



CBI response: Proposed reforms to the National Planning Policy Framework (NPPF)

March 2026

About the CBI

The CBI represents 170,000 businesses of all sizes and sectors across every region and nation of the UK, including over 1,100 corporate members and nearly 150 trade associations.

The views expressed in this consultation response have been gathered from ongoing engagement with CBI members, including through the CBI Planning Policy Working Group. Contributors represent sectors including construction, energy, technology, housing, retail, financial services, logistics, digital, and manufacturing.

Executive summary

The CBI supports the draft National Planning Policy Framework (NPPF) and the Government's clear ambition to deliver a more growth-focused, investment-ready planning system.

Across the 2024 NPPF reforms, the Planning and Infrastructure Act, and the further changes proposed in this consultation, the Government has made genuine improvements to planning rules and regulations. The framework is more delivery-oriented, more explicit about economic growth, and clearer in its signalling to decision-makers than previous iterations.

In particular, the CBI strongly supports policies E1, E2, E3 and E4 in Chapter 7, which give greater weight to commercial development, addressing a long-standing CBI ask. Firms also welcome the decision-making policies, the clearer support for grid and energy infrastructure in the Green Belt, and the backing for housing density around rail stations.

To ensure the Framework achieves its ambition, Government should focus on refining areas of ambiguity, fast-track delivery and address external barriers to development. Challenges around planning capacity constraints, local application of policy, and building and environmental regulations continue to delay projects and deter business investment.

Chapter 1 – Introduction

The introduction of National Development Management Policies (NDMPs) is a positive step. Their immediate effect, and the clarification that Local Plan policies inconsistent with the NPPF will be treated as out of date, provides a level of national policy certainty that has been lacking for employment uses.

National planning policy should take precedence where inconsistencies arise. Without this clarity, policy duplication at the local level can persist, creating additional conditions and tests that frustrate timely decision-making.

There is a case for NDMPs to be made statutory in the future, MHCLG should monitor the effectiveness of the non-statutory route, and if duplication or inconsistency continues, then Government should move to a statutory NDMP framework.

Chapter 2 – Plan-making policies

The introduction of Strategic Development Strategies (SDSs) and the clearer hierarchy between SDSs and Local Plans is supported. A strategic tier of plan-making offers an opportunity to better align housing, employment and infrastructure planning at scale.

SDSs should function as long-term investment frameworks: identifying growth corridors and help with sequencing infrastructure delivery, particularly in places delivering a high number of large infrastructure schemes. Alongside the NPPF, the Government has confirmed the [proposed geographies for SDS areas](#), and the CBI wants to see swift delivery of the SDSs to allow for benefits to begin.

However, while assessing housing need at the SDS level is logical, the interaction between SDS housing figures, local authority calculation methodologies and the replacement of the Duty to Cooperate with a duty to engage and cooperate introduces potential ambiguity. Clear guidance will be required on how unmet need is distributed, how cross-boundary infrastructure is secured and how conflicts between SDS priorities and Local Plans are resolved. Ensuring that these elements “hang together” in practice will be critical to avoiding uncertainty.

On Local Plans, the Government is right to make universal coverage the starting point for plan-making. We have no view on the regularity of Local Plans but urge the Government to maintain its stance of intervention where authorities are stalling on implementation of an up-to-date Local Plan. Fast-tracking delivery is essential in this space to allow for democratic consultation to happen once and then allow for operation of the national scheme of delegation, which the CBI supported.

To support delivery, Government should also set out clear and realistic milestone timeframes within the proposed 30-month preparation and adoption period. Without greater clarity on how this timetable is expected to operate in practice, there is a material risk that plans will continue to slip, prolonging uncertainty for developers and investors.

Q6 – strongly agree.

Q9 – partly agree.

Q9a – Publication of the envisaged timeline for 30-month plan-making period required.

Q13 – strongly agree.

Chapter 3 – Decision-making policies

The reforms to decision-making have the potential to materially improve delivery if implemented effectively. The proposals in DM1, DM2 and DM3; including national validation requirements, limits on disproportionate information requests, and the clarity that decisions should not be delayed due to late responses from consultees will reduce delay and serve to create a system that is fairer in proportionality.

