

National Planning Policy Consultation

Planning Policy Committee Thursday, 19 September 2024

Report of: Deputy Chief Executive

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

On the 30th July 2024, the Government began a consultation on proposed changes to the planning system, including a draft National Planning Policy Framework ('NPPF') and the outcomes of a proposed revised standard methodology for calculating local housing need. It has also issued a Written Ministerial Statement, letters to Chief Executives and Leaders of Local Planning Authorities and the Planning Inspectorate. As well as publishing a policy statement on new towns. This report summarises the published changes and seeks delegated authority to submit a response to the Government consultation.

This report supports the Council's priority of: Protecting and enhancing our environment./Delivering affordable housing for local people./Financial prudence and sustainability./Putting residents at the heart of what we do./A safe, healthy and caring community supporting those most in need./A thriving economy.

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Recommendation to Committee:

- A. the report be noted; and
- B. the Deputy Chief Executive be given delegated authority to submit a response to the Government's consultation paper on changes to national planning policy by 24th September 2024.

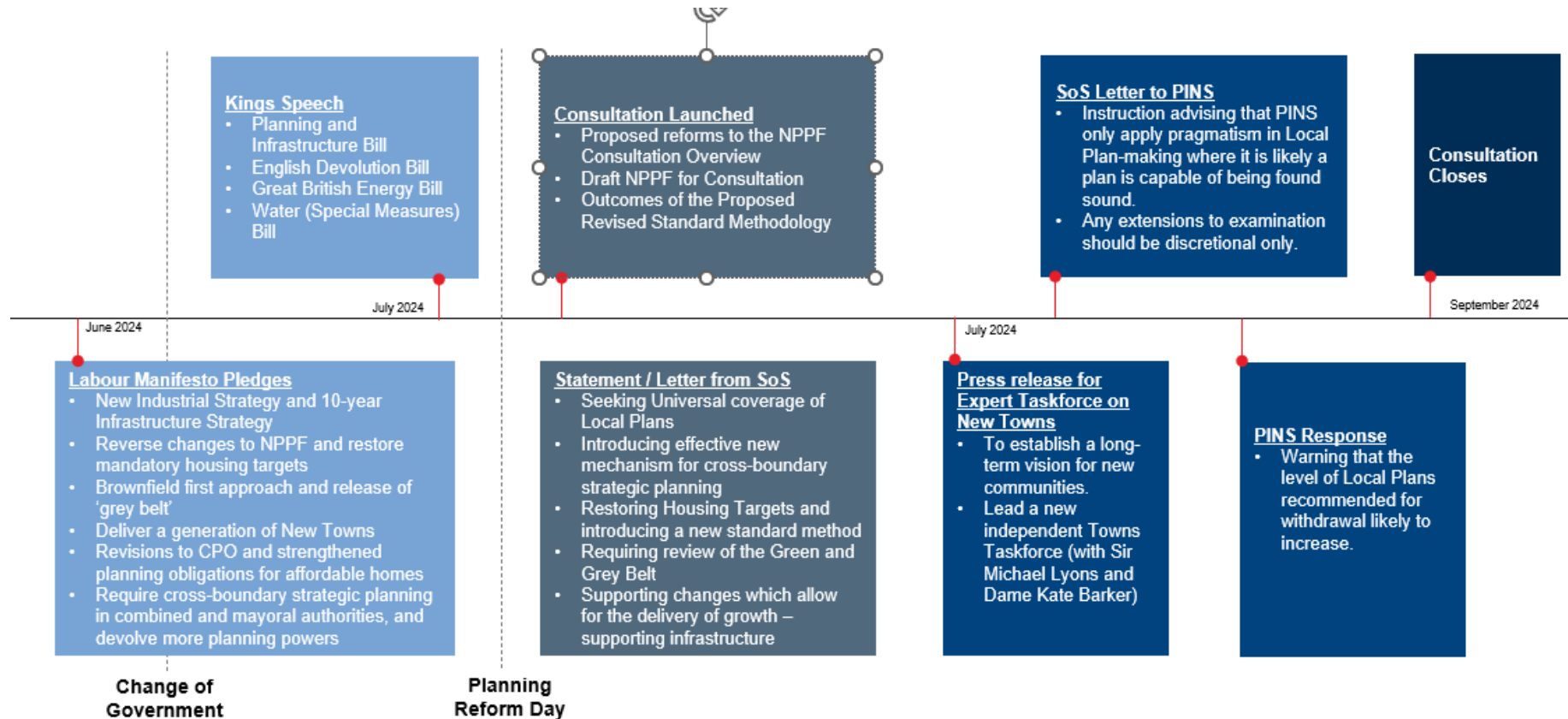
Reason for recommendation:

