

Tandridge District Council

**Proposed reforms to the National Planning Policy Framework and
other changes to the planning system**

2024 Consultation – Summary

September 2024



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1 Introduction

- 1.1 Following the UK general election on 4th July 2024, the newly formed Labour government announced a range of reforms to the planning system on 30th July 2024, to help achieve their campaign pledge of delivering 1.5 million homes in the next five years. This annual collective target for house building across the country has been risen to 370,000.
- 1.2 The ambitions of the new government for the planning system are highlighted in a Written Ministerial Statement. The Secretary of State also wrote two letters, one to the Chief Executives and Leaders of Local Planning Authority and one to the Planning Inspectorate, explaining their vision and proposed policy reforms. These reforms will be achieved through a range of measures, including proposed changes to the National Planning Policy Framework and proposed changes to the legal planning framework which will be submitted to Parliament in a Planning and Infrastructure Bill in the Autumn of 2024. Government released a public consultation on those changes, which runs between 30th July 2024 and 24th September 2024.
- 1.3 This report provides a summary of central government announcements and proposed policy changes related to planning, and is structured as follows:
 - Section 2 provides a summary of the Written Ministerial Statement.
 - Section 3 summarises the letter to Chief Executives and Leaders of Local Planning Authorities.
 - Section 4 highlights the key points in the letter to the Planning Inspectorate and subsequent responses.
 - Section 5 is a summary of the proposed changes to the planning system, including a revised National Planning Policy Framework, and new measures to be contained in the Planning and Infrastructure Bill 2024.
 - Section 6 sets out the key points from the policy statement on new towns.

2 Written Ministerial Statement

2.1 Summary

2.1 This section summarises the Written Ministerial Statement¹ (WMS) titled 'Building the homes we need' produced by Deputy Prime Minister Angela Rayner for and on behalf of the Ministry of Housing, Communities, and Local Government (MHCLG). The WMS was published on 30 July 2024, in support of the proposed reforms to the National Planning Policy Framework and other changes to the planning system consultation that began 30 July 2024 and will run until 24 September 2024. It is broadly the same as the Local Authority Leaders and Chief Executives letter in Section 3.

2.2 The Government has set out a clear manifesto of sustained economic growth being the route to prosperity. The approach focuses on three pillars: stability, investment and reform. Reforms are set out to fix the housing and planning system, to improve affordability, increase growth, and build 1.5 million homes over the next five years.

2.3 The WMS sets out the Government's plan covering the following policy areas:

- Restoring and raising housing targets
- Building in the right places
- Moving to strategic planning
- Delivering more affordable homes
- Building infrastructure to grow the economy
- Supporting local planning
- First step of a bigger plan.

2.2 Restoring and Raising Housing Targets

2.4 The previous NPPF reforms (Dec 2023) are being reversed, and the **Standard Method to be mandated** as the basis for determining housing requirements.

2.5 **Amendments to the Standard Method** are proposed and the **overall target raised** from 300,000 to 370,000 new homes per annum.

2.6 The new method based on the size of existing communities, an average rate of growth and a more accurate affordability multiplier. The previous caps and urban uplift will no longer apply.

2.3 Building in the Right Places

2.7 Emphasis on building in the right places, taking a **brownfield first approach**, with proposals to increase brownfield development by: in principle permission to brownfield development; expanded definition to include hardstanding and glasshouses; reversing changes made in December that allowed density reduction for local character; and promoting uplift in urban areas.

¹ [Written statements - Written questions, answers and statements - UK Parliament](#)

- 2.8 There is a committal to ensure the Green Belt serves its purpose with a more strategic approach to its release. Local Planning Authorities (LPAs) will be required to **review their Green Belt boundaries** where they cannot meet development needs.
- 2.9 **Sequential approach** proposed giving consideration to brownfield land, before moving onto Grey Belt sites and then other Green Belt land.
- 2.10 **Grey belt land** captures sites that are making a limited contribution to the Green Belt's purposes, with additional guidance set out in the consultation.
- 2.11 Existing protections for **environmental designations will be maintained**, and safety valves will be put in place to ensure that land that would undermine the function of the Green Belt a whole will not be released.
- 2.12 **Where authorities are under performing** (e.g. insufficient land supply or failing Housing Delivery Test), applications for sites not allocated in a plan must be considered on brownfield and grey belt land.
- 2.13 **Green Belt restrictions will be maintained** with release only allowed where 'very special circumstances' exist.
- 2.14 The **presumption in favour of sustainable development** is strengthened, clarifying the circumstances in which it applies and introducing new safeguards ensuring its application cannot justify poor quality development.
- 2.15 '**Golden rules**' have been introduced into policy. Development on Green Belt will need to: deliver 50% on-site affordable housing; be supported by necessary infrastructure; and provide accessible green space.
- 2.16 **Negotiations on viability** will need clear justification, enabling fair compensation for landowners, but not inflated values.
- 2.17 If quality schemes come forward that promise to deliver in the public interest but individual landowners are unwilling to sell, bodies such as Homes England and LPAs should take a **proactive approach, supported where necessary by compulsory purchase powers**. If necessary, ministers will consider the use of directions to secure 'no hope value' compensation.
- 2.4 Moving to Strategic Planning
- 2.18 LPAs will be expected to make every effort to **meet their housing need as per standard method** and will need to demonstrate they have done so at examination.
- 2.19 Local constraints can impact on land and delivery, which makes it difficult to meet the full need e.g., National Landscape and flood risk. Current system not effective in enabling sharing of need between authorities in such circumstances. Therefore, **new mechanisms for cross-boundary strategic planning** are to be introduced.
- 2.20 **Strategic planning will be formalised in legislation**. The model will support the production of Spatial Development Strategies (SDSs), with the government exploring

effective ways to bring these forward outside of mayoral areas, considering appropriate geographies e.g., functional economic area (FEMA).

2.21 In the short term the government will:

- **Strengthen the Duty to Cooperate** in the NPPF to ensure that the right engagement is occurring on the sharing of unmet housing need and other strategic issues.
- **Work in concert with Mayoral Combined Authorities** to extend existing powers to develop an SDS.
- **Identify priority groupings** of other authorities where strategic planning would provide particular benefits, engaging with the authorities to secure this cooperation, intervening as necessary.

