## **Highbury Group on Housing Delivery**

# Response to CLG consultation on draft National Planning Policy Framework

#### Introduction

The Highbury Group on housing delivery is an independent group of specialists from public, private and independent sectors from housing, planning and related professions which prepares proposals for Government and other agencies on maintaining the output of housing including affordable housing having regard to the current economic and policy context. Membership and objectives are set out in an endnote.

#### Summary

\* Consideration of whether specific development is or is not sustainable can only operate effectively within a plan-led system.

\* The NPPF needs to have a spatial dimension. It should set out the spatial implications of planning priorities set at a national level, as a basis for decision making about allocation of public sector resources and to serve as a basis for secure private investment.

\* The current draft should be expanded to include further core policy guidance currently included in planning policy statements, which are to be withdrawn.

\* The NPPF should make it explicit that the presumption is against development which does not meet sustainable development objectives as set out in the applicable plan.

### Comments on draft NPPF in relation to housing delivery

#### 1. The purpose of planning

The group considers that it is important that Government sets out its overall view of the purpose of spatial planning. The NPPF, while setting out the principles for planning, does not give an adequate statement of the Government's overall planning and development objectives. Nor does it set out any national spatial strategy which identifies priorities for development, in terms of regional focus, the balance between urban and rural development or the identification of specific areas with potential for growth, which would act as a basis for decisions about the spatial allocation of national investment resources. This contrasts with the position in Scotland, Wales and Northern Ireland and in most European countries. While not necessarily seeking a continuation of the previous government's approach in the Sustainable Communities Plan and subsequent policy statements to identify growth areas and growth points, a national perspective on the most appropriate locations for growth to take place is necessary to ensure appropriate allocation of national investment resources to support housing provision, job creation, transport, utilities and social infrastructure.

#### 2. Consolidation of planning guidance

While the group welcomes a consolidation of planning guidance, the group as a whole does not support further deregulation of planning and is concerned that proposed deregulatory

measures, such as relaxation of consents required for land use changes, may mitigate against the principle of maintaining a plan led system which enables sustainable development and the appropriate use of land and development capacity.

#### 3. Future requirements for development

The draft NPPF contains no assessment of development requirements arising both from demographic change and from the inequitable distribution of current housing, employment provision and transport, utilities, social and green infrastructure. It is an abrogation of the responsibilities of national government to see these solely as issues for local decision making. This approach will not generate the most effective use of the country's resources in terms of land and development capacity. The abolition of the regional tier in the English planning system outside London makes it even more critical for a National Planning Policy Framework to have an explicit spatial dimension in terms of identifying areas with capacity for growth which would be a focus for growth related public sector investment.

#### 4. The need for the NPPF to be expanded

The Highbury group welcomes the Government's intention of consolidating key national planning policies in a relatively succinct document – a National Planning Policy Framework. The current draft however needs to be expanded to include further key policy material currently included in existing Planning Policy Statements, notably PPS3. We however consider that it would be helpful if CLG continued to provide guidance on policy implementation, especially technical advice, for example that contained in the guidance on Strategic Housing Market Assessments and Strategic Land Availability Assessments. The current NPPF draft together with the proposed Local Development Regulations are not an adequate replacement for the current guidance given in PPS12 on Local Spatial Planning. The NPPF as drafted, on its own, does not give adequate guidance to development applicants, local planning authorities, local residents or to the planning inspectorate, and will leave too many issues of a genuine strategic nature open to contradictory interpretations by planning lawyers in negotiations and at appeal stage, with the risk of inconsistent decisions by inspectors and an over-reliance on legal processes for determinations.

#### 5. The objective of sustainable development

The group considers that the objective of sustainable development in terms of economic, environmental and social sustainability is central to both plan-making and development management. However, the group does not support the presumption in favour of sustainable development in its current form as it detracts from the need to focus on a plan led system. Consideration of sustainability should not be considered in abstract but must be contextualised by a plan which applies the principle of sustainability within a specific geographical area. It is important that the NPPF affirms that growth is a means to an end and not an end in itself.

