House of Commons

Housing, Communities and Local Government Committee

Delivering 1.5 Million New Homes: Land Value Capture: Government Response

Sixth Special Report of Session 2024–26

HC 1781

Housing, Communities and Local Government Committee

The Housing, Communities and Local Government Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Ministry of Housing, Communities and Local Government and its associated public bodies.

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Contacts

All correspondence should be addressed to the Clerk of the Housing, Communities and Local Government Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6232; the Committee's email address is hclgcom@parliament.uk. You can follow the Committee on X (formerly Twitter) using @CommonsHCLG.

Sixth Special Report

The Housing, Communities and Local Government Committee published its Third Report of Session 2024–26, Delivering 1.5 million new homes: Land Value Capture (HC 672), on 28 October 2025. The Government response was received on 4 March 2026 and is appended below.

Appendix: Government Response

1. The Government welcomes the Housing, Communities and Local Government Committee's inquiry into the role of land value capture in delivering 1.5 million new homes, published on 28 October 2025. We are grateful to the Committee and all those who provided evidence, and are keen to work with the Committee on their recommendations as we continue to implement our reforms to the housing market and planning system, including around Land Value Capture.

2. This Government has made clear that reforms to the housing market and planning system are essential to unlocking the homes and critical infrastructure which communities need and that are vital to realising our country's economic potential. We recognise that the current system too often fails to deliver for communities, and we appreciate fully that increases in the cost of land have contributed to England's current housing crisis. We are clear that communities must enjoy sufficient benefits from any increases in land value so as to fund the affordable housing and public infrastructure they need.

3. The Government has already taken important steps to strengthen land value capture mechanisms and the existing system of developer contributions – including improving the administration of section 106 (s106) planning obligations; extending the Mayoral Community Infrastructure Levy; ongoing reforms to the National Planning Policy Framework (NPPF); and boosting the capacity and capability of Local Planning Authorities (LPAs).

4. However, the Government recognises there is more to do to bolster the existing developer contributions system so that it delivers more for communities up and down the country, supporting viable and sustainable development now and over the longer term. We very much welcome the Committee's contribution to that ongoing work.

5. Improved support and resourcing for local planning departments is essential for the effective delivery of sustainable development that utilises land value capture and meets community needs. To address this challenge, we committed £48 million at the 2025 Autumn Budget to strengthen planning capacity and capability in the public sector, delivering targeted funding to address key challenges. The Government is committed to working with partners to explore skills sharing and resource coordination, helping LPAs to recruit and retain skilled planners, improve resourcing, and deliver the plans and decisions that communities need. All of this is key to providing effective planning plan-making and decision-making policies that harness land value capture tools for local benefit.

6. The Government notes the Committee's recommendation in respect of reinstating funded Level 7 planning apprenticeships for those over 21 and the important points the Committee has made in relation to it. It is the Government's view that apprenticeship funding alone does not guarantee that learners will work in, or remain in, LPAs. Instead, we are focusing on delivering a comprehensive Planning Capacity and Capability programme targeted specifically at the public sector – backed by £46 million in 2025–26 and the further £48 million highlighted above – to strengthen planning teams, expand routes into the profession and provide targeted training and leadership support.

7. In addition to this grant funding, the Government's Planning and Infrastructure Act also ensures local planning departments are better resourced through being able to set their own local planning fees. There is an estimated annual funding shortfall for LPA development management services of approximately £324 million, based on most recent local government spending data for 2024–25. Our changes to planning fees will ensure LPAs can set their own planning fee where that is considered necessary to fully recover (but not exceed) the costs incurred in determining planning applications, and to ensure the fee income must be retained for spending on an LPAs relevant planning function. This approach provides LPAs with greater flexibility to fund the resources needed to deliver an effective planning service, including those relating to s106 agreements that are vital to providing community benefits and managing land price expectations.

8. The Government also recognises that local plans play an essential role in the delivery of new homes, including ensuring that necessary affordable housing and infrastructure are delivered alongside. Up-to-date plans ensure clear policy requirements are set out, and these can be factored into land prices and delivery expectations for developers and communities alike. To help achieve our ambition of universal local plan coverage across England, and to support economic growth, we confirmed the introduction of a new system for plan-making in England to be implemented shortly. This will make it easier and faster for LPAs to get effective and meaningful plans in place, providing better opportunities for communities to shape the way areas meet their needs and change over time. The reforms will make local plans simpler for end users to access and understand, and will enable the delivery of plan-led sustainable development that benefits people and improves places.

9. To inform the ongoing development of local plans and decision-making, the revised National Planning Policy Framework published in December 2024 introduced a number of changes to support the provision of affordable homes and infrastructure. We have made it clear that LPAs should assess the size, type and tenure of housing needed for different groups in the community, including those who require affordable housing, and reflect this in planning policies. For the first time, we have also required plans to set out the minimum proportion of homes for Social Rent that should be delivered. Such requirements should set clear expectations on how land should be used in the future, and the contributions that will be required. The revised NPPF also introduced 'Golden Rules' for major development involving the provision of housing on land within or released from the Green Belt. The 'Golden Rules' ensure there is a higher expectation and provision of affordable housing, as well as necessary infrastructure and green space for local communities.

