

Response submitted by Savills (UK) Ltd

Consultation on the proposed reforms to the National Planning Policy Framework and other changes to the planning system

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savills

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1. Executive Summary

- 1.1 Savills is a FTSE 250 leading real estate company, providing a range of agency, property management, investment management and consultancy services. The company has over 680 offices worldwide and employs circa 42,000 staff. Savills has adopted the United Nations 17 Sustainable Development Goals as a framework for our company strategy.
- 1.2 Savills is the UK's largest planning consultancy, with circa 200 chartered town planners covering every sector and area of the country from a network of 23 locations in the UK. The company is involved in all aspects of the planning process for clients who operate across all sectors and all land uses, and the views expressed in this response are therefore informed by this direct experience of operating within the current system in England.
- 1.3 Savills welcomes the opportunity to respond to the proposed reforms to the National Planning Policy Framework (NPPF), following its representations to the previous consultation in September 2024. Savills' response focuses on ensuring that the revised NPPF improves clarity, certainty, and delivery, particularly regarding housing and employment growth. While supportive of the intent behind a more rules-based framework, Savills identifies several areas where greater clarity, flexibility or redrafting is required to avoid unintended consequences that could undermine national objectives.
- 1.4 Savills welcomes the clearer distinction between plan-making and decision-making and supports the introduction of numbered policies and clearer guidance on policy weight. However, these improvements will only be effective if accompanied by a period of policy stability. Transitional arrangements also require refinement, as current drafting may allow outdated housing requirements to persist. An 80% test, ensuring a requirement is closer to up to date housing need would prevent this. Clarity is also needed on whether national information requirements supersede local validation lists, and several Glossary definitions—such as “veteran trees” and “evidenced unmet need”—should be tightened to ensure consistency.
- 1.5 Savills supports the more structured presumption in Policies S3–S5 but highlights areas requiring amendment. The stronger presumption within settlements (S4) is welcomed, though greater flexibility is needed where safeguarded land or outdated allocations constrain sustainable / deliverable alternatives. Savills is concerned that Policy S5 introduces an “exceptional circumstances” test that could impose Green Belt-level scrutiny on non-Green Belt land. The term “evidenced unmet need” is unclear and should be removed so unmet need—demonstrated by HDT failure or five-year land supply shortfalls—automatically triggers the presumption. Savills supports growth around well-connected rail stations but considers national minimum density thresholds too rigid and better set locally.
- 1.6 On housing, Savills' overarching position is that the NPPF must facilitate delivery, not introduce new barriers. Given the pressing need for up to date Local Plan coverage, Savills is concerned that emerging Local Plans have to have regard to emerging Spatial Development Strategies (SDSs) prior to adoption. SDSs, whilst important, will take time, and hence it should be the future round of Local Plan reviews that have regard to them. Local Plans should rely on the Standard Method until an SDS is formally adopted. Savills supports Policy HO6's requirement for at least 10% of allocations to be 1–2.5 ha to support SMEs, and backs retaining the Housing Delivery Test (HDT) and five-year supply measures, though HDT data urgently needs updating. Savills opposes a national 40% requirement for M4(2)/M4(3) accessible dwellings and a blanket 10% social rent requirement, both of which risk undermining viability and design aspirations. Savills also raises significant concerns with Policy DM5, where prescriptive viability assumptions—including fixed developer returns and

standardised land value premiums—risk rendering development unviable, especially in lower-value areas. A full response on viability is provided in **Appendix A**.

- 1.7 Savills strongly supports the pro-growth direction of Chapter 7, including explicit recognition of AI Growth Zones, data centres, logistics and manufacturing. However, market signals such as availability rates, net absorption and rental growth must inform both plan-making and decision-making; at present, they are only embedded in the latter. Savills therefore recommends adding market-signals requirements to Policies PM2, PM8 and E1. Savills welcomes a dedicated logistics Policy E3, but suggests it should explicitly recognise opportunities to improve sustainable transport and should be broadened to encompass industrial and data-centre development where similar locational constraints exist. For rural business development, Policy E4, Savills seeks more flexible drafting to avoid unintended limits on diversification and to ensure viability and design considerations are appropriately recognised. Given the importance of the economy / employment, Savills has taken this opportunity to make suggestions in respect of the PPG in **Appendix B**.
- 1.8 Savills response to the consultation is ordered thematically, in order as they appear within the Draft NPPF, with responses to individual questions contained within the response and highlighted at the start of each section. Savills notes that the questions posed cover both Plan-Making and Decision-Taking. Savills has responded by theme, on matters relevant to both.

2. Response to Questions

Format and Structure of the Framework

Relevant consultation questions: Q2(a), Q3(a), Q5, Q192

Relevant draft policies: Not applicable

Format of the Draft NPPF

2.1 The NPPF was introduced in 2012; first rewritten in 2018, with various amendments since. The draft NPPF is the 8th version and represents the most significant rewrite, separating out the two key aspects of planning: plan-making and decision-making into a clear policy framework. These amendments follow much recent reform to the planning system with a significant emphasis on housing delivery and economic growth. The draft NPPF has a new structure, which includes actual numbered policies, rather than paragraphs. This more “rules-based” approach is generally supported, subject to some specific comments and required amendments as touched upon within the remainder of our representation.

2.2 **Savills therefore strongly agrees that the format of the NPPF (plan-making / decision-making policies) is clear.** Savills adds, that it would substantially aid the planning process, if there was now a sustained period of stability, to allow the new policy framework to become the established norm.

Annexes

2.3 In respect of the Annexes, the Government should provide clear direction to Local Planning Authorities (LPAs) to ensure effective implementation. This is particularly the case in respect of Annex A – Implementation, and also Annex C – Information Requirements.

2.4 *Annex A (Implementation) – Transitional arrangements:* Savills notes the emphasis in paragraph 2 to encourage up-to-date plan-making to ensure Local Plan policies remain consistent with the NPPF. Savills supports this principle and agrees that, where policies are not consistent with the revised NPPF, once adopted, they will be attributed very little weight. **Savills supports this proposed approach as drafted however, greater clarity is required to confirm that the NPPF, once adopted, takes precedence over policies within the development plan.**

2.5 In respect of paragraph 3, there will be an adverse consequence of permitting an older housing requirement adopted prior to the draft NPPF (and indeed also NPPF 2024) to be retained, where it is significantly below the most up to date local housing need (LHN) figure. **This would counter the key objective of the draft NPPF, which is to encourage faster local plan-making (hence allocations for development), and permit positive decision-making for development. However, instances will arise where Local Plans have been adopted against a previous iteration of the Framework, but benefit from a ‘protected’ housing requirement figure that is significantly below the most ‘up to date’ LHN. Savills suggests that an 80% threshold be applied in such circumstances, to ensure that housing targets remains aligned with identified need.**

2.6 The process of Local Plan-making is complex, which will result in a number of recently adopted Local Plans having been prepared (and Examined) under four versions of the NPPF (2021, 2023, 2024 and the draft NPPF 2026). Savills considers that the most effective way to ensure ‘up to date’ Local Plan coverage is for LPAs to continue to progress plan-making [either under the draft NPPF, or where plans are nearing completion, under NPPF (2024)]. This issue is pressing, with only 26% of Local Plans less than five-years old (Savills data, February 2026). **Guidance should be provided**

to the Planning Inspectorate to ensure that Local Plans presently at Examination adequately reflect the fact that they will be implemented under the draft NPPF. Savills estimates that of the new Local Plans being produced, circa 21% are being prepared under NPPF (2023), 8% under NPPF (2024) (which may alter, subject to meeting the December 2026 deadline for submission) with the majority, 71% forecast to be produced under the new draft NPPF.

2.7 *Annex B is the Glossary*, for which the following specific comments are made:

- Affordable housing tenures: Savills has previously suggested that, where justified, private rented sector housing (otherwise known as Build to Rent) be considered as part of an overall affordable housing package – hence be included in the definition. There remain pressing needs for all forms of housing, including rental. Where development margins are tight, notably for regeneration proposals, the ability to offer rental properties as a proportion of the affordable housing requirement, would in certain circumstances, negate the need for viability assessments and result in better overall planning outcomes.
- Evidenced Unmet Need: With regard to Policy S5(j), an exception is introduced for developments that can meet an “evidenced unmet need”, which Savills strongly welcomes in principle. **However, this exception would benefit from a definition in the Glossary (or Planning Practice Guidance (PPG) to understand what can be “evidenced” as “unmet need”**, besides five-year housing land supply and HDT results. This is particularly relevant in the interim period before Spatial Development Strategies have achieved full strategic policy coverage and Local Plans are in place, during which the application of Policies S5 and GB7 are likely to be heavily relied upon. An alternative solution would be to remove the term “evidenced” from the relevant parts of the draft NPPF.
- Net Developable Area: Savills agrees that whilst not perfect, dwellings per hectare (dph) can be a helpful measure of net residential density. The ‘new’ definition of net residential density should be amended, as it is imprecise. The inclusion of incidental (non-strategic) public open space and children’s play areas within the calculation should be removed as it can have a significant effect on the net density calculation. The requirements for non-strategic open space can also vary from area to area. Savills suggests an approach similar to the example given in Fig 68 of the Draft PPG on Design and Placemaking, where the area used for the density calculation excludes incidental green spaces. It should include car parking, and the area should be drawn to the centre line of adjacent streets.
- Veteran Trees: The definition has changed, introducing an ‘or’ in respect of defining the quality of a specimen to “age, size **or** condition”. This risks broadening the definition, and hence the designation of a number of Category A trees as Veteran (with associated policy consequences). This proposed definition conflicts with other existing definitions, such as the definitions set out within the Biodiversity Net Gain Irreplaceable Habitat Regulations and Woodlands Trust. Savills therefore suggests that a single definition for veteran trees is established to ensure consistency.

2.8 *Annex C outlines National Information Requirements to support planning applications. The Government should be clearer as to whether this supersedes all local validation lists and provide urgent guidance to all LPAs to that effect.*

2.9 *Annex D outlines the approach to Housing Calculations & Supply* – Savills has no comments to make on this matter save more detailed matters covered under the Housing section of this representation.

2.10 *Annex E provides guidance for Green Belt Assessments*. Savills welcomes clear guidance on the approach to be taken as it is important that there is consistency in both local plan-making authorities and applicants. In the absence of up to date Local Plans, there will remain a period where an

applicant needs to demonstrate the relevant Green (or Grey) Belt credentials of a site. In addition, Savills considers that it should be made clear that physical boundaries represent the most appropriate way to define “assessment units” (or parcels). **It is important also, in the absence of any adopted Spatial Development Strategies, that the guidance is clear that Green Belt Assessment may still be produced in the interim (by LPAs or applicants) – to avoid delay.**

- 2.11 *Annex F relates to Managing Flood Risk & Coastal Change.* Savills welcomes the tables currently set out in the PPG (Flood risk and coastal change, paragraphs 078 and 079), and the information currently set out in Annex 3 of the draft NPPF which are brought together into one single annex. Savills supports the inclusion of data centres in Table 2 in Annex F, which is now explicitly classed as ‘essential infrastructure’ for flood risk purposes.

Terminology re: Weight

- 2.12 The draft NPPF significantly increases the direction to a decision-maker in respect of the weight to be provided to a factor, for example the term ‘substantial weight’ appears 18 times. Savills considers this to be helpful clarification, and should speed decision-making. There will of course be instances where policies push and pull in different directions, and hence clarity is still required on the application of the overall planning balance.
- 2.13 **In light of this, Savills would welcome clarification within the draft NPPF, consistent with the principles of previous case law, that the NPPF should be read as a whole and interpreted as such.**

National Development Management Policies

Relevant consultation questions: Q1, Q11(a)

Relevant draft policies: PM6, DM2

- 2.14 The draft NPPF needs to operate within the legislative framework and hence statutory development management policies will remain those contained within an adopted Local Plan or other formally approved development plan documents (including SDSs, Supplementary and Neighbourhood Plans). These have strong legal weight in decision-making, providing certainty for applicants, communities and planning authorities, and ensuring consistency and defensibility at appeal. A failing in this structure is the time, cost and complexity of preparing, consulting and adopting Local Plans.
- 2.15 Non-statutory policies or guidance, can be produced more rapidly, tailored to specific local priorities, and updated easily as circumstances change. However, because they do not have the same legal status, they carry less weight in planning decisions and can introduce ambiguity if not clearly aligned with the statutory development plan. The Government has chosen to not give the draft NPPF development management policies the same weight statutory weight as development plan policies and hence these will therefore have the status as a significant/ substantial material consideration, depending on the circumstances. This might well create a tension, as the statutory duty remains to determine planning applications in accordance with the development plan, unless material considerations indicate otherwise. **Thus, it will be more important than ever, for decision-makers to define why a departure from the development plan in favour of the NPPF policies applies – noting for example the circumstances in which a Local Plan is ‘out of date’ / inconsistent with national planning policy. These principles have been operating for a number of years – the rules-based policy framework of the draft NPPF now heightens the requirement.**
- 2.16 Should statutory National Development Management Policies be introduced in the future, this should be via a draft consultation and then Examination, as would be the case for any development plan document. It may be an unnecessary step, provided that the spirit of the draft NPPF is implemented by decision- and plan-makers.
- 2.17 **In respect of plan-making, it has also been the case that development plan policies are consulted and tested at Examination, against wider policy (including the NPPF). A significant emphasis is placed on both local plan-making authorities and the Planning Inspectorate to ensure that repetition between development plan policies and the NPPF does not occur.**

Spatial Development Strategies / Local Plans / Neighbourhood Plans

Relevant consultation questions: Q6(a), Q7(a), Q9(a), Q10(a), Q11(a), Q12(a), Q41(a).