2.5 Delivering More Affordable Homes

- 2.22 Policy changes proposed to **support affordable housing delivery**: removing prescriptive requirements regarding home ownership products; allowing LPAs to set the mix affordable housing product to meet the area's needs; Housing Needs Assessments to consider those who need Social Rent homes; and LPAs to specify their expectation on Social Rent delivery as part of broader affording housing policies.
- 2.23 LPAs will need to take a positive approach to **mixed tenure sites**, i.e. comprising a variety of ownership and rental tenures, as they provide a range of benefits.
- 2.24 Proposals for new flexibilities for councils and housing associations relating to the **Affordable Homes Programme** have been put forward. The current Affordable Homes Programme 2021 - 2026 funding is largely contractually committed. However, the number of social rent homes is to be maximised in the allocation of remaining funding.
- 2.25 A **review of Right to Buy** discounts has commenced with secondary legislation due in the autumn. This will be followed by a wider Right to Buy review looking at eligibility criteria and protections for new homes, with a consultation in the Autumn.
- 2.26 The Government are **increasing the flexibilities on how councils can use their Right to Buy receipts** by removing caps on replacements delivered as acquisitions and percentage cost of a replacements. Councils will be able to combine Right to Buy receipts with section 106 contributions. These new flexibilities will be in place for an initial 24 months.
- 2.27 There will also be further investment of £450m for councils under the **Local Authority Housing Fund** (Round 3) to create over 2,000 affordable homes.
- 2.28 Additionally, the Government will provide details of **future investment in social and affordable housing** at the Spending Review, working with authorities to consider how funding can be used providing support to councils and housing associations. This will set out plans for rent stability needed to be able to borrow and invest in both new and existing homes; and ensuring appropriate protection for existing and future social housing tenants.

- 2.29 There is an emphasis on homes being decent, safe and warm of which will see the introduction of **Awaab's Law²** into the social rented sector; more detail and secondary legislation will be set out in due course.
- 2.6 Building Infrastructure to Grow the Economy
- 2.30 The Government is also proposing changes to make it easier to build **growth-supporting infrastructure** e.g., laboratories, gigafactories, data centres, electricity grid connections, and networks that support freight and logistics; and may include these as part of Nationally Significant Infrastructure Projects (NSIP) regime.
- 2.31 Proposals also seek to boost the delivery of renewables to meet commitment to **zero carbon electricity generation** by 2030. The ban on onshore wind has already been lifted. Now proposing to boost the weight planning policy attaches to renewable energy projects; bring large scale wind projects into the NSIP regime; and change the threshold for solar development.
- 2.32 The Government is considering whether to broaden the definition of **water infrastructure** within the scope of the NSIP regime.
- 2.33 In addition to this, proposals to address broader needs of communities include: supporting public service infrastructure provision, a vision-led approach to transport planning, promoting healthy communities and boosting provision of facilities for early-years childcare and post-16 education.
- 2.7 Supporting Local Planning
- 2.34 Goal is for **universal coverage of Local Plans quickly**. Pragmatic approach to achieve this in light of proposed changes to NPPF and Local Housing Need (LHN) targets:
- Plans at examination will continue; where there is a significant gap between the plan and new LHN, review will need to commence straight away.
 - Plans at advanced preparation stage (Regulation 19) can continue to examination unless significant gap between plan and new LHN. In which case Plan will need to be reworked to account for new LHN.
 - Plans at an earlier stage will be produced under the revised NPPF.
- 2.35 Where the above results in a delay, the government will provide financial support where additional work is created. The government will also intervene if necessary to progress plans and may take over an authority's plan making with intervention criteria forming part of the consultation.
- 2.36 Inspectors to be empowered to take tough decisions at examinations and **not spend significant time and energy at examination** to 'fix' deficient plans.

² Awaab's Law was introduced in the Social Housing Regulation Act 2023 and requires landlords to investigate and fix reported health hazards within specified timeframes.

- 2.37 The Government notes the importance of increasing capacity, capability and morale in planning departments, with professional planning officers playing a crucial role in delivering development. Therefore, have made commitment **to recruit 300 new planning officers**.
- 2.38 Consultation includes a motion to **increase fees for householder applications** to improve cost recovery. Proposed level of £528, acknowledging this would still be low when compared to other professional fees.
- 2.39 The Government is also consulting on whether in the medium term, the Planning and Infrastructure Bill should be used to allow LPAs to **set their own fees**, reflecting local costs, and reducing financial budget pressures.
- 2.40 **Higher standards to be introduced for Ministers**. When intervening in the planning system, development benefit will be a central consideration. Ministers will also report against the 13-week target for turning around ministerial planning decisions.
- 2.8 First Step of a Bigger Plan
- 2.41 The **Planning and Infrastructure Bill** will be introduced in the first session, which will:
- Modernise planning committees by introducing a national scheme of delegation that focuses on applications that really matter and places more emphasis on professional planners to do the rest.
 - Enable local authorities to put planning departments on sustainable footing.
 - Reform compulsory purchase compensation rules.
 - Streamline critical infrastructure delivery process.
 - Provide legal underpinning to ensure development can be used to fund nature recovery where currently both are stalled.
- 2.42 The Government will consult on the **right approach to strategic planning**, in particular how to structure arrangements outside of Mayoral Combined Authorities, considering both the right geographies and democratic mechanisms.
- 2.43 More information will be provided on how the government intend to build and deliver **new towns**, including large-scale new communities and large-scale urban extensions/regeneration schemes.
- 2.44 Finally, the Government will publish a long-term housing strategy, alongside the Spending Review.

3 Letter to Local Planning Authority Leaders and Chief Executives

3.1 Summary

3.1 This section summarises the letter titled ‘Playing your part in building the homes we need’³ produced by the MHCLG that was sent to all local authority Leaders and Chief Executives in England on 30 July 2024.

3.2 The letter provides some pre-ambles regarding the housing crisis, citing *record numbers of homeless children in temporary accommodation; waiting lists for social housing getting longer and longer*, and how *younger residents are priced out of home ownership*. There is an emphasis on housing delivery being a *shared endeavour* between the Government and the Local Authority.

