

Lack of Candour in Environmental Audit Committee Report

The Environmental Audit Committee claims that the Government can meet its climate and housing obligations but then lists 28 complex problems that have to be quickly solved for this to be achieved.

This paper is a summary of the Environmental Audit Committee's 100 page report on Environmental sustainability and housing growth dated 16/11/2025. In the summary, (first para) the report claims that the Government could meet this ambition, whilst achieving the targets that commit it to improving the natural environment and reversing nature's decline. It then lists key blockers in the system: a lack of cross-government policy alignment and co-ordination, fragmented data systems, and a dearth of ecological, planning and construction skills. The report admits that the environment could be sidelined with the 'presumption for sustainable development' prioritising economic growth over environmental protection.

The report lists 28 problems that the Government must address for the housing and environmental targets to be met, many within the next few months, (in bold below) and a cultural change to abolish Ministerial silos (in red below). Relevant paragraph numbers of the Report as shown thus (15-22).

1. (15-22) **It is imperative that the Government publish their considerations as to how the NPPF and PIB comply with the Government's own Environmental Principles Policy Statement (EPPS).** The Government should set out how the NPPF and PIB comply with the EPPS, in line with sections 17 and 19 of the Environment Act 2021. Two complete and separate statements should be shared with the Committee—one for the NPPF and one for the PIB—in response to this report.
2. (25-26) **Collaboration and decision-making between departments and their associated arms-length bodies must improve.**
3. (27-31) The need for a more comprehensive environmental data system that all decision makers can access. The sharing of environmental and land use data is a key enabler for improving cross-departmental collaboration. This should be designed for use across government departments, arms-length bodies and local planning authorities to aid decision-making and collaboration. Within 12 months of this report, **the Government should establish a shared geospatial and environmental data platform, integrated with a case working system.**
4. (35-45) **We have heard strong and repeated concerns that the environment could be sidelined in the presumption for sustainable development,** and that the current revision of the National Planning Policy Framework (NPPF) could result in unsustainable and speculative development. The evidence we received suggests that the **presumption in favour of sustainable development, as currently framed, prioritises economic growth over environmental protection. The Government should amend the definition of the presumption in favour of 'sustainable development' in the December 2024 revision of the NPPF to give greater weight to environmental sustainability. This should include strengthening safeguards against environmentally unsustainable, unplanned and speculative development.**
5. (48) **The Government's current approach to land use policies was incoherent due to the absence of a unified strategy.** There is a gap in understanding amongst stakeholders as to how LNRS aligns with agri-environmental schemes and environmental frameworks.

6. (49-58) Integration between planning policy, flood management and sewerage infrastructure is vital. NPPF does not give enough weight to flood risk, resulting in **new development being consented in areas with high flood risk**. Any future national spatial planning or land use policies, such as a Land Use Framework or Spatial Development Strategies, must be aligned with, and complimentary to, all environmental targets, frameworks and policies. Government should lay out how each of the policies align and work together. **The NPPF should be strengthened to prioritise flooding avoidance and climate adaptation, mandating sustainable drainage systems and consider the need for property flood resilience measures in all new developments through building regulations.**
7. (59) Local authorities must ensure they have up to date local plans and environmental and climate planning policies. When combined, all local plans and policies should satisfy national environmental targets, allowing for flexibility as to how they meet these targets between areas, in reflection of unique and local environmental characteristics. **The Ministry of Housing, Communities and Local Government, and the Department for Environment, Food and Rural Affairs, should work together to audit all local plans** once produced to ensure that, collectively, they add up to meet national house building and biodiversity targets.
8. (60) We recommend that the **Government should explicitly incorporate matters relating to biodiversity into the Duty to Co-operate**, enabling local planning authorities to work together to meet national house building and biodiversity targets at a regional level.
9. (61) The Government should ensure that flood and climate resilience are embedded into the core tools of planning, regulation, and investment appraisal. **The Government should initiate a consultation on statutory requirements for assessing the cumulative impact of development on flood risk within local and regional plans by the end of 2025.**
10. (73-77) **EDPs** may be effective in some instances, such as widespread pollution and nutrient management, they **are often not suitable for species or habitat conservation specific to an area**, as these should be compensated for locally. Concerns remain that the PIB will ultimately lower environmental protection. **It should be mandatory for the Secretary of State as sole decision maker to seek expert and third-party advice in determining whether the overall improvement test (OIT) has been met.**
11. (77) The new approach to meeting existing environmental requirements, introduced in Part 3 of the Planning and Infrastructure Bill, is not enough on its own to ensure that the Government can meet its environmental targets alongside its housing target. Beyond the Planning and Infrastructure Bill, **the Government must actively employ the full breadth of policy levers at its disposal to improve the natural environment**. We are concerned about the levels of subjectivity that may arise if the Secretary of State for the Environment acts as the sole and final arbiter of whether an Environmental Delivery Plan satisfies the overall improvement test. In response to this report, MHCLG and DEFRA should publish the criteria the Secretary of State will use to determine whether an EDP has passed the overall improvement test or not. (p80.)
12. (81-85) Developers can discharge their existing environmental obligations by paying into the National Restoration Fund (NRF) with a single payment that will enable a delivery body to devise and implement conservation measures through an

