

PLANNING COMMITTEE

9 MARCH 2016

RESPONSE TO DCLG CONSULTATION ON PROPOSED CHANGES TO NATIONAL PLANNING POLICY

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Summary

This report sets out to brief Members of the recent DCLG consultation on proposed changes to the NPPF (National Planning Policy) and attaches for information purposes the response to the consultation.

1. Budget and Policy Framework

1.1 This report has no impact on budget and Policy Framework as it is only a response to a DCLG consultation. However, if all or part of the consultation is then carried forward and incorporated in formal policy and legislation, it will need to be reflected in work on the current Local Plan. In addition, if a new housing delivery test is imposed with financial penalties, this may have implications for future budgets.

2. Background

2.1. The Government published a consultation document on the 7 December with responses sought by 22 February 2016. The proposals are summarised below and the responses are set out in the formal response on behalf of Medway Council attached in Appendix 1.

2.2. Views were invited to the proposed changes to the following areas of national planning policy:

- The definition of affordable housing;
- Making better use of land around commuter hubs by increasing densities;
- Supporting sustainable new settlements, development on brownfield and small sites through Local Plans; and
- Supporting the delivery of starter homes.

Changes to the definition of affordable housing

- 2.3. The current definition of affordable housing for planning purposes is set out in the National Planning Policy Framework and includes social rented, affordable rented and intermediate housing for sale (including shared equity and shared ownership models), provided to eligible households whose needs are not met by the market. The definition includes a requirement that the housing should remain affordable or for the subsidy to be recycled for alternative affordable housing provision.
- 2.4. The Government wishes to change the definition so that it encompasses a fuller range of products that can support people to access home ownership. The definition would still include options for rent, but some products would no longer be subject to in perpetuity restrictions or have recycled subsidy. This effectively paves the way to include starter homes as part of the definition of affordable housing. The provision of Starter Homes will very likely be to the detriment of the supply of Affordable Rented and Shared Ownership homes. It is unclear to what degree Starter Homes can address our most urgent housing need
- 2.5. Views are sought on proposed transitional arrangements to review existing and introduce new policy to reflect the changes to the affordable housing definition. Six to twelve months is suggested.

Increasing residential density around commuter hubs.

- 2.6. Local Planning Authorities would be expected in future to require higher densities around commuter hubs where feasible. No minimum density is proposed – that would be for the Local Planning Authority to determine, although in assessing how many extra homes could be delivered in this way the Government has looked at increasing average densities around existing hubs from 34 dwellings per hectare to 40. Commuter hubs are described as a public transport interchange and have or is likely to have a frequent service (at least every 15 minutes during normal commuting hours).

Supporting new settlements, development on brownfield and small sites through Local Plans

- 2.7. Proposals under this heading include strengthening national planning policy to provide a more supportive approach for new settlements within Local Plans (i.e. new, larger scale developments or urban extensions to meet housing needs).
- 2.8. Amendments to national planning policy are also proposed to support the measures emerging in the Housing and Planning Bill to prioritise the use of brownfield land in meeting future housing needs. This would in effect be a presumption in favour of using brownfield land for housing, unless there are overriding conflicts with the Local Plan or national planning policy.

- 2.9. This presumption in favour would be extended to small sites of less than 10 dwellings provided that they are within existing settlement boundaries and well designed. Garden developments would not be included in this presumption. Sites adjacent to settlement boundaries would also be carefully considered and supported if they are sustainable.

Ensuring housing is delivered on land allocated in Local Plans

- 2.10. This proposal is aimed at improving delivery of sites already allocated in Local Plans. A new housing delivery test is proposed, which would measure the number of new homes actually delivered against Local Plan targets over a two year period to overcome peaks and troughs. If a pattern of significant under delivery is identified over a sustained period, action would need to be taken to address this, possibly in the form of identifying a range of additional, sustainable sites, possibly including new settlements.

Supporting the delivery of starter homes

- 2.11. A range of proposed changes are suggested to promote the delivery of starter homes. These include amending paragraph 22 of the NPPF, which seeks to ensure that employment land is not safeguarded unless there is a reasonable expectation of it coming forward for those uses over the plan period. The amendment would have the effect of requiring that underused or unviable employment land be released for starter homes unless there is significant and compelling evidence to justify why such land should be retained for employment use.
- 2.12. One approach that the Government is considering is a policy with a clear limit on the length of time that unused commercial or employment land should be protected (3 years is proposed) and there is not significant and compelling evidence of market interest for it coming forward within a two year timeframe.
- 2.13. The current exception site policy to release land specifically for starter homes on unviable or underused commercial or industrial brownfield land not currently allocated for housing, is proposed to be extended to include land previously in use for retail, leisure and non-residential institutional uses. The exception site policy will also be amended to make it clearer that planning applications for starter homes will only be rejected if there are overriding design, infrastructure and local environmental considerations that cannot be mitigated.
- 2.14. Further changes are proposed to encourage starter homes within mixed used commercial developments and rural areas. The former would apply to town centre sites and the latter to rural settlements via the existing rural exceptions site policy.
- 2.15. Further changes to national planning policy are proposed to encourage starter homes in Green Belt areas. This would apply to neighbourhood plans for communities located in the Green Belt and also brownfield land located in the Green Belt.

- 2.16. It is proposed that neighbourhood plans would be able to allocate small scale sites in the Green Belt specifically for starter homes to increase affordable home ownership opportunities to young people and young families. Further changes are also proposed to provide more flexibility and enable suitable, sensitively designed redevelopment for starter homes to come forward on brownfield sites in the Green Belt where there is no substantial harm to openness.

3. Advice and analysis

- 3.1. The consultation sets out the proposals for change and then asks 23 questions related to the proposed changes. The questions and the response provided are set out in the appendix to this report. In summary though the response follows the following key areas.
- 3.2. Many of the suggested changes undermine the principles of a plan led system and seem designed to allow development to by pass the planning system and to penalise planning authorities for the failure of developers to deliver housing, particularly where planning permission has actually be granted.
- 3.3. The proposals fail to recognise that the main constraint is the capacity of the industry to build the required numbers. The recession resulted in the loss of a number of building companies, particularly those at the important mid range building between 10 – 50 units on the smaller sites but which provide for the majority of housing built. In addition, there is a need to provide the necessary trades people to serve the required expansion of the building industry and there needs to be more links from the building industry to the education establishments providing for the trained employees of the future. Finally there is also a material shortage which needs to be addressed in order to avoid construction costs escalating and further reducing the affordability of housing.
- 3.4. The proposals for starter homes are welcomed in principle, but applying the discount for only 5 years will impact on affordability in the future, while the proposals should not be at the expense of the supply of affordable housing for rent.
- 3.5. The proposed approach towards allowing commercial and employment land to go for residential development could fundamentally undermine regeneration schemes where attracting the necessary employment and commercial investment necessary to provide balanced and sustainable communities can take many years.
- 3.5. The proposals for increasing the supply of starter homes, without provision for the necessary infrastructure, by allowing exemption to CiL and S106 payments, will result in a serious infrastructure deficit putting increased pressure on school and health facilities as well as road networks and valuable open spaces, with the possible consequences of creating the deprived neighbourhoods of the future.

4. Financial implications

4.1 See section 1 above.

5. Legal implications

5.1 None.

6. Recommendation

6.1. That the attached formal response to DCLG, as attached at Appendix 1, be noted.

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Appendices

Appendix 1- Formal response to DCLG on the consultation on proposed changes to National Planning Policy.

Background papers

DCLG Consultation on proposed changes to national planning policy December 2015