3.3 The letter then sets out the Government’s plan and principal elements to increase the supply of housing and affordable homes for the people that need them and covers the following policy areas:

- Universal coverage of local plans
- Strategic planning
- Housing targets
- Green Belt and Grey Belt
- Growth supporting infrastructure
- Capacity and fees
- Social and affordable housing
- Next phases of reform.

3.4 Much of the content is broadly the same as the WMS and therefore is not repeated here. A couple of quotes are included below as they highlight the approach to topics of particular relevance to Tandridge; and one further proposal included in the letter but not the WMS is detailed overleaf.

3.2 Housing Targets

*“I want to be clear that local authorities will be **expected to make every effort to allocate land in line with their housing need as per the standard method**, noting it is possible to justify a lower housing requirement than the figure the method sets on the basis of local constraints on land and delivery, such as flood risk. Any such justification will need to be evidenced and explained through consultation and examination, and local authorities that cannot meet their development needs will have to demonstrate how they have worked with other nearby authorities to share that unmet need.”*

³ Letter from the Deputy Prime Minister to local authorities: Playing your part in building the homes we need - GOV.UK (www.gov.uk)

3.3 Green Belt and Grey Belt Release

“If targets tell us what needs to be built, the next step is to make sure we are building in the right places. The first port of call is rightly brownfield land, and we have proposed some changes today to support such development.

*But brownfield land can only be part of the answer, which is why we are consulting on changes that would see councils **required to review boundaries and release Green Belt land where necessary to meet unmet housing or commercial need.**”*

3.4 Capacity and fees

- 3.5 In addition to the proposals outlined in Section 2.7, the letter sets out that Government is consulting on whether to make provision to allow host upper and lower tier (or unitary) authorities to recover costs for relevant services provided in relation to NSIP applications and proposed applications.

4 Letter to the Planning Inspectorate

4.1 Summary

4.1 This section summarises the letter⁴ sent to the Chief Executive of the Planning Inspectorate (PINS), Paul Morrison, from the Minister of State Matthew Pennycook MP for and on behalf of the Ministry of Housing, Communities, and Local Government. The letter was published on the 30th July 2024 and sets out the expectations for PINS with regard to the examination process.

4.2 In 2015, the government published a letter setting out an expectation that Inspectors should operate ‘pragmatically’ during Local Plan examinations. The Minister of State, Matthew Pennycook MP, has written to PINS to replace this instruction with an expectation that ‘**pragmatism should be used only where it is likely that a plan is capable of being found sound**’. This is to ensure that Inspectors focus their time and resource on plans that can be adopted. Deficient plans that cannot be easily fixed at examination are to be sent back to allow the local authority in partnership with their local communities to bring forward a new plan.

4.2 Examinations

4.3 The Government acknowledges that an **up-to-date local plan is essential** as a basis for making decisions and reiterates its commitment to the plan-making system.

4.4 The **crucial role of the Planning Inspectorates** in this process through Advisory Visits and the examination of plans, is acknowledged.

4.5 However, it is noted that the **length of time examinations take has increased** (on average) from 65 to 134 weeks (2016 – 2022). The Government attributes this to the introduction of the ‘pragmatic approach’ in 2015.

4.6 The letter states that a LPA must not submit a local plan to the Inspectorate unless they have complied with relevant legislative requirements⁵ and should not submit a plan to be ‘fixed’ at examination. **Advisory Visits** will continue to be important to ensure effective preparation for the examination process.

4.7 Inspectors will be **empowered to make decisions to focus time on plans capable of being found sound**, with the Government’s expectations set out below:

- Pragmatism should be used only when a plan is capable of being found sound with limited additional work; any additional work should take no more than six months overall.
- Pragmatism should not be used to address fundamental issues with the soundness of a plan.

⁴ Local Plan examinations: letter to the Chief Executive of the Planning Inspectorate (July 2024) - GOV.UK (www.gov.uk)

⁵ Section 20 of the Planning and Compulsory Purchase Act 2004 [Planning and Compulsory Purchase Act 2004](http://legislation.gov.uk) (legislation.gov.uk)

- Local authorities should provide regular progress updates of their work to the Planning Inspector during any agreed pause.
- Extension to the six-month pause is at the Inspectors' discretion to deliver plans under the current system. The Inspector should be confident that the LPA can complete any outstanding work in the agreed timeframe.

4.8 This **new approach will apply to all plans with immediate effect**. Procedural guidance is to be updated accordingly.

4.3 PINS Response

4.9 On the 1st August 2024, the Paul Morrison wrote back to the Matthew Pennycook⁶. The letter expressed support for the new approach, however, noted that the new approach will lead to an **increase in local plans being recommended for withdrawal from examination or being found unsound**.

4.10 PINS viewed this positively as an opportunity to allow local authorities to work with their communities to rectify any problems with the local plan in quicker and more open-minded way than is possible in the context of an ongoing examination.

4.11 PINS expressed their commitment to **Advisory Visits** both for the preparation of new plans and re-visiting plans that have failed to progress through examination to adoption.

4.4 Guidance

4.12 PINS have incorporated changes to the '**Examining Local Plans**' section of the Local Plans Guidance⁷, reflecting the relevant section of the ministerial letter. Amendments have been made to reflect up-to-date practice relating to the format of hearing sessions. Changes are made so that panel appointments are covered. PINS have altered the section on 'advisory visits' to reflect the Ministerial Letter and proposed changes to the Procedural Guidance.

4.13 Minor wording amendment in this section anticipating proposed changes to spatial development strategies. The 'Role of the Secretary of State in Local Plans' section has been updated removing references to the 2015 letter, and to include a footnote clarifying that the elements of the 2019 letter relating to pragmatism have been updated by the July 2024 Letter.

⁶ Local Plan examinations: letter to the The Minister of State, Matthew Pennycook MP (August 2024) - GOV.UK (www.gov.uk)

⁷ Procedure Guide for Local Plan Examinations - GOV.UK (www.gov.uk)

5 Proposed changes to the planning system

5.1 Summary

5.1 On 30th July 2024, the MHCLG published a new consultation on proposed changes to the planning system⁸, some of which will be implemented through a revised National Planning Policy Framework (NPPF) and some of which will be implemented through a new Planning and Infrastructure Bill. It is anticipated that a revised NPPF will be published before the end of the year.

