Consultation Response – Submitted Online

Planning Reform Working Paper: Speeding up Build Out

It is noted that a Planning Reform Paper: Speeding up Build Out was published on the 25 May 2025, as part of a series of working papers on planning reform. This paper specifically seeks views on further action the government should take to speed up homes being built, as part of the commitment to delivering 1.5 million homes in this Parliament.

Wealden District Council (WDC) have considered the actions and measures considered by government and has responded to the eleven specific questions posed, as set out below. However, we also wish to draw attention to wider issues arising as a result of trying to speed up build out rates for housebuilding.

One of the most noteworthy aspects of any measure proposed is the issue of implementation and resource. A number of the proposals introduce entirely new procedures at new stages of the planning process. Measures such as the submission of a Build Out Statement and annual reports on housing delivery will all require effective assessment, ongoing monitoring, and appropriate enforcement to be effective. Adequate resource and associated funding for local planning authorities taking on this role therefore needs to be considered alongside these proposed actions.

This is especially relevant in local planning authority areas where housing need is greatest, as these authorities must plan for the greatest amount of housing delivery and subsequently assess the greatest number of housing proposals. In Wealden, the revised standard method for calculating housing need has resulted in a current annual need for 1,458 dwellings per annum (dpa). To meet this housing need in itself is a challenge and will be considered as part of the emerging Wealden Local Plan. To do so at a faster pace than the market has historically delivered is a further challenge and will depend on wider issues than just planning (i.e. the economic climate). This is also at a time when there are significant changes to both the planning system (with a further National Planning Policy Framework (NPPF) revision expected this year) and local government reform, which is proposed. It is therefore suggested that resources are suitably allocated and available to enable local planning authorities to rise to this challenge.

Turning to the specific questions asked on the principles behind the approaches proposed, we have provided the following comments.

Questions:

a. Do you agree with the evidence base and theory we have set out on build out rates?

Largely, yes. The evidence base appears comprehensive and considered, noting issues that fall beyond the sole remit of any one factor or profession and instead note interrelating factors that cumulatively affect build out. This comprehensive consideration of issues, alongside wider reform, suggests a combined approach to tackle multiple parts of the housebuilding system, not just elements of it.

Whilst this is supported, it should also be caveated to manage expectation and effects of proposed changes. Essentially, local planning authorities are only one part of the housebuilding system, not the sole controller of it. The consultation document itself states that the '*the Competition and Markets Authority (CMA) and others have concluded that most homes in England are not built as fast as they can be constructed, once permission is granted, but only as fast as the developer expects to sell them at local second-hand market prices. This leads to a build out rate for large sites which can take decades to complete. While it is commercially rational for developers to operate in this way, the systemic impact is a lower level of housebuilding than we need'* (paragraph 3 of the working paper). Whilst local planning authorities (with more resources) can implement measures to grant more permissions or a faster application process, it is the steps and decisions taken after that process that leads to a slower build rate. Interventions should therefore focus on this post decision stage, and matters outside of local authority control, to deliver a whole system approach that is as effective as possible.

As a live example, a site named 'Land West of Uckfield' was granted outline planning permission in 2015/16 financial period for 1,000 homes and at the end of the 2024/25 period, the developer had only built 250 (net) dwellings (the first phase of development). It is anticipated that the development will take at least a further ten years to be delivered in totality (maybe longer) and reserved matters applications for the remaining parcels are still being submitted to the local planning authority as of the end of last year and being negotiated.

b. How could we go further to support models of housebuilding which build faster, such as small sites, strategically master-planned and mixed tenure?

It is noted in paragraph 7 of the working paper that a number of factors affect build out rate, with those on small sites (typically built by Small and Medium Enterprise housebuilders (SMEs)); those with a higher level of affordable housing; and those with mixed tenures delivering faster. It

follows that any measures to encourage appropriate development of these types of housing schemes should therefore be encouraged.

WDC supports the provision of additional affordable housing and/or mixed tenure development, subject to local need. Our local evidence corroborates the national position that build out rates are faster on those sites delivering greater affordable housing. In Wealden District, the sites with the fastest build out rates in 2024/25 period all delivered more than the 35% affordable housing provision sought as an existing policy requirement. Even those sites with as little as only 5% above this minimum affordable housing threshold had faster builder out rates, showing the positive effect of only marginal increases in affordable housing delivery.

