

NFNPA/PDCC 232/17

NEW FOREST NATIONAL PARK AUTHORITY

PLANNING DEVELOPMENT CONTROL COMMITTEE MEETING – 18 APRIL 2017

HOUSING WHITE PAPER – NEW FOREST NATIONAL PARK AUTHORITY RESPONSE

Report by: David Illsley, Policy Manager

1. Introduction

- 1.1 In February 2017 the Government published their *Housing White Paper – Fixing our broken housing market*. The Housing White Paper sets out how the Government intends to address the nation's housing problems in terms of under supply and create a more efficient housing market. A summary of the main proposals in the White Paper was circulated via the Members' Bulletin on 9 February 2017. The consultation on the White Paper (and associated documents) runs for 12 weeks, closing on 2 May 2017.
- 1.2 This report highlights the main matters for interest to the National Park Authority and seeks members' endorsement of the proposed consultation responses. The New Forest National Park Authority is also liaising with the other English national park authorities in feeding into a combined National Parks England response.
- 1.3 Alongside the Housing White Paper the Government also published a number of supporting technical documents in February 2017 which provided the evidence underpinning many of the White Paper proposals. These included:
 - Proposed Changes to NPPF (Dec. 2015) – Summary of consultation responses
 - Planning and Affordable Housing for Build to Rent – A consultation paper
 - Government response to the Communities and Local Government Select Committee inquiry into the report of the Local Plans Expert Group
 - Summary of responses to the technical consultation on implementation of planning changes; consultation on upward extensions; and Rural Planning Review Call for Evidence
 - A new approach to developer contributions – A Report by the CIL Review Team
- 1.4 A brief summary of these documents is contained in Annex 1 to this report. Although focusing on the Housing White Paper, where appropriate this paper also sets out the Authority's proposed response to these supporting documents.

2. Housing White Paper – Fixing our broken housing market

- 2.1 The Prime Minister's Foreword to the Housing White Paper states that to address the nation's housing problems,
"...we need more land for homes where people want to live. All areas need a plan to deal with the housing pressures they face and communities need a say in the homes that are built. We will require all areas to have up-to-date plans in place..."

Since the 1970s, there have been on average 160,000 new homes completed each year in England. The consensus is that the country needs 225,000 - 275,000 additional homes per annum to keep up with population growth, societal change and to tackle past under-supply. The Housing White Paper sets out a range of measures to address this.

- 2.2 Many of the proposed measures set out in the Housing White Paper focus on the planning system and would involve amendments to the National Planning Policy Framework (NPPF). The Government intends to publish a revised NPPF later this year, which will consolidate the outcome from the previous and current consultations.
- 2.3 The Housing White Paper extends to over 100 pages and a summary of the main proposals has previously been circulated to members in February 2017. The White Paper is framed around four main headings before going on to ask 38 consultation questions. Proposals of most relevance to the work of the Authority include:

Planning for the Right Homes in the Right Places
<i>Overview: The planning system needs to ensure that enough land is released in the right places and that the best possible use is made of that land to achieve a step change in the delivery of new housing</i>
<p style="text-align: center;"><u>Main proposals</u></p> <ul style="list-style-type: none"> ▪ Introduce a requirement that Local Plans are reviewed at least once every 5 years. ▪ Amend the Local Plan 'soundness' tests to streamline the examination process. The Government will, where necessary, intervene to ensure Plans are put in place. ▪ Planning authorities must work constructively with neighbours on addressing unmet housing needs. Authorities will be expected to prepare Statements of Common Ground setting out how they will work together to meet housing requirements. ▪ The Government will consult on options for introducing a standardised approach to assessing local housing needs, as the current approach lacks transparency. ▪ Reaffirming the protection afforded to National Parks (among other designations) as areas where development should be restricted in paragraph 14 of the NPPF. ▪ Stronger support for the development of rural exceptions sites for affordable housing (including Starter Homes) and that a local occupancy test should apply. ▪ Amend national policy to expect local authorities to have policies that support the development of small windfall sites within settlements for homes. ▪ Amend the NPPF to make it clear that development proposals should make efficient use of land and avoid building at low densities.

Diversifying the Market
<i>Overview: The Government wants to diversify the house-building market by introducing more competition and innovation to help deliver an increase in housing</i>
<p style="text-align: center;"><u>Main proposals</u></p> <ul style="list-style-type: none"> ▪ Supporting housing associations and local authorities to build more homes. The 2016 – 2021 Affordable Homes Programme (over £7 billion) will be opened up to include grants for affordable rented housing (previously it was focused on home ownership). ▪ Backing small and medium-sized builders to grow. ▪ Supporting self and custom build homes through greater access to land and finance.

Building Homes Faster
Overview: <i>There are currently significant lags between plans being developed, full permissions for new homes being granted, and those homes being built.</i>
<p><u>Main proposals</u></p> <ul style="list-style-type: none"> ▪ To tackle delays, the Government will take forward proposals to ensure that pre-commencement conditions can only be used with the agreement of the applicant. ▪ Consider amending national policy to enable planning authorities to shorten the timescale for planning permissions to be implemented from three years to two. ▪ Introduce a new Housing Delivery Test to ensure authorities are delivering housing. If house building falls below the target, further land should be brought forward. ▪ Increase planning fees, enabling authorities to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department. ▪ Consult on introducing a fee for making planning appeals, capped at £2,000.

Helping People Now
Overview: <i>The long-term solution to problems in the housing market is to build more homes. This section sets out how the Government will help people now.</i>
<p><u>Main proposals</u></p> <ul style="list-style-type: none"> ▪ Supporting people to buy their own homes through the Starter Homes initiative. The Government intends to make it clear that Starter Homes should be available to households that need them most (i.e. those with an income of less than £80,000). ▪ A policy expectation that 10% of dwellings on larger sites (ten or more dwellings or 0.5 hectares in size) should be Starter Homes. ▪ Clarify that proposals on employment land that has been vacant or unused for five years should be considered favourably for Starter-Home-led development. ▪ Clarify that Starter Homes, with appropriate local connection tests, are acceptable on rural exceptions sites. ▪ From April 2016 higher rates of Stamp Duty Land Tax have been payable on purchases of additional residential properties, including second homes.

- 2.4 In order to implement the vision set out in the Housing White Paper, the Government is consulting on a range of specific planning proposals. The Annex to the White Paper (pages 69 – 104) sets out consultation questions where new proposals are being made. The Authority's proposed responses (below) are framed around these questions.

Housing White Paper – fixing our broken housing market
Proposed NFNPA response

Question 1: *Tighten the definition of the evidence required to support a 'sound' Plan*

The Authority supports the proposals in the White Paper to: (i) amend the tests of what is expected of a 'sound' plan; and (ii) revise the NPPF to tighten the definition of what evidence is required to support a 'sound' plan. From our experiences the commissioning of evidence base studies and reports to support the Local Plan-making process runs to tens of thousands of pounds and therefore a more proportionate approach is supported.

Question 3: *Use a standardised approach to assessing housing requirements from 2018*

The Authority welcomes proposals for a standardised methodology for assessing

housing needs and an emphasis