5.2 In relation to the NPPF changes, the consultation seeks views on the following topics, which are all supported by a draft version of the proposed new NPPF:

- Making the standard method for assessing housing need mandatory, requiring local authorities to plan for the resulting housing need figure, except where they can demonstrate hard constraints and they have exhausted all other options.
- Amending the standard method for calculating Local Housing Need.
- Reversing a large number of the changes made to the NPPF in December 2023.
- Broadening the definition of brownfield land, proposing an approval in principle for brownfield sites and promoting density uplift in urban areas.
- Introducing the concept of grey belt land within the Green Belt.
- Clarifying the operation of the 'presumption in favour of sustainable development'.
- Introducing new 'Golden rules' for land release in the Green Belt to ensure it delivers in the public interest.
- Enabling local authorities to prioritise the types of affordable homes needed by their communities.
- Supporting economic growth aligned with the Government's industrial strategy and future local growth plans.
- Delivering community needs to support society and healthy place creation.
- Strengthening the support to clean energy and the environment.
- Transitional arrangements for plan-making under the proposed NPPF.

5.3 The consultation also seeks views on other areas of planning policy, namely:

- Whether and how to reform the way that the National Significant Infrastructure Projects (NSIP) regime applies to onshore wind, solar, data centres, laboratories, gigafactories and water projects.
- Whether the local plan intervention policy criteria should be updated or removed.
- Whether to increase some planning fees, including for householder applications.

5.4 The consultation also lays out the new framework for Local Plan production and examination, including transitional arrangements for the new NPPF.

⁸ Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK (www.gov.uk)

5.2 Planning for Housing Need (Chapter 3)

5.5 Many of the changes relate to reversing the changes made to the NPPF by the previous Government in December 2023.

5.2.2 Meeting housing need

5.6 Minor wording changes to the NPPF (paragraphs 1 and 60) to make it clearer the importance of **planning to meet housing needs**.

5.7 Revisions to the NPPF (paragraph 61) proposed to make it clear that LPAs the **use of the standard method to assess housing needs is mandatory**.

5.8 Changes are to be introduced to require authorities to **plan for meeting the housing need** identified through the standard method need.

5.9 A **lower housing requirement could be justified** on the basis of local constraints on land and delivery, such as existing National Parks, protected habitats and flood risk areas. As now, it would be necessary to evidence and justify this lower requirement. All LPAs will be required to demonstrate that they have done everything possible, including optimising density, sharing need with neighbouring authorities and reviewing Green Belt boundaries before a lower housing requirement will be considered.

5.2.3 Urban Uplift, Densities and Design Codes

5.10 The requirement for **urban uplift** in the 20 largest urban areas will be removed (NPPF paragraph 62), as part of the revision to the Standard method.

5.11 It is also proposed that existing paragraph 130 which sets out that “significant uplifts in density may be inappropriate if this would result in development wholly out of character with the existing area” be scrapped. Alongside this, expectations that plans should promote an **uplift in density in urban areas** will be strengthened.

5.12 The focus will be on ensuring development plans support efficient use of land at appropriate densities. Rather than district wide design codes, the focus of **design codes, masterplans and guides** would move towards supporting spatial visions and only be prepared for areas of most change and potential.

5.2.4 Presumption in Favour of Sustainable Development

5.13 Changes are proposed to paragraph 11 of the NPPF which covers the presumption in favour of sustainable development. Particularly, the presumption to grant applications because policies are out of date will only apply to **land supply policies**. Footnote 8 and 9 wording is being amended to define ‘policies for the supply of land’ and clarify the application of the buffer for LPAs which cannot demonstrate a five-year housing land supply.

5.14 A further emphasis is be placed on the importance of **location, design and affordability of homes**, when the presumption is engaged.

5.2.5 Five-year Housing Land Supply (5YHLS)

- 5.15 In December 2023, changes to the NPPF were introduced which freed LPAs that have an up-to-date Local Plan from producing annual five-year housing land supply statement, as well as a four-year housing land supply requirement for LPAs in later stage of plan-making. The consultation proposes to reverse these changes and reinstate the requirement that **all authorities produce an annual 5-YHLS statement** (NPPF new paragraph 76).
- 5.16 The consultation also proposes to remove the policy that allowed previous **over-supply** to be set against upcoming supply (NPPF paragraph 77).
- 5.17 The proposals also include the restoration of the previous **5% buffer** (removed in December 2023). This would be added to all 5-YHLS calculations in decision-making and plan-making. The existing 20% buffer would remain for those authorities with significant under delivery of housing in the last 3-years.
- 5.18 The option for LPAs to fix their 5-YHLS through **Annual Position Statements** is also proposed for removal.

5.2.6 Duty to Cooperate and Strategic Planning

- 5.19 The Levelling-Up and Regeneration Act 2023 revokes the **Duty to Cooperate** (DtC) in relation to the reformed plan making system. However, the consultation reiterates DtC remains a legal requirement under the current local plan system and continues to apply to local plans progressed within the current system.
- 5.20 It is the Government's intention to move to a model of **universal strategic planning** covering functional economic areas within the next five years. This will need to be formalised in legislation.
- 5.21 In the short-term measures will be introduced to strengthen cross-boundary cooperation, ahead of introducing formal strategic planning mechanisms.
- 5.22 The consultation proposes to add a new paragraph 27 to the NPPF to strengthen the requirement for **effective cooperation** and to ensure that the right engagement is occurring on the sharing of unmet housing need and other strategic issues where plans are being progressed. Additions to the new paragraph 28 aim to ensure that the DtC is examined in a pragmatic way.
- 5.23 The consultation is also seeking views on whether the **tests of soundness** should be amended to better assess the soundness of strategic scale plans or proposals, given the difficulties of evidencing deliverability and viability over a long implementation period.

5.3 Standard Method (Chapter 4)

5.3.1 Purpose

- 5.24 The Standard Method is the prescribed way Central Government uses to calculate the Local Housing Need (LHN) of Local Authorities across the country. The Government

is proposing to alter the methodology of the Standard Method to support the delivery of 1.5 million homes over the next five years, provide greater certainty to key stakeholders involved in planning and achieve a more balanced distribution of homes across the country.