10. However, as outlined above, the Government recognises there is further work to do to strengthen the overall system and in December 2025 we published a new NPPF for consultation. This included proposals designed to further support the delivery of vital social and affordable housing, including proposed reforms to the viability testing system. The consultation seeks views on setting national minimum expectations for social rent on all new major developments and how and whether further guidance is needed that could support authorities in assessing affordable housing need. We are also seeking views on how we can increase upfront clarity in relation to the contributions expected from new development, including social and affordable homes, with the aim to maximise certainty and reduce unnecessary site-specific viability assessment by clarifying when it may be appropriate at the decision-making stage.

11. The consultation also includes questions on how to further standardise viability assessment to support rules-based clarity – for example establishing appropriate developer returns and landowner premiums – and also proposes a further minimum affordable housing floor for major development on schemes where the 'Golden Rules' apply that meet the proposed criteria allowing for site-specific viability assessments.

12. The Government also updated Viability Planning Practice Guidance alongside publishing the consultation, fulfilling the National Audit Office recommendation to review the perceived conflicts of interest in viability practice and consider ways to improve outcomes in how viability assessments are used. Noting the Committee's recommendation, the Government is also developing updated land value estimates for use in policy appraisal, and the aim is to publish updated values for a range of land uses this year.

13. Through the NPPF consultation, we are also seeking views on an updated set of proposals to support SME developers, who are vital to diversifying our housing market and delivering the homes our communities need. This includes exploring further the potential benefits and drawbacks of enabling developers to discharge social and affordable housing requirements through cash contributions in lieu of direct delivery in the category of "medium" sites. This includes consideration of what more can be done to support LPAs to calculate and use commuted sums more effectively.

14. The Government is also aware that negotiation of section 106 agreements can create delays in the planning process and increase costs for developers and local planning authorities. We are therefore progressing work on producing model planning obligations; this includes working with PAS to publish a standardised template s106 agreement to help speed up the process of drafting and agreeing new s106 agreements. As a starting point for our reforms in this area, the template will set out the foundational elements and clauses expected in the majority of s106 agreements for sites below 50 units, and we will engage widely with all relevant parts of the sector to ensure it is as effective as possible. This will provide LPAs with a solid starting point for new agreements, speeding up the drafting process and freeing up capacity to focus time on what matters most to communities. Sector-wide training opportunities will also be provided to authorities as part of this wider package.

15. Following significant engagement with sector stakeholders, we have also taken decisive steps to address the immediate challenges in the s106 market. The Government has announced a new emergency, time-limited approach to unlock unsold and uncontracted s106 units, during which we will encourage local planning authorities to use their existing powers to renegotiate planning obligations – including the tenure of homes – where developers can demonstrate that no Registered Provider is willing to purchase them. This has been designed to ensure genuinely stalled homes can be sold.

16. Alongside this, we have set out a roadmap for a long-term reset of the s106 market, focused on setting clear sector expectations to guide s106 delivery, including agreeing a framework for how the sector will work together to deliver s106 agreements, focused on earlier and better engagement, transparency in negotiation, and clarity on the standards s106 homes should meet. This roadmap also details wider measures we are pursuing to expand financial capacity to revive the market to deliver for s106 homes, including through low interest loans being made available for Private Registered Providers, up to 10% of which will be available to support the delivery of social and affordable homes via s106.

17. The Government has also acted pragmatically in London, working with the Greater London Authority (GLA), to address the particularly acute need for higher levels of housebuilding. The GLA has consulted on a new time-limited planning route in London that will enable developers to secure planning permission without a viability assessment on private land where they commit to 20 per cent affordable housing (60 per cent of which must be Social Rent). This new route comes alongside a proposed temporary relief from the Community Infrastructure Levy (CIL), including 50 per cent of borough CIL relief available for qualifying schemes which commit to delivering at least 20 per cent affordable housing in line with the new time-limited planning route, and additional relief available at higher levels of affordable housing. Taken together these proposed measures are designed to encourage schemes to come forward, and existing schemes to progress, in the near-term to support rapid recovery in housing delivery and drive-up social and affordable housing in London. We will respond with final proposals shortly.

18. The Community Infrastructure Levy will nevertheless remain an important tool for local authorities to use to help them deliver the infrastructure needed to support development in their area. To improve transparency on variation between LPAs and encourage uptake where CIL would be a useful tool for viable development, the Government has agreed to the Committee's recommendation and commits to publishing a map of CIL coverage in England. To further drive up the number of communities benefitting, the Government's English Devolution and Community Empowerment Bill will also extend the power to charge a Mayoral CIL across all Mayors of Strategic Authorities to unlock valuable infrastructure. Currently only the Mayor of London is able to charge a Mayoral CIL across Greater London, which has been critical in helping to fund the delivery of the Elizabeth Line.