Relevant draft policies: PM1, PM2, PM5, PM6, PM7, S5, S6, HO2

Spatial Development Strategies

- 2.18 Savills supports the reintroduction of the strategic tier of planning, notably where this assists with providing a coherent framework for key decisions such as infrastructure provision. Such a system needs to be spatially integrated with other strategies, including energy, water and transport. To be effective, it is important that SDSs are succinct, and are produced in a timely fashion given the context that they will provide for future Local Plans. It is also important that they are positively prepared – in particular to ensure housing targets are consistent with the Standard Method LHN across the geographical area.
- 2.19 In respect of sequencing, Savills recognises that the plan-making hierarchy would ideally see SDSs adopted ahead of Local Plans. However, this is unlikely to be achievable in practice given current sequencing of Regulations and Local Plan review processes that are already underway. **As such, the draft NPPF should allow for the timely preparation of Local Plans in the absence of a SDS. Priority must also be given to Local Plan production ahead of Supplementary Plans, which, where prepared, should have a focused and clearly defined purpose, for example, on design and coding.**
- 2.20 Savills supports the need to review and update SDSs every five years to ensure they remain up to date, reflecting for example the latest data on housing, employment and infrastructure requirements across each strategy.

Local Plans

- 2.21 The preparation of Local Plans typically demands significant time and resources to be dedicated by the LPA. Savills therefore supports measures to reduce the length and level of detail of Local Plans. In doing so, Savills welcomes Policies PM2 and PM6 as a positive step towards a more streamlined plan-making process. Local Plans should focus on development allocations and locally specific policies, avoiding unnecessary duplication.
- 2.22 The draft NPPF proposes the inclusion of five soundness tests for emerging Local Plans in Policy PM15, including whether the Plan is positive, appropriate, realistic, consistent and in conformity. **Savills supports the overall approach; however, it is considered that text under test (1)(b) ‘appropriate’ should be reworded to include “and based on proportionate evidence”. A robust evidence base is essential to demonstrate that Local Plan policies are justified.**
- 2.23 **Savills considers that the life span of Local Plans, which typically covers a period of 15 years, should be reduced to “no less than 10 years”, to reflect the continual evolution of the planning policy system.** Given the frequency of national policy change, shorter plan periods would allow Local Plans to be reviewed and updated more regularly to remain aligned with national policy direction. Exceptions to this minimum time horizon would be where longer term complex or significant development should be planned (for example major mixed-use strategic sites or new settlements).

Neighbourhood Plans and the Presumption

- 2.24 Savills is concerned that proposed Policy S6 appears to disapply the presumption in favour of sustainable development where there is perceived conflict with a Neighbourhood Plan, subject to the two conditions proposed. This policy rolls forward a principle contained initially in NPPF (2023), which was retained in NPPF (2024).

- 2.25 This policy in its current form would afford a disproportionate level of protection to areas with a 'qualifying' Neighbourhood Plan. This level of protection is not justified, is not afforded to Local Plans, and does not appear to align with the status proposed to emerging SDSs. **Savills considers that Neighbourhood Plans, which are subject to the test of basic conditions and often not examined through examination hearings, should not be afforded a higher status to Local Plans or emerging SDSs in decision-making.**
- 2.26 As drafted, the policy also fails to account for circumstances where a Neighbourhood Plan is prepared, or an existing Neighbourhood Plan is reviewed, in areas where no LHN-based housing requirement is identified for the Neighbourhood Plan to plan for.
- 2.27 Draft Policy HO2 (*Setting requirement figures for homes*), referenced in draft Policy S6(1)(b), explicitly allows for circumstances in which Neighbourhood Plans do not include land for housing. While HO2 advises that housing requirements should not be set at nil, it nevertheless provides examples where this may occur [with reference to (1)(a) to (1)(c)]. This creates the potential for Neighbourhood Plans to repeatedly allocate limited land for housing, while continuing to benefit from the enhanced protection afforded by Policy S6.
- 2.28 **As Savills elaborates later in this representation on the presumption in favour - taken together, Policies S5 and S6 potentially constrain the application of the present "tilted balance". This constraining effect risks undermining the objective of the draft NPPF to deliver a substantial increase in the supply of homes, by ensuring that a sufficient amount and variety of land for housing comes forward where it is needed.**

Presumption in Favour of Sustainable Development

Relevant consultation questions: Q35(a), Q36(a), Q37(a), Q38(a), Q39(a), Q40(a), Q122

Relevant draft policies: S3, S4, S5, L3

- 2.29 Overall, the intent of the revised presumption is broadly supported as a means of improving certainty, boosting development in sustainable locations, and reducing delay, but modest refinements to definitions and transitional application would further strengthen its effectiveness in practice.

Presumption in Favour – Settlement Boundaries

- 2.30 Savills notes the proposed shift away from paragraph 11 “tilted balance”, as set out in the NPPF (2024) (and those before it). In the draft NPPF, the presumption now operates through Policies S3 to S5 and is intended to represent a clearer and more structured approach to decision-making. The emphasis on settlements as the primary focus for growth is supported, and the broad definition of “settlements” in Annex A is a positive step away from an overly rigid reliance on adopted Local Plan settlement boundaries, many of which do not reflect current development patterns or were never defined in the development plan. Further clarity would, however, be beneficial on when settlement boundaries should be considered up to date, and how decision-makers should approach circumstances where Local Plans do not define boundaries at all. Otherwise, this risks unnecessary debate as to whether land falls within or outside a settlement for the purposes of Policies S4 and S5. **As such, clearer guidance is required on what constitutes a settlement boundary – to define the operation of S4 and S5.**

Policy S4 – within Settlements

- 2.31 Savills is supportive of measures for clearer and positive application of policy within settlements – notably to assist with regeneration. Within settlements, the default presumption in favour of development under Policy S4 is supported. **However, within Policy S4, the treatment of land allocated or safeguarded for specific purposes would benefit from greater flexibility where there is clear evidence that such uses are no longer realistic nor deliverable, so as not to unintentionally constrain sustainable alternative proposals that are available, deliverable, and viable.**

Policy S5 - Principle of development outside Settlements

- 2.32 Policy S5 states that where development outside settlements complies with one of the development type exemptions it should be approved unless the adverse effects substantially outweigh the benefits. Savills questions whether this policy introduces a more onerous test than the former paragraph 11 i.e. the tilted balance. Where compliance cannot be demonstrated, applicants are required to demonstrate “exceptional circumstances”, which in practice risks applying an approach akin to Green Belt policy, rather than the balanced exercise previously undertaken. While the intention to direct development to the most sustainable locations is supported, greater clarity would be welcomed to confirm that Policy S5 is not intended to raise the overall bar for sustainably located development in the countryside. If misapplied, the exceptional circumstances test, could be used to refuse a development otherwise acceptable in all other respects.
- 2.33 **Savills considers it is more appropriate to simplify the definition of the presumption in favour of sustainable development on land outside of settlements, in particular for housing development. If the routes to the titled balance are applicable, then this should apply to land outside settlements, without the additional and undefined conditions as currently contained within Policy S5.**

Railway Stations

- 2.34 The approach to supporting development within a reasonable walking distance of well-connected train stations is welcomed (Policy S5) and reflects a clear intention to promote sustainable patterns of growth. While proximity to well-connected train stations is supported, its degree of sustainability should not be solely determined by distance alone. The quality, safety and attractiveness of walking and cycling routes, including factors such as lighting, natural surveillance, and overall route condition, are critical to determine whether a station can be realistically and comfortably accessed without reliance on private travel. Scope for improvements to the connectivity to stations is relevant, for example to improve design, access and safety. Furthermore, not all stations, routes or destinations are equal, and a flexible, context-specific assessment is therefore essential, rather than a fixed universal approach. Greater clarity that these matters should be left to the judgement of the decision-makers, rather than reduced to distance thresholds of service frequency metrics alone. **Savills considers that the circumstances to which a nearby station is suitable should be a qualitative assessment – i.e. reasonable walking distance taking account of the quality of existing and potential future connections.**
- 2.35 Savills also supports the draft NPPF’s emphasis on optimising densities around stations, and considers this represents a positive direction of travel in promoting efficient use of land in sustainable locations – where appropriate. However, the application on minimum density requirements on a national basis, particularly 50dph thresholds around well-connected stations, raises practical concerns. In some cases this is likely to result in flatted development, which may be appropriate in some locations but not universally suitable, and risks impacting delivery rates and in some cases the delivery of good design. Greater flexibility would allow density to be tailored to the local context and left to the judgement of decision-makers, ensuring the policy supports delivery and high-quality placemaking in practice. **Savills notes that a balance is required in application, though national policy should not be dictating blanket minimum densities. Hence these should be deleted in Policies S5 and GB7 – instead retain the emphasis on positive approaches to appropriate development in character/ context.**

Evidenced Unmet Need

- 2.36 With regard to Policy S5(j), an exception is introduced for developments that can meet an “evidenced unmet need”, which Savills strongly welcomes in principle. However, this exception would benefit from a definition in the glossary or PPG to understand what can be “evidenced” as “unmet need”, besides five-year housing land supply and HDT results. This is particularly relevant in the interim period before SDSs have achieved full strategic policy coverage and Local Plans are in place, during which the application of Policies S5 and GB7 are likely to be heavily relied upon. **Savills suggests that the term “evidenced” be removed and should simply be “unmet need”.**
- 2.37 At present, there are several Local Plans that are being examined against the 2023 version of the Framework, for example the Surrey Heath Local Plan, which is soon to be adopted with a housing requirement much lower than the LHN (less than 50%). There are transitional implications – which Savills highlights in this representation.
- 2.38 With regard to the policy’s specific wording, Savills is concerned that Policy S5(j) sets a standard to trigger the presumption in favour of sustainable development on land for housing development outside of settlements, which is higher than the existing national policy position under the NPPF (2024).
- 2.39 Where housing development that would address an “evidenced unmet need” is proposed under this policy, it would have to meet the following tests:
- Be well related to an existing settlement, without defining what ‘well related’ means (this is not defined in footnote 29);

- Be of a scale which can be accommodated taking into account the existing or proposed availability of infrastructure, without defining how to define scale or what type or level of infrastructure is required.

2.40 **Accordingly, further clarity is required within Policy S5 to address the above uncertainties with regard to defining development that is 'well related' to a settlement, and the scale and type of infrastructure required to support such development.**

Renewable Energy / Climate Change

Relevant consultation questions: Q42(a), Q43(a), Q47

Relevant draft policies: CC1, CC2

Planning for Climate Change

- 2.41 Savills notes the intention of Policy CC1 and the requirement to take a proactive approach to mitigating climate change and supporting the transition to net zero, which is welcomed. The retention of the previous NPPF's policy text about achieving "*radical reductions in GHG emissions*" is appropriate in that context. The new text regarding assessment of baseline emissions and how future emissions and mitigation would be affected by development options is a helpful clarification.
- 2.42 **However, in CC1(1)(a)(i), the current draft wording of "*can be informed*" should be replaced with "*should be informed*". It is unlikely to be possible for plan-makers to achieve this policy goal, or show evidence of that, without a form of proportionate assessment specific to the plan area that can guide plan-making, development patterns and decision-making. This should therefore be a recommended rather than optional approach.**

Mitigation of Climate Change

- 2.43 Savills notes that the national decision-making policy text has an objective of the planning system contribution, where possible and feasible, to reducing greenhouse gas emissions.
- 2.44 Policy CC1 has goals of achieving "*radical reductions in greenhouse gas emissions*" and "*supporting the transition to net zero*" in line with the Climate Change Act 2008, those goals are not only a matter of plan-making in the sense of settlement patterns and site allocations. Progress to achieving these goals may be achieved via decision-making policy CC2 for individual development proposals.
- 2.45 Policy CC2 has references to locating development to facilitate sustainable transport, references to energy efficiency and low-carbon energy, to natural carbon stores, and to the re-use of materials, all of which are appropriate and better practice. Development proposals should continue to show evidence that carbon emissions are minimised in line with a national trajectory towards net zero by 2050. As drafted the policy goals of achieving "*radical reductions in greenhouse gas emissions*" and "*supporting the transition to net zero*" in line with the Climate Change Act 2008 are applicable to plan-making under Policy CC1, which is the best place for these objectives to be appropriately planned. In respect of decision-making, policy CC2 provides a good framework from which more sustainable development outcomes may be achieved.
- 2.46 The policy text of CC2(1)(c) concerning design approaches that conserve energy and other resources in accordance with DP3(1)(c) is possibly not sufficiently precise to ensure reduced carbon emissions. DP3(1)(c) refers to climate mitigation and the net zero transition through various design responses that would "*conserve energy and other resources*" but again makes no clear reference to reducing GHG emissions. GHG emissions reduction in the built environment is not only a matter of energy efficiency, and "other resources" is too vague to offer a clear policy test for decision-making.
- 2.47 **The following addition to Policy CC2(1) is therefore suggested for insertion before the existing subpoint (a) [all new text]:**
- "(a) Demonstrate that greenhouse gas emissions are reduced, so far as feasible for the development proposal, in accordance with policy CC1 to help contribute to reductions in greenhouse gas emissions that support the transition to net zero in line with the objectives and principles of the Climate Change Act 2008;"***

Housing

Relevant consultation questions: Q48(a), Q49(a), Q52(a), Q53(a), Q55, Q58, Q59(a), Q61(a), Q62, Q65(a), Q72(a), Q73(a), Q74(a), Q80(a), Q83(a)

Relevant draft policies: HO1, HO2, HO4, HO5, HO6, HO7, HO9, HO13, S3, S4, S5

Housing Requirement

- 2.48 Policies HO1 and HO2 are drafted on the basis that the relevant SDS will establish the housing requirement. HO2(2) outlines that emerging Local Plans should take account of any relevant emerging SDS. This does not sit easily with the present planning context, which urgently requires up to date Local Plans. Savills agrees that these plans should be based on a housing need assessment based on the Standard Method LHN, and notes the methodology in Annex D. This should hold full weight, unless and until a SDS is formally tested and adopted. This means, in reality, that the vast majority of the next round of Local Plans will come forward in the absence of SDS. **Overall, Savills disagrees with HO2(2) and instead suggests that the NPPF be drafted with the clear intent that Local Plans must have full regard for the Standard Method LHN unless and until the relevant SDS is adopted – perhaps a period of time (3 years on publication, to fit with the 30 months Local Plan production period – with contingency) could be defined.**

Setting the Requirement for Different Groups

- 2.49 Savills highlights that there are pressing needs also for market rental accommodation, and indeed market appetite to provide such. In light of this, see also our comments on *Annex B Glossary* – a relevant aspect of assessing wider needs should include private rental – and indeed, in certain circumstances, this should form part of the Affordable Housing requirement – in instances where delivery/ viability needs to be incentivised.