#### 6. The social objectives of planning

While endorsing in general terms the recognition in para 10 of the economic, social and environmental dimensions of sustainability, there is a need for an explicit emphasis on the social role of planning in countering spatial inequities and ensuring more equal access to resources and services One of the omissions from the draft NPPF is a clear statement that affordable housing is required to ensure mixed communities, and that we should not be planning or sustaining mono-tenure developments. The NPPF needs to be more explicit in recognising that plan-making and development management often involve choices between policy options and competing interests. The statement that there is no necessary contradiction between increased level of development and protecting and enhancing the environment is simplistic and implies a depoliticised planning system. Planning involves difficult choices which need to be determined by democratically accountable bodies, which operate within a political framework. To imply planning decisions can normally be achieved through achieving neighbourhood based consensus is naïve and ignores both wider needs and wider impacts.

#### 7. Core planning principles

We support the statement of core planning principles in para 19, especially the statement that planning should be plan-led and based upon up to date evidence of development requirements. The 'core principles' in para 19 need to be recast in a way that balances all the objectives of sustainable development and includes objectives such as reducing the need to travel, promoting compact settlement patterns, promoting low carbon development, supporting town centres and promoting high quality in design. There however need to be additional objectives in relation to the delivery of affordable housing and design quality. It should also be recognised that 'market signals' are only one component of the evidence base for land use allocation decisions, as public planning bodies need to take a longer term view of development requirements than the market, which relates primarily to short term or medium term interests of private sector bodies or individuals in relation to the profitability of specific development proposals at a point in time. The extent to which development activity collapsed during the recent recession has demonstrated that the market does not always make the soundest judgements as to the long-term economic sustainability of specific development proposals. We are also concerned as to emphasis given to local circumstances and the needs of the residential and business community within an area without a recognition that planning within an area also needs to have regard to both the wishes of people and businesses who may wish to move into an area and the potential of a location to contribute to providing capacity for needs which cannot be met in neighbouring areas. We support the statement that planning should make effective use of land. This requires strategic planning beyond a limited localised approach.

#### 8. The evidence base

In supporting the statement in para 27 that a local plan should be based on an adequate, upto-date and relevant evidence base, it is important, especially in relation to planning to meet strategic needs, that there is consistency for the preparation and use of an evidence base. This is critical both for the effective operation of inter-authority collaboration and to ensure that national investment decisions are based on consistent data. The decision of Government to remove the requirement for minimum key indicators for local planning and for Annual Monitoring Reports to be published on a consistent format and Government intentions to reduce other statistical returns to central government are regressive steps as these will remove part of the key evidence base for central and local Government decisions. They will limit the ability of both public and private bodies to assess the impact of both policy changes and external factors, such as changing market circumstances and the effective demand for different land uses. It also removes the ability of the general public to hold local planning authorities to account if they fail to deliver housing. In this context it is essential that the Government guidance for the preparation of strategic housing market assessments and strategic housing land availability assessments referred to in para 28 is maintained and updated rather than being withdrawn. Similar guidance in relation to market assessment and land availability assessment is required in relation to other land uses such as industrial, commercial and retail provision, transport and utilities provision, social infrastructure and open space, leisure facilities and green infrastructure. It is neither cost effective nor helpful in terms of consistency of planning decisions to leave the development of methodology for evidence base assessment and analysis to 335 individual local planning authorities. Neighbourhood plans should also be required to follow such guidance.

#### 9. Planning across administrative boundaries

Paras 44-47 on planning strategically across local boundaries should include specific references to the need for local planning authorities within housing and employment market areas to undertake joint assessment of both development requirements and development capacity. This should include Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments. This requirement should however be extended to other land uses listed in the previous paragraph. It would be helpful if CLG provided guidance on

appropriate local authority groupings for this process, to ensure no area is omitted.

#### 10. Definition of strategic matters

Paras 49-52 need to be extended to include a list of strategic matters, in relation to which neighbourhood plans need to be in conformity with the Local Plan, expanding the list given in para 23. This should include housing outputs, not just in terms of numbers, but in terms of tenure/affordability, built form, bedroom size mix and space standards.