19. The Government is aware of the potential for securing the land value uplift created by the New Towns Programme, and on 28 September this year, the Government published the New Towns Taskforce report as well as its initial response. New Towns have an important role to play in the delivery of much needed quality and genuinely affordable housing. The Government is considering the recommendations of the New Town Taskforce report on the use of early land purchases to secure land value capture; and where this approach is suitable it could form a part of new town delivery strategies. To ensure the right incentives are in place to support LPAs in bringing new towns forward, the Government is working closely with local leaders to understand the impacts of potential New Towns locations on how new towns are accommodated in areas' Local Housing Needs, and will shortly clarify its position as part of the forthcoming New Towns Programme consultation.

20. All of the above measures, and more, form part of our ambitious and comprehensive strategy to improve housing availability, affordability and quality. The core elements of that strategy are already well known and well understood by the sector: streamlining the planning system and reforming the land market; diversifying and transforming the housebuilding industry; delivering the biggest increase in social and affordable housebuilding in a generation through record investment and regulatory certainty and stability; reducing investment demand to make better use of existing stock and new supply; and driving a transformational and lasting change in the safety and quality of our housing stock. We will augment the detailed plans and proposals we have already set out over the past 19 months in our forthcoming long-term housing strategy.

21. The Government is also advancing a wider package of reforms to address and monitor the problems faced by the housing market. Alongside the well-established range of information, the Department publishes on housing starts, completions, the planning system and affordable housing, it now, for the first time, publishes quarterly estimates of the number of net additions that have been delivered during the Parliament and on a much timelier basis than ever before. This is consistent with the Government's broader commitment to provide transparency around progress to 1.5 million. The OBR expects our landmark reforms to the planning system to lead to the highest level of housebuilding for a generation – an extra 170,000 homes by 2029/30. Recent statistics published show an 18% increase in starts on new homes compared to the year before.

22. The Government response to the Committee's recommendations is set out in full in Annex A.

ANNEX A: Response to the Housing, Communities and Local Government Committee recommendations for Government

23. This section sets out the Government's response to the recommendations within the Committee's report.

Scope for Land Value Capture

Recommendation 1: Reforms to land value capture should be iterative, starting with improvements to existing mechanisms. Therefore, the Government must immediately pursue the reforms to Section 106 and CIL outlined in the chapters below. These reforms must optimise the system's capacity to capture land value uplifts and deliver infrastructure and affordable housing—particularly homes for Social Rent—in line with the Government's wider policy ambitions. The Government must also trial additional mechanisms of land value capture in areas where there are significant uplifts in land value which current mechanisms may not capture effectively. Specifically, the New Towns programme discussed in Chapter 5 presents a vital opportunity to test new ways of financing infrastructure delivery on large developments and learn lessons for future reforms (Paragraph 26, page 13).

Government Response:

24. The Government welcomes the focus on iterative improvements to existing mechanisms. The Government has already taken important steps to strengthen the system of developer contributions to ensure new developments provide necessary affordable homes and infrastructure. This includes the introduction of 'Golden Rules' for major development involving the provision of housing on land within or released from the Green Belt, and other changes to the NPPF published in December 2024 which support the increased provision of affordable housing and infrastructure.

25. We recognise that there is much more to do. On 16 December 2025, we launched a consultation on further changes to the NPPF, including proposals relating to developer contributions and viability. The changes aim to promote greater clarity about expected contributions, including those related to affordable housing, and the limited circumstances in which site-specific viability assessments may be justified. The consultation will remain open for responses until 10th March 2026.

26. The revised NPPF also includes wider proposals designed to further support the delivery of affordable housing. The consultation seeks views on setting a national minimum expectation for 10% social rent on new developments, and whether further guidance is needed to support authorities in assessing affordable housing need.

27. The Government is also taking further action by giving all mayors of strategic authorities the power to raise a Mayoral Community Infrastructure Levy through the English Devolution and Community Empowerment Bill.

28. The Government is considering the recommendations of the New Town Taskforce report with regard to using early land purchases to secure land value capture; and where this approach is suitable it could form a part of new town delivery strategies. The Taskforce also suggested that Government should explore the role of tax within the financing model, to support the delivery of new towns.

Recommendation 2: Any reforms to land value capture should also be considerate of the wider tax system, to balance public needs and equitable charges on development. To support this work, the Government should publish updated land value estimates, which were last published in August 2020. If the Government does not intend to do so, it must explain why it no longer publishes this data (Paragraph 27, page 14).

Government Response:

29. The Government is developing updated land value estimates for use in policy appraisal. The aim is to publish updated values for a range of land uses this year.

