# Ten Reasons Why Labour Will Fail To Build 1.5 million New Homes (Revisited):

What else can be done to help deliver this goal?

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#### Introduction

- 1. In November 2024, only a few months into their term of office, I wrote a paper entitled "10 reasons why Labour will fail to build 1.5 million homes".
- 2. The Labour Manifesto for the 4 July 2024 General Election had stated that,<sup>2</sup> "[m]any people cannot afford their own home. We will change this by building 1.5 million new homes." This was from the outset a very grand ambition. But Labour's landslide victory was seen by many, including the Government itself, as a strong mandate to deliver on its pledge and get Britain building again.<sup>3</sup>
- 3. However, even in November 2024, when writing my earlier paper, very few people really believed that the target that had been set could actually be achieved. At that time the Government maintained that it could; the Housing Minister, Matthew Pennycook MP, told a committee of MPs on 22 November 2024 that he was "convinced" the Government could deliver its 1.5 million new homes target over this Parliament.<sup>4</sup> But I concluded my paper by saying that "Labour will fail to build 1.5 million homes in the next 5 years". I sent my paper to the Minister; I have no idea whether he read it or, if he did, what he made of it.
- 4. Back in November 2024, it wasn't just me who disagreed with the Minister.<sup>5</sup> Many others shared my view that it was not possible to build 1.5 million new homes in 5 years. This included the BBC<sup>6</sup>; Peter Denton, the soon-to-be ex-chief executive of

 $<sup>^1\,\</sup>underline{\text{https://www.linkedin.com/posts/james-maurici-k-c-29b16524\_10-reasons-why-labour-will-fail-to-build-activity-7267946556090105856-J4cw/}$ 

<sup>&</sup>lt;sup>2</sup> https://labour.org.uk/wp-content/uploads/2024/06/Labour-MANIFESTO-UK-2024.pdf

<sup>&</sup>lt;sup>3</sup> The irony is, however, that the Conservatives in their manifesto promised to build 1.6 million homes: <a href="https://www.lgcplus.com/politics/governance-and-structure/conservative-manifesto-promises-1-6-million-homes-11-06-2024/">https://www.lgcplus.com/politics/governance-and-structure/conservative-manifesto-promises-1-6-million-homes-11-06-2024/</a> and the Liberals promised to build 1.9 million homes: <a href="https://www.architectsjournal.co.uk/news/lib-dem-manifesto-promises-to-build-1-9-million-homes-over-next-parliament">https://www.architectsjournal.co.uk/news/lib-dem-manifesto-promises-to-build-1-9-million-homes-over-next-parliament</a>. So, as I pointed out in my earlier paper, Labour might be said to have won the General Election by promising to build the least number of houses of any of the main Parties! <a href="https://www.building.co.uk/news/housing-minister-convinced-government-will-meet-15-million-homes-plan/5132918.article">https://www.building.co.uk/news/housing-minister-convinced-government-will-meet-15-million-homes-plan/5132918.article</a>

<sup>&</sup>lt;sup>5</sup> The Minister has some support: see <a href="https://www.newstatesman.com/spotlight/economic-growth/regional-development/housing/2025/07/ending-the-housing-crisis-is-possible-ifwe-are-committed-to-the-solutions">https://www.newstatesman.com/spotlight/economic-growth/regional-development/housing/2025/07/ending-the-housing-crisis-is-possible-ifwe-are-committed-to-the-solutions</a>

<sup>&</sup>lt;sup>6</sup> See "Labour's plan to build 1.5m homes – can it be delivered?

<sup>&</sup>quot;https://www.bbc.co.uk/news/articles/cvgw7x4y5rzo. See also https://www.housingtoday.co.uk/comment/what-are-the-barriers-to-delivering-15-million-homes/5132794.article?utm\_medium=email&utm\_campaign=Daily%20Housing%20Today%20Daily&utm\_content=Daily%20Housing%20Today%20Daily+CID\_c7a4341508c706d941db5fdff2120781&utm\_source=Campaign%20Monitor%20emails&utm\_term=What%20are%20the%20barriers%20to%20delivering%2015%20million%20homes

Homes England;<sup>7</sup>; the National Federation of Builders<sup>8</sup> and the Office for Budgetary Responsibility ("OBR")<sup>9</sup> to name but a few.

5. The Minister, at least in public, even now maintains that the target can still be achieved<sup>10</sup>. But if this is really still his view, it is doubtful that many others in the Government share it. In April this year, when the Minister was insisting that the Government was on course to build 1.5 million new homes it was reported that <sup>11</sup> the then Secretary of State, Angela Rayner MP, had "repeatedly threatened to resign from the Cabinet over the 'impossible' target of building 1.5 million homes in the next five years" and was only talked out of it by a call from Tony Blair. But of course, she resigned recently not over any concern for the deliverability of the 1.5 million home target, but due to a failure to pay the correct stamp duty. <sup>12</sup> Her replacement, Steven Reed, has mixed credentials for a pro-housing agenda <sup>13</sup> and has had a mixed reception from the planning sector. <sup>14</sup> His record on planning is certainly not all "build, baby, build". <sup>15</sup>

 $<sup>^7 \, \</sup>underline{\text{https://www.lgcplus.com/politics/workforce/leaders-at-homes-england-to-step-down-08-11-} \underline{2024/\#:\sim:} text=Homes\%20England\%20has\%20announced\%20that,years\%20of\%20leading\%20the\%20agency}$ 

<sup>&</sup>lt;sup>8</sup> https://inews.co.uk/news/politics/labour-will-miss-its-new-homes-pledge-says-official-leading-the-plan-3379711

 $<sup>^9</sup>$  <u>https://www.thetimes.com/business-money/companies/article/labour-will-build-fewer-houses-than-the-tories-forecaster-warns-fl5nkczxb?pk\_campaign=newsletter\_7113</u>

 $<sup>^{10}</sup>$  <u>https://www.wandsworthguardian.co.uk/news/national/24929154.minister-absolutely-confident-government-will-meet-1-5-million-homes-pledge/</u> and

https://www.lgcplus.com/services/housing/minister-insists-government-is-on-course-to-1-5-million-homes-09-04-2025/

<sup>&</sup>lt;sup>11</sup> https://www.dailymail.co.uk/news/article-14651629/Angela-Rayner-repeatedly-threatened-resign-Cabinet-impossible-target-building-1-5-million-homes-five-years-reportedly-talked-call-Tony-Blair.htm

<sup>&</sup>lt;sup>12</sup> https://www.planningresource.co.uk/article/1931297/rayner-resigns-housing-secretary

 $<sup>^{13}\,</sup>https://www.planningresource.co.uk/article/1931495/planning-track-record-promises-new-housing-secretary-steve-$ 

 $<sup>\</sup>frac{reed?utm\_medium=EMAIL\&utm\_campaign=promotion\&utm\_source=20250915\&utm\_content=2509}{15LMBL08\&spMailingID=30466141\&spUserID=MTA10DIzNTIxNTc1NAS2\&spJobID=3021030106\&spReportId=MzAyMTAzMDEwNgS2}$ 

 $<sup>^{14}</sup>$   $\underline{\text{https://www.planningresource.co.uk/article/1931498/reaction-change-housing-secretary-reed-excellent-understanding-challenges-local-government} \ \text{and} \$ 

https://www.planningresource.co.uk/article/1931495/planning-track-record-promises-new-housing-secretary-steve-reed. In contrast Housing Minister, Matthew Pennycook MP, keeping his job has been widely lauded.

<sup>15</sup> https://www.gov.uk/government/news/housing-secretary-issues-call-to-arms-to-build-baby-build#:~:text=Housing%20Secretary%2C%20Steve%20Reed%20said,the%20builders%20all%20the%20way. And see also https://www.pbctoday.co.uk/news/planning-construction-news/steve-reed-absolutely-committed-1-5m-uk-housing-target/155152/;

https://www.timesandstar.co.uk/news/national/25462805.reed-said-brought-change-tone-housing-ministry-reshuffle/; https://www.mortgagestrategy.co.uk/news/housing-secretary-reed-promises-bitlz-of-new-homebuilding-measures/ and

https://www.planningresource.co.uk/article/1932418/new-housing-secretary-vows-fight-development-objectors-take-look-land-banking?bulletin=planning-

daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250915&utm\_cont ent=Planning%20Resource%20Daily%20(307)::www\_planningresource\_co\_u\_2&email\_hash=.

- 6. Further, in May 2025 The Times reported that Labour admitted that a "steep" rise in housebuilding needed to hit UK target noting that "Britain will have to build 374,000 homes a year from 2027, more than double the current rate, to hit Labour's goal of 1.5 million homes, official estimates say". This is, of course, not even remotely feasible.
- 7. We have reached a position where some in the housing industry are calling for the 1.5 million homes in this Parliament target to be ditched entirely, with the focus being switched to building up capacity and skills to deliver over a longer time period<sup>17</sup>. There is certainly some force in this view.
- 8. So, I have been asked to revisit matters now that Labour is some 15 months into its 5 year term; that is to say over one quarter of the way through its Parliamentary term. But I have had clear instructions from Claire Dutch to try and not to be too much of a negative ninny about all this ...
- 9. If one is looking for some optimism (albeit hardly unbiased) then one need look no further than the Fabian Society which in July 2025 published a report entitled "Breaking Ground Delivering 1.5m homes in one Parliament". While recognising that the target was "extremely challenging" it suggested that "[d]espite Labour's dire inheritance, building 1.5m new homes is possible. However, the government will need to go beyond reforming planning and investing in social housing. These policies will make a significant difference to the pace of housebuilding, but they will not be enough on their own." It suggested that the Government has in fact "made good progress" referring to a number of matters including planning reform and investment in affordable housing. The Fabian Society go on to argue that in addition the Government will need to do much, much more. 20

<sup>&</sup>lt;sup>16</sup> https://www.thetimes.com/uk/politics/article/house-building-labour-targets-9hclkgmwk

 $<sup>^{17}\,</sup>https://www.bdonline.co.uk/news/government-should-ditch-15m-homes-target-says-housing-association-boss/5136777.article$ 

 $<sup>^{18}\,\</sup>underline{\text{https://fabians.org.uk/wp-content/uploads/2025/07/V5}}\\ \underline{\text{Launch-Briefing-FINAL-for-online-14-jul.pdf}}$ 

<sup>&</sup>lt;sup>19</sup> "• Planning reform, such as increasing the predictability and speed of decision-making, introducing housing targets for councils, 'grey belt' reform, new towns and simpler rules for smaller sites.

<sup>•</sup> Social and affordable housing investment, such as the £39bn investment in social and affordable housing over 10 years announced in the spending review, with over 60 per cent of homes delivered to be available for social rent – alongside a long-term rent settlement and a publicly owned 'housing bank'.

<sup>•</sup> Construction skills, such as commitments to tackle workforce shortages, with £600m for training in the spring statement.

<sup>•</sup> Building safety regulations, such as reforms to the Building Safety Regulator to tackle delays in approving high-rise buildings while ensuring safety of new-builds.

<sup>•</sup> Other reforms such as reforms to compulsory purchase orders, and the use of right to buy receipts"

<sup>&</sup>lt;sup>20</sup> It proposes: (i) make further commitments to deliver a new generation of social and council housing so every family on the waiting list can access a safe and secure home; (ii) focus on construction skills, ensuring there is a trained workforce in every part of the country to able deliver new homes; (iii) support a diverse array of housebuilders, including SMEs, community groups, and self-builders and (iv) utilise existing and new transport infrastructure to unlock additional housing development and create well-connected, mixed-tenure places to live. All sensible suggestions but even these additional measures will very likely be insufficient.

- 10. The way I intend to approach matters is to look at each of the 10 reasons I previously gave as to why Labour will fail to build 1.5 million new homes and in respect of each: (i) give a brief summary of what I said in the earlier paper; (ii) undertake an assessment of what Labour have done so far to tackle the issues underlying the reasons; and (iii) then finally consider what else Labour might still do to try and meet the target.
- 11. But before that it is necessary to reflect on what has been happening on the ground in terms of the numbers:
  - In March of this year the OBR suggested that "[f]rom 2025-26 to 2029-30, we project around 1.3 million cumulative net additions to the housing stock. Of this, we estimate an additional 170,000 are due to the Government's reforms to the National Planning Policy Framework, increasing the total housing stock by around 0.5 per cent in 2029-30 ..."21. If that proves to be correct then while the 1.5 million target would not have been met the Government might be said to have achieved much. But this is incorrect. The OBR forecast of 1.3 million new homes is for the whole UK. Labour's 1.5m homes target is for England only. On 2 June 2025 The Guardian reported that the Government was in fact further away from hitting its housebuilding target than previously forecast.<sup>22</sup> This reporting based on the Savills Report "Implications of the OBR housebuilding forecast"23. This report noted that the OBR figures showed only 1 million homes being delivered in England to March 2029. That is to say only two thirds of the 1.5 million target. However, Savills went on to pour cold water on the prediction that even 1 million new homes would be built in England. They said that to achieve even this level of house building and then housing transactions would need to reach pre-Great Financial Crash levels, there would need to be significant mortgage reform to allow higher levels of borrowing and private housebuilding would need to expand faster than at any time in the last 60 years. This is, of course, all highly unlikely. And all of this is needed to deliver just 1 million homes in England by 2029. In the face of this the then Secretary of State remained publicly defiant arguing (unconvincingly) that the 1.5 million target could be met.<sup>24</sup> But in Parliament former Conservative Minister Graham Stuart asked Ms Rayner to "confirm today that the 1.5 million target has gone".25

<sup>&</sup>lt;sup>21</sup> https://obr.uk/docs/dlm\_uploads/OBR\_Economic\_and\_fiscal\_outlook\_March\_2025.pdf

<sup>&</sup>lt;sup>22</sup> https://www.theguardian.com/society/2025/jun/02/rachel-reeves-fresh-pressure-spend-billions-more-affordable-housing

<sup>&</sup>lt;sup>23</sup> https://www.savills.co.uk/insight-and-opinion/savills-news/377629/report--implications-of-the-obr-housebuilding-forecast and see also https://thenegotiator.co.uk/news/regulation-law-news/governments-1-5m-home-building-plan-unlikely-to-succeed-savills/#:~:text=One%20of%20the%20UK%27s%20largest,%27.

<sup>&</sup>lt;sup>24</sup> https://uk.news.yahoo.com/government-meet-target-1-5m-160252828.html

<sup>&</sup>lt;sup>25</sup> https://ca.news.yahoo.com/government-meet-target-1-5m-

 $<sup>\</sup>underline{160252828.html?guccounter=1\&guce\_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2vZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2vZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3cuZ2xlLmNvbS8\&guce\_referrer=aHR0cHM6Ly93d3$ 

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- ii. On 23 April 2025 the Architects Journal reported that "Housebuilding continues to slide according to new figures"<sup>26</sup>. The article said that in 2024 the number of homes under construction fell by 14% according to the British Property Federation, which said the final quarter of the year was also the fifth consecutive three-month period in which completions outstripped starts. Government data shows that 153,910 homes were completed across the UK last year, a drop of 5.8% from 2023 and 13.7% from 2022. The drop was driven by the private housebuilding sector, which saw completions fall 7.4% from 2023 to 2024. There was an even larger contraction in the number of homes starting on site. In 2024 construction began on just 107,530 homes, a drop of 29.5% from 2023 (150,370) and 40.1% from 2022 (182,070). The British Property Federation said detailed planning applications for homes dropped by 16% across 2024, suggesting that the slowdown in housebuilding is set to continue.<sup>27</sup>
- iii. On 7 May 2025 the Housing select committee chair, Florence Eshalomi said that the fact most London boroughs saw no new homes start construction in the first months of this year was "really shocking" and "We're almost a year into the new government, since July that's a year we've lost,".<sup>28</sup>
- iv. On 12 May 2025 the *Daily Express* reported<sup>29</sup> that "Labour must DOUBLE UK housebuilding in just two years to hit its own target warning" reporting that "official estimates reveal that reaching the target, which has been a flagship policy of Sir Keir Starmer's government, will require more than 370,000 homes being built a year and a half from now."<sup>30</sup>
- v. On 31 July 2025 the BBC reported<sup>31</sup> that Verify's housing tracker showed 201,000 homes got their first Energy Performance Certificate (EPC) in the 12 months<sup>32</sup> to June 2025, down 8% from the year before, continuing a fall that began under the Conservatives. The BBC reported in March 2025 that the

 $<sup>{}^{26}\,\</sup>underline{\text{https://www.architectsjournal.co.uk/news/housebuilding-continues-to-slide-according-to-new-figures}$ 

<sup>&</sup>lt;sup>27</sup> Planning Portal statistics show planning applications covering 233,811 homes were submitted in 2024.

 $<sup>^{28}</sup>$  <a href="https://enfielddispatch.co.uk/year-lost-on-housebuilding-under-new-government-laments-london-labour-mp/">https://enfielddispatch.co.uk/year-lost-on-housebuilding-under-new-government-laments-london-labour-mp/</a>

<sup>&</sup>lt;sup>29</sup> https://www.express.co.uk/news/politics/2053768/labour-must-double-uk-housebuilding <sup>30</sup> "The Labour government has admitted a "very steep" rise in housebuilding will be needed to reach its

<sup>&</sup>lt;sup>30</sup> "The Labour government has admitted a "very steep" rise in housebuilding will be needed to reach its ambitious goal of 1.5million new homes across the country. Official estimates reveal that reaching the target, which has been a flagship policy of Sir Keir Starmer's government, will require more than 370,000 homes being built a year and a half from now, a sizeable increase on the current rate, as per The Times.

