

Chartered Institute of Building – Submission to the Planning Reform Working Paper: Reforming Site Thresholds

July 2025

Introduction

The Chartered Institute of Building (CIOB) is the world's largest and most influential professional body for construction management and leadership.

We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, and we have been doing that since 1834. Our members work worldwide in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and professionalism, providing assurance to clients and other professionals procuring built assets.

We welcome the opportunity to respond to the Ministry of Housing, Communities & Local Government's (MHCLG) consultation on the [Planning Reform Working Paper: Reforming Site Thresholds](#). CIOB will also be responding to the accompanying planning reform working paper on speeding up build out.

CIOB's position on the changes

CIOB, as one of the largest professional bodies in the built environment, has consistently called for more work to be done to reignite the dwindling participation of Small and Medium Sized housebuilders (SMEs) in the housing delivery market.

In recent years the housing development market has been dominated by a small number of large volume housebuilders whose resources and financial strength have allowed them to price out SME developers on materials and land values. The Federation of Master Builders (FMB) annual House Builders' Survey 2024 highlighted the scale of the issue when they evidenced that, in the 1980s, SMEs built 40% of new homes but now deliver as low as 10%.¹

CIOB has advocated for faster, simpler routes through the planning system for SME housebuilders, for a greater role for Homes England in helping and providing support for SME housebuilders and for new purpose-built vehicles to be put in place to provide land opportunities for SMEs. We are pleased to see that many of these actions have been taken by government through this consultation or through recent amendments to the National Planning Policy Framework (NPPF) and subsequent announcements.

The primary principle of this consultation is to adjudicate on the need for an additional site size category in the planning system. While CIOB is not best placed to comment on some of these matters, we will note positive feedback that we have received from our members about the introduction of a medium site category. We advise that government specifically consults the Royal Town Planning Institute (RTPI) for more detailed views on the matter.

One area that we would like to comment on is the use of new innovative construction and building techniques in a reformed planning system. To meet the 1.5 million new homes target in the next five years, the construction industry will need to expand to deliver further alternative methods of housing delivery, including faster building techniques, such as off-site manufacturing (often referred to as Modern Methods of Construction or MMC). There are numerous benefits to

¹ Federation of Master Builders, [House Builder's Survey 2024](#), 16 December 2024

modular off-site construction, not least the speed in which new homes can be delivered with some estimating a 20-40% faster completion rate.²

Whilst there are drawbacks to MMC, which CIOB covered extensively in our response to the 2024 consultation on Invest 2035³, and it must not be seen as the silver bullet to solve slow build out rates, it is another mechanism that should be utilised to deliver housing. If the government is to create a new site size category which will be subject to some of the same reduced planning requirements as minor or small sites, then there is an opportunity to earmark these sites for new, innovative technologies or ways of delivering housing.

Separately, whilst CIOB remains concerned about raising further exemptions to paying into crucial levies such as the Building Safety Levy, we understand why it will likely not be suitable for those building under the new medium site category to pay into this levy.

It is likely that those building in this site category will not partake in constructing buildings that would be classed as high-risk buildings (HRBs) so it would therefore be unfair for them to pay into the levy. However, it would be worth understanding if the levy could be applied to those who have previously constructed HRBs who may now be building under the medium site category. This would be a fairer reflection of the need to collectively untie as a built environment and ensure that those who live in existing HRBs are not landing with unreasonable, unfair charges for historic failures.

Following a roundtable of CIOB members to discuss these proposals, we note support was given to the exemption of levy payments for those building in the medium site category.

What more could be done?

Whilst we have been clear that we feel that the changes made in this consultation and the associated announcement on getting SME housebuilders building again are broadly positive, there are other areas the Government could explore to bring greater parity between those smaller housebuilders and larger volume housebuilders. Some further areas to explore include:

1. **Homes England** – It must be made clear at the outset that CIOB believes that the relationship between Homes England and SME housebuilders is a positive one. In a recent SME housebuilders roundtable we attended, there was broadly positive feedback about the relationship with Homes England. We were also pleased to see that the financing remit of Homes England will be expanded as a result of recent announcements and feel that this is a positive move to help protect SMEs. However, there is still further progress that can be made to protect SMEs.