Reforms to Section 106 Agreements

Recommendation 3: As part of the site thresholds consultation that will take place later this year, the Ministry must seek views on how standardised Section 106 templates could most effectively streamline the negotiation process across sites of all sizes. Based on the consultation responses, the Ministry must work with the Planning Advisory Service to develop a suite of Section 106 template clauses and publish these within six months of the consultation closing. Alongside their publication, the Ministry must also update its guidance to local authorities on Planning Obligations to encourage local authorities to adopt these template clauses (Paragraph 36, page 18).

Government Response:

30. The Government recognises that negotiating s106 planning obligations can increase costs for LPAs and developers. It is already the case that planning practice guidance on planning obligations encourages LPAs to use and publish standard forms and templates to assist with the process of agreeing planning obligations, for example, through model agreements and clauses.

31. In May 2025, we published a Planning Reform Working Paper on Reforming Site Thresholds which sought views on how s106 negotiations could be streamlined; to improve the process, reduce costs, and increase speed and certainty for SME builders. This included further understanding the specific barriers facing SMEs when agreeing s106 obligations and references to the merits of standardised templates for medium-sized sites.

32. In light of the responses received, we are now seeking views on an updated set of proposals as part of the consultation on the NPPF, published on 16 December 2025 (see Annex C of the NPPF consultation document).

33. The consultation sets out that MHCLG is working in partnership with the Planning Advisory Service (PAS) to develop a suite of resources to support section 106 negotiations, including developing a standardised s106 agreement for medium sites as an immediate priority which would be expected to become the default for applications in the future. This s106 support package will also include training opportunities for LPA officers.

34. Town Legal LLP have been formally awarded the contract following a successful procurement process conducted by the Planning Advisory Service. It is intended that a standardised s106 template for medium sites will be issued as a first priority.

Recommendation 4: The Government must take a more strategic approach to boost the skills and capacity of local planning authorities, starting with reinstating access to funded Level 7 planning apprenticeships for students over the age of 21. The Government must invest in dedicated planning officers for Strategic Authorities and set out its plans for doing so in response to this Report. Each Strategic Authority planning team should include specialist planning skills units to support local authorities, to allow for more effective resource sharing between authorities. This must include a Section 106 support service in each Strategic Authority, with a remit to share expertise and advise local planning authorities on Section 106 negotiations (paragraph 47, page 22).

Government Response:

35. The Government notes the Committee's recommendation to reinstate funded Level 7 planning apprenticeships for students over 21. Current apprenticeship levy arrangements prioritise younger entrants and lower-level qualifications to support early career development. We continue to monitor the impact of these arrangements on the planning profession.

36. However, the Government considers that funding planning apprenticeship routes alone does not guarantee that learners will work in, or remain in, local planning authorities. In contrast, the Government is delivering a comprehensive Planning Capacity and Capability Programme aimed specifically at the public sector, which directly increases the number of planners in LPAs, targeting high-calibre applicants, funding salary bursaries and supporting accredited postgraduate training. The Department is investing £46 million in 2025–26, alongside a further £48 million committed at the 2025 Budget to be allocated across this Parliament, to strengthen planning teams, open new routes into the profession for graduates and experienced professionals, and provide targeted training and leadership support through initiatives such as Pathways to Planning, Public Practice, and wider support from PAS.

37. We agree that strategic authorities will play a critical role in delivering spatial development strategies and recognise the need for specialist skills. To support SDS production, the Government has identified a funding package. We expect to make some initial payments in March and to confirm the full package in the summer. The Department is working with partners to explore how skills sharing and resource coordination can operate effectively within this new strategic context, alongside ongoing investment in LPA capacity and leadership. Local authorities are, however, independent bodies and are responsible for determining how best to structure and resource their own planning services, including for s106 negotiations. Workforce and leadership models will rightly vary according to local needs, scale and ambition. Sector-wide training opportunities will be provided to authorities as part of the PAS s106 support package (see response to recommendation 3).

Recommendation 5: Once the Planning and Infrastructure Bill receives Royal Assent, the Secretary of State must make regulations to allow local planning authorities to take into account the cost of local and regional plan making when calculating local planning fees. Local planning authorities and Strategic Authorities should be allowed to spend these contributions from planning fees on staffing and resources to deliver their core functions and improve local plan coverage (paragraph 48, page 22).

Government Response:

38. The Government recognises the importance of ensuring local plan-making is well-resourced to help deliver sustainable development and meeting community needs. However, we do not consider it appropriate to fund local plan-making through planning application fees.

39. Local plans serve the whole community, not just applicants, and therefore their costs should be met through wider local authority budgets rather than being borne by developers. That is why measures in the Planning and Infrastructure Act are deliberately targeted at ensuring LPAs can set their own planning fee where that is considered necessary to fully recover (but not exceed) the costs incurred in determining planning applications, and to ensure the fee income must be retained for spending on an LPA's relevant planning function.

40. Allowing LPAs to set higher fees to contribute towards local plan-making could lead to excessively high planning fees. This would risk deterring development and investment at a time when we want to get Britain building. Our priority is to maintain a fair and proportionate fee structure that supports efficient decision-making without creating barriers to growth.