Given the scope of the proposed changes in Government policy for both the Council's new Local Plan and its development management functions, it is considered important that a) the Council is fully aware of the potential implications; and b) the Council engage with the consultation process to ensure that local issues and considerations are represented.

Introduction and background

- 1 Since the National Elections in July 2024, there have been multiple announcements by the new Government regarding planning reform. This has culminated in the publication of a [written ministerial statement](#), a [letter to Local Authority Leaders](#), a [letter to the Chief Executive of the Planning Inspectorate](#) (PINS) and a [policy statement on new towns](#); as well as the launch of a consultation on [proposed reform to the planning system](#), including a new draft National Planning Policy Framework (NPPF).

Planning Reform Timeline



The Consultation

- 2 The Ministry of Housing, Communities and Local Government ('MHCLG') is currently running a consultation on the proposed reforms to the NPPF and other changes to the planning system. The consultation runs from 30 July to 24 September 2024. Three documents have been published as part of the consultation:
 - [Proposed reforms to the national planning policy framework and other changes to the planning system](#)
 - [NPPF - draft text for consultation](#)
 - [Outcome of the proposed revised method.](#)
- 3 As well as the revised NPPF, the Government is also seeking views on a series of wider policy proposals in relation to increasing planning fees, local plan intervention criteria and appropriate thresholds for certain Nationally Significant Infrastructure Projects.
- 4 If taken forward, the revised NPPF would be published by the end of the year. As set out in the consultation paper (Chapter 12), it would take immediate effect for local planning authorities, such as Tandridge, that are at an early stage of Local Plan preparation.
- 5 Given the potential implications of the proposed changes in Government policy for both the Council's new Local Plan and its development management functions, it is considered important that a response to the consultation is submitted. The Planning Policy Working Group together with Officers have been considering and preparing a response to the Consultation. It is requested that the Deputy Chief Executive be granted delegated authority to submit the response to the Government's consultation.
- 6 The remainder of this report summarises the key changes proposed, and a fuller summary is appended. The Local Plan making reforms are centred around five key themes:
 - Approach to housing need and supply
 - Delivering affordable, well-designed homes and places
 - Brownfield, Green Belt and Grey Belt
 - Growth supporting infrastructure
 - Plan-Making, universal coverage of Local Plans and a move to strategic planning.

Approach to Housing Need

- 7 The proposed reform emphasises the role of Local Plans in addressing the housing crisis and delivering the national target of 370,000 new homes per year. A revised approach to the standard method to calculate local housing need has been set out, which:
 - Uses a baseline set at a percentage of existing housing stock levels (as this is more predictable than population forecasts and does not vary over time). It is proposed that 0.8% increase per year of existing housing stock is used as a starting point.

- Applies an affordability adjustment factor based on the workplace-based median house price to median earnings ratio (up from 0.25 to 0.6%) over the past three years.
 - Removes the existing cap and urban uplift that had been applied to top 20 major towns and cities.
- 8 The revised approach results in a local housing need of 773 dwellings per annum for Tandridge (compared to 634 under the existing method).
- 9 A revised approach to housing need has also been set out, which reverses changes made to the NPPF (December 2023). The proposals are to:
- Strengthen the role of plans in meeting need,
 - Remove the reference to the standard method being advisory, and
 - Remove exceptional circumstances for which an alternative approach would be appropriate.
- 10 However, the local housing need target is still not binding as LPAs can justify a lower housing target based on constraints on land and delivery. All Local Planning Authorities (LPAs) will need to demonstrate that they have taken all possible steps to meeting housing need before a lower housing requirement could be considered, including:
- Optimising density
 - Sharing need for neighbouring authorities
 - Reviewing Green Belt boundaries.
- 11 Reference to Urban Uplift being met only within urban areas is removed. Instead strengthened expectations that plans should promote an uplift in density in urban areas and focus on efficient use of land at appropriate densities.