Environmental Development Plan to be spent by Natural England. NE needs to ensure internal differentiation in its role as regulator and implementor. **This has the potential for either a real, or a perception of, a conflict of interest.** The Secretary of State must make the final decisions on EDPs! **Natural England should publish a clear statement outlining how it will protect against conflicts of interest.**

13. (87-91) The initial impact assessment of the Nature Restoration Fund (NRF) was carried out on the basis of nutrient neutrality, due to limitations with broader data availability. A full and independent analysis of the impacts the NRF should be applied to other habitats and species. **The Government should revise the impact assessment for the NRF so that decisions about the efficacy of the NRF be made. The Government to prepare a regulatory assessment of the NRF.** This assessment should be completed before Part 3 of the Planning and Infrastructure Bill (PIB) is brought into force.
14. (92-98) The mitigation hierarchy (MH) is a framework for managing the environmental impacts of development. The new approach means that developers will no longer be required to carry out site-specific assessments for protected species, habitats or geological features. The drafted EDP Bill had the potential to damage the integrity of a protected site, or destroy it, in extreme cases. **The Government and NE should publish site-specific evidence of the environmental improvements in all occasions where the MH has not been applied.** This evidence should include the systematic monitoring and review of the environmental outcomes on all sites where an EDP has been approved and introduced
15. (100-112) Biodiversity Net Gain (BNG) is an environmental planning policy aiming to ensure that development ultimately has a positive impact on nature. BNG faces several challenges including that BNG breaches unlikely to be addressed, some BNG schemes delivered in good faith have failed and BNG will result in unreasonable fees for residents or more expensive housing. Introducing new exemptions to BNG when the policy remains in the early stages of implementation may have unintended consequences. The absence of standardised monitoring and enforcement protocols, clear lines of accountability, and insufficient resourcing, undermines confidence in the policy. **The Government must lay out clearly who is responsible for oversight and enforcement of BNG throughout its lifespan, and how monitoring and enforcement is standardised across Local Planning Authorities to ensure consistent delivery. The Government should conduct an assessment of the capacity and performance of monitoring of BNG commitments by local authorities.** Local authorities must understand their responsibilities to ensure that BNG promised is delivered and buy in expertise and resource if it is not currently employed. Local Planning Authorities should be held to account for adequate monitoring of BNG and resourced to deliver it.
16. (119-127) Green and blue spaces, also known as green infrastructure, refer to areas of vegetation and water features in urban areas, such as trees, parks and ponds. **The Government should mandate initiatives like Natural England's Green Infrastructure Framework** in new and refurbished developments to seek to ensure high standards of green and blue infrastructure are applied consistently across local planning authorities.

