

MAC MIC GROUP

builtenvironment@parliament.uk

14th October 2024

Our Ref: 2024/7779

Dear Sir/Madam,

Grey Belt Inquiry Representations on behalf of Mactaggart & Mickel

Introduction

The House of Lords Built Environment Committee launched an inquiry into the Grey Belt on 6th September 2024, which closes on 14th October 2024, and forms part of the proposed planning reforms under an updated National Planning Policy Framework (NPPF).

Mactaggart & Mickel (Mac Mic Group), are pleased to provide representations in response to this inquiry, having made separate representations to the proposed NPPF reform consultation.

Fundamentally, the general extent of many Green Belt boundaries were identified many years ago, in a large amount of cases on an arbitrary, ad hoc basis. Immediate reviews of the Green Belt are therefore crucial to boosting housing delivery where land is in a sustainable location.

Consultation Response

1. What is your assessment of the Government's definition of "Grey Belt"?

We generally agree with the proposed two-stranded definition which includes Previously Developed Land (PDL) or land which makes a limited contribution to the five Green Belt purposes.

However, the definition of PDL requires urgent clarification within the proposed NPPF glossary updates. It is understood that the definition may be widened to include hardstanding and glasshouses (which Mac Mic Group is fully supportive of); and potentially other land uses in addition.

We suggest the Grey Belt definition wording is simplified from the currently proposed "*parcels and/or areas of Green Belt land*" by removing reference to "*parcels and / or*". It would appear from the current wording that "parcels" and "areas" are the same thing.

We would also suggest the definition is clarified to make clear that Grey Belt is either PDL **or** land that is not PDL but makes a limited contribution to the five Green Belt purposes; and that land defined as PDL is not linked to how it performs against the Green Belt purposes.

a. What is your understanding of what makes a “limited contribution” to achieving the purposes of the Green Belt?

We consider that a land or parcel’s contribution to the purposes of the Green Belt should be assessed on its cumulative contribution against the five purposes; and that, for example, a relatively stronger performance against one of the five criteria does not automatically constitute a sufficient contribution to leave a site outside the definition of “Grey Belt”. In some instances, other local designations could be more appropriate (i.e instead of Green Belt designation) where land only meets one or few of the five purposes.

Assessment of a land parcel’s contribution is largely influenced by local contextual factors, but it is important that the methodology used for assessing Green Belt land, and the terminology that is used in Green Belt reviews and assessments, are standardised (and technical terminology formally defined where possible) to promote consistency in assessing and reviewing Green Belt.

It is essential that Government clarifies its understanding of “limited contribution” to avoid ambiguous and inconsistent interpretation. This should ideally be as a footnote within the revised NPPF, with further explanation through an updated PPG as required.

2. Do you think the Government’s Grey Belt proposals will contribute to delivering new homes across the country and, if so, how quickly?

Yes. There is a significant opportunity to accelerate housing delivery through the early release of lower-performing and lower-quality Green Belt. We commend the Government for proposing significant reform to Green Belt policy.

We support the general intention to release Grey Belt through the plan-making process and the expectation that Green Belt reviews should be undertaken where its release is necessary for an authority to meet its housing, and other development, needs. The repositioning of regional strategic planning can play a key role in Green Belt reviews, in considering the function of the Green Belt across a broader geographic scale and wider housing market area, unconstrained by arbitrary authority boundaries.

Further, we support the proposed revisions to the decision-making process which set out a clear direction to ensuring development is supported in principle in specific, defined circumstances on Green Belt land. Given that it will inevitably take time for plan-making to comprehensively address plan-led Green Belt release, it is vital that decision-making is positive and proactive, especially in the early years of the Government’s term, if the target of delivering 1.5 million homes is to be achieved.

In broad terms, we consider the proposals could have a significant short-term positive impact on housing delivery, subject to further consideration around matters such as development viability, discussed below.

a) How many new homes could be built on Grey Belt land?

