



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities &
Local Government**
2 Marsham Street
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Lord Gascoigne,
Chair, Built Environment Committee
House of Lords
Palace of Westminster
London
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18 March 2025

Dear Lord Gascoigne,

BUILT ENVIRONMENT COMMITTEE INQUIRY: NATIONAL PLANNING POLICY AND GREY BELT

On behalf of the government, I would like to thank you and the Built Environment Committee for your inquiry into grey belt, and for your letter of 5 February 2025 which enclosed the Committee's conclusions.

I am grateful for the Committee's focus on this important topic, which forms a key part of our recent reforms to the planning system. As you know, the government is committed to preserving Green Belts which have served England's towns and cities well over many decades, not least in terms of checking the unrestricted sprawl of large built-up areas and preventing neighbouring towns merging into one another.

However, we are taking more strategic approach to greenbelt land designation and release to build more homes in the right places. These changes, along with our wider programme of planning reform, support the delivery of our Plan for Change milestone of building 1.5 million safe and decent homes in this Parliament.

I am pleased that the Committee welcomes the positive contribution that grey belt land can make to meeting housing targets in a sustainable way, and that the Committee sees potential for our reforms to enable more pragmatic decision-making and ensure the right development comes forward in the right places.

I note the Committee's concerns as to the evidence underpinning these planning reforms, how they will work alongside other changes to national policy, and whether the planning system is capable of delivering these ambitions.

I am clear that our reforms are robust, informed by extensive consultation and engagement, and form part of a complementary set of policy changes aimed at delivering our shared ambitions. I am also clear that our work on reforming the planning system is far from complete and I have made a clear commitment to consult on national policies for decision-making later this year.

I agree that issues such as the capacity and capability of local planning authorities are key elements in successfully achieving these ambitions, which is why we have taken steps to provide the resource and funding needed. These are, however, valuable points to consider as we continue our programme of planning reform.

I enclose (as **Annex A**) the government's response to the Committee's conclusions and questions. Thank you once again for the Committee's efforts into this important inquiry into grey belt.

Best wishes,

A handwritten signature in black ink, appearing to read 'M. Pennycook', with a large, stylized loop at the end.

MATTHEW PENNYCOOK MP
Minister of State for Housing and Planning

Annex A – Government Response to the Inquiry

Introduction

1. The government thanks the Committee for its inquiry into grey belt. This is a timely contribution as we progress wider planning reforms, including developing a suite of national policies for decision-making.
2. Our Green Belt reforms support a more strategic and targeted approach to Green Belt land, ensuring that we strike the right balance in supporting much needed housing and other development, whilst continuing to protect the most valuable parts of the Green Belt.
3. Our changes mean that, where authorities are otherwise unable to meet housing and other development needs, they are now required to review their Green Belt to identify opportunities for sustainable development, prioritising previously developed land and grey belt. We are clear that this is not a passport to low quality development – sustainability remains at the heart of the National Planning Policy Framework (NPPF), and we are clear that the release of land should not be supported where doing so would fundamentally undermine the purposes of the Green Belt. These changes set clear and consistent expectations for how authorities should consider their Green Belt, rather than the haphazard approach we have seen for far too long.
4. This modernisation of Green Belt policy includes a more consistent approach to assessing the contribution of Green Belt land, new measures to ensure development is targeted at lower performing grey belt, and the setting of clear requirements for public benefits to be secured by development, through the introduction of Golden Rules, including the target to provide 15 percentage point premium over the relevant development plan affordable housing target. We have also provided new Planning Practice Guidance to support authorities in identifying grey belt land.
5. Changes to Green Belt policy support our wider reforms, including restoring mandatory housing targets and introducing a revised standard method for assessing housing need. The revised method better aligns with this government's housing ambitions and directs homes to areas of high need and poor affordability. Our Green Belt changes also support our wider commitment to deliver the biggest increase in social and affordable housing in a generation, with new Golden Rules ensuring development on the Green Belt delivers higher numbers of affordable housing.
6. We welcome the Committee's support for our revised definition of grey belt and new approach to Golden Rules. We also welcome the Committee's reflection that this policy change has the potential to have a significant positive impact on increasing housebuilding and delivering the homes this country needs.
7. We do however refute the assertion that our wider changes to Green Belt policy render opportunities around grey belt redundant. Whilst the introduction of grey belt itself represents only one part of this reform, and there will remain other routes for development to come forward in certain circumstances, it is nonetheless a crucial element which recognises that not all Green Belt is equal and so should not all be subject to the same tests.
8. We welcome the Committee's focus on ensuring that our planning reforms take into account local authority resourcing, consider a wide range of impacts, and create a clear and coherent system aimed at delivering the development we need and removing barriers to economic growth.
9. The development of the policies in the revised NPPF was informed by extensive consultation, which is set out in the Government Response to the consultation (published in December 2024) and detailed further below. We are also taking steps to support the increased capacity and capability of local planning authorities through our ongoing plans.
10. We have carefully considered the questions that the report poses. The government's response to each of these is provided below. We have grouped certain questions together for ease of response.