17. (128) **The Government should embed nature-based solutions as a core component of national flood resilience strategy** by 2027 and make Sustainable Drainage Systems mandatory in all new developments.
18. (129-142) Embodied and operational carbon refers to the total volume of greenhouse gas emissions associated with the construction, transportation, use, maintenance, demolition and disposal of a building and its materials throughout its lifecycle. Building 1.5 million new homes will release 8% of the UK's Sixth Carbon Budget (2033–2037). A lack of consistency and quality in reported carbon assessment outputs, limiting the ability to compare results across developments and reduce misreporting. **The Government should develop progressively ratcheted carbon targets** for the built environment, to match the pathway to net zero set out in periodic carbon budgets.
19. (142) **The Government should review taxation policies to incentivise home owners, housebuilders, landlords and tenants to favour homes with lower levels of embodied carbon.**
20. (143-146) **The Government should financially incentivise housing development to lower full lifecycle carbon**, such as introducing a levy on new build properties containing higher levels of lifecycle carbon alongside reduced taxation on lower carbon homes.
21. (153) The December 2024 revision of **the NPPF should be updated to include clearer and stronger expectations on embodied carbon for new developments.** The current **Government should also honour the promise made by the previous Government and conduct a consultation on how embodied carbon should be measured and reduced in UK buildings, potentially through Building Regulations, without compromising levels of operational carbon; this consultation should commence no later than March 2026.**
22. (154-160) Alternative building materials, such as timber and hemp, offer practical and effective ways to reduce the embodied carbon of buildings. The Government should take a more active role in shaping how low carbon materials are popularised, The Government should also consider other financial incentives in product areas where the cost differential makes adoption of lower embodied carbon products unattractive and support for manufacturing set up of lower embodied carbon products. **The Government consult, by April 2026, on what further incentives could shift the dial in this area.**
23. (161-168) The ambition to deliver 1.5 million new homes this Parliament could be met, in part, by retrofitting, repurposing and upgrading existing buildings, and bringing into use properties that are currently vacant. Retrofitting and adapting existing buildings could play in meeting national housing and environmental demands but this option is often sidelined. Inequity exists between the VAT rates on new build developments and retrofitted ones. To encourage the retrofit and repurposing of existing buildings, the VAT on retrofit projects should be reduced from 20%. **Government should confirm that a property brought back into use would count towards its, and a local authority's housing target.**
24. (169) **The Government should investigate how it can use the tax system to reduce the tax burden** on properties that reduce their carbon footprint and/or increase the tax burden on environmentally regressive properties to create a greater incentive for making retrofitting decisions that reduce the carbon footprint of a home, as part of the review we recommended.

25. (171-188) Ecologists play a critical role in informing planning decisions and assessing the environmental impacts of these decisions. Stakeholders have painted **a bleak picture of the status of the local authority ecology sector**. The salary for an ecologist can be just above minimum wage, This is despite the role requiring a high level of education and qualifications, with a specialised knowledge base and skillset. Training for BNG is inadequate. There is a pressing need to train ecologists with a working knowledge of the planning system. **The Government should invest in and prioritise the training and upskilling of talent in ecology as a priority. Government, should embed essential practical components into ecology course design**, by April 2026. This should include training on the planning system for ecologists.
26. (188) As a temporary measure, to address current staff shortages, **the Government should pilot and establish local ecological resource hubs, consisting of qualified ecologists and environmental planners, who are available to local authorities facing acute resource challenges**.
27. (192-206) As with ecology, planning reforms clearly cannot succeed without a robust and well-resourced planning sector. The shortage of planning professionals in local authorities is undermining the planning system's ability to function effectively. Only one in five planning departments in England are fully staffed. A lot of planners who did "not have any skills in ecology. Nine in ten planning departments have reported difficulty in hiring. There is a substantial gap between government ambition and the realities of workforce capacity. Ecology related matters are often deemed to be low priority and staff do not have capacity to handle anything other than the most serious planning offences. Planners should have a basic level of ecological and climate literacy. **The Government works with the Planning Advisory Service to develop suitable continuous professional development modules in ecology, carbon literacy and climate change, for qualified planning professionals and support their delivery through local authorities. These should be in place by September 2026**.
28. (207-218) There have been several reports questioning whether the UK's construction sector has the necessary skills to deliver the Government's pledge to deliver 1.5 million homes and meet its climate and environment targets. Over 140,000 job vacancies stall essential housing and infrastructure projects. There is a lack of contractors with the skills and proven experience to use low-carbon construction methods such as new bio-based material products. Skills programmes, apprenticeship schemes and the new T-levels should give learners the skills they need to carry out both traditional building techniques and MMC. The Government is introducing funding for new Technical Excellence Colleges, Skills Bootcamps, and foundation apprenticeships. **The Government should provide a realistic assessment of the construction workforce and what is needed to deliver the Government's housing targets and set out an analysis of the skill set the Government believes will be required to deliver 1.5 million homes, in line with climate and biodiversity targets**.
29. (219-227) Natural England does not possess the resources required to satisfactorily fulfil its statutory duties in environmental protection and planning and continues to struggle with responding to planning applications within statutory timeframes and risks incorrect decision-making and planning delays. Reports of 200 staff cuts coincided with growing responsibilities for the agency, raising concerns across industry. The skills and resources needed to deliver the ecological aspects of the Government's

planning reforms simply does not exist at the scale, quality or capacity that is needed. **The Government should publish a paper, by March 2026, clearly laying out the Government's housing targets, NE's role as a statutory consultee and in developing and implementing the NRF, and what resourcing will be required for NE going forwards to deliver this.**