

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN COMMITTEE – WEDNESDAY, 12 SEPTEMBER 2018

Title of report	FINAL REVISED NATIONAL PLANNING POLICY FRAMEWORK – IMPLICATIONS FOR LOCAL PLAN REVIEW
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Purpose of report	To outline for members the provisions of the new National Planning Policy Framework (NPPF) and to highlight potential implications for the Local Plan review.
Council priorities	Value for Money Business and Jobs Homes and Communities Green Footprints Challenge
<p>Implications:</p> <p>Financial/Staff</p> <p>Link to relevant CAT</p> <p>Risk Management</p>	<p>None</p> <p>None</p> <p>The timing of the publication of the NPPF, and the fact that the Local Plan review is in its relatively early stages, means that any implications arising from the NPPF can be taken in to account and so reduce the risk of the Local Plan not being consistent with the requirement to be consistent with national policies.</p>
<p>Equalities Impact Screening</p> <p>Human Rights</p> <p>Transformational Government</p>	<p>An Equalities Impact Assessment of the Local Plan review will be undertaken.</p> <p>None discernible</p> <p>Not applicable</p>

Comments of Head of Paid Service	The Report is Satisfactory
Comments of Section 151 Officer	The Report is Satisfactory
Comments of Deputy Monitoring Officer	The Report is Satisfactory
Consultees	Local Plan Project Board
Background papers	<p>National Planning Policy Framework which can be found at https://www.gov.uk/government/publications/national-planning-policy-framework--2</p> <p>National Planning Policy Framework 2012 http://webarchive.nationalarchives.gov.uk/20180608095821/https://www.gov.uk/government/publications/national-planning-policy-framework--2</p> <p>Planning Practice Guidance https://www.gov.uk/government/collections/planning-practice-guidance</p>
Recommendations	<p>THAT THE LOCAL PLAN COMMITTEE NOTE:</p> <p>(I) THAT A NEW NATIONAL PLANNING POLICY FRAMEWORK IS IN PLACE;</p> <p>(II) THE POTENTIAL IMPLICATIONS FOR THE LOCAL PLAN REVIEW AS OUTLINED IN THIS REPORT</p>

1.0 BACKGROUND

- 1.1 Members will be aware that Local Plans are required to be consistent with national policies. These are set out in the National Planning Policy Framework (NPPF). The original version of the NPPF was published in March 2012. A revised draft was published in March 2018 and the final version was published on 24 July 2018. Some changes have also been made to the Planning Practice Guidance (which provides further guidance beyond that set out in the NPPF) and further changes are anticipated over the coming months.
- 1.2 The revised NPPF is part of a wider recent government programme of reforms designed to increase the supply of new housing to reach 300,000 additional homes each year. The NPPF has sought to take account of changes since 2012 including Ministerial Statements (for example in terms of the approach to renewable energy) and the effect of case law on the interpretation of the former NPPF.

- 1.3 From a policy point of view the new NPPF largely carries forward the provisions from the 2012 version. In some cases the policies have been strengthened, for example in terms of design a new paragraph has been included where it states that “*The creation of high quality buildings and places is fundamental to what the planning and development process should achieve*”.
- 1.4 The Annex sets out the transition arrangements which will apply whereby only those Local Plans submitted for examination prior to 24 January 2019 will be assessed against the 2012 NPPF. Therefore, the Local Plan review will be assessed against the new NPPF.
- 1.5 The NPPF makes clear that “*existing policies should not be considered out-of-date simply because they were adopted or made prior to the publication of this Framework. Due weight should be given to them, according to their degree of consistency with this Framework...*”. In view of the fact that the Local Plan was adopted relatively recently and was judged to be consistent with the 2012 NPPF means that the impact of the new NPPF will be relatively limited.
- 1.6 This report highlights a number of key changes where the impact is upon the principle of the particular matter, rather than simply being amended wording for say clarity and their implications for the Local Plan review. It is not a summary of all of its provisions. The report follows the structure and headings of the NPPF.