Providing Land for Homes

- 2.50 Savills agrees that a priority is to increase the number of smaller site allocations. This is important across all LPAs, and notably also to support smaller rural settlements. Hence, Policy HO6 is supported and Savills therefore agrees with the policy aspiration for at least 10% of sites to be of a scale of 1 to 2.5 hectares. There is a pressing need to support the SME sector, to stimulate all forms of housing delivery, noting that in 2025 the proportion of sites of 250 units or less had decreased from circa 70% in 2021 to 58% (Savills, February 2026). Savills often sees at Local Plan Examinations a failure to properly test the approach to allocate smaller sites, as LPAs often rely on factoring them as part of the windfall housing allowance. This does not positively support the SME sector and would, in effect, leave them to continue to have to pursue development proposals deemed as either infill or speculative.

Five-Year Housing Land Supply / Housing Delivery Test

- 2.51 Savills supports the retention of the forward-looking measure of five-year housing land supply, including the continued application of appropriate buffers, recognising its role in ensuring sufficient and deliverable housing supply – there is a pressing need to increase land supply (the English average now sits at only 4.49 years according to Savills data February 2026). Savills notes the buffers pertain in the Annex D methodology for five-year housing land supply calculations and has no further comments to make.
- 2.52 Savills also supports the continued use of the backward-looking HDT, which was first introduced in 2018, and acknowledges the policy consequences that may arise where housing delivery falls materially below identified housing requirements. Stimulating housing delivery is urgently required,

noting that year to date (to December 2025) housing completions had fallen to 202,800 in England, the lowest since 2015¹.

- 2.53 The present published HDT results are now rather dated. **Savills questions when the next publication date of the updated HDT will occur.**
- 2.54 **Together, these mechanisms remain relevant in assessing whether unmet housing needs are present and in informing the application of the presumption in favour of sustainable development, as set out in Policies S3, S4 and S5. Savills has commented elsewhere that the inclusion of the term “evidenced” in relation to unmet need is unnecessary.**

Large Scale Residential / Mixed-Use Development

- 2.55 Savills is supportive of Policy HO4, as a range of housing sites are required including larger scale strategic sites or new settlements. In 2025, larger sites, over 250 units made up 42% of pipeline housing supply (Savills, February 2026). The final version of the NPPF might need to be amended to reflect the final and up to date guidance or policy on New Towns (also clarifying how these are to be treated as part of the housing requirement / supply). The need for design codes is appreciated, the NPPF need not be prescriptive on whom produces these. Often, for speed, these are applicant led, in consultation with the LPA. Waiting for complex and timely Supplementary Plans outlining design policy could stifle delivery. Savills provides further comments on Urban Design in this representation.

Meeting the Needs of Different Groups

- 2.56 Policy HO5 seeks a varied housing mix and different types/ tenures of housing. Savills has commented elsewhere on the Annex B Glossary definition of Affordable Housing, and also in respect of at least 50% Affordable Housing on Green Belt/ Grey Belt, and consistency of approach in light of Policy GB8.
- 2.57 Caution is required over a blanket national standard of M4(2) and M4(3) provision at 40%, which sits substantially above many Local Plans. This will pull against other aspirations in the draft NPPF (and no doubt local design guidance) to increase housing density, and may, without local evidence, result in an overprovision of M4(2 and 3) standard properties (noting also a separate Policy, HO9 includes provisions to support specialist accommodation).
- 2.58 In addition, caution is required on national and local (set via Local Plans) approaches to housing mix, without the necessary flexibility. The intended housing mix should be expressed as a range in Local Plans, as informed by evidence (if indeed it needs to be that prescriptive at all). The market often decides on the optimal mix, notably of market properties, to aid the viability, feasibility and hence deliverability of development proposals.
- 2.59 **Savills encourages deletion of the 40% M4 (2) and (3) standard, and the insertion of text requiring that any specified housing mix in Local Plans (if required at all) is informed by evidence and expressed as a range, to optimise / tailor the policy for site specific circumstances.**

Decision-Taking – Housing

- 2.60 Savills supports the Policy HO7 position that substantial weight should be given to the benefits of providing housing.

¹ Some of the latest housing delivery indicators from Savills (February 2026):
https://www.savills.co.uk/research_articles/229130/387838-0/english-housing-supply-update-q4-2025

2.61 In respect of Affordable Housing, Savills notes the amendments to Annex B definition, and save the comment on the role (in certain circumstances) of private rental accommodation, has no further comment to make on the definition.

2.62 Introducing a blanket 10% minimum social rented housing is unlikely to be achievable in each and every case, and thus should be a matter suitable for Supplementary Plans. **Hence references in the draft NPPF to a minimum threshold for social rented housing should be deleted.**

Large-scale Shared Living

2.63 Savills is pleased to see the introduction of Policy HO9 and reference to large-scale shared living accommodation. Savills welcomes and support the criteria set out regarding the locations of large-scale shared living accommodation. **In respect of the definition in the Annex B Glossary, Savills only suggested amendment is to clarify that this is ‘managed’ non-self-contained accommodation to better reflect the type of accommodation and the requirement under Policy HO9(1)(c)(iii).**

2.64 Savills has experienced a varying degree of understanding of this type of housing and how LPAs are assessing and planning for them, and therefore, having recognition of this type of housing at a national level is welcomed. In this respect, **Savills would request that Policy HO1(2)(d) is amended with brackets to specify that this includes shared living as well as build to rent. Equally, Savills requests that Policies HO4(2)(c) and HO5(1)(c) are also amended to specifically make reference to the need to plan positively for ‘shared living’ as type of housing alongside other forms of housing including build to rent, student accommodation, and older people’s housing, which is consistent with Policy HO1.**

Build-out of Residential Development

2.65 Policy HO13 is intended to encourage the delivery of residential development. HO13(1) is a statement rather than a policy requirement, encouraging the delivery of larger scale residential development. To have a meaningful effect, **Policy HO13(1) should cross refer to those on infrastructure provision and viability, as often delays are caused by these two factors.**

2.66 HO13(2) goes beyond what is reasonable or necessary in a planning condition – by outlining a potential requirement for a planning condition to require development to commence. This is an obligation and not a condition. It is a well-established principle that a planning permission is such, permission to build, and not an obligation – unless that is stipulated as an obligation within a S106. Even in those cases, the obligation would be linked to a trigger point in the delivery of a development, for example a ‘Grampian style’ condition requiring new infrastructure by a certain point. **On this basis – HO13(2) is not workable and potentially inconsistent with established planning law – and should be deleted. Instead, consideration could be given to shorter time periods before a planning permission lapses (in certain circumstances).**

2.67 HO13(4) seeks to ensure planning applications are consistent with the scale, location and phasing of emerging Local Plan allocations. This does raise a potential conflict with policies on prematurity (Policy DM4). Prematurity is only triggered in limited circumstances. **Hence, Savills questions whether, in light of DM4, HO13(4) is necessary.**

Viability

Relevant consultation questions: Q16, Q17, Q25, Q26, Q140, Q141, Q142

Relevant draft policies: PM12, DM5

- 2.68 Savills has provided a comprehensive response in respect of viability matters in general, within **Appendix A** of this representation.
- 2.69 As currently drafted, Policy DM5 seems to be expected to work alongside draft Policy PM12. The content of Policies DM5 and PM12 confirm that the Government is aiming for a simpler approach to testing viability in the planning system, one based on standardised inputs and more prescriptive Local Plan policies, delivering more affordable housing. As a general point, **Savills urges caution in this over simplistic approach to viability, and considers that the approaches advocated in the draft NPPF will not stimulate development and housing delivery.**
- 2.70 Savills makes these observations in respect of viability matters with the overarching aim of boosting housing delivery.

Developer Contributions

- 2.71 Developer contributions should be sought to ensure that growth is supported by the timely provision of infrastructure, services, and mitigation necessary to make development acceptable in planning terms. It is important that Local Plans and Supplementary Plans, and other relevant Plans; such as Infrastructure Delivery Plans, set the framework for developer contributions. From the respective Plans, it is then for site specific development proposals to be considered. In respect of part 4 of draft Policy PM12, relating to review mechanisms, these *could* be considered appropriate in certain circumstances. **Savills advocates that the NPPF should simply outline that on a case by case basis, there may be circumstances whereby via an open-book approach – viability evidence may be justified to influence decision-making.**

Development Viability

- 2.72 **Savills objects to Policy DM5.** Policy DM5 seeks to limit the circumstances when site-specific viability assessments could be used to justify providing a reduction in contributions, such as a reduced offer of affordable housing or other infrastructure requirements. Savills remains concerned that a rigid application of plan-led viability expectations could overlook the dynamic factors and risk impeding sustainable development if not implemented with sufficient pragmatism. Factors such as construction costs, interest rates, and market conditions can shift rapidly, significantly affecting the viability and deliverability of development schemes. This seems to be disregarded within Policy DM5. From Savills' extensive experience in delivering development schemes, it is unrealistic and unpractical to assume that development/allocations are viable over the course of a Local Plan period (5 to 15 years). Viability is inherently time-sensitive, noting that the market often moves more quickly than the planning system.
- 2.73 **The word “limited” should be removed from Policy DM5(2),** as it is not helpful for the circumstances that allow viability assessments to be “limited” in stature.

Affordable Housing Floor

- 2.74 **Savills objects to the inclusion of an affordable housing floor.** It is over simplistic to assume that one size fits all, especially in respect of low value areas and regeneration proposals. Savills however recognises that in certain circumstances, site specific viability assessments can be appropriate.

Standardised inputs in Viability Assessment

- 2.75 Annex B of the consultation document is referred to as '*Viability: Standardised inputs in viability assessment*'. It is understood that this is a potential Annex to be included within the draft NPPF, as set out within draft Policy DM5(4). Annex B of the consultation document includes specific questions relating to standardised inputs on viability assessment, including growth testing, developer returns, benchmark land values and residual land value. Savills have therefore provided responses to these specific questions at **Appendix A** of this representation.

Economics, Freight & Logistics

Relevant consultation questions: Q84(a), Q85(a), Q86(a), Q87(a)

Relevant draft policies: E1, E2, E3, E4

Long Term Economic Growth

- 2.76 Savills strongly supports the emphasis within Policy E1 on flexibility in planning for economic growth, including explicit references to Industrial Strategy Zones, AI Growth Zones, and the Government's Industrial Strategy.
- 2.77 While Savills supports the requirement for development plans to articulate a clear economic vision and translate ambition into spatial allocations, there is concern that Policy E1(1)(c)(i) may result in an undue focus on office-based research and development uses, to the detriment of manufacturing activity. **It is therefore recommended that Policy E1 more explicitly requires provision for manufacturing uses. Savills also considers that reference to unmet needs and market signals should be strengthened to ensure consistency between plan-making and decision-taking policies, particularly in relation to Policies PM2 and PM8.**
- 2.78 Savills also supports the requirement for development plans to address barriers to investment, including the provision of enabling infrastructure. Land allocations must be aligned with credible infrastructure planning, funding and delivery mechanisms to ensure sites are viable and capable of coming forward as intended.
- 2.79 The specific requirement within Policy E1(c)(ii) to allocate sites of varying scales and in accessible locations for storage and distribution uses is particularly welcomed and reflects the critical role of the logistics sector in supporting economic growth. This explicit recognition should be applied consistently across plan-making and decision-taking to ensure that sufficient, suitable and deliverable land is brought forward to meet identified needs.
- 2.80 This support should also be extended, where appropriate, to other employment uses that meet sector-specific and locational needs, including life sciences, industrial and data centres.

Meeting the Need for Land and Premises

- 2.81 Savills supports the approach set out in Policy E2 and welcomes the clarity it provides for commercial development proposals. The policy appropriately affords 'substantial' weight to the economic benefits of commercial development, and explicitly includes proposals that enhance freight and logistics, business investment and expansion, alignment with the Government's Industrial Strategy and its eight priority sectors (IS-8), and development within AI Growth Zones.
- 2.82 Savills particularly endorses the requirement in Policy E2 to consider 'market signals' in decision-taking when identifying the need for business land across all forms of employment use. Policy E2 represents a significant advancement on the NPPF 2024 by providing clear direction that, where unmet need must be demonstrated (including for the purposes of Policy S5), authorities should actively consider evidence of undersupply, sectoral change, and the availability and suitability of existing sites and premises.
- 2.83 However, as currently drafted, the consideration of market signals is only referenced in Policy E2 which is a national decision making policy. No such reference is required as part of plan-making policies which need to be addressed. Otherwise a situation will exist whereby planning decisions need to have regard to market information concerning demand and supply signals and their relevance to the assessment of unmet employment needs but local plans in their preparation do not. **To address this situation we suggest reference to market signals in assessment unmet employment needs are added to Policies PM2, PM8 and E1 which are all plan-making policies.**

2.84 These amendments will help solidify the draft NPPF's important shift away from employment land assessment methodologies currently reflected in PPG, which are predominantly based on historic trend analysis. These current PPG methods routinely underestimate future employment need especially for fast growing sectors such as industrial and logistics and data centres.

2.85 In order to bring the PPG in line with the draft NPPF's market signals based approach, Savills has included some suggested amended text as **Appendix B**.

Freight and Logistics

2.86 Savills welcomes the new policy dedicated for freight and logistics (Policy E3), which recognises the sector's distinct characteristics, spatial requirements and economic importance, and provides a clearer framework for assessing proposals in line with the PPG.