41. Nonetheless, the Government remains committed to achieving universal local plan coverage and supporting LPAs to progress their plans without delay. To help achieve this, we have provided over £19.8 million to 87 LPAs support the costs of local plan delivery, and £9.3 million to 133 LPAs to assist with Green Belt reviews. This targeted funding ensures that LPAs can address key challenges and accelerate plan preparation, and is flexible so authorities can use the funding or hiring additional staff or resource if required.

42. The Government also provided £2.85 million in grant funding this financial year to the Planning Advisory Service (PAS) to support LPAs in providing effective and efficient planning services, driving improvement and supporting the implementation of changes in the planning system. As part of this, PAS are supporting LPAs in developing the right infrastructure (ensuring people and processes are in place) to deliver a sound plan in 30 months.

43. Going forward, the Government committed an additional £48 million to strengthen planning capacity in the public sector, to be allocated across this Parliament. This will open new routes into planning, creating opportunities for graduates and experienced professionals to join and thrive in the sector. Of this, £28.8m is dedicated to MHCLG's Planning Capacity & Capability Programme, supplementing existing budgets and enabling us to scale up delivery across the next three years.

Recommendation 6: The Government should introduce a statutory Section 106 dispute resolution scheme, under the provisions of the Housing and Planning Act 2016. If the Government does not intend to pursue this, it should set out a detailed explanation as to why the Ministry has chosen not to implement the provision legislated for by Parliament in the 2016 Act. This should include setting out any specific technical or legal barriers to implementation which the Ministry has identified (paragraph 54, page 24).

Government Response:

44. Mediation and alternative dispute resolution (ADR) already play a valuable role in the planning system for specific planning-related issues, including section 106 planning obligations, where negotiating and reaching consensus is required.

45. The existing provisions set out in the Housing and Planning Act 2016 enable parties to have third-party adjudication for unresolved issues regarding the terms of any section 106 planning obligations. We do not intend to implement these provisions at this time because we believe non-statutory guidance and policy – including our work with PAS on improving the section 106 process and proposed changes to the NPPF which are subject to consultation – are likely to have a more immediate impact than implementing primary legislation. We will keep this under review.

46. The draft revised NPPF also re-iterates the importance of good quality pre-application engagement between applicants and LPAs to identify and resolve key matters. These matters include planning obligations for the development, to enable the head of terms for the s106 to be agreed as quickly as possible once the application has been submitted.

Viability Assessments

Recommendation 7: As part of its ongoing review of the viability planning practice guidance, the Government must consider how different types of developer contribution could be re-negotiated following a viability assessment, to protect affordable housing contributions. The Government must also update national policy to encourage all local authorities to set a minimum percentage target for affordable housing in their Local Plan for all major developments that include housing. This figure should be based on a local need assessment for affordable housing in each local authority, with particular regard for the local need for Social Rent homes. Local authorities should be encouraged to offer a 'fast-track route' for developments which meet the local affordable housing target, by making those developments exempt from detailed viability assessments and re-assessments later

in the development process. This would encourage developments with a high percentage of affordable housing and speed up the delivery of housing of all tenures (Paragraph 70, page 30).

Government Response:

47. The Government is committed to delivering the biggest increase in social and affordable housing in a generation.

48. The revised NPPF published in December 2024 is already clear that LPAs should assess the size, type and tenure of housing needed for different groups in the community, including those who require affordable housing, and reflect this in planning policies. This includes setting out the mix of affordable housing required on major development, which should reflect identified local needs.

49. In December 2024, we updated the framework to make clear that authorities should consider the particular needs of those who require Social Rent homes, and specify the minimum proportion of Social Rent homes required of developments. The Government has since updated the Planning Practice Guidance (PPG) in December 2025 on viability to support this position.

50. As part of the consultation on the revised NPPF which launched in December 2025, we are seeking views on whether requiring a national minimum proportion of Social Rent homes would better support delivery of Social Rent. In addition, our draft policies on developer contributions and viability consider instances where developer contributions are reduced below the requirements set out in relevant plan, and encourage the appropriate use of review mechanisms to maximise policy compliance over time. More broadly, our proposed changes – including to standardised inputs into viability assessments – aim to promote greater clarity about expected contributions, including those related to affordable housing, and the limited circumstances in which site-specific viability assessments may be justified.

Recommendation 8: The Government must continue to develop its proposal to publish indicative benchmark land values to inform viability assessments on Green Belt land across England. The Government must publish different benchmark land values for each region of England, to reflect variation in land values. The Government must also ensure that the viability planning practice guidance contains clear advice on the "local material considerations" that would warrant local adjustments. The Government should continually review the effectiveness of the policy and consider how it may be extended to development on land that is not in the Green Belt (paragraph 71, page 31).

