

**STRATEGIC PLANNING
SUSTAINABILITY &
TRANSPORTATION COMMITTEE**

4th December 2018

**Technical Consultation on National Planning Policy and
Guidance**

Final Decision-Maker	Strategic Planning, Sustainability & Transportation Committee
Lead Head of Service/Lead Director	Rob Jarman, Head of Planning & Development
Lead Officer and Report Author	Sarah Lee, Principal Planning Officer (Strategic Planning)
Classification	Public
Wards affected	All

Executive Summary

The Government is consulting on proposed changes to the National Planning Policy Framework and the associated guidance. The most significant changes relate to the standard methodology for calculating local housing need. Other minor, clarifying changes are proposed which impact on the definition of 'deliverability', housing land supply and the technical approach to the Appropriate Assessment of internationally important nature conservation sites. The report provides a summary of the proposed changes, the implications for MBC and recommends that the responses in Appendix 1 be submitted by the deadline of 7th December.

This report makes the following recommendations to this Committee:

1. That the responses set out in Appendix 1 be agreed as this Council's response to the technical consultation on changes to the National Planning Policy Framework and National Planning Practice Guidance.

Timetable

Meeting	Date
Strategic Planning, Sustainability & Transportation Committee	4 th December 2018

Technical Consultation on National Planning Policy and Guidance

1. INTRODUCTION AND BACKGROUND

1.1 The Ministry of Housing, Communities and Local Government is undertaking a technical consultation on changes to the National Planning Policy Framework (NPPF) and the associated guidance (NPPG). The consultation document is available here;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751810/LHN_Consultation.pdf

Standard methodology

- 1.2 The most significant of the proposed changes relates to the standard methodology for calculating a borough's minimum local housing need figure. The standard methodology was introduced in the revised NPPF in July with details of the calculation in the NPPG.
- 1.3 The standard methodology is a 'top-down' approach. By devising a standard approach, the Government is essentially prescribing what the housing figures for districts and boroughs should be. The Government's reasons for doing this are;
- To reduce the time and resources spent establishing the correct figure to include in a local plan; and
 - To achieve the Government's objective of building on average 300,000 new homes per year from the mid-2020s onwards.
- 1.4 The current consultation does not alter the Government's expectation, expressed in the revised NPPF, that local planning authorities will follow the standard approach unless there are exceptional circumstances which justify doing otherwise¹.
- 1.5 To recap, the inputs to the standard methodology calculation are;
- Projected average annual household growth using data from the latest Office of National Statistics (ONS) projections
 - An affordability adjustment using the latest ONS median workplace based affordability ratios
 - A cap on the increase at 40% of the current target (provided the current target was set within the last 5 years)
- 1.6 The latest 2016-based ONS household projections, issued in September 2018, reveal an overall reduction in household formation rates. Nationally, household formation is predicted to fall by some 56,000 to 213,000/year compared with the preceding (2014-based) projections. This finding puts at risk the Government's goal of 300,000 new homes per year.

¹ 2018 NPPF paragraph 60

- 1.7 The consultation includes a critique of the limitations of using household projections to estimate future demand for housing. In summary it says that;
- The ability of people to form new households will be limited by an overall lack of housing supply – new households can't form if there is nowhere for them to move into;
 - There has been historic under-delivery of housing;
 - There is a need to increase the responsiveness of housing supply to demand;
 - Boosting supply will help to address the overall affordability of housing; and
 - Household projections are not a measure of how many homes would be needed to meet demand.
- 1.8 In the current consultation the Government's proposed way forward has 3 elements;
- a. In the short term (not defined), the 2014-based household projections should be used as the baseline for the standard housing calculation. The rest of method is unchanged.
 - b. The fact the 2016-based projections are lower do not amount to 'exceptional circumstances' to depart from the standard approach.
 - c. In the longer term (not defined), the Government will renew the standard calculation to establish a new method which meets the principles of boosting housing supply by the time the next projections are issued.
- 1.9 The consultation also confirms that where a joint plan is being prepared, the 40% cap on standard methodology figure applies to the total plan requirement figure, not constituent authorities' individual figures.
- 1.10 **Commentary and response:** The Government is completely committed to its objective to significantly increase house building. Its response to the latest projections is clearly output led; it does not want to divert from its 300,000 homes/year goal.
- 1.11 The use of the superseded 2014-based projections in the short term is not a permanent fix but it would give some certainty for those authorities which are close to submitting their plans for examination. The position is much less certain for councils like Maidstone which are 2 or more years from submission. New, 2018-based household projections should be issued in Autumn 2020, ahead of the submission of the Local Plan Review which is scheduled for March 2021. If the Government introduces a new approach at around this time, it could mean the council is faced with a significant change to the local housing need figure for the borough and there is a risk that the plan's approach may need to be reviewed when the plan has reached an advanced stage if transitional arrangements are not in place.
- 1.12 In response, the proposed answers to the consultation questions in Appendix 1 make the following points;