In 2024, 184,390 homes were completed, 5.3% fewer than 2023 and 13.9% drop on 2019, as per BCIS, a cost benchmarking and valuation platform for construction. Housing minister Matthew Pennycook told the newspaper: "We have been very clear about how we will need to see a very steep trajectory and very high housing supply numbers in the later years of the parliament"."

<sup>&</sup>lt;sup>31</sup>https://www.bbc.co.uk/news/articles/cr5rmz0vreno#:~:text=The%20number%20of%20new%20h omes,over%20the%20past%20six%20months

<sup>&</sup>lt;sup>32</sup> The article notes that "EPCs are a good indicator of new homes because every property is required to have one within a few days of completion. It can take years for housing to go from planning permission to being completed and needing an EPC."

number of planning permissions for new homes had fallen to a record low.<sup>33</sup> In London matters are worse, something that I will consider further below.<sup>34</sup>

- 12. But it is not all bad news.
- 13. In April 2025 the British Property Federation announced<sup>35</sup> that over 17,000 build-torent homes had been completed in the last 12 months. But went on to warn that
  completions were outpacing starts for the fifth consecutive quarter, leading to a 14%
  drop in homes under construction and that detailed planning applications have
  declined by 16% on the year, raising concerns over long term supply. They also
  referred to economic challenges and regulatory delays slowing progress from
  planning to delivery, putting future supply under pressure and risking the 1.5 million
  new homes target. I will return to the regulatory delays below.
- 14. In June this year the Government announced that 500,000 homes to be built through a new National Housing Bank, unlocking over £53bn of private investment, as part of the government's Plan for Change.<sup>36</sup> That all sounds grand. We will have to see what this delivers.
- 15. Moreover, the 31 July 2025 BBC article went on to note that "the number of requests for planning permission has risen" and that "[d]ata shared with BBC Verify by Planning Portal, used by councils across the country for planning applications, suggests that outside London, there were 132,000 additional homes requested once proposals to demolish others were accounted for, up 49% from 88,500 in the same six months of 2024." 38

# 16. In addition:

33 https://www.bbc.co.uk/news/articles/cvgp51d7zy2o

While this is lower than the 71,813 new homes figure it reported for the first quarter of 2025, it is a "significant increase" on the 52,282 new homes that were applied for in the second quarter of 2024, the firm said. The figure for the latest quarter is 33 per cent higher than the equivalent quarter of 2024. The firm said the year-on-year increase suggested "a much greater level of confidence among developers in what is arguably one of the most important quarters of the year"."

<sup>&</sup>lt;sup>34</sup> https://www.constructionenquirer.com/2025/05/13/london-new-home-starts-plunge-38-as-building-safety-act-bites/; https://cratus.co.uk/why-london-stopped-building/ and https://observer.co.uk/news/opinion-and-ideas/article/to-solve-the-housing-crisis-will-take-some-electoral-pain.

 $<sup>^{35} \, \</sup>underline{\text{https://bpf.org.uk/media/press-releases/over-17-000-build-to-rent-homes-completed-in-last-12-months-but-sharp-fall-in-construction-puts-future-supply-at-risk/}$ 

<sup>&</sup>lt;sup>36</sup> https://www.gov.uk/government/news/over-500000-homes-to-be-built-through-new-national-housing-bank

<sup>&</sup>lt;sup>37</sup> "although experts warn it may take years to turn these into completed homes."

<sup>&</sup>lt;sup>38</sup> "But the figures are still not back to where they were in 2023". See also

https://www.planningresource.co.uk/article/1927351/new-home-applications-second-quarter-2025-33-per-cent-year-on-year-new-data-shows?bulletin=planning-

daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250730&utm\_cont ent=Planning%20Resource%20Daily%20(177)::www\_planningresource\_co\_uk\_art&email\_hash= "According to new data from software firm TerraQuest, the parent company of planning information service Planning Portal, planning applications were submitted for 69,597 new homes between April and June 2025. While this is lower than the 71,813 new homes figure it reported for the first quarter of 2025, it is a "significant increase" on the 52,282 nergy homes that there applied for in the second quarter of 2024, the firm said. The figure

- i. On 17 February 2025 *Planning* revealed that a poll of developers had found that they plan to increase applications and proposed homes by 150%-plus this year.<sup>39</sup>
- ii. On 23 April 2025 the Government in a press release under the heading "New figures show thousands more homes delivered across the country as Homes England exceeds targets" stated that "[p]rovisional figures show that Homes England surpassed its 2024/2025 annual targets, set centrally by government, for the number of new homes started, the number of new homes completed, and the number of potential homes unlocked" and noted that "[t]his work is key to supporting the government in delivering 1.5 million homes this parliament."
- iii. On 17 June 2025 the Architects Journal reported that more than 12,000 extra planning applications were made in the first quarter of this year than in the same period last year.<sup>41</sup>
- iv. The introduction of the concept of Grey Belt into the NPPF is yielding new housing via both local decision-making and appeals. It is also influencing at an early stage the direction of the new London Plan.<sup>42</sup> On 5 February 2025 the House of Lords Built Environment Committee concluded<sup>43</sup> that Grey Belt land will not help the Government reach its targets but this does reflect the position on the ground in my view.
- v. It is not just Grey Belt that is making the difference. In July *Planning* reported that the number of homes allowed on appeal this year had increased 26%. <sup>44</sup> Also in July *Planning* reported <sup>45</sup> a good example of the trend on appeal namely a major urban expansion on the edge of Horsham was granted planning permission on appeal with the inspector concluding that the council had placed too much weight on the site's accessibility by foot in objecting to the

<sup>&</sup>lt;sup>39</sup> https://www.planningresource.co.uk/article/1906623/poll-developers-finds-plan-increase-applications-proposed-homes-150-plus-year

 $<sup>^{40}\,\</sup>underline{\text{https://www.gov.uk/government/news/new-figures-show-thousands-more-homes-delivered-across-the-country-as-homes-england-exceeds-targets}. The press release records that:$ 

<sup>&</sup>quot;Homes England colleagues, working in partnership with hundreds of local, regional and national organisations to catalyse housing, regeneration and place-making across the country, have:

<sup>•</sup> enabled the completion of more than 36,000 homes, up 14% from 2023/24

<sup>•</sup> facilitated the start of construction for an additional 38,000 homes, up 6% on 2023/24

<sup>•</sup> unlocked land that is capable of delivering 79,000 further homes, significantly up from 2023/24."

<sup>&</sup>lt;sup>41</sup> https://www.architectsjournal.co.uk/news/planning-applications-soar-as-experts-predict-growth-in-housing-work

<sup>&</sup>lt;sup>42</sup> https://www.bdonline.co.uk/news/khan-pledges-to-release-green-belt-for-housebuilding-undernew-london-plan/5135887.article

<sup>&</sup>lt;sup>43</sup> https://www.parliament.uk/business/lords/media-centre/house-of-lords-media-notices/2025/february-2025/grey-belt-land-development-wont-help-the-government-reach-its-ambitious-housebuilding-targets/

<sup>44</sup> https://www.planningresource.co.uk/article/1924289/number-homes-allowed-appeal-increased-26-year-pins-report-reveals?bulletin=planning-

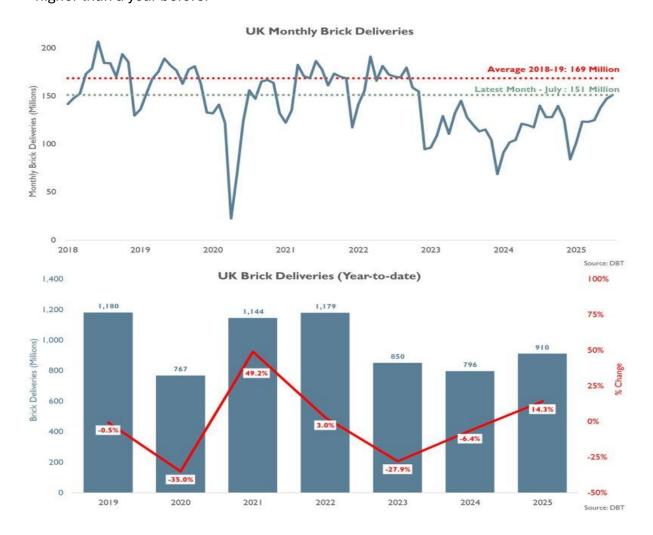
<sup>&</sup>lt;u>daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250703&utm\_content=Planning%20Resource%20Daily%20(156)::www\_planningresource\_co\_uk\_art&email\_hash=</u>

<sup>&</sup>lt;sup>45</sup> https://www.planningresource.co.uk/article/1925354/ambitious-national-housing-target-supports-urban-expansion?bulletin=planning-appeals-

bulletin&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250718&utm\_content=Appeals%20Casebook%20Bulletin%20(42)::www\_planningresource\_co\_uk\_art&email\_hash=

scheme, and ruling that the need for greenfield sites in meeting the country's housing need would involve applying standards flexibly. The inspector specifically references the ambitions 1.5 million new homes target.<sup>46</sup>

17. More recently, it has been reported that UK brick deliveries in July 2025 – said to be a useful proxy for house building starts – are 2.6% higher than in June and 7.9% higher than a year before.<sup>47</sup>



18. Only last week the HBF wrote that an average of 370,000 permissions a year are required to meet Labour's 1.5 million homes target by 2029 and that current approval rates are just 60% of that target. Meanwhile, current housing supply is flatlining at around 200,000 homes a year, well below Government's 300,000 target.

<sup>&</sup>lt;sup>46</sup> Appeal Ref: APP/Z3825/W/24/3355546 Horsham Golf Club, Denne Park, Horsham, RH13 0AX. Inspector DM Young said (at para. 41) that "If one were to take the Council's approach in this case, which was to rigidly apply 'recommended' walk distances to some destinations and failing to balance that against the availability of other sustainable travel modes, there is very little prospect of the country meeting its ambitious housing targets."

<sup>&</sup>lt;sup>47</sup> https://www.linkedin.com/feed/update/urn:li:activity:7371437365393006592/

- 19. But for every tentative step forward there is, it seems (at least to me), a step back. So in May 2025 the Secretary of State announced that councils would get new powers to keep housebuilders on track to ensure they play their part to deliver 1.5 million homes.48 The announcement suggested that under new rules, "housebuilders will also have to submit annual reports showing their progress to councils to keep them on track". It then says that "[w]hile most developers want to get on and build, those who consistently fail to build out consented sites and those who secure planning permissions simply to trade land speculatively could also face a 'Delayed Homes Penalty' worth thousands per unbuilt home, paid directly to local planning authorities." Further, that "[t]hose deliberately sitting on vital land, without building the homes promised, could see their sites acquired by councils where there is a case in the public interest and stripped of future planning permissions, showing the government's Plan for Change means business to deliver 1.5 million new homes.". It is then said that "Large housing sites, producing over 2,000 homes, can take at least 14 years to build, meaning working families and young people spend years deprived of homeownership or the ability to rent an affordable home." This deserves a whole talk in and of itself but I would note the following:
  - i. The Government's proposals, of course, raise one of politicians' favourite boogieman: "land banking". This is a perennial favourite (on all sides of the political spectrum) despite a number of independent reports debunking this as a non-issue. As Neil Jefferson, Chief Executive at the HBF, made this point in response to the latest announcement. He added "[t]he reality is that developers only see a return on investment when they sell homes. Having purchased land and navigated the costly and bureaucratic planning process, there is no reason not to build and sell homes" and that if we are to tackle the housing crisis, "Ministers need to focus on the actual reasons as to why home building levels are flatlining, which have largely been ignored the lack of government support for first-time buyers that is suppressing demand, and the dearth of housing associations in the market for affordable homes." The new

<sup>48</sup> https://www.gov.uk/government/news/get-on-and-build-deputy-prime-minister-urges-housebuilders and https://www.gov.uk/government/publications/planning-reform-working-paper-speeding-up-build-out. And see the technical consultation

 $<sup>\</sup>frac{https://www.gov.uk/government/consultations/implementing-measures-to-improve-build-out-transparency-technical-consultation/technical-consultation-on-implementing-measures-to-improve-build-out-transparency. \\$ 

<sup>&</sup>lt;sup>49</sup> https://www.hbf.co.uk/news/new-report-again-debunks-land-banking-myth-and-evidences-how-vast-majority-sites-are-built-without-delay/ But not everyone agrees https://www.bigissue.com/news/housing/land-banking-uk-housing-crisis-labour/. It is true that there are homes with permission granted some time ago that have not been built: see https://www.planningresource.co.uk/article/1880462/research-finds-one-million-homes-granted-permission-2015-remain-unbuilt. But the causes of this are legion.

<sup>&</sup>lt;sup>50</sup> https://www.hbf.co.uk/news/hbf-responds-to-government-proposals-to-impose-house-building-timeframes/ "Numerous independent reviews have concluded that home builders do not delay build out, not least the CMA's Market Study, published only last year."

<sup>&</sup>lt;sup>51</sup> In my earlier paper I said "I will not be considering "land banking" as a possible reason why Labour's ambition will not be achieved. Not least of all because report after report has dismissed this. That does not, of course, prevent it being wheeled out when convenient by politicians but I intend to say no more about this save

- Secretary of State has recently said "Land-banking and sitting on it [land] in the hope that the value will go up so you can sell it on ... we need to look at that and we need to see what we can do to stop that very, very damaging practice, because it damages the local economies."<sup>52</sup>
- ii. The 14 years to build out large sites is interesting. As the Lichfields report "Start to Finish How quickly do large-scale housing sites deliver?" (3rd ed.) concludes "[o]nly sites of 99 dwellings or fewer can, on average, be expected to deliver anything in a five-year period (or parliamentary term) from validation of a planning application, with delivery of the first dwelling on average taking 3.8 years. By comparison, sites of 1,000+ dwellings take on average five years to obtain detailed planning permission, then a further 1.3 to 1.6 years to deliver the first dwelling".53 I am not sure the Government has any real appreciation of just how difficult it can be to deliver large housing sites (PM: "My message to housebuilders: get on with it").54 Even once an outline permission is obtained the time and effort required to get reserved matters approval and to discharge what are often 100s of conditions is immense. Objections to these later stages of planning have increased as have legal challenges. I return to this below. The Lichfields report notes that there is 6.6 mean years from validation of the first planning application to the first dwelling being completed on schemes of 2000+ dwellings. The Lichfields report also notes that average build out rates have fallen "[t]he largest sites (2,000+ dwellings) seem to have been hardest hit, falling from a peak average annual build-out of 252 dpa prior to the GFC to just 84 dpa during the recession and early recovery, before increasing again to 112 dpa in the most recent five-year period".
- iii. These new rules are, in my opinion, likely to hinder more than help and may further damage housebuilding by SMEs.<sup>55</sup> But around the same time the

that whatever the position on land banking it is undoubtedly true that private sector house builders are never going to build out on a large site at an accelerated rate if that is likely to flood the local market and adversely affect pricing". The CMA concluded that land banking was a "rational approach to maintaining a sufficient stream of developable land to meet housing need, given the time and uncertainty involved in negotiating the planning system": <a href="https://www.planningresource.co.uk/article/1862807/land-banking-a-rational-approach-negotiating-planning-uncertainty-says-competition-watchdog">https://www.gov.uk/cma-cases/housebuilding-market-study</a>. See <a href="https://www.gov.uk/cma-cases/housebuilding-market-study">https://www.gov.uk/cma-cases/housebuilding-market-study</a>.

<sup>&</sup>lt;sup>52</sup> https://www.planningresource.co.uk/article/1932418/new-housing-secretary-vows-fight-development-objectors-take-look-land-banking?bulletin=planning-

<sup>&</sup>lt;u>daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250915&utm\_content=Planning%20Resource%20Daily%20(307)::www\_planningresource\_co\_u\_2&email\_hash=</u>

<sup>&</sup>lt;sup>53</sup> <u>https://lichfields.uk/content/insights/start-to-finish-3</u>

<sup>&</sup>lt;sup>54</sup> https://www.pbctoday.co.uk/news/planning-construction-news/pm-my-message-to-housebuilders-get-on-with-it/151639/

https://www.charlesrussellspeechlys.com/en/insights/quick-reads/102khdy-get-on-and-build-how-might-sme-developers-fare-in-the-wake-of-sweeping-housin/ "larger housebuilders, who have the benefit of financial stockpiles and the flexibility to change focus between multiple sites being built out at one time, will inevitably be able to tolerate this new challenge better than the smaller players in the market. It has been a tragedy of the industry that SME developers have not been able to weather the storms of turbulent housing markets in the past few decades, and now account for only 10% of new home builds, as opposed to 39% in 1988 ...". See <a href="https://www.planningresource.co.uk/article/1922606/likely-risks-rewards-government-proposals-increase-developer-build-out-rates?bulletin=planning-weekly-">https://www.planningresource.co.uk/article/1922606/likely-risks-rewards-government-proposals-increase-developer-build-out-rates?bulletin=planning-weekly-</a>

Government was heralding that "Government backs SME builders to get Britain building".<sup>56</sup> They are also a further burden on local government planners.<sup>57</sup>

20. My focus is on planning. There are many other things that effect the ability to build: the state of the economy, the availability of land, materials, labour etc.

# Reason 1 - environmental regulation, law and policy

# (1) The issue

# "Reason 1 – environmental regulation, law and policy

18. In the 1960s, the last time this country was building the number of houses, which it is again the ambition to build, the environment was not a key issue on the priority list of many people in the UK, and certainly not many politicians or the Government. Environmental regulation, law and policy was in its infancy, if it truly existed at all. Indeed, I think it is interesting in this regard that the Department for the Environment was only founded in 1970.