Paragraph 9 of the working paper identifies a five-part strategy that supports development of the housing typologies listed in this question. WDC welcomes measures in this strategy but also suggests that the government ensures those measures are implemented at an appropriate scale. The strategy references support for SME developments, which are typically smaller scale, and master planning on large strategic sites involving Homes England, which are typically of a much larger scale. In Wealden, which is a largely rural authority with significant housing need, the majority of development sits in the mid-range between these two scales (with many major schemes being between 200 and 500 homes). It is therefore suggested that measures be considered for all scales of housebuilding, including those medium-sized extensions to villages and towns that Homes England are not likely to be involved in.

It is also noted that the working paper references challenges with stuck/stalled sites and the increasing role for strategic master planning, in particular through Homes England and the expanded Mayoral Combined Authorities. Whilst these organisations are well placed to assist, it is also noteworthy that local planning authorities can positively influence these matters, on a local level, often being at the forefront of the planning process itself (be it at the site allocations stage in a Local Plan, or through a pre-application process). It is therefore suggested that the role of all parties be noted and strengthened.

c. For mixed tenure, what would you consider to be an appropriate threshold level?

The working paper states the government is '*considering a range of options to set the threshold at a level which balances increasing build out rates, supports broader market diversification and increases supply overall. The Independent Review of Build Out in 2018 recommended setting the threshold at 1,500 units, but some NPPF consultation responses suggested a lower threshold. As a result, we are considering several options for where*

to set the threshold, including at 500 units' (paragraph 15 of the Working Paper).

A lower rate for this threshold would be supported. The higher rate set out is a significant scale of development and is unlikely to include many development sites in Wealden. Noting that Wealden has the greatest housing need and largest geographic area in East Sussex, and often the largest sites, means that a threshold set at 1,500 dwellings, or even at 500 dwellings would have limited impact across the entire County. A lower threshold, or option for a minimum threshold which is non-negotiable and associated buffer where the option must be pursued and proven unviable, may be preferable.

d. Do you have any views on how the proposed CPO measures would work best in practice?

The proposal to allow for conditional confirmation of CPOs, as introduced by the Levelling-up and Regeneration Act 2023, is welcomed in principle. Any measures that unlock these challenging sites are welcomed, although to date, these have not proved necessary to use or consider within our district. Notwithstanding the above, options to enable a simpler legal process are worth consideration as part of the wider planning reforms. It is anticipated that a further detailed consultation is undertaken on the CPO process at a later stage.

e. How should MHCLG guide local authorities and developers towards reasonable build out schedules (noting that ultimately this will be negotiated locally)?

Parameters should be set to determine matters to consider at a local level when assessing Build Out Schedules submitted. There is an opportunity to utilise information already held and published in the public domain about local build out rates (e.g. that contained within Authority Monitoring Reports (AMRs) and Housing Land Supply Statements), to ensure fairness and transparency. However, consistency when these reports are required and the content of them may be necessary to ensure equal application across all housing areas. Consideration must also be given to what is determined as 'negotiated *locally*,' (added emphasis) especially in the context of wider Local Government Reorganisation (LGR) reforms.

An alternative option is to devise a national formula, with calculation then based on local data; similar to how housing need is calculated based on the 'standard methodology'. This would ensure consistency and give certainty to the development industry, whilst also preventing a resource intensive site by site exercise being undertaken by local planning authorities.

In principle, WDC largely welcomes the introduction of the Build Out Schedule proposals, as these will give transparency in the house building process and enable better forecasting of housing delivery and consistency in monitoring housing land supply. However, we do have several concerns, as set out in the responses below, which should be addressed for the proposals to be effective.

f. What are the right set of exemptions for external factors that impact build out rates? Should this include economic downturns which reduce sales rates, or does that mean that payments would be too weak to induce the shift toward the partnerships business models we want to see?

WDC welcomes that this concern has been raised, as these exemptions will require careful consideration to prevent inappropriate application and use.

Firstly, it must be established from which part of the development process the application of any exemption would apply. If developers wish to apply exemptions from when Option Agreements or other mechanisms are negotiated, especially if this is the stage at which development finance and viability is considered, this may introduce the option of utilising exemptions over a significant number of years. Clarification should be provided on this timing.

Secondly, the years over which development proposals are negotiated, assessed, permitted, and then built out are significant (as alluded to in our response to Question A), and market changes are therefore often inevitable. An element of fluctuation should therefore be allowed for, with exemptions only applying to significant or material changes, which should be quantitatively defined.