2.0 ACHIEVING SUSTAINABLE DEVELOPMENT (CHAPTER 2)

- 2.1 The presumption in favour of sustainable development has been retained but amended. In terms of Local Plans it previously stated “*Local Plans should meet objectively assessed needs [for housing and other types of development]*”. It now states “*strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs which cannot be met within neighbouring areas*” unless particular policies in the NPPF provide “*a strong reason for restricting the overall scale*” of development

Comment

- 2.2 The specific reference to meeting unmet needs from elsewhere formalises in effect what has been happening as a result of the Duty to Cooperate, but it is now an explicit requirement.
- 2.3 Members will be aware that this council has previously signed a Memorandum of Understanding (MOU) in respect of housing distribution with all of the other authorities in the Leicester and Leicestershire Housing Market Area (LLHMA). Leicester City has previously declared an unmet need, although not the quantum. This will require a new MOU or similar and will be an important element of the evidence base to inform the Local Plan review.

3.0 PLAN MAKING (CHAPTER 3)

The plan making framework, strategic and non-strategic policies

- 3.1 The new NPPF requires that Local Plans include strategic policies which are to address an authority's priorities for development and that these should be explicitly identified. It states that:

“Strategic policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for:

a) housing (including affordable housing), employment, retail, leisure and other commercial development;

b) infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);

c) community facilities (such as health, education and cultural infrastructure); and

d) conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.”

- 3.2 Strategic policies should look ahead over a minimum of 15 years from adoption.
- 3.3 A Local Plan can also include non-strategic policies to address other matters. The NPPF requires that strategic policies should not deal with detailed matters which can be dealt with through neighbourhood plans or non-strategic policies.

Comment

- 3.4 It has previously been proposed that the Local Plan review should cover the period to 2036. This will ensure that the plan satisfies the requirement to look at least 15 years ahead.
- 3.5 Strategic policies in a Local Plan are those with which a neighbourhood plan is required to be in general conformity. The adopted Local Plan specifically notes that all of the policies in the Local Plan are strategic policies. The review will need to consider whether this remains the case.
- 3.6 The need to draw a clear distinction between strategic and non-strategic policies may have implications for the structure of the Local Plan document and so it may look significantly different to the adopted Local Plan which to some extent conflicts with the fact that it is a review, not a new Local Plan.

Maintaining effective cooperation

- 3.7 The NPPF reiterates the need for effective cooperation between local planning authorities and county council (in two tier areas) in respect of strategic matters that cross administrative boundaries. To demonstrate this is the case authorities are required to prepare and maintain one or more statement of common ground.

Comment

- 3.8 As noted above an MOU is already in place in respect of housing but this is in the process of being replaced. It is likely that this will take the form of a statement of common ground. Based on information published as part of the 'Planning for the right homes in the right places' consultation in September 2017 the statement of common ground is likely to be wider ranging than just housing and it will need to be refreshed as plan making proceeds across the HMA.

Preparing and reviewing plans

- 3.9 Policies should be reviewed to assess whether they need updating at least once every five years from the adoption of a plan and then be updated as necessary.

Comment

- 3.10 An amendment to the Town and Country Planning (Local Planning) (England) Regulations already requires that reviews are undertaken at least every five years. The NPPF merely reflects this requirement.

Examining plans

- 3.11 Members will be aware that a local plan has to be found 'sound' (i.e. accord with legal and procedural requirements) through an examination. For a plan to be found sound it must be; positively prepared, justified, effective and consistent with national policy.
- 3.12 In terms of the 'justified' test the former NPPF required that the "*plan should be the most appropriate strategy*". The revised NPPF now requires that it be "*an appropriate strategy*".
- 3.13 The 'positively prepared' test refers to having a strategy "*which, as a minimum, seeks to meet the areas objectively assessed needs*" rather than the previous "*seeks to meet objectively assessed development and infrastructure requirements*".
- 3.14 There are some rewording of the other tests to ensure consistency with other changes (for example, to include reference to statements of common ground).

Comment

- 3.15 The amendment to the 'justified' test is considered to be a positive change as it is a more proportionate test and should, if an authority can show it is meeting development requirements, result in less time being spent at examinations trying to demonstrate that it is the most appropriate strategy.
- 3.16 In terms of the change to the 'positively prepared' test this reinforces the government's drive to ensure that sufficient housing is available to meet its target of 300,000 homes a year. Whilst the test has changed slightly, the previous NPPF required that plans meet "*the full, objectively assessed needs for market and affordable housing..*". Therefore, in reality the change is not considered to be that significant.