The CBI supports the extended scope of local development orders to incorporate Mayoral Development Corporations in DM9. Local development orders can have an important role in providing speed in the planning system, particularly with constraints on LPAs around resourcing and capacity.

The CBI disagrees with the Article 4 direction policy in DM10. The removal of permitted development rights can have unintended consequences for business investment certainty.

Q21 – strongly agree.

Q22 – strongly agree.

Q23 - strongly agree.

Q24 – strongly agree.

Q33 – disagree [reasoning above].

Chapter 4 – Sustainable Development

The strengthened presumption in favour of development is a central and welcome reform. Policy S4 is particularly important, clarifying that only when adverse impacts substantially outweigh benefits should there be refusal. This should provide a more consistent framework for approvals and reinforce the expectation that decision-makers work proactively to support sustainable development.

Policy S5(1)(a) reflects the practical realities of energy infrastructure delivery. While identifying suitable areas for renewable and low-carbon development can provide useful strategic direction, such projects are inherently location-specific and must respond to factors including grid capacity and reinforcement requirements, proximity to demand, opportunities for industrial clustering, and the availability of renewable resources. The flexibility within the policy to allow proposals to come forward outside identified areas is therefore welcome, particularly where developers have detailed technical insight that may not have been available at the time of plan preparation. However, its effectiveness depends on implementation that does not place undue additional demands on planning authorities with lengthy requirements for additional evidence and technical assessments that run counter to the intent to support development.

Q36 - agree

Q37- strongly agree

Chapter 6 – Delivering a Sufficient Supply of Homes

The clarification that housing need will be assessed at SDS level provides welcome certainty. Measures to support SME housebuilders, including the increased small site threshold, are also positive steps.

The flexibility introduced for affordable housing delivery, including the option of off-site provision, is sensible in principle. However, off-site delivery should only be supported where it demonstrably provides equivalent or enhanced affordable housing outcomes, is genuinely additional, and can be secured in a timely and deliverable manner. Clear safeguards will be important to ensure that off-site contributions do not inadvertently reduce overall affordable housing delivery.

This section on house building, building on the reforms in 2024, are positive steps for housing policy in relation to planning. However, as we feature in the fast-tracking delivery section at the foot of this response, planning reform is one element of increasing the supply of homes, and other major challenges remain on viability, stalling the potential for the number of new homes.

Q48 - agree

Q61 - agree

Chapter 7 – Building a Strong and Effective Economy

The provisions within Chapter 7 represent a significant improvement in positioning the planning system as an enabler, not a blocker, of economic growth. Specifically, policies E1, E2, E3 and E4 represent a material improvement for businesses.

Policy E1 contains welcome text on avoiding overly prescriptive requirements on acceptable uses and references to national schemes such as the Industrial Strategy and AI Growth Zones. This is supported as businesses want to see joined-up Government linking from the ambition within national strategies to their deliverability through the planning system. Policy E2 provides the uprating in weight for commercial development that the CBI has called for, and it is welcome to see specific uses mentioned in E3 such as domestic food production, freight, logistics and associated infrastructure. Policy E4 is endorsed for businesses based in the rural economy.

Q84 – strongly agree

Q85 – strongly agree

Q86 – strongly agree

Q87 - strongly agree

Chapter 8 – Planning for Town Centres

The requirement for local authorities to prepare town centre strategies aligned with up-to-date development plans is supported. Strategies should prepare clear vision, priorities, and delivery frameworks, rather than repeating national policy.

Policy TC2 appropriately gives substantial weight to development within town centres, particularly the emphasis on viability and residential development.

The retention of the sequential test is also welcome. It remains an effective tool in directing retail and other main town centre uses to sustainable locations and providing commercial certainty. However, the proposed disaggregation clause in TC3(3) risks undermining scheme viability by requiring coherent developments to be split across sites, making projects in some cases unviable and deterring business investment.

The CBI agrees with TC4 on retail impact assessments; local authorities can only make evidence-based decisions if retail impact assessments are being produced to a high standard.