- 5.25 The **new standard method will result in a mandatory authority-wide local housing need target**, on which basis the authority must plan (NPPF revised paragraph 62). However, “*the standard method provides the basis for plan making, not the final housing requirement – and [we] are absolutely clear that authorities may justify planning for a lower number only where they can evidence hard constraints to the Planning Inspectorate*” (Chapter 4).

5.3.2 Approach

- 5.26 The current Standard Method, originally introduced in 2018, is based on 2014 population projections, affordability ratios, a cap to limit the increase and a 20% uplift for the largest 20 urban areas in the UK.
- 5.27 The new Standard Method proposes to move from demographic projections based method to a current housing stock based method for calculations. It also reduces the method from a four step to two step approach, as follows:
1. Using the latest dwelling stock data, calculate the baseline stock figure equivalent to 0.8% of the LPA’s dwelling stock.

$$LHN_t = Dwelling\ stock_{t-1} \times 0.8\% \times (1 + Adjustment\ Factor)$$

2. Adjust the baseline stock figure upwards in areas where house prices are more than four times higher than earning. For every 1% above the 4:1 ratio, the multiplier increase by 0.6%. This gives the following affordability adjustment factor:

$$Adjustment\ Factor = \frac{(Three\ year\ average\ affordability\ ratio) - 4}{4} \times 0.6$$

- 5.28 The adjustment for housing affordability would be similar to the existing approach using workplace-based median house price to median earnings ratio however, with two changes. First, increased significance of affordability; and second average affordability over the three most recent years for which data is available will be used.
- 5.29 The proposed method removes the 40% cap and the urban uplift which were part of the previous method.
- 5.30 In Tandridge, the proposed new method would result in a LHN of 773 compared to 634 under the current method.

5.4 Brownfield, Grey Belt and Green Belt (Chapter 5)

5.4.1 Brownfield

5.31 The consultation paper reiterates a **brownfield first approach to development**. The paper notes that the default answer to brownfield should be ‘yes’ as a first step towards brownfield passports. Amendments are proposed to the NPPF (existing paragraph 124c) to make it clear that **brownfield development is acceptable in principle**.

5.4.2 Green Belt

5.32 Although the purposes of the Green Belt policy are not being amended, the new NPPF proposes significant changes to the way Green Belt policy is implemented nationally: the introduction of a new sub-category of Green Belt land called ‘grey belt’, the introduction of a sequential test for the release of Green Belt land and the introduction of ‘golden rules’ to be applied to land released from the Green Belt.

5.33 **Targeted release of grey belt land** is identified as necessary to meeting housing and commercial needs. However, the consultation paper also reiterates the Government’s commitment to continued protection of the Green Belt. Further stating that the proposed changes will not alter the general extent or purpose of the Green Belt. Release of grey belt land is intended to be undertaken in a strategic manner and subject to safeguards (i.e. sustainable development principles and the ‘golden rules’).

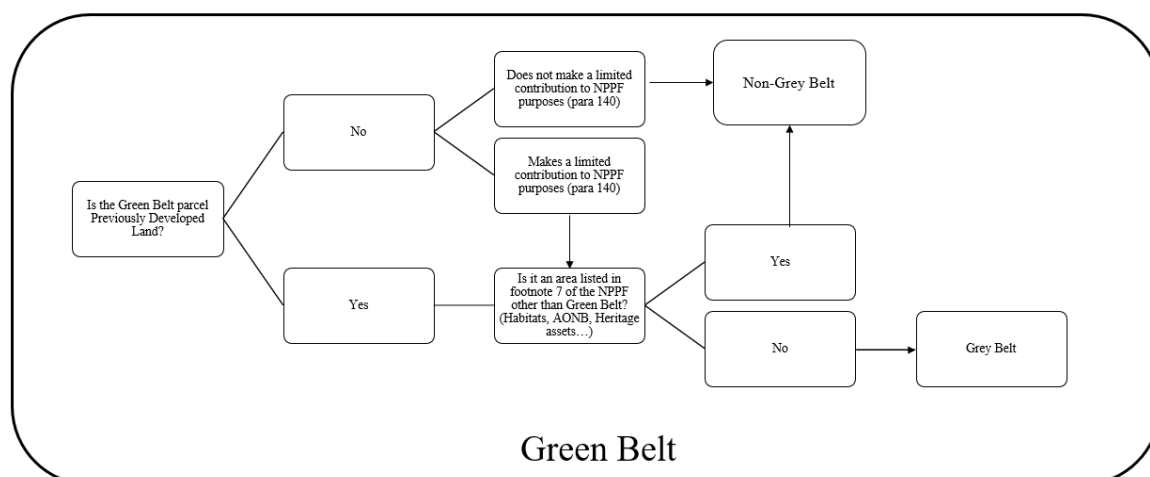
5.34 Changes are proposed to the NPPF (existing paragraph 145) to make it clear that where a LPA cannot meet housing, commercial or other needs after considering brownfield, optimised densities and wider opportunities, a **Green Belt review** should be undertaken. Such reviews would look to identify and release poor quality grey belt land.

5.35 Changes are also proposed to make it easier to develop **Previously Developed Land** (PDL) in the Green Belt – with a relaxation of the restrictions currently applied to PDL and limited infilling in the Green Belt (NPPF paragraph 154g). The revisions clarify that development on PDL would not be inappropriate if it would not cause substantial harm to the openness of the Green Belt. The golden rules would also apply to PDL. The Government is also consulting on whether the definition of PDL should be expanded to include hardstanding and glasshouses.

5.4.3 Grey Belt

5.36 A **definition for grey belt land** is proposed in the consultation, as Green Belt land that makes a limited contribution to the Green Belt purposes (NPPF 2023, paragraph 143). To maintain existing environmental protections, land with environmental value or assets of particular importance are excluded from the definition. The Government is also consulting on whether the exclusions should be expanded to include, for example, biodiversity areas identified within Local Nature Recovery Strategies. The formal definition is as follows (using draft NPPF 2024 paragraph references):

‘For the purposes of plan-making and decision-making, ‘grey belt’ is defined as land in the green belt comprising Previously Developed Land and any other parcels and/or areas of Green Belt land that make a limited contribution to the five Green Belt purposes (as defined in para 140 of this Framework), but excluding those areas or assets of particular importance listed in footnote 7 of this Framework (other than land designated as Green Belt).’