- There is support, in principle, for the continued use of a standardised approach where this can help to reduce unproductive debate about housing numbers.
- The new method, when devised, should retain the cap on how much the local housing need figure can increase to give those preparing plans some ceiling on the scale of the increase that may be required. The cap should certainly be no higher than the 40% figure which has been consulted upon previously and preferably should be significantly lower with growth distributed more evenly across the country.
- The Government should provide an outline of timescales when new method will be consulted upon and implemented so that councils preparing plans can anticipate which method they will need to follow. This should include transitional arrangements so that plans at an advanced stage are not diverted off course. The housing number is a fundamental part of the plan-making process and can have implications for other aspects of the plan such as site selection and strategic infrastructure requirements amongst other things.
- The new approach should address the significant concerns previously made by this committee in its consultation responses with respect to;
 - the current methodology serves to perpetuate established patterns of household growth and to disproportionately load requirements on authorities such as Maidstone with the highest base populations and which have delivered good levels of housing in the past.
 - The realism of achieving this rate of housebuilding is also at question on the grounds of the availability of sufficient labour, skills and materials (a point previously highlighted by this Committee), coupled with a concern that housebuilders have an incentive to manage build out rates to maintain house prices at or above current levels.

Housing land supply calculations

1.13 Amendments to the 2018 NPPF are proposed which clarifies that the NPPF is not inviting alternative approaches to the calculation of housing land supply in connection with application and appeals. There was a risk of misinterpretation with the current wording.

1.14 **Response:** There is no objection to this clarification.

Definition of 'deliverable'

1.15 Sites included in the 5 year land supply must be demonstrably 'deliverable' and the 2018 NPPF revised the definition of 'deliverable'. Clarifying changes to the definition are now proposed to help avoid misinterpretation and in particular to confirm that non-major developments² with outline permission are in principle 'deliverable'.

² Major development - For housing, development of 10+ homes or the site of 0.5+ ha. For non-residential development, additional floorspace of 1,000+ sqm or a site of 1+ ha.

1.16 The Government will produce additional guidance to provide further information on the way that sites with different degrees of planning certainty may be counted when calculating housing land availability.

1.17 **Response:** There is no objection to the clarification. The introduction of future guidance to reduce unnecessary debate and challenge at appeals and examination can be welcomed.

Habitat Regulations Assessment

1.18 In response to recent case law, a clarification will confirm the application of the presumption in favour sustainable development to development that impacts on international sites of nature conservation importance. The proposed wording of the NPPF is as follows;

“The presumption in favour of sustainable development does not apply where the plan or project is likely to have a significant effect on a habitats site (either alone or in combination with other plans or projects), unless an appropriate assessment has concluded that there will be no adverse effect from the plan or project on the integrity of the habitats site.”

1.19 **Response:** There is no objection to the clarification.

2. AVAILABLE OPTIONS

2.1 Option A: the Committee could decide that no consultation responses should be submitted.

2.2 Option B: the Committee could decide to submit responses to the Government consultations on the proposed changes to the National Planning Policy Framework and to the National Planning Practice Guidance.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

3.1 Option B is the preferred option. Submitting a consultation response will ensure that the Council’s viewpoint can be taken into account as the Government finalises its proposed changes to planning policy and guidance.

4. RISK

4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council’s Risk Management Framework. We are satisfied that the risks associated are within the Council’s risk appetite and will be managed as per the Policy.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 This Committee previously made consultation responses to the Housing White Paper (SPST March 2017), 'Planning for the right homes in the right places' (October 2017) and the draft NPPF (April 2018).

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 Subject the Committee's agreement, the consultation responses will be submitted on-line by the deadline of 7th December 2018.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	It is not expected that the recommendation will, of itself, materially affect achievement of corporate priorities. Contributing positively to the Government's consultation does nonetheless accord with the Council's overall priority of 'a home for everyone'.	Rob Jarman, Head of Planning & Development
Risk Management	Already covered in the risk section.	Rob Jarman, Head of Planning & Development
Financial	Responding to the Government consultation can be done within existing resources and does not require additional financing.	Suzan Jones, Finance Officer
Staffing	Responding to the Government consultation can be done within existing resources.	Rob Jarman, Head of Planning & Development
Legal	There are no specific legal implications arising from the recommendations in this report. Should the proposals in the	Cheryl Parks, Mid Kent Legal Services

	consultation be taken forward there could be a need to review practices and protocols to accommodate them.	(Planning)
Privacy and Data Protection	Responding to this consultation as recommended would not have specific implications for privacy and data protection.	Cheryl Parks, Mid Kent Legal Services (Planning)
Equalities	There is no detrimental impact on groups with protected characteristics in responding to this consultation as recommended. The Council supports the principle of a standardised approach to its numerical need so that it can plan for the right homes in the right places, which will help ensure the diverse needs of our communities are met.	Equalities and Corporate Policy Officer.
Crime and Disorder	Responding to this consultation as recommended would not have specific implications for Crime and Disorder in the borough	Rob Jarman, Head of Planning & Development
Procurement	Responding to this consultation as recommended does not require the procurement of any services, expertise or materials	Rob Jarman, Head of Planning & Development & Section 151 Officer

8. REPORT APPENDICES

- Appendix 1: Proposed responses to the consultation

9. BACKGROUND PAPERS

Technical consultation on national planning policy and guidance –
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751810/LHN_Consultation.pdf