult to overcome local opposition to development within the Green Belt. At the same time, however, they are under significant, and increasing, pressure to build more houses. We saw the potential for the proposed grey belt policy to help to resolve these tensions by enabling more pragmatic decision-making by local authorities in respect of development within the Green Belt, and by shaping public perceptions about such development and about the nature of the Green Belt itself. Our interest was in how the policy would work in practice and what difference it would make. Although our inquiry was initially narrowly focused, we ultimately found ourselves needing to take a broader perspective.

This letter reflects our findings and asks for further information in a number of areas. We have explored the strengths and weaknesses of the grey belt proposals in depth. Our conclusion is that, as originally set out in the draft NPPF, these could have had a significant positive impact on the Government's ability to increase housebuilding and stimulate construction in certain areas. However, the combined effect of the final NPPF and other recent planning policy developments is likely to mean that the impact is, at best, marginal. Rather than making it easier to develop within the Green Belt, and thereby significantly increasing the opportunities for this to take place, the most likely effect of the finalised grey belt policy, if any, will be to nudge councils and developers towards using the existing recognised processes to allow slightly more development in the Green Belt. We believe it more likely that wider policy changes relating to the Green Belt will render the new grey belt policy largely redundant.

Our perspective is informed not only by the evidence we received, but also by the wider context in which the grey belt policy has been introduced. The proposed changes to the NPPF, including the grey belt policy, were developed very rapidly, with the draft NPPF being published in the same month that the Government took office. This raises questions about how well evidenced the grey belt policy is, and these concerns were not resolved in our oral evidence session with Matthew Pennycook MP, Minister for Housing and Planning and Mr

³ [The Grey Belt - Committees - UK Parliament](#)

Burgon, Director of Planning in the Ministry of Housing, Communities and Local Government, on 18 December 2024.⁴

Changes to the Draft NPPF

The Committee appreciated our oral evidence session with Mr Pennycook and Mr Burgon, during which we had a constructive and helpful discussion about the final NPPF and wider planning reforms. We were pleased that the Minister acknowledged that he had followed with interest our sessions and the evidence given⁵, and that many of the views and recommendations from our witnesses had been incorporated into the final NPPF.

From the draft to the final NPPF, there have been changes to make it more workable. Importantly it now contains a simplified and more useful definition of grey belt land, and a more flexible approach to the affordable housing target, both of which were requested by many of our witnesses and by those who submitted written evidence. We particularly welcome the simplification of the definition of grey belt land, as many of our witnesses saw it as being too open to interpretation and thus, to legal challenge⁶. While the tighter definition may reduce this risk, we were also very mindful of evidence from a senior planning lawyer that such challenges are a part of the nature of a planning system that relies, in part, on case law⁷.

Several of our witnesses raised concerns about standardised Benchmark Land Values (BLVs). They argued that these would create problems for landowners, developers and ultimately local councils by failing to be sufficiently sensitive to regional differences and by reducing the financial incentive for developers and landowners. This would discourage them from building on grey belt land⁸. While the Government has chosen to remove the draft BLV proposals from the final NPPF for the time being, it has also indicated that it intends to revisit these proposals as part of a 2025 review into viability planning guidance, thus creating further uncertainty for developers.

In terms of the target for affordable housing in grey belt developments, we welcome the decision to remove the blanket 50 per cent target. However, it is not clear how, in its place, the Government arrived at 15 per cent as the appropriate premium on extant local targets.

Although the Government has taken the sensible step of undertaking a consultation into viability planning practice guidance for grey belt land, this does not resolve the issue of viability for grey belt sites or resolve the risk of discrepancies in viability negotiations in respect of brownfield, grey belt, and Green Belt land. We are aware of the key role of valuation and viability appraisal in terms of bringing land forward for development and in ensuring that the benefits of development in the Green Belt as set out in the golden rules are realised. We

⁴ [OO 76–96](#) (Matthew Pennycook MP)

⁵ [Q 76](#) (Matthew Pennycook MP)

⁶ [Q 2](#) (Dr Hugh Ellis)

⁷ [Q30](#) (Simon Ricketts)

⁸ [Q 24](#) (Richard Seaman)

welcome the decision not to introduce the grey belt viability proposals that were originally set out in the draft NPPF but consider that the delay in clarifying the position to allow further consultation to take place leaves grey belt policy incomplete and unnecessarily vague.

Q1. When will the Government take a final decision on viability planning practice guidance for grey belt land?

Q2. How does the Government plan to ensure parity in negotiations regarding the viability of the affordable housing target in respect of different types of land, and in different regions?

