

Contact: Katharina.winbeck@londoncouncils.gov.uk

Date: 10 March 2026

FAO:

Rt Hon Steve Reed OBE MP, Secretary of State for Housing, Communities and Local Government

Matthew Pennycook MP, Minister for Housing and Planning

Dear Steve and Matthew

We are writing in response to the consultation on the draft National Planning Policy Framework (NPPF).

London Councils is the collective of local government in London. Shared ambitions are developed, agreed, championed and delivered at London Councils by members working together. As local planning authorities, our members have a direct interest in the outcome of this consultation.

We strongly support the government's ambitions to deliver new, affordable housing at scale. London faces a severe housing crisis, accounting for over half (56 per cent) of England's total number of homeless households in temporary accommodation. However, the planning system is not the main barrier to housebuilding in London. There is currently a pipeline of 300,000 new homes that have been granted approval by a London local authority that remain unbuilt by the developer. Delivery is stalled by fast-rising construction costs, high interest rates, a shortage of skilled construction workers and insufficient long-term funding for affordable homes.

Whilst we support many of the strategic objectives of the draft NPPF to address the affordable housing crisis and to drive economic growth across the nation, including in the capital, we have concerns about some aspects of proposed changes, which we have summarised below.

1. National, regional and local planning hierarchy

We welcome clear national standards and support many of the strategic objectives set out in the draft NPPF, such as supporting more housing delivery and increasing inclusive economic growth, and recognise the importance of reducing unnecessary local policy duplication. Boroughs welcome the structural clarity of the document separating plan-making and decision-making policies.

However, we are concerned that the **draft NPPF would result in a more centralised and prescriptive national framework** which would undermine local autonomy, democratic accountability and community support for development by subverting the local plan-led process. Urban and rural areas have vastly different needs and constraints, so they cannot be governed by a single, one-size-fits-all planning policy. Local plans must still play a vital role in

delivering national objectives in a way that reflects local context, in line with the government's broader devolution agenda. Boroughs have already shown how London level good practice, such as pragmatic viability approaches and design codes, can support national aims. A strong and effective London Plan can continue to support this work and offer a model for other strategic plans across the country.

Whilst we advocate for greater local discretion within national policies, the current status of National Development Management Policies creates uncertainty for local authorities about how these policies interact with existing statutory development plans, particularly as the Government has stated that they could become statutory at an unknown future date. This increases the risk of legal challenges and delays in the planning system. **Boroughs would therefore welcome greater clarity on the intended legal weight and hierarchy of national policy** to reduce uncertainty and support effective, plan-led decision making.

2. PM13: Setting standards

Many boroughs are particularly concerned that PM13: Setting standards would prevent local authorities from adopting quantitative standards beyond Building Regulations, except for accessibility and water efficiency. This would prohibit local standards in many key areas of London planning policy, such as energy efficiency, embodied carbon and affordable workspace. This undermines the plan-led system and does not recognise that fixed national standards often will not be appropriate for a London context.

For example, we support having a fixed national 'floor' on energy efficiency standards, but do not support introducing a 'ceiling' via PM13. London boroughs have a strong track record of delivering energy efficient, low-carbon homes via the plan-led system. Building homes that go above national energy efficiency standards has helped London boroughs to cut residents' energy bills, improve their health and wellbeing, and support progress towards local and national climate targets. Setting higher energy efficiency standards also avoids the need for complex and costly retrofit.

PM13 would prevent boroughs from applying quantitative requirements for carbon offset funds and embodied carbon, which is currently mandated across London through Policy SI 2 of the London Plan. Developer contributions to carbon offset funds represent only a small proportion of overall build costs, with no evidence of negative viability impacts. However, removing these funds would significantly reduce boroughs' finances and ability to deliver local climate mitigation and adaptation projects.

To address the above issues, **Government should remove PM13 from the draft NPPF** and allow local authorities to set locally relevant standards, where appropriate and justifiable, and test these through the examination and public consultation process.

3. "Default yes" and minimum densities around rail stations

London boroughs strongly support improving sustainable transport infrastructure and access for new developments. However, some boroughs have significant concerns about the "default yes" for developments around rail stations, particularly for those with stations in the green belt. Without local planning authority oversight and community engagement, there is a risk of inappropriate design, infrastructure pressures and reduced community support for development. **Boroughs must retain the ability to shape development through local plan-making** and decision-taking so that proposals reflect local contexts and the community's needs, input and buy-in.