2.87 Savills notes that commercially attractive logistic locations, as per Policy E3(a) may currently have limited accessibility; however, development can deliver improvements to sustainable transport infrastructure. **Policy E3 should therefore acknowledge the potential for proposals to enhance sustainable transport opportunities.**

2.88 While Savills supports the intention to minimise environmental impacts at Policy E3(b), reliance on industrial intensification or co-location to reduce vehicle movements may be impractical. Fragmented land ownership, lease constraints and viability considerations often limit opportunities for comprehensive redevelopment or intensification.

2.89 Market evidence demonstrates that modern industrial and logistics development is increasingly shaped by operational efficiency requirements, including servicing and circulation space, trailer parking, as well as policy requirements, such as sustainable drainage, landscape and BNG. Collectively, these requirements reinforce the need for flexible and appropriately sized plots.

2.90 Policy E3, while welcomed, could reasonably be broadened to provide overarching support for industrial and logistics development across Use Classes E(g)(iii), B2 and B8, reflecting their similar characteristics and shared reliance on access to transport networks. Greater flexibility to support a wider range of acceptable industrial uses beyond freight and logistics would be welcomed. This flexibility should also be extended to data centres, which have highly specific locational requirements relating to power and digital infrastructure.

2.91 Policy E2 requires consideration of locational requirements when demonstrating evidenced need under Policy S5(j). However, S5 (j) affords substantial weight only where development is either well related to an existing settlement or provides freight and logistics under Policy E3. **Furthermore, "substantial" weight ought to be afforded to the delivery of locationally-sensitive employment development for which there is an evidenced need. The consistency between Policies S5 and E2 requires further consideration.**

2.92 Furthermore, the draft NPPF does not recognise the specific locational and physical requirements of non-freight employment uses, nor afford equivalent positive weight to their delivery in suitable locations. **While such recognition is explicitly provided for freight and logistics, it does not extend to other employment uses, and should be revised to reflect their importance.**

Rural Business Development

2.93 Achieving the Government's pro-growth agenda, and addressing the UK's persistent low-growth trajectory, will require a holistic approach to supporting employment development, including rural strong support rural businesses. Policies that facilitate and support business needs in rural areas are therefore welcomed, particularly those enabling smaller-scale industrial, logistics and service uses that support local economies, supply chains and employment.

2.94 Policy E4 should provide sufficient flexibility to support the delivery, expansion, and diversification of rural businesses, including through the reuse, intensification, adaptation and, where appropriate, development of new premises, as per Part 1(a). In this context, Part 2 of the policy is considered overly restrictive and risks constraining future rural business development by failing to reflect the locational and design requirements of such uses. Savills therefore recommends that this element of the policy is revised to ensure greater flexibility as follows:

Development proposals to meet business needs in rural areas may need to be located outside settlements, and in locations that are not well served by public transport. In these circumstances:

- a) ***Development proposals should take opportunities, where ~~they exist~~ it is viable to do so, to use previously developed land, and sites that are physically well-related to existing development; and***
- b) ***The siting and design of development should seek to be appropriate having regard to the character of its surroundings.***

Town Centres/ Retail

Relevant consultation questions: Q88 and Q92

Relevant draft policies: TC1, TC3, TC4

Retail Sequential Test

- 2.95 The sequential test requires applicants to assess whether there are any alternative sites for a proposal before considering locations outside of a town centre. The sequential test focuses on what the proposal itself is, and whether it could be located on an in-centre site.
- 2.96 In the event that the sequential test is retained, the currently drafted policy approach set out at Policy TC3, would require applicants to consider *'whether the type of development proposed could be accommodated across multiple sites'*.
- 2.97 The application of the sequential test currently and should continue to assess whether a proposal, could be accommodated on an alternative site within a centre, and not whether an altered version of the proposal could be accommodated across multiple sites within a centre. The approach in the NPPF (2024) reflects the commercial realities of development in that it is whether the proposal that an applicant has put forwards in response to market requirements can be accommodated on an alternative location.
- 2.98 To require an applicant to assess whether a proposal could be accommodated across a variety of sites would mean that applicants would be required to assess disaggregated versions of their proposal in applying the sequential test. The test would therefore no longer be assessing 'the proposal'. It would mean that inappropriate business decisions on behalf of developers and operators would be being. The test would therefore no longer be being applied in the "real world".
- 2.99 The redrafted sequential test as set out at Policy TC3 would introduce a test that does not accord with the requirements of the established principles for applying the sequential test that have long been in place for close to 20 years. The test put forwarded in the draft NPPF would be a test that is assessing an unrealistic approach that is not considering real world scenarios. It is well-understood that planning policies should consider proposals under in the real world setting that they are being applied in and the redrafted sequential would not be doing this for the reason outlined.
- 2.100 It follows that the redrafted sequential test would not result in development in town centres coming forwards, and would prevent sustainable economic growth from occurring. The redrafted sequential test would likely result in more appeals. It would reduce economic growth prospects and create further burdens to economic development. It would not have the effect of delivering more town centre development.
- 2.101 There are no other effective policies in national or local policy that requires a proposal to be arbitrarily altered to fit onto another site. **Savills therefore concludes that the suggestion to introduce disaggregation in Policy TC3 should be removed as it does not recognise the realities under proposals are bought forwards and it does not reflect the commercial requirements of applying the sequential test in the real world.**

Impact Assessment

- 2.102 Draft Policy TC1(1)(e) enables LPAs to set thresholds for impact assessments that are lower than the national threshold.
- 2.103 Savills points out that there is currently no established methodology for setting thresholds. Our experience is that a threshold put forward in a development plan is often not based on any evidence that supports why a lower threshold is appropriate and is often based on a set of assumptions that

do not reflect reasoned justification for adopting a lower threshold. The current approach where local authorities set thresholds without evidence has the effect of reducing and delaying positive economic investment in the retail sector. It adds an extra policy burden that is not consistent with the ambition of the draft NPPF in setting the 2,500 sq. m national threshold.

2.104 **Policy TC1(1)(e) and Policy TC4 should therefore properly set out when a lower threshold can be used. Savills considers that this should only be in exceptional circumstances.**

Infrastructure

Relevant consultation questions: 93(a), Q96, Q99, Q100 and Q101

Relevant draft policies: CO2, W1, M1, M5

5G and Gigabit Broadband

- 2.105 Savills recognises that the overall aim of Chapter 9 'Supporting high quality communications' is to enable the expansion and upgrading of telecommunications infrastructure to meet changing technological, social, business and security requirements. While supporting necessary infrastructure advancements and improvements, it recognises that there could be a change in circumstance which may require an alternative approach to allow for flexibility. Savills therefore agrees that the draft Policy CO2 provides appropriate support for telecommunications.

Planning for Energy and Water Infrastructure

- 2.106 The introduction of a standalone chapter for Clean Energy and Water represents a more directive, "rules-based" approach to infrastructure planning. Specifically, it establishes a clear mandate for how Local Plans must integrate infrastructure to ensure that "planned growth" does not outpace "network capacity", that the need is implied, that renewable energy and grid infrastructure are not unduly constrained, and places substantial weight on improving and enhancing specific infrastructure capacity. **The measures should be interpreted as two-way, as there is equally a requirement for Regional/Local Energy Plans and Water Resource Management Strategies to keep pace with planned areas of growth. Policy W1 is therefore supported.**

New Development of Water Infrastructure

- 2.107 Policy W4 represents a significant shift in how the planning system treats water infrastructure, seeking to address historic constraints, and accelerate the delivery of water supply, drainage, and wastewater projects. Policy W4 is therefore supported in principle.
- 2.108 **The opportunity could also be taken to make clear the consequences for any new development (or planned development) in areas of water supply constraint, or areas of wastewater capacity constraint. This should not be a reason to refuse development (nor plan positively for it), rather ensure it is adequately phased, alongside any required upgrades.**

Prohibition of new Coal Sites

- 2.109 The proposed changes to Policies M1 and M5 effectively end domestic coal production by de-listing it as a priority mineral and banning new sites. This shift directly supports the UK's net-zero trajectory and the move to clean energy, yet it overlooks the cultural and heritage implications for industries still dependent on coal, such as the steam rail sector.

Consideration of Oil and Gas

- 2.110 Policy M1 provides a reasonably balanced approach, being far more restrictive than previous versions but stops short of the total prohibition. This continues to drive net-zero and offers the certainty renewable energy sectors require, but retains sufficient flexibility to address the national interest.

Green Belt

Relevant consultation questions: Q132, Q133, Q136, Q137

Relevant draft policies: GB2, GB3, GB7, GB8

- 2.111 As a general point in respect of the Green Belt and given the positive intent of the NPPF, it is no longer necessary to characterise Green Belt Reviews as an 'exceptional' act; rather, it should be approached as part of a rolling and plan-led review process to respond to housing, employment and infrastructure needs (clear guidance is provided in Annex E – see also Savills representation on it). **Savills therefore supports of any amendment to the draft NPPF which requires a Green Belt Review alongside the production of a SDS or Local Plan, and deletion of the term 'exceptional circumstances' to trigger said review.**

Treatment of Green Belt - Spatial Development Strategies and Local Plans

- 2.112 Policy GB2 relates to SDSs, and their function in assessing the strategic role of Green Belt land and Policy GB3 relates to the alterations to Green Belt boundaries as part of Local Plans. Concerns are therefore raised regarding the relationship between Policies GB2 and GB3, particularly the way in which these policies frame the triggers and mechanisms for Green Belt boundary reviews within both the strategic and local context. As currently drafted, the policies do not fully reflect the strategic planning role of the SDS and may inadvertently create ambiguity for LPAs preparing Local Plans ahead of, or in parallel with, the SDS. Given the scale of development pressures in certain parts of the country, Green Belt reviews are an important element of plan-making if LPAs are to meet objectively assessed housing and employment needs. As drafted, there is a reasonable risk that LPAs may interpret GB3—particularly when read alongside GB2—as implying that Green Belt assessment should wait until the SDS is adopted. As a result of the current wording of Policies GB2 and GB3 there is a risk that this would create misalignment across authorities progressing plans at different stages resulting in the delay of Local Plan preparation. **Savills considers that merging Policies GB2 and GB3 into a single policy to provide a single, coherent framework for Green Belt reviews, to factor in instances where a Local Plan is drafted ahead of the relevant SDS.**

Grey Belt & Railway Stations

- 2.113 Policy GB7 revises the current NPPF paragraphs 154 and 155, setting out instances whereby development is not inappropriate in the Green Belt, set out across 1(a) to (h). The introduction of Grey Belt in the NPPF (2024) is strongly supported by Savills, as is its retention in the draft NPPF.
- 2.114 The introduction of an additional route for development within the Green Belt under Policy GB7(1)(h) is also strongly supported. This is particularly important given the coverage of Green Belt across England, with established railways / stations in locations within extensive Green Belt areas, which has resulted in some stations located in largely rural areas. Savills has commented on a change required to minimum densities in respect of Policy S5 (which also includes the presumption re: stations).

Golden Rules

- 2.115 The retention of the Golden Rules, including the Affordable Housing requirement in Policy GB8(a)(i), is also supported by Savills in principle – though this requires careful application. It is important that flexibility is retained for LPAs to enable areas where this approach is less successful to apply locally justified affordable housing thresholds where appropriate.
- 2.116 It will be important that the intention NPPF is read correctly with the application of the Golden Rules. Often up to 50% affordable housing may be viable in higher value areas – however, in drafting it should not be assumed that in each and every case up to 50% is achievable (it is clearly not in lower

value areas) – for example where Local Plans (through viability / infrastructure evidence) indicate that a lower level is more appropriate. Policies GB7 and GB8 should be read in that light.

- 2.117 The 15% uplift and to a larger extent the blanket 50% is not viable in large areas across the country. Savills provides a more detailed response on viability matters under the ‘viability’ section.

Transition – Historic Green Belt Release & the Application of the Golden Rules

- 2.118 In respect of transition, further clarity is required in the draft NPPF. Policy GB8 footnote 53 exempts sites released from the Green Belt through plans adopted prior to 12th December 2024 – presumably to account for the fact that said plans were produced under a prior version of the NPPF (which did not refer to Grey Belt nor the Golden Rules) (this measure also appears in NPPF 2024, footnote 58). The transitional provisions in NPPF (2024) also repeated in the draft NPPF, have meant that some Local Plans are still being examined under NPPF (2023) or in exceptional cases NPPF (2021). It is not reasonable to prepare and test these plans under former iterations of the Framework and also apply the Golden Rules. This adds uncertainty to some historic sites released from the Green Belt. Policy GB8(1)(a)(i) could be taken at face value and that the affordable housing requirement for the site should reflect “*development plan policy requirements for major development on land within or released from the Green Belt*” – which cross refers presumably to Policy HO5(1)(a)(ii) (note – there is a typo, Savills presumes, as the text presently simply says ‘HO5(1)(a)(iii)’ which does not exist). This in turn refers to footnote 32 which outlines at least a 50% affordable housing requirement – subject to viability.