4.0 DELIVERING A SUFFICIENT SUPPLY OF HOMES (CHAPTER 5)

4.1 In view of the importance attached by the government to this issue it is perhaps not surprising that this is the longest chapter in the new NPPF.

Identifying housing need

4.2 The most significant change in terms of housing as in relates to Local plans (and arguably in the NPPF as a whole) is the introduction of a standard methodology to assess housing needs. Based on the 'Planning for the right homes in the right places' consultation from 2017 the standard methodology uses a combination of household growth projections (published every two years by the Ministry of Housing, Communities and Local Government) and information regarding affordability of housing (referred to as the median workplace based affordability ratios) to identify the level of future need for each authority.

4.3 The purpose of the standard methodology is to have an approach which is relatively "*simpler, quicker to update and more transparent*" than is currently the case (Planning for the right homes in the right places). By having such a methodology less time should be required at examinations debating what the appropriate level of housing which a plan should provide for is.

4.4 The NPPF states that:

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."

Comment

4.5 There are some important points to note from paragraph 4.4 above:

- Any need figure is the minimum required;
- There may be 'exceptional circumstances' in which a different approach can be used; and
- Any need figure has to take account of unmet needs elsewhere in neighbouring areas.

4.6 The first and last bullet points reflect the change to the 'positively prepared' test outlined above (paragraph 3.13) and the change outlined above at paragraph 2.3 respectively.

4.7 In terms of exceptional circumstances this is caveated by the fact that any alternative approach must reflect "*current and future demographic trends and market signals*". Whilst the stated aim of having the standard methodology is reduce time spent at examinations, it is considered that the wording used is likely to provide an opportunity for those seeking alternative figures (higher or lower) to put forward alternative figures and so engender a debate. Furthermore, the draft NPPF had referred to housing requirements being "*based upon a local housing needs assessment*", whereas it now states to "*be informed by a local*

housing need assessment". The revised wording is much looser and provides a further opportunity for challenge and so potentially undermines the justification for having a standard methodology.

- 4.8 Notwithstanding the government's commitment to having a standard methodology there is some uncertainty regarding what the methodology will be. Alongside the NPPF the government has issued a statement which notes that based on the latest population projections published in May 2018 (and which inform the household projections) that:

"The government is aware that lower than previously forecast population projections have an impact on the outputs associated with the method. Specifically it is noted that the revised projections are likely to result in the minimum need numbers generated by the method being subject to a significant reduction, once the relevant household projection figures are released in September 2018.

In the housing white paper the government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time.

It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in Planning for the right homes in the right places consultation and continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020s."

- 4.9 Until the latest household projections are published and the government has consulted and determined exactly what the standard methodology should be there is no certainty as to what the likely housing figure will be for the review. Based on the latest affordability information published earlier this year and the last projections on household growth (from 2016 and based on 2014 data) the figure for the period up to 2036 would be 368 dwellings per annum. This is significantly less than the adopted Local Plan (481 dwellings per annum) and the Housing and Economic Development Needs Assessment for the period to 2036 (448 dwellings).
- 4.10 The outcome from the ongoing discussions regarding a new MOU to address the unmet need in Leicester City will also clearly have implications for any housing need figure to be used in the Local Plan review. Coupled with the uncertainty associated with the standard methodology there are potential implications for the programme for the Local Plan review. A further report will be brought to this committee is due course to address this.

Type of housing need

- 4.11 As per the previous NPPF there is a need to identify the type, size and tenure of housing required. However, the new NPPF specifically requires that *"Where major development [defined as 10 or more dwellings] involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable*

housing needs of specific groups". It lists exemptions where this will not apply, including where the development is specialist accommodation to meet specific need, is all affordable housing, the properties are to be for build to rent or is proposed for by people building or commission their own home.

- 4.12 The NPPF reaffirms that affordable housing should not be sought on sites which are not major developments, other than in 'designated rural areas' where a lower threshold of 5 dwellings may be applied.
- 4.13 There is a new requirement for the strategic policies to set out a housing requirement for designated neighbourhood areas "*which reflects the overall strategy for the pattern and scale of development*".