Lastly, it is noteworthy that there should be strict parameters on what is defined as a *'suitable'* external factor that is justified as a basis for exemption. Otherwise, the use of any external factor may be raised. On this basis, the majority of development in the last five years may have sought exemption with the world events that have taken place, such as the Covid-19 pandemic, wars (i.e. Ukraine), interest rate rises, Brexit, and changes to labour markets to name a few. The consistent prevalence of these notable events show how often exemptions may be sought if the exemption list is not limited and perhaps quantitatively linked.

g. For the Delayed Homes Penalty, do you agree with the intention to use it to incentivise the shift towards higher build out models of housebuilding?

WDC agree with the proposal to introduce a Delayed Homes Penalty to incentivise greater housebuilding.

WDC would like to see greater use of this than just being applicable to the largest strategic developments. Use of these measures alongside the Build Out Statement proposals, potentially applicable to developments with 50 or more dwellings (as detailed in the accompanying Technical Consultation on implementing measures to improve Build Out transparency) are supported. This will ensure a large range and scale of developments in the Wealden District are held to account.

One challenge that may arise when considering how and when the penalty applies is the potential steps that may be taken to avoid it. For example, in pre-development stages, developers may underestimate build out rates, to apply a cautious approach and ensure the penalty is not incurred. There should be consequences for developers who consistently underestimate build out rates, to deter such potential practices.

Similarly, there should be mechanisms in place to ensure accuracy between what is cited in Development Progress reports and what is experienced on the ground, again with consequences if these two information sources are not consistent and accurate. This is raised as local planning authorities often visit sites to monitor completions on these sites (at WDC, we monitor all housing schemes at least annually), but discrepancies may arise between checking dwellings as built, the information held by contractors on site, and the information held by regional or national developer offices.

h. How should the Penalty be calculated? What are the strengths and weaknesses of using a percentage of house price, or reference to local council tax rates? What information would local authorities require?

It is considered that any penalty needs to be locally specific to have maximum impact, relevant to the local area, and housing market, in which the development is being built out.

The strength of linking any penalty to local Council Tax rates is that these rates are administered by the local authority, so the data necessary for any penalty applied is readily available within the organisation. It is also locally linked to development. However, as a potential weakness, local authorities need to be careful not to reinforce public perception of development only being permitted in areas to maximise Council Tax income.

An alternative would therefore be to link the penalty to sales and house prices. Various parts of the working paper refer to this being the driver of build out rates, stating that '*multiple market studies have found that most large housing sites are built at the pace the homes can be sold at current second-hand market prices, rather than the pace at which they could be constructed if pre-sold (i.e. to an institutional landlord). The rate of building*

consistent with selling at local second-hand market prices is known within the industry as the 'absorption rate'. The Letwin Review concluded that local absorption rates were a "binding constraint" on build out rates' (paragraph 4c of the Working Paper). Influencing these rates may therefore be a more powerful incentive to boosting house building. To effectively administer, developers could provide development forecast information at the start of the process, as part of the Build Out Statement submitted with the planning application. If forecasts then alter significantly following that, the authority could seek a percentage of the value change as a consequence, acting as a deterrent to do so.

i. Are there wider options you think worth worthy of consideration that could help speed up build out of housing?

As detailed within the Housing Action Plan 2024, WDC implements a number of measures to progress housing delivery within the district. These measures include both interventions and support and cumulatively aim to boost housing delivery and housing land supply.

One of the measures implemented since January 2023 has been the implementation of reduced time limits on the commencement of development, via condition, requiring development to begin within a shorter timeframe than the relevant default period. The reduced time-period is typically 18 months on full applications, with outline permissions given two years for submission of Reserved Matters, and commencement on site 12 months thereafter. WDC have been successful in justifying this position at appeal. Options to investigate these shorter time periods for implementation, especially at times when delivery has reduced, could be an option to investigate further.

j. Do you anticipate any environmental impacts from these proposals that the government must consider and the Environmental Principles Policy Statement?

WDC has no specific comments to make on this.

k. Do you anticipate these proposals giving rise to any impacts on people who share a relevant protected characteristic, as defined by the Equality Act 2010, that the government must consider under the Public Sector Equality Duty?

It is noted that the provision of housing and specifically affordable housing often provides homes for those most in need in our communities, and the provision or lack thereof should be considered as to whether it indirectly affects protected groups who are more likely to need this accommodation provision.

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