5.37 The consultation is proposing to add the following guidance to the NPPF glossary to help define land which makes a **limited contribution** to the Green Belt as:

- “a) Not strongly perform against any Green Belt purpose; and
b) Have at least one of the following features:*

- i. Land containing substantial built development or which is fully enclosed by built form*
- ii. Land which makes no or very little contribution to preventing neighbouring towns from merging into one another*
- iii. Land which is dominated by urban land uses, including physical developments*
- iv. Land which contributes little to preserving the setting and special character of historic towns*

5.38 The Government is also consulting on whether additional measures are needed to ensure that **high performing Green Belt land is not degraded** to meet grey belt criteria. Also, whether additional guidance is needed to assist in the identification of land that makes a limited contribution to Green Belt purposes.

5.4.4 Green Belt Land Release

5.39 Under the existing NPPF, there is no requirement for LPAs to review Green Belt where they fall short of meeting housing need. Although LPAs may choose to do so and the alteration of Green Belt boundaries must be accompanied by full justification of the exceptional circumstances for release. The consultation proposes to amend this **requiring LPAs to undertake a Green Belt review** when housing, commercial or other need cannot be met without altering Green Belt boundaries. The revisions to

existing NPPF paragraph 145 make it clear that unmet need qualifies as an exceptional circumstance.

- 5.40 To support Green Belt release in the right places, a **sequential test** is proposed (NPPF existing paragraph 147). In amending Green Belt boundaries, LPAs should give consideration to Green Belt land following the sequential order, where the location is sustainable:
- Previously Developed Land (PDL) within the Green Belt
 - Other grey belt sites
 - Other, higher performing Green Belt sites.
- 5.41 The release of Green Belt land will not be supported where doing so would fundamentally undermine the function of the Green Belt across the area of the plan as a whole.
- 5.42 Changes are also proposed to **allow development on Green Belt through decision making**. A new paragraph (152) is proposed for insertion in the NPPF, which will make it clear when a LPA cannot demonstrate a 5-YHLS or is delivering less than 75% against the Housing Delivery Test or where there is unmet commercial need, development on the Green Belt will not be considered inappropriate. Development would need to be on sustainable ‘grey belt’ land, satisfy the golden rules for major development and not fundamentally undermine the function of the Green Belt across the area of the plan as a whole.
- 5.43 Release of other Green Belt land would be possible but as now, it would be necessary to demonstrate **very special circumstances**.
- 5.44 The consultation supports the release of Green Belt land not only for residential uses but also **commercial and other types of development**. Views are being sought as to how the proposed changes to support the release of Green Belt land could be applied to **traveller sites**.

5.4.5 Golden Rules

- 5.45 Government is proposing to introduce the ‘**golden rules**’, which will be applied to plan making and individual planning decisions (NPPF new paragraph 155-157). Any development on land released from the Green Belt must bring benefits, including:
- a) *‘In the case of schemes involving the provision of housing, at least 50% of the provision should be affordable housing, with an appropriate proportion being Social Rent, subject to viability.*
 - b) *Necessary improvements to local or national infrastructure, including delivery of new schools, GP surgeries, transport links, care homes and nursery places, to deliver well-designed, connected places, recognising that local leaders are best placed to identify the infrastructure that their communities need; and*
 - c) *The provision of new, or improvements to existing, local green spaces that are accessible to the public – where residential development is involved, new residents should be able to access good quality green spaces within a short walk of their homes, whether through onsite provision or through access to offsite facilities.’*

5.46 The **tenure mix** across affordable housing delivered under the golden rules will be determined locally. LPAs will be expected to specify clear policies on **green space requirements** in plans.

5.4.6 Benchmark Land Values

5.47 The consultation paper states that the value of Green Belt land is generally low and the designation reduces the hope value associated with the prospect of securing planning permission. However, contributions secured from development will vary between areas and individual sites due to for example differential house prices, abnormal site costs, or differential Community Infrastructure Levy (CIL) rates. Therefore, **limited use of viability assessments** will be allowed in relation to the golden rules, particularly in relation to the affordable housing requirements. Additional guidance on viability considerations for development within Green Belt is provided in the NPPF (Annex 4).

5.48 The Government is seeking views on multiple options that could be taken to ensure the appropriate use of viability assessments:

- **Nationally set benchmark land values (BLV)** to be used in viability assessments. These would be used to make an allowance for the amount of money to be paid to the landowner.
- **Policy parameters to be set** so that where land transacts at a price above benchmark land value, policy requirements should be assumed to be viable, and viability negotiations should not be undertaken. Further no variation in the 50% affordable housing requirement would be allowed.
- **Late-stage reviews** to be held where development proposals comply with benchmark land values and a viability negotiation to reduce policy delivery occurs. This will test actual costs and revenues against the assumptions made in the initial viability assessment. If, for example, the development is more viable than initially assumed, then additional contributions can be secured.

5.49 The consultation is seeking views on the **appropriate level at which to set BLV**, highlighting the wide range of values documented in research. They are particularly interested in the impact of setting BLV at the lower end of the spectrum.

5.50 The Government is also exploring the possibility that where Green Belt schemes are not brought forward voluntarily, bodies such as LPAs and Home England could take a **proactive role to help bring forward policy compliant schemes**, supported, if necessary, by compulsory purchase powers.

5.5 Affordable Housing and Well-Designed Places (Chapter 6)

5.5.1 Developer Contributions

5.51 The **Infrastructure Levy** introduced by the LURA will not be implemented, instead the focus will be put on improving the current system of development contribution.

5.5.2 Delivering Affordable Housing

5.52 Local areas will continue to determine the right mix of affordable housing for their communities. However, a new requirement for housing needs assessment to **explicitly consider the needs of those requiring social rent** will be introduced (NPPF paragraph 64). Further, authorities will need to specify their social rent delivery expectations as part of broader affordable housing policies. NPPF policy (paragraph 63) is to be amended further to make explicit reference to looked after children when considering housing need.

