

OVERVIEW & SCRUTINY COMMITTEE

CHAIRMAN: Cllr Mike Haines

DATE: 9 April 2018

REPORT OF: Business Manager Strategic Place

SUBJECT: Revised Draft National Planning Policy Framework

PART I

RECOMMENDATION

Note the Government consultation on a revised draft National Planning Policy Framework and provide input into the Council's emerging response, which will be considered by Executive on 1 May 2018.

1. PURPOSE

- 1.1 To consider the Government's proposed changes to the National Planning Policy Framework (NPPF) and inform the Council's emerging response.
- 1.2 The draft revised Framework was published on 5 March. There has only been limited time to consider its implications to date. The Council's final response may be subject to significant change but the purpose of this report is to advise Members of officers' initial thoughts and gathering Members' comments and input in order to inform our final response.

2. BACKGROUND

- 2.1 Government introduced the current NPPF in 2012 as part of a bid to reform the planning system. The Framework provides succinct guidance on how Local Plans should be prepared and the issues they should address. It also describes how planning application decisions should be made and what matters should be taken into account.
- 2.2 One of the most significant features of the 2012 NPPF was the presumption in favour of sustainable development. This 'tilted' the balance of planning decisions towards NPPF guidance when Local Plans were either out of date or silent; or when there was no demonstrable 5 year housing land supply. Where the presumption was 'engaged' it could mean granting consent for unplanned development on unallocated sites.

TEIGNBRIDGE DISTRICT COUNCIL

- 2.3 In February 2017 a [housing white paper called Fixing out Broken Housing Market](#) was published. In September that was followed with a consultation entitled [Planning for the Right Homes in the Right Places](#), which indicated that a draft NPPF would be published in Spring 2018.
- 2.4 The revised draft Framework was published on 5 March alongside further consultation documents that include:
- Housing delivery test methodology
 - Draft changes to associated planning practice guidance, including new guidance on development viability
 - Consultation on changes to the developer contribution system, including changes to the Community Infrastructure Levy (CIL)
 - Research into the national use of Section 106 planning obligations and CIL
- 2.5 All documents are available at:
<https://www.gov.uk/government/collections/national-planning-policy-framework-and-developer-contribution-consultations#supporting-housing-delivery-through-developer-contributions:-consultation>

3. MAIN IMPLICATIONS

- 3.1 A draft response to the revised draft NPPF consultation is available at Appendix A. This has been completed on the Government's consultation form, which covers all aspects of the draft document. With a focus on boosting housing supply, it's to be expected that the main implications of proposed NPPF changes concern the delivery of new homes.
- 3.2 A summary of key points is provided below. It should be noted that these key points and the draft response at Appendix A have only been assembled over a couple of weeks. By the time Executive considers a final response to the Government's consultation on 1 May 2018 changes or additions may have been identified.

Calculation of housing need

- 3.3 The draft NPPF confirms that Local Plan housing targets should ordinarily be informed by Local Housing Need (LHN) figures that will be published for each district every couple of years. There will need to be compelling reasons to identify housing need by a different method and it seems likely that this will be very unusual.
- 3.4 The consultation document also expects Local Plans to address the development needs of different segments of society, including older people and families; potentially by requiring different types and sizes of housing as part of wider development allocations.

TEIGNBRIDGE DISTRICT COUNCIL

Housing Delivery Test

- 3.5 A new test of whether housing completions are coming forward sufficient to meet identified housing needs is introduced. Through the delivery test, average delivery rates over three years will be set against housing need. In this instance, 'housing need' broadly means either
- a) the annual housing target of an up to date Local Plan that was adopted less than 5 years before; or
 - b) the centrally published Local Housing Need figure where the Plan is out of date.
- 3.6 Average delivery rates will need to meet a percentage threshold. If they don't, a slightly updated version of the presumption in favour of sustainable development that's described at paragraph 2.2 will apply. From November 2018, the threshold will be 25 per cent. Then 45 per cent in 2019 and 75 per cent from 2020.
- 3.7 On the basis current forecasts, it seems unlikely that the housing delivery test will hold significant implications for Teignbridge in the short term. Longer term it will introduce further incentives to accelerate the pace of development.