Interaction with Other Policy

We have significant concerns about whether the Government can effectively coordinate all of its planned changes to the planning system, and the impact of uncoordinated changes on local planning authorities. The Government has stated repeatedly that its intention is to take a strategic approach to planning. However, the grey belt policy has been introduced in the context of numerous other policy initiatives and the promise of future developments.

The ability of local authorities to make consistent, sound decisions on planning applications, to produce local plans, and to undertake Green Belt reviews, will be pivotal to the successful realisation of the Government's ambition to build more homes and facilitate grey belt development. The English devolution white paper, the viability planning practice guidance, the forthcoming BLV consultation, and the working and consultation papers on planning committees, brownfield passports, compulsory purchase and nature recovery, will all create additional work for local planning authorities; in our view, these will remain under-resourced despite the Government's promise to increase funding and training for planning departments.

Additionally, the Committee can foresee a situation in which, in advance of the comprehensive introduction of the Spatial Development Strategies (SDS) heralded in the devolution white paper, local plans will have identified land for release from the Green Belt only for the SDS subsequently to take a wider strategic view and reach a different conclusion.

We are not satisfied from our discussions with Mr Pennycook and Mr Burgon that the Government has a sufficient understanding of the implications raised when introducing concurrent intersecting planning policies, risking its ability to deliver them in a coherent way. We also query the value of the grey belt proposals in this context. We are not convinced that the grey belt proposals will be able to deliver much value in the context of these wider changes to the planning system, which we believe are likely to have a more significant impact.

For example, there is now a requirement⁹ for local authorities to review Green Belt boundaries and propose alterations if they are not able to satisfy their identified need for homes, commercial or other development through other means. It is difficult to see what the grey belt regime will add in terms of the ability to build on the Green Belt in light of this requirement. Furthermore, we do not see that the grey belt proposals are sufficiently

⁹ Ministry of Housing, Communities & Local Government, [National Planning Policy Framework](#), p 42

differentiated from existing processes for dealing with individual proposals affecting the Green Belt in the new NPPF, or from well-established policies and procedures for encouraging the development of brownfield land.

This lack of differentiation is compounded by the fact that the terms ‘grey belt’, ‘Green Belt development’ and ‘land released from the Green Belt’ appear to be used interchangeably in the final NPPF. This only serves to bolster the Committee’s conclusion that a policy that once had the potential to be innovative and unique is now, at best, relegated to the margins. Furthermore, and importantly, we consider that the introduction of the concept of grey belt land could have the undesirable effect of encouraging ad hoc and speculative applications for development on land within the Green Belt, contrary to the Government’s intention that such land should be released in a planned and strategic manner.

- Q3. What resources is the Government drawing on, or seeking to create, to understand and assess the impact and interdependencies of its planning policy developments?**
- Q4. What systems and processes does the Government have in place, or need to create, to support its aim of making strategic changes to the planning system?**
- Q5. What assessment has the Government made of the likely impact of its policies on local planning authorities?**

Tracking Progress and Measuring Success

Throughout the inquiry, we have been told that there is significant uncertainty about the number of dwellings that could conceivably be built on grey belt land, with estimates ranging from as low as 50,000 (Barratt Redrow)¹⁰, to as high as 4 million (LandTech)¹¹. This variance is partially rooted in the extent to which those making these estimates have confidence in the resourcing of local authority planning departments and their ability to deliver against their local plans, but it also suggests that the potential impact of the policy had not been adequately assessed before it was announced

We see no evidence that the Government has a clear plan to track the progress and assess the effectiveness of its new policies. Mr Pennycook explained that the Government has no specified annual target for progress towards its 1.5 million housebuilding goal, relying instead on a “whole-Parliament target” and to “step things up significantly in later years.”¹² We appreciate the difficulty of determining a precise trajectory for reaching targets of this nature, but the proposed approach does not support the measurement or tracking of progress – either in terms of the Government’s housing target on the one hand, or of evaluating the successes or failures of new or existing planning policies on the other. The 1.5 million

¹⁰ [Q 48](#) (Philip Barnes)

¹¹ Written evidence from LandTech ([TGB0026](#))

¹² [Q 85](#) (Matthew Pennycook MP)

housebuilding target may, as characterised by the Minister, be an achievable stretch target. However, without interim criteria and clear milestones, and without a coordinated strategy for satisfying those criteria, the Government will not be able to assess whether its policies are working as intended, nor to determine whether further policy development is necessary to enable it to reach its goals.