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

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?

The 'Golden Rules' for major development that takes place on land situated in, or released from, the Green Belt have been revised (following consultation) to better account for regional variation in viability and balance the objectives of increased affordable housing provision with overall housing supply.

We noted the concerns that setting a national 50% affordable housing target could lack flexibility and fail to account properly for regional variation. For this reason, we are allowing local planning authorities to set their own Golden Rules in relation to affordable housing through their new local plans. When new local plans come into force, we will require that affordable housing requirements should:

- a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and
- b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable.

We also recognise that it will take time for new local plans to be brought forward in many instances, and that it is necessary to have Golden Rules in place for planning applications that are brought forward on Green Belt land prior to this. We have built in local sensitivity into the system by adopting a 'policy plus' approach. Developers will be required to deliver an amount of affordable housing that is 15 percentage points above the highest existing local affordable housing requirement that would otherwise apply, subject to a cap of 50% (except where the local plan requirement is already higher). This ensures that affordable housing provision is aligned with regional variations in viability, reflected in existing plan requirements.

To make sure that the viability system works to optimise developer contributions, allowing negotiations only where genuinely necessary, the government intends to review viability planning practice guidance in the Spring. As part of this review, government will consider the circumstances in which site specific viability assessment may be taken into account. As part of this review we will consider how our guidance should differ for different types of sites that may involve viability challenges; for example, on previously developed land or on larger, more complex mixed-tenure sites.

Prior to new viability guidance being published, we have made clear that site specific viability assessment should not be used for land brought forward on Green Belt land until the guidance has been updated.

Interaction with other policy

What resources is the Government drawing on, or seeking to create, to understand and assess the impact and interdependencies of its planning policy developments?

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?

What assessment has the Government made of the likely impact of its policies on local planning authorities?

As the committee heard during the inquiry, changes to Green Belt policy form one part of a wider set of 'pro-growth' reforms that government brought forward as part of the revised NPPF.

The NPPF sets out the Government's planning policies for England and how these should be applied. It provides a framework within which locally-prepared plans can provide for housing and other development in a sustainable manner.

We consulted on this package of reforms between July and September 2024 and the Government Response provides a summary of the number and type of responses, key themes identified through the consultation and where we have made changes in response to the points raised. This consultation received 10,981 responses, including 387 responses from local planning authorities. Alongside the consultation response, we also published the PSED, setting out our ongoing analysis on the impacts of the changes made on those with protected characteristics.

Alongside the publication of the revised NPPF in December 2024, we announced funding to support local authorities with the costs of carrying out Green Belt reviews. In total, 133 local authorities have now been awarded £70,000 each to contribute towards the costs of carrying out Green Belt reviews in their areas. We are keen to hear feedback from local authorities as to whether this is a sufficient level of funding.