Development around stations must also incorporate wider place-making and community-building measures – an essential function of a local authority, plan-led approach to sustainable development. Any release of Green Belt land should only occur through a robust, plan-led process, subject to public consultation and aligned with strategic planning objectives.

Given that the “well-connected” station criteria in the draft NPPF will likely apply to land around every train station in London and many train stations in the wider South East, it is **essential that government invests in London’s rail network** to accommodate increased rail usage and support housing and economic growth in the region. Government should also consider how this policy will affect land values around rail stations that will be subject to the “default yes” and ensure this does not further affect viability, particularly for affordable housing.

4. Impact on affordable housing

Building on our 2024 NPPF response, we welcome planning reforms that genuinely support affordable housing delivery in London. London local authorities are resolutely pro-housing development. With 1 in 50 Londoners homeless and living in temporary accommodation, including 1 in 21 children, the need for new, affordable housing supply is undeniable.

London Councils is supportive of a simpler, more transparent and more resilient S106 system that would benefit both local authorities and SME developers to increase affordable home delivery and reduce application and build out times.

However, we are very concerned that **the medium development cash-in-lieu of affordable housing will lead to delay and reductions in affordable homes**. The National Housing Federation estimates that almost 10,000 affordable homes built in the last 3 years would not have been delivered if the medium development cash-in-lieu policy had existed. This policy would have a particularly adverse effect in London where low land availability and high land values would bring acute challenges to ensuring “off-site delivery on an alternative nearby site would optimise the quality or quantity of homes built”. Many London boroughs are already highly developed, with limited opportunities for off-site delivery, so developers should optimise affordable housing delivery on site.

We strongly recommend that **cash-in-lieu of affordable housing delivery should remain an exception, rather than the rule**, and not applied as a national standard that does not consider regional and local housing and land market conditions. If this policy is to be implemented, it is critical that there are robust implementation and monitoring mechanisms to ensure that developer contributions are received promptly by local authorities and genuinely reflect the cost of building an equivalent number of high standard affordable homes. Government must commit to reviewing the cash-in-lieu policy if introduced and the affordable housing that London desperately needs falls.

Critically, boroughs are very concerned that the draft NPPF removes the explicit requirement of ‘providing affordable homes’ from the presumption in favour of affordable development tilted balance, as set out in paragraph 11d of the current NPPF. By replacing this with policies S4 and S5 in the draft NPPF, which contain no specific reference to affordable housing, boroughs will have less explicit national-level justification to resist schemes that reduce affordable housing. **We strongly urge the Government to retain the explicit requirement for affordable homes** within policies S4 and S5.

5. Significant planning policy change in London

Finally, we would like to highlight that the combined introduction of the new NPPF and the London Emergency Housing Measures represents a **significant shift in planning policy in London**. Policy change on this scale will lead to a period of uncertainty and transition for developers, which may affect the short- to medium-term planning pipeline.

The government has allocated £2.18 million to London boroughs to increase their planning capacity in response to the London Emergency Housing Measures package. However, this equates to only 6 per cent of the £37.4 million additional funding London Councils has estimated boroughs would require to implement the emergency measures. This is wholly insufficient given the scale and complexity of the proposed changes and their cumulative impact on borough planning services, which would be compounded by the radical NPPF policy changes being put forward in this consultation. We **strongly urge the government to provide substantial additional funding to London boroughs** to increase their planning resources, recognising the scale of the unique planning capacity pressures in London.

Given the unique circumstances facing London and the implications of NPPF proposals for the capital, we would welcome expanding the programme of regular joint meetings with Government officials we called for in our response to the emergency measures consultation, to also cover wider planning reform. These meetings would provide a forum to discuss our concerns and suggestions for planning improvements, co-create new solutions, support local development and monitor progress.

We look forward to continuing working together to deliver planning reforms that benefit London and the nation.

Yours sincerely,



Cllr Peter Mason, Executive Member for Planning and Skills



Cllr Grace Williams, Executive Member for Housing and Regeneration