Date: 27 APRIL 2018

Subject: NATIONAL PLANNING POLICY FRAMEWORK CONSULTATION

Report of: PAUL DENNETT, PORTFOLIO LEAD, STEVE RUMBELOW, CHIEF EXECUTIVE LEAD, HOUSING, PLANNING AND HOMELESSNESS

To inform GMCA of the proposed changes to the National Planning Policy Framework (NPPF) and outline the proposed response.

RECOMMENDATIONS

The key recommendations are to:

1. Endorse GMCA’s response to the consultation
2. Delegate final approval of the response to the Lead Chief Executive in consultation with the Portfolio Leader for Housing, Planning & Homelessness for submission by the 10 May deadline.

Report authors must identify which paragraph relating to the following issues

Comments and/or recommendation from the relevant Overview & Scrutiny Committee

Risk Management – see paragraph
Legal Considerations – see paragraph
Financial Consequences – Revenue – see paragraph
Financial Consequences – Capital – see paragraph
1. **BACKGROUND**

1.1 The government published the revision to the National Planning Policy Framework (NPPF) on 5 March. The revision is subject to consultation which ends on May 10th.

1.2 Much of the content is based on the outcome of previous consultations. The government is also simultaneously consulting on reforms to developer contributions (CIL and s.106). GMCA has commented on previous consultations and is intending to respond to this one by responding to the 43 detailed questions but also by submitting a more strategic response. This report outlines the strategic issues and Appendix 1 has a draft of the letter that we would intend to send.

2. **KEY ISSUES**

2.1 GMCA welcomes;
- the continued Government commitment to accelerating the rate of housebuilding. GMCA also supports plan led approach and welcomes proposals that will simplify the process.
- Reforms to the tests of soundness and a more proportionate approach to evidence requirements
- The standardised methodology for calculating local housing need
- Enabling Spatial Development strategies to allocate strategic sites
- Standardised approach to viability assessments
- Setting out how planning policies and decisions should make more intensive use of existing lands and buildings, especially where it would help to meet housing need.
- Setting out the criteria that should be satisfied before ‘exceptional circumstances’ are used to change Green Belt boundaries

2.2 There are also some issues where GMCA has concerns:
- Lack of proper alignment with the Defra 25 Year Plan
- Introduction of the Housing Delivery Test
- Weakening of protection given to locally important wildlife sites
- Changes to the definition of what can be included within the 5 year supply and the potential to link this to New Homes Bonus
- Continued penalising of local authorities for non delivery of housing even when it is acknowledged that this may be the fault of the development industry
- Approach to affordable housing including the ‘first priority’ to be given to affordable home ownership
- An expectation that local authorities should provide a housing requirement figure for designated neighbourhood areas

3. DEVELOPER CONTRIBUTIONS

3.1 The Framework consultation is accompanied by a consultation on proposals for reforming developer contributions, to be delivered through regulations. The consultation focuses on front-loading the contribution requirements (including setting these in local plans), giving LPAs more flexibility in their approach towards CIL and to relaxing the current pooling restriction on s106 contributions in certain circumstances.

3.2 GMCA and our constituent districts have longstanding concerns about the use of CIL as it does not work particularly well in areas of more marginal viability and it is welcome that Government has recognised this.

3.3 GMCA support for the Use Value plus approach to land valuation. Further consideration needs to be given to the detailed proposals as they emerge in relation to this and the Strategic Infrastructure Tariff.
4. RECOMMENDATIONS

4.1 Recommendations are found at the beginning of the report
Dear Madam/Sir,

I am writing on behalf of the Greater Manchester Combined Authority (GMCA) in my role as portfolio holder for Housing, Planning and Homelessness. I am responsible for leading on Greater Manchester’s overall housing policy, working with the ten Councils to tackle the housing crisis we face as well as developing the Greater Manchester Spatial Framework (GMSF) which will ensure that we have the right land in the right places to deliver the homes and jobs we need, along with the infrastructure required to achieve this.

This letter has been drafted in collaboration with Councillor Alex Ganotis, Leader of Stockport Council and Greater Manchester Green City Region portfolio lead and Anne Selby, Chair of the Natural Capital Group, (Greater Manchester’s Local Nature Partnership). The NPPF is also an important document in relation to our ambition to be one of the greenest city regions in the world. The Greater Manchester Low Carbon Hub is a well-established and effective partnership tasked with delivering Greater Manchester’s ambition to be one of the greenest city regions in the world and many of the proposed changes in the NPPF impact upon our ability to achieve the change we want to see.