Approach to Housing Land Supply

- 12 The proposals aim to provide greater certainty on land available for development through multiple mechanisms:
- By requiring LPAs to annually identify specific deliverable sites that provide five years' worth of housing against their housing needs.
 - By establishing that proposals on brownfield land are acceptable in principle.
 - By clarifying which Local Plan policies apply when dealing with windfall sites, as long as they constitute sustainable development.
- 13 The 'tilted balance' to the application of the presumption in favour of sustainable development now proposed to specifically apply to policies for the supply of land (i.e. the overall requirement, allocations, or allowances for windfall) (Para 11c).
- 14 Design of development increases in importance – particular attention is now drawn to design and affordable housing policies when the tilted balance is engaged (11d). However, there is less focus on district-wide design codes, and greater emphasis on localised design codes, masterplans and guides for areas of most change and most potential.
- 15 Government is proposing to reverse the December 2023 changes to the 5-Year Housing Land Supply ('5-YHLS'), to:

- Re-establish the requirement for LPAs to continually demonstrate a 5-YHLS regardless of plan status.
 - Removed the wording related to past oversupply (Para 77) which would have enabled the 5-YHLS to be reduced.
- 16 Government is also proposing to restore the 5% buffer to the specific supply of deliverable sites against the Standard Method, to include:
- 5% buffer to ensure choice and competition, or
 - 20% buffer where there has been significant under-delivery of housing over the previous 3 years, to improve the prospect of achieving the planned supply (Para 76).
- 17 Proposing to remove the ability to use Annual Position Statements to address deficits in 5-YHLS.

Affordable, well-designed homes and places

- 18 Government is looking to reform the existing system of developer contributions. It has also confirmed that it does not intend to implement the proposed Infrastructure Levy.
- 19 Increased focus is placed on delivering the right mix of affordable housing. The expectation is that housing needs assessment will explicitly consider the needs of Social Rent, and authorities specify expectations on Social Rent delivery as part of broader Affordable Housing policies.
- 20 They are seeking to restrict the extent to which other affordable homeownership products are prioritised over social rent by:
- Removing the 10% requirement for affordable home ownership
 - Removing the requirement for 25% of affordable homes being secured through developer contributions as First Homes.
- 21 In order to ensure that the right types of homes are provided, the reforms set out:
- Support for mixed tenure development, majority affordable housing developments, and homes for looked after children.
 - Support for community-led development, by removing the size limit for community-led exception sites and widening the scope of delivery organisations.
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- 22 Government is considering making the current policy for at least 10% of a LPA's housing requirement to be on small-sites mandatory.
- 23 Emphasis is placed on requiring well-designed development. It is proposed to reverse the 11 references to beauty and beautiful within the December 2023 version of the NPPF.

Brownfield, Grey Belt and Green Belt

- 24 A commitment to a brownfield first approach to development is reiterated. Green Belt reviews are to be made mandatory where a LPA cannot meet housing, commercial or other development needs without release; and meeting need will be an acceptable reason to justify exceptional circumstances.
- 25 To support release in the right places, the Government have proposed a sequential test to guide Green Belt release. This will ask authorities to give first consideration to Previously Developed Land ('PDL') within in the Green Belt, before moving on to other Grey Belt sites, and finally to higher performing Green Belt sites where these can be made sustainable.



- 26 In addition a potentially major change to allow development on Green Belt through decision making has been proposed. Where Local Planning Authority cannot demonstrate a 5-YHLS or is delivering less than 75% against the Housing Delivery Test, or where there is unmet commercial or other need (Para 152), development on the Green Belt will not be considered inappropriate. Such development would need to utilise Grey Belt land in sustainable locations, satisfy the gold rules and not fundamentally undermine Green Belt function as a whole for the area (Para 152).

