

POLICY SUBMISSION



The National Planning Policy Framework

28 Feb 2011

Introduction

This is a response to Planning Minister Greg Clarke's recent call for suggestions to the Department on what priorities and policies the government might adopt to produce a shorter, more decentralised and less bureaucratic National Planning Policy Framework.

The Home Builders Federation is the main representative body of the housebuilding industry in England and Wales. Our representations reflect the views of our membership of multinational plc's, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year. We are, therefore, very interested in the role and content of the proposed NPPF, particularly in the way it addresses housing provision through the planning system.

Both ourselves and our members have been taking part in many of the discussions regarding the proposed new localism approach to the planning system and the passage of the Localism Bill through Parliament. These representations therefore seek to address our priorities as they have emerged over the last year and reflect a number of discussions we have held around the country with both our members and other interested parties.

1. GENERAL PRINCIPLES OF THE NPPF

Recognising the limits of planning

It is important not to overstate what planning can do. Planning is only one influence among many: economic, social, cultural, geographic, environmental, legal, financial, global, etc. and while it is tempting to believe that all government objectives can be influenced through planning and planning policy this is not actually the case.

An important role for the NPPF is, therefore, to state the overarching purpose of planning and the planning system. HBF believes that this should prioritise land use rather than "spatial" planning. The term spatial planning has, in recent years, led to an overly complicated system and process as local planning authorities attempted to control or influence an ever increasing list of mixed, and often competing, objectives.

Presumption in favour of development

It is essential that the planning system is seen as a positive tool to enable development. We support the government's goal of a planning system that is pro-growth and pro-development. It is vital, therefore, that a presumption in favour of development is clearly set out in the NPPF as the starting point for planning decisions and development plan preparation.

This presumption in favour of development must consist of two parts:

Given the presumption in favour of the development plan when making decisions, set out in Section 38(6) of the 2004 Act, a clear presumption in favour of development must be defined in the development plan itself.

Thus, local development documents should set out the broad ground rules (defining sustainable development, setting local priorities such as Affordable Housing or more larger dwellings, etc.), but must not be overly prescriptive in policies or in land identification – only identify larger strategically important sites (e.g. urban extensions, big regeneration projects);

The presumption then means that anyone can submit a site for potential development which, if it meets the development plan requirements, especially the definition of sustainable development, then it is granted planning permission. This is very similar to the 1980s approach to a presumption in favour of development. It means that the local authority has to have a good reason to refuse permission, rather than the rigid plan-led system introduced in the 1991 Act. The limitation of the latter required allocation of land for development at the plan making stage, rather than allowing organic growth of areas being able to be developed as and when opportunities came forward or the right economic environment was achieved.

The great benefit of this approach to allowing sites to come forward for development is that it provides a strong positive incentive to developers to be creative, to look for development opportunities and bring them forward for consideration, but always within the policy requirements of the plan.

The other use of a presumption in favour of development is that if there is no adopted plan, you can develop any site provided it meets the NPPF definition of sustainable development. While this is obviously a negative use of such a presumption – a stick to encourage LPAs to produce plans quickly – it is to be welcomed as an essential part of the presumption in favour of development within a plan based planning system.

Local and Neighbourhood Plans

The NPPF needs to clarify that the local development plan has primacy over neighbourhood plans – which can only fill in the detail and improve upon the local plan. Unless this is set out clearly in the NPPF there will be endless conflict and lack of decision making.

2. HOUSING PRIORITIES AND POLICIES OF THE NPPF

Assessing Housing Requirements

Clearly the local authority's assessment of local housing requirements is absolutely critical. HBF believes that such assessment should look both at the requirements (demand and need) side of the equation, as well as the supply side.

It would seem to be impractical to impose a single rigid methodology on all local authorities, but the NPPF should require assessments to use (a) a robust assessment methodology, and (b) a robust evidence base. Best practice in conducting assessments should be set out in guidance attached to the NPPF.

It should be noted that HBF advocates the use of the term “housing requirements” rather than “housing need”. This is because the latter phrase has, over the years, come to mean subsidised housing commonly referred to as “Affordable Housing”. Such housing is, of course, only a sub-set of an area's total housing requirements.