- 2.119 **Savills suggests that GB8 (and footnote 53) be amended to add that the Golden Rules do not apply to any Local Plan prepared and examined under versions of the Framework prior to the 2024 version. In addition, policy HO5 and associated footnotes need to repeat this provision. This would be sound and robust and reflect the spirit of the policy introduction of Grey Belt / Golden Rules in December 2024.**

Urban Design

Relevant consultation questions: Q57, Q58(a), Q122, Q125, Q126, Q127, Q146, Q147, Q148, Q149, Q160

Relevant draft policies: L3, DP1, DP2, DP3, DP4, HC3, HC4

Accessibility Standards

- 2.120 Savills disagrees with the proposals to ask local authorities to set proportions for accessibility standards above a minimum. There is too much variability and the difficulty in collecting data and implementing such a policy is excessive. **Minimum standards should be set nationally for every development and delivered via Building Regulations.**

Densities

- 2.121 It is sensible to require general increases in density in existing urban areas and new developments, except for exceptional circumstances. Higher density development is better able to support public transport, local shops and facilities, and therefore minimises the impact of development on climate change. Savills supports the principles in Policies L1, L2, L3 and DP3 as overall objectives.
- 2.122 **To support regeneration within settlements, a sentence should be added to ensure that where higher densities can be provided, they are not stymied due to visual impacts. Savills suggest: ‘where higher densities could be delivered around well-connected rail stations, the benefit given in the planning balance to sustainability (and location) will in principle outweigh any perceived or potential harm from visual impacts’.**
- 2.123 Savills objects to the principle of national minimum density standards elsewhere in this representation. If there are to be density standards, these should be set by LPAs via Supplementary Plans, but recommendations should be contained within the PPG for Placemaking, where examples can more easily be given. This would also benefit the speed of Local Plan production, saving detailed design considerations to Supplementary Plans, or for applicants to demonstrate within Design & Access Statements, or site-specific Design Codes.
- 2.124 Minimum requirements for densities around train stations are a sensible provision in principle, though such should be prescribed where necessary via Supplementary Plans not national policy. These could be 50dph for ‘well-connected’ rail stations within a reasonable walking distance. Two or 2.5-storey family homes have the potential to deliver up to 60 or 70dph (with smaller rear gardens and narrower streets), that are unlikely to cause issues in relation to character. The policy could encourage these higher, more sustainable densities, by stating ‘development of up to 80dph in these areas should not be unexpected’.

Definitions / Glossary – Net Developable Area

- 2.125 The draft NPPF states that:
- For the purposes of policy L3, net developable area is the part of a site that can be developed for housing and directly associated uses, including access roads within the site, private garden space, car parking areas, incidental open space and children’s play areas, where these are provided.*
- 2.126 Savills agrees that whilst not perfect, dwellings per hectare (dph) can be a helpful measure of net residential density. **The ‘new’ definition of net residential density should be amended, as it is imprecise. The inclusion of incidental (non-strategic) public open space and children’s play areas within the calculation should be removed as it can have a significant effect on the net density calculation.** The requirements for non-strategic open space can also vary from area to area. Savills suggests an approach similar to the example given in Fig 68 of the Draft PPG on Design

and Placemaking, where the area used for the density calculation excludes incidental green spaces. It should include car parking, and the area should be drawn to the centre line of adjacent streets.

Design Codes

- 2.127 Draft Policy DP1(b) should confirm that, with outline applications below 400 dwellings, design codes will rarely be required and will be unlikely to be necessary in developments of up to 500 homes. Our experience is that in applications of this size, a code is usually unnecessary as the scale is such that most of the detail can be provided in one submission. **Policy DP1(b) should be amended to clarify a minimum threshold for when Design Codes are advised.**
- 2.128 This Policy should also confirm that if a design code is to be required, or is offered by the developer, the visual impact of a development will, in principle, be 'neutral'. The balance of negative visual impacts is far too often given as a reason to refuse development: where the quality of design and placemaking is high, the NPPF should recognise the visual benefits of this approach.
- 2.129 The NPPF should be clear that where a design code is to be used, an outline application should not need to deliver excessive amounts of information. The final design and quantum of development will be determined by the adoption of the design code.
- 2.130 Design Codes for very large sites should be high level and adaptable, reflecting the likely timescale for the delivery of these sites and the need for the design approach to potentially change over time. A framework can be used to guide a large-scale proposal (of more than 5,000 homes) with design codes used to control the quality of phases as they are delivered.

Development Design Principles

- 2.131 Savills agrees that Policy DP3 sets out principles for developments to respond to their context, and to support the creation of well-designed places. Savills has no further comments to make on this matter.

Community Facilities and Public Service Infrastructure

- 2.132 Savills agrees that the Policies HC3 and HC4 will support the provision of community facilities and public service infrastructure required to serve new development. Savills has no further comments to make on this matter.

Design and Placemaking PPG

- 2.133 Savills will provide separate comments on the Design and Placemaking PPG.

Health

Relevant consultation questions Nos. Q158

Relevant Policy: HC1

Public Health

- 2.134 When considering Public Health in its fullest sense (health protection, health promotion and health care), Savills does not agree with the approach to planning healthy communities.
- 2.135 The draft NPPF represents a significant step backward for Public Health. The narrow framing of Question 158 (focusing primarily on recreational land standards) demonstrates a lack of appreciation for the broader role of the NPPF in addressing current health and social care circumstances and challenges; the complex multidisciplinary nature of health, or the extent to how policy can drive and reward the creation of healthy, vibrant and inclusive communities.
- 2.136 In its current form, the draft NPPF weakens the comprehensive health and equality focus found in previous iterations.
- 2.137 The December 2024 version (Paragraph 96c) explicitly required planning to *"enable and support healthy lives"* and *"reduce health inequalities"*. By removing and diluting this high-level commitment, the December 2025 draft loses the ability to drive or reward healthy urban design, and as such, blurs any distinction from projects that do, from projects that do not. This not only dissuades provision, but arguably incentivises projects to not bear the cost of such features, as they will not be clearly or consistently considered in the planning balance.
- 2.138 While health promotion elements exist within Policy HC1, they are indirect, incomplete and treated in silo; framing health promotion primarily through the lenses of Accommodation Need, Energy Efficiency, and Economic Growth. The draft overlooks a far wider array of essential and overlapping health determinants, and by using indirect/proxies, further weakens the ability to innovate, drive and reward healthy and inclusive urban design geared to addressing current and emerging health priorities and needs.
- 2.139 Crucially, because health promotion is not explicitly recognised as a core objective, it is unlikely to be appropriately rewarded or "weighted" when balancing competing planning interests. This again blurs any distinction from projects that do, from projects that do not.
- 2.140 The draft also introduces a clear devaluation of healthcare infrastructure. The planning weight for improved health and social care provision has been downgraded from a definitive *"Substantial Weight"* to the vaguer, more subjective and weaker *"Considerable Importance"*. This shift reduces the ability of developers and local authorities to prioritise essential community care facilities at a time when the relationship between planning, the NHS and Social Care has never been more critical. **As such, Savills considers that within Policy HC1 "substantial weight" should be afforded to proposals that improve health and social care provision.**
- 2.141 While the draft maintains a standard for Health Protection (via environmental metrics and hazard management), it fails on Health Promotion and Health Care. The NPPF should return to a position where health is a central, heavily weighted pillar of sustainable development, rather than a secondary consideration filtered through other policy goals.
- 2.142 The NPPF must appreciate that spatial planning is a more potent preventative tool than the NHS is a reactive one. When further considering that the NHS operational costs are anticipated to double by 2030, and that Adult Social Care and Children's Services now consume nearly two-thirds of every local authority budget, with demand increasing; a treatment-based approach is no longer just ethically questionable, it is unsustainable and entirely unaffordable.

- 2.143 If the draft NPPF fails to provide a clear top down approach; out of necessity, a bottom up approach will form through Local Policy, and programmes such as Marmot Place's.
- 2.144 The latter is particularly relevant as for those places signed up, it embeds health equity into all local policies. There are now over 50 local authorities across the UK that have formally adopted Marmot Place status, with Wales the world's first Marmot Nation, legally embedding health equity into every level of its policy and decision-making framework.
- 2.145 These areas do not treat health as an amorphous secondary benefit; they recognise health equity as the primary objective of effective place-making, and may well render the draft NPPF strategical superfluous on health promotion and health care.

Flood Risk / Water Management

Relevant consultation questions: Q172(a)

Relevant policies: F5, F6

Sequential Test – Flood Risk

- 2.146 Savills welcomes the redrafting of the Sequential Test policies within the draft Framework, particularly the alignment with the updated Flood Risk and Coastal Change PPG published in September 2025. This provides greater clarity and consistency on how the test should be applied.
- 2.147 However, Savills considers that further refinement is required to ensure the policy explicitly addresses all sources of flooding, including groundwater. Groundwater flooding is often less well monitored and reported than fluvial, tidal or surface water flooding, yet it is a persistent and locally significant issue in parts of Surrey and elsewhere across the country. Explicitly incorporating groundwater within the Sequential Test would provide a more comprehensive and robust basis for flood risk assessment and help avoid future inconsistency or delay in decision-making. **Savills suggests that national policy is clarified to ensure groundwater flooding is explicitly addressed within the Sequential Test, alongside other sources of flooding.**

Ecology and the Natural Environment

Relevant consultation questions: Q179, Q180, Q181, Q182, Q184

Relevant draft policies: N1, N2, N4

Local Nature Recovery Strategies

- 2.148 Savills is pleased to see repeated reference to Local Nature Recovery Strategies (LNRS) throughout the draft NPPF, and welcome that their reference is seen across multiple themes. Savills have had access to a wide range of perspectives on LNRS so our view is informed by a national and balanced picture.
- 2.149 Savills welcomes the acknowledgement of LNRS at Policy N1(1)(c), and encourage strengthened wording concerning conflicts between identified LNRS and development. Despite the ambition for there to be no conflicts between development proposals and LNRS opportunity areas, the significant coverage of the latter in most LNRS will inevitably result in conflicts with development proposals identified as part of emerging Local Plans. A more cohesive approach to LNRS could be considered across all themes so there is consistency and transparency to navigate the balance between realising growth ambitions whilst respecting the natural environment noting that new development often enables environmental gain.

Biodiversity Net Gain and Enhancing the Natural Environment

- 2.150 Savills is aware that there are wider reforms proposed regarding the application of Biodiversity Net Gain (BNG) to small sites and potentially certain brownfield sites, which is not the subject of the NPPF consultation. Savills generally welcomes that the *potential* outcomes of these consultations are anticipated in the NPPF, and agree that Local Plans should not set local standards for BNG which are in excess of the statutory framework, including not introducing more exemptions at a local level. Savills has seen that frustration with the BNG policy often comes from contrasting and locally specific variations on the application of BNG, and anything that is done at a national level via the NPPF to standardise the approach is welcomed.
- 2.151 To this end, Footnote 69 is cautiously welcomed, but Savills also considers that development projects should be afforded positive weight in the planning balance where they choose to voluntarily target a higher BNG threshold (i.e. 20%) even if this is not expected at a local level. Local investment into nature recovery is heavily dependent on the private investment and Savills sees the off-site BNG market being a significant component of this. Incentivising a greater delivery of BNG can, therefore, only contribute to the Government's wider ambitions to attract more private investment into nature recovery.
- 2.152 Savills supports the mitigation hierarchy outlined within Policy N2(2) however, compensation for harm to biodiversity should not be framed as a measure of "last resort", recognising the opportunities presented by forthcoming Environmental Delivery Plans (EDP) via the Nature Recovery Fund. **Savills suggests that Policy N2(2) be amended to remove wording "last resort" - to better reflect the strategic biodiversity and ecological approach through EDPs (i.e. to help implement the compensation measures – to the overall gain for the environment).**
- 2.153 Savills also welcomes the reference to biodiversity and nature being components of well-designed spaces, and endorses the recommendations of species enhancing measures within new development. **Savills cautiously notes as to whether national policy needs to be specific in respect of only three types of wildlife enhancement (integrated swift brick bricks, bat boxes and hedgehog highways) [see N2(1)(f)]. This is too prescriptive for national policy.**

Environmental Delivery Plans

- 2.154 Savills acknowledges that at the time of the draft publication of the draft NPPF there are no adopted or draft EDPs, so it is not possible to comment on the appropriateness of their reference and inclusion in the draft NPPF. Savills awaits the release of further detail on specific EDPs and whilst Savills welcomes their approach is to streamline decision-making and planning permissions, this should not be at the detriment of the Natural Environment if there is not sufficient data or evidence to suggest that conservation measures proposed as part of the EDPs will be demonstrably effective. It is hoped that these provide a framework for compensation measures to the benefit of both new development and the environment – which is how the drafting of Policy N6(1)(a)(ii) is framed.
- 2.155 Savills is of the view, therefore, at the present time that the protections afforded to protected sites (Sites of Special Scientific Interest (SSSIs)/Special Protection Areas (SPAs)/Special Areas of Conservation (SACs)/Ramsars) in the existing NPPF, and the wider legislation afforded to such sites provides sufficient protection to these sites without direct reference to EDPs, as proposed. **Savills considers it is potentially premature to specifically include their reference in the draft NPPF, as none have been drafted or been subject to scrutiny. That said, Policy N6 acts as a mechanism to ensure that the overall objectives of the Habitats Regulations are satisfied as an alternative route to Appropriate Assessment.**

National Landscapes (Protected Landscapes)

- 2.156 Savills supports the need to protect valued landscapes, such as National Landscapes – and notes these are referred in the draft NPPF under the Protected Landscape definition. However, Policy N2(1)(a) appears to apply a higher bar on all countryside land, which risks a conflict against Policies S5 and GB7. As such, the policy should be revised to ensure a clear and appropriate hierarchy between designated landscapes and the wider countryside. **Savills suggests that policy N2(1)(a) is amended to establish a clearer hierarchy between designated landscapes and the wider countryside, ensuring consistency with the approach to development set out in Policies S5 and GB7.**
- 2.157 Policy N4(1) proposes to afford “substantial weight”, compared to the reference of “great weight” in the NPPF (2024). Whilst broadly, Savills supports the protection of designated landscapes, the weighting applied should be proportionate and informed by site-specific evidence. Rather than applying a uniform level of substantial weight, the policy should allow weight to be commensurate with the quality, sensitivity and significance of the valued landscape in its specific context. Savills suggests that **draft Policy N4(1) be revised to avoid a blanket application of “substantial weight”, and instead apply weight commensurate with the site-specific qualities and sensitivities of the specific area or parcel of the Protected Landscape in question, consistent with a proportionate and evidence-led approach.**
- 2.158 A similar approach should be taken for plan-making. Policy N1(1)(c) seeks to limit the scale and extent of development allocations in a Protected Landscape. This is a blunt requirement without consideration of the site-specific qualities and sensitivities of the specific area or parcel. **Hence, to robustly apply Policy N1 in plan-making, it should be clear in the policy that the scale and extent is “subject to specific landscape evidence”.** This would support the principle that whilst Local Plans cannot amend the boundaries of the National Landscape, they can make entirely justified development allocations within it.
- 2.159 Policy N4(2) continues to apply the NPPF (2024) test of exceptional circumstances to proposals for major development within Protected Landscapes. Whilst Savills supports the protection afforded to these areas, it is important that the policy operates in a manner consistent with a plan-led system. Where land within a Protected Landscape has been allocated for development through an adopted Local Plan, the principle, scale and form of development should be determined through the plan-making process, informed by robust landscape evidence and appropriately worded policies. In such

circumstances, the assessment of need and broad landscape impact will have already been undertaken. The policy should therefore introduce an exemption that avoids re-applying the exceptional circumstances test at the application stage for allocated sites. **Savills suggests an amendment to Policy N4(2) to confirm that where development within a Protected Landscape has been allocated through an adopted Local Plan, the exceptional circumstances test should be addressed at the plan-making stage. This is consistent with our comments on Policy N1.**

Historic Environment

Relevant consultation questions: Q188, Q189, Q190, Q191

Relevant draft policies: HE5, HE6, HE7, HE8, HE9

- 2.160 As a general comment, Savills welcomes the more positive approach to heritage alongside the clearer policies relating to each form of heritage asset, as set out within Chapter 20. Whilst the draft approach is recognised as being simpler, there are however a number of points that must be addressed before the new NPPF is published.

