

London Chamber of Commerce and Industry submission to the National Planning Policy Framework consultation

September 2024

Introduction

1. London Chamber of Commerce and Industry (LCCI) is the capital's largest independent business advocacy organisation. We represent the interests of firms of all sizes, from micro-businesses and sole traders through to large, multi-national corporates, across all 33 London local authority areas – genuinely reflecting the broad spectrum of London business opinion.
2. As the voice of London business, we seek to promote and enhance the interests of the capital's business community through representations to central government, the Mayor and London Assembly, Parliament and media, as well as international audiences. Through business surveys and commissioned research, LCCI seeks to inform and shape debate on key business issues.
3. LCCI engages with businesses in a variety of ways, including through membership committees that bring together industry experts to discuss how best to support London companies in key interest areas. LCCI has worked with members of its Connected Liveable London committee and Property & Construction Forum to garner their expertise for this response, and ensure their concerns are represented.

Responses to questions

Question 1: Do you agree that we should reverse the December 2023 changes made to paragraph 61?

- LCCI and its members support the Government's decision to reverse the December 2023 changes.

Question 2: Do you agree that we should remove reference to the use of alternative approaches to assessing housing need in paragraph 61 and the glossary of the NPPF?

- LCCI's members expressed the view that, while local planning authorities (LPAs) should utilise the standard method to assess housing needs, it is important to maintain flexibility within the system. Alternative methods based on business needs should still be permitted for use on a spatial level.

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Question 3: Do you agree that we should reverse the December 2023 changes made on the urban uplift by deleting paragraph 62?

- LCCI and its members agree that the changes from December 2023 on the urban uplift should be removed.

Question 4: Do you agree that we should reverse the December 2023 changes made on character and density and delete paragraph 130?

- Our members recommend that paragraph 130 is deleted, agreeing with the assessment that it could restrict the ability of LPAs to meet their local housing needs.

Question 5: Do you agree that the focus of design codes should move towards supporting spatial visions in local plans and areas that provide the greatest opportunities for change such as greater density, in particular the development of large new communities?

- Yes, LCCI supports this move which should enable more joined-up thinking between urban and rural planning authorities and recognising the greater need for design codes to address urban regeneration projects as compared to smaller towns and other places, where design matters are often addressed by such local bodies and parish councils and neighbourhood forums.

Question 15: Do you agree that Planning Practice Guidance should be amended to specify that the appropriate baseline for the standard method is housing stock rather than the latest household projections?

- The use of household projections for setting baselines within the standard method is a flawed approach. Using current housing stock to determine appropriate baselines should provide a better starting point for establishing the housing needs of a local area more accurately, therefore LCCI supports this new standard method methodology.

Question 20: Do you agree that we should make the proposed change set out in paragraph 124c, as a first step towards brownfield passports?

LCCI has long argued that limited development within the Green Belt should be permitted. In its 2017 paper *Brown for Blue*, LCCI undertook a study showing that a significant number of sites within the Green Belt were previously developed land that

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was not contributing to the aims of the Green Belt policy therefore LCCI and its members warmly welcome the Government's shift in policy on this issue.

Question 21: Do you agree with the proposed change to paragraph 154g of the current NPPF to better support the development of PDL in the Green Belt?

- As stated in question 20, LCCI supports the Government's proposed changes to allow development on previously developed land within the Green Belt.

Question 23: Do you agree with our proposed definition of grey belt land? If not, what changes would you recommend?

- LCCI and its members agree with the Government's proposed definition of grey belt land.

Question 28: Do you agree that our proposals support the release of land in the right places, with previously developed and grey belt land identified first, while allowing local planning authorities to prioritise the most sustainable development locations?

- LCCI and its members agree that a targeted approach to land release in the Green Belt is necessary to avoid over-development and destruction of protected areas. Our recommendation on permitted development in Green Belt areas is predicated on utilising poor-quality land that does not serve Green Belt policy aims. By using a sequential test for land release, the Government is making clear that LPAs should be focussed on identifying those grey-belt and previously developed sites.

Question 31: Do you have any comments on our proposals to allow the release of grey belt land to meet commercial and other development needs through plan-making and decision-making, including the triggers for release?