19. Moreover, in the 1960s the UK was not, and had never been, a member of the EU (formerly the EC), which it joined in 1973. A British Academy report notes that "[t]he UK's membership of the EEC is seen as a catalyst for improvements in environmental protection in the UK"...

21. It is often said by the Courts that our environmental law (most often EIA, but also habitats) is not supposed to be a legal obstacle course for developers. But looking back over the last 30 years that is very much what it has been ...

22. ... habitats laws that have had the greatest impact on housing delivery over the last 20 years. These laws have given rise to a rolling series of moratoriums on new housing.

23. This all kicked off with recreational impacts on the Thames Basin Heaths SPA and other SPAs including Dorset Heaths SPA. Back in 2006 the HBF was calling for "a solution to the effective moratorium which has been placed on development in the Thames Basin Heaths SPA area." By the mid-2010s, the development of SANG and SAMM had "solved" the recreational impacts moratorium albeit by adding very considerable further costs to the development of housing affected by these issues. But no sooner was this one being resolved than there was a new moratorium in town. This time in relation to air quality (nitrogen) impacts on the Ashdown Forest and Epping SACs. The addition of a single additional vehicle trip from a scheme, it was said, was enough to prevent a housing development: see **Wealden DC v SSCLG** [2018] Env. L.R. 5.

https://www.gov.uk/government/news/government-backs-sme-builders-to-get-britain-building
Despite that the Government's proposals on this was welcomed by the Local Government

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ntent=Planning%20Email%20Edition%20(56)::&email\_hash=

<sup>57</sup> Despite that the Government's proposals on this was welcomed by the Local Government Association, with the chair, Cllr Adam Hug, saying "We are pleased the Government has acted on the LGA's call for it to be easier for councils to penalise developers and acquire stalled housing sites or sites which have not been built out to timescales contractually agreed, ideally with the recovery being made at pre-planning gain prices." And that "[t]he ability to apply a' Delayed Homes Penalty' is a power that councils have been asking for and means that local taxpayers are not missing out on lost income due to slow developers, but it must be set at a level that incentivises build out."

- 24. As we entered the 2020s these air quality issues were slowly being resolved, again though by requiring hefty financial contributions from developers to pay for various strategic mitigations, when there emerged on to the scene "nutrient neutrality". This began in the Solent and rolled out from there ending up affecting 74 local authorities. Again, the effect was yet another housing moratorium. And then without this one being anywhere near resolved the next potential moratorium arrived water neutrality.
- 25. Thus it has been said recently that while "[n]utrient neutrality and water neutrality are separate issues with different causes, but both effectively create a moratorium on new development. This is threatening development and preventing housebuilding at a time when the demand for social housing is growing rapidly". All these "moratoriums" have been the result of the Habitats Directive and the domestic legislation implementing this. Together, and over last 20 years, this has significantly hindered, slowed and/or reduced housing delivery in many parts of England. Nutrient neutrality and water neutrality remain very serious ongoing impediments to housing delivery. And there also remains the need in many areas to deal with the recreational and air quality impacts through financial contributions.
- 26. These issues are most acute in areas of the south of England where both housing need and opposition to housing are at its greatest. I often wonder whether other EU countries have had the same issues. I do not know. But if they have not then the question must be why not? I always had a suspicion that the UK took its EU law obligations more seriously than (at least some) other EU Member States. I recall once being told that at a meeting with the EU Commission, the UK Government was told that it was to be infracted for not fully implementing a certain piece of EU environmental legislation. When the UK officials complained that they had done more than any other Member State to implement this legislation the Commission officials agreed but said something along the lines of "But if we go for you and win in Court then all the others will fall in line as they will say wow, if the United Kingdom were successfully infracted and they did much more than us then we better act or we will be in trouble".
- 27. In this regard the report of the Built Environment Committee dated 21 September 2023 is important. This called for the then Government "to show a strong display of political leadership to deliver and implement a comprehensive strategy for both driving development and protecting the environment." It was concerned that there was "a real risk that the Government will miss both its housing targets and its environmental ambitions. It should be possible to deliver both new development and improve the environment, but a lack of leadership and poor implementation is limiting opportunities to do this. The Government needs to show a strong display of political leadership to deliver and implement a comprehensive strategy for both development and the environment.". It was noted that, "[d]uring its inquiry the committee heard that 45,000 new homes per year may not be delivered because of recent Natural England advice on the nutrient, water and recreational applications of the Habitats Regulations. At the same time, 61% of the country's Sites of Special Scientific Interest are in an unfavourable condition." The Committee also berated the previous Government for "failing to provide sufficient support for smaller developers".
- 28. Unlike EIA which is procedural in its nature the Habitats Directive mandates a particular result. If adverse effects on integrity cannot be ruled out then planning

permission must be refused subject only to "imperative reasons of overriding public interest" "IROPI" ...

- 32. So, there are many, many reasons we have failed to build enough houses over last 30 years. One of those reasons is unquestionably the rise of environmental law and protection of the environment. You may feel that is the right result, after all no one can seriously dispute that development should not be at the expense of the environment. But we must accept that this will be one of the reasons Labour will fail to build the 1.5 million homes we need. And the need for more housing is dire. The lack of housing has highly deleterious effects on human health and on society. The problems are easy to identify. The solutions are less so ...
- 31. On 7 November 2024 the Government announced "£47 million to unlock 28,000 nutrient neutrality stalled homes". This money will benefit seven authorities and be tied to the Local Nutrient Mitigation Fund. The Government said, in announcing this, that, "[t]ens of thousands of new homes will be delivered across England, thanks to government funding and partnership work, to unlock stalled homes across England, and support our ambition to build 1.5 million homes." The Local Nutrient Mitigation Fund exists to provide grant funding to local authorities on behalf of affected nutrient neutrality catchments. It calls for proposals from local planning authorities to deliver high quality, locally-led nutrient mitigation schemes. I commend all of this. But measures like this take a lot of time to get going. They add more cost to development. And they will require removing land from agricultural use. Planning seems now to be placing ever increasing demands on the use of agricultural land: for the housing itself, but also for mitigation via SANG, BNG, achieving nutrient neutrality and so on."

#### (2) What are Labour doing?

- 21. The focus here must be on Part 3 of the Planning and Infrastructure Bill ("P&I Bill").
- 22. Part 3 of the P&I Bill, as introduced to Parliament, provided for Environmental Delivery Plans ("EDPs") which can apply to an area or type of development and which will set out: (i) the environmental features that are likely to be negatively affected by development; (ii) the conservation measures that are to be taken by or on behalf of Natural England ("NE") in order to protect those environmental features; and (iii) the amount of the nature restoration levy payable by developers to NE to cover the cost of those conservation measure; and (iv) the environmental obligations in relation to development that are discharged, disapplied or otherwise modified if a developer pays the nature restoration levy in relation to the development are those relating to both habitats and species protections.<sup>58</sup>
- 23. These are radical proposals. The effect of them is to allow potential adverse effects on habitats and protected species to be "disregarded" in respect of a developer who has committed to pay the levy. The intention behind the measures being to provide an easier way of overcoming the many moratoriums on development that the

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 $<sup>^{58}</sup>$  See clause 61 and Schedule 4 of the P&I Bill as originally introduced includes Habitats Regulations and the Wildlife and Countryside Act 1981

Habitats Regulations have in the recent past given rise to. The Government's Guide to Part 3 of the P&I Bill states:<sup>59</sup>

"Currently, where development is required to discharge an environmental obligation relating to protected habitats and species there is often little or no strategic coordination as to how these obligations are or should be discharged.

As the system stands, development is often delayed until sufficient mitigation is put in place. The time it takes to secure mitigations can range from a number of months to a number of years where mitigation is challenging to secure – for example, there are areas where nutrient neutrality advice was issued between 2020 and 2022 that still have no operational supply of mitigation.

Assessing the environmental impact of a development requires a high level of technical knowledge and a bespoke assessment is required, even for small developments. Each development must then be linked to specific mitigation measures with development being blocked where such measures are not readily available. While this approach addresses the specific impact of a development, by not taking a holistic view, mitigation measures may not secure the best outcomes for the environment. This approach may also lead to higher than necessary administrative costs, because of multiple transactions and information exchanges, as well as inefficient allocation of limited specialist capacity such as ecologists, whose focus is solely on project level mitigation work rather than the recovery of habitats and species overall.

These delays can slow housing delivery, with accompanying burdens on developers and local authorities. For example, for local authorities these delays can result in challenges in meeting their local housing need. In areas where there are significant delays caused by environmental issues it can result in housing needing to be placed in alternative locations. This can result in increased infrastructure demand being overly concentrated in specific areas."

- 24. There is, in my opinion, real force in this analysis.
- 25. The reaction against Part 3 of the P&I Bill from environmental NGOs has been ferocious.<sup>60</sup> But it is not just the NGOs who have been critical. So has the Office of

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<sup>&</sup>lt;sup>59</sup> https://www.gov.uk/government/publications/the-planning-and-infrastructure-bill/guide-to-the-planning-and-infrastructure-bill

<sup>60 &</sup>quot;Planning bill would allow builders to 'pay cash to trash' nature, say UK experts" <a href="https://www.theguardian.com/politics/2025/apr/24/planning-bill-would-allow-builders-to-pay-cash-to-trash-nature-say-uk-experts">https://www.theguardian.com/politics/2025/apr/24/planning-bill-would-allow-builders-to-pay-cash-to-trash-nature-say-uk-experts</a>. See e.g. https://www.lbc.co.uk/opinion/views/national-trust-nature-hillary-mcgrady-latest-labout-environment-planning/ "The P&I Bill in its current form would open the door to developers to build with little care for the environment. They wouldn't be required to understand or mitigate the impact of their building work on local rivers, meadows or wildlife. Instead of these important checks and balances, they could simply "offset" any harm by pouring money into a central pot, with no guarantee of when or where it'll be spent. What's more, only a fortnight ago, policymakers announced plans to stop requiring developers to consult with local communities in the early stages of major infrastructure projects, like roads and railways, meaning the people whose lives will be most affected won't get as much of a say. And, ironically, it even risks slowing up development, as poorly-conceived projects face more formal opposition down the line."

Environmental Protection ("the OEP")<sup>61</sup> and a number of leading lawyers (including from my own Chambers).<sup>62</sup> The suggestion being that Part 3 will significantly weaken the protection of habitats and species and may breach Article 391 of the EU/UK Trade and Cooperation Agreement as well as other International law. There is indeed an ongoing (and rather ambitious) judicial review in relation to Part 3 of the P&I Bill and Government statements to the effect that it will not reduce environmental protection.<sup>63</sup> Now the Government's insistence that Part 3 will not weaken environmental protections does seem somewhat incredible. But the debate that Part 3 of the P&I Bill has led to those on both sides taking extreme and wholly unjustified positions. So amongst the NGO lobby the argument has been consistently advanced that there is no evidence that existing habitats and species legislation block development.<sup>64</sup> This is clearly wrong and is indeed really quite preposterous.

- 26. Some of the other arguments against Part 3 have more force. So it has been pointed out that that there was no requirement in the P&I Bill, as introduced to Parliament, for nature restoration levy contributions to be spent at any particular point in the development, or the lifetime of the EDP. Regulations made regarding the levy would require, under clause 66(1), NE to spend the levy on conservation measures relating to the environmental feature in relation to which the levy is charged. But in the P&I Bill as introduced to Parliament the regulations did not have to specify whether payments are spent prior to the commencement of development (e.g. to avoid harm to habitats) or after completion, at which point the harms in question may have materialised already. As noted in the OEP's advice to the Government on the P&I Bill: "The bill is silent as to when conservation measures must be implemented and by when they must be effective. This gives rise to the possibility of significant impacts on the conservation status of protected species or sites arising before the successful implementation of conservation measures. This is not present under existing environmental law (regulation 63 of the Habitats Regulations 2017)."
- 27. In the light of the criticisms the Government has introduced a number of amendments including special protections for "irreplaceable" habitats, a

files/OEP%20Advice%20Letter%20to%20Government.pdf and

<sup>61</sup> https://www.theoep.org.uk/sites/default/files/reports-

https://www.theoep.org.uk/report/oep-gives-advice-government-planning-and-infrastructure-bill. 62 see e.g.: https://bills.parliament.uk/publications/60555/documents/6435 and

https://www.linkedin.com/pulse/habitats-species-planning-infrastructure-bill-richard-turney-kc-8d0ze/?trackingId=76WpSLYeQkGiH3GzBgQPfg%3D%3D; https://naturespaceuk.com/wp-content/uploads/2025/04/DEKC\_Opinion\_PIB-23-04-25.pdf; and https://wildjustice.org.uk/wp-content/uploads/2025/05/Planning-and-Infrastructure-Bill-Opinion-29.4.25.pdf.

<sup>&</sup>lt;sup>63</sup> https://www.leighday.co.uk/news/news/2025-news/wild-justice-presses-ahead-with-legal-challenge-against-the-government-s-planning-and-infrastructure-

 $<sup>^{64}</sup>$  https://www.theguardian.com/environment/2025/may/07/uk-government-admits-almost-no-evidence-nature-protections-block-development

- requirement for EDPs to specify timetables for conservation measures and a strengthening of the application of overall improvement test for EDPs.<sup>65</sup>
- 28. This has, however, done little to satisfy most opponents; albeit it was cautiously welcomed by the OEP.<sup>66</sup> The OEP chair in a letter to the Housing Minister stated (correctly, in my view) that "even after the material amendments the government proposes, the Bill would, in some respects, lower environmental protection on the face of the law" but that a more acceptable balance has been struck by the amendments.
- 29. The Government must be careful not to make the new EDP regime itself overly burdensome. It requires commitment from the already under resourced NE and the P&I Bill explicitly allows for judicial review of EDPs. None of this sounds promising. But in principle what is proposed could be a game changer in terms of preventing the Habitats Regulations from causing an ever rolling series of moratoriums on housing development.
- 30. NatureSpace Partnership has very recently published an opinion by my colleague, David Elvin KC, on the effect of the proposed amendments to Part 3 of the P&I Bill. For This updated the position in his earlier opinion in April which was submitted as part of NatureSpace's evidence to the House of Commons Public Bill Committee. His view is that the approach adopted in Part 3 is a "significantly laxer approach to protection", which "allows issues of mitigation/offsetting, compensation and improvement to be fudged in the overall improvement test, wholly depending on the individual decision made by NE and the adequacy of the resourcing provided for these purposes". He adds that "It is not even clear that the production of an Environmental Delivery Plan for specific development will be any speedier for development than the [current system] where the rules are well-understood." For the production of the system where the rules are well-understood." For the production of the system where the rules are well-understood." For the production of the system where the rules are well-understood.
- 31. The CEO of NatureSpace, Dr Tom Tew, commented following publication of the second opinion that: "The opinions of Mr Elvin KC make it clear that the PIB, as it heads into Committee stage in the Lords, is environmentally regressive. Much of the legal uncertainty would be resolved simply by removing protected species from Part 3, leaving it to function for the diffuse effects (as was originally intended). The

<sup>65</sup> See <a href="https://www.gov.uk/government/publications/the-planning-and-infrastructure-bill/summary-planning-and-infrastructure-bill-government-amendments-to-part-3-lords-committee-stage and <a href="https://bills.parliament.uk/publications/62300/documents/6944">https://bills.parliament.uk/publications/62300/documents/6944</a>. See also ttps://www.planningresource.co.uk/article/1926015/government-proposes-amending-planning-bill-strengthen-test-assessing-nature-recovery-plans?bulletin=planning-daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250718&utm\_content=Planning%20Resource%20Daily%20(168)::www\_planningresource\_co\_uk\_art&email\_hash=66</a> <a href="https://www.theoep.org.uk/report/oep-welcomes-proposed-amendments-planning-and-infrastructure-bill">https://www.theoep.org.uk/report/oep-welcomes-proposed-amendments-planning-and-infrastructure-bill</a>

<sup>&</sup>lt;sup>67</sup> https://naturespaceuk.com/kings-counsel-opinion-2-pib/, and see the discussion by ENDS https://www.endsreport.com/article/1931325/planning-bill-remains-regressive-despite-government-amendments-says-leading-barrister

<sup>68</sup> https://bills.parliament.uk/bills/3946/publications

<sup>&</sup>lt;sup>69</sup> https://bills.parliament.uk/publications/60556/documents/6436

environment sector do not want to block development, we are fully supportive of the Government's agenda for sustainable growth and there are a wide range of legal mechanisms already working well which will provide that win-win. The poorly drafted species provisions of Part 3 will actually slow development as well as harming wildlife."

- 32. It is interesting that much of the criticism of the P&I Bill has focused on Part 3 allowing the overriding of the protected species regime<sup>70</sup> rather that the habitats regime. In terms of the blocking and delaying of housing it is indeed the protection of habitats sites as opposed to species that has led to the never ending rolling moratoriums. So I can see the force of the view being expressed here that Part 3 should be more narrowly focussed on diffuse effects e.g. matters such as recreational impacts, air quality, nutrient and water neutrality. But as against that I can also see why it might be seen as foresighted to include species protection in the new regime.
- 33. In July 2025 the Government also announced an independent review of Defra's regulatory framework<sup>71</sup> promising a focus on outcomes, scale and proportionality, with constrained discretion and removal and tidying up of "green tape". On 16 September 2025 *the Times* ran a story under the headline<sup>72</sup> ""Slash number of green quangos, Rachel Reeves tells ministers"). There is speculation that DEFRA quangos are particularly in line for the chop.

