

Report to: Planning Committee
16th October 2018

Wards All

Review of Revised National Planning Policy Framework

Report of the City Planning Manager.

1. Purpose of Report and Summary

- 1.1 The National Planning Policy Framework (NPPF) was first published in 2012. Following a Government consultation earlier this year the planning committee responded to its proposals and the Chief Executive also wrote directly to the Minister for Communities Housing and Local Government (MCHLG) with recommendations for ways to speed up housing delivery, based on successful approaches within Hull.
- 1.2 The revised NPPF was issued in July 2018. This replaces the 2012 document. The NPPF provides an overall framework for planning which needs to be taken into account in both planning policy and decisions on planning applications.
- 1.3 This report reviews the main changes in the revised NPPF and any implications for the planning service, and informs Members of the MCHLG response following the letter sent by the Chief Executive .

2. Recommendations

- 2.1 It is recommended that the changes outlined in the NPPF are noted and that Planning Committee support a housing delivery figure to include a 5% buffer to be reported through the Annual Monitoring Reports as outlined at paragraph 6.10.

3. Reasons for Recommendations

- 3.1 The revised NPPF emphasises the promotion of growth and the ways in which the planning profession can assist with that, including for example facilitating land assembly, use of compulsory purchase powers, and pre-planning application advice. However with regard to housing delivery it continues to make Local Planning Authorities (LPAs) responsible for under delivery rather than house builders, and requires LPAs to introduce measures to speed up

delivery where targets are not being met. The LPA are required to identify and update annually a supply of specific deliverable housing sites, and this can be done through the Annual Monitoring Report. Within that supply a buffer of either 5%, 10% or 20% must be included. The 20% buffer applies where there is a record of under delivery and would not apply to Hull. Where a five year supply can be comfortably proven the 5% buffer is sufficient. It is preferable to have a low a buffer as possible as this helps protect sites not allocated for housing that meet other needs, for example employment and greenspace requirements.

4. Impact on other Executive Committees (including Area Committees)

- 4.1 The report relates to the changes made to the NPPF only and has no direct impact on other committees.

5. Background

- 5.1 The NPPF was first issued in 2012. It is a material consideration in planning applications and is supported by more detailed advice in National Planning Policy Guidance (NPPG). Development Plans still form the basis for decision-making, but these should reflect the advice contained within the NPPF. Where they do not they may be considered to be out-of-date.

- 5.2 A Government consultation on proposed changes to the NPPF was issued in March 2018. This followed on from a Housing White Paper aimed at increasing the delivery of housing, and this formed a major part of the proposed changes. Planning Committee responded to the changes on 17th April 2018, and following representations at Full Council the Chief Executive wrote directly to MCHLG on 29th March 2018 to outline how Hull had been successful in bringing forward key housing sites, and made alternative recommendations for speeding up delivery based on our approach.

- 5.3 A revised NPPF was published on 24th July 2018. There are a number of changes of which the main ones are:-

- A Housing Delivery Test from November 2018 based on delivery of homes rather than numbers planned, including penalties for local authorities who under deliver over a three year period;
- A new standardised method for calculating housing need;
- Ten percent of the housing requirement to be accommodated on small sites;
- Greater emphasis on design quality and design standards.
- Confirmation of a revised definition of deliverable housing;
- Supports diversification of town centres;
- Encourages Councils to facilitate land assembly and use compulsory purchase powers where necessary to promote development;
- Supports planning performance agreements for very large and complex applications;
- Exemption from the 10% affordable housing requirement in major schemes for purpose built build-to-rent housing, self-build homes, and specialist accommodation for a group of people with specific needs

- (giving examples of purpose built accommodation for students or the elderly).
- Protection of existing businesses by requiring new residential developments to include mitigation before they are built against any significant adverse effects from the business;
 - Greater protection for irreplaceable habitats.

6. Issues for Consideration

- 6.1 The revised framework includes a number of positive changes such as an increased emphasis on high-quality design, stressing the importance of digital technology and recognising the role of planning in creating healthy and safe communities. It also promotes many issues already being addressed within the new local plan such as:
- Town centre designation
 - Building for life
 - Housing Delivery
 - Affordable Housing

- 6.2 The more significant changes are discussed below.

