

Planning update—more housing needed!



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As part of a series of announcements last week, the Government surprised many by replacing its national planning policies with a revised National Planning Policy Framework (NPPF). However, now that the dust has settled it looks like the two other announcements, changes in National Planning Practice Guidance and the Government's first annual reporting on its Housing Delivery Test, are nevertheless, if not more, relevant.

Another National Planning Policy Framework (NPPF)

The original NPPF was published in 2012, and it took six years to be replaced in July 2018. Less than 9 months later, this document has now been superseded. However, the changes in the document appear, at first glance, to be minor at best. The substance of the changes can be summarised as follows:

- As a result of a European Court of Justice (ECJ) ruling, a paragraph has been changed to make it clear that the **presumption in favour of sustainable development does not apply where the proposal will have a "significant effect" on a habitats site**, unless an assessment has concluded that the proposal will not adversely effect the integrity of that habitats site (paragraph 177).
- A footnote has been amended to state that **"where local housing need is used as the basis for assessing whether a five year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning guidance"** (footnote 37).
- An amendment to the glossary to confirm

that **non-major sites with outline consent should be presumed deliverable, unless there is evidence that they are not**, effectively flipping the presumption for this type of development (definition of "deliverable sites").

- A further glossary amendment to clarify that alternative approaches to the **standardised method of calculating housing yield should only be used in policy making** and not, for example, housing land supply statements (definition of "local housing need").

All in all, the changes to the NPPF can be boiled down to; one change in the main body of the document, one footnote change and two glossary amendments. As such, they represent a tightening up of the 2018 version rather than indicating any broader change in approach.

On the positive side, planners across England will be heaving a sigh of relief that they don't have to memorise another raft of paragraph numbers. However, the publication of such a similar policy document, so soon after the last one, raises the question of whether we can expect new NPPFs to be published on a regular basis.

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Practice Guidance changes relative to calculating housing need

In an attempt to simplify the system, last year the Government introduced a standard method of calculating housing need, based on household projections. However, this was somewhat undermined by the publication, last autumn, of new household projections based on 2016 data, which suggested, when applied to the standard methodology, a housing need that was far below the Government's nationwide aspirations.

The Government has since made it clear that these projections should not be used, preferring the earlier, 2014 based data. Last week's change to practice guidance represents a further cementing of this position. However, this is likely to prove temporary as the Government is reviewing its methodology and we can expect further announcements on this later in the year.

Housing Delivery Test (HDT) results

HDT was introduced by the Government in the 2018 NPPF as a way of measuring the actual delivery of additional dwellings in a local authority area against need. The results of these tests are of high importance to both local authorities and developers; substantial under-delivery against the test triggers the presumption in favour of sustainable development.

The results indicate that over a third were below the 100% pass rate and many were considerably lower. Of these, 87 of the worst performing local authorities will need to apply

a 20% buffer when calculating housing need. In addition they, and a further 22 authorities, will need to produce "action plans" to remedy the situation.

The presumption in favour of sustainable development has not been triggered by any local authority yet, but this is because the threshold for substantial under-delivery is currently 25% of need. It will rise next year, and then again in 2020 to its final level of 75%. Around 20% of local authorities would currently fail against this yardstick.

Summary

The release of new national policies would normally be a major planning story, but in reality the changes are incremental and reflect government thinking that we were already aware of. The same is true of the changes to planning practice guidance.

In this context, the biggest takeaway of last week's announcements is likely to prove the HDT results – these illustrate that housing delivery falls short (in some cases far short) of Government aspirations. Although this is hardly news in itself, local authorities will be under considerable (and growing) pressure to increase the number of new homes, particularly in the worst performing areas, with knock-on opportunities for developers and landowners.

If you would like to discuss how the planning system might add value to your property portfolio, please do not hesitate to **get in touch**.

