



Report of	Meeting	Date
Central Lancashire Planning Policy Officers	Joint Advisory Committee	3 rd April 2018

NATIONAL PLANNING POLICY FRAMEWORK

PURPOSE OF REPORT

1. To provide members with an overview of the consultation proposals within the draft National Planning Policy Framework (NPPF) published Monday 5th March 2018

RECOMMENDATION(S)

2. To note the contents of the report

EXECUTIVE SUMMARY OF REPORT

3. A number of key documents were published on Monday 5th March 2018 by MHCLG for consultation ahead of the implementation of a revised NPPF by the end of summer 2018. These are informed by the housing white paper, Fixing Our Broken Housing Market.
4. These new policies will inform national planning policy and will impact on local and sub-regional plan-making including engagement (formal and informal) with neighbouring authorities and also development management.
5. The consultations runs from 5th March 2018 until 10th May 2018 and it will be important to align the three councils' responses where possible, given we are working collectively on a joint local development plan.
6. The purpose of this paper is to provide a very high level summary of the proposed NPPF, focussing on the proposed changes. It will not include all the detailed proposals or consultation questions, rather highlight those of particular importance or where there are likely to be significant implications or risks. The paper is structured to list in bullet points the main proposals or policy measures and then where relevant, detail any associated risks of significance.
7. The MHCLG have published two documents, the full draft NPPF and a summary of the consultation proposals. The NPPF is the single document which provides the statutory guidance for plan-making in England and has material weight in plan-making and development management decisions.
8. The direction of travel for these policies is very much about accelerating house building and achieving sustainable development which includes economic, social and environmental objectives.

At the heart of this is a presumption in favour of sustainable development. In short, this means that for plan-making, plans should seek to meet development needs of their area and strategic plans should as a minimum, meet the Objectively Assessed Need for housing as well as unmet needs from neighbouring areas, save application of policies that protect areas or assets or where there are adverse effects. For decision-taking, it means approving development which accords with an up-to-date plan or, where there are no policies or these are out of date, granting permission unless NPPF provides a policy reason to refuse (for example protecting the areas) or any adverse impact of doing so would significant and demonstrable outweigh the benefits.

9. The paper needs to be considered in the context of the Central Lancashire Partnership for developing a local plan and what the implications may be for the review of the shared policies, in particular, the distribution of housing.

PLAN-MAKING

10. There is the new requirement for authorities to review plan policies every five years following the date of adoption, with updates, if necessary, to reflect changing circumstances.
11. It allows planning authorities to work together to produce a joint local plan (the approach we are undertaking in Central Lancashire). For more detailed issues, local policies can be included either within the local plan or neighbourhood plans, collectively producing a development plan.
12. Introduces the expectation that plans should use digital tools to assist consultation and presentation of policy.
13. Local plans must address strategic priorities of an area looking ahead over a minimum of 15 years from adoption.
14. Authorities working jointly and or strategically should prepare and maintain one or more statements of common ground and make public during plan-making.

VIABILITY

15. There is a new approach to viability proposed through which local plans are expected to be able to demonstrate the developer contributions expected from development. Plans will define when and in what format viability assessments are required.
16. Proposals that all viability assessments are to be made publicly available.
17. There may be a policy requirement to mandate the use of review mechanisms for large or multi-phased development.
18. Where an application complies with all relevant policies, there is no need for a viability assessment.

HOUSING NEED AND THE HOUSING REQUIREMENT

19. There is a new standard method for the calculation of local housing need proposed (this was published earlier in the year and the figures provided by MHCLG for the three local authority areas of Chorley, Preston and South Ribble were 634, 228 and 225 respectively).
20. There should be clear policies for addressing the housing requirements of groups with particular needs. Students and travellers have been added to the list.
21. This is an area which we will need to consider carefully as our existing plans do not provide explicit requirements for different groups. This could be useful, particularly for groups such as older people as the housing delivery profile is generally 3,4 and 5 bed houses only and very little for older people.

22. Local authorities should provide a housing requirement figure for designated neighbourhood areas.

AFFORDABLE HOME OWNERSHIP

23. Policies and decisions of homes on major housing sites should expect at least 10% of the homes to be available for affordable home ownership (unless it would exceed the level of affordable housing required in the area or prejudice the ability to meet identified housing needs of specific groups)

HOUSING SUPPLY AND DELIVERY INCLUDING THE HOUSING DELIVERY TEST (HDT)

24. There is a technical document which accompanies the NPPF called the 'Housing Delivery Test Draft Measurement Rule Book' and this provides the proposed formula which will be applied annually to determine the number of homes required and assess each local authority's performance.

25. The Housing Delivery Test (HDT) is the annual measurement of housing delivery performance in a plan-making authority area. The HDT does not apply to National Park Authorities or to development corporations without full plan making and decision making powers. The consequences of failing the HDT are set out below.

26. The HDT is the % measurement of the number of net homes delivered against the number of homes required in a plan-making authority area.