Assessing effects on Heritage Assets

- 2.161 In Policy HE5 Savills welcomes the clear guidance that a proposal may have a positive effect but the change in language around harm may have unintended implications. It is clarified that 'substantial harm' would only occur where 'the development proposal would seriously affect a key element of the asset's significance'. The PPG makes clear that 'substantial harm is a high test, so it may not arise in many cases' and that seriously affecting a key element of special interest would be an important consideration. As currently drafted, it is possible that decision-makers may lower the bar for substantial harm and **Savills therefore recommends that discussion of when substantial harm may occur is omitted from the NPPF and retained in PPG.**
- 2.162 Policy HE5 sets out the general principles for assessing effects on heritage assets but the new policy approach introduces some confusion on how specific heritage assets should be assessed. As currently set out, the policy would imply the full range of potential impacts applies to all heritage assets and thus a development might cause substantial harm to a non-designated heritage asset. Under the existing NPPF such terminology is reserved for designated heritage assets and **paragraph HE5(2)(c) should be amended to make clear that the category of substantial harm applies to designated heritage assets only.**
- 2.163 **Similarly, the requirement to assess the effect of proposals on heritage assets and their setting [Policy HE5(2)] should be amended to heritage assets and their significance.** It is the contribution of setting to significance that is key and thus significance adequately covers setting issues while avoiding the issues related to assessing the setting of conservation areas raised by Policy HE9 (see comments below).

Proposals affecting designated Heritage Assets

- 2.164 Savills welcomes the positive inclusion of enabling energy efficiency and low carbon heating measures as important public benefits. However, these are only referenced in relation to listed buildings. **The wording of Policy HE6(3) should be amended so that it is made clear that these public benefits apply to both listed buildings and conservation areas.**

Decisions on non-designated Heritage Assets

- 2.165 Decision-making for non-designated heritage assets (Policy HE7) requires clarification on whether the 'benefits' of the proposal should be 'public benefits'. If they are required to be 'public benefits' this is a considerably more onerous position than the existing requirement for a 'balanced judgement' and treats them as if they were designated heritage assets. **If benefits of 'good design' are to be allowed this should be made explicit in Policy HE7. Savills considers that the current requirement for a balanced judgement having regard to the scale of any harm or loss and the significance of the asset is appropriate and should be retained.**

World Heritage Sites

- 2.166 World Heritage Site policy is broadly consistent with their existing treatment under the NPPF but does introduce a requirement to assess cumulative impact [Policy HE8(1)(c)]. An assessment of

cumulative impact would be helpful for major projects but there are many occasions when a householder application might have a minor impact on a WHS and a full cumulative impact assessment would be disproportionate. **Policy HE8 should be amended to require a 'proportionate assessment of potential cumulative impact'.**

Conservation Areas

- 2.167 Decision-making policies for conservation areas are welcome, and it is noted that there is no explicit mention of the setting of conservation areas being a consideration. Setting is not protected under S.72 of the Planning (Listed Buildings and Conservation Areas) Act and it is therefore consistent with the Act not to assess impact on the setting of conservation areas. However, Policy HE5 which concerns assessing effects on (all) heritage assets does require an assessment of setting for all heritage assets. **Policy HE5 is a contradiction with HE9 and must be clarified in line with the Act.**

Other comments on the Heritage Chapter

- 2.168 Savills considers that the shift towards a clearer decision-making framework would allow for even further positive changes. In our experience there is a gap between detailed Local Plan policies and more general national policy. Local Plans are often over-cautious and very often at-odds with best practice guidance provided by Historic England (HE).
- 2.169 HE guidance, for example, when relating to retrofit in HEAN 18, is progressive and clear but very often dismissed by LPAs. Applications for retrofit of protected buildings would be much easier if HE guidance were adopted as national policy, thereby making it clear that LPAs must start from the positive baseline set out by HE.
- 2.170 An example of what the draft NPPF decision-making policies might say is *'enabling energy efficiency and low-carbon heating measures create important public benefits which, in most cases, will outweigh modest loss of fabric and/or visual impact.'*
- 2.171 Similarly, good design is a policy requirement within the NPPF. In line with HE's 'Good Practice Advice in Planning Note 3 (second edition): The Setting of Heritage Assets', Paragraph 39, good design may reduce or remove harm, or provide enhancement. HE identifies that the quality of the design may be an important consideration in determining the balance of harm and benefit. **Savills suggests that this wording, recognising good design in making a decision on a heritage asset is incorporated in the draft NPPF.**

END

3. Summary and Recommendations

- 3.1 Savills (UK) Ltd have provided general comments on the proposed reforms to the National Planning Policy Framework (draft NPPF) and other changes to the planning system.
- 3.2 Through the course of these representations commentary has been provided on the key topics of the consultation, most notably in respect of the format of the draft NPPF, the presumption, housing, Green Belt, infrastructure, viability, retail, logistics, sustainability and urban design. The key recommended changes are in bold text.
- 3.3 These representations have outlined the changes that should be incorporated into the final publication NPPF to ensure that national planning policy is accessible and understandable and reflects the rules-based approach envisaged by the Government. The national planning policy should be designed to meet the Government's aims of tackling the housing crisis and supporting economic growth. The key changes sought are summarised in Table 3.1.

Table 3.1: Summary of Changes Sought

Topic Area	Sub area	Comment on current Wording	Suggested Improvements
Format and Structure	Annex A Transitional Arrangements	Savills agrees with encouraging up-to-date plan-making to ensure policies remain consistent with the NPPF. In practice, this will render a number of policies 'out of date', even those produced under NPPF 2024.	Clear direction should be provided to plan-making authorities to start promptly with new plans, which are consistent with the NPPF.
		Paragraph may have unintended consequences by allowing older housing requirements, adopted prior to the draft NPPF and NPPF 2024, to continue to apply where they are significantly below the most up-to-date housing figure.	Suggests introducing an 80% requirement that would require, for a local plan housing requirement to remain "up to date" for five years post-adoption, it should be at least 80% of the current LHN figure.
	Annex B Glossary	The definition of Veteran Trees has changed to introduce an 'or', rather than 'and', in respect of defining the quality of a specimen to "age, size or condition", broadening the definition. This conflicts with other existing definitions.	Savills therefore suggests that a single definition for veteran trees is established to ensure consistency.
	Annex C National Validation Requirements	Supports the introduction of national information requirements for the preparation of planning applications.	Clarity as to whether this supersedes all local validation lists.

	Annex E Green Belt Assessments	In the absence of up to date Local Plans, there will remain a period where an applicant needs to demonstrate the relevant Green (or Grey) Belt credentials of a site. In addition, Savills considers that it should be made clear that physical boundaries represent the most appropriate way to define “assessment units” (or parcels).	In the absence of any adopted Spatial Development Strategies, that the guidance is clear that Green Belt Assessment may still be produced in the interim (by LPAs or applicants) – to avoid delay.
	Terminology re: Weight	There will be instances where policies push and pull in different directions, and hence clarity is still required on the application of the overall planning balance.	Clarification within the draft NPPF, consistent with the principles of previous case law, that the NPPF should be read as a whole and interpreted as such.
SDS/ Local Plans, Neighbourhood Plans	Local Plans	Savills supports the inclusion of five soundness tests for Local Plans but amendments should be made to the wording of PM(1)(b).	The text at Policy PM15 (1)(b) revised to include the need for Local Plan policies to be “ justified ”, with the rewording of the policy to include “... <i>and based on proportionate evidence</i> ”.
		Savills considers that a 15 Local Plan period does not adequately reflect the frequency of national policy change.	The wording of Policy PM2 (1)(a)(iii) be revised from “ <i>no less than 15 years</i> ” to “ <i>no less than 10 years</i> ”.
	Neighbourhood Plans	Policy S6 in its current form would afford a disproportionate level of protection to areas with a ‘qualifying’ neighbourhood plan. This level of protection is not justified, is not afforded to Local Plans, and does not appear to align with the status proposed to emerging SDSs.	Savills considers that Neighbourhood Plans, which are subject to the test of basic conditions and often not examined through examination hearings, should not be afforded a higher status to Local Plans or emerging SDSs in decision-making.
Presumption in Favour of Sustainable Development	Settlement Boundaries	Savills supports the emphasis on settlements as the primary focus of growth, and the broad definition of “settlements”. Further clarity would, however, be beneficial on when settlement boundaries should be considered up to date, and how decision-makers should approach circumstances where Local Plans do not define boundaries at all.	Clearer guidance is required on what constitutes a settlement boundary – to define the operation of S4 and S5.

	Within Settlements	The default presumption in favour of development within settlements, under Policy S4, is supported.	Greater flexibility applied to the treatment of land allocated or safeguarded for specific purposes where there is clear evidence that such uses are no longer realistic or deliverable.
	Outside Settlements	If the routes to the titled balance are applicable, then this should apply to land outside settlements, without the additional and undefined conditions as currently contained within Policy S5.	Savills suggests simplifying the definition of the presumption in favour of sustainable development on land outside of settlements, in particular for housing development.
	Railway Stations Railway Stations	The approach to supporting development within a reasonable walking distance of well-connected train stations is welcomed (Policy S5) and reflects a clear intention to promote sustainable patterns of growth. However, scope for improvements to the connectivity to stations is relevant, for example to improve design, access and safety.	Savills considers that the circumstances to which a nearby station is suitable should be a qualitative assessment – i.e. reasonable walking distance taking account of the quality of existing and potential future connections.
		Savills also supports the draft NPPF’s emphasis on optimising densities around stations, and considers this represents a positive direction of travel in promoting efficient use of land in sustainable locations – where appropriate. However, the application on minimum density requirements on a national basis, particularly 50dph thresholds around well-connected stations.	Savills notes that a balance is required in application, though national policy should not be dictating blanket minimum densities. Hence these should be deleted in policies S5 and GB7 – instead retain the emphasis on positive approaches to appropriate development in character/ context.
	Evidenced Unmet Need Evidenced Unmet Need	This exception would benefit from a definition in the glossary or PPG to understand what can be “evidenced” as “unmet need”, besides five-year housing land supply and HDT results.	Savills suggests that the term “evidenced” be removed and should simply be “ unmet need ”.
		With regard to the policy’s specific wording, Savills is concerned that Policy S5(j) sets a standard to trigger the presumption in favour of sustainable development on land for housing development outside	Further clarity is required within Policy S5 to address the above uncertainties with regard to defining development that is ‘well related’ to a settlement, and the scale and type of infrastructure

		of settlements, which is higher than the existing national policy position under the NPPF (2024).	required to support such development.
Renewable Energy / Climate Change	Planning for Climate Change	It is unlikely to be possible for plan-makers to achieve this policy goal, or show evidence of that, without a form of proportionate assessment specific to the plan area that can guide plan-making, development patterns and decision-making. This should therefore be a recommended rather than optional approach.	In CC1(1)(a)(i), the current draft wording of “ <u>can be informed</u> ” should be replaced with “ <u>should be informed</u> ”.
	Mitigation of Climate Change	The policy wording lacks sufficient precision to provide a clear decision-making test for carbon reduction, as references to conserving energy and “other resources” are vague and do not explicitly address greenhouse gas emissions reduction, which extends beyond energy efficiency alone.	3.4 The following addition to Policy CC2(1) is therefore suggested for insertion before the existing subpoint (a): “(a) <u>Demonstrate that greenhouse gas emissions are reduced, so far as feasible for the development proposal, in accordance with policy CC1 to help contribute to reductions in greenhouse gas emissions that support the transition to net zero in line with the objectives and principles of the Climate Change Act 2008;</u> ”.
Housing	Housing Requirement	Savills agrees that these plans should be based on a housing need assessment based on the Standard Method LHN, and notes the methodology in Annex D. However, Savills disagrees with HO2(2) which outlines that emerging Local Plans should take account of any relevant emerging SDS. This does not sit easily with the present planning context, which urgently requires up to date Local Plans.	Savills suggests that the NPPF be drafted with the clear intent that Local Plans must have full regard for the Standard Method LHN unless and until the relevant SDS is adopted – perhaps a period of time (3 years on publication, to fit with the 30 months Local Plan production period – with contingency) could be defined.
	Meeting the Needs of Different Groups	Caution is required over a blanket national standard of M4(2) and M4(3) provision at 40%, which sits substantially above many Local Plans. This	Savills encourages deletion of the 40% M4 (2) and (3) standard, and the insertion of text requiring that any specified housing mix in Local Plans (if required at all) is informed by evidence and expressed as a

		will pull against other aspirations in the draft NPPF.	range, to optimise / tailor the policy for site specific circumstances.
	Decision-Taking - Housing	Introducing a blanket 10% minimum social rented housing is unlikely to be achievable in each and every case, and thus should be a matter suitable for Supplementary Plans.	References in the draft NPPF to a minimum threshold for social rented housing should be deleted.
	Large-scale shared living	HO9 is generally welcomed and supported, subject to amendments to Policies HO1, HO4, HO5 to improve consistency between policies and the need to positively plan for rental housing. Glossary definition to be amended as set out in response to Q74.	HO1:2d to be amended to: ' <i>People who rent their homes (<u>different types of rental homes including build to rent and shared living</u>)'</i> HO4:2c to be amended to: ' <i>This can include a mixture of ownership and rental tenures, including Social Rent, other rented affordable housing and build to rent, as well as housing designed for specific groups such as older people's housing, student accommodation <u>and large-scale shared living</u>, and plots for custom or self-build.'</i> HO5:1c to be amended to add (v) to the list: ' <u>build to rent and shared living accommodation for people who need homes for rent</u> ' which is consistent with this group identified in Policy HO1.
	Build-Out of Residential Development	HO13(2) goes beyond what is reasonable or necessary in a planning condition – by outlining a potential requirement for a planning condition to require development to commence. HO13(2) is not workable and potentially inconsistent with established planning law.	HO13(2) should be deleted. Instead, consideration could be given to shorter time periods before a planning permission lapses (in certain circumstances).
Viability	Developer Contributions	Savills objects to Policy DM5 which seeks to limit the circumstances when site-specific viability assessments could be used to justify providing a reduction in contributions. Savills remains concerned that a rigid application of plan-led viability expectations could overlook the dynamic factors and	The word " <i>limited</i> " should be removed from Policy DM5(2).