This lack of measures of progress and success is similarly exemplified by the grey belt policy – the Minister told us that the Government had not estimated how many houses could be built on grey belt land as there would be variation between different local authorities¹³. In addition, it is not clear how the Government will evaluate the impact of the policy on the ability of local planning authorities to meet their housing targets. Neither is there sufficient indication of how the impact of the grey belt policy will be monitored over time, and what parameters will be used to measure its success. It is, therefore, not clear how the Government will be able to assess the success of its grey belt policy and what modifications may be necessary to ensure success. This increases the likelihood that the policy will fail to achieve its intended aims and, therefore, be rendered largely redundant.

Q6. How and when will the Government evaluate the impacts of its changes to the NPPF on a) housebuilding, b) local planning authorities, and c) communities?

Q7. How and when will the government know whether its policies are working as intended, or whether they are failing to have the desired effect?

Q8. What steps will the Government be able to take in the event that it appears that the 1.5 million homes target will not be reached?

Similarly, while the Government's overarching policy aims are clear, we are not convinced that sufficient attention has been afforded to understanding the practical impact of updating and introducing policies in the manner it intends to. Specifically, we are concerned that the Government lacks an understanding of the cumulative effect of introducing numerous novel planning and housing policies and the likely negative impact thereof on achieving the 1.5 million homes target.

Planning Resourcing

We are concerned that, with the far-reaching changes detailed in the latest draft of the NPPF, local authority planning departments will lack sufficient resourcing and expertise to be able to deliver change at the pace demanded of them. We welcomed the announcement at Autumn Budget 2024 of an additional £46 million to boost capacity and capabilities within local planning authorities¹⁴ but we are concerned that the recruitment target of 300 additional planners is insufficient and unlikely to have any meaningful impact: it equates to less than one additional

¹³ [Q 85](#) (Matthew Pennycook MP)

¹⁴ HM Treasury, *Autumn Budget 2024* (30 October 2024) p 93: <https://www.gov.uk/government/publications/autumn-budget-2024> [accessed 20 January 2025]

staff member per local planning authority. It is unlikely to address the nationwide skill shortage, with 91% of district councils in England struggling with recruitment and retention¹⁵.

While we also welcome the further £14.8 million in grant funding available for local authorities for Green Belt reviews and local plan delivery¹⁶, in the face of the acute skills shortage felt by planning departments, this would also appear insufficient. The impact of so many major concurrent policy decisions being put forward at once leaves us with serious concerns about effective implementation.

With the additional demands placed on local authority planning departments by the final NPPF, we are concerned that it will simply not be possible to implement the grey belt policy effectively, thereby minimising its impact on housing targets.

Q9. What work will the Government be undertaking to address the staff and skill shortages affecting local authority planning departments beyond the funding already announced?

Q10. How did the Government arrive at the figure of 300 additional planners, and what long term benefits do they expect these additional planners to provide for local authorities?

Q11. Will the Government consider additional funding or support to hire and retain additional local authority planning staff beyond the 300 recruitment target?

Q12. What steps will the Government take to ensure that there is an adequate pipeline of suitably trained planning professionals to support its long term housebuilding ambitions?

This insufficient resourcing is most likely to be felt in respect of the ambitious targets for the delivery of local plans: the 30-month target for completion will be extremely challenging without effective support. We support a greater emphasis on a plan-led system, but we remain concerned that neither local authorities nor the Planning Inspectorate are adequately resourced or supported to achieve the targets that the Government has set for them. Witnesses have made it clear that a lack of coherent and robust local plan-making can introduce an insurmountable degree of risk for developers, especially small and medium enterprises (SMEs), jeopardising the ability to reach the 1.5 million homes target.

¹⁵ Ministry of Housing, Communities & Local Government, *Local authority planning capacity and skills survey: 2023 findings* (9 January 2025): <https://www.gov.uk/government/publications/local-authority-planning-capacity-and-skills-survey-2023-findings> [accessed 20 January 2025]

¹⁶ Ministry of Housing, Communities & Local Government, *Funding to support local authorities with the costs of local plan delivery and Green Belt Reviews* (updated 16 December 2024): <https://www.gov.uk/government/publications/local-plan-delivery-and-green-belt-reviews-expression-of-interest/funding-to-support-local-authorities-with-the-costs-of-local-plan-delivery-and-green-belt-reviews/> [accessed 20 January 2025]

Q13. Where local authorities face difficulties in preparing their local plans, what will the Government do to support them, beyond the funding and training already announced?

Sustainability

Sustainability was a crucial thread that ran throughout our inquiry. Most of the evidence that we took referred primarily to sustainability in terms of access to transport and access to social infrastructure. We also took evidence from young people who, consistent with this trend in the wider evidence, told us that they would prioritise access to schools, healthcare, transport, and green spaces, parks, sports and leisure facilities for grey belt development¹⁷. Our view is that access to public transport infrastructure and social infrastructure, in tandem with environmental considerations, will be crucial in determining the long-term sustainability and viability of grey belt developments.