The GMCA has responded to the previous consultations on many of the issues now raised in the revised NPPF. On a general point, we are concerned that some fundamental issues and changes are being introduced via detailed comments in glossary/footnotes. Given that the structure is so different to the extant NPPF it is
very difficult to directly compare the two versions. Introducing potentially significant changes (e.g. to the definition of what can be included in the 5 year supply) ‘hidden away’ in the glossary, is not helpful.

As stated in our response to the Housing White Paper earlier this year, we welcome the Government’s acknowledgement that “the housing market is broken” and that addressing this will be complex, requiring solutions that cannot be delivered by central or local government working alone using only the levers and mechanisms that have been available over recent years.

We welcome the recent announcement on the Greater Manchester Housing Package and the capital funding (£50m) as well as the successful Marginal Viability Fund schemes and progression of 3 Forward Funding schemes. Along with the revenue funding from the Housing Package and the Planning Delivery Fund, we are now in a better position to begin to tackle the significant issues we face in bringing forward contaminated and marginal brownfield sites. This is only the first step however and we look forward to continued support from Government to help us meet our sustainable growth objectives.

Our aspirations are to drive inclusive, sustainable growth across the city region and this continues to be jeopardised by the divide between established home owners and those unable to find a place on the property ladder or access to a safe, secure affordable home to rent. Some of the challenges we face are compounded by the barriers faced by councils seeking to directly deliver new social rented homes, and by the long term impact of Right to Buy on the availability of genuinely affordable homes, given the minimal numbers of replacements achievable under current arrangements.

The Prime Minister’s earlier announcement of a return to the funding of social rented and council housing was a positive development and the recent letter from the Minister for Housing, Communities and Local Government confirms that the £2bn funding for affordable housing (including social rent) will be available through the flexible Affordable Homes Programme 2016-21. The letter highlights that the funding will focus on areas with “acute affordability pressures, to support working families struggling with the costs of rent, and those at risk of homelessness”. It isn’t clear what the Secretary of State means by “acute affordability pressures” or “families/working families struggling with the cost of rent and those at risk of homelessness", and what tests/methodologies are being used to determine this. It is essential that there is clarity on these points urgently so that we can begin to address the very real issues faced by all Greater Manchester districts.

In that context, we welcome the opportunity to respond to this consultation and share the Government’s desire to simplify and improve the plan making process so that it is quicker and more transparent, providing the land we need for new homes whilst ensuring accountability, so that local communities have greater control over development in their area. At the same time, we must recognise that a plan alone will not deliver the homes that we need and we welcome the opportunity for continued dialogue with Government about ways to ensure the quantity and quality of homes, that we all acknowledge are needed, are actually built.
I would particularly like emphasise the importance of the proposals in this consultation to some of our current priorities in Greater Manchester. The GMSF, a joint Development Plan Document being worked on by all of the ten Councils in Greater Manchester, will be a strategic plan to deliver sustainable development. It will play a huge part in securing the future success of Greater Manchester as we build a powerhouse of the North which reaches its full potential. This means taking a much more integrated approach to how we plan and shape different places in the future – creating more jobs in all parts of Greater Manchester, providing good quality affordable homes in the right places, with safe and attractive neighbourhoods that are well served by public transport, low carbon homes and energy infrastructure, and have access to excellent local amenities. We consider that our town centres are central to this vision, and the Mayor’s Town Centre Challenge has provided a further impetus to the work being undertaken across all of our districts.

We welcome the introduction of a standardised approach to determining housing need, on the basis that this will go a long way to removing some of the uncertainties and costs involved in the plan making process, as well as proving more transparent for local people and other stakeholders. However, other proposals in the consultation risk discouraging this type of collaboration and therefore conflict with the aims of joint plans like the GMSF.

We have responded online to the detailed questions, however there are several issues we need to raise.

**STRATEGIC PLAN MAKING**

The GMCA welcomes the clarification that strategic policies should look ahead, over a minimum 15 year period from adoption, as some ambiguity was introduced by the Local Housing Need consultation. We also welcome the amendments to the tests of soundness particularly to make clear that a sound plan should set out ‘an’ appropriate strategy rather than ‘the most appropriate strategy’.

As a Combined Authority with strategic plan making powers, we welcome the proposal to enable spatial development strategies to allocate sites if there is unanimous agreement.