#### (3) What else can Labour do?

- 34. What Labour really need to do is: stay the course on Part 3 of the P&I Bill at the very least in relation to habitats protection and make sure NE is properly resourced on EDPs.
- 35. But I have an alternative proposal which would avoid some of the potential difficulties around the new system of EDPs. The Habitats Regulations mandate that if adverse effects on integrity cannot be ruled out then planning permission must be refused subject only to "imperative reasons of overriding public interest" "IROPI". This is currently the only way of granting permission if assessment show an adverse effect on the integrity of a site protected under the Habitats Regulations. To make

<sup>&</sup>lt;sup>70</sup> In his earlier opinion David Elvin KC said the discretionary, rather than mandatory, approach adopted under Part 3 means that the same level of environmental protection will not be achieved. As an example, Mr Elvin states as regards the rarest "European protected species": "Specifically, the three licensing tests of regulation 55(2), 55(9)(a) and 55(9)(b) are not required to be applied in the context of an EDP. I therefore consider that the PIB as currently drafted which will replace the HR 2017 licensing where EDPs are made will not maintain the same level of environmental protection since it does not require compliance with the same level of protection as is currently in existence which will be true even if as a matter of discretion in some cases they are applied, since the tests are currently mandatory and universal (subject to exceptions")".

<sup>&</sup>lt;sup>71</sup> https://www.gov.uk/government/publications/delivering-economic-growth-and-nature-recovery-an-independent-review-of-defras-regulatory-landscape/an-independent-review-of-defras-regulatory-landscape-foreword-and-executive-summary

<sup>&</sup>lt;sup>72</sup> https://www.thetimes.com/uk/politics/article/rachel-reeves-ministers-cut-green-quangos-6vs8crrqz

this out it must be shown that: (i) the proposal is in the public interest; (ii) there is no alternative; and (iii) that compensation will be provided. It is widely regarded as near impossible for a housing scheme to meet this test because of the requirement (see (ii) above) to show no alternative<sup>73</sup>. Proposed housing can – in theory – can go anywhere. The Government could delete requirement (ii) from the Habitats Regulations. This would then allow a decision-maker to grant consent notwithstanding the conclusion that the development risked adverse effects if the development were adjudged to be of overriding public importance and compensation was provided. This seems a more nuanced and less cumbersome solution to the issues that Part 3 is seeking to address, albeit it does not overcome the issues raised about regression from EU laws.

- 36. In Case C-258/11 Sweetman v An Bord Pleanala [2014] P.T.S.R. 1092 the Advocate-General described the provisions concerning IROPI in this way:
  - "64. As regards the first—general—set of requirements, the plan or project may proceed only if that is for imperative reasons of overriding public interest and there is no alternative solution: see **Solvay v Région Wallonne** [2012] Env LR 545, para 71 et seq. In addition, the member state concerned must take all compensatory measures necessary to ensure that the overall coherence of Natura 2000 is protected. While the Commission must be informed of the compensatory measures adopted, it does not, as such, participate in the procedure. The legislation recognises, in other words, that there may be exceptional circumstances in which damage to or destruction of a protected natural habitat may be necessary, but, in allowing such damage or destruction to proceed, it insists that there be full compensation for the environmental consequences ..."
- 37. Arguably my approach is consistent with this overall account of the purpose of the exception. Schemes that cause harm to protected sites will be able to proceed so long as they are justified by IROPI and there is compensation provided. At para. 66 the Advocate General said "[w]hilst the requirements laid down under article 6(4) are intentionally rigorous, it is important to point out that they are not insuperable obstacles to authorisation. The Commission indicated at the hearing that, of the 15 to 20 requests so far made to it for delivery of an opinion under that provision, only one has received a negative response". What this misses is that in the current law the no alternatives requirement denudes this exception of any real bite in relation to housing.

*Local Government & Anor* [2025] EWHC 2194 (Admin) on IROPI in a housing context. This is a case showing some of the problems with water neutrality as an issue for house building.

<sup>&</sup>lt;sup>73</sup> A need for housing could it seems to me amount to IROPI. In this regard the judgment of Lindblom LJ in *Wealden DC v SSCLG* [2018] Env. L.R. 5 at [63] and [65] is of interest. There is some analogy between the IROPI tests and the policy test for major development in the AONB. See the recent decision in *Crest Nicholson Operations Ltd v Secretary of State for Housing, Communities and Local Construct State (2025) EWHC 2104 (Admin) on IROPI in a housing context. This is a case* 

# Reason 2 - The growth of NIMBYISM74 and objection in the planning process

# (1) The issue

"33. The UK is a country full to the brim with NIMBYs. People object to everything and anything these days. One that struck me recently was "GARD" "Group Against Reservoir Development". I am sorry but how can you be against reservoir development? 34. Every single housing scheme attracts objection – often in very large numbers. The Internet and social media have in my working lifetime revolutionised the way opposition to development is organised, pursued and conducted. The use of AI is likely to further move things on. AI already seems pretty good at writing long, decent looking, objection letters.

•••

- 36. But it is not just the number of NIMBYs and the number of objections made to development, some of which are truly bizarre, that is the issue. Objectors are not just more organised these days they can be well-resourced. They regularly seek Rule 6 status and lengthen major inquiries ...
- 37. I am not suggesting that objection should be prohibited rather just pointing out that it is a major barrier to Labour's ambitions. These days we hear a bit more about YIMBYs; but we still see very [few] of these people, especially at inquiries."

# (2) What has Labour done/ what else could Labour do?

- 38. It is not easy for any Government, at least in the short term, to change such attitudes.
- 39. What Labour have done, and it is important in this context, is to get elected on a prohouse building and pro-development agenda.
- 40. NIMBYISM is not, of course, a uniquely British phenomenon. There is a great article by Kath Snell (20 July 2025) in the Western Australian entitled "What are NIMBYs afraid of? Fear is not a reason to reject housing developments". She bemoans the fear which she describes as "visceral" and "loud" and says:

absolute-banana-756593.html. See Wikipedia https://en.wikipedia.org/wiki/NIMBY

*This article is about the attitude to development ...* 

BANANA is an acronym for " (or "anyone ... The term is commonly used within the context of planning in the United Kingdom. ...

Similar is "NIABY" or "not in anyone's backyard"

Also there is "NOTE" - Not over there either

<sup>&</sup>lt;sup>74</sup> I focussed in November 2024 on NIMBYs. But it is not just NIMBYs who are the problem. There are also BANANAs ("build absolutely nothing anywhere near anything"). I had not heard of this term until recently, despite it having been in use apparently since 1993: see <a href="https://web.archive.org/web/20170909004948/https://www.nytimes.com/1993/12/23/opinion/l-page-1993/12/23/

<sup>&</sup>quot;BANANA ...

<sup>...</sup> BANANA people are characterized by implacable opposition to change in any form, regardless of what other local residents and stakeholders feel ... BANANA people often express their views publicly by attending community meetings, writing letters to the local newspaper, or calling in to talk radio shows, similar to NIMBYs ...

"[a] safe home is necessary before anyone can build a good life. When people have that foundation of stable, affordable housing, they can contribute meaningfully to their communities. And it eases costs and pressure on health care, policing, and the justice system."

41. This chimes with Caitlin Moran's piece in *The Times*<sup>75</sup> last year saying that:

"It's easy to be nimby when you think some new development is requisitioning a much loved field — the field with all your childhood memories in it – to house other people's families. But when you realise it's your children or grandchildren that would live there, then how valuable are your childhood memories? Are they worth more than other people's futures? Are they worth more than someone's first home?"

42. In the UK, and some other western democracies, the right to object to new development is seen as almost sacrosanct – a human right in and of itself. A world view that is supported by the Aarhus Convention and in particular its second pillar which is focussed on public participation. In contrast there is no established human right to a home in the UK. Article 8 of the European Convention on Human Rights ("ECHR") protects your rights in respect of your existing home but it does not give you a right to housing. The right to a home is a social human right not protected by the ECHR or the Human Rights Act 1998. It is a strange world we live in where in law the right of existing home owners to object to development near to them carries greater force than the right of all people to a decent home.

<sup>75</sup> https://www.thetimes.com/comment/columnists/article/green-spaces-not-sacred-somewhere-to-live-too-hl932vd08.

https://tbinternet.ohchr.org/\_layouts/15/TreatyBodyExternal/Download.aspx?symbolno=E%252fC .12%252fGBR%252fCO%252f6&Lang=en:

- "51. The Committee is concerned about the significant rise in homelessness in the State party, particularly in England and Northern Ireland, affecting mainly single persons, families with children, victims of domestic violence, persons with disabilities and asylum seekers. The Committee also notes with concern the adverse impact that reforms of social security and reductions in financial support to local authorities have had on the right to adequate housing, especially with regard to the criminalization of rough sleeping in the State party (art. 11).
- 52. The Committee urges the State party to take immediate measures, including by allocating appropriate funds to local authorities, to reduce the exceptionally high levels of homelessness, particularly in England and Northern Ireland, and to ensure adequate provision of reception facilities, including emergency shelters and hostels, as well as social rehabilitation centres. The Committee urges the State party to adopt all necessary measures to avoid the criminalization of rough sleeping in the State party and to develop appropriate policies and programmes to facilitate the social reintegration of homeless persons. In this respect, the Committee draws the attention of the State party to its general comment No. 4 (1991) on the right to adequate housing."

<sup>&</sup>lt;sup>76</sup> https://unece.org/environment-policy/public-participation/aarhus-convention/text

<sup>77</sup> https://www.equalityhumanrights.com/sites/default/files/human\_rights\_at\_home.pdf "

<sup>&</sup>lt;sup>78</sup> Such as those contained in the International Covenant on Economic, Social and Cultural Rights ("the ICESCR"). The UN Committee on Economic, Social and Cultural Rights (CESCR) is a UN body that monitors the implementation of the ICESCR at the national level and which has criticised the UK for not taking all necessary measures to address the deficit of affordable housing in the UK and address growing rates of homelessness in the UK: see

<sup>&</sup>lt;sup>79</sup> https://www.ohchr.org/en/special-procedures/sr-housing/human-right-adequate-housing

- 43. I have some suggestions for how we might move the dial on this. These are not instant fixes. The benefits would not be realised in one term of office. So sadly that means it is unlikely that any these ideas will be of any interest to any elected politicians in this country. My suggestions are as follows:
  - 1. A recent letter in *The Guardian* complained that "*Nimbys are constantly portrayed as selfish old fogeys; resistant to change; concerned only for house prices.*" Well if the boot fits ... NIMBYs are predominately older people. It is hard to avoid the inference that selfishness drives many NIMBYs. The dynamic in planning applications and appeals of such persons attending to oppose housing schemes needs changing which is why organisations like Just Build Homes are important. The Government should look to fund and directly support such organisations. Councillors and inspectors need to hear from those who support new housing. It is a feature of planning inquiries that those in housing need rarely attend or make representations, whereas those who are opposed to development are often well represented.
  - 2. Linked to 1. young people need to be encouraged to participate more widely in the democratic processes around planning. The Government's recent announcement that the voting age be reduced to 16 is, in my view, a good start.<sup>82</sup>
  - 3. Council websites seem set up to invite objections; they should be redesigned and restructured to more directly and positively invite support.<sup>83</sup>
  - 4. The education system needs to do more to teach children about civic society, administrative decision-making in planning and beyond and to encourage participation.
  - 5. The Government should restore funding to Planning Aid. The Government funded this for a period before 2010. It surely helps that those determined to oppose development have a free source of advice on what is and is not a valid point of objection.<sup>84</sup>
  - 6. Finally, we need our politicians at the local level to not let themselves be weathervanes for those who shout loudest, usually the NIMBYs, but to be as Tony Benn once said a signpost. They need to articulate and argue for the benefits of building more housing. With that I turn to the role of local politicians. Labour must take some credit on this one but local politicians and politicians from other parties need to do the same.

<sup>80</sup> https://www.theguardian.com/society/2024/sep/22/nimby-name-calling-will-not-solve-britains-housing-

<sup>&</sup>lt;u>crisis#:~:text=Nimbys%20are%20constantly%20portrayed%20as,the%20roof%2C%2015%20September).</u>

<sup>81</sup> https://justbuildhomes.co.uk/

<sup>82</sup> https://commonslibrary.parliament.uk/research-briefings/sn01747/

<sup>&</sup>lt;sup>83</sup> See for example <a href="https://www.wealden.gov.uk/planning-and-building-control/planning-advice/how-you-can-be-involved-in-the-planning-process/making-effective-comments-on-planning-applications/">https://www.planning-applications/</a>. This is a guide on objecting. Many other local authority websites are similar. And see also: <a href="https://www.planningportal.co.uk/services/help/faq/planning/about-the-planning-system/how-do-i-object-to-a-planning-application-and-can-i-do-so-online">https://www.planningportal.co.uk/services/help/faq/planning/about-the-planning-system/how-do-i-object-to-a-planning-application-and-can-i-do-so-online</a>.

<sup>&</sup>lt;sup>84</sup> "Reigning in the rule 6 parties" J.P.L. 2025, 1, 2-6 James Maurici KC.

# Reason 3 - The role of local politicians, and the removal of surcharging

# (i) The issue

- "38. A story in Planning in 2023 entitled "Council to pay developer's £468,000 legal bill after refusing 1,000-home scheme against officer advice" prompted a debate on LinkedIn and some calls for the return of surcharging. The story concerned Bolton Council, which was ordered by a planning inspector to pay Peel's full costs after he said that the decision of the planning committee to refuse the scheme at Hulton Park, Bolton, amounted to "unreasonable behaviour". The Inspector found that the council used vague, generalised or inaccurate assertions about the proposal's impact and failed to produce evidence to substantiate each reason for refusal on appeal and that it also prevented development which should clearly be permitted, having regard to, inter alia, the development plan and national policy.
- 39. Such stories are all too common in the planning press these days. One sees eyewatering awards of costs against local planning authorities where members have acted unreasonably in refusing planning permission against officer advice. Sometimes on allocated sites. The sad fact is that all too often there is little or no incentive for the members of a planning committee to pay any regard to the planning merits of an application that is before them. There are usually more votes to be won in giving in to the loud objections of local people than in doing the right thing and granting permission for a scheme, the planning merits of which are clear. In the end, members will more often than not follow the votes. Of course, planning has its own dynamic in this regard especially on housing schemes. So, those in opposition tend overwhelmingly to be over 65 and own their own homes. These are the people who object. These are the people who attend planning inquiries. The young, and those in desperate housing need, are rarely seen in the planning process. Their voices, and their needs, are rarely heard or raised. Moreover, it is of course well-known that the young are not great at turning up and voting in elections. The over-65s are the driving force in many elections. So politicians locally and nationally pander to them.
- 40. So, there is perceived to be an electoral advantage to be had in members setting aside their officers' advice, ignoring entirely the planning merits and refusing planning permission. This plays well to the gallery. As against this, what is the downside of such actions for councillors? Their authority, of course, may be at risk of costs being awarded, but the members themselves face no personal liability or sanction. It matters not how unreasonable their decision is."
- 44. What we have seen in the last ten years or so is Green and anti-development coalitions taking control of local authorities with predictable chaos following. Recently, we have seen Reform victories. It is interesting to note that while the Reform Party at the national level projects a pro-growth agenda but at local level it is a NIMBY or BANANA party. These political shifts have worsened matters. The Liberals in the last General Election promised to build 1.9 million new homes. But their record at the local level speaks for itself. They are an ant1-development party.

# (ii) What Labour have done

- 45. The P&I Bill, and related consultations, make somewhat modest proposals in this regard namely,
  - the introduction of a national scheme of delegation for planning decisions. This is provided for in the P&I Bill. The Government launched a consultation on this in May 2025. The consultation proposes that planning applications be divided into the following two tiers: (i) Tier A which would include types of applications which must be delegated to officers in all cases; and (ii) Tier B which would include types of applications which must be delegated to officers unless the Chief Planner and Chair of committee agree it should go to committee based on a gateway test:
    - i. Tier A applications should "generally be technical in matter, or about minor developments" and would include the following types of applications: (i) minor commercial development; (iii) minor residential development; (ii) applications for reserved matter approvals; (iii) applications for s96A non-material amendments to planning permissions (iv) applications for the approval of conditions; (v) applications for approval of the BNG Plan; (vi) applications for approval of prior approval (for permitted development rights) and (vi) applications for Lawful Development Certificates; and (vii) applications for a Certificate of Appropriate Alternative Development.
    - ii. Tier B applications would encompass: (i) Applications for planning permission not in Tier A; notwithstanding Tier A, any application for planning permission where the applicant is the local authority, a councillor or officer, s. 73 applications to vary conditions and the review of mineral planning conditions.
  - ii. Other limits on planning committees: There are other proposals including limiting the number of councillors who can sit on planning committees to 11, introducing a new requirement for councils to create smaller, dedicated committees to deal with strategic development applications.
  - iii. Compulsory councillor training. The same consultation notes that "In terms of content, industry engagement showed broad support for a combination of national content (e.g. National Planning Policy Framework, other statutory guidance and regulations) and content driven by local context (including the local development plan)." And that "The local planning authority will have a role to play in the training process, as many do already. We will use best practices of these for further guidance." The consultation proposes only allowing committee members to make decisions if they have been trained. To give effect to this, the consultation proposes introducing either a national certification scheme which would involve an online test for committee members or a local-based approach where the local planning authority provides certification. The consultation says that a national certification scheme is preferred "as it ensures independence and reduces the burden on individual local planning authorities".

