

Dear Colleague letter – LONG TERM PLAN FOR HOUSING

13 February 2024

Dear Colleague,

Today, we are taking the next step in our long-term plan for housing, announcing a package of measures to ensure more homes get built where they are needed most – in our inner cities – helping protect the Green Belt and countryside.

We have a strong record of housing delivery. We are on track to meet the manifesto commitment to build one million homes this Parliament, and to have delivered over 2.5 million more homes since 2010. This includes almost 696,000 affordable homes, and supporting over 876,000 households into home ownership. Over this Parliament, we have delivered the highest number of new homes for over thirty years, with the greatest number of first-time buyers in a single year for two decades.

The changes we made to national planning policy in December were designed to support delivery by addressing legitimate concerns about weaknesses in the planning system, which in turn led to frustrations about the nature of development. That is why we moved to protect the Green Belt, clarify how housing targets should be set, safeguard the character of suburbs, and ensure urban authorities play their proper part in meeting housing need. The further targeted action we are announcing today builds on those changes by making it easier to pursue the right kind of development on brownfield land – because we want to see more new housing in the hearts of our cities, rather than the unnecessary tarmacking over of the countryside.

Brownfield development

Last summer, I used my speech setting out our Long-Term Plan for Housing to draw attention to the particularly poor record of housing delivery in London, where housing affordability challenges are most acute. Only 35,000 new homes were delivered in the capital last year, which amounts to just over half the 66,000 homes the Mayor of London's own plan identifies as needed each year. That is why I urged the Mayor to take urgent action, and when he failed to do so, commissioned an independent review of the London Plan led by Christopher Katkowski KC.

This review, which we are publishing today, reveals the problems plaguing delivery in London – concluding that “the combined effect of the multiplicity of policies in the London Plan now works to frustrate rather than facilitate the delivery of new homes” and “four years into [the] ten-year [London Plan]...there has been an undersupply of more than 60,000 homes, more than a year of equivalent supply”. It recommends that to tackle this under delivery, a presumption in favour of brownfield development is introduced into the London Plan.

The Government intends to deliver the spirit of this recommendation – but believes it is important to tackle under delivery not just in London, but in our other major towns and cities that serve as engines of jobs and growth. We are therefore proposing to introduce a new ‘brownfield presumption’ in the twenty most populous cities and urban centres in the country, where housing delivery has dropped below expected levels. These twenty places, which include London, are the ones to which an ‘urban uplift’ already applies when determining the need for homes. This new presumption will make it easier to get permission to build on brownfield land where an authority is underdelivering, by raising the bar for refusing applications – ultimately helping more young families to find a home.

We also want to support brownfield development more widely, by making clear to every local authority in England that they need to be more flexible in approving planning applications on brownfield land. To make this happen, we are proposing a change to national planning policy that would require councils to give significant weight to the benefits of delivering as many homes as possible where there is a shortage of land for homes. This change would also tell councils that they need to be pragmatic in applying policies on the internal layout of developments – cutting through what can sometimes prove too complex a web of constraints that misses the prize of building new homes.

I want to note that neither proposed change affects the definition of previously developed land in national policy and so would not alter existing protections, including for residential gardens, nor amend other relevant policies on the character of suburban neighbourhoods. A consultation on these two proposals launches today, and will close on 26 March. Subject to that consultation, we will introduce these changes as soon as possible, through an update to the National Planning Policy Framework.

Permitted development rights

Complementing these changes on brownfield development, we are also helping developers overcome tiresome bureaucracy by slashing red tape that stops appropriate commercial buildings being turned into new homes. Following a consultation last year, the relevant secondary legislation will be laid in Parliament today to extend current Permitted Development Rights such that commercial buildings of any size will have the freedom to be converted into new homes – this means shops, offices, and other buildings all quickly repurposed, resulting in thousands of quality new homes by 2030.

In parallel, we are launching a further consultation on proposals to support millions of homeowners to extend their homes outwards and upwards, freeing new extensions or large loft conversions from the arduous process of receiving planning permission, while ensuring continuing protection for neighbours’ local amenity. Our proposals will also allow homeowners greater freedoms on installing heat pumps and Electric Vehicle charging points, ensuring these rights deliver what people want for their homes.

London delivery

These planning reforms are important, but our changes to policy come alongside additional funding too. We are announcing £50 million of investment to unlock new homes and improve the quality of life for existing residents through estate regeneration in London. Working closely with the London Borough of Camden, we are establishing a new Euston Housing Delivery Group to explore maximum regeneration and housing backed by £4 million. We are also announcing £125 million loan funding from the Home Building Fund Infrastructure Loans portfolio and Long-Term Fund for sites in East and South London which will unlock 8,000 new homes – and to help tackle undersupply in the medium-term, we are announcing our intention to legislate at the earliest opportunity to remove the current block on Homes England's role in London.

Support for SMEs

It is right that we do what we can to unleash the capability of housebuilders across the housing sector. SME housebuilders play a vital role in our communities, and we are already backing them through our £1.5 billion Levelling Up Home Building Fund and £1 billion ENABLE Build guarantee programme. Today we are going further by expanding the ENABLE Build scheme to cover more lenders and increase the availability of SME finance to the sector. To support access to land for building, we will also introduce SME-only sales of Homes England land, with pilots starting this year in the Southeast and Midlands. We will also update the Community Infrastructure Levy guidance to discourage higher rates being charged on smaller sites, responding to feedback from the sector.

Public sector land

It is also crucial for Government to play its part to release more land directly. That is why we are working with the three main landowning departments – the Department for Transport, the Ministry of Defence and the Department for Health and Social Care, as well as Homes England – which have pledged to set aside suitable unused or unwanted land for housing. So far departments have pledged to release Government owned land for at least 15,000 homes before March 2025, and we have set up a ministerial Taskforce to assure and accelerate delivery over the longer term.

Second staircases guidance

Finally, our focus is of course not just on building more but building safely. I have already announced my intent for second staircases in new buildings above 18 meters, and the associated transitional arrangements that will allow projects that are already underway to continue as planned. The Building Safety Regulator will publish detailed guidance to support a second staircase by the end of March, and this guidance will set out that the second staircase will not come with additional provisions such as evacuation lifts, providing housebuilders with the clarity they need to progress developments.

I would welcome your support as we take the next step in our long-term plan for housing that will ensure more safe, warm, affordable homes get built in the places that need them most.

With every good wish

RT HON MICHAEL GOVE MP

Secretary of State for Levelling up, Housing and Communities

Minister for Intergovernmental Relations