Housing

- 6.3 The new Housing Delivery Test will focus on housing delivery rather than how many homes are planned, measured over a three year period. Results will be published annually starting in November 2018, to take into account figures over the previous three years. There will be penalties against local councils for under delivery.
- 6.4 The Housing Delivery Test will be based on a national standard methodology of calculating housing need. It is worked out from official Government statistics of projected household and population growth in an area to produce an average growth prediction for the next ten years, which is then uplifted by a local affordability ratio based on the relationship between house prices and earnings. Across the country this produces wide variations in housing requirements with some authorities being required to greatly increase delivery rates. Within Hull the figure would be less than the current Local Plan delivery target of 620 houses per annum, which completions here exceeded in the last three years.
- 6.5 There are two direct implications of not meeting the Housing Delivery Test.
- 6.6 Firstly where delivery falls below 95% of the local planning authority's housing requirement over the previous three years the authority will be required to prepare an action plan in line with national planning guidance, to assess the causes of under-delivery and identify actions to increase delivery in future years. These should be produced within six months. The requirements for an action plan are extensive and will be very resource dependent if required.
- 6.7 The NPPF therefore continues to focus on making LPAs responsible for under delivery of houses even though it is housebuilders, not local

authorities, who actually deliver homes. There are other ways to encourage house building without penalising LPA, through more positive actions and incentives. The Chief Executive wrote to MHCLG on 29th March 2018 to explain the Council's successful role in promoting development through partnership working and land assembly facilitation, and also made the following suggestions for consideration:-

- (a) The ability to forward fund infrastructure costs;
- (b) The streamlining of the compulsory purchase process to enable sites to be acquired rapidly where they are allocated for housing and/or have residential permission but are not being implemented;
- (c) Consider tax advantages for developing out brownfield sites;
- (d) Financially incentivise house builders to bring forward sites at pace and financially penalise those who continually fail to deliver;
- (e) The effective resourcing of Local Government to enable them to bring forward comprehensive house building schemes and then providing a financial benefit for those authorities that overachieve their housing requirements (such measures could include an enhanced New Homes Bonus supplement, where a premium is paid for a greater number of years than currently proposed); and
- (f) Financially rewarding Councils that ensure new homes achieve national space standards, building for life standards and enable the growth of urban populations which are inherently more sustainable than rural populations.

- 6.8 It should be noted that the NPPF does make reference to some of these suggestions, such as the role of Councils in facilitating land acquisition, use of compulsory purchase powers, and applying standards such as Building for Life to achieve better designed places. However the focus of the NPPF is still on making LPAs responsible for responding to under delivery. However, MCHLG have now responded to the Chief Executives letter with an offer for the Chief Planning Officer, senior officials and Ministers to visit Hull to see how the planning profession is delivering its ambition for growth, and to work together to raise awareness of the Council's approach. This is an opportunity both to promote Hull, but to continue to push for alternative measures to be put in place to support housing delivery as suggested above. The City Planning Manager has contacted MCHLG to take up this offer.
- 6.9 The second issue is that where authorities fail to meet targets a "tilted balance" is applied to decisions, whereby there will be a presumption in favour of sustainable development where delivery falls below 75% of the housing requirement from 2020. In effect the policies in the NPPF will take precedence over local plan policies, particularly where these are not up to date.
- 6.10 Notwithstanding the above Hull will currently meet the Housing Delivery Test, including rolling it back over the previous three years. The current target in the Local Plan is 620 new dwellings per year and delivery has been consistently well above that figure. Under the methodology we would be required to deliver around 400 new dwellings per year. It is however important to ensure that plans are regularly reviewed and monitored to continue to meet the Test. To that effect the NPPF requires all authorities to identify and update annually a supply of specific deliverable sites sufficient to

provide a minimum of five years' worth of housing against their housing requirement. This is also required to include a buffer of (a) 5% to ensure choice and competition in the market, or (b) 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement, to account for any fluctuations in the market during that year; or (c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply. The 20% option is not applicable as we are meeting targets. The 10% buffer requires an annual position statement to be submitted to and approved each year by the Planning Inspectorate. Prior to that engagement with housebuilders is required to agree consensus on likely build out rates. The intention is this land supply position would then be fixed for 12 months, avoiding any fluctuations that may alter delivery rates. Producing such a statement is resource intensive as housebuilders are likely to push for a higher rate than the council consider necessary. Given high levels of permissions, allocations and completion rates the 5% buffer is all that needs to be provided in Hull. Within Hull we can comfortably prove that a 5% buffer is sufficient and at this time it is not considered necessary to go down the more onerous route of submitting Annual Position Statements. Housing figures are reported annually through the Annual Monitoring Report and this provides an opportunity to monitor and review housing deliver. It is recommended therefore that the 5% figure is agreed to be reported and monitored within the Annual Monitoring Report.

- 6.11 There is a new requirement to require at least ten percent of the housing requirement to be accommodated on small sites of 1 hectare or less. This recognises the contribution they can make to meeting housing requirements and to support small and medium sized builders. The consultation document suggested 20 percent but this has been dropped to ten following concerns about delivery and potential break up of sites to meet the target. The ten percent target is achievable.
- 6.12 The ten percent affordable housing requirement for major development clarifies that affordable housing should be on site unless an appropriate financial contribution in lieu can be justified and the approach contributes to the objective of creating mixed and balanced communities. This reflects our Local Plan policy and links with the Housing Strategy team to identify affordable housing needs and delivery.

