

NEWSLETTER

Planning and Politics



A Week of Major Announcements from Government on Housing and Planning

In the final week of May 2025, the UK Government unveiled a significant package of planning reforms and consultation documents aimed at unlocking housing delivery, increasing local authority control over development, and boosting the role of small and medium-sized developers (SMEs) within the planning system.

Over a concentrated five-day period in late May 2025, the UK Government released a series of aligned consultations and policy papers. Although each document focuses on a different element of the planning system, together they form a coherent strategy aimed at boosting housing delivery, empowering local authorities, and rebalancing obligations for small developers. Below is an expanded breakdown of the four central publications and the government's overarching objectives.

1) Working paper on Build out Rates:

Published: Sunday, 25 May

This document sets out proposals to address the longstanding issue of consented sites that are not built out—particularly large, strategic schemes.

Key proposals includes:

- Introducing a requirement for sites over 500 units to provide mixed tenure by default to speed up delivery and improve absorption rates.
- Allowing councils to refuse to determine applications from developers (or associated parties) who have a record of unreasonably slow build-out on other sites.
- Imposing a “delayed homes penalty”, potentially costing developers thousands per unbuilt home, unless they can demonstrate valid reasons for delay (e.g. severe weather, technical constraints).
- Giving councils the ability to conditionally confirm Compulsory Purchase Orders (CPOs) where alternative landowner plans have stalled.

Strategic Implication: This signals a more assertive role for government in **enforcing delivery** and **penalising delay**.

2) Consultation on Planning Committee Response

Published: Wednesday, 28 May

The government is proposing to modernise local decision-making by introducing a national delegation framework, designed to prevent unnecessary delays and make better use of officer time.

Key proposal includes:

- Creating a two-tier scheme of delegation, where certain categories of applications would be automatically determined by officers, while others could only be called in by joint agreement of the chief planning officer and committee chair.

Strategic Implication: Accelerating approval times



3) Policy Paper on Revised Development Thresholds

Published: Wednesday, 28 May

This paper explores the creation of a new planning threshold category for “medium” development, aimed at better aligning policy obligations with site scale and complexity.

Key proposal:

- Sites delivering 10 to 49 homes (or under 1 hectare in size) could be reclassified under a new ‘medium’ threshold, distinct from minor (1–9 homes) and major (50+ homes) schemes.
- Proportional and simplified planning requirements would apply to medium sites, especially around technical reporting, consultation, and BNG compliance.

Strategic Implication: Aimed at supporting SMEs by reducing planning burdens and diversifying housing delivery beyond major housebuilders.

4) DEFRA Consultation on Biodiversity Net Gain (BNG) for Small & Medium Sites

Published: Wednesday, 28 May

DEFRA is proposing exemptions and streamlining of BNG requirements for smaller development schemes, arguing that current rules may be too complex and costly for SMEs.

Key proposals include:

- Full BNG exemptions for minor developments (e.g. <10 units).
- A simplified BNG framework for the new medium site category.
- Proposals for relaxed evidence requirements, shorter assessment reports, and local authority discretion for enforcement.

Strategic Implication: Eases delivery for small schemes but raises concerns over weakened environmental protections.

The Planning World is Changing

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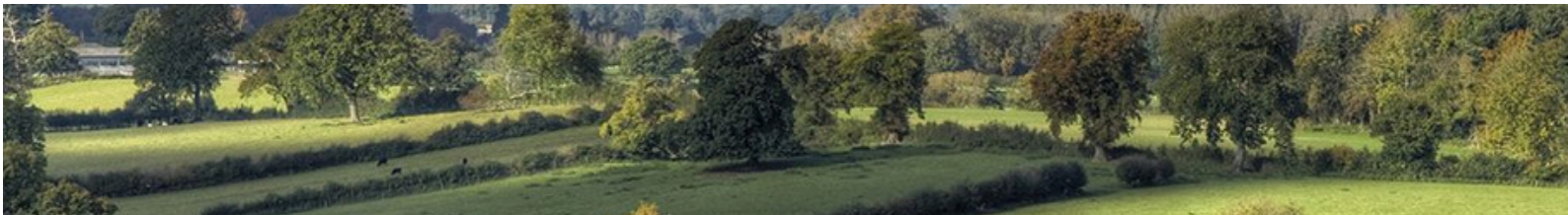
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Key Measures to Accelerate Build-Out and Developer Accountability

The government's recently published working paper on build-out rates sets out a series of targeted measures aimed at tackling the systemic issue of slow housing delivery on consented sites. The proposals signal a shift toward greater intervention and accountability, especially for large-scale developments, and reflect a broader effort to restructure market behaviours.



4) Mixed Tenure Requirement for Large Sites

The government is consulting on requiring mixed tenure by default on sites of 500 homes or more. The aim is to:

- Improve sales absorption rates by diversifying buyer types (private, affordable, build-to-rent, etc.).
- Prevent developers from "dripping" units onto the market too slowly to inflate values.
- Encourage partnerships between volume builders, housing associations, and SME developers.

Policy Note: The threshold of 500 units is provisional, with further consultation planned alongside the updated National Planning Policy Framework (NPPF) later this year.

5) Refusal Powers for Slow-Building Developers

Under the proposals, local authorities could be empowered to refuse planning applications from:

- Applicants or entities connected to schemes that have progressed unreasonably slowly.
- Developers with a history of slow delivery on other large consented sites.

Applies to: Residential schemes of 50 units or more

This marks a significant shift towards performance-based planning, where past delivery track records influence new application outcomes.

6) Delayed Homes Penalty

The government is considering a financial penalty for developers who fail to build out approved homes within a reasonable timeframe. The proposed "delayed homes penalty":

- Would apply to consented homes left unbuilt.
- Could amount to thousands of pounds per unit.
- Targets speculative land banking and delays for profit.

7) Conditional Compulsory Purchase Orders (CPOs)

To prevent landowners from blocking development through inactivity or speculative delay, local authorities could be enabled to:

- "Conditionally confirm" CPOs where alternative plans have been put forward but fail to materialise.
- Use these powers to take control of stalled land and bring it forward for delivery.

This measure supports local regeneration agendas and strengthens councils' ability to ensure sites are used effectively in the public interest.

Strategic Insight

Collectively, these proposals introduce a more accountable, delivery-focused planning environment, with:

- Greater leverage for councils to hold developers to account.
- Clear disincentives for speculative behaviour.
- An emphasis on market diversification and faster absorption of housing supply.

Our View

These measures represent a fundamental shift in the planning conversation from simply granting permissions to actively managing delivery outcomes. Developers, landowners, and strategic promoters will need to reassess delivery strategies and development pipelines to align with evolving expectations.

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