The GMCA supports the proposals to move to a more transparent approach to viability using a standard methodology. The proposals in accompanying guidance for plans to 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 is welcomed. Any standard methodology needs to be sufficiently robust to ensure that it allows all of those involved in the planning process sufficient information to make an informed decision.

It is understood why the proposal to require LPAs to include in their local plans details of the contributions expected in association with particular sites and types of development is appealing in principle. In practice however, at the time of a local plan production, viability assessments can necessarily only be broad brush as the detail
of precisely what infrastructure/contribution is required is only known at the planning application stage. This may result in lower contributions being set and greater call being placed on the public purse. NPPF should recognise that it is appropriate to set out more detail in supplementary planning documents. Viability can shift quite quickly and the more detail on developer contributions that is included within the local plan the more it is likely to become out-of-date. The local plan should set the overall approach, with supplementary planning documents being used to provide the detail in a way that can be kept up-to-date more easily.

As outlined in previous responses, the GMCA remains concerned that the proposals to introduce Statements of Common Ground will not address the fundamental flaws inherent in the Duty to Co-operate and will be an additional burden on local authorities with no tangible benefits.

PLANNING FOR HOUSING

GMCA supports the introduction of a standardised methodology for calculating housing need on the basis that this will go a long way to removing some of the uncertainties and costs involved in the plan making process, as well as proving more transparent for local people and other stakeholders.

The Framework proposes that 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, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. GMCA does not support the prioritisation of affordable home ownership over all other forms of affordable housing and does not consider that NPPF should prescribe the level/type of affordable housing in an area. This should be an issue for local plans.

On a broader note, the GMCA does not consider that the current definition of affordability adequately reflects the needs of Greater Manchester residents.

We continue to be concerned about the introduction of the Housing Delivery Test particularly the impacts of tying payments from the New Homes Bonus to Housing Delivery Tests for individual local authorities. This approach would penalise local authorities who fail to deliver their agreed housing numbers by withholding Bonus payments. This would represent further funding cuts to local authorities and threaten further jobs and services.

The proposed approach would discourage local authorities from increasing their own housing requirements in order to meet a housing need from elsewhere. This would be problematic for areas like Greater Manchester, where we are actively engaged in looking at how the housing need for the city region as a whole can be distributed in line with our wider strategy. This appears to work against the Government’s support for production of joint plans.

GMCA is also very concerned that the proposals continue to penalise local authorities for things out of their control, e.g. developers not developing sites quickly
enough. The reasons for delivery being below 75% of the housing requirement are more likely to relate to issues such as the strength of the housebuilding sector, the availability of development finance, the availability of market/mortgage finance, local housing market conditions, the availability of public funding to support housing development, attempts to slow housing delivery in order to justify greenfield and Green Belt land release, and the strength of the wider economy, rather than anything that the planning system is or is not doing.

The capacity of the construction sector to deliver the level of new homes that Government wishes to see is also an issue of concern. This is a situation that is likely to be exacerbated as the impacts of Brexit begin to be felt and will impact upon housing delivery rates. Penalising local authorities for circumstances entirely beyond their control unfair and will not lead to an increase in higher housing delivery rates, just the release of more and more land, which in Greater Manchester’s case means Green Belt.

GMCA also requires clarification on how the Housing Delivery Test is proposed to operate in the context of the recently agreed Housing Package, which of course provides for a figure higher than the LHN calculation.

GMCA is very concerned that the way in which districts calculate the 5 year supply of housing is proposed to change. Existing NPPF states that 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. The consultation NPPF provides a definition (in the glossary) which means that 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 will make the job of demonstrating 5 year supply much harder and it will lead to strong pressure for early release of green belt land (notwithstanding what the NPPF says elsewhere).

LOW CARBON DEVELOPMENT

Under the Climate Change Act 2008, the UK must reduce its carbon dioxide emissions by at least 80% from a 1990 baseline. Greater Manchester has objectives to deliver a 48% carbon reduction target by 2020 as set out in the Climate Change Implementation Plan. Our evidence shows that this will require near complete carbonisation across many sectors including the built environment. This is very challenging and will require the planning system to support any high level ambitions in relation to our future buildings.

The Mayor of Greater Manchester has also recently announced his desire to bring forward the date by which Greater Manchester can be carbon neutral by at least a decade. Creating homes which are both energy efficient and utilise locally generated low carbon energy is central to this ambition. As part of this a date will also be established by which all buildings will be ‘net zero carbon’.
The NPPF defers any local requirements for the sustainability of buildings to current Government policy on ‘national technical standards’. The GMCA is concerned that this position significantly undermines our commitments within Greater Manchester and that of the UK to meet international obligations. At the very least the NPPF should be setting a clear timetable for all development to be zero carbon and it should be encouraging local authorities to set planning policies that exceed building regulations.