- Our members made clear that there should be consideration given to commercial and other development needs when considering the release of grey belt land.
- LCCI appreciates and understands that it can be difficult to predict future commercial needs, which can lead to omission from local plans. There should be flexibility retained within the local planning system that allows for commercial needs to be incorporated into local plans, as their needs grow. This flexibility can cover situations in which commercial requirements had not been anticipated in the local plan and could be progressed only by means of a planning application (ie the development management rather than the plan-making regime).

Question 34: Do you agree with our proposed approach to the affordable housing tenure mix?

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- LCCI and its members are supportive of the Government's approach to affordable housing on Green Belt land. It is vital that any new developments are supported by adequate infrastructure (such as schools, medical care facilities and transport links).
- Our members also stated that development of new communities will likely lead to a greater need for logistics infrastructure, as the demand for online shopping grows.
- Commercial infrastructure – such as warehousing and fulfilment centres – should be considered as essential and be included alongside other public services infrastructure for new communities.

Question 58: Do you have views on why insufficient small sites are being allocated, and on ways in which the small site policy in the NPPF should be strengthened?

- There were a range of views from members on the issue of small sites. In terms of allocation, it is felt that LPAs do not have the resources to identify small sites within their areas. Planning teams are already dealing with significant workloads, and there is insufficient capacity within many LPAs to allocate small sites.
- In a response to a consultation on previous reforms to the NPPF, LCCI members also expressed the view that smaller contractors find it difficult to acquire appropriate insurance cover, despite the ability of many to offer a better value and more sustainable approach to projects.
- LCCI recommends that SME builders should be incentivised to make greater use of modern methods of construction (MMC), which are suitable for smaller sites and reduce costs for builders.
- LCCI and its members would also recommend that ring-fencing of raised fees (as will be explained in greater detail below) should retain more resources within local authority planning departments.

Question 62: Do you agree with the changes proposed to paragraphs 86 b) and 87 of the existing NPPF?

- LCCI and its members agree that the sectors identified by the Government are critical to the economy. It is particularly important to see the contribution of the freight and logistics industries being recognised within the reformed NPPF.
- Ensuring that the UK's supply chain is supported by the planning system is critical to growing the economy and supporting businesses across the country.
- Whilst it was agreed that the key sectors identified by the Government are important, LCCI and its members would suggest that this list be open to expansion in the future.

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Question 63: Are there other sectors you think need particular support via these changes? What are they and why?

- Alongside the key sectors identified within the updates to paragraphs 86 b) and 87 of the NPPF, LCCI and its members suggested that key transport hubs should be included. This would cover airports and rail freight terminals.
- Airports play an important role in the UK's supply chain, with much of the UK's cargo transported by air. Similarly, rail freight offers a more sustainable method of transporting goods around the UK, particularly when compared to HGVs.

Question 67: Do you agree with the changes proposed to paragraph 100 of the existing NPPF?

- As stated previously, LCCI and its members firmly believe that essential infrastructure, such as schools and hospitals, must be delivered alongside new housing developments. This would enable longevity of communities.
- As part of this, freight and logistics should be considered as essential in supporting communities to grow and thrive.

Question 69: Do you agree with the changes proposed to paragraphs 114 and 115 of the existing NPPF?

- It was felt by LCCI and its members that more information is needed on vision-led transport planning.
- LCCI is minded to agree with the aims of the statements made by the Government, but would want additional clarity on what this looks like in practice.

Question 87: Do you agree that we should we replace the existing intervention policy criteria with the revised criteria set out in this consultation?

- LCCI's members felt that this revised criteria for intervention policy may be portrayed as over-reaching from the Government.
- LCCI's members want to see any intervention policies used only as a last resort. There was also a consensus that the criteria used are clear, to avoid any confusion.

Question 89: Do you agree with the proposal to increase householder application fees to meet cost recovery?

- LCCI and its members support the proposal to increase fees. As stated earlier in our response, LCCI recognises that planning departments are under immense pressure, often constrained by a lack of sufficient resources.

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- LCCI's members made it clear that businesses will agree to an increase in fees, provided that the result is an improved planning system.
- LCCI would want to see fees ringfenced and put straight back into planning departments. Businesses, and households, will not support fee increases if those new funds are used by local authorities for other purposes. Planning services would need to improve to justify the increase.
- It is also vital that fees should remain reasonable, and not be raised too far.
- Additionally, fee levels should be consistent across different local authority areas. In the case of London, LCCI recognises that planning processes and development in some parts of the city are more costly than others. However, fees should remain consistent across London, without too great a variance between boroughs.

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