Comment

- 4.14 A footnote to the NPPF states that the reference to seeking 10% of homes to be 'affordable home ownership' is "*as part of the overall affordable housing contribution from the site*". This means that on a site of say 100 dwellings that 10 dwellings would have to be for some form of 'affordable home ownership'. These would then form part of the overall affordable home provision on the site; they would not be over above the normal policy requirements. For example, based on the current adopted Local Plan policy, a greenfield site of 100 dwellings in Ashby de la Zouch would require 30 dwellings to be affordable. Of these 10 would have to be for affordable home ownership with the remaining 20 being some other form of affordable dwellings (although this could include more affordable home ownership properties).
- 4.15 As such, therefore, this limits the flexibility in the approach which the council takes and is also likely to have implications from a viability point of view. These matters will need to be addressed as part of the Local Plan review.
- 4.16 The reference to 'designated rural areas' is defined in the glossary as being National Parks, Areas of Outstanding Natural Beauty (of which there are none in this district) "*and areas designated as 'rural' under Section 157 of the Housing Act 1985*". Following further investigation it has been confirmed by the Ministry for Housing, Communities and Local Government that there are not any parts of the district which are designated as rural areas. Therefore, it will not be possible to seek to include a lower threshold for requiring affordable housing.
- 4.17 In terms of housing requirements for designated neighbourhood plan areas, at the current time there are 4 designated areas (Ashby de la Zouch, Ellistown and Battleflat, Hugglescote & Donington le Heath and Blackfordby). Of these Ashby de la Zouch and Ellistown & Battleflat are at an advanced stage. Whilst the NPPF only refers to identifying housing requirements for designated neighbourhood plan areas it may be appropriate to consider doing it for all parish areas anyway so this information is available in the event of a neighbourhood plans coming forward elsewhere.

Identifying land for homes

- 4.18 Previous consultations and statements from government have indicated that they are keen to get a wider range of house builders involved in the market. The new NPPF requires that

10% of an authority's housing requirement should be met on sites of no more than 1 hectare (unless there are strong reasons why this cannot be achieved).

- 4.19 Support should be given for the development of entry level exception sites, suitable for first time buyers. They should include one or more types of affordable housing (e.g. for rent, starter homes, discounted open market sales housing) be adjacent to an existing settlement and of a proportionate size.
- 4.20 The NPPF recognises that large scale developments, such as new settlements or significant extensions to towns and villages, can make an important contribution to the supply of new homes "*provided they are well located and designed, and supported by the necessary infrastructure and facilities*". The expected quality of such development should be set out, possibly utilising the Garden City principles. There should be realistic expectations as to the level of self-containment which can be realised.

Comment

- 4.21 In terms of small sites the draft had suggested a figure of 20% of all provision should be on sites of less than 0.5Ha. A number of commentators had raised concerns regarding the potential for this to slow down plan preparation. Historically such sites have played a significant role in the provision of housing in North West Leicestershire. It is not clear whether it is envisaged that it will be necessary to formally allocate all such sites or whether it will be sufficient to demonstrate that they form part of the overall supply. Officers will need to undertake further work on understanding this
- 4.22 The concept of entry level housing was not included in the draft NPPF but appears to have evolved from the concept of Starter Homes policy of the previous administration. It reflects the historic approach to rural exceptions sites for affordable housing (which is retained elsewhere in the NPPF). The definition of an entry-level home is that it "*must be suitable for first time buyers (or equivalent, for those looking to rent)*". Presumably this will need to take account of factors such as cost and income levels, as well as any physical characteristics of such properties. Further work will need to be undertaken on this.
- 4.23 The new NPPF goes further than the previous version in terms of its support for new settlements and other large scale developments. Such developments have the potential for meeting needs over a long period (possibly beyond a single plan period), but the need for infrastructure to support such development is, as recognised in the NPPF, a fundamental consideration. Members will be aware that such large scale developments are planned across the district (South-east Coalville, Money at Ashby de la Zouch and north and south of Park Lane Castle Donington). The need for further such large scale developments, possibly involving new settlements, is a matter which will have to be considered as part of the Local Plan review when there is greater clarity regarding future housing requirements.

Maintaining supply and delivery

- 4.24 The 'Planning for the right homes in the right places' consultation in September 2017 trailed the idea of introducing a Housing Delivery Test. The NPPF confirms that the Delivery Test will be introduced from November 2018. The test will measure the number of homes created against local housing need and penalise councils that under deliver against

various thresholds over a three-year period. This includes applying the presumption in favour of sustainable development (as outlined in paragraph 2.1 above) where delivery is below 25% of the housing requirement in 2018, increasing to 45% in 2019 and 75% in 2020.