- 46. None of these measures is likely, in my view, to make much (if any) real difference to the present difficulties. Reducing the number of applications determined by members must be seen as a positive. Removing from members decisions on reserved matters and the discharge of conditions seems very sensible; not least because in recent years these have become increasingly controversial. But the biggest and most controversial applications, those likely to attract the most objection, will largely remain with members.
- 47. On 25 June when the House of Lords debated the proposals there was much opposition. Earl Democrat Earl Russel warned that "the Bill's approach risks alienating communities and diminishing the crucial role of our elected councils". And Liberal Democrat Baroness Pinnock claimed (laughably) that there was "no evidence that planning committees are the blockers". The Conservative peers were similarly hostile. Responding for the Government Baroness Taylor of Stevenage, the housing and local government minister in the House of Lords, insisted the government was "not taking local decision-making out of local hands" instead she insisted that "[t]hose decisions will continue to be vested locally, but we want to engage the public and councillors more at the stage of the local plan, where they can really have an influence on place shaping and can influence what they want to see in their communities."
- 48. There is one other thing that the Government has been doing relevant to this issue and that is increasingly using its call-in powers. The Secretary of State's power to call-in is important but it can't be over-used as it is a resource intensive way of permission being granted. For sure calling-in planning applications for major housing schemes and granting them can influence and affect behaviours at the local level. Local councillors may realise unless they allocate and grant permission for the sites they prefer the Government will consent the ones they like least. For the sites they prefer the Government will consent the ones they like least.
- 49. Related to this is the ability of Government to take away planning decision-making from councils that have too many decisions overturned on appeal by putting them in special measures. The Government has proposed the threshold for such intervention could be halved from 10% of decisions that are later overturned at appeal to just 5%.88

# (iii) What else could Labour do?

50. The power of surcharge<sup>89</sup> was introduced to deal with the twin problems of fraud and extravagance under the Elizabethan Poor Law of 1601. In 1868, the enforcement of

<sup>&</sup>lt;sup>85</sup> <a href="https://www.planningresource.co.uk/article/1923791/emasculating-planning-committees-will-not-deliver-millions-homes-peer-warns">https://www.planningresource.co.uk/article/1923791/emasculating-planning-committees-will-not-deliver-millions-homes-peer-warns</a>

<sup>&</sup>lt;sup>86</sup> https://www.theguardian.com/commentisfree/2024/nov/19/kent-labour-housing-revolution-homes-government-swale

<sup>&</sup>lt;sup>87</sup> This happened in the 1980s and also in the period after the adoption of the NPPF in 2012.

 $<sup>^{88}\</sup> https://www.planningresource.co.uk/article/1919989/government-proposes-tightening-special-measures-designation-criteria-councils-decisions-overturned-appeal}$ 

<sup>89</sup> https://www.lgcplus.com/archive/death-of-the-surcharge-10-02-2000/

this regime was given to a new officer: the district auditor. In 1982 the Audit Commission was created. A key power of the district auditor was to surcharge councillors. That is to say to pursue them personally for losses they caused to their authority. The most famous battles this power gave rise to were in relation to the Westminster Homes for Votes scandal. While many councillors would not have the resources to pay a surcharge that was imposed on them, Dame Shirley Porter, the main protagonist in Homes for votes scandal, was the exception. She was heiress to the Tesco fortune. The real incentive for most councillors not to authorise unlawful and unreasonable expenditure by the authority was not the surcharge per se but merely the threat of it and the fact that if a councillor was surcharged over a certain (relatively small amount) they were automatically disqualified from office.

- 51. In 2000 the Labour Government decided to abolish surcharging. Under the Local Government Act 2000 this was replaced with the Standards Board regime. This involved a centrally prescribed model code of conduct, standards committees and a national Standards Board with the power to suspend or disqualify members for misconduct. Thus, while surcharging was removed, there remained some available sanctions including suspension and disqualification. The Standards Board regime was though an unhappy one in a number of ways. The Coalition Government that came to power in 2010 was committed to abolishing it. The Localism Act 2011 thus ended the Standards Board regime in England. So, from this point on the only control over councillors was to be: (i) locally appointed standards committees with little or no power of sanction; and (ii) elections. The first is utterly toothless – the sanctions being censure or removal from a committee<sup>90</sup>. We need not spend any time on this. The second is of no assistance in the planning context. As already set out, acting unreasonably in refusing permission is more likely to win you a local election than lose it. So, if you think that since 2011 the number of unreasonable refusals of permission has increased, you'd be correct. This was worsened by the constant flipflopping of previous Governments between 2010 and 2024 on planning policy and planning reform.
- 52. Despite the end of surcharging there *might* still be remedies against local councillors who unreasonably refuse planning permission and end up costing their authority large amounts of money<sup>91</sup> but there are some complex legal issues in relation to this.<sup>92</sup>

# Reason 4 - under-resourced planning departments

# (i) The issue

"46. Planning Departments have over the last 15 years been stripped to the bone while at the same time being asked to deal with huge numbers of cases, huge numbers of objections and almost constant planning reform proposals.

<sup>90</sup> https://publications.parliament.uk/pa/cm201415/cmselect/cmstandards/383/38313.htm

<sup>&</sup>lt;sup>91</sup> https://www.linkedin.com/pulse/preventing-unreasonable-refusals-planning-permission-hesmondhalgh-cpkwe/

<sup>&</sup>lt;sup>92</sup> Ibid and see also "The Case for Fiduciary Duties in Public Law or when Public Law Duties are not Enough ... " James Maurici KC [2024] JR 182 – 214.

- 53. In January of this year *Planning* reported<sup>93</sup> Home Builders Federation ("HBF") findings (based on Freedom of Information (FOI) requests to 134 local authorities). What this showed was:
  - i. A shortage of around 2,200 planners;
  - ii. About 82% of planning departments report staff shortages and only about 20% have enough planners to handle applications
  - iii. Only one in five applications for major projects was decided within the 13week statutory period in the past three months;
  - iv. A quarter of councils had a staff turnover rate of 15% or more in 2023/24
  - v. Almost half of all councils reported that they saw a staff turnover of more than 10% in their planning departments in the previous year;
  - vi. 60% of local authorities responding to the FOI request use agency workers to plug gaps in planning services. They employed around four agency workers for 141 days each during the 2023/24, equivalent to 7% of the total workforce;
  - vii. Councils spent an average of £200,000 on agency workers in planning departments, amounting to around £64 million across England and Wales. The HBF argues that with the average graduate starting salary for planners working in local authorities around £26,000, spending on agency workers could fund almost 2,500 additional planners
- 54. The HBF thus said: "Without sufficient staffing and resources, the Government's ambition to deliver 1.5 million homes in this Parliament will be at risk, further exacerbating the UK's ongoing housing crisis." <sup>94</sup>
- 55. This echoes earlier stories including one in the *Architects Journal* on 27 September 2024, where it is said that a shortage of staff and skilled specialists is leaving planners unable to hit goals beyond the legally required bare minimum.<sup>95</sup>

# (ii) What Labour have done

56. Labour pledged to recruit 300 new town planners into the public sector by 2026. This, it is estimated, will cost £27.5-34.2million by the end of 2028<sup>96</sup>. But the reality is that this is nowhere near enough planners. It amounts to one extra planner per authority. So a drop in the ocean. The Government pledge to recruit 300 council planners, according to the HBF findings reported above, only plugs 15% of the present shortfall.<sup>97</sup> And it is by no means certain even this can be achieved. Krishan

https://www.architectsjournal.co.uk/news/recruitment-crisis-leaves-planners-unable-to-exceed-minimum-duties

<sup>93</sup> https://www.theplanner.co.uk/2025/01/29/severe-shortage-planners-threatens-policy-delivery

<sup>94</sup> https://www.hbf.co.uk/news/severe-shortage-of-planners-delaying-thousands-of-homes/

<sup>95</sup> According to a survey by Public Practice: see

<sup>%</sup> https://www.theplanner.co.uk/2024/07/25/how-realistic-labours-plan-recruit-300-new-planners https://assets.publishing.service.gov.uk/media/664714bbbd01f5ed32793d8d/Opposition\_Costing -\_300\_new\_planners\_FINAL.pdf

 $<sup>^{97}</sup>$  See also <u>https://lichfields.uk/blog/2024/january/09/backlogs-and-bullets-building-capacity-in-local-planning-authorities</u> "users remain bogged down in a system that is chronically under-funded, under-funded to the control of the control

Adams writing in *The Planner* noted that the recruitment is to start in January 2025 and that "[f[ollowing a linear monthly progression, there will be 300 planners in place by 2026. Five months to set up a process that will generate 25 new planning officers a month for a year sounds like an uphill battle". Indeed Planning reported last month that "[s]ome 84 per cent of English local authorities struggle to recruit and retain planning staff, according to a new study."98

57. And the Government has taken other action that is likely to negatively impact planning recruitment. So, in May of this year the RTPI voiced deep concern following the Government's decision to restrict funding for Level 7 (L7) Chartered Town Planner apprenticeships to individuals aged 16 – 21.99 The RTPI warned that the decision will put the future pipeline of planners and noted that the announcement comes despite a recent surge in participation and success in the apprenticeship programme. In April, the RTPI had reported a record number of candidates reaching the final stage of the Chartered Town Planner Degree Apprenticeship. The number of apprentices reaching the End-Point Assessment in Q1 2025 rose by 66% compared to the same period in 2024. Currently, more than 800 apprentices are on programme, and 189 have successfully achieved Chartered Town Planner status through this route. However, the RTPI highlighted that many university partners report that 100% of their Chartered Town Planner L7 apprentices since 2019 have been over the age of 21 upon entry. The change in funding eligibility, therefore, threatens to undermine a well-established and increasingly popular route into the profession.<sup>100</sup> It was said that the RTPI would work to explore alternative ways to encourage entrants who exceeded the new age limit.

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valued and under-resourced. Whatever system we have in the future it will only work if it is properly resourced. The Planning Delivery Skills Fund (PDSF) and other funding measures provides much needed support to help clear backlogs and for skills development or both. A PDSF of £29m will barely scratch at the surface of the problem and the amount of the awards will hardly be game-changing, as welcome as they might be. Reference to the so-called 'super squad' shows how these announcements are seemingly influenced by a focus on social media soundbites, rather than leading on the practicalities of how money can be spent most effectively." And see <a href="https://www.planninginsight.co.uk/blogs/councils-under-pressure/">https://www.planninginsight.co.uk/blogs/councils-under-pressure/</a>.

<sup>&</sup>lt;sup>98</sup> https://www.planningresource.co.uk/article/1892832/84-councils-struggle-recruit-retain-planning-staff-survey-finds#:~:text=Planning

<sup>&</sup>lt;u>,84%25%20of%20councils%20struggle%20to%20recruit%20and%20retain%20planning%20staff,according%20to%20a%20new%20study.&text=67%20councils%20said%20their%20planning,from%20recruitment%20and%20retention%20difficulties.</u>

 $<sup>^{99}\,</sup> https://www.rtpi.org.uk/new-from-the-rtpi/key-route-into-planning-profession-hit-by-government-restrictions/$ 

<sup>&</sup>lt;sup>100</sup> Dr Victoria Hills, Chief Executive of the RTPI, said: "This apprenticeship was developed to provide an alternative route for people to gain entry into the profession, and has provided employers with a pipeline of talent into what we know is an under-resourced profession. We are extremely disappointed with this decision, which will be counterproductive to the Government's growth strategy. The RTPI and its members made robust representations to the Government to maintain what has been a successful route into the profession. Given the severe resourcing issues currently being experienced by local authority planning departments, no legislative proposals will achieve the Government's growth ambition without a resolution to capacity constraints. We have therefore proposed a comprehensive three-point resourcing plan to be published alongside the Planning and Infrastructure Bill. This includes a transparent whole-system audit, a holistic approach to skills development across the country, and funding to facilitate a capacity-building programme."

# (iii) What more could Labour do?

- 58. There seem to be to be a number of things:
  - i. The additional resourcing for planners while welcome is a drop-in the ocean and more is needed;
  - ii. Some have proposed more strategic thinking on new hires; 101
  - iii. Local authority salaries for planners need to increase; 102
  - iv. Planning fees need to be fully and strictly ring-fenced for use by planning departments;<sup>103</sup>
  - v. Novel ideas need to be explored, so the Government could look to fund a secondment programme so that all graduate planners spent say 6 months working in a local authority. It could work like the draft in US sports!
  - vi. One thing that has featured in news stores recently as likely to assist is AI. 104 So in June of this year the PM unveiled what was said to be an AI breakthrough to slash planning delays and help build 1.5 million homes. I am a big supporter of the use of AI but what the PM announced was a little underwhelming. I think many of us have seen on applications and appeals AI generated objections. So if this is the trend then using AI to analyse these seems reasonable. As we all know so many objections are repetitive and irrelevant.
  - vii. Some say the problem is not that there are not enough planners but that there are too many rules.<sup>105</sup>
  - viii. And there is one further thing that the Government could do to help reduce the burden on local authority planners. Stop reforming, and proposing reform of the planning system. But I will come back to that ...

https://lichfields.uk/blog/2025/march/18/planning-fees-all-power-to-local-authorities and https://www.gov.uk/government/publications/the-planning-and-infrastructure-bill/factsheet-local-fee-setting ("It also requires the planning fees must not exceed the cost to LPAs to determine that planning application and that the fee income must be retained for spending on an LPA's relevant planning function. Our changes to planning fees will ensure that LPAs have the resources they need and that they are directly invested in deliver an efficient planning service."). The previous Government's U-turn on this was much deprecated: <a href="https://www.planningresource.co.uk/article/1832975/governments-u-turn-ring-fencing-planning-fee-income-means-councils-developers">https://www.planningresource.co.uk/article/1832975/governments-u-turn-ring-fencing-planning-fee-income-means-councils-developers</a> and see

https://petition.parliament.uk/archived/petitions/643493;

https://www.propertyweek.com/news/planning-fees-ringfencing-decision-a-kick-in-the-teeth-for-developers and <a href="https://www.theplanner.co.uk/2025/01/27/planning-fee-hikes-england-criticised-without-revenue-ring-fencing-warns-trade">https://www.theplanner.co.uk/2025/01/27/planning-fee-hikes-england-criticised-without-revenue-ring-fencing-warns-trade</a>.

<sup>&</sup>lt;sup>101</sup> <a href="https://www.architectsjournal.co.uk/news/four-ideas-to-fix-the-nations-broken-planning-system">https://www.architectsjournal.co.uk/news/four-ideas-to-fix-the-nations-broken-planning-system</a> "Don't just hire planners, hire them strategically".

<sup>102</sup> https://www.londonforum.org.uk/2025/02/05/planning-officers-overwhelmed/

<sup>&</sup>lt;sup>103</sup> There do appear to be moves in this direction via the P&I Bill, see

 $<sup>{}^{104}\,\</sup>underline{https://www.gov.uk/government/news/pm-unveils-ai-breakthrough-to-slash-planning-delays-and-help-build-15-million-homes-6-june-2025}$ 

 $<sup>^{105}\,\</sup>underline{https://www.building.co.uk/comment/we-dont-need-more-planners-to-build-more-houses-we-need-fewer-pointless-rules/5136968.article}$ 

# Reason 5 - The ever increasing burden placed on developers to deliver social infrastructure: affordable housing, health, police, education etc. etc.

#### (i) The issue

- "49. The 1994 Court of Appeal decision in **Mitchell v Secretary of State for the Environment** (1995) 69 P&CR 60 may not be known to many of you. It is a very important case.
- 50. PPG3 "Housing" (1992) was promulgated at a time of increasingly widespread public concern at the reduction in supply of public sector housing, following the success of the right to buy initiative during the 1980s. Consistent with prevailing economic and political orthodoxy, the Government's response was not to encourage an increase in public sector housing provision; but rather to encourage the house builders to recognize and contribute towards meeting the need for affordable housing through the planning process. Para. 38 of PPG3 (1992) was headed 'Affordable Housing'. It stated that, "[a] community's need for affordable housing is a material consideration which may properly be taken into account in formulating development plan policies". At the time, the introduction of that policy provoked considerable controversy in planning circles.
- 51. On the face of it, the Mitchell case looks uninteresting. It was notionally about an Inspector's decision on an appeal for the conversion of 20 bedsitting rooms, in multiple occupation, into seven self-contained fiats in Kensington & Chelsea. At first instance Roy Vandermeer QC, sitting as a Deputy High court Judge, held that a planning appeal decision based upon considerations of housing price and tenure was unlawful, on the ground that such considerations had nothing to do with the character and use of land. As has been pointed out "[h]ad that view prevailed, the now conventional approach to delivering affordable housing through the planning process would have been dead in the water, considerations of price and tenure being part and parcel of the means whereby affordable housing is actually secured through the development control process." The developer in challenging the decision in the Higher Courts argued that the case involved the council trying to transfer some of its public housing obligations on to the private sector. However, the Court of Appeal overturned the High Court decision in Mitchell and the requirement for development to provide affordable housing was established.
- 52. Housing developers now must provide affordable housing, but also contribute funding to schools, GP surgeries, hospitals, the police, solving nutrient and water neutrality, as well as providing BNG, nature recovery funding. The list goes on and on and on. Someone on LinkedIn compared this constant adding to the burdens as playing Buckaroo! with developers ... The point is eventually reached where the mule bucks and nothing at all gets built.
- 53. It must surely be time to re-open the debate about the boundary between legitimate requirements falling upon developers, directly arising from their projects and not extraneous to them, and contributions to desirable facilities which should normally be provided out of national or local taxation."
- 59. CIL sums of £40m- £50m are quite common especially in London where there is mayoral and local CIL. The s106 obligations are on top of this.

