

# The Draft NPPF

What's it all about?



Helen Cuthbert, Director  
Stuart Slatter, Director

19<sup>th</sup> April 2018

# Topics for discussion

- The Draft NPPF – an Introduction
- Housing
- Closing and Questions



# Introduction

- Consultation closes at 11:45pm on 10 May 2018 – 3 weeks to go!
- The new logic is the rational ordering of Policy, reflecting that of the Planning system:
  - Plan Led
  - 38(6) Decisions
  - Importance of Housing Delivery
  - ...
- It's now easier to understand the flow of the document, navigate it and make reference to it (very few bullet points)
- “Golden Thread” has gone!



# Housing

- Now the first substantive chapter (was 6<sup>th</sup> - after communications infrastructure!)
- The draft Framework reinforces the Government's objective to "significantly boost" (draft para 60) – slightly different to "boost significantly" (current para 47)
- As published, the Framework we know had a little over 2 pages devoted to housing (9 paragraphs), now we have just under 5 pages (22 paragraphs)
- Appears that established principles through Appeals and the Courts are being brought in – such as draft paragraph 71, which deals with windfalls and compelling evidence. Further, a number of old footnotes are now included in the policy text, which to us, suggests greater clarity and importance



# Housing Need

- ✔ Strategic Plan sets out the number of homes required
- ✔ Greater emphasis in draft paragraph 60 about providing homes for groups with specific housing requirements which needs to be included in the evidence base. Additionally, there is a greater emphasis on the Duty to Cooperate in establishing the minimum figure, which was previously focused in the “plan-making” chapters
- ✔ Draft paragraph 61 says that in determining the “minimum” number of new homes strategic plans should be based upon the “standard method” [coming forward] in National Planning Guidance
- ✔ Only exceptional circumstances would justify an alternate approach



# Standard Methodology

- The new methodology proposed, which is outside the Framework, follows a three stage approach:
  1. Demographic baseline (Government's household projections) – annual average household growth over a 10 year period = '*minimum local housing need figure*' (a trend based indication of additional households assuming recent demographics and trends continue). Published approximately every 2 years, expected September 2018
  2. Adjustment (market signals) – to address affordability issues. Starting point - the relative balance between median house prices and earnings, with a larger adjustment applied in those areas with higher ratios. For each 1% increase in the ratio above 4.0, the household projection should be increased by 0.25%

# The Adjustment

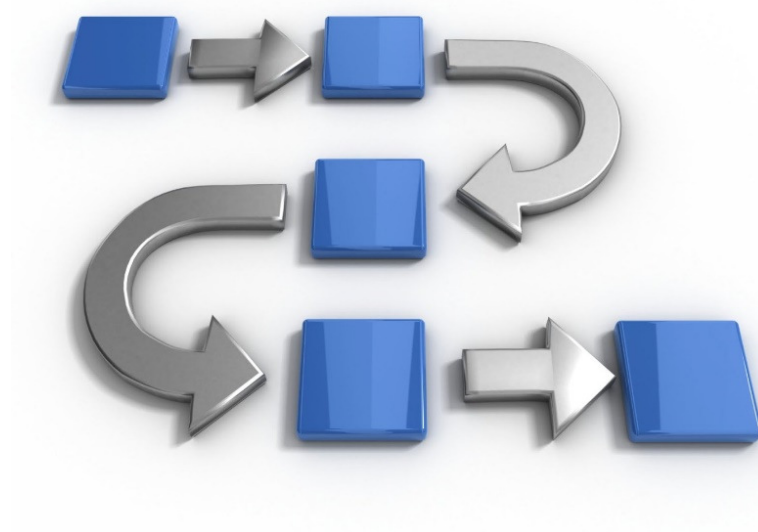
$$\text{Adjustment factor} = \frac{\text{Local affordability ratio} - 4}{4} \times 0.25$$

- ✦ The local affordability ratio is the average house price divided by the average earnings
- ✦ An example – where average house prices are £800,000 and average earnings are £100,000;
  - ✦  $800,000 \div 100,000 = 8$
  - ✦  $8 - 4 = 4$
  - ✦  $4 \div 4 = 1$
  - ✦  $\times 0.25$
  - ✦ = an adjustment of 0.25% of the demographic baseline
- ✦ So, where the baseline need was for 100 new homes, this now equates to a requirement for 125 homes.