- 4.25 The definition of what is considered to be a deliverable housing site has been amended so that Sites with outline planning permission, allocations or identified on brownfield registers should only be considered deliverable "*where there is clear evidence that housing completions will begin on site within five years*".

Comment

- 4.26 The Housing Delivery Test does not impact upon the Local Plan directly, other than it reinforcing the need to ensure that sites are deliverable. It is in addition to needing to demonstrate a 5-year supply of housing land which has been maintained. However, the need to have a 20% buffer will only apply where the outcome from the Housing Delivery Test shows that delivery was below 85% of the housing requirement over the previous 3 years.

- 4.27 The change in the definition of deliverability does potentially have implications for the housing trajectory that will form part of the Local Plan review as it will be necessary to ensure that there is robust evidence in place to support the trajectory.

5.0 BUILDING A STRONG, COMPETITIVE ECONOMY (CHAPTER 6)

- 5.1 Limited changes have been included in respect of these matters. One change is that there is now a requirement to recognise and address the specific locational requirements of different sectors, including storage and distribution operations "*at a variety of scales and in suitably accessible locations*".

Comment

- 5.2 Members will be aware that the storage and distribution sector has a significant presence in the district. Based on the Strategic Distribution study undertaken for Leicester & Leicestershire and evidence in the Housing and Economic Development Needs Assessment (HEDNA) it would not appear that there is a need for any further allocations for such uses, but the matter will need to be kept under review and consideration will have to be given as to how to address the NPPF requirement.

6.0 ENSURING THE VITALITY OF TOWN CENTRES (CHAPTER 7)

- 6.1 Once again the changes are limited in terms of policy direction. The NPPF has retained the need to define primary shopping areas and town centre boundaries, but now requires that in terms of looking to meet future needs policies should look at least ten years ahead.

Comment

- 6.2 It is generally recognised that seeking to predict future shopping needs is inherently uncertain and so only needing to look ten years ahead is to be welcomed. A Retail Capacity Study has been commissioned which will address this matter.

6.3 The adopted Local Plan boundaries for the town centres and primary shopping areas will need to be reviewed in the light of new evidence.

7.0 PROMOTING SUSTAINABLE TRANSPORT (CHAPTER 9)

7.1 Parking standards should only be set at a maximum “*where there is clear and compelling justification that they are necessary for managing the local road network or for optimising the density of development and city and town centres and other locations that are well, served by public transport*”.

7.2 A specific requirement is included whereby planning policies “*should recognise the importance of providing adequate overnight lorry parking facilities...*”.

Comment

7.3 The parking policy in the adopted Local Plan links to the parking standards of the County Highway Authority. For non-residential developments these are expressed as ‘maximum’ standards. The implications of what the NPPF says will need to be discussed with the Highway Authority.

7.4 The issue of needing to provide lorry parking facilities is one that was raised by the County Highway Authority in response to the consultation undertaken earlier this year on the Local Plan review. One option might be seek to ensure that any new employment developments include specific provision for overnight parking or alternatively to identify standalone sites. Either way there will be a need to understand any commercial implications.

8.0 MAKING EFFECTIVE USE OF LAND (CHAPTER 11)

8.1 This is a new chapter but it largely repeats messages that were made throughout the previous NPPF rather than being in one section. For example, it reaffirms the need to maximise the use of previously developed land and to not protect land allocated for a specific purpose (e.g. employment) if there is no realistic proposition of development coming forward for that use.

8.2 A new section on density is included which reaffirms the need to ensure that new development makes efficient use of land. In areas where there is an existing or anticipated shortage of land for housing policies should avoid homes being built at low densities. Where this is the case then policies may be required “*to optimise the use of land*” and “*the use of minimum density standards should also be considered*”.

Comment

8.3 The adopted Local Plan does not include a standalone policy in respect of density. Instead the Council’s approach to achieving good design as part of new developments requires developments to be based on detailed assessments of both a site and its context recognising that a ‘one size fits all’ approach will not be appropriate.

8.4 As worded the NPPF only requires specific policies on density where there is a shortage of land for housing. This is not the case in this district and so it should not be necessary for the council to change its approach on this matter.