- 27 In the case of major development in Green Belt– the ‘golden rules’ (Para 155) would be introduced to ensure public benefit:
- At least 50% homes to be affordable
 - Delivery of necessary improvements to infrastructure
 - Provision of new, or improvements to existing green spaces that are accessible.
- 28 Only limited use of viability assessments would be allowed in relation to the golden rules. Proposals have been set out ensure appropriate use of viability assessments, including the use of nationally set benchmark land values, set policy parameters and late stage reviews.

Other Key Changes

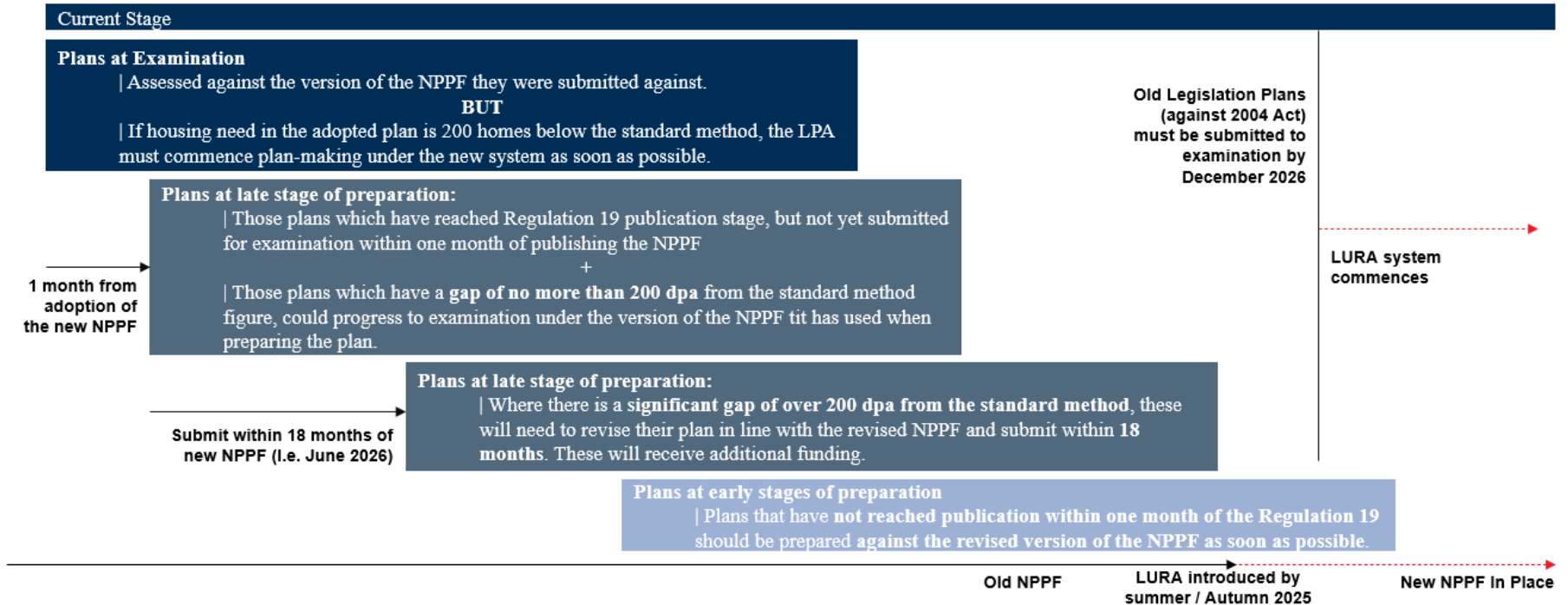
- 29 Other key changes proposed, include:
- **Enabling economic growth projects of national significant through the NSIP regime** - Revised definition of schemes within the NSIP regime to support economic growth schemes of major importance. This would provide support for the following industries (Para 86(b) and 87): Laboratories, Gigafactories, Digital Infrastructure, and Freight and Logistics.
 - **Support for Public Infrastructure** - Significant weight should be placed on the importance of facilitating new, expanded, or upgraded public service infrastructure when considering proposals for development (para 100). Ensuring the availability of sufficient choice of childcare facilities and post-16 education places in education provision (para 99).
 - **A ‘Vision’ led approach to transport planning** - Decisions are currently made for ‘predict and provide’ patterns of transport infrastructure, which often is designed for the ‘worst case’. A shift towards ‘vision-led’ transport planning is proposed which, unlike the traditional ‘predict and provide’ approach, focuses on the outcomes desired, and planning for achieving them. The proposed revision to the NPPF (para 113) states:
 - *Development should only be prevented or refused on highways grounds if there would be an unacceptable impact on highway safety, or the residual cumulative impacts on the road network would be severe, in all tested scenarios.*
 - **Energy and water planning** - In decision-making, this will include giving significant weight to the benefits associated with renewable and low carbon energy generation, and proposals’ contribution to meeting a net zero future. In plan-making, this will include a stronger expectation that authorities proactively identify sites for renewable and low carbon development (Para 160). In addition, the cap for NSIP solar schemes will be increased to 150MW to prevent ‘market distortion’ currently taking place. Revisions to flood risk policy are also proposed and the removal of the footnote from the December 2023 version related to ALC.
 - **Local Plan intervention criteria** - Consultation suggests two options – removal or revision of the Local Plan intervention criteria. The SoS will give planning authorities an opportunity to put forward exceptional circumstances in relation to intervention action.