We are also concerned that there is a presumption against wind energy development outside of those allocated within Local Development Plans. The current restriction of the planning system for onshore wind energy means there is untapped potential to deliver smaller schemes within Greater Manchester which would maximise the opportunity to meet future climate change objectives. This would also seem to contradict government commitment to increase investment in the low carbon economy as outlined in the clean growth strategy.

**WILDLIFE SITES**

The GMCA strongly supports the recognition/intention to align the NPPF with the 25 Year Environment Plan and the ambition to deliver net environmental gain. However, the revised draft NPPF does not adequately reflect key objectives from the 25 Year Environment Plan or indeed strengthen its priorities within the planning system.

We are puzzled and deeply concerned about the proposed weakening of protection for Local Wildlife Sites in the revised draft NPPF. As the lead Urban Pioneer area, Greater Manchester is working on developing an environmental ‘net gain’ policy as part of the GMSF. In our view, is impossible to deliver net gain for the environment without the local sites system. The weakening of the protection of non-statutory designated local sites would also seem to contradict aspirations from the 25 Year Environment Plan to create a ‘Nature Recovery Network’ which is not referenced within the revised draft NPPF. There does not appear to be any joined up thinking between Defra and MHCLG, which is surprising given that the 25 year plan and the consultation NPPF have been prepared along similar timescales.

The Mayor of Greater Manchester has announced his ambition for Greater Manchester to be one of the greenest cities in the world. We are working hard on a potential Biodiversity Compensation scheme for Greater Manchester as part of the work on the 25 Environment Year Plan, Urban Pioneer work programme and the Greater Manchester Spatial Framework. This will help value these sites in the future but it is the planning protection that has been key in the last few decades.

Greater Manchester has a good track record on the protection of our locally designated sites. The Greater Manchester Ecology Unit has gathered a significant amount of data on these and put systems in place to support them. It is worth noting that these sites can be of very high nature conservation value, even SSSI designation level. SSSIs are selected as a ‘representative sample’ of important habitats and do not include all sites which meet the criteria. So, assuming these local sites are of lower environmental importance is not always the case. We strongly urge
Government to re-consider this proposal and to retain the protection of local sites which has worked well to date

GREENBELT

GMCA notes the continued strong protection of the Green Belt and welcomes the clarity around the criteria which should be satisfied before ‘exceptional circumstances’ are used to change Green Belt boundaries. We are surprised however that the Framework proposes that where Green Belt is released first consideration should be given to land which has been previously-developed or which is well-served by public transport. If it is necessary to release Green Belt for development, then the focus should be on selecting the most sustainable sites. Hence the reference to “well-served by public transport” is supported, but whether a site is previously-developed should be a much lower priority. Prioritising previously-developed sites could result in development being directed towards some of the least sustainable locations, including ones that would cause wider harm to the Green Belt. The proposed approach conflates Green Belt policy with environmental policy which is not appropriate. Green Belt land is not protected because it is green but because it meets at least one of the 5 purposes for Green Belt. To prioritise Green Belt release on wider environmental grounds begins to unpick the clear reasoning behind the current Green Belt approach.

This reasoning is carried through in the proposed approach to allow brownfield land in the Green Belt to be used for affordable housing, where there is no substantial harm to openness. The proposal broadens the previous proposal to allow brownfield land in the Green Belt to be used for Starter Homes so that, subject to Green Belt protections, all residential developments that contribute to meeting an identified local affordable housing need can use brownfield land, allowing local planning authorities to use this land more flexibly in response to local circumstances. This will be used by developers to argue for the release of peripheral greenfield sites, incorporating a significant amount of market housing on the basis of it being needed to cross-subsidise the delivery of affordable housing. This will lead to unsustainable patterns of development, and draw investment away from previously-developed land within the urban area.

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GMCA and our constituent districts have longstanding concerns about the use of CIL as it does not work particularly well in areas of more marginal viability and it is welcome that Government has recognised this.
GMCA support for the Use Value plus approach to land valuation. Further consideration needs to be given to the detailed proposals as they emerge in relation to this and the Strategic Infrastructure Tariff.

Yours sincerely

Paul Dennett
City Mayor of Salford and Greater Manchester Portfolio Lead for Housing, Planning & Homelessness