# Standard Methodology

## 3. Capping the level of any increase

- a) maximum adjustment up to 40% above the housing requirements adopted in post-NPPF Local Plans
- b) Where an up-to-date Local Plan is not in place, housing need will be capped at 40% above the higher of either the latest household projections or their pre-NPPF housing requirement





# Housing Delivery

- Interesting that current footnotes 11 and 12 have now made their way into the glossary with part references in draft paragraph 68
- There remains the requirement for strategic plans to identify a supply of sites:
  - Specific, deliverable sites for years 1-5;
  - Specific, developable sites or broad locations for growth for years 6-10, and where possible for years 11-15 of the plan

# Small Sites

- Once the housing need is established, draft paragraph 69 requires 20% of this to be on small sites (half a hectare or less)
- Emphasises the Government's stance on this contribution which is important – quick delivery – articulated in the text of draft paragraph 69
- Echoes the Draft London Plan in emphasis, but the detail differs (25 units/0.25 hectare site – Draft Policy H2)

# Affordable Housing

- More detail is now provided, specifically bringing in the WMS on “small schemes”
- Was – 10 or less should be exempt
- Now – exemption is for developments that are not on major sites (10+) – a subtle change. The threshold is now 9 units to be exempt
- There is an expectation of at least 10% of all new homes on major developments to be affordable, with exceptions being Build to Rent schemes, accommodation for special purposes (elderly, students) and self build (draft paragraph 65)

# Paragraphs 22 and 51

- Paragraphs 22 and 51 have now gone with the best alternative being draft paragraph 121
- Current paragraph 22:
  - *Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.*
- Current paragraph 51:
  - *...should normally approve planning applications for change to residential use ... from commercial buildings (currently in the B Use Classes) ...*

# Five Year Housing Land Supply

- ✔ Strategic plans should include a trajectory, illustrating housing delivery – required to identify and update annually a minimum 5 year supply with an appropriate buffer
- ✔ Clarity has been provided that the buffer is in addition to the 5 year requirement – a matter long established in practice
- ✔ The 5% and 20% buffers remain, with clarity provided on what significant under-delivery means – less than 85% of the housing requirement in the previous 3 years
- ✔ A new 10% buffer is introduced where an LPA wants to fix their housing numbers through an annual position statement, which is covered by draft paragraph 76 – which is a statement of engagement with developers submitted to the SoS. In effect, corroborating the assumptions

# Housing Delivery Test

- The Housing Delivery Test to be published each November, will illustrate the performance of LPA housing delivery. Simply put – a percentage of what was delivered against what was required
- There is a stepped/transitional implementation of the Housing Delivery Test, ordinarily 75%, that would engage the presumption in draft paragraph 11. For the purposes of establishing a failure by the LPA, through delivering substantially below their housing requirement over the first three year period following publication of the new Framework, this is benchmarked at delivery below 25%, 45% and 75% respectively, of the annual requirement

# Current 47, 49 & 14 vs Draft 68, 75 & 11

- ✦ The long established route to arguing 5YHLS and the reduced weight to be afforded to restrictive policies remains, although renumbered
- ✦ The objective is to consider planning applications under draft paragraph 11 (current paragraph 14) and there are now two routes
- ✦ Focusing specifically on the second part of draft paragraph 11 – decision-taking, reference to the development plan (38(6)) now requires it to be ‘up-to-date’
- ✦ ‘Up-to-date’ is not defined, but draft paragraphs 208 and 23 suggest that their degree of consistency with the Framework and the necessary review of policies at least every 5 years are the determining points
- ✦ Draft paragraph 11d clarifies the accepted principle of focusing on those policies “*which are most important for determining the application*”
- ✦ It’s interesting that they have flipped the concluding section of the decision-taking segment, to now first refer to specific policies refusing development followed by the adverse impacts outweighing the benefits, which is more logical to us

# Footnotes

- Footnote 9 previously set out an example list, which was not exhaustive, and many Appeals, and indeed Court Judgements, established that principle
- The replacement footnote (7) is a much more comprehensive list, with no sign of the word 'example'
- It now includes irreplaceable habitats including ancient woodland, aged or veteran trees!
- Emphasis is placed that this does not refer to policies in development plans
- The current footnote 10, “unless material considerations indicate otherwise” is now contained within draft paragraph 12



# Green Belt

- Importantly, amendments to Green Belt can now come through Neighbourhood Plans where they are demonstrated as being required through the strategic plan (draft paragraph 135)
- Under the exceptions to inappropriate development, we note that “brownfield” has been removed (previously paragraph 89, bullet 6). Further reference to assessing the purpose of including the land within the Green Belt has been removed and replaced with proposals (in addition to draft paragraph 144f) for affordable housing to meet identified local need, where it does not cause substantial harm



# Entry Level Housing and Rural Housing

- Sitting alongside this Green Belt policy, is draft paragraph 72 which encourages LPA's to support the development of entry level exception sites, suitable for first time buyers/renters, which would be outside but adjacent to existing settlements and comprise a high proportion of discounted sale or affordable rent properties
- Regarding rural housing Paragraph 55 has been replaced by draft paragraph 81- it has only been slightly finessed.

# Any Questions?