Q88 – agree

Q89 – agree

Q91 – partly agree

a) agree with the sequential test but disagree on disaggregation clause

Q92 – strongly agree

Chapter 9 – high quality communications

There is a concern that the revised wording weakens permissions for digital infrastructure. The original wording in the NPPF stated that “*high quality and reliable communications infrastructure is essential for economic growth and social well-being*”¹. That reference has been diluted which risks reducing the weight afforded to digital infrastructure in planning decisions. This could create greater scope for local authorities to delay or frustrate projects that would enhance connectivity and deliver clear economic and social benefits. The CBI considers that the original wording should be retained to ensure the economic and social benefits of digital infrastructure are properly recognised.

In addition, policy CO2.1 requires developers not only to consult with affected parties, but also to summarise the issues raised and explain how they have been addressed. While engagement is important, this approach risks elevating non-technical objections and placing disproportionate procedural burdens on developers of digital infrastructure. Care should be taken to ensure that consultation requirements do not inadvertently create new barriers to the timely delivery of essential connectivity.

Q93 – disagree

a) as outlined above

¹ [National Planning Policy Framework](#) p.34

Chapter 10 – Energy Infrastructure

The revised NPPF strengthens the planning framework for renewable and low carbon energy infrastructure. The creation of a dedicated chapter and the elevation of projects from ‘significant’ to ‘substantial’ signal clear strategic intent and provide welcome certainty for investors. However, to accelerate deployment at pace and scale, this strengthened approach must be applied consistently across technologies and aligned with the wider national planning framework.

The recognition of electricity network infrastructure as a standalone development in Policy W2 is particularly welcome and reflects its central role in enabling clean generation, decarbonising major energy users and supporting wider economic growth. Policy W3(1)(a) currently frames the benefits of development as *“improving energy security, supporting economic development and moving to a net zero future.”* In practice, strategically important projects may clearly advance one or two of these objectives without satisfying all three cumulatively. Amending “and” to “or” would ensure the policy reflects the practical contribution of infrastructure projects without inadvertently narrowing support.

Clarity and flexibility should extend across all technologies critical to net zero. The inclusion of hydrogen, biomethane and nuclear within the definition of renewable and low carbon energy is welcome. However, Carbon Capture and Storage (CCS) should also receive explicit policy recognition. While CCS does not fall squarely within existing definitions, it is essential to decarbonising hard-to-abate sectors. A standalone reference within Chapter 10 would strengthen investor confidence and avoid inconsistent treatment in planning decisions.

Similarly, gas network infrastructure will continue to play a transition role, including supporting biomethane injection and future hydrogen deployment. Providing equivalent flexibility under GB7 in Chapter 13 would avoid unintended barriers during the shift to a low carbon system.

Finally, the NPPF should explicitly reference the National Policy Statements (NPSs) as material considerations. Where the NPS designates infrastructure as a ‘critical national priority’, the NPPF should, where appropriate, adopt equivalent language to ensure consistent policy weighting in local decisions.

Q96 – strongly agree

Q97 - partly agree

Q98 - partly agree

- a) **change ‘energy security, economic development and net zero’ to ‘energy security, economic development or net zero’**

Chapter 11 – Minerals

Businesses welcome the integration of the minerals chapter in supporting growth. However, the CBI are concerned that the draft removes the description of maintaining the “steady and adequate” mineral supply as “essential.” Aggregates such as crushed rock, sand and gravel,

together with industrial minerals, are fundamental to delivering housing, infrastructure, energy, manufacturing and commercial development. The term “essential” accurately reflects their role and provides important balance in decision-making. Its removal risks uncertainty at the development plan stage, increasing refusals at committee level, leading to costly appeals and discouraging investment in new extraction. Reinstating this wording would improve clarity and policy coherence.

Q104 - agree

Chapter 12 – Effective use of land

The reforms around building higher densities and the ‘default yes’ for housing near rail stations are positive. The CBI has previously called for the Government to take forward the plans originally outlined in the brownfield passports policy paper². Increased housing density around rail stations can help businesses to widen their talent pools and enable employees to have faster travel-to-work-patterns, increasing economic productivity.

We strongly support the draft text for policy L2b, including the reference to land above shops and redeveloping retail sites. There is great potential for retail redevelopment to accommodate mixed-residential development and support the supply of new homes.

Q121 – strongly agree.