We cannot comment with any meaningful accuracy on the potential yield at this stage of the Green Belt reform process, although it is acknowledged that some research has suggested that between 479,232 to 798,720 new homes could be delivered on Grey Belt land (LandTech - Planning Resource, 2nd October 2024). A national Green Belt review is a critical primary input to understanding the scale of development that can be facilitated by Grey Belt land. We would also advocate the use of brownfield registers to maintain and update an accurate record of Grey Belt that falls within the PDL definition.

b) Will the creation of a new Grey Belt category be a better way to deliver new homes in the Green Belt than the existing processes for redesignating Green Belt land?

Yes. The current NPPF (paragraph 145) does not impose a mandatory requirement for Local Planning Authorities to review Green Belt boundaries where they fall short of meeting housing need. This is a significant impediment to delivering the scale of housing (and other development) required nationally. The proposed paragraph 142 directly addresses this matter, enabling lower-performing and lower-quality Green Belt to be released for housing and other development.

We support the sequential approach to releasing Green Belt that is appropriate and sustainable for meeting development needs. The proposals are clear that Green Belt land should not be released where doing so would not fundamentally undermine the function of the Green Belt across the area of the plan as a whole. Given that the existing process for redesignating Green Belt land is inadequate and requires a review of a Local Plan and cannot be relied upon to meet housing needs, the proposed approach strikes an appropriate balance between protecting higher quality Green Belt and releasing underperforming Green Belt.

3. Do the current proposals for identifying Grey Belt land provide local planning authorities with sufficient scope to meet their housing targets and the needs of local communities?

With the greater London Regional Planning Committee proposing the Metropolitan Green Belt around London in 1935, and the 1947 Town and Country Planning Act enabling local authorities to designate the status themselves, large swathes of designated Green Belt land have never been reviewed. As towns/cities have grown, the land surrounding these areas is, for the most part, highly sustainable and would make a significant contribution to housing crisis.

The proposals create a pathway for LPAs to review and identify Grey Belt land. However, the release of Grey Belt is likely to only contribute to part of an LPAs housing delivery strategy, and the relative contribution of Grey Belt will be locally specific, in terms of balancing the protection of the Green Belt's primary function with meeting local housing targets. The proposals give LPAs the tools to make more effective use of Grey Belt. We emphasise the need for clear guidance on the identification and criteria of Grey Belt land to ensure consistency in approach and application across local planning authorities.

We would reiterate that further guidance is required from Government in terms of defining what is meant by "limited contribution" to the five purposes of the Green Belt and an updated definition of PDL.

We further reiterate our support for LPAs undertaking streamlined and immediate Green Belt reviews, and that a redefined role for regional strategic planning represents an appropriate forum for cross-boundary Green Belt reviews that capture whole housing market areas for example.

We strongly consider there should be flexibility to account for local and/or site-specific circumstances to make development viable and to stimulate market attractiveness where housing delivery is falling short against the housing requirement. For example, an LPA with an increasing housing target (under the proposed new Standard Method) and lower land values might preferentially consider Green Belt release to boost housing delivery, and a mandatory imposition of a 50% affordable housing target could disincentivise developers, thereby threatening the achievability of the plan's housing target. Only a viability led approach can account for huge discrepancy in land values nationwide, and it should be for LPAs to set out, with justification, a local target that reflects their individual housing market dynamics and land values.

In this manner, the proposed "golden rule" of 50% affordable housing delivery on Green Belt (proposed NPPF paragraph 155) should not be a fixed input that local planning authorities assume can contribute to meeting their affordable housing targets.

- a) Are there any strategic considerations concerning the designation and development of Grey Belt land that may require an unusual degree of collaboration between neighbouring local authorities and, if so, what are they and how is that collaboration to be achieved?**

Yes. We reiterate the need for Green Belt reviews to be undertaken nationally. Government should consider a standardisation of Green Belt review methodologies to ensure consistency of assessment. Specific guidance on terminology and definitions would be welcomed. It should also be highlighted that the general extent of many Green Belt boundaries were identified many years ago, in many cases on an arbitrary, ad hoc basis. Immediate reviews of the Green Belt are therefore crucial to boosting housing delivery where land is in a sustainable location.

