
NATIONAL PLANNING POLICY FRAMEWORK

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Briefing to the Planning and Housing Commission

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GMCA

Background

- Fixing our broken housing market:
Government response to 2017 Housing White paper
- Draft National Planning Policy Framework
- Draft Planning Practice Guidance for Viability
- Draft Planning Practice Guidance (covering local housing need assessment)
- Supporting housing delivery through developer contributions

- Consultation running from 5 March to 10 May 2018

The culmination of previous consultations

- DCLG – Select Committee on NPPF (2016)
- House of Lords Select Committee on the Economics of the housing market (2016)
- Local Plan Expert Group (2016)
- Consultation on proposed changes to the NPPF (2016)
- Housing White Paper (2017)
- Local Housing Needs (2017)
- Autumn Budget (2017)

1. NPPF - Introduction

- Develops the first Framework (published in 2012) and responds to the housing White Paper. Government intends to publish a final Framework before the summer.
- Headline message that (a) Councils that don't have a plan and won't plan for their housing need are at risk of Government intervention (b) Councils that are not delivering against their housing requirement should produce an "action plan".
- Has incorporated proposals from the previous consultations, changes to planning policy implemented through Written Ministerial Statements, the effect of case law on the interpretation of planning policy since 2012.
- Includes a number of further changes to policy, beyond those consulted on previously, primarily in relation to helping to bring land forward for development and that permissions are turned into homes as soon as possible.
- The Government is also considering what further planning reforms could support this objective. These will be subject to the outcomes of Sir Oliver Letwin's review of build out and future consultation and include a new permitted development right for upwards extensions and more effective ways of bringing agricultural land forward for housing.

2. NPPF - Headlines

- Plans must be for a minimum of 15 years from adoption.
- Strategic plans should plan positively and seek, 'as a minimum to meet the objectively assessed needs for housing and other development'
- There is a standardised methodology on calculating objectively assessed housing need.
- A housing delivery Test.
- Net gain for the for the 'natural' environment. This is in accordance with the 25 year environment plan and the GMCAs own pilot work with Natural England.
- Refers to enabling spatial development strategies to allocate sites if there is unanimous agreement (although this is only where the power to make allocations has been conferred).
- New viability test to improve transparency and get more affordable homes and other community benefits out of private housing developments.
- Reform to developer contributions to remove pooling restrictions and introduction of a Strategic Infrastructure Tariff for Combined Authorities and joint committees where they have strategic planning powers (akin to the London CIL for cross rail)

3. NPPF – General Approach

- The review is wide ranging and has not simply affected the content of the NPPF but also its structure.
- The document is now set in 17 topic-based chapters which provide a clear overview of the planning framework and the relevance of different policies. Although much of the original document remains, this makes it difficult to compare directly with NPPF 2012.
- As might be expected, many of the proposed changes relate to housing, particularly on ways for improving delivery to reach the 300,000 homes per year target, and how to increase affordable housing provision.
- This report highlights the key issues which impact upon our work at Greater Manchester level.
- The consultation introduces many changes, some of which appear small and relatively insignificant but we need time to consider what the cumulative impacts may be.

4. NPPF – Strategic Plan Making

- Reinforces the importance of the plan making process and updates the NPPF in the light of the devolution of strategic planning powers to Combined Authorities.
- Strategic policies should look ahead over a minimum 15 year period from adoption.
- The GMSF is currently covering the period 2017-2035 with adoption late 2020/early 2021. At this point this would just cover 15 years from adoption
- Strategic plans should plan positively and seek, '*as a minimum to meet the objectively assessed needs for housing and other development*' unless there are strong reasons not to.
- Amendments to the tests of soundness to make clear that a sound plan should set out 'an' appropriate strategy rather than 'the most appropriate strategy
- Enabling spatial development strategies to allocate sites if there is unanimous agreement
- Plans should be reviewed to assess whether they need updating at least once every 5 years.