Chapter 13 – Green Belt

The provisions relating to Green Belt and Grey Belt introduced in the 2024 reforms were supported by businesses as a pragmatic step towards a more strategic and growth-aligned approach to land use. The clarification that new Green Belt designations should not constrain long-term sustainable growth is both necessary and welcome. Green Belt policy must not inadvertently restrict nationally and regionally significant investment where this would undermine economic growth, infrastructure delivery or net zero objectives.

The clearer recognition of specific uses as not inappropriate development within the Green Belt is a significant and positive shift. This includes ensuring that the ‘default yes’ for housing near rail stations applies in appropriate Green Belt locations, alongside confirmation that transport, electricity network and water infrastructure are not inappropriate development.

Specifically, the inclusion of electricity network infrastructure within Green Belt Policy GB7(1)(f)(iii) as “not inappropriate development”, subject to minimising impacts on openness, provides important locational flexibility. Network infrastructure is often sited according to system need rather than land typology, reducing inefficiencies and accelerating connections to homes, businesses and energy generation. Providing this clarity is essential to unlocking grid reinforcement, substations and associated infrastructure that underpin clean power, electrification and industrial decarbonisation.

² [CBI - Planning and Infrastructure Bill committee stage.docx](#) p .4

This chapter represents a significant and positive shift in policy. Substations, grid reinforcement projects and associated energy infrastructure are essential to delivering clean power, electrification and wider industrial decarbonisation. CBI members consistently report delays in securing grid connections as a major constraint on investment and expansion. Measures that provide planning clarity and remove avoidable barriers to critical infrastructure delivery are therefore vital to unlocking growth, supporting net zero, and improving long-term resilience.

Q130 – strongly agree

Q136 – agree

Q137 – agree

Chapter 15 – Promoting sustainable transport

The changes proposed in TR2 are welcome. Parking standards have often acted as a significant constraint on the regeneration of well-located commercial sites, including the redevelopment of supermarkets into mixed-use schemes. This has been the case even where such proposals would deliver clear economic and community benefits, and where stores must continue operating without interruption during construction.

Q151 – strongly agree

Chapter 17 – Pollution, Public Protection and Security

Concern has been raised regarding the proposed reference to “significant observed adverse effect level” (SOAEL) in relation to noise. Airports currently rely on mitigation schemes to manage impacts. Clarification is required to ensure that mitigation remains an acceptable mechanism and that environmental safeguards do not unintentionally constrain proportionate and managed growth.

Q167) disagree.

a) as above

Separately within the draft reforms, the CBI supports the agent of change principle outlined in policy P4, we are aware of instances where businesses have been penalised for the impact on existing activities, such as noise, despite the business use being in existence before others.

Q168) agree.

Fast-tracking delivery and implementation

The direction of travel in the draft Framework is supported by the CBI. With refinements to ensure clarity, coherence and practical delivery, it has the potential to underpin a more predictable, pro-growth and genuinely enabling planning system.

Across sectors, members emphasise that the success of these reforms will depend on consistent implementation, clear guidance and tackling barriers that are external to just the NPPF:

a. Planning Capacity

The key barrier that business has echoed is a lack of planning capacity at the local level. Businesses continue to report delays arising from understaffed local authority teams, inconsistent application of policy and limited specialist expertise.

The CBI has led the cause for increased Government investment to employ more planners in local authority teams. This culminated in the announcements in the Autumn Budget 2024 and 2025, where the Government has committed to hiring an additional 650 planners, as well as launching a new Planning Careers Service focussed on retainers and returners to the profession, which it is hoped will bolster planning officer numbers by 1400 by the end of the Parliament³. Delivery of these commitments will be critical if policy is to translate into meaningful improvements on the ground.

It is also important to recognise that even with additional planners, there will be a lag time before recruitment and training pays benefits. In the interim, the Government should expand the use of models like ATLAS, in leveraging centralised expertise which can advise planning authorities on specialist applications. While ATLAS currently focuses on large-scale housing, this model should be expanded to cover modern infrastructure and commercial development.

b. Enforcement of rules

Variation in local decision-making remains a significant concern for businesses. While some local authorities are pro-growth in their approach to approving applications, there are others that refuse a high proportion of applications, even where proposals are policy compliant, with businesses appealing successfully to the Planning Inspectorate. The Planning Inspectorate data for successful Section 78 appeals remains high at 31%⁴.