Government Response:

51. In 2024, the Government consulted on setting indicative benchmark land values for land released from or developed in the Green Belt. The Government does not believe a national benchmark land value would sufficiently account for variation in land values or types of land and, if set too low, would disincentivise landowners from bringing their sites forward.

52. Nonetheless, there may be instances where further guidance could be beneficial to support compliance with the Golden Rules, as well as plan deliverability. This may be particularly true of greenfield land, which is typically more homogenous than brownfield land in terms of its existing uses and abnormal costs. The Government is therefore seeking views through the consultation on the revised NPPF, which opened in December 2025, on the potential benefits of testing viability at the plan-making stage using a standardised national benchmark land value scenario of 10 times Existing Use Value for greenfield, Green Belt land. The purpose of the test would be to send a clear signal and ensure that plan-makers (and viability practitioners working on their behalf) have a clear and strong justification should they wish to adopt a higher benchmark land value.

53. Annex B of the NPPF consultation document contains wider questions relating to standardised inputs into viability assessments, including the determination of benchmark land values. The consultation seeks views on landowner premiums and any circumstances in which a premium, or the usual premium, might not be required, as well as any impact that may arise should a change be made to guidance (for example, any unintended consequences on encouraging land supply to be brought forward). We are also seeking views on whether guidance should set out any specific cases in which alternative use value would not be appropriate, and any further steps the Government should take to ensure non-policy compliant schemes are not used to inform the determination of benchmark land values in the viability assessments than underpin plan-making. We are also seeking views through the consultation on whether a benchmark land value for rural exceptions sites would support delivery.

Reforms to the Community Infrastructure Levy (CIL)

Recommendation 9: The Ministry must publish an interactive map of CIL coverage on its website, updated quarterly to include the rates charged in each local authority in England. Publishing a national map would support the housing sector to navigate different charging schedules across local authorities; would enable greater public scrutiny of the variations between local planning authorities; and would allow the Government to demonstrate how any future reforms to CIL are improving coverage and infrastructure outcomes (paragraph 79, page 33).

Government Response:

54. CIL is a locally-set rate, and charging authorities must publish a charging schedule on their website which sets out their CIL rates. The Government considers these the most appropriate information sources for CIL.

55. Rates can vary within CIL-charging authorities based on a development's scale and location, making side-by-side comparisons between LPAs difficult. Further, given different rates may apply to different types of development (e.g. residential versus office or retail), and these are not necessary consistently defined across LPAs, there are risks involved in presenting collated data in a way which may lead to unfair comparisons.

56. The Government therefore intends to publish a map of CIL coverage in England, alongside a list of CIL charging authorities in England by region, without accompanying information on rates, given the risks this would entail.

Recommendation 10: The Ministry must review its guidance to local authorities on Infrastructure Funding Statements (IFSs), to ensure all local authorities have a clear, up-to-date IFS which sets out how CIL receipts will be used locally, and when they will be pooled to deliver larger infrastructure projects. The Ministry should also publish local authorities' IFSs on the national map of CIL coverage, to collate this information and ensure all local authorities have an up-to-date IFS, as required by legislation (paragraph 88, page 36).

Government Response:

57. Planning practice guidance includes clear information on what should be included within IFSs. Further guidance is available on the PAS website. Initial PAS guidance was published in 2020, and this was updated in 2023 to reflect matters identified through the first two years of IFS reporting. An IFS template is included within the guidance which is intended to help authorities towards consistent and clear IFS reporting for the benefit of residents and developers. The Government will consider whether a further update is required.

58. In terms of including published IFSs interactively in a national CIL map, the Government considers it more appropriate for the IFS to be obtained through authority websites, as an authority is able to update its IFS at any time. However, as set out in our response to the recent Public Accounts Committee report on 'Improving local areas through developer funding' we are considering how to make best use of data in published IFSs to support understanding on how the developer contributions system is working. The Chief Planner has also written to all LPAs to remind them of the statutory duty to publish an IFS at least annually.

New Towns

Recommendation 11: Whilst the Government's plan to allow all mayors of strategic authorities to charge Mayoral CIL is a welcome step towards greater fiscal devolution, the Government must go further to support local leaders with revenue raising powers to deliver infrastructure and housing. In particular, the Government should enable greater use of Tax Increment Financing—a model which has delivered successfully in London—to fund infrastructure in cities and in New Towns (paragraph 102, page 41).

Government Response:

59. A full Government response to the New Towns Taskforce's report is planned for Spring 2026 which will contain more information on financing models. Each location will have differences in size, geography and infrastructure needs which will influence the financing models used. The Department is exploring different financing models used previously, such as in London, to determine the best approach.

60. The Government's English Devolution and Community Empowerment Bill will give new powers to Mayoral Authorities to raise revenue to enable them to fulfil their strategic priorities. Government will continue to work with LAs to build their capacity for managing more complex financial instruments.