Green Belt assessments should be required to consider the performance of land parcels in respect of Green Belt purposes at a granular scale that is consistent across authorities. Many Green Belt reviews will draw conclusions from a macro level assessment which is often too generalised and results in developable land being discounted from development.

Cross-boundary Green Belt reviews might best be coordinated through the new tier of regional strategic planning, enabling assessment across housing market areas, rather than being set by arbitrary authority boundaries.

4. Do you think the proposed sequential test for allocating land in the Green Belt for development will provide sufficient protection for “high quality” Green Belt land whilst still ensuring sufficient land is released for new housing?

Yes. Proposed paragraph 144 is clear in terms of the primacy of a “brownfield first” approach, first considering PDL and then sustainable grey belt land – which is, by definition, land that is either PDL or is land making a limited contribution to the five Green Belt purposes. Other sustainable Green Belt locations are only considered once sequentially preferable opportunities are exhausted.

Reference within paragraph 144 to the sustainability of Green Belt sites affords better performing Green Belt protection, because the policy is clear that Green Belt release will not be supported where doing so would fundamentally undermine the function of the Green Belt across the area of the plan as a whole. The sequential approach ensures that the quality of Green Belt is a primary consideration in determining the suitability of land to be released for development.

a) The current NPPF designates specific categories of land as “areas of particular importance” which cannot be developed and would be excluded from being considered Grey Belt land. Should the Government review which areas receive this designation?

We are concerned that reference in footnote 7 to “designated heritage assets” may prevent otherwise appropriate Green Belt parcels from being treated as Grey Belt simply by virtue of their setting within or adjacent to a designated heritage asset, such as a wider conservation area. While we acknowledge the purpose of affording heritage assets statutory protection, it would be helpful to include wording that avoids a blanket restriction on sites affected by heritage assets. For example, where the proposed development can avoid or mitigate heritage harm, the respective ability to be considered a Grey Belt site should not be impeded.

What infrastructure and local amenities are necessary to ensure that a Grey Belt housing development is a good place to live?

These requirements should be assessed on a site-specific basis as it is difficult to make generalised assumptions on a national scale. They should be proportionate and relevant to the scale of development proposed. Consideration should be no different to any housing site outside the Grey Belt.

For Grey Belt housing development that is being delivered through the plan-making process, it is for Local Plans to determine the infrastructure and local amenities required to make a development sustainable, in consultation with other stakeholders through the land promotion process.

For Grey Belt being delivered through decision-making, it would be for the applicant to demonstrate accordance with the principles of sustainability as required at paragraph 152(b) which would be informed by policies of the adopted development plan and other material considerations. The “golden rules” for Green Belt development set out at paragraph 155 allow for flexibility in terms of what constitutes (b) local and national infrastructure; and (c) public access to green space. We consider that the flexibility of paragraph 155 is important in allowing site-specific characteristics to determine and influence local requirements. Infrastructure might include public and active transport provision, education and nursery places, medical and health services, local shops and access to play space and parks.

- a) **Should the identification of Grey Belt land be influenced by the proximity of public transport amenities or other services, or is this better handled through individual planning applications?**

Both routes are applicable. Identification of Grey Belt through the plan-making process should consider the proximity of public transport amenities or services as key determinants of sustainable Green Belt release. Additionally, individual planning applications (i.e. the decision-making process) would consider the sustainability of land proposed for release outside the plan making process. Access to public transport amenities and services are key characteristics of sustainability.

There are likely to be many land parcels that are capable of falling within the Grey Belt definition and are not currently near existing public transport amenities or other services, but have the ability to be sustainable through a planning application that provides necessary improvements to infrastructure.

- b) **How can identified Grey Belt sites be connected with social infrastructure such as schools and health facilities?**

Grey Belt sites identified through the plan-making process would be subject to the same assessment as other proposed non-Grey Belt allocations. The LPA's local plan evidence base would form the basis of a needs assessment in terms of social infrastructure requirements, and how prospective allocations should provide, or contribute towards, improved provision. As noted above, the scale of Grey Belt sites will determine the relative needs of schools and health facilities for example.

