

# EXECUTIVE

LEADER: Cllr Jeremy Christophers

PORTFOLIO HOLDER: Cllr Humphrey Clemens

**DATE:** 1<sup>st</sup> May 2018

**REPORT OF:** Business Manager Strategic Place

**SUBJECT:** Revised Draft National Planning Policy Framework  
Consultation Response

## PART I

### RECOMMENDATION

The Executive is recommended to approve the draft response to the revised draft National Planning Policy Framework consultation that is set out at Appendix A.

#### 1. PURPOSE

- 1.1 To consider the Government's proposed changes to the National Planning Policy Framework (NPPF) and confirm the Council's consultation 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 This 'tilted' the balance of planning decisions towards NPPF guidance when Local Plans were either out of date or silent; or when there was no demonstrable 5 year housing land supply.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.
- 2.3 The 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 documents that include:

## TEIGNBRIDGE DISTRICT COUNCIL

- 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>

### 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. A summary of key points is provided below.

#### 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.

#### 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.

## TEIGNBRIDGE DISTRICT COUNCIL

- 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 through 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 planning permission 'use it or lose it' principle; and
  - (ii) would result in considerable and unnecessary resource implications.

### Explicit support for joint strategic Plans

- 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 matters 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

## TEIGNBRIDGE DISTRICT COUNCIL

even when associated development did not meet planning policy requirements. Instead an approach to land value that is based on an existing use value plus a premium for the landowner is proposed. This is a positive step forward but more clarity on what that premium should be should also be provided.

- 3.14 The draft also expects developers' viability appraisals to be published by planning authorities unless there are exceptional reasons not to.
- 3.14 However, there is no change to the default approach to assessing build costs. It is proposed that national Build Cost Information Service (BCIS) data remains the norm. This is based on actual tender price information but the sample size involved is limited and it is understood that volume builders rarely submit their data to the BCIS. It is proposed to firmly respond to the consultation that a more precise approach to the build costs of different types and scales is required in order to ensure that some of the scale economies that can be achieved on large sites translate into benefits associated with affordable housing, infrastructure and quality of place outcomes.

### Development allocations of varying sizes and custom build implications

- 3.15 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.
- 3.16 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 A 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. There is potential that developers will promote them as part of their affordable housing mix and a risk that they often will not address housing need.
- 3.18 'Entry level exception site' developments outside of development allocations and settlement limits are newly proposed where first time buyer/renters' needs are not being met. Understanding what 'being met' means will be key here.

### Providing High quality broadband

## TEIGNBRIDGE DISTRICT COUNCIL

- 3.19 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 to the premise (FTTP) and not just to the boundary of a development site.

### 4. OVERVIEW AND SCRUTINY COMMITTEE

- 4.1.1 Overview and Scrutiny Committee considered a first draft NPPF response on 9 April 2018. There was overall support for the proposed response but in some cases changes were proposed. These included the following points, all of which have been addressed as part of the final draft consultation response at Appendix A:

- Support for planning authority led masterplanning that assesses site development and infrastructure costs ahead of development coming forward.
- There should be a robust response to proposed changes to the definition of 'deliverable' which, as drafted, could have a significant impact on five year housing land supply calculations.
- Requesting a more accurate approach to build cost information so that viability appraisals can more accurately reflect the true costs of different types and scales of development.
- Seeking clearer guidance on what premium over existing use values would be sufficient for landowners to release sites for development.
- Development viability assessment profit levels should more accurately reflect levels of development risk.
- Pre commencement planning conditions associated with matters like early infrastructure delivery should be allowed because pre-occupation conditions are challenging to enforce.
- The importance of high quality cycle routes and local rail should be specifically recognised through the NPPF.
- Seeking a change to a national policy that currently provides a local veto over wind turbine development.
- Seeking provision for fibre to the premise broadband through new development wherever possible but not where this would be technically infeasible, for instance in rural communities.
- Providing national clarification that garages and parking spaces should be adequate to accommodate modern vehicles

### 5. TIMESCALE

- 5.1 Consultation on the revised draft NPPF closes on 10 May. The Executive's approved comments on the draft will be submitted to Government by that date.

**Simon Thornley**  
Business Manager, Strategic Place

**Cllr Humphrey Clemens**  
Portfolio Holder for Planning & Housing

## TEIGNBRIDGE DISTRICT COUNCIL

BELOW TO BE FILLED IN BY REPORT AUTHOR:

<b>Wards affected</b>	All
<b>Contact for any more information</b>	Fergus Pate, Principal Delivery Officer
<b>Background Papers (For Part I reports only)</b>	
<b>Key Decision</b>	No
<b>In Forward Plan</b>	No
<b>In O&amp;S Work Programme</b>	No
<b>Community Impact Assessment attached:</b>	No
<b>Appendices attached:</b>	Appendix A: Final Draft Comments on the Draft NPPF