#### 11. Planning's role in housing tenure

In para 107, objectives for planning policy for housing, the second bullet point should be amended to:

"deliver a wide choice of high quality homes which are both appropriate for and affordable by households who need or choose to live in an area" The objective of widening opportunities for home ownership should be deleted, as it is inappropriate for planning policy to be used to promote a specific housing tenure. The inclusion of such a promotional policy would have the effect of planning policy giving less priority to the provision of affordable housing, which is not generally delivered in the form of homes for owner occupation.

#### 12. Land supply

We support guidance to LPAs to ensure that there is sufficient land to meet identified housing needs, and agree that LPAS should have a sufficient reserve of identified land capacity to ensure that targets are achieved, recognising that some identified sites may not proceed within the assumed timescale. While the new 20% requirement will be challenging in some areas, it is a useful mechanism for encouraging LPAs undertake a comprehensive analysis of development capacity. The new requirement should not however be used as a justification for bringing forward sites which are not suitable for residential development or are otherwise in breach of key planning policy objectives. SHLAAs should be carried out with the involvement of house-builders to ensure that as many potential sites are identified and that sites earmarked to support the delivery of the housing trajectory for the first 10 years are deliverable. It is very important that local authorities engage the expertise of house builders to provide a reality check on their assumptions, otherwise the sites allocated may have little prospect of ever being developed.

#### 13. Brownfield development

We support the removal of the crude proportionate brownfield target, which has been predicated on the false assumption that development on brownfield sites achieves sustainable development objectives, while greenfield development does not. Criteria for sustainable development are more complex than relating solely to the previous use of a site. Similarly we support proposals that LPAs should undertake a review of green belt boundaries, to enable the identification of sites which do not and cannot fulfil the objectives of green belt designations, but which may enable the achievement of appropriate sustainable residential development, for example through urban extensions which have good transport access, access to employment and include, utilities, social and green infrastructure.

#### 14. Planning and housing mix

We support the statement in para 111 that planning policies for housing mix should be based on current and future demographic trends. However the guidance that LPAs should identify the size, type, tenure and range of housing that is required in specific locations should be supported by a requirement that LPAs should set targets for housing to be provided in their areas in terms of size, type, tenure and affordability and that such targets should be incorporated in neighbourhood plans and be the basis of development briefs for individual sites. Given that market housing schemes will have to be relied upon to bring forward some affordable housing the Local Plan should specify both the overall number of affordable homes required/achievable in the area, and the proportion of each scheme that it expects to be delivered as affordable housing in order to reach that target number. This will have to be reviewed carefully to ensure that it is viable. It should be noted that there is a risk that CIL will prejudice the ability to deliver affordable housing unless the development plan level of affordable housing is taken as a given in the preparation of the CIL charging schedule

#### 15. Affordable housing

The guidance on affordable housing in para 111 should be strengthened to include a requirement on LPAs to set separate targets for social rent, 'affordable' rent, intermediate housing and market housing, which meet requirements identified through Strategic Housing Market Assessments. These targets should be disaggregated by number of bedrooms, and where appropriate should include guidance on the appropriate built form and density of development. They should also be disaggregated by neighbourhood plan area.

#### 16. Residential density

The density guidance in the previous PPS3 should be included in the NPPF to ensure appropriate development, effective use of land supply, and to avoid both over-development and under-development. LPAs should be required to adopt policies on density which are based on the principles of sustainable residential quality and which enable rather than obstruct the provision of housing which meets the needs identified in the Strategic Housing Market assessment.

#### 17. Housing design

We welcome the guidance in the design section of the NPPF. However, we consider that the housing section should include minimum internal space standards for all new development, together with requirements for external space including children's playspace.