One means in which this could be achieved is by better utilising Homes England as a vehicle to promote the role of SME housebuilders by providing SMEs with an opportunity to access land at a lower market value as well as work alongside experts to deliver key areas of large strategic sites. Unlike many strategic land developers Homes England does not deliver the homes itself. Instead, it acts as a master developer, achieving the outline planning permission and then parcelling out areas of the sites to several developers for them to apply for reserved matters and full planning permission. As part of the strategic master planning process, Homes England sets out a series of design codes that must be followed throughout the development process including best practise measures on quality, safety and good design.

² Construction Management, [Why L&Q is pushing forward with MMC housing](#), 27 October 2022

³ Chartered Institute of Building, [Response to DBT consultation on Invest 2035: the UK's modern industrial strategy](#), 26 November 2024

At present many of the parcels on Homes England strategic sites have been allocated to large housebuilders such as Bloor Homes and Taylor Wimpey. However, these organisations already have numerous ongoing sites and routes into the housebuilding market through their significant financial portfolios. There is a unique opportunity for Homes England to allocate parcels within their strategic developments to local SME housebuilders. Not only will this present them with an opportunity to participate in an increasingly constrained housing market but also provide them with the opportunity to work alongside larger developers with greater resources pools to learn from best practice.

We therefore recommend that Homes England undergoes a pilot project to evaluate the effectiveness of promoting SME developers as priority partners within their framework of procurers for small sites within larger strategic developments.

2. **Quotas in Local Plans** - Whilst good progress has been made through alterations to the NPPF and in this consultation, there are still concerns about the crucial role SMEs play in the development market. With this in mind, there must be due consideration in protecting SMEs to ensure competitiveness as diversification of the housing delivery market is crucial to maintaining a consistent stream of new home completions.

To better diversify housing supply, we would recommend that local plans include a quota for sites to be provided by SME housebuilders rather than focussing on just the size of the site, where small sites are not available.

This could initially be tested as a small percentage of sites allocated within local plans but could grow to a more solid and consistent percentage depending on success and uptake. Small alterations to the NPPF combined with strategic advice from the Planning Inspectorate could help kickstart this process. This could also help ensure that a reformed planning system that puts more emphasis on developing sites that are allocated in local plans does not disproportionately favour larger housebuilders who are able to pour more resources into influencing local plans. It may, of course, not be possible for all local authorities to source local SME housebuilders within their boundaries, where this is not possible the definition of local could be extended until available housebuilders are identified at a county or regional level.

While these additional suggestions may go further to assure SMEs have a role to play in housing delivery, we remain pleased about the recent actions taken by the Government to protect SMEs.

Areas of Concern

Our primary area of concern in relation to this consultation and others published by the Department for Environment, Food and Rural Affairs ([Consultation: Improving the implementation of biodiversity net gain for minor, medium and brownfield development](#)) is around the potential relaxing of Biodiversity Net Gain (BNG) requirements for medium sites.

We note that blanket exemptions for medium sized sites are not currently being proposed, however, we understand the government is looking to extend some exemptions currently applicable for small sites, in particular those sites that impact less than 25 square meters of on-site habitat (a higher threshold will be created if this is extended to medium sites). We encourage a cautious approach to extending any exemptions for sites in the new medium category if it proceeds. Small or minor sites may find it particularly challenging to meet BNG requirements, however, it is untested how difficult it may be for medium sites to fulfil the same commitments under a relaxed planning system.

We would therefore strongly encourage government to wait to understand how medium sites progress through the planning process and how well they are able to fulfil BNG requirements in their own right before implementing any exemptions.

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