We also want to help local authorities continue to drive forward their local plans whilst taking new policy into account. That is why on 14 February 2025 we announced new funding to support local authorities with local plan delivery for those at Regulation 18 stage. This is in addition to the funding for local authorities with plans at Regulation 19 stage, announced in December 2024. Eligible local authorities were invited to submit an Expression of Interest form by 28 February 2025 to request a share of this funding, and we will announce which local authorities will receive funding in due course.

The government is also legislating in the Planning and Infrastructure Bill to establish a system of strategic plan making across England using spatial development strategies. The government set out its proposals in the English Devolution White Paper, Power and Partnership: Foundations for Growth, published in December 2024, and has now introduced the Bill into Parliament. To support this, we have encouraged local planning authorities to work together to review their Green Belt, to ensure reviews are undertaken at the appropriate scale. In working together, authorities should coordinate with the strategic authority and it may be suitable for strategic authorities to play a role in the Green Belt review process.

Tracking Progress and Measuring Success

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?

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

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?

We have always been clear that 1.5m homes is an ambitious target – which is vital given we have inherited the worst housing crisis in living memory.

The Plan for Change confirmed we would measure progress towards the 1.5m homes target through the number of net additional dwellings delivered in England over the course of this Parliament. Each year, the government publishes statistics on how many new homes have been delivered, minus those which have been demolished, so overall this captures the total increase in available homes in England. This statistic has been used to measure housing supply for 24 years. The Department publishes a range of metrics, including quarterly data on starts and completions, data on planning permissions granted, and the annual net additional dwellings publication, which will all assist in monitoring progress.

As the committee heard during the inquiry, it is not possible to give an accurate top-down estimate of how much Green Belt land will be identified as grey belt – the share of land that meets the criteria will vary depending on local geography and patterns of development and will be informed by locally-led reviews. However, the government expects the quantum of development that comes forward on grey belt land to be modest but impactful.

In relation to our Green Belt reforms, the government publishes annual statistics showing the extent of England's Green Belt, including changes resulting from land being released from, or added to, the Green Belt. The next statistical release will be published in autumn 2025. The department also publishes statistics on land use change, including estimates of new residential addresses created in Green Belt and other categories of land.

Alongside the steps taken in the revised National Planning Policy Framework, we have also announced a £5bn housing supply package in England to kickstart the delivery of 1.5 million homes over the course of this Parliament, including a vital £500m increase to the Affordable Homes Programme. This funding injection was followed in February by a further £300m allocation to the Affordable Homes Programme, supporting the near-term delivery of more social and affordable housing. We have also accelerated the delivery of large consented sites through our New Homes Accelerator and reduced Right to Buy discounts to support local authority housebuilding.

We will go further to reform the market to ensure that permissions result in completions. To create a more diverse and resilient housebuilding system we will support SME's, work with industry to grow mixed tenure models, ensure we have the right skills and supply chains, and support wider uptake of MMC to make our workforce more productive.

We know that housing delivery takes time, so we expect supply to ramp up over the parliamentary term as our changes take effect.

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

The government has announced £46 million of investment into the planning system to support capacity and capability in local planning authorities, including through the recruitment and training of 300 graduate and apprentice planners and the development of skills needed to implement reforms and unlock housing delivery.

We are also developing a wider programme of support, working with partners across the planning sector, to ensure that local planning authorities have the skills and capacity they need, both now and in the future to modernise local plans and speed up decision making, including through innovative use of digital planning data and software.

In addition, the department is also committed to providing technical planning and enabling expertise and support to make sure local authorities have the capacity and capability to accelerate stalled housing sites in our country, with dedicated expertise from the Department and Homes England.

To support greater resourcing of LPAs, the government has increased fees for householders and other minor planning applications from 1 April 2025. We are also taking forward measures in the Planning and Infrastructure Bill for LPAs to be able to set their own fees to enable full cost-recovery, and to ensure the fees are reinvested back into planning application services.

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?

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

The 300 planner commitment featured in the Labour Party manifesto at the 2024 General Election as part of a wider plan on housing and planning reform.