#### 18. Thresholds

We support the removal of the national 15 minimum dwelling site threshold for application of affordable housing requirements, as this has in practice limited the provision of affordable housing on smaller sites. We are however concerned that some LPAs may determine higher thresholds in order to limit the provision of affordable housing in their areas. While we would support LPAs applying affordable housing requirements to smaller sites, subject to not negatively impacting on the viability of development, there is a case if the objective of mixed and balanced communities is to be delivered, for an upper limit on a threshold a LPA may determine, and 15 units may be an appropriate figure. Where units cannot be provided on site on smaller schemes there should be a commuted contribution in areas where that is viable and there is stock that the contribution can be used to secure.

#### 19. Rural exception sites

We consider that LPAs in rural areas should be allowed to operate a rural exception sites policy, if they considerate appropriate to their area.

#### 20 Development viability and housing delivery

Para 39 should be amended to refer to a 'reasonable' return to developers and landowners, not one that is 'acceptable' to them. If housing delivery objectives are to be achieved, it is important to avoid delays relating solely to developers and landowners taking a view that profit could be maximised from deferring development. In such circumstances, local authorities may wish to consider the use of compulsory purchase powers. The Government should issue guidance on the basis for assessing 'reasonableness'.

#### 21. Financial considerations

The NPPF needs to make reference to the role of "financial considerations" in planning,

given that Government's view of the New Homes Bonus, a neighbourhood component of the Community Infrastructure Levy and the proposed reform of business rates are all meant to encourage decisions to promote more development. Moreover, there needs to be clarification that while issues of community benefit are still an important component of negotiations in relation to planning obligations, the basic principles set out in circular 5/2005 will remain and be incorporated in the NPPF and that consents should not be granted for applications which are in breach of key planning policies solely on the basis of additional resources generated for the local authority, neighbourhood or individual households either through direct payments by the applicant or through additional receipts generated either through CIL, business rates or the additional New Homes Bonus generated by housing completions. While these additional resources are clearly factors in the planning decision process, they should not over-ride core planning policy objectives and that such considerations need to be within the overall context of a plan-led system.

#### Endnote: Objectives and Membership of Highbury Group on Housing Delivery

The group was established in 2008 as the Highbury Group on housing and the credit crunch and originally met at London Metropolitan University in Highbury Grove, Islington, London (thus the name). The group's name was changed in September 2010 and it now meets at the University of Westminster, 35 Marylebone Road, London NW1 It comprises the following core members: Duncan Bowie - University of Westminster (convener); Stephen Ashworth – SRN Denton ; Julia Atkins - London Metropolitan University; Bob Colenutt - Northampton Institute for Urban Affairs ; Kathleen Dunmore - Three Dragons ; Michael Edwards - Bartlett School of Planning, UCL; Deborah Garvie -SHELTER ; Stephen Hill - C20 Futureplanners ; Angela Housham - Consultant ; Seema Manchanda - L B Wandsworth; Kelvin McDonald - Consultant ; Dr Tony Manzi - University of Westminster; James Stevens -HomeBuilders Federation ; Peter Studdert – Planning consultant ; Janet Sutherland - JTP Cities; Paul Watt -Birkbeck College ; Nicholas Falk- URBED; Catriona Riddell – Planning Officers Society; Alison Bailey – consultant; Richard Donnell – Hometrack; Richard Simmons; Nicholas Falk (URBED); Peter Redman (Housing Futures)

The views and recommendations of the Highbury Group as set out in this and other papers are ones reached collectively through debate and reflect the balance of member views. They do not necessarily represent those of individual members or of their employer organisations.

The key purpose of the group is to promote policies and delivery mechanisms, which

- \* increase the overall supply of housing in line with need
- \* ensure that the supply of both existing and new housing in all tenures is of good quality and more affordable by households on middle and lower incomes.
- \* support the most effective use of both existing stock and new supply
- \* ensure that housing is properly supported by accessible infrastructure, facilities and employment opportunities.

Earlier papers by the Highbury Group, including the Group's submission to the House of Commons Localism Bill committee and for the House of lords debates on thwe Localism Bill are available on the group's website:

http://www.westminster.ac.uk/schools/architecture/housing/urban-research-group/highbury-group-on-housing-delivery/highbury-group-documents

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