While the appeals system provides an important safeguard, this adds delay, cost and uncertainty to planning applications. Greater transparency and accountability are needed to drive more consistency.

³ [Budget 2025 \(HTML\) - GOV.UK](#)

⁴ [Planning Inspectorate statistical release 23 October 2025 - GOV.UK](#)

Government should introduce mechanisms to identify and support authorities with persistently high appeal overturn rates, whether through published performance data, targeted interventions, peer reviews, or enhanced oversight.

Clear guidance strengthened monitoring of outcomes, and proportionate intervention powers would all help to restore confidence in the planning system.

c. Housing Delivery and Viability

On housebuilding, the revised NPPF, as with the 2024 reforms, places welcome emphasis on increasing housing supply. The CBI welcomed the Government target of building 1.5m new homes across this Parliament.

However, despite positive planning reforms, housing delivery remains under significant pressure. New housebuilding has continued to stall⁵, with housebuilding in London facing a crisis in new starts⁶. The cumulative impact of Building Safety requirements, environmental obligations and other regulatory costs, alongside affordable housing quotas and wider market pressures has, in some cases, rendered otherwise policy-compliant schemes unviable. Addressing planning reform in isolation will not be sufficient if viability constraints continue to limit delivery.

d. Infrastructure and External Constraints

Members also highlight the interaction between planning reform and wider infrastructure constraints. Delays in grid connections, transport upgrades and water infrastructure can prevent otherwise policy-compliant schemes from progressing.

Ensuring that electricity network reinforcement, substations and related infrastructure can proceed without undue delay, including within the Green Belt, is essential to unlocking development more broadly.

e. Consistency and Guidance

Finally, consistent implementation will be critical. Where multiple policies are strengthened simultaneously - for example on renewable energy, environmental protection and growth - decision-makers will require clear and timely Planning Practice Guidance to avoid uncertainty. Early publication of updated guidance, alongside training support for planning officers and committees, would help to embed reforms effectively.

Recommendations:

- Deliver on announcements at the Budget to establish the Planning Careers Service and employ additional planners

⁵ [Indicators of house building, UK: permanent dwellings started and completed by country - Office for National Statistics](#)

⁶ [Affordable Housing statistics | London City Hall](#)

- Expand schemes such as ATLAS to provide centralised expertise to local authorities, including for infrastructure and commercial development.
- Streamline and properly resource the Building Safety Regulator to eliminate approval backlogs and deliver faster, clearer decisions for industry.

Annex A: List of responses to consultation questions

Q6	Strongly agree
Q9	Strongly agree
Q9a	Publication of the envisaged timeline for 30-month plan-making period required
Q13	Strongly agree
Q21	Strongly agree
Q22	Strongly agree
Q23	Strongly agree
Q24	Strongly agree
Q33	Disagree
33a	The removal of permitted development rights can have unintended consequences for business investment certainty
Q36	Agree
Q37	Strongly agree
Q48	Agree
Q61	Agree
Q71	Agree
Q84	Strongly agree
Q85	Strongly agree
Q86	Strongly agree
Q87	Strongly agree
Q88	Agree
Q89	Agree
Q91	Partly agree
91a)	Agree with the sequential test but concern over disaggregation clause
Q92	Strongly agree
Q93	Disagree
93a)	There is concern that the revised wording weakens permissions for digital infrastructure.

	In addition, policy CO2.1 requires developers not only to consult with affected parties, but also to summarise the issues raised and explain how they have been addressed.
Q96)	Strongly agree
Q97)	Partly agree
Q98)	Partly agree
98a)	change 'energy security, economic development and net zero' to 'energy security, economic development or net zero'
Q104	Agree
Q121	Strongly agree
Q130	Strongly agree
Q136	Agree
Q137	Agree
Q151	Strongly agree
Q167	Disagree
167a)	Concern has been raised regarding the proposed reference to "significant observed adverse effect level" (SOAEL) in relation to noise. Airports currently rely on mitigation schemes to manage impacts. Clarification is required to ensure that mitigation remains an acceptable mechanism and that environmental safeguards do not unintentionally constrain proportionate and managed growth.
Q168	Agree