6. **The Government has pointed to disused petrol stations and car parks as instances of Grey Belt land. Are any additional special measures needed to support the potential decontamination of Grey Belt land, beyond those that are currently available?**

As identified above, the definition of PDL should be extended to explicitly capture hardstanding, glasshouses and other applicable land uses.

We strongly suggest flexibility in terms of the application of the 50% affordable housing target for Grey Belt land. Decontamination and remediation costs are critical inputs in terms of development viability and a rigid imposition of the 50% target would render the development of some brownfield sites as unviable and undermine the primary objective of the Grey Belt policy to supply new land for housing and other development needs.

We also consider that on brownfield sites where there are significant decontamination and remediation costs, it may be neither practical nor viable to support the provision of new, or improvements to existing, green spaces that are publicly accessible. In such cases, we strongly advocate a flexible approach to applying the 'golden rules' at NPPF paragraph 155, to avoid stifling the ability for certain PDL to deliver much-needed housing.

7. **The government has proposed a 50 per cent affordable housing target on Grey Belt sites. Is the current approach to viability assessments and s106 agreements able to deliver this?**

No.

Viability Assessments

We are concerned that the proposed 50% affordable housing target could undermine the Government's wider objectives to stimulate the release of suitable land for housing by setting a target that will often be unviable to achieve. As set out above, only a viability-led approach can account for the wide discrepancy in land values nationwide, and LPAs should be able to establish their own targets that is reflective of individual housing market dynamics and land values.

The current NPPF consultation seeks views on whether a Government-set benchmark land value should be used in viability assessments. We disagree, and suggest that such a generalised approach will result in disruption to bringing forward Green Belt and Grey Belt sites, producing a disrupted a two-tier market, which risks undermining the wider approach pursued by the proposed amendments as a whole.

Late-stage viability reviews threaten to stifle the delivery of new homes because they create significant uncertainty for investors, who are required to factor in variable financial inputs that will only be determined at an advanced stage of the development cycle. This would also lead to significant delays in seeing new housing delivery on the ground. They are frequently uncommercial for SME developers who do not have the economies of scale of their larger competitors and who invariably operate on lower profit margins. Late-stage reviews are seen by many as a disincentive to investment, and it is reasonable for developers to be able to plan with some financial assurance based on an agreed viability position from the outset of a project.

Section 106 Agreements

The unattractiveness of Section 106 affordable housing to Registered Providers (RPs) means that affordable homes committed through the decision-making process are not being translated into delivery. Indeed, this is evident in the current state of plan with Registered Providers (RPs) preferring to focus on their own standalone sites. We would suggest that the process for obtaining access to grant funding is reviewed.

We would further suggest that a more stringent imposition from Government on RPs to deliver Section 106 housing alongside other affordable housing would start to address the current bottleneck. Critical to this will be Government working in partnership with RPs to improve development viability, possibly considering other forms of development subsidy. Government should undertake a wide-ranging consultation with industry stakeholders to review national affordable housing delivery strategy.

8. In order to facilitate Grey Belt development, what flexibility in the process could be introduced without compromising the Government's overall housebuilding objectives?

As stated previously, it is important that a flexible viability-led approach to the affordable housing provision is available. The 50% target may be unviable in some instances, which could compromise the Government's wider house-building objective. The national variation in land values dictates that in more marginal areas, it would be unviable to provide anywhere near the 50% target. We strongly consider that the primary objective should be to accelerate housing delivery as a whole, and local circumstances should determine appropriate levels of affordable housing. Recognition should also be made that the delivery of market housing will also positively address both local and national affordability issues in and of itself by significantly increasing housing supply.

Conclusion

We hope the submitted representations are helpful and would welcome further opportunities to engage with the consultation process.

Yours sincerely,

Mac Mic Group

Appendix 1 – Table of Questions Responded to

1	
2	
3	
4	
5	
6	
7	
8	