Five year housing land supply

- 3.8 Local authorities are required to demonstrate a 5 year supply of developable housing sites. Where they cannot, the presumption in favour of sustainable development applies. If there has been persistent under delivery relative to housing target's the current 5 year supply test increases by a 20 per cent 'buffer', effectively requiring sufficient supply over the next five years to meet six times the annual housing target. In Teignbridge there hasn't been persistent under delivery so a 5 per cent buffer applies.
- 3.9 Proposed changes though the revised NPPF clarify a definition of under delivery and set out that, with immediate effect from the point of the final revised document's introduction, a housing delivery test percentage of less than 85 per cent would engage the 20 percent five year supply buffer.
- 3.10 The revised draft also proposes to amend the definition of 'deliverable' in a manner that would mean that outline planning permissions could not ordinarily be taken into account unless there was clear and rigorously assembled evidence that they would be implemented. This could have significant implications for housing supply positions across the country and the attached draft response raises concerns that the position:
- (i) contradicts the NPPF's 'use it or lose it' principle; and
 - (ii) would result in considerable and unnecessary resource implications.

Explicit support for joint strategic Plans

TEIGNBRIDGE DISTRICT COUNCIL

- 3.11 The role of cross-boundary plans as an effective means of responding to strategic development needs is strongly endorsed through the draft. It is left up to authority partnerships to decide whether they wish to undertake a single 5 year housing land supply calculation and housing delivery test assessment or continue to address these matter at a district level.

Introduction of more detailed viability guidance

- 3.12 New guidance on assessing the financial viability of Local Plan policies overall is proposed, as well as guidance on the viability of individual development proposals. It indicates a more rigorous assessment process at the plan making stage that may require more work looking at the peculiarities of proposed site allocations and the financial costs/contributions associated with developing them.
- 3.13 At the planning application stage, the guidance is clearer that land prices should respond to Local Plan requirements. This ought to overcome arguments that land purchase prices achieved on nearby sites are relevant even when associated development did not meet planning policy requirements. The draft also expects developers' viability appraisals to be published by planning authorities unless there are exceptional reasons not to.

Development allocations of varying sizes and custom build implications

- 3.14 The draft NPPF provides clear support for large development sites. It also requires that 20 per cent of allocated housing sites should be half a hectare or less. This is good news for small or medium sized builders and diversifying the house building market, albeit the effects may not be instant because of the time it may take for new builders to establish and grow.
- 3.15 However, the Framework doesn't provide sufficient support for policies like the Teignbridge Rule, which requires 5 per cent of plots on large development sites to be set aside for custom build development. It merely expects Local Plans to 'encourage' site sub-division, which could be bad news for a future repeat of the policy. Appendix 1 includes a draft objection to this point.

Redefining affordable housing

- 3.16 The draft expects 10 per cent of homes on development sites of 10 dwellings or more to comprise low cost homes to buy. If Teignbridge can continue to provide 25-30 per cent affordable housing this may be acceptable in the context of overall affordable housing needs.
- 3.17 Starter Homes are identified as Affordable Housing but there are not further provisions relating to them and they still do not have a complete statutory definition. Instead, 'entry level exception site' developments outside of development allocations and settlement limits are proposed where first time

TEIGNBRIDGE DISTRICT COUNCIL

buyer/renters' needs are not being met. Understanding what 'being met' will be key here.

Providing High quality broadband

- 3.18 There is clear support for the preparation of Local Plan policies that require fibre optic broadband connections into new developments. This is an about-turn relative to recent appeal decisions that had cast broadband requirements outside of the planning system's remit. The change of position is welcome but a final version of the NPPF should make certain that it means fibre into buildings and not just to the boundary of a development site.

4. OTHER CONSULTATIONS

- 4.1 This report has focussed on the revised draft NPPF. Other consultation documents have been published as described at paragraph 2.4. The report to Executive on 1 May will consider these in more detail but comments on them from Overview and Scrutiny would be welcome at this point.

5. GROUPS TO BE CONSULTED

None.

6. WITNESSES TO BE CALLED

None.

7. TIMESCALE

- 7.1 A further report will be presented to Executive on 1 May, setting out an updated and revised draft response to the revised draft NPPF and the other consultation documents. The consultation period closes on 10 May 2018.

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Wards affected	<i>All</i>
Contact for any more information	<i>Fergus Pate</i>
Background Papers (For Part I reports only)	<i>National Planning Policy Framework</i>
Key Decision	<i>No</i>
In Forward Plan	<i>No</i>
In O & S Work Programme	<i>Yes</i>