Rather than try to specify a fixed methodology therefore, we believe that there should be a general statement in the NPPF requiring local planning authorities to use a “transparent and robust methodology to assess long-term local housing requirements”, along with a very brief stipulation of the sort of evidence the assessment must take into account. Thus the assessments should cover:

Supply Evidence Base

- The housing stock and trends in new building, conversions, demolitions, vacancies, second homes, overall stock growth;
- Land use, such as the amount of land that has been developed over time, the mix of sites by size, density and other characteristics;

Requirements Evidence Base

- Population and particularly household projections
- Migration trends into and out of the district
- Employment trends

A critical element of the “requirements” assessment must be a robust treatment of migration. It would be very easy for each local authority to assume it was an island, with no movement of population in or out. However, this is unlikely to be reality for most local authority areas. Similarly it would not be a robust approach for most, if not all, local authorities to meet only “the needs of local people” and base their modelling on assumptions of zero net migration. Therefore local authorities should clearly identify the role that they play in both internal and international migration patterns and respond to these trends through their housing provision.

It is important for housing requirement assessments to be long term rather than reacting to short term influences. After all, development plans are supposed to be long term strategies covering a period of 15 or 20 years. Development plans should, therefore largely ignore short-term influences and focus on long-term requirements and supply.

Land Supply

The NPPF must retain the requirement for local authorities to identify a 5-year supply of developable, deliverable land, with a rolling programme of updates on a site by site trajectory plan. This is a critical mechanism, along with the presumption (above), in ensuring there is sufficient land with implementable planning consents coming through the planning system.

The level of housing supply should be consistent with the housing provision of the development plan, which, in turn, will reflect the evidence base of housing requirement (above).

Housing Policy

The planning system should not attempt to control or define housing tenure or mix in a specific way, such as through inflexible policies prescribing size, type and tenure of developments. Policies should identify those things that are priority needs in the local authority area – Affordable Housing, certain types of housing (e.g. larger homes, housing for the elderly, student housing, etc.), economic requirements, etc. - but such policies should not place precise numbers or targets on them since this implies a spurious accuracy and restricts flexibility of provision.

In responding to such policies, developers, in discussions with local neighbourhoods and the local authority itself, will come up with schemes which contribute towards these priority needs, but will also take into account the neighbourhood's own needs (which might diverge from what the local authority thinks are priorities).

The NPPF should include a national definition of Affordable Housing. We would support the currently proposed revised version of the PPS3 definition, but would also want to see the definition include low cost market housing for sale since this too contributes significantly towards meeting housing needs of many people.

Viability, Deliverability and Local Plans

The NPPF should stipulate the following requirements for development plans:

1. All local policies, regulations and standards (e.g. Affordable Housing, CIL, Merton Rules, etc) must be identified in the Local Plan, each must be subject to a robust regulatory impact assessment of costs and benefits, and any significant changes to a policy etc. can only be made through a formal plan revision.
2. The plan must be viability tested, taking account of all Local Plan policies, regulations and standards, with the objective of ensuring that sufficient housing sites in the district are viable to enable housing requirements (see above) to be met.
3. A local authority cannot impose a regulation or standard any higher than a national regulation or standard (e.g. Building Regulations);
4. It would not be valid to achieve viability in a plan by simply assuming house and land prices are going to rise significantly in the plan period – i.e. the plan should be based on current prices and current costs, and if prices or costs do change significantly the plan should be revised accordingly.
5. A plan must clearly explain the costs and benefits of the plan policies for local people, the local economy and local environment.
6. A plan should be judged unsound if it does not have a robust estimate of housing requirements, does not have robust policy/regulatory impact assessments and has not been adequately viability tested.
7. Supplementary Planning Documents must only be used to supplement adopted policies in a Local Plan, not to introduce new policy or make significant changes to a plan's strategy.
8. Local plans must be required to take full account of adjoining local plans and ensure that, together, local plans achieve "sustainable" development. The duty for neighbouring authorities to work together ('duty to cooperate') must, we believe, be strengthened (both in the Localism Act, and restated in the NPPF) so that issues of larger than local impact are adequately incorporated into Local Plans.

9. The Community Infrastructure Levy (CIL) must be used for capital spending for infrastructure needs created by the development proposed in the plan. It cannot be used to fund existing infrastructure shortfalls, nor to fund revenue and maintenance spending.

Hierarchy of Policies and Plans

The Local Plan must give clear reasons for each of its policies, setting out how the policy has been derived and the limitations of the policy. It should clearly describe the implications of its policies and the potential outcomes of these policies. Such an explanation could be set out in a clear statement of the objectives of the plan and relate specific policies back to these objectives.

In this way local development plans will be able to clearly demonstrate that they are pro-growth and pro-development and thus consistent with the NPPF. Similarly neighbourhood plans will be able to demonstrate that they are consistent with the objectives of the local development plan.

This approach and hierarchy gives maximum democratic accountability while retaining responsibility at the most appropriate level.

I hope you find the above of interest in moving forward to an initial draft of the NPPF on which we will be happy to respond formally in due course. We are, of course, also happy to continue to assist in this evolving process over the coming months.

Andrew Whitaker
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