# (ii) What Labour have done

- 60. On this very little has happened or is likely to happen.
- 61. The burdens imposed on developers in terms of contributions is especially acute in relation to SMEs<sup>106</sup>. In May 2025 the then Secretary of State ledged further support to SME housebuilders<sup>107</sup>. This included more land and financing options for SMEs, a new pilot to unlock small sites for SMEs and £100 million in SME accelerator loans. But this amounts to a modest intervention. The proportion of new housing built by SMEs was 40% in the 1980s but this has fallen.<sup>108</sup> The ever increasing number of financial obligations placed on developers is at least one cause of this.
- 62. The Infrastructure Levy ("IL") in the Levelling Up and Regeneration Act 2023 ("LURA 2023") has been dropped. In doing so the Government said, "We want to deliver the much-needed affordable housing local communities need and the wider infrastructure that will mitigate the impacts of new development" and that it believes the "best way to achieve this will be to focus on improving the existing system of developer contributions". 109 The IL will not be much lamented.

#### (iii) What more could Labour do?

- 63. Much new infrastructure is needed. The lack of existing infrastructure is holding back housing (and other development).<sup>110</sup>
- 64. But the problem is that UK Plc is bust. Debt stands at 100% of GDP<sup>111</sup> with debt projected to exceed 270% of GDP by the mid-2070s.<sup>112</sup> The current fiscal crisis a direct result of both Brexit and the reckless, unconscionable and unjustified levels of public spending incurred during the Pandemic. The travails of the Chancellor to reduce the deficit seem to increase daily. Labour have, since coming to power, looked to increase taxes (save for income tax and NI) whenever and wherever they can. But there is, of course, no sensible way in which a country like the UK can possibly tax itself out of the fiscal crisis of its own making. The economy remains at best very fragile. Moreover, in recent months there is evidence of the Treasury

<sup>106</sup> https://www.house-builder.co.uk/news/sme-housebuilders-need-leap-of-faith-to-overcome-current-challenges/

<sup>107</sup> https://www.placenorthwest.co.uk/rayner-pledges-support-for-sme-housebuilders/

<sup>108</sup> https://www.gov.uk/government/news/government-backs-sme-builders-to-get-britain-building

<sup>&</sup>lt;sup>109</sup> https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system and

 $<sup>\</sup>underline{https://www.planningresource.co.uk/article/1883498/government-drops-plans-new-infrastructure-\underline{levy}$ 

 $<sup>^{110}</sup>$   $\underline{\text{https://www.planningresource.co.uk/article/1924149/lack-sewage-treatment-capacity-blocking-applications-new-homes-across-}$ 

england?utm\_medium=EMAIL&utm\_campaign=promotion&utm\_source=20250708&utm\_content=2
50708AAVT09&spM

<sup>&</sup>lt;sup>111</sup> https://commonslibrary.parliament.uk/research-briefings/sn02812/

<sup>112</sup> https://obr.uk/public-debt-projected-to-exceed-270-per-cent-of-gdp-by-the-mid-2070s/

cutting, and looking to cut, funding to a number of infrastructure projects all around the country. Given all this it seems highly unlikely that any Government would be looking to reduce the burden of contributions made by developers; indeed quite the contrary. But squeezing ever more funding out of developers is not seriously compatible with the target of building 1.5 million new homes.

- 65. The issues are by no means confined to SMEs. Many large schemes with planning permission are stalled due to lack of viability as a result of the sky high level of contributions or infrastructure spending required. There doesn't seem a lot of sympathy on this from the Government. In July of this year the Housing Minister told a Parliamentary committee that the Government was considering implementing a provision in the Housing and Planning Act 2016 to enable conflicts between councils and developers over the latter's infrastructure contributions to be resolved through a "dispute resolutions scheme". He told the committee that "the current rules" made it "relatively easy for developers, particularly large ones" to "negotiate down contributions without good reason". 113 If this is so, it is certainly news to me. 114
- 66. So what is the boundary between legitimate requirements falling upon developers, directly arising from their projects and not extraneous to them, and contributions to desirable facilities which should normally be provided out of national or local taxation? There is I fear no easy answer.
- 67. In recent times this has again been the subject of litigation in the health context. In R (University Hospitals of Leicester NHS Trust) v Harborough District Council [2023] JPL 1171 an NHS trust in Leicestershire sought a financial contribution towards funding local clinical commissioning groups (CCGs) on an application for a new neighbourhood, including 2,750 homes. It claimed that under its block contracting arrangements with local CCGs, there would be a funding gap relating to healthcare services provided to those moving into the area during their first year of residence. This was because contracts were awarded annually and increases in the local population during any one year were not taken into account by CCGs for budgeting purposes until the following year. Since the proposed housing would be phased, the trust argued that a financial contribution totalling £914,000, should be made towards filling the funding gap. The council rejected the request, concluding that the contribution had not been proven to be necessary. The trust sought judicial review of the decision. Holgate J held that the planning officers' reports amply demonstrated that the council was "fully aware of and took into account the health impacts which the trust said would flow from the development." It had sought specialist legal advice on the issue, the judge noted, and "took a great deal of trouble" to address the trust's concerns. The council had exercised its judgement in determining whether the financial contribution met the legal test, he decided. In this context, the claimant agreed that the need was localised, but the High Court concluded that it had not proven it was necessary. The judge opined that "the trust's

 $<sup>\</sup>frac{113}{https://www.planningresource.co.uk/article/1927025/11-planning-revelations-pennycooks-two-parliamentary-select-committee-appearances}$ 

 $<sup>^{114}</sup>$  Much of what the Minister said that was of note related to new towns as a key element of delivering the 1.5 million home target.

doctrinaire approach to the funding issue..." was troubling, involving "...a wholly unwarranted interference with the proper discharge by a planning authority of its statutory functions". Whether there was a systemic issue about funding in the NHS as a whole was not a matter for the council or the court to address, the judge held. 115

- 68. Moreover, questions have persistently been raised about whether s. 106 and CIL monies are actually being spent.<sup>116</sup>
- 69. There are some who see the ending of s. 106 contributions and CIL and its replacement with a taxation or levy approach would have many benefits. The ill-fated IL can, of course, be seen as a very flawed attempt to achieve this. 117 In 2017 the CIL Review Group 118 recommend that the Government should replace CIL with a hybrid system of a broad and low level Local Infrastructure Tariff ("LIT") and s. 106 for larger developments. There is real force in these recommendations. But they never saw the light of day.

# Reason 6 - Legal challenges

# (i) Issues

"36. ... There is an increasing trend that I have seen of NIMBYs carrying on the fight even once planning permission is granted and the legal challenge to it failed. Massive objection is now often made to the approval of reserved matters and/or the discharge of conditions. And there is an increasing trend of judicial review challenges to these decisions. Delay is always the objectors' friend.

. . .

- 54. When you finally get your planning permission, that is, of course, no longer a time to relax. Legal challenge to housing development, where approved, is ever more common. Now, it is true that the success rate of such challenges may not be that high. But the fact of challenge means more delay and cost ...
- 55. There is, of course, currently a consultation on the Banner Review, an independent review into the causes of legal challenges brought against the NSIP regime and to explore the scope and options for improving existing processes. Some of the suggestions in that Review could be adopted not just in respect of legal challenges to Development Consent Orders but also to other planning challenges. The recommendations include: removing one of the three opportunities claimants currently have to obtain permission to bring planning challenges and raising the threshold for permission in such cases."

# (ii) What have Labour done?

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https://assets.publishing.service.gov.uk/media/5a74952e40f0b61938c7e9f4/CIL\_REPORT\_2016.pdf

<sup>&</sup>lt;sup>115</sup> See also *R.* (Worcestershire Acute Hospitals NHS Trust) v Malvern Hills DC [2023] EWHC 1995 (Admin).

<sup>116</sup> https://www.hbf.co.uk/news/developer-contributions/

<sup>&</sup>lt;sup>117</sup> https://www.charlesrussellspeechlys.com/en/insights/expert-insights/real-estate/2023/the-infrastructure-levy--a-new-tax-on-development/

- 70. The focus of the Government to date has been on:
  - i. Reforms to JR in the context of NSIPs following the Banner review.
  - ii. Dealing with possible changes to the Aarhus costs rules. There was a call for evidence on this. 119
- 71. Banner Review: This was commissioned by previous Government on 12 February 2024 because of a concern that legal challenges to DCOs granted under the Planning Act 2008 ("the 2008 Act") "were causing significant undue delay to the delivery of NSIPs, with consequent detriment to the public interest" (at para. 3). The Review examined "ways of streamlining the process for judicial review of DCOs so as to minimise delays caused by unsuccessful legal challenges, whilst at the same time respecting constitutional principles and UK's international obligations including under the Aarhus Convention" (at para. 5). The Review made a series of recommendations (covering not just DCO challenges but also NPS challenges) in order to "deliver meaningful acceleration in the handling of legal challenges to DCO decisions. Perhaps just as importantly as making the timescales quicker, my recommendations would also make them more predictable. These enhancements would increase stakeholder confidence in the NSIP regime (including from investors) as well as reducing costs and other risks caused by delays to delivery of NSIPs caused by unsuccessful legal challenges" (at para. 6).
- 72. An interesting question posed for the Review was "[a]re NSIPs unduly held up by inappropriate legal challenges? If so, what are the main reasons for this and how can the problem be effectively resolved?" (see para. 1). The Banner Review thus sought to define what is meant by "inappropriate" legal challenges and looked at the possible causes for DCO challenges. The P&I Bill seeks to directly implement some of the Banner Review recommendations by providing for only one bite of the cherry for permission for JR in the High Court cases under s. 13 (NPSs) and s. 118 (DCOs). The effect of these provisions being to remove the paper permission stage in the High Court. So in the High Court there is one chance to get permission in such cases at an oral hearing. The provisions in the P&I Bill will still allow a second bite of the cherry in the Court of Appeal via a paper permission application unless the High Court marks totally without merit.
- 73. Many of the other recommendations in the Banner Review are not covered in the P&I Bill but may be given effect to through changes to the rules of court. The Government press release heralded that the "Prime Minister clears path to get Britain building Nuclear plants, trainlines and windfarms will be built quicker thanks to changes to the rules to stop blockers getting in the way of the government's Plan for Change". But the proposals on judicial review in the P&I Bill are very limited and will have very little effect on number of judicial reviews and speed of determination under the

<sup>&</sup>lt;sup>119</sup> https://www.gov.uk/government/calls-for-evidence/access-to-justice-in-relation-to-the-aarhus-convention

<sup>120</sup> https://www.gov.uk/government/news/prime-minister-clears-path-to-get-britain-building

2008 Act. Moreover, these measures do not affect challenges to the grants of housing schemes under the TCPA 1990.

74. **Aarhus:** there is little question that the Aarhus Convention costs rules have significantly contributed to the number of legal challenges to planning decisions. Recently the Aarhus Convention has been getting a bad press. 121 The Aarhus Compliance Committee has consistently sought yet further protections to be introduced for claimants in the UK to deal with adverse findings made against the UK Government by it in a number of Communications. It was this that was the subject of the Government's call for evidence. But changing the rules in the way the Committee would like is only going to further increase the number of challenges in the UK. That does not fit with a get on and build agenda.

# (iii) What more could Labour do?

- 75. First, there seems little justification for having a more restrictive regime for obtaining permission to apply for judicial review in 2008 Act cases as compared to cases under the TCPA 1990, especially where these are designated significant Planning Court cases. So, the provisions in the P&I Bill may end up being extended to other important planning challenges outside of the 2008 Act.
- 76. <u>Second</u>, there seems little justification for providing yet further costs protection to claimants. The protection currently offered by the Aarhus costs rules goes far enough, indeed it might be said go too far.
- 77. Third, a number of the other recommendations in the Banner Review for speeding up the determination of planning cases under the 2008 Act in the Court of Appeal and Supreme Court if introduced via rules changes could also be applied to TCPA 1990 cases.
- 78. <u>Fourth</u>, if planning really matters then the Government should fund further Planning Court judges and ensure these are truly planning specialists.

#### Reason 7 - the impact of other regulatory requirements in relation to new buildings

# (i) The issues

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- "56. As you know, housing in England must adhere to building regulations, under the Building Act 1984 and the Building Regulations 2010. The statutory requirements set out in Schedule 1 to the Building Regulations 2010 include water efficiency, drainage and waste disposal, combustion appliances and fuel storage systems, conservation of fuel and power, overheating and infrastructure for the charging of electric vehicles.
- 57. Housing delivery has been effected by changes related to fire safety and other building regulations matters including the changes in the Building Regulations aimed at delivering net zero. These are important matters but they add to the cost and difficulty of delivering new housing.

 $<sup>^{121}</sup>$  <a href="https://news.sky.com/story/pressure-grows-to-leave-mad-aarhus-convention-used-to-block-uk-building-projects-13399877">https://news.sky.com/story/pressure-grows-to-leave-mad-aarhus-convention-used-to-block-uk-building-projects-13399877</a>

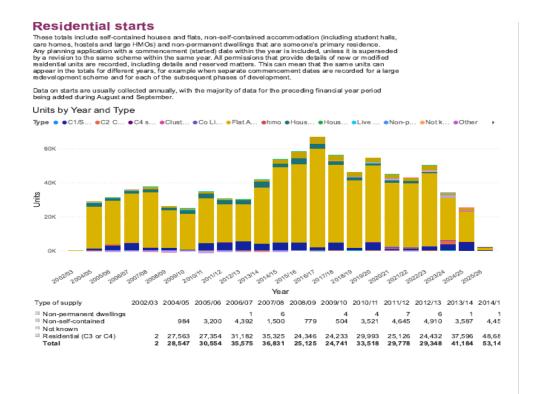
- 58. The previous Government stated on 15 May 2024 that the Future Homes Standard would come into force in 2025. Amendments to the building regulations and approved documents to introduce the Future Homes Standard were not made before the July 2024 General Election. The Labour government said in July that it is keen to see more homes fitted with solar panels.
- 59. There is little doubt that Michael Gove forcing developers at gun point to sign remediation contracts in relation to cladding on pain of the destruction of their businesses has also had its effects. That regime going forward is likely to lead to many, many issues. There is room to debate who should pay for cladding removal if at the time it was installed it was in accordance with government regulations. But while these works are undoubtedly necessary, they are likely to divert resources from the building of new homes for many years to come.
- 79. Since I wrote this matters have only worsened.<sup>122</sup> The issues arise because of approvals required from the Building Safety Regulator ("BSR") in order to progress past three "gateways" on construction schemes for higher-risk buildings ("HRBs"), defined as those over 18m in height and containing at least two dwellings. So far, the most severe delays have been encountered at gateway 2, which is needed before construction can start. Before it came into force in October 2023, the regulator committed to returning gateway 2 applications within eight weeks. In reality, it is taking up to three or four times that long for applications to be decided, with some projects waiting for more than a year. Indeed data published by Cast Consultancy at the end of June found that barely 10% of new-build schemes submitted to the BSR for gateway 2 approval needed before construction can begin had been signed off.<sup>123</sup>
- 80. Recent data for London shows just how dire the housebuilding position is.<sup>124</sup>

<sup>&</sup>lt;sup>122</sup> 1https://www.telegraph.co.uk/business/2025/05/06/hundreds-of-homes-left-sitting-empty-safety-red-tape/ and <a href="https://www.london.gov.uk/media-centre/mayors-press-releases/mayor-backs-governments-ambition-end-londons-cladding-crisis">https://www.london.gov.uk/media-centre/mayors-press-releases/mayor-backs-governments-ambition-end-londons-cladding-crisis</a>

https://www.housingtoday.co.uk/news/building-safety-regulator-deputy-head-admits-to-underestimating-challenge-of-new-regime-for-industry/5135661.article

<sup>123</sup> https://www.bdonline.co.uk/briefing/will-the-building-safety-regulator-overhaul-be-enough-to-tackle-the-delays/5137170.article

<sup>&</sup>lt;sup>124</sup> Other data for London shows only 4,270 completions in Q1 of 2025 and only 3,070 starts in Q1. And per borough in that period not a single home started in the following boroughs, with Islington and RBKC evidencing a double negative and Barking & Dagenham, Brent, Hackney, H&F, Haringey, Harrow, Islington (and no completions), RBKC (and no completions), Lewisham, Newham, Redbridge, Wandsworth and Westminster.



- 81. Now the causes are not confined to delays in the building safety regime. There is also Brexit, the catastrophic fiscal and economic disaster of 2 years of lockdowns, the impacts of international conflict on the global economy and the frankly dire performance of the Labour Government on the economy since its election. There is also the very strong affordable housing requirements in London ... But let me stick with the building safety angle.
- 82. So, the Construction Enquirer reported in May of this year that "London new home starts plunge 38% as Building Safety Act bites. The article discusses the delays facing developers under the new Gateway 2 approval process run by the Building Safety Regulator. 125 It was also said that while the rest of the country saw strong growth, London starts fell as tighter rules and slow approvals hit confidence in the apartment sector. The drop in London dragged national apartment registrations down 3% year-on-year. Building reported that 126 the system of gateway checks on high-rise buildings was adding anything up to 18 months to construction programmes. The article refers to Unite saying in a trading update that delays caused by the new approval gateways were forcing it to add "around six months" to project timelines. And David O'Leary, executive director for policy at the HBF, said that some of the industry group's members have reported waits of a year or more for approval: "This is huge," says O'Leary. "It's right up there with the biggest issues the industry is facing." 127

 $<sup>\</sup>frac{125}{\rm https://www.constructionenquirer.com/2025/05/13/london-new-home-starts-plunge-38-as-building-safety-act-bites/}$ 

 $<sup>\</sup>frac{126}{\text{https://www.building.co.uk/news/reeves-promises-not-to-renege-on-building-safety-regulation-as-90-new-high-rise-projects-are-held-up-by-rules/5134090.article}$ 

<sup>&</sup>lt;sup>127</sup> Claire Dutch tells me that one of her clients said, "Building Safety Regulation has become the new planning system in terms of a blocker". Ouch!