Recommendation 12: The Government must immediately conduct an analysis of Existing Use Values (EUV) on each of the 12 sites to maximise the capture of future land value uplifts, and develop plans for using appropriate mechanisms for land value capture on each site. This must include the option of development corporations using Compulsory Purchase Orders to assemble land where ownership is fragmented or negotiations stall. The Government must ensure arrangements for the purchase of land on New Towns sites are in place before it announces its final decision on locations by spring 2026 (paragraph 112, page 46).

Government Response:

61. The Government is aware of the potential of securing the land value uplift created by schemes such as the New Towns Programme. Existing powers in legislation are clear that, should negotiations fail to purchase land by agreement for the delivery of new towns, valuations for the compulsory purchase of land will be on the basis of the 'no-scheme' principle (so disregarding the scheme of development, or prospect of the scheme, underpinning the compulsory purchase). Homes England, LAs and any potential Development Corporations all have access to CPO powers if negotiations to buy land fail and there is a compelling case in the public interest for use of a CPO. The strategy for valuation and purchase of land will be delivered with those existing statutory provisions and commercial considerations in mind.

Recommendation 13: At the Autumn Budget 2025, the Government must announce new funding to establish the development corporations, so they can commence land acquisition on the first sites without delay, and complete this work by spring 2026. The development corporations must be mandated to prioritise the delivery of homes for Social Rent within the 40% affordable homes requirement, rather than other types of affordable housing. Development corporations must be granted comprehensive planning powers and access to capital funding to fulfil this objective (paragraph 114, page 47).

Government Response:

62. The Government has been clear that new towns will deliver much needed quality and genuinely affordable housing. The Government is committed to a gold standard aim of 40% affordable, with an emphasis on Social Rent. The Department will work with delivery vehicles, including development corporations, to support implementation.

63. The Department is also developing mechanisms to facilitate the implementation of placemaking principles, including through guidance for delivery vehicles. Where appropriate, development corporations will be essential to delivery of new towns, not least for their ability to unlock planning challenges and provide greater certainty. Nonetheless, the need for development corporations to take on planning powers must be assessed on a case-by-case basis, taking account of the delivery barriers for each location, and is subject to public consultation.

64. It is vital that new towns, including those led by development corporations, are appropriately funded. Where development corporations are found to be the most appropriate vehicle through which to delivery New Towns, there will need to be resource funding available for the costs associated with running development corporations for new towns. Delivery will also be backed by funding across the Government's landmark housing programmes, such as the £39bn Social and Affordable Housing Programme, hundreds of millions of grant from the National Housing Delivery Fund, and additional capital funding managed by the National Housing Bank. We will also work closely with other departments and regulators to ensure new towns will be factored into their future spending plans, ensuring they have the utilities, transport, and social infrastructure needed for the community to thrive.

Recommendation 14: The Government must immediately clarify how housing delivery in New Towns will interact with local authority housing need targets. In its final response in spring 2026, the Government must include a roadmap for the New Towns programme, to show when each development corporation will be established, when development will commence on each site, and the estimated development timeline for each New Town (paragraph 116, page 47).

Government Response:

65. As set out in the New Towns Taskforce's report, the Taskforce has prioritised sites where housing can be delivered quickly to reflect the urgent need for housing and with high quality placemaking standards. New towns are necessarily long-term projects which should continue to grow over decades to come, but Government is determined to begin work as soon as possible, with spades in the ground on at least three new towns in this Parliament.

66. The Government takes on board the Taskforce's recommendations to consider the interaction between new towns and housing targets ahead of its fuller response. We want to ensure that the right incentives are in place to support proactive LPAs to work with us to bring new towns forward.

Recommendation 15: In response to this Report, the Government must provide a timeline for when it will launch its pilot projects using place-based business cases, and when the new model will be rolled out nationally. It must also set out how it will ensure the Green Book reforms will see the benefits of the New Towns programme realised across England, including in regions with lower potential land value uplifts (paragraph 121, page 49).

Government Response:

67. Initial engagement across Government and local government on the early adopter programme has already begun. Government will be agreeing an ambitious timeline for the delivery of the early adopter programme and wider rollout of place based business cases in due course.

68. The Government will ensure that value for money assessments for the new towns programme adopt a holistic approach that considers the full range of monetisable and non-monetisable social, environmental and economic impacts associated with new towns. Land value uplift is just one benefit that will be considered in line with the Ministry's appraisal guidance and the HM Treasury Green Book review.

Delivering 1.5 million new homes

Recommendation 16: The Government must immediately bring forward its Long-Term Housing Strategy without further delay. It must set out an ambitious, comprehensive, and achievable set of policies that will deliver 1.5 million new homes by July 2029. The Strategy must prioritise implementing reforms to the plan-making system to move towards a 30-month timeline. The Strategy document must include an annex to provide the Ministry's assessment of how many net additional dwellings each policy change will contribute towards annual housing supply, adding up to 1.5 million new homes over the five-year Parliament. If the Ministry is unable to supply this, the Government must make an oral statement to the House to confirm how many new homes it will deliver by the end this Parliament (paragraph 142, page 57).

