

British Property Federation (BPF) Briefing

Planning and Infrastructure Bill

Second Reading, House of Commons, 24th March 2025



The BPF is the voice of the UK property industry, which adds more than £110 bn a year, or 5% of Gross Value Added (GVA) to the UK economy. We support one out of 13 jobs across the country and pay more than £7bn in direct taxes each year, contributing another £7bn indirectly to local communities.

This briefing outlines our position on various aspects of the Bill. We would be pleased to discuss its content with Members as it progresses. Note that the structure of this briefing mirrors the Bill's.

Key points:

1. **We broadly welcome much of the Bill. It is well-intentioned in seeking to underpin the Government's key priorities to foster growth and deliver 1.5m homes.**
2. **We support the Government's stance on strategic planning. It is not just about housing though. Communities need jobs, infrastructure, leisure facilities, and good placemaking. We would therefore have liked to have seen more emphasis in this part of the Bill on how strategic planning can aid non-housing uses. We may suggest amendments at later stages of the Bill to strengthen planning for employment land.**
3. **A National Scheme of Delegation will have many benefits, enhancing the prestige of the planning profession and freeing up resource for complex schemes. Further thought is needed on its design, however, with focus on specific circumstances, rather than what is said (or not said) in a local plan.**
4. **We are supportive of more and better training for planning committee councillors, especially on the economics of the development process, and knowledge of housing provision beyond affordable housing and volume house building.**
5. **Localising planning fees must have some checks and balances, and the Bill goes some way on that. Increased fees must be invested back into planning service provision.**
6. **CPO reform on 'Hope Value' is highly contentious, and we fear will lead to less land coming forward. It also has significant implications for human rights. It is important procedurally that both Houses get the opportunity to properly scrutinise any Government's proposals that come forward.**

Part 2: The new strategic planning structures and their importance for employment land

1. We support the Government's commitment to introduce universal strategic planning across England. The new Spatial Development Strategies (SDSs) are particularly important for employment uses such as logistics, which require a 'larger-than-local' approach to plan-making. The benefits of logistics developments often span multiple local authority boundaries, and so a strategic planning tier is essential for a more coordinated and effective approach.
2. However, we believe the crucial role of SDSs in planning for employment land, particularly logistics, deserves greater recognition in the Bill. While the Bill explicitly acknowledges the role of SDSs in strategic housing provision, it is notably silent on employment land. **Planning for employment uses should be addressed at the strategic level to ensure a consistent approach across local authorities.** Ideally, the relevant strategic authority should set an overall employment land delivery figure, which would then be distributed among local authorities, mirroring the approach used for housing through the standard method.

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Part 2: A National Scheme of Delegation for planning decision-making

3. The Government's plans to introduce a National Scheme of Delegation through the Bill is extremely welcome.
4. The effect of this should be to enable planning committees to consider matters that truly need to be assessed at committee, but also to empower local authority planners to take important decisions. This will further enhance the pride and prestige of the local planning profession. Committee time will be freed up, allowing council decision-makers more time to focus on larger, more complex planning applications, hopefully leading to better decisions.
5. The effectiveness of the National Scheme of Delegation will not be determined by the Bill itself but rather through further consultation promised by MHCLG.
6. Current proposals advocate for a more 'rules-based' approach to assessing planning applications. However, in practice, the planning system is inherently complex and requires careful judgment at multiple levels. For example, a concept from the Government's previous working paper suggests that planning decisions should be delegated to officers if an application aligns with the local plan.
7. In reality, however, many applications do not fully comply with local policies due to the complexity and often competing nature of policies within a development plan. As a result, there is often an argument that an application is not entirely in accordance with the plan - particularly for larger, more complex development schemes. **We therefore look forward to contributing to MHCLG's consultation on the final design of a National Scheme of Delegation to get this proposal right in practice.**

Part 2: Councillor training for Planning Committees

8. We strongly support mandatory training for councillors serving on local authority planning committees, as well as the Government's previous working paper proposal to introduce a code of conduct to uphold high standards of behaviour in committee proceedings.
9. In designing training, a balance must be struck. It is not realistic for councillors to become experts in all the technicalities of the planning system - that role rightly falls to council planning and legal officers. However, they should have a solid grounding in all relevant planning topics and, crucially, a clear understanding of their responsibilities as decision-makers. Poor-quality decision-making can lead to significant financial consequences for local authorities, including substantial cost awards through the appeal process.
10. Additionally, **training should include a focus on the economics of the development process. This would help council decision-makers gain a better understanding of complex issues such as development viability**, ensuring they are well-equipped to make informed decisions on planning applications.
11. There is also a need to ensure that councillors' knowledge is broader on housing delivery, which is not limited to affordable housing providers and the volume house builders, but includes a variety of other providers, such as Build-to-Rent developers, older peoples' housing, student accommodation, small builders, and community-led housing.

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Part 2: Local Planning Authorities setting their own planning fees

12. The BPF advocates for a national approach to planning fee setting because full localisation would place an additional burden on already stretched local authority planning departments. Although the Government has moved away from this approach, it is welcome that, while local planning authorities will have more freedom to set their own planning fees, there will still be checks and balances set out in regulations to ensure any local variations are justified.
13. However, it is important to **note industry concerns regarding the lack of consistency across local authorities in fees for pre-application meetings and Planning Performance Agreements (PPAs)**, which further highlight the need for proper oversight and scrutiny of any local fee variations.
14. We welcome the commitment in the Bill that any fee income councils generate from planning services must be reinvested within their planning departments.

Part 3: Development and nature recovery

15. In principle, we support the measures in the Bill to help developers meet their environmental obligations, including the proposed Nature Restoration Fund. We recognise that Government is trying to make it quicker and simpler for developers to meet their environmental responsibilities whilst at the same time protecting and restoring nature.
16. However, **we need to understand how these proposed new measures will work in practice**. In particular, how will the Nature Restoration Fund work, how much will developers have to pay, what sort of environmental impacts will it apply to and will it be mandatory or voluntary? For the new approach to work Natural England must be properly resourced and have the capacity to carry out its additional responsibilities at pace.

Part 5: Changes on Compulsory Purchase

17. Many changes to the Bill regarding compulsory purchase are non-controversial technical tweaks, as consulted on in an MHCLG consultation earlier this year. However, it is notable that **the most concerning proposal from that consultation has not been included in the first draft of the Bill**.
18. This proposal seeks to expand the circumstances under which a landowner could be deprived of market value through the CPO process for certain types of brownfield land and land already allocated for residential use in the relevant local plan. BPF members have concerns about this proposal. Expanding the circumstances in which 'hope value' can be denied would undermine confidence in the broader land market, discouraging land promoters from undertaking the detailed technical work required to bring a site forward. This, in turn, could lead to less land being made available for development, ultimately harming overall housing delivery.
19. We also note that when the previous government introduced measures to expand the circumstances under which market value could be denied through CPOs in the Levelling Up and Regeneration Act 2023, these were added very late in the parliamentary process - before the Government had even responded to the consultation on the proposed measures. We urge this Government to publish its response to the consultation before putting it in legislation, and that any amendments that are subsequently brought forward get proper scrutiny from both Houses.

For more information, please contact Sam Bensted, Assistant Director (Planning and Development) sbensted@bpf.org.uk