83. And then there is still to come in 2026 the Building Safety Levy. 128

## (ii) What have Labour done?

- 84. Labour have, of course, promised not to renege on the regime. 129
- 85. In July 2025 the Government announced reforms to BSR to accelerate housebuilding. The announcement included a new fast-track procedure and the appointment of Andy Roe as non-executive chair of a new board of the Ministry of Housing, Communities and Local Government ("MHCLG") to take on the functions of the BSR as part of initial steps towards creating a single construction regulator, as recommended by the Grenfell Tower Inquiry and long-term investment in the capacity of the BSR with it being bolstered with the addition of over 100 new members of staff to support with enhancing operations, reducing delays and supporting progress towards building 1.5m safe, high-quality homes as part of our Plan for Change.
- 86. It remains to be seen if these measures are enough to deal with the very serious issues that have arisen. The reaction from the industry has been lukewarm at best. The British Property Federation's chief executive Melanie Leech described it as a "significant package of measures". But it has been reported that "[b]ehind the scenes, however, industry professionals are far from convinced that what has been proposed is enough to address the huge backlog of delays that has accumulated. Questions also remain over whether the influx of 100 technical staff, aiming to reverse the hold-ups caused by the BSR's outsourcing model for assembling MDTs, will be sufficient to have a meaningful impact." Indeed some have called it mere window dressing. 132
- 87. Recent reports are that delays at Stage 2 remain at around 6-9 months. 133

https://www.gov.uk/government/consultations/the-building-safety-levy-consultation/outcome/building-safety-levy-response-to-consultation and https://www.hoganlovells.com/en/publications/uk-building-safety-levy-coming-into-force-in-autumn-2026.

 $<sup>\</sup>frac{129}{\text{https://www.building.co.uk/news/reeves-promises-not-to-renege-on-building-safety-regulation-as-90-new-high-rise-projects-are-held-up-by-rules/5134090.article}$ 

<sup>&</sup>lt;sup>130</sup> <a href="https://www.gov.uk/government/news/reforms-to-building-safety-regulator-to-accelerate-housebuilding">https://www.gov.uk/government/news/reforms-to-building-safety-regulator-to-accelerate-housebuilding</a>

<sup>&</sup>lt;sup>131</sup> https://www.bdonline.co.uk/briefing/will-the-building-safety-regulator-overhaul-be-enough-to-tackle-the-delays/5137170.article

<sup>&</sup>lt;sup>132</sup> Ibid, ""It's a bit of window dressing," says Paul Dodsworth, construction group managing director at Caddick. "Until we see the substance that sits behind it, in terms of level of resource, and we see timescales actually being delivered on, then the jury is out, I'm afraid.""

<sup>&</sup>lt;sup>133</sup> See <a href="https://www.linkedin.com/feed/update/urn:li:activity:7371437365393006592/">https://www.linkedin.com/feed/update/urn:li:activity:7371437365393006592/</a> "Building Safety Regulator delays at Gateway 2 stage remain 6-9 months, and there will be further delays on high-rise developments at Gateway 3 stage. These delays disproportionately affect house building in cities and especially in London (where most new house building is for flats). It also affects Build-to-Rent, which has seen record investment, as well as student accommodation"

88. Moreover, while much of the focus so far has been on gateway 2, many in the sector are now moving towards gateway 3. BSR approval at this stage is needed before the occupation of the building and comes at the point of maximum risk for a development team, after the money has been spent on completing a building but before revenue has been generated.<sup>134</sup>

### (iii) What else could Labour do?

**89.** The regime introduced is a troublesome one and absent any political will to make significant changes to the regime there seems a strong prospect that it will continue to hold up housing development especially in London.

## Reason 8 - the Plan making system is completely broken

### (i) The issue

- "60. We all know this. The Planning & Compulsory Act 2004 has been a disaster. Plan making is now so much more complex and difficult than it used to be. A number of authorities have never managed a Plan under this system and are still relying on saved Plans from the previous regime. For those of us who remember them we sometimes yearn for the return of the old Local Plan inquiry system as set out in Part 1 of the Town and Country Planning Act 1990. Are there any who remember them who do not yearn for Structure Plans? And I need hardly mention that the removal of regional planning and its replacement with the duty to co-operate in 2011 has been disastrous for Plan making and housing delivery.
- 61. But it is wrong to blame the 2004 Act, a product of the Blair Government, entirely. It coincided with the coming into force of the SEA regime and CJEU caselaw holding that Plan-making was subject to the Habitats Directive. These have made Plan making even more complex and liable to legal challenge.
- 62. The Labour Government is making many of the right noises. The Secretary of State has said she will not hesitate to intervene in Local Plans. She has also allowed 18 months for submitting development plans under the existing system. But at the same time PINS has issued a warning after being told by the new housing minister to generally not allow pauses in local plan examinations that are likely to extend for more than six months. There is trouble ahead. Without getting up-to-date Plans in place it is difficult to see how housing delivery at the scale that is mooted can be achieved. But it is also difficult realistically to see Plans in preparation now being ready and delivering any housing within the next five years."
- 90. I think most people who work in planning would agree that the removal of regional planning and the introduction of the Duty to Cooperate was a disaster for housing delivery and indeed more generally.

<sup>&</sup>lt;sup>134</sup> Ibid. See also <a href="https://www.insidehousing.co.uk/news/bsr-reforms-should-speed-up-processes-but-concern-remains-around-structure-and-focus-92612">https://www.insidehousing.co.uk/news/bsr-reforms-should-speed-up-processes-but-concern-remains-around-structure-and-focus-92612</a>.

# (ii) What have Labour done?

- 91. First, the P&I Bill makes provision for spatial development strategies to be adopted. This is certainly welcome but introduces a further requirement for the adoption of plans something which since 2004 has proved very difficult. The Government has sought to address this (to some limited degree) with procedural limitations on the examination process for such plans e.g. by providing that no one has a right to be heard at an examination of such plans. But there is still little, if any, prospect of any such plans being in place in this Parliament. And will the Government in power after the next General Election support these or revoke them RSS style.
- 92. Second, the English Devolution & Empowerment Bill ("the ED&E Bill") will reshape local government in England. The Bill is centred around the new category of "strategic authorities" (SAs). These are organisations designated by Government to have responsibility for strategy development and programme delivery over larger functional economic areas and includes (mayoral) combined authorities, e.g. Greater Manchester Combined Authority; (mayoral) combined county authorities, e.g. East Midlands Combined County Authority; the Greater London Authority; and in some cases, single local authorities. The proposals are again to be welcomed in terms of filling the void in strategic planning that there has been in England since 2011. However, it will in the short and medium term have a deleterious effect on Plan adoption. There are numerous local authorities, at various stages of plan preparation, who will be abolished under the ED&E Bill and so may not be very much motivated to push forward on adoption of draft plans. 135 Further, the ED&E Bill has lagged behind the P&I Bill and the recent reshuffle has removed both Angela Rayner and Jim McMahon (the minister leading on local government) both of whom were key drivers of the devolution agenda.
- 93. Third, in February 2025 the Government issued its response to a consultation on whether to implement parts of the LURA 2023 which relate to plan making, to make local plans and minerals and waste plans simpler, faster to prepare and more accessible. This consultation included a proposal to set out in policy that planning authorities should adopt their plan, at the latest, 30 months after the plan preparation process begins. The Government's response notes to a consultation on whether to implement plans and making, to make

 $<sup>\</sup>frac{135}{https://www.planningresource.co.uk/article/1925764/local-government-reorganisation-affecting-plan-making?bulletin=planning-weekly-$ 

edition&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250718&utm\_content=Planning%20Email%20Edition%20(2)::&email\_hash="Stacey Robins, head of planning and environmental services at Wealden District Council in East Sussex, said a "tension" between "invest[ing] political capital and commit[ting] to a long-term resource when the structure of local government is about to change" was "undermining momentum behind the plan-making process in several areas"."

<sup>&</sup>lt;sup>136</sup> https://www.gov.uk/government/consultations/plan-making-reforms-consultation-on-implementation/outcome/government-response-to-the-proposed-plan-making-reforms-consultation-on-implementatio

<sup>&</sup>lt;sup>137</sup> Ibid at para. 33.

problem: (i) "progress and adoption of a local plan takes on average 7 years to produce, with only around one third of local planning authorities having adopted a local plan in the last 5 years"; (ii) "[o]f the two thirds of local planning authorities that have not adopted a local plan in the last 5 years, only about 5% have published a new plan and only about 10% have submitted one for examination" and (iii) "[s]low progress in their preparation means local plans are at greater risk of being out-of-date upon adoption, creating uncertainty for communities and holding back development where it is needed."

- 94. The consultation asked whether respondents agreed with a proposal to set out in policy that planning authorities should adopt their plan, at the latest, 30 months after the plan preparation process begins. A total of 298 respondents answered the question. Of those, 100 (34%) agreed with the proposal, 123 (41%) did not agree and 75 (25%) were indifferent. In the response the Government acknowledged that only a very small number of respondents fully agreed with the proposal for a 30-month requirement, "with a few suggesting that penalties and interventions and/or incentives should be imposed in cases of failure, and that the proposed 30-months should be set out in regulations". But that there was support for the proposals to speed up plan making and implement a specific timeframe in principle, specifically amongst developers, interest groups and other private sector organisations
- 95. The response pointed out that the previous government had proposed setting out an expectation in policy that plans should be prepared and adopted in 30 months. It added that there were recent examples of planning authorities preparing a plan in just over 30 months within the current system. Thus, the view that was taken was that "[i]t was therefore considered that a 30 month timeframe struck the appropriate balance between needing plans to be prepared more quickly and kept up to date more effectively, with a realistic view of what is deemed achievable. Through a wider package of plan-making and other planning system reforms to achieve efficiencies and streamlining, there was a strong belief that a 30 month timeframe could be widely achieved."
- 96. My concern is more speed, less haste. If under-resourced authorities are rushed into adopting Plans then the quality of these Plan is likely to suffer. This may risk more successful challenges to these Plans under s. 113 of the 2004 Act. It may also necessitate the need for early reviews of flawed Plans. Plan making is complex and difficult. There is a limit to how much it can be sped up without causing issues. Forcing local authorities to undertake complex processes at speed is likely to have adverse effects.

97. In a recent letter from the Chief Planner<sup>138</sup> explained:

"MHCLG has reminded local planning authorities that it wants full coverage of upto-date local plans as soon as possible, and that local government re-organisation or emerging strategic planning reforms should not delay plan-making. Currently some local authorities are progressing a plan to adoption under the existing planmaking legal framework, in line with the December 2026 submission deadline. Meanwhile, authorities with recently adopted plans are undertaking early work in advance of progressing a plan under the new plan-making legal framework provided by the Levelling Up and Regeneration Act 2023, which MHCLG expects to commence later this year.

The new plan-making system will be underpinned by new primary and secondary legislation. Plans prepared under the new system will need to comply with the new legal requirements from start to finish. LPAs will not, for example, be able to carry out an early statutory consultation under the existing system and a presubmission statutory consultation under the new system."

- 98. It remains to be seen if any of the changes will make any difference. I am doubtful ... The 2004 Act had strong provisions for new Plans being in place within 3 years and we know how that worked out.
- 99. Fourth, one of the reasons that plan making has been so complex post-2004 has been the SEA regime. Many delays and failures of draft Plans can be traced back to SEA; and many of the s. 113 challenges are SEA based. The LURA 2023 provided for replacing the EIA and SEA regimes with a proposed new system of environmental assessment, called "Environmental Outcomes Reports" or EoRs. 139 Initially it seemed that Labour were not minded to pursue this. But in January 2025 140 Chancellor Rachel Reeves said EIAs would be replaced by EoRs as she turns to "avenues that others have shied away from" to "kick-start" the economy. The Treasury described the current assessments as "voluminous and costly documents" and said the outcome reports will save developers time and money. It was said that EIAs have "strayed from their original purpose of supporting decision making and have become voluminous and costly documents that too often support legal challenges rather than the environment" and that EoRs "will be simpler and much clearer, which will support growth by saving developers' time and money, whilst still protecting the environment."

<sup>13</sup> 

https://assets.publishing.service.gov.uk/media/68a4873df49bec79d23d29cc/Chief\_Planners\_Newsletter\_19\_August\_2025.pdf

<sup>&</sup>lt;sup>139</sup> <a href="https://www.gov.uk/government/consultations/environmental-outcomes-reports-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-assessment/environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-approach-to-environmental-outcomes-report-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-new-a-n

 $<sup>{}^{140}\,\</sup>underline{https://www.independent.co.uk/climate-change/news/rachel-reeves-government-angela-rayner-labour-mps-b2686411.html}$ 

- 100. The Courts often say that our environmental law (most often EIA, but also habitats) is not supposed to be a legal obstacle course for developers<sup>141</sup>. But looking back over the last 30 years that is very much what it has been. The rise of EIA<sup>142</sup> from the late 1990s, and following the *Berkeley* decision in the House of Lords,<sup>143</sup> led to many legal challenges, and much delay to and frustration of, development including housing schemes. This was brought back under control thanks to Lord Carnwath's decisions in a series of cases and culminating in the Supreme Court's decision in *Walton*<sup>144</sup> in 2013. But there is a real risk of revival of EIA as a major issue following the Supreme Court's recent split decision in *Finch*<sup>145</sup>. For example, is the quarrying of aggregates used in building new homes an indirect upstream effect of that housing? Years of litigation on the causation tests set by the majority of the Supreme Court for such indirect impacts is to come ... <sup>146</sup>.
- 101. So in theory EoRs offer an opportunity to simplify EIA and SEA and reduce the burdens. But the devil is in the detail. In many ways the requirements of EIA and SEA are now very well-known. The number of successful legal challenges based on these regimes seems to me to have fallen. The risk of introducing a new regime is increased uncertainty and an increase in legal challenges. Moreover, it is not EIA and SEA but rather habitats laws that have had the greatest impact on housing delivery over the last 20 years. These laws have, as already discussed, given rise to a rolling series of moratoriums on new housing
- 102. Fifth, the Government has taken an increasingly hard line with emerging Plans the subject of long delays. The Housing Minister back in August 2024 wrote to PINS saying that the expectation set out by the Government in 2015 that PINS operate "pragmatically" during local plan examinations to allow deficient plans to be fixed at examination has "gone too far and has perversely led to years of delays". He said the delays in examinations under the practice also fail to guarantee that the plans will ever be found sound or that the local authorities will make the necessary decisions to get them over the line. The Minister said the change in approach is aimed at tackling delays in adopting local plans, which has seen the length of examinations increased from 65 weeks on average in 2016 to 143 weeks in 2022. The Minister said

<sup>&</sup>lt;sup>141</sup> See e.g. *R.* (Hart DC) v Secretary of State for Communities and Local Government [2008] 2 P. & C.R. 16.

<sup>&</sup>lt;sup>142</sup> Interestingly, Part 6 of The Levelling-up and Regeneration Act 2023 introduced Environmental Outcomes Reports ("EORs") intended to replace the EU-derived Strategic Environmental Assessment and EIA processes with an outcomes-based system which the then Government said would be more streamlined and place greater focus on delivering our environmental ambitions. There was a consultation on introducing this regime but it is not clear it will now likely never see the light of day.

<sup>&</sup>lt;sup>143</sup> Berkeley v Secretary of State for the Environment, Transport and the Regions [2001] 2 A.C. 603.

<sup>&</sup>lt;sup>144</sup> See Walton v Scottish Ministers [2013] PTSR 51.

<sup>&</sup>lt;sup>145</sup> *R* (*Finch*) *v Surrey CC* [2024] PTSR 988 at [88] and [90].

<sup>146</sup> The Government is consulting on guidance but this will not stop the issues arising: https://www.gov.uk/government/consultations/consultation-on-draft-supplementary-eia-guidance#:~:text=Whilst%20the%20facts%20of%20the,Assessment)%20Regulations%202020%2C%20which%20implement

that pragmatism "should be used only where it is likely a plan is capable of being found sound with limited additional work to address soundness issues". He emphasised that "[a]ny pauses to undertake additional work should usually take no more than six months overall" and that "[p]ragmatism should not be used to address fundamental issues with the soundness of a plan, which would be likely to require pausing or delaying the examination process for more than six months overall." He also said that local authorities should provide regular progress updates of their work to the Planning Inspector during any agreed pause and that in agreeing to extensions, the inspector should be confident that the local authority can complete any outstanding work in the agreed timeframe. The letter also said that authorities should not submit "deficient" local plans for examination, believing the inspector will use significant time and resources to fix them. This has led to several longrunning Plans falling over with acrimonious results.<sup>147</sup> The overall thrust of the letter is clearly sensible. Plans should not drag on endlessly if the prospects of them being adopted is small. But it is tough on authorities, and others such as those with draft allocations, when long-running Plans fail and they must start again.

103. <u>Sixth</u>, perhaps the most effective way to encourage local authorities to get Plans in place is to use the appeal and call-in system to grant planning permission for speculative applications where there is no Plan in place and there is no 5 year supply. The only real incentive for councillors taking on the pain of choosing sites for allocation for housing is if the alternative is that what they regard as worse sites are being permitted by Inspectors and the Secretary of State.