		risk impeding sustainable development.	
Economics, Freight and Logistics	Long Term Economic Growth	Savills supports the requirement for development plans to articulate a clear economic vision and translate ambition into spatial allocations. However, there is concern that Policy E1(1)(c)(i) may result in an undue focus on office-based research and development uses, to the detriment of manufacturing activity.	Policy E1 should more explicitly require provision for manufacturing uses.
	Meeting the Need for Land and Premises	The consideration of market signals is only referenced in Policy E2, a national decision making policy, rather than any plan-making policies which needs to be addressed.	The reference to unmet need and market signals should be strengthened, and added to Policies PM2, PM8 and E1 (plan-making policies).
	Meeting the Need for Land and Premises	Substantial weight is not afforded to the delivery of locationally-sensitive employment development where there is an evidenced need.	“Substantial” weight should be afforded to such circumstances.
	Meeting the Need for Land and Premises	The draft NPPF does not recognise the specific locational and physical requirements of non-freight employment uses, nor afford equivalent positive weight to their delivery in suitable locations.	Savills suggests that such recognition should be extended to non-freight employment uses to reflect their importance.
	Rural Business Development	Policy E4 should provide sufficient flexibility to support the delivery, expansion, and diversification of rural businesses, including through the reuse, intensification, adaptation and, where appropriate, development of new premises, as per Part 1(a). Part 2 of the policy is considered overly restrictive and risks constraining future rural business development by failing to reflect the locational and design requirements of such uses.	Savills recommends that Policy E4(2)(a) and (b) be revised as follows: c) <i>Development proposals should take opportunities, where they exist it is viable to do so, to use previously developed land, and sites that are physically well-related to existing development; and</i> d) <i>The siting and design of development should seek to be appropriate having regard to the character of its surroundings.</i>

Town Centres/Retail Town Centres/Retail	Sequential Test	Policy TC3 would introduce a test that is assessing an unrealistic approach that is not considering real world scenarios. It follows that the redrafted sequential test would not result in development in town centres coming forwards, and would prevent sustainable economic growth from occurring.	Disaggregation should be removed from the sequential test and Policy TC3 as it does not recognise the realities under proposals are bought forwards and it does not reflect the commercial requirements of applying the sequential test in the real world.
	Impact Assessment	Draft Policy TC1(1)(e) and Policy TC4 allow LPAs to set thresholds for impact assessments that are lower than the national threshold. Savills would point out that there is currently no established methodology for setting thresholds. It adds an extra policy burden that is not consistent with the ambition of the NPPF in setting the 2,500 sq. m national threshold.	Policy TC1 (1)(e) and Policy TC4 should therefore properly set out when a lower threshold can be used. Savills considers that this should only be in exceptional circumstances.
Infrastructure	New development of Water Infrastructure	Policy W4 represents a significant shift in how the planning system treats water infrastructure, seeking to address historic constraints, and accelerate the delivery of water supply, drainage, and wastewater projects. Policy W4 is therefore supported in principle.	Savills suggests that clarify be provided that development in areas of water supply or wastewater capacity constraint should not be refused on this basis alone, but should be appropriately phased and coordinated with necessary infrastructure upgrades.
Green Belt	Green Belt within SDSs / Local Plans	The policy wording of GB2 and GB3 risks discouraging early Green Belt reviews by implying these should await adoption of the SDS, potentially leading to misalignment between authorities and delays to Local Plan preparation, particularly where Green Belt release is necessary to meet identified housing and employment needs.	Savills considers that merging Policies GB2 and GB3 into a single policy to provide a single, coherent framework for Green Belt reviews, to factor in instances where a Local Plan is drafted ahead of the relevant SDS.
	Golden Rules	Policy GB8 footnote 53 exempts sites released from the Green Belt through plans adopted prior to 12 th December 2024 – presumably to account for the fact that said plans were	Savills suggests that GB8 (and footnote 53) be amended to add that the Golden Rules do not apply to any Local Plan prepared and examined under versions of the Framework prior to the 2024

		produced under a prior version of the NPPF (which did not refer to Grey Belt nor the Golden Rules). It is not reasonable to prepare and test these plans under former iterations of the Framework and also apply the Golden Rules, and creates uncertainty.	version. In addition, policy HO5 and associated footnotes need to repeat this provision.
Urban Design	Accessibility standards	There is too much variability and the difficulty in collecting data and implementing accessibility standards on a local planning authority basis.	Minimum standards should be set nationally for every development and delivered via Building Regulations.
	Densities	It is sensible to require general increases in density in existing urban areas and new developments.	To support regeneration within settlements, a sentence should be added to ensure that where higher densities can be provided, they are not stymied due to visual impacts. Savills suggest: <i>'where higher densities could be delivered around well-connected rail stations, the benefit given in the planning balance to sustainability (and location) will in principle outweigh any perceived or potential harm from visual impacts'</i> .
	Design Codes	Draft Policy DP1(b) should confirm that, with outline applications below 400 dwellings, design codes will rarely be required and will be unlikely to be necessary in developments of up to 500 homes.	Policy DP1(b) should be amended to clarify a minimum threshold for when Design Codes are advised.
Public Health	Health and social care	The need to prioritise essential community care facilities at a time when the relationship between planning, the NHS and Social Care has never been more critical.	Savills considers that within Policy HC1 " <i>substantial weight</i> " should be afforded to proposals that improve health and social care provision.
Flood Risk/Water Management	Sequential test	Savills considers that further refinement is required to ensure the policy explicitly addresses all sources of flooding, including groundwater.	Savills suggests that national policy is clarified to ensure groundwater flooding is explicitly addressed within the Sequential Test, alongside other sources of flooding.

Natural Environment	Biodiversity Net Gain	Compensation for harm to biodiversity should not be framed as a measure of “last report”.	Savills suggests that Policy N2(2) be amended to remove wording “last resort” - to better reflect the strategic biodiversity and ecological approach through EDPs (i.e. to help implement the compensation measures – to the overall gain for the environment).
		Savills endorses the recommendations of species enhancing measures within new development but questions whether the specific types of wildlife enhancements should be set out in national policy.	Savills cautiously notes as to whether national policy needs to be specific in respect of only three types of wildlife enhancement (integrated swift brick bricks, bat boxes and hedgehog highways) [see N2(1)(f)]. This is too prescriptive for national policy.
	Environmental Delivery Plans	At the present time there is sufficient protection to protected sites without direct reference to EDPs.	Savills considers it is potentially premature to specifically include their reference in the draft NPPF, as none have been drafted or been subject to scrutiny. That said, Policy N6 acts as a mechanism to ensure that the overall objectives of the Habitats Regulations are satisfied as an alternative route to Appropriate Assessment.
Natural Environment	National Landscape	Policy N2(1)(a) appears to apply a higher bar on all countryside land, which risks a conflict against Policies S5 and GB7.	Savills suggests that policy N2(1)(a) is amended to establish a clearer hierarchy between designated landscapes and the wider countryside, ensuring consistency with the approach to development set out in Policies S5 and GB7.
		Policy N4(1) should allow weight to be commensurate with the quality, sensitivity and significance of the valued landscape in its specific context.	Policy N4(1) be revised to avoid a blanket application of “substantial weight”, and instead apply weight commensurate with the site-specific qualities and sensitivities of the specific area or parcel of the Protected Landscape in question, consistent with a proportionate and evidence-led approach.
		Where land within a Protected Landscape has been allocated for development through an adopted Local Plan, the principle, scale and form of	Amend draft Policy N4(2) to confirm that where development within a Protected Landscape has been allocated through an adopted Local Plan, the exceptional

		development should be determined through the plan-making process.	circumstances test should be addressed at the plan-making stage. This is consistent with our comments on Policy N1.
Historic environment	Assessing effects on heritage assets	The current wording of the policy introduces a new scale for non-designated heritage assets (NDHA) and introduces a requirement to assess setting for all designated heritage assets.	Clarify that substantial harm only applies to designated heritage assets. Delete reference to setting in HE5.2 and replace with significance.
	Assessing effects on heritage assets	The wording of policy HE5 could be interpreted as lowering the bar for what is considered substantial harm	Delete the phrase 'the development proposal would seriously affect a key element of the asset's significance' Discussion of what might constitute substantial harm should be left to PPG.
	Proposals affecting designated heritage assets	The policy could be improved by making it clear that energy efficiency measures are public benefits that apply to conservation areas as well as listed buildings.	Include conservation areas as well as listed buildings in policy HE6.3.
	Decisions on NDHAs	The proposed policy is more onerous than the existing NPPF.	The requirement for benefits should be deleted and replaced with the existing requirement for a balanced judgement having regard to the scale of any harm or loss and the significance of the NDHA.
	World Heritage Sites	A requirement for cumulative impact assessment would be disproportionate for many smaller schemes.	HE8.1c should be adjusted to require a 'proportionate assessment of impact'
	Conservation areas	There is uncertainty about whether the setting of conservation areas must be assessed for decision-making.	Issues around setting must be clarified in policy HE9 and HE5.
	New policies	There is an opportunity for further detailed decision-making policies.	Adopting Historic England guidance as decision-making policy would be a progressive step and make LPA decision-making more predictable.

Appendix A – Viability Matters

Annex B of the consultation document is referred to as '*Viability: Standardised inputs in viability assessment*'. It is understood that this is a potential Annex to be included within the draft NPPF, as set out within part 4 of draft Policy DM5. Annex B of the consultation document includes specific questions relating to standardised inputs on viability assessment, including growth testing, developer returns, benchmark land values and residual land value. Savills have therefore provided responses to these specific questions below.

Can a local plan effectively prescribe the affordable housing requirement, for all sites, down to a single percentage point?

Every site is different - a complex mix of factors relating to landownership, ground conditions, infrastructure, developer appetite, competing sites, amenity, market and alternative uses/tenures.

Local plans, especially in complex urban areas, will be unable to pick-apart those site specific differences and therefore attempts at precise area-wide prescription will risk the delivery of new homes. Especially if the local plan requirements are set too high, which is not uncommon given how often local plan viability policies need to be challenged.

Under the new viability system, introduced in 2019, planning applications either come forward in accordance with local plan affordable housing requirements, or the applicants take on the cost and risks of viability assessment. It works reasonably well and Savills considers that no further changes are required, especially given the significant supply and demand difficulties being faced by the residential development sector.

Should Internal Rate of Return (IRR) or Return on Capital Employed (ROCE), be introduced into the local plan viability process as new measures to test viability?

In a perfect world the English planning system would have sufficient resources to ensure that atypical housing schemes, such as strategic sites, build-to-rent, co-living or student housing, could be viability tested, for planning purposes, similar to how they are tested for investment purposes. Namely via an IRR and/or a ROCE approach.

The reality is an under resourced planning system, with limited internal valuation expertise outside London. Increasing valuation complexity would inevitably incur a range of unintended consequences and pose a number of questions, for example: -

- What IRR and/or ROCE percentage would actually be prescribed by the local plan?
- Would the local plan IRR requirements match those of a bank valuation - necessary for the scheme to secure funding.
- Do LPA planners and PINS have the skills to take on the additional valuation complexity?
- What happens when an IRR approach points to much less affordable housing being delivered compared to a RLV approach - which it potentially will?

Should the developer margin for private homes be set at 17.5%?

The development risks for every site are different and unique. Risks to planning, market, ground, competition and infrastructure, all need to be covered off. But they vary substantially - a small, fully consented and serviced site in a strong market location clearly needs less risk cover than a brownfield site, absent planning permission and in a weaker market location.

The proposed new system aims to specify the developer margin, across an area, at a local plan examination stage. This is remote from actual developer behaviours and reducing developer margins in a market where anecdotal evidence indicates that 1,500 SME housebuilders exited the residential development sectors in 2025, is unlikely to increase new homes supply². Capital is mobile - if planning policy reform means that market returns cannot be achieved from residential development, then builders and funders will simply move away, in turn exacerbating current skills and finance difficulties.

When the current rate of 15-20% of gross development value was introduced in 2019, this was prior to external macroeconomic events that could not have been forecasted including the Covid pandemic, the war in Ukraine and the level of build cost inflation. All of these factors increased the risk of development and thus the required return from developers. There is a danger that by explicitly setting a fixed rate should other economic shocks occur, developers will not achieve their required return rates and thus development will be stifled.

Should the developer margin for affordable housing be set at 6%?