Government Response:

69. The Government will publish a Long-Term Housing Strategy shortly, which will bring together the significant programme of reform that the Government has undertaken since taking office in July 2024. This includes the three priority areas that form part of our strategy to delivering 1.5 million new homes – fixing the foundations of our development sector, including through ambitious planning reform; transforming the housebuilding industry through investment in skills and supporting a greater diversity of developers to build at scale; and building a new generation of social and affordable homes.

70. Immediately on taking office, the Government published a revised NPPF, reversing the supply-negative policies of the previous Government, and launched the New Homes Accelerator to accelerate the delivery of homes on sites across the country.

71. At the Spending Review, Government announced a record £39 billion of funding to accelerate social and affordable housebuilding across the country, alongside confirming £16 billion to create a new National Housing Bank. The Government prioritised passing the landmark Planning and Infrastructure Act, which gained Royal Assent in December 2025.

72. The Government has recently announced significant further policy interventions in support of reaching 1.5m homes. These include the October 2025 measures to support London housebuilding; the December 2025 consultation launch on the most significant rewrite of planning rules in more than a decade; and the January 2026 road map outlining next steps to improve the s106 system. Additionally, the Government recently launched Phase 2 of the New Homes Accelerator programme, and confirmed WECA as the national delivery partner for our Small Sites Aggregator pilot.

73. The Government notes the committee's appetite to understand the expected individual impact of the actions taken so far in relation to 1.5m. The Department publishes regular data on housing starts, completions, the planning system and affordable housing to support scrutiny of the delivery of 1.5m homes. For the first time, the Department now publishes quarterly estimates of the number of net additions that have been delivered during the Parliament on a much more timely basis. This is consistent with the Government's broader commitment to provide transparency around progress to 1.5 million.

74. The Government notes the committee's recommendation to move the plan making system to a 30-month timeline. Local plans play an essential role in the delivery of new homes. Regulations that will commence the new plan-making system will be laid in Parliament shortly with the new system coming into force early this year. New local plans will be expected to be prepared and adopted within 30 months and to then be kept up-to-date.

75. As such, our reforms will make it easier and faster for LPAs to get effective and meaningful plans in place, providing better opportunities for communities to shape the way areas meet their needs and change over time. The reforms will make local plans simpler for end users to access and understand, and will enable the delivery of plan-led sustainable development that benefits people and improves places.

Epilogue

Recommendation 17: The Ministry must continue its work with the Greater London Authority to deliver an acceleration package, so that London boroughs are delivering housing in line with their local housing need targets. In response to this Report, the Ministry must provide its assessment of how changes to London's affordable housing target may deliver more affordable housing units, by increasing the number of new homes built overall. Any reduction to London's affordable housing target must be accompanied by a clawback mechanism to ensure developers return a portion of their profits to the local authority, ringfenced for affordable housing delivery, if a development surpasses an agreed benchmark profit. If London's affordable housing target is reduced and the number of affordable housing units delivered declines, the Ministry and the Greater London Authority must commit to reinstating the 35% target (paragraph 148, page 60).

Government Response:

76. While viability pressures are impacting residential development in many parts of the country, we know they are particularly acute in London. Those pressures were already resulting in proportions of affordable housing being reduced on schemes following viability assessment. According to GLA monitoring data, the average affordable housing level of referable applications that have been approved through their viability tested route was 20 per cent between 2022–2024.

77. To address this, the Secretary of State and the Mayor of London announced a new package of support for housebuilding in London that included developers to access a new, time-limited planning route to incentivise build out. This will sit alongside the existing Fast Track and Viability Tested routes and will enable developers to secure planning permission without a viability assessment on private land where they commit to 20 per cent affordable housing (60% of which must be Social Rent), of which half will be eligible to receive grant funding, with a gain-share mechanism to increase affordable delivery on sites that continue into the next decade where market conditions improve. Details of the package were set out in a policy statement published on 23 October 2025, available here: Support for housebuilding in London - GOV.UK.

78. The new threshold is supported by flexibility: the review mechanism allows for uplift where viability improves. All funds recovered through the review mechanism will be ringfenced for affordable housing delivery.

79. Our engagement with the sector indicates that these measures will encourage schemes to come forward, and existing schemes to progress, in the near-term, and will thereby support a rapid recovery in housing delivery. It is designed to increase overall housing supply, recognising that in many boroughs, no new affordable homes are being built at all. In 2023–24, affordable housing starts in London fell to just 3,156 – down from over 26,000 the year before.

80. The consultations for the measures in the package opened in November 2025 and closed on 22 January. You can find the MHCLG led consultation on CIL and Mayoral planning powers here: Support for housebuilding in London - GOV.UK and the GLA led consultation on the new time limited planning route and density policies here: Support for Housebuilding LPG | London City Hall

81. The Government is committed to working in partnership with the Mayor of London boroughs, and wider partners to significantly increase housing delivery in London and meet these ambitions.