104. Seventh, NDMPs could reduce the burden of plan making: see below.

### (iii) What more could labour do?

105. The difficulties of getting Plans in place are legion. The Local Plans Expert Group ("LPEG") was established in October 2015 in response to the slow pace of plan making across England. LPEG was tasked with producing recommendations on how to streamline the process, and reduce the amount of time it takes for councils to get plans in place. Only some of its recommendations were taken forward. I fear that it is difficult to see that much more can be done than is already being done under the LURA 2023 provisions. Whether this will bear fruit is another matter.

# Reason 9 - Affordable housing has collapsed

### (i) The issues

"63. The collapse in affordable housing delivery has been dramatic. And it unquestionably presents a major barrier to wider housing delivery.

<sup>147</sup> https://www.horsham.gov.uk/news/2025/04/council-rejects-inspectors-flawed-assessment-of-local-plan and https://newsroom.shropshire.gov.uk/2025/03/local-plan-to-be-withdrawn-in-response-to-inspectors-letter/

- 64. In August of this year Building reported that housing associations had stopped bidding to buy s. 106 homes in many parts of the country, resulting in a drop-off in affordable homes and major delays on for-sale schemes. The article reported that by way of example Fernham Homes, having secured permission at Love Lane in Faversham to build 154 houses had not had one viable bid for the 54 affordable homes on the site.
- 65. The causes of the collapse are many and varied.
- 66. The architects Journal reported last week ... (12 November) that the GLA's Housing in London report said 2,358 affordable homes funded by City Hall got under way [between] 2023 [and] the end of Q2 2024. That is 91 per cent down on the 25,658 affordable homes which made headway in the capital with GLA money in 2022-23.
- 67. The Chancellor has promised a £500 million top-up for the Affordable Homes Programme (AHP) and a five-year rent settlement for social housing providers. This was directly linked to the ambition to deliver 1.5 million homes. This promise has been positively received but the reality is to deliver 1.5 million homes this will have to be just the beginning and much more is needed"
- 106. The Chartered Institute for Housing has referred to "a "perfect storm" of issues that are prohibiting Section 106 delivery, with all actors spanning the process flagging issues."<sup>148</sup>

# (ii) What have Labour done?

- 107. In June of this year the Chancellor of the Exchequer announced that the Government will spend £39 billion for a "new ten-year affordable homes programme". This the Chancellor said, "the biggest cash injection into social and affordable housing in 50 years, a new affordable homes programme which I'm investing £39 billion [in] over the next decade direct government funding to support housebuilding, especially for social rent". Kate Henderson, head of the National Housing Federation, described the announcement as "transformational" and "the most ambitious Affordable Homes Programme we've seen in decades". Charlie Trew, head of policy at Shelter, agrees this is a "a really big moment" for the sector, but said the government needs to set a "clear target" for exactly how many social rent homes are planned. 149
- 108. But it is £39 billion over 10 years: (i) how many affordable homes will £3.9 billion a year produce as against the scale of the need? And (ii) there is nothing that prevents a future Government reneging on this funding within the 10 years.

<sup>&</sup>lt;sup>148</sup> <a href="https://www.cih.org/news/cih-response-to-the-inquiry-into-improving-local-areas-through-developer-funding/">https://www.cih.org/news/cih-response-to-the-inquiry-into-improving-local-areas-through-developer-funding/</a> and <a href="https://www.cih.org/news/cih-responds-to-the-inquiry-into-delivering-15-million-new-homes-land-value-capture/">https://www.cih.org/news/cih-response-to-the-inquiry-into-improving-local-areas-through-developer-funding/</a> and <a href="https://www.cih.org/news/cih-responds-to-the-inquiry-into-delivering-15-million-new-homes-land-value-capture/">https://www.cih.org/news/cih-responds-to-the-inquiry-into-delivering-15-million-new-homes-land-value-capture/</a>

<sup>149</sup> https://www.bbc.co.uk/news/articles/c8e6zk5p9l5o and see https://www.gov.uk/government/news/hundreds-of-thousands-to-get-secure-roof-over-their-heads "Press release Hundreds of thousands to get secure roof over their heads Government sets out ambitions for a social rent revolution through the new £39 billion Social and Affordable Homes Programme."

#### (iii) What more could Labour do.

- 109. As noted above the Fabian Society's recent report "Breaking Ground Delivering 1.5m homes in one Parliament" strongly urges that more is done in relation to social and council housing.
- 110. When the UK was last building the number of homes Labour seeks to deliver a huge amount of that building was being done by the public sector. During the height of council building, in the 1950s, councils built on average around 147,000 homes a year. In the past 10 years councils have averaged building around 1,400 homes a year. This is due to a number of Government restrictions and lack of funding. The infrastructure of local authority housebuilding is thus largely gone and we will need to be rebuilt from scratch. This needs to happen but it is not credible to think that in the

https://www.bbc.co.uk/news/articles/cn7m216p60xo. See also

 $\underline{https://www.planningresource.co.uk/article/1921466/chancellor-pledges-spend-39bn-affordable-housing-next-decade?bulletin=planning-next-decade.bulletin=planning-next-decade.bulletin=p$ 

<u>daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250611&utm\_content=Planning%20Resource%20Daily%20(351)::www\_planningresource\_co\_uk\_art&email\_hash=:</u>

"The previous Conservative government established the Affordable Homes Programme in 2021. According to the government's website, the AHP allocates grant funding to local authorities (LAs) and housing associations (HAs) to help support the capital costs of developing affordable housing for rent or sale.

The programme had been operating "with a budget of £11.5 billion", it adds, but received top-ups of £500m in last year's Autumn Budget and £300m in February.

The chancellor Rachel Reeves announced that the Labour government would be investing £39 billion in a "successor" to the AHP while delivering the spending review statement in the House of Commons today (Wednesday, 11 June)."

151 https://www.local.gov.uk/topics/housing-and-planning/council-housing-100/future-council-housing. Note though https://www.room151.co.uk/151-news/london-building-twice-as-many-council-homes-as-rest-of-the-country/:

"London is delivering twice as many council homes as the rest of the country, the Greater London Authority has reported.

The organisation cited government data on affordable housing supply, which showed an average of 89 council homes a week have been started in the capital between May 2016 and the end of the last financial year. Council homes are now being built in every London borough, it added.

The figures also showed that local authorities in London started building twice as many council homes than the rest of the country combined last year, with nearly 11,000 new council homes started in 2022/23.

*Since* 2016, *more than* 32,000 *council homes have been started in London. City Hall said it had directly funded some* 23,000 *of these."* 

See also <a href="https://lichfields.uk/blog/2023/october/9/council-led-house-building-in-london-a-new-golden-era">https://www.london.gov.uk/council-homebuilding-london-last-year-higher-rest-country-combined</a> and <a href="https://www.architectsjournal.co.uk/news/councils-to-keep-more-right-to-buy-income-to-build-new-housing">https://www.architectsjournal.co.uk/news/councils-to-keep-more-right-to-buy-income-to-build-new-housing</a>.

<sup>&</sup>lt;sup>150</sup> the BBC recently reported when Harold Wilson was Labour prime minister in the late 1960s, up to a third of people in England lived in a council house or flat. But by the time Keir Starmer became prime minister in July this year, the proportion of people in England living in social housing had fallen to about 16% of the population – about four million:

next five years that local authority house building will make much of a contribution to meeting Labour's ambition.<sup>152</sup>

111. Moreover, before you start filling the bath you need to put the plug in the hole. As the BBC recently reported when Harold Wilson was Labour prime minister in the late 1960s, up to a third of people in England lived in a council house or flat. But by the time Keir Starmer became prime minister in July this year, the proportion of people in England living in social housing had fallen to about 16% of the population – about four million: <a href="https://www.bbc.co.uk/news/articles/cn7m216p60xo">https://www.bbc.co.uk/news/articles/cn7m216p60xo</a>. It is said that about two million council-built properties have been sold to their tenants at significantly discounted prices under the Right To Buy scheme since it was introduced by Margaret Thatcher's Conservative government in the early 1980s. The money raised was not used to build new council homes. We now have 1.3 million on waiting lists and billions being spent on housing benefit. It does seem that Labour are beginning to plug the hole 153, but what it has proposed so far does not go far enough. 154 Right to Buy will have to be ended.

# Reason 10 - The endless and wearying proposals for planning reform ...

## (1) The issues

"68. Finally, since the summer of 2020 when Boris Johnson published the Planning for the future White Paper it has been a constant merry-go-round of proposals to reform the planning system. This causes uncertainty for developers, adds to the pressures on local authority planning departments and leads to more litigation. So, it needs to stop. Labour have not stopped. In the King's Speech, it was announced that "Ministers will get Britain building, including through planning reform, as they seek to accelerate the delivery of high quality infrastructure and housing." ... New legislation means new legal issues and more litigation. You cannot just legislate for planning processes to be fast. If only it was so easy.

- 69. Now the new Conservative Leader has said that the "over-complex" planning system has held "back growth and infrastructure, with serious negative consequences" and created "a quasi-cartel of large housebuilders" in a pamphlet outlining her policies and ideas.
- 70. Politicians love mooting legislative planning reform to speed things up and ensure delivery. But this is easy to say, and it is also damaging to say, but it is near on impossible to deliver. Promising legislation on planning to solve our problems is virtue signalling of the worst kind. It allows politicians to portray themselves as people of action.

<sup>&</sup>lt;sup>152</sup> The recent announcement of a changing of the guard at a senior level at Homes England is an interesting development in terms of the role that modern public sector organisations may have in seeking to deliver 1.5 million homes: <a href="https://www.housingtoday.co.uk/news/homes-englands-ceo-and-chair-both-standing-down-next-year/5132665.article">https://www.housingtoday.co.uk/news/homes-englands-ceo-and-chair-both-standing-down-next-year/5132665.article</a> and

https://www.placenorthwest.co.uk/boylan-takes-top-post-at-homes-england/

<sup>&</sup>lt;sup>153</sup> https://www.gov.uk/government/news/future-of-social-housing-protected-through-right-to-buy-reforms

<sup>154</sup> https://www.bbc.co.uk/news/articles/c6257pr3q760

71. Any further large-scale legislative reform of planning will not help deliver 1.5 million new houses. Any new legislation will take time to bed in. The uncertainty before it is enacted and has bedded own will also likely put some developers off. It will increase the amount of litigation at least in the short term. It is also largely unnecessary. The Government can achieve far more by changes to the NPPF, the PPG and by callingin and recovering appeals for large housing schemes and allowing these. In fairness the Government seems to be looking to do all these things. But if so, do we really need another Planning Bill?"

### (2) What have Labour done

- 112. Since I wrote those words the proposals for reform have carried on relentlessly; we have had the P&I Bill, changes to the PPG, a revival of the proposals to replace EIA with EoRs and ongoing discussion of National Development Management Policies ("NDMPs") with rumours of internal debates as to whether these are a good idea. In June of this year *Planning* reported that "*National development management policies to prioritise eight 'growth-driving' sectors, industrial strategy reveals*". There is merit in the system of NDMPs; it could speed up the Local Plan process by reducing the need for all Plans to reinvent the wheel on the basic development management policies on things like Green Belt, heritage etc. But introducing these and bedding them down will take time and eat up resources. In July it was announced that the Government had delayed consultation on NDMPs until later in the year. The lit was also mooted that following publication of NDMPs a further revised NPPF would follow. Please no ...
- 113. There are also proposals to reform the scope of statutory consultees including removing statutory consultee status from Sport England, the Theatres Trust, and the Gardens Trust. 157
- 114. As I was finishing this paper, rumours began to circulate of a new further Planning Reform Bill seeking to further restrict judicial review in relation to NSIPs and also further reforming environmental rules including the Habitats regime. The rumour of another Bill was confirmed on Friday 12 September 2025 when the FT reported 158 "Rachel Reeves hires planning lawyer to speed up big infrastructure projects". Catherine Howard of Herbert Smith Freehills Kramer will work on next phase of the

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<sup>155</sup> https://www.planningresource.co.uk/article/1923205/national-development-management-policies-prioritise-eight-growth-driving-sectors-industrial-strategy-reveals?bulletin=planning-daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250625&utm\_content=Planning%20Resource%20Daily%20(326)::&email\_hash=

https://www.planningresource.co.uk/article/1925705/government-delay-planned-consultation-national-development-management-policies-until-later-year?bulletin=planning-daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250716&utm\_content=Planning%20Resource%20Daily%20(166)::www\_planningresource\_co\_uk\_art&email\_hash=
https://www.gov.uk/government/news/bureaucratic-burden-lifted-to-speed-up-building-in-growth-agenda

 $<sup>\</sup>frac{https://assets.publishing.service.gov.uk/media/68a4873df49bec79d23d29cc/Chief\_Planners\_Newsl}{etter\_19\_August\_2025.pdf}$ 

<sup>&</sup>lt;sup>158</sup> https://www.ft.com/content/9e4400bc-cb6b-4442-af78-866618d7881a

government's planning reforms. More new legislation on planning? Really? Can I make a plea that I have previously made:

"I really hoped this new Government would have listened. Its objectives, namely to build more homes to build well-designed homes and to speed things up, can be very largely achieved by policy, guidance and the actual making of decisions on recovered appeals and call-ins. More planning legislation means uncertainty and delay.

Just leave the legal regime alone! Planning does not need more planning legislation. Save on one point - reverse **Hillside**!<sup>159</sup> The system is being blighted by successive tinkering and to no good end."<sup>160</sup>

# (3) What more could Labour do?

115. It is very simple. Less is more. The Government needs to stop the legal *and* also now policy reforms. It needs to give those who work in the field an opportunity to deliver.

#### **Conclusions**

116. I concluded in my earlier paper that "Labour will fail to build 1.5 million homes in the next 5 years. But it is important to acknowledge that at least they are going to try. Such ambition is to be welcomed; even if it is promising something that just cannot be achieved ...".

117. But since then some nagging concerns have entered my mind on all of this.

- 118. <u>First</u>, the simple truth is that it was never ever going to be possible to build 1.5 million homes in one Parliament. The envisaged boost to annual housing supply in England could perhaps be realistically achieved over two Parliaments but never one. Is it right that politicians promise the electorate that they will do things that they know, or should know, cannot in fact be done? Does it further undermine trust in politics?<sup>161</sup>
- 119. This ties in to a fundamental concern about the future of democracy in the twenty first century. Politicians are increasingly short term in their thinking. They can rarely see beyond the next General Election; indeed all too often they can't see past the

<sup>&</sup>lt;sup>159</sup> But this has not happened: <a href="https://www.planningresource.co.uk/article/1932235/minister-rejects-kcs-planning-bill-tweak-seeking-ease-developers-ability-modify-large-scheme-consents-pledges-discuss-issue-further?bulletin=planning-

daily&utm\_medium=EMAIL&utm\_campaign=eNews%20Bulletin&utm\_source=20250912&utm\_cont ent=Planning%20Resource%20Daily%20(306)::www\_planningresource\_co\_u\_2&email\_hash=

160 https://www.localgovernmentlawyer.co.uk/governance/396-governance-news/57961-king-s-speech-2024-reaction-from-the-

<sup>&</sup>lt;u>sector</u>#:~:text=James%20Maurici%20KC%20of%20Landmark,not%20need%20more%20planning%20legislation

<sup>&</sup>lt;sup>161</sup> I fear it does. Setting unrealistic goals causes increased stress and the risk of burnout for those tasked with "delivering" them, and then in turn when it becomes clear the goal will not be met it can cause demotivation and disengagement. But even more importantly setting unrealistic goals also (further) erodes trust and credibility in elected politicians.

next 24 hour news cycle. Delivering the housing and other infrastructure this country needs requires long term planning and delivery goals to be set and then adhered to.

- 120. It requires proper political leadership. These days if a Party leader loses an election they are inevitably removed as Party Leader. That did not used to be the case (see e.g. Winston Churchill, Harold Wilson and Ted Heath). The result is that if a modern politician is presented with a policy that would play negatively with voters at the next General Election but would in 10 or 20 years deliver huge benefit for the country there is simply no incentive for them to pursue it. The failure to tackle many other issues (e.g. climate change) in democracies is driven by similar political short-termism. The issues are made all the more difficult by the end of any form of consensus politics. Each time the Government changes it changes the long term goals set by the last Government on infrastructure tend to be jettisoned. Look at the flip-flopping on Heathrow, HS2, strategic planning etc.
- 121. Second, I fear what the political consequences might be down the line when the planning system for all the tweaks and changes now being made fails to deliver anything like the promised 1.5 million homes. The planning system itself will likely be blamed by politicians. No doubt further reform will then be proposed. Recently some think tanks (especially on the right) have been advocating the abolition of the UK discretionary planning system; some have called for a zoning system and others for the replacement of planning entirely with a return to the pre-1947 position and relying only on restrictive covenants. He left join these calls when Labour fails to deliver 1.5 million homes? There is a danger that planning itself will be brought into disrepute and be blamed for the failure.

Ten reasons why Labour will fail to build 1.5 million new homes revisited: how are they doing and what else could be done to help deliver this goal?

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https://www.theplanner.co.uk/2025/02/24/think-tank-calls-flexible-zoning-reforms-planning-system; https://policyexchange.org.uk/wp-content/uploads/Rethinking-the-Planning-System-forthe-21st-Century.pdf and https://tcpa.org.uk/wp-content/uploads/2022/04/TCP\_Jul-Aug21\_WebArt2.pdf

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