5.53 **Prescriptive requirements** relating to affordable home ownership products are to be removed (NPPF paragraph 66), i.e.

- The requirement that a minimum of 25% of affordable housing units secured through developer contribution should be First Homes (WMS Affordable Homes Update 24 May 2021).
- The requirement to deliver at least 10% of the total number of homes on major sites as affordable ownership (existing paragraph 66 of the NPPF).

5.54 Government intends to retain **First Homes** as a type of affordable housing and as an option for delivery, where judged appropriate for local needs, including through First Homes exception sites and S106 developer contributions. Starter homes would be removed from the definition of affordable housing.

5.55 A new policy (NPPF new paragraph 69) is proposed expecting LPAs to take a positive approach to **mixed tenure developments** in both plans and decisions. Although it is acknowledged that there will be circumstances where developments that are predominantly (or exclusively) single tenure will be appropriate. Development that delivers a high percentage of social rent (or other affordable housing tenures) should be supported. The Government is seeking views on how to ensure that there are not unintended consequences associated with predominately or exclusively affordable housing developments.

5.56 The Government is also seeking views on how to better support and increase **rural affordable housing**.

5.5.3 Community-led Development

5.57 Changes are proposed to the **definition of ‘community-led development’ housing** to include that developed by groups that were originally set up for a purpose other than housebuilding; and to remove the size limit for community-led exception sites, where an alternative limit is set through the development plan.

5.58 The Government is also seeking views on whether to change the definition of **affordable housing for rent**, to make it easier for organisations that are not Registered Providers to develop new affordable homes.

5.5.4 Small Site Allocation

5.59 The current NPPF requires LPAs to identify, through the development plan and brownfield registers, land to accommodate **at least 10% of their housing**

requirement on small sites; unless there are strong reasons established during plan preparation as to why this target cannot be made. The consultation is seeking views on why insufficient small sites are being allocated despite this NPPF requirement.

- 5.60 Consideration is also being given to making the **small site allocation mandatory** and ways in which the existing small site policy should be strengthened.

5.5.5 Beauty and Density

- 5.61 It is proposed to reverse the changes made in 2023 to the NPPF that reference **beauty** and beautiful in relation to well-designed places.

- 5.62 The changes made in 2023 to the NPPF (existing paragraph 124e) to encourage **mansard roof** development will be amended to become more general and support all types of upward extensions.

5.6 Economic Growth (Chapter 7)

- 5.63 Alongside supporting housing, the revised NPPF is proposing changes to the planning system to drive greater commercial development. Particular support to be given to key industries: laboratories, gigafactories (battery cell manufacturing plants), digital infrastructure, and freight and logistics.

- 5.64 Changes to existing paragraphs 86 and 87 are proposed to create a positive expectation that suitable sites for these types of **modern economy uses** are identified in Local Plans. Changes in paragraph 87 will also strengthen the support for these types of development in decision-making.

- 5.65 The consultation is also considering whether data centres, gigafactories and laboratories should be directed into the **NSIP consenting process**.

5.7 Community Needs (Chapter 8)

5.7.1 Public Infrastructure

- 5.66 The consultation proposes that additional weight be given to the provision and modernisation of key **public service infrastructure** when considering proposals for development, with an addition to existing paragraph 100 of the NPPF.

- 5.67 Additions are also proposed to existing paragraph 99 of the NPPF to incorporate references to support the delivery of post-16 education places and early-years' childcare places.

5.7.2 Vision-led Approach to Transport Planning

- 5.68 At present, planning for travel follows a '**predict and provide**' pattern, where places are designed for a worst-case peak hour scenario. The Government highlights that this gives insufficient regard for quality of place created and whether the planned transport infrastructure is fully justified.

5.69 Instead, it is proposed that a vision is set for how places should be and **designing transport and behavioural interventions to help achieve this vision**. It focuses on the outcomes desired and planning for achieving them.

5.70 Additions to paragraph 114 and 115 of the existing NPPF are proposed to shift the provision of transport to be vision-led rather than a ‘predict and provide’ pattern. In addition, **updated guidance** will be published alongside the policy coming into effect.

5.7.3 Healthy Communities

5.71 LPAS are already able to develop policies to improve health and wellbeing, however there is considerable variation in the extent to which they do so. Views are being sought on whether and how national policy could provide greater direction and clarity on the **promotion of health** through local plans and planning decisions.

5.8 Green Energy and the Environment (Chapter 9)

5.72 On 8 July, the Chancellor announced that the additional tests on **onshore wind** schemes would no longer apply to decisions. The revised NPPF implements this announcement, removing the additional test footnotes inserted in 2023. The consultation also proposes that large onshore wind projects should be reintegrated into the NSIP regime.

5.73 Changes are proposed to the NPPF to support **renewable energy development**, through the amendment of paragraph 164, to give more weight to the provision of renewable energy in decision making.

5.74 Further amendments are proposed (existing paragraph 160) to set a stronger expectation for LPAs to proactively **identify sites for renewable and low carbon development** when producing plans.

5.75 Some habitats might be considered unsuitable for renewable energy development due to their role in **carbon sequestration**. Views are sought on whether there should be additional protections for such habitats and / or compensatory mechanisms put in place.

5.76 The consultation also proposes to raise the **NSIP threshold for wind and solar energy projects** in the 2008 Planning Act, with schemes below 100MW for onshore wind and under 150MW for solar to be determined through the Town and County Planning system rather than the NSIP regime.

5.77 Views are being sought on three aspects of **climate change policy**:

- Specific deliverable ways national planning policy could do more to address climate change mitigation and adaptation.
- Technological readiness and availability of tools for accurate carbon accounting in plan-making and planning decisions.
- Changes required to current planning policy for flood risk.

- 5.78 The footnote added in 2023 regarding the availability of **agricultural land for food production** when considering what sites are most appropriate for development is proposed for removal.
- 5.79 The NPPF has been updated to reflect the new name, **National Landscapes**, for legally designated Areas of Outstanding Natural Beauty.
- 5.80 The consultation also proposes to amend the **definition of water infrastructure projects** in the 2008 Planning Act to improve the current thresholds for water resource developments in the NSIP regime.

5.9 Local Plan Intervention Criteria (Chapter 10)

- 5.81 Currently, the Secretary of State can intervene⁹ in the Local Plan process if they believe that a local planning authority is failing or omitting to do anything it is necessary for it to do in connection with the preparation, revision, or adoption of a development plan document.
- 5.82 The consultation proposes two options (i) removal of the local plan intervention criteria and (ii) revision of the existing intervention policy criteria.
- 5.83 Under (i), the consultation states that Ministers would approach any future intervention decisions with ‘substance, rigour and an open mind, and in the context of relevant legal tests’. LPAs would be given opportunity to set out relevant exceptional circumstances.
- 5.84 Under (ii), new policy criteria would apply in addition to the legal tests set out in the 2004 Act.

“Local planning authorities that fail to do what is required to get their plan in place, or keep it up to date, would be at risk of government intervention. A range of intervention options exist, from the issuing of plan-making directions through to the removal of plan-making powers, where the Secretary of State would arrange for a plan to be prepared in consultation with local people, and then brought into force. Decisions on intervention should have regard to: a. local development needs; b. sub regional, regional, and national development needs; or c. plan progress.”

5.10 Changes to Planning Fees (Chapter 11)

Householder Application Fee

- 5.85 The consultation proposes that the **fee for householder application be increased** to help Local Planning Authority recover the cost of development management services. The consultation estimates that the fee should be increased to £528 in order to enable broad costs recovery. The consultation also asks if a smaller increase, from £258 to

⁹

Planning and Compulsory Purchase Act 2004, section 21

£387 would be more appropriate for householder applications. The intention would be to introduce the increase through regulations by the end of the year.

Other Planning Application Fees

- 5.86 The consultation seeks views on whether there are any other applications for which the current fee is inadequate, (excluding section 73 and s73B applications, which have already been subject to a separate consultation). The consultation also seeks views on whether a fee should be charged for applications not currently subject to fees, such as listed building consent, demolition in a conservation area or works to trees that are protected as they are located in a conservation area or by a Tree Preservation Order.

Localisation of Planning Application Fees

- 5.87 The proposal to increase planning fees is also accompanied by two scenarios for local fee setting: a first proposal to have a full localisation of planning fees, with a mandatory duty on all local planning authorities to set their own fee; and a second proposal to implement local variation in planning fees from a national benchmark, with the option for LPAs to set all or some fees locally. In both proposals, LPAs would only be able to set the fees at a level which would enable cost recovery but not exceed it. The localisation of planning fees would require primary legislation through the Planning and Infrastructure Bill and secondary regulations.

Wider Planning Service Fees

- 5.88 The consultation also seeks views on whether councils should be allowed to raise planning fees to fund wider planning services such as plan making, enforcement, heritage, conservation and design. It is estimated that a 157% increase in fees would be needed to cover wider costs.

NSIP Cost Recovery

- 5.89 The consultation also asks whether a provision should be made which would allow upper and lower tier authorities which are host authorities for the purpose of a Development Consent Order application under the NSIP regime to be able to recover costs for relevant services provided in relation to the application or proposed application.

- 5.11 Future of Planning Policy and Plan Making (Chapter 12)

5.11.1 Transitional Arrangements

- 5.90 The new NPPF is expected by the end of 2024. The transitional arrangements which are contained in the new Annex 1 of the draft NPPF will apply to plan-making from a month following publication, unless the following transitional arrangements apply:
- If the Local Plan is at Regulation 18 stage, the plan will need to be produced under the new NPPF requirements
 - If the Local Plan is at Regulation 19 stage and:
 - o the proposed housing requirement is within or above 200 homes of the new proposed Local Housing Need figure under the new Standard Method, the Local Plan can progress under the existing NPPF;

- the proposed housing requirement is below the new Local Housing Need figure under the new Standard method by more than 200 homes, the Local Plan will need to be re-drafted under the proposed NPPF and submitted within 18 months of the publication of the revised NPPF.
 - If the Local Plan is at Examination stage, it will continue to be examined under the current NPPF.
 - If the Local Plan is a Part 2 plan which does not introduce new strategic policies on housing requirement, it will be examined under the current NPPF (unless part 1 of the Local Plan was examined under the proposed NPPF).
- 5.91 If any of the cases above give rise to a Local Plan being adopted with an annual housing requirement below the new LHN by more than 200 homes, it is expected that drafting of a new Local Plan under the new NPPF should be started at the earliest opportunity.

5.11.2 Further Plan-making Reforms

- 5.92 The new plan-making system which is set out in the 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.

5.11.3 Future Changes to the NPPF

- 5.93 The Government is exploring the creation of a more accessible and interactive web-base set of national policies (both in the form of National Development Management Policies and national policies for plan making).
- 5.94 Consideration will be given to incorporating National Planning Policy for Waste and Planning Policy for Traveller Sites within the suite of national policies.

6 New Towns Policy Statement

6.1.1 Summary

- 6.1 On the 31st July 2024, the Government published a policy statement on new towns¹⁰. It sets out that the delivery of large-scale new communities is seen as a key mechanism to boost housing supply. An independent expert **New Towns Taskforce** has been established to help bring forward a new generation of new towns.
- 6.2 The new towns programme will include **large-scale new communities** built on greenfield land and separated from other nearby settlements, and also **urban extensions and urban regeneration schemes**.
- 6.3 Each new settlement will contain **at least 10,000 homes**, although a number are expected to be larger in size.
- 6.4 A '**New Towns Code**' will be established. The new towns must exemplify development and be well-connected, well-designed, sustainable and attractive places to live. They must provide infrastructure, amenities and services necessary to sustain thriving communities.
- 6.5 **Affordable housing** rates of 40% will be targeted, with a focus on social rented homes.

6.1.2 New Towns Taskforce

- 6.6 The Taskforce will advise ministers on **appropriate locations** for significant housing growth. The shortlisted recommendations will be identified within 12 months.
- 6.7 The Taskforce will work in partnership with local leaders and communities, where possible, but **site selection** will be made in the national interest.
- 6.8 Sir Michael Lyons and Dame Kate Barker have been appointed as the Taskforce chair and deputy chair respectively.

¹⁰ Policy statement on new towns - GOV.UK (www.gov.uk)