Design

- 6.13 With regard to design there is greater emphasis on design quality through design standards and expectations in Local Plans and supporting documents (eg. design briefs), and it encourages opportunities for enhancing design through early advice, use of design codes such as Building for Life, community involvement in the planning process, and use of digital technology. The NPPF also seeks to discourage quality being eroded through subsequent amendments to applications. Conversely, however, where a proposal meets laid down standards, there is an expectation that design should not be used as a reason to refuse an application.
- 6.14 The increased emphasis on design quality seeks to achieve well designed places. It supports our approach of offering planning performance

agreement, pre-application advice and committing to design awareness through Design Reviews and officer and Member training.

- 6.15 Within the NPPF there is also a recognition that where new residential development is proposed next to existing businesses whose activities are likely to have significant effects on those residents that this can lead to complaints in the future from new residents about those operations. The NPPF therefore promotes mitigation being designed into housing schemes from the outset, although it is not specific about type. Given the urban nature of Hull this is an issue that does occur and needs to be considered with applications, although it should be on a case by case basis and any mitigation needs to remain reasonable.

Other

- 6.16 As discussed within the housing section there is an emphasis on supporting existing businesses and encouragement for local councils to help to promote new development to bring development forward, through land assembly facilitation and compulsory purchase powers. Hull has been active in this area for a number of years which has helped bring forward a number of developments. This is supported through the encouragement of planning performance agreements.
- 6.17 There is a strengthened emphasis on refusing development that will result in the loss of irreplaceable habitats unless there are exceptional circumstances supported by a suitable compensation package. Ancient Woodland and Veteran Trees are given as examples of habitats having previously been excluded. Irreplaceable habitats are not specifically defined but are described as the significance of which may be derived from habitat age, uniqueness, species diversity and/or the impossibilities of re-creation. The policy wording effectively gives irreplaceable habitats protection on a par with heritage buildings. It is unlikely to be significant within the context of the Hull area.

7. Options and Risk Assessment

- a. Option 1 – that the changes are noted.
- b. Option 2 – that the changes are noted and the Committee supports the position of providing a 5% buffer within housing delivery figures.

8. Risk Assessment

- 8.1 The NPPF policies introduce some welcome changes but also areas of concern which could add to future burdens on the planning department if we are unable to meet housing delivery targets into the future. There will be a need to ensure we continue to monitor local plans and housing delivery closely so that early strategies can be put in place if issues are identified. This is good practice in any case and is a purpose of the Authority Monitoring Report. However, concern has previously been expressed following the consultation on the NPPF revisions about holding local authorities to account for failing to meet housing delivery targets when the local authority does not directly control building rates. This has not been amended within the NPPF

and remains a potential burden on resources should strategies to increase delivery need to be prepared.

9. Consultation

9.1 None.

10. Comments of the Town Clerk (Monitoring Officer)

10.1 The recommendations in the report reflect the requirements of the new NPPF and the recommendation is supported.

11. Comments of the Section 151 Officer

11.1 The s151 officer notes the changes outlined in this report to the National Planning Policy Framework. As set out in the report there are significant resource and reputational issues should we fail to achieve 95% of the local planning authority's housing requirement over the previous three years.

12. Comments of City HR Manager and compliance with the Equality Duty

12.1 The City Human Resources Manager notes the revisions to the National Planning Policy Framework. She particularly notes the position in regard to making the Local Planning Authority responsible for under delivery as opposed to house builders. This risk of not meeting housing delivery targets could add to the future burdens on the planning service which may impact on staff in this area. This should be kept under review as part of annual monitoring.

13. Comments of Overview and Scrutiny

13.1 This report has not been subject to pre-decision scrutiny. (Ref. Sc5063)

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Officer Interests: None

Background Documents: - None.

Implications Matrix

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, Area Committee etc prior to submitting this report for official comments	Yes (comments awaited)
Is this report proposing an amendment to the budget or policy framework?	No
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Corporate Director	Yes
I have included any procurement/commercial issues/implications within the report	N/A
I have liaised with Communications and Marketing on any communications issues	No
I have completed an Equalities Impact Assessment and the outcomes are included within the report	N/A
I have included any equalities and diversity implications within the report	N/A
Any Health and Safety implications are included within the report	N/A
Any human rights implications are included within the report	N/A
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	N/A
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	N/A
I have included information about how this report contributes to City/Council/ Area priorities within the report	The revisions to the NPPF introduce some welcome changes that support the Councils approach to development.