5. NPPF – Planning for Homes

Calculating Objectively Assessed Housing Need

- Strategic plans should be based upon a local housing need assessment, conducted using the standard method unless there are exceptional circumstances that justify an alternative approach which also reflects current and future demographic trends and market signals.
- The details of the standardised methodology are to be set out in the revised Planning Practice Guidance – outcome for GM is 10,708 p.a.(vs 11,360 in the 2016 GMSF draft).

Mix, type and tenure

- Policies regarding efficient use of land, design, increasing densities, making the most of town centres sites and small sites are spread across the document.
- Policies should identify the size, type and tenure of homes required for different groups in the community

Affordable Housing

- The provision of affordable housing should not be sought for developments that are not on major sites (10+), other than in designated rural areas.
- where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.

6: The devil is found in the detail

It is sometimes the seemingly “small tweak” which can have significant consequences eg:

- *Existing NPPF* - sites with planning consent (full & outline) and development plan allocations are considered deliverable unless there is clear evidence to exclude them. Other sites (that do not have consent or are not allocations) can also be considered deliverable if there is clear evidence to include them.
- *Consultation NPPF* - the definition (in the glossary) means only sites with full/detailed consent and small sites are deliverable unless there is clear evidence to exclude them – whereas sites with outline p/p, sites allocated in the development plan & brown-field register sites can only be considered deliverable if there is clear evidence to include them.
- This looks like a much higher bar and could make the job of demonstrating 5 year supply during and after development plan preparation much harder.

7. NPPF – Housing Delivery Test

- The Housing Delivery Test (HDT) is the annual measurement of housing delivery performance in a plan making area. The HDT is a percentage measurement of the net homes delivered against the number of homes required in a plan making area.
- The Framework proposes that from 2020 and where housing delivery falls below 75% over the previous three years and where the local planning authority cannot demonstrate a five-year supply of deliverable housing sites (with the appropriate buffer), that planning permission should be granted.
- The 'homes required' figure is calculated as either the latest adopted housing requirement figure or the local housing need figure.
- The local government finance settlement technical consultation in September 2017 on New Homes Bonus revision, set out that the Government intends to go further in 2019-20. This could include linking payment of the New Homes Bonus to the housing delivery test or the standard approach to local housing need.

8. NPPF – Viability Assessments

- Plans should set out the contributions expected in association with particular sites and types of development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, green and digital infrastructure).
- Such policies should not make development unviable, and should be supported by evidence to demonstrate this. The previous wording relating to competitive returns to willing developers is not taken forward in this consultation.
- The Framework makes clear that where a proposed development accords with all relevant policies in the plan there is no need for a viability assessment to accompany the planning application.
- The guidance says plans can set out when and how review mechanisms may be used to amend developer contributions to help account for significant changes in costs and values and provide certainty through economic cycles.

9. Supporting housing delivery through developer contributions

- Aimed at reforming the Community Infrastructure Levy (CIL) and section 106 planning obligations
- Together CIL and s.106 generated £6 billion nationally in 2016/17
- Only 3% of that was in the North West (£180m) vs 38% (£2.3bn) in London and 20% (£1.2bn) in the South East
- The amount generated per dwelling has remained roughly the same since 2011, even though house prices have increased by 30%
- Less than half of authorities have a CIL in place, concentrated in higher value areas
- Increasing use of viability assessments in negotiations on individual schemes means delay, uncertainty, and more work for local authorities
- Growing concerns about lack of transparency
- Difficult to use contributions for delivery of cross-boundary infrastructure (except in London)

10: Developer contributions: Government proposals

- Make it easier to set and change CIL charges, aligning with plan preparation
- Loosen current restrictions on pooling s.106 contributions from more than 5 projects to deliver a single piece of infrastructure
- Strengthen viability assessment at the plan-making stage, so that plan-compliant proposals won't need a viability assessment with the planning application
- Set CIL rates based on the existing use value of land, and index based on regional or district level house prices
- Be clearer about what funds are generated by CIL and s.106, and what they are spent on
- Where viability assessments are undertaken, "it should be in the expectation that they will be published, except in limited circumstances" – and Government is consulting on what those circumstances might be
- Allowing Combined Authorities to introduce a "Strategic Infrastructure Tariff" to support delivery of strategic infrastructure (learning from Crossrail 1)