The current operating environment for housebuilders is characterised by very few offers from housing associations to buy S106 plots. The Government is introducing positive reforms to both funding and planning policy to help address the problem, including support for cascade mechanisms and for commuted sums on smaller sites. If the draft NPPF introduces a fixed 6% margin into such a stressed affordable housing market, it could cut across recent positive policy changes aimed at driving up affordable housing supply.

Is there a need to amend the PPG guidance to reflect the fact some landowners may be willing sell land at below market value?

More guidance is needed on the justification for this change. It seems unlikely that private landowners would wish to sell their land below and neither would public sector landowners given considerations of best-value. Perhaps some local authorities may wish to sell their own land for social rented homes, at a sub-market level, but Savills would question whether this requires a change to national planning policy to facilitate this?

Should PPG guidance be amended to ensure that extant consents for non-policy compliant schemes are not used to justify lower affordable housing provision?

Implementable extant consents on the site cannot simply be set aside, for the purposes of valuing a site and considering the affordable requirement. It would be divorced from both market reality and the provisions of the CPO legislation. The 2019 guidance is clear that the methodology to determine land value in planning is via a residual land valuation producing a benchmark land value cognisant of EUV and AUV. Savills' view is that there is no overriding justification for further changes.

Should comparable market transactions can be used to reduce the benchmark land values which have been generated by the RLV in the viability appraisal?

The 2019 system, is well understood and is based on a clear and deliberate move away from reliance upon comparable market evidence. Introducing a new requirement, to consider a range of different local land transactions, none of which will exactly match the subject site, will (a) cut across the methodological rationale for the 2019 system, (b) cause confusion and delay, (c) create inaccurate and skewed results which will further frustrate delivery and (d) risk developers

² Savills evidence in 2024 indicated that the number of SME housebuilders had fallen by 60% between 1995 and 2023: <https://pdf.savills.com/documents/What-size-of-housebuilder-do-we-need-to-deliver-more-home+-October-2024.pdf>

successfully arguing that comparables can/should be used earlier in the process when setting the EUV.

Should the viability assessments used to underpin local affordable housing requirements incorporate revenue growth assumptions?

It is a longstanding principle that land is valued on the basis of current day costs and revenues. Speculating on revenue growth, especially in the current market, as a means to increase affordable housing requirement, during the later stages of a site development, will simply cause confusion, delays and difficulties for housebuilders securing funding, especially SMEs. It is also dangerous to only consider growth on only one aspect of a residual land valuation, if growth is modelled on revenue, then so too must inflation on costs. This is already often included in FVAs as a requirement of sensitivity analysis as set out in the RICS Professional Standard on “Financial viability in planning: conduct and reporting”.

Should the planning system make greater use of later-stage reviews?

As per the use of growth modelling, a greater use of later stage reviews will add delays and complexity and threaten the ability of housebuilders to secure funding.

For complex multi-phase sites, perhaps above 1,000 homes, there may be some justification, albeit the theoretical assumed benefits of more affordable homes being delivered are likely to be outweighed, in housing delivery terms, by more projects being stalled or abandoned.

How should market change be accounted for?

Whilst the Government's general approach to viability, in the draft NPPF, is to initiate up a conversation with sector, this masks the fact that a significant change was introduced into the December 2025 changes to the PPG. Namely the instruction that realisable risk cannot be used as a reason to justify a lower level of affordable housing than that which has been set within local plan policy.

In other words, a prescriptive and strengthened affordable housing policy requirement, perhaps subject to debate at the local plan examination several years ago, and based on an area-wide typology approach, will be used to prevent a site-specific development coming forward on a high-risk site, even when the market has suffered an major collapse.

Savills anticipates that this will cause disputes over what should (and should not) have been foreseen as a realisable market risk, by the developer. Policy DM5 (2)(d) within draft NPPF actually indicates that changed economic circumstances can be used to justify viability assessment at application stage and this perhaps points to need for more clarifications to remove any perceptions of misalignment between draft Policy DM5, Annex C and the PPG.

Landowner premium

The consultation suggests that EUV x10 should be standardised as the premium for greenfield-green-belt sites. At least five issues flow from this: -

1. What should the landowner premium be for the neighbouring field which is not within green belt? No guidance on this yet.
2. How does this EUV x10 standardisation reflect the huge variation in land values across the country?
3. A standardised EUV x10 premium would be insufficient for many landowners, especially of smaller sites. It is unlikely to incentivise them to sell to a housing developer given issues of income loss, capital gains tax, stamp duty and alternative use potential.

4. How will land promoter costs be covered? It is often overlooked that the landowner premium needs to fund the planning and infrastructure costs required to produce developable residential land. As well as funding the failed bids and overheads which often get overlooked.
5. What is the x10 multiplier applied to? Net or gross? Greenfield or serviced?

Savills' view is that if it is necessary to standardise the approach to landowner premium, then perhaps the best approach would be to set EUV x10 as the minimum premium to be deployed in local plan viability testing - namely that it is simply a starting point for local scenario testing. Thus avoiding a hugely adverse impact on housing land supply.

Overall Approach to Viability in the draft NPPF

Savills' view is that the 2019 system, which is now bedding down, should be left alone.

The consultation document asks whether the proposed changes will serve to reduce negotiation on planning applications? Savills' view is that it may do but at the cost of many schemes not being progressed for viability reasons. This is because some LPAs may seek to rely upon the viability assessment submitted to the local plan examination and therefore argue, on the basis of the terminology in Policy DM5, that any submitted application is not "*substantially different*" or that cost increases and economic changes should have been "*foreseen*".

The 2019 approach to viability has arguably contributed to the slowdown in new homes delivery - thereby emphasising that now is not the time to make operational delivery even harder for the housebuilding and landowner sectors.

Appendix B – Suggested PPG Amendments (Employment)

In order to support the ‘market signals’ approach outlined in the draft NPPF, Savills suggests Paragraphs 27–32 of the PPG, under the Housing and Economic Needs Assessment section are amended as follows.

Current PPG	Suggested Revisions
<p>Paragraph: 027 Reference ID: 2a-027-20190220</p> <p>How can market signals be used to forecast future need?</p> <p>Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:</p> <ul style="list-style-type: none"> • sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand) • demographically derived assessments of current and future local labour supply (labour supply techniques) • analysis based on the past take-up of employment land and property and/or future property market requirements • consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics. <p>Authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios.</p>	<p>Paragraph: 027 Reference ID: 2a-027-20190220</p> <p>How can market signals be used to assess future need?</p> <p>Strategic policy-making authorities should assess future employment land needs based on a range of up-to-date and robust market signals.</p> <p>Authorities should consider both demand-side and supply-side indicators to determine whether a market is currently ‘supply-constrained’, in ‘equilibrium’, or ‘over-supplied’. This assessment should include, as a minimum, consideration of the following metrics:</p> <ul style="list-style-type: none"> • Average annual net absorption (i.e leasing demand) compared with average annual net deliveries (i.e. change in total stock): This provides a direct comparison between realised demand and new supply. Where net absorption exceeds net deliveries over the relevant monitoring period, this indicates the market is supply-constrained. • Availability rate compared with the market’s equilibrium availability rate: The market’s availability rate should be assessed against the level required to support the normal functioning of the market (the equilibrium rate). Where availability falls below this level, it indicates a supply-constrained market. Equilibrium availability is typically considers in most employment evidence to be 7.5%-8% but may change based on specific local circumstances. • Rental growth relative to inflation over an appropriate monitoring period: Sustained rental growth above inflation provides further

Current PPG	Suggested Revisions
	<p>evidence of a supply-demand imbalance and strengthening occupier competition for available space.</p> <ul style="list-style-type: none"> • View of local business, Chambers of Commerce and commercial agents in terms businesses ability to find suitable premises, ability to pay market rents, views on local economic conditions and access to labour. <p>Ideally the above core market signals should be reviewed annually as part of the Authority Monitor Report (AMR).</p> <p>Authorities should assess these indicators over an appropriate monitoring period that reflects longer-term economic and property market cycles, typically a minimum period of 10 years where data is available.</p> <p>Where two or more of these indicators demonstrates that a market is supply-constrained, this clearly indicates a supply constrained market where demand is likely being suppressed and unmet employment needs exist.</p> <p>Other supplementary market indicators can also be used to help further define the level of unmet need and any specific gaps in the market. For instance:</p> <ul style="list-style-type: none"> • Quality of existing employment premises • Commercial attractiveness of existing land supply • How much commercial floorspace an area / local authority has compared to regional and national averages • Out commuting patterns
<p>Paragraph: 028 Reference ID: 2a-028-20190220</p> <p>How can strategic policy making authorities identify the existing stock of employment land and identify the recent pattern of supply and loss?</p> <p>A simple typology of employment land by market segment and by sub-areas, where there are distinct property market areas within authorities, can be</p>	<p>Paragraph: 028 Reference ID: 2a-028-20190220</p> <p>How can strategic policy making authorities identify the existing stock of employment land and identify the recent pattern of supply and loss?</p> <p>The supply of available employment land should be collated by employment use class.</p> <p>Available land is made up:</p>

Current PPG	Suggested Revisions
<p>developed and analysed. This can be supplemented by information on permissions for other uses that have been granted, if available, on sites formerly in employment use.</p>	<ul style="list-style-type: none"> • Existing commercial premises that are available to the market for lease / sale • Existing planning permissions that are not yet built out and occupied • Employment sites under construction • Existing allocations / draft allocations that are still available <p>The above will provide a quantitative level of available supply that can be supplemented with qualitative information such as age and quality of existing commercial premises, number of small versus larger strategic sites, and gaps in the market via discussions with local businesses and commercial agents.</p>
<p>Paragraph: 029 Reference ID: 2a-02920190220</p> <p>How can current market demand be analysed?</p> <p>The available stock of land can be compared with the particular requirements of the area so that ‘gaps’ and any over-supply in local employment land provision can be identified.</p> <p>It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.</p> <p>Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied.</p>	<p>Paragraph: 029 Reference ID: 2a-02920190220</p> <p>How can future market demand be estimated?</p> <p>The starting point for estimating future demand for different commercial uses should be the forward projection of the historic net absorption trend (in floorspace terms). Net absorption is a measure of leasing demand in terms of tenants moving in versus moving out of space. The historic monitoring period should typically cover at least 10 years, where data is available, in order to reflect a full economic and property market cycle.</p> <p>Authorities should then apply appropriate adjustments to ensure that forecasts reflect underlying market conditions and future growth potential; including:</p> <ul style="list-style-type: none"> • An adjustment to account for historic suppressed or unmet demand, where evidence indicates that past activity has been constrained by limited land or premises availability rather than a lack of occupier demand – see Paragraph: 027 Reference regarding market signals. • Consideration of market information from key market participants whether they be Government or private companies as well as any relevant macroeconomic data on market conditions. • Consideration of specific locational requirements and market relationships, including the role of the area within wider

Current PPG	Suggested Revisions
	<p>Functional Economic Market Areas and the extent to which demand and supply dynamics operate across local authority and SDS boundaries.</p> <p>This approach will enable authorities to develop a robust understanding of the scale, type, and location of employment space required, including office, general industrial, storage and distribution uses and data centres.</p> <p>Where possible an assessment should be made of more localised demand versus more strategic demand typically for large scale commercial developments which cater for more of a FEMA wide demand profile. This strategic demand will typically require cross border discussion and joint working between local authorities. It should be noted that larger sites will need to be allocated to accommodate more strategic development which accommodate a wider FEMA wide demand profile. Strategic scale sites are typically in the magnitude of 25ha-50ha or greater.</p> <p>When considered alongside the existing stock and pipeline of employment land and premises, it will enable authorities to assess whether sufficient land is available in appropriate locations and of a suitable quality to meet future needs, and to plan accordingly.</p>
<p>Paragraph: 030 Reference ID: 2a-030-20190220</p> <p>How can employment land requirements be derived?</p> <p>When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements:</p> <ul style="list-style-type: none"> • Standard Industrial Classification sectors to use classes • Standard Industrial Classification sectors to type of property • employment to floorspace (employment density) and • floorspace to site area (plot ratios based on industry proxies) 	<p>Paragraph: 030 Reference ID: 2a-030-20190220</p> <p>How can future employment land need be derived?</p> <p>In simple terms, future employment need is derived from comparing future market demand (paragraph 27 and 29) with current available supply (paragraph 28). When future market demand is higher than current supply more land is required and vice versa.</p> <p>As part of this process estimates for floorspace need will need to be translated to a land requirement via appropriate plot ratios, having regard to relevant industry standards.</p> <p>Authorities should support the assumptions used with appropriate evidence, including site-specific examples</p>

Current PPG	Suggested Revisions
	<p>and market comparables where available, to ensure that land need estimates are realistic and robust.</p> <p>For instance large scale distribution will typically have lower plot ratios than urban logistics or last mile logistics. Similarly town centre offices will typically have higher plot ratios than edge of centre business parks.</p> <p>LPA's should also monitor, as part of the AMRs, if they have a 5 year employment land supply.</p>
<p>Paragraph: 031 Reference ID: 2a-031-20190722</p> <p>How can authorities assess need and allocate space for logistics?</p> <p>The logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).</p> <p>Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. This can be informed by:</p> <ul style="list-style-type: none"> • engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies; • analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies; • analysis of economic forecasts to identify potential changes in demand and 	<p>Paragraph: 031 Reference ID: 2a-031-20190722</p> <p><i>No Change, except explicit reference to net absorption when analysis of market signals is referenced, as opposed to take up.</i></p>

Current PPG	Suggested Revisions
<p>anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and</p> <ul style="list-style-type: none"> engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies. <p>Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones).</p> <p>Authorities will also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of 'last mile' facilities serving local markets. A range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.</p>	
<p>Paragraph: 032 Reference ID: 2a-032-20190722</p> <p>How can the specific locational requirements of specialist or new sectors be addressed?</p> <p>When assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed. Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies. For example, this might include the need for greater studio capacity, co-working spaces or research facilities.</p>	<p>Paragraph: 032 Reference ID: 2a-032-20190722</p> <p><i>No Change.</i></p>

Current PPG	Suggested Revisions
These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors.	

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