- **National scheme of delegation for planning applications** – more trust to be placed on planning professionals and reducing the number of applications needing to be determined by a planning committee.
- **Duty to Cooperate (DtC)** - Although the LURA revoked the DtC, Government has reiterated that DtC remains a legal requirement for current plans in the system and has suggested changes to strengthen the process.
- **Universal system of strategic planning** - The Government has also proposed to reinstate a need to consider strategic planning (Para 24), for: meeting housing needs, delivering strategic infrastructure and building economic and climate resilience. The aim is to move to a model of 'universal coverage of strategic plans' covering functional economic areas within this Parliament.
- **Changes to planning fees** – full cost recovery for householder applications is proposed. While consideration is given to increasing fees for other application types; and charging fees for currently free applications as well as wider planning services. Options for locally set planning application fees are also under consideration.
- **Nationally Significant Infrastructure Project cost recovery** – proposal under consideration to allow host authorities to recover costs for relevant services provided in relation to (proposed) Development Consent Order applications.
- **New Towns** – Government is committed to a new generation of new towns (defined as new communities, urban extensions or urban regeneration schemes) of at least 10,000 homes each. Development will be guided by a New Town Code and target 40% affordable housing. A Taskforce has been set up to identify suitable locations.

Future of Planning Policy and Plan Making

- 30 The new NPPF is expected by end of 2024. Transitional arrangements under the new NPPF are set out overleaf.
- 31 The new plan-making system set out in the Levelling Up and Regeneration Act 2023 ('LURA') will be brought into force in summer or autumn 2025. All plans not subject to the new transitional arrangements will need to be submitted for examination under the existing 2004 Act system no later than December 2026.
- 32 There is a narrow window to get existing plans in place against the existing standard method.

Plan Making Transitional Arrangements



Key implications

Comments of the Chief Finance Officer

There are no direct financial implications from this report as it is presented for noting, and to respond to the Government's consultation paper on changes to national planning policy. Future changes to national planning policy may have a financial impact. Financial implications will be drawn out where relevant in the quarterly financial update report.

Comments of the Head of Legal Services

No legal implications of responding to the consultation. The impact on the proposed changes will have on local authorities is too early to tell, and the Council will continue to engage and respond constructively to any future rounds of consultation by the government on this matter.

Setting aside the specific changes proposed as part of the consultation prospectus, the overriding intention of the planning system to be plan-led in nature remains, as is the overall ambition for this Council to pursue its Local Plan as soon as possible. The alternative to this would inevitably lead to additional speculative development on unplanned sites, and the increased likelihood of costly appeals and legal challenges to the Council's decisions.

Further legislation will need to be considered once it has been drafted.

Equality

There are no equality impacts associated with this report.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix A – Summary of Parliamentary Written Statement, Letter to Chief Executives, Letter to PINS and Planning Reform Consultation documents.

Background papers

None

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