These additional planners will be critical in providing much-needed additional resource to local planning authorities to meet the 1.5m homes target and to help process an expected increase in planning permissions for high-quality homes, growth-supporting infrastructure and wider developments. Authorities will also require planners to update and provide full coverage of local plans, including reviewing their green belt policies, and implement the wider reforms to the planning system such as the development of strategic plans.

We intend to fund the LGA's Pathways to Planning scheme to build on their successes to date in recruiting graduate planners. As part of this, we are allocating £4.5 million to fund salary bursaries for new planning roles in councils. We are setting ambitious targets for the programme, where we are hoping to exceed the 300-planner target by the end of 2026. We will also continue to work with Public Practice to attract and recruit mid to senior-career private sector professionals into local authority planning teams.

We are also working closely with DfE and Skills England to understand the skills needed to deliver the government's commitment to build 1.5 million homes and support economic growth.

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?

The government has made clear its commitment to supporting local planning authorities in getting plans in place as part of its commitment to achieving complete coverage of up-to-date plans. Tailored support will be available to support authorities who face difficulties in preparing their local plans.

As stated above, the government has announced new funding to support local authorities with local plan delivery for those at Regulation 18 stage. This is in addition to the funding for local authorities with plans at Regulation 19 stage, and funding to support local authorities with the costs of Green Belt reviews, announced in December 2024.

The government expect authorities to rise to the plan-making challenge, and will consider the use of intervention powers if that does not happen – including taking over an authority's plan making directly. The revised local plan intervention criteria, published in December, enhances the government's ability to act quickly where plan-making stalls.

Sustainability

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

Our revised NPPF is clear that development on grey belt land must be in a sustainable location. This, as the committee notes, includes ensuring that locations for development prioritise sustainable transport modes. However, consideration of sustainability is a key principle throughout the Framework that requires consideration of a broad range of environmental, economic, and social objectives. The principles involved in achieving sustainable development are set out in chapter two of the Framework.

As made clear in our updated Planning Practice Guidance, published on 27th February, whether locations are sustainable will depend on local context and site/development-specific considerations. Nonetheless, we are clear that our reforms are not a passport to poor quality housing. In our Golden Rules, we are clear that major development on land in or released from the Green Belt must provide necessary improvements to local and national infrastructure, and the provision of high quality and accessible green spaces that contribute to nature recovery. This is supported through wider changes to the NPPF, with new safeguards to the presumption, and further changes to make clear the importance of achieving well-designed places and how this can be achieved holistically through local design policies, design codes and guidance.

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

We are committed to improving the quality of life for people living and working in rural areas, including by supporting development that reflects local needs, is responsive to the local circumstances of rural areas, and helps to sustain thriving places.

Our grey belt policy will better support the development of much needed affordable housing across the country, including in rural areas, through new Golden Rules for development on the Green Belt. These will require higher numbers of affordable housing to be delivered when land in the Green Belt is released or developed on, with a median Green Belt local planning authority affordable housing requirement of 50%.

Our rural exception sites policy also helps local authorities to address the needs of rural communities by accommodating residents and those with family or employment connections to the locality. Rural exception sites tend to be just outside village boundaries, where housing is not normally granted permission, even in the Green Belt.

We intend to give further consider to how policy can better promote rural affordable housing and wider exceptions site policy as part of our work to produce a set of national policies for decision making later this year.

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

SMEs are an indispensable part of our housebuilding sector. They have a vital role in making the housing market more diverse and resilient and contribute to housing supply by building out the majority of small sites. Through our planning reforms, we are committed to ensuring the right support is in place for SMEs and have engaged extensively with the sector to better understand existing challenges.

Our Green Belt reforms will support the SME sector, by encouraging the identification of grey belt sites and better supporting the redevelopment of previously developed land in the Green Belt, both of which can include small sites. We do not recognise the claim that, by asking local authorities to review their Green Belt and identify grey belt sites, this will limit the ability of small grey belt sites to come forward.

We are committed to strengthening small sites policy and providing additional support for SME housebuilders with further measures as part of wider planning reforms.