Although Mr Pennycook assured us that grey belt sites would be in sustainable locations, what constitutes a sustainable location is not defined in the final NPPF. The NPPF states that Green Belt development is only appropriate where it is “in a sustainable location”¹⁸. The referenced criteria only require that significant developments are focused on locations that “are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes”, and that “sustainable transport modes are prioritized”.¹⁹ “Sustainable transport modes” are defined as “efficient, safe, and accessible”, with low environmental impact, but this does not directly address an issue on which we received a significant amount of evidence: the proximity of public transport to grey belt developments. Access to public transport infrastructure and connectivity to existing facilities and services such as schools, hospitals, and workplaces should be a crucial test of whether a site is “in a sustainable location”.

Q14. Will the Government consider updating planning practice guidance to include a definition of what constitutes a sustainable location for a grey belt site?

The Country Land and Business Association told us that the grey belt policy could enable modest, sustainable expansion of rural settlements²⁰. Many rural settlements are now engulfed entirely by the Green Belt, significantly restricting the ability of such locations to attract new residents and businesses. Proposed developments within the Green Belt have historically provoked a negative reaction, frequently leading to lengthy challenges and animosity between communities, developers, and local authorities. We recognise the possibilities afforded by the introduction of the grey belt policy in terms of opportunities for the expansion of rural settlements, and for unlocking modestly sized sites on the boundaries of existing communities.

¹⁷ Built Environment Committee, [The Grey Belt: Schools and college engagement activity](#)

¹⁸ Ministry of Housing, Communities & Local Government, [National Planning Policy Framework](#), p 45

¹⁹ Ministry of Housing, Communities & Local Government, [National Planning Policy Framework](#), p 33

²⁰ [Q 70](#) (Avril Roberts)

By making grey belt land a distinct category and highlighting that this is land that makes a limited contribution to the original Green Belt principles, it may be possible to mitigate local opposition to such development.

Q15. How will the Government ensure that the grey belt policy supports the sustainable growth of rural communities?

The Committee was interested in the potential for grey belt sites to support the retention and development of the dwindling SME component of the housing development industry. We recognised both that the smaller size of some grey belt sites would be less economically attractive to larger organisations, and that valuation regimes could support the entry of SMEs. We were concerned, therefore, that the original proposals, such as the 50 per cent affordable housing requirement, raised cost and cashflow implications that only larger firms would be likely to be able to absorb.

Of equal concern is the fact that, in the final NPPF, grey belt sites are merged within wider local authority Green Belt reviews²¹. This is likely to result in the loss of the particular identity of grey belt sites, and the factors that might make them more attractive to SMEs, as originally envisaged. We urge the Government to demonstrate a particular regard for SME builders and developers, not only in its forthcoming proposals for valuation and viability assessments but also in drawing up the guidance and criteria for Green Belt reviews that it has announced.

Q16. How will the government have special regard for the SME building sector when drawing up further proposals for valuation and for Green Belt Reviews?

Conclusion

We saw a lot of potential in the grey belt policy as originally conceived in the draft NPPF published on 30 July 2024, and this prompted us to look into it in greater detail. It is clear that you and your department were listening carefully both to the evidence we received in the course of our inquiry and to the direct representations you received in the course of your consultation on the draft framework. It is gratifying to see how many of the concerns that were raised with us have been resolved in the final NPPF.

However, the resolution of many of these issues has had a consequential impact on other areas of policy. The fact that the NPPF has been finalised at the same time as so many other complementary and interconnected policies are being developed raises significant concerns about the extent to which we can be confident that any of the individual policies contained within the NPPF will be successful. This is particularly the case for grey belt land, the benefits of which we now believe will be marginal, at best. Moreover, in the absence of any clear understanding of how the success of the policy will be measured or monitored, we cannot see how the policy can be implemented or developed in a robust and coherent way.

Ultimately, our assessment is that the grey belt policy has been implemented in a somewhat rushed and incoherent manner, and we do not believe that it is likely to have any significant

²¹ Ministry of Housing, Communities & Local Government, [National Planning Policy Framework](#)

or lasting impact on planning decision-making or on achieving your target of 1.5 million new homes by the end of this Parliament.

We would appreciate a response to this letter within the next 28 days.

Yours sincerely,

Lord Moylan

Chairman of the Built Environment Committee during the Inquiry

cc. Lord Gascoigne, Chairman of the Built Environment Committee