27. The diagram below is the excerpt from the rule book illustrating the formula.

2. The HDT is the percentage measurement of the number of **net homes delivered** (Table 1) against the **number of homes required** in a plan-making authority area.

$$\text{Housing Delivery Test (\%)} = \frac{\text{Total net homes delivered over three year period}}{\text{Total number of homes required over three year period}}$$

28. The rule book sets out the arrangements for what figure will be used for the number of homes required. This states that where the latest adopted housing requirement figure for the plan period has been tested through examination which less than 5 years old, the figure for the number of homes required to be used for the HDT is the lower of :

- The latest adopted housing requirement figure
- The local housing need figure (projected household growth for financial years 2014-15 to 2017-2018) and unmet neighbours need figure.

29. If the housing requirement figure is more than 5 years and needs revising, the local housing need figure (projected household growth for 2014-2015 to 2017-2018) will be applied to each year of the HDT period.

30. It is not yet clear if paragraph 12 applies to the Central Lancashire authorities individually or as a whole. I.e. it is not clear if the need figure for the purposes of the HDT can be amalgamated and a redistribution agreed (in accordance with the MOU and Core Strategy), OR if the HDT will apply to each respective council individually, until a new plan is in place.

31. The rule book includes a table setting out the housing figures for the HDT, depending on the type and age of the strategic housing policies however it does not refer to a joint local plan that is more than five years old.

32. NPPF proposes that from 2020, the presumption in favour of sustainable development will apply where delivery is below 75% of the authority's housing requirement. This could include linking payment of the New Homes Bonus (NHB) to the housing delivery test or the standard approach to local housing need. The government will consult on any further changes to the NHB before proposed implementation in 2019-20.

HOUSING LAND SUPPLY

33. The 5 year land supply position should be capable of being agreed for a one year period. The policy proposes that this should be demonstrated either through a recently adopted plan, or through a subsequent annual position statement.
34. Authorities should consider imposing a planning condition to bring forward development within two years, except where a shorter timescale could hinder the viability or deliverability of a scheme. It also encourages local planning authorities to consider why major sites have not been built out when considering subsequent planning applications.
35. The Government would consult on allowing the development of exception sites to provide entry-level homes suitable for first-time buyers, where a local need is identified.

ECONOMY

36. Local Plans are to set out a clear economic vision and set criteria or identify strategic sites.
37. When allocating sites to meet the need for town centre uses, policies should look at least ten years ahead.
38. It also provides that town centre boundaries should be kept under review so that identified needs for town centre uses can be accommodated, recognising that it is difficult for retail forecasts to look beyond ten years.
39. The expectation is that office developments outside town centres are subject to an impact assessment, where the development is over a certain floor space threshold.
40. All designs should prioritise pedestrian and cycle movements, followed by access to high quality public transport (so far as possible) as well as to reflect the importance of creating well-designed places.

DIGITAL INFRASTRUCTURE

41. Plan policies should set out expectations in relation to the delivery of high quality digital infrastructure, which provides access to services from a range of providers.

DESIGN

42. There should be more intensive use of existing land and buildings and policies to avoid building homes at low densities in areas of high demand, pursuing higher-density housing in accessible locations, while reflecting the character and infrastructure capacity of each area.
43. There should be more effective use of empty space above shops – with the proposed policy widening this to refer to other situations where under-utilised land and buildings could be used more effectively.
44. Proposals to reallocate land where there is no reasonable prospect of an application coming forward for the allocated use – with the proposed policy also setting out how alternative uses should be considered ahead of a plan review taking place.
45. Proposals to make it easier to convert retail and employment land to housing where this would be a more effective use

GREEN BELT

46. The Framework maintains the strong protections of the Green Belt and retains a high bar before Green Belt land may be released.
47. Brownfield land in the Green Belt is to be used for affordable housing, where there is no substantial harm to openness. The proposal broadens the previous proposal to allow brownfield land in the Green Belt to be used for Starter Homes so that, subject to Green Belt protections, all residential developments that contribute to meeting an identified local affordable housing need can use brownfield land, allowing local planning authorities to use this land more flexibly in response to local circumstances.

TRANSPORT

48. Authorities expected to identify additional development opportunities arising from strategic infrastructure investment and transport issues to be considered from earliest stages of plan-making.

TRANSITIONAL ARRANGEMENTS

49. Full weight will be given to NPPF from date of publication and due weight will be given to local plans adopted before this date.
50. Housing Delivery Test (HDT) will apply from the day following the publication of the Housing Delivery Test Results in November 2018.
51. Substantial under-delivery means that where the HDT test results published in:
 - a) November 2018 indicate that delivery was below 25% of housing required over the previous three years;
 - b) November 2019 indicate that delivery was below 45% of housing required over the previous three years;
 - c) November 2020 and in subsequent years indicate that delivery was below 75% of housing required over the previous three years.

NEXT STEPS

52. The next steps for officers include:
 - Draft consultation responses for the respective three councils, aligning where possible and present to their portfolio holders for approval to submit to MHCLG by 10th May 2018.
 - Seek Counsel Opinion on the transitional implications for Central Lancashire in terms of development and any steps which may be taken to protect non-allocated sites from coming forward.
 - Follow up clarification with MHCLG on the HDT /housing needs figure and transitional arrangements for groups of authorities working together.
 - Develop a shared 5 year plan /trajectory to see what likely delivery to be achieved across Central Lancashire is.
 - Consider the resource implications of new measures.
 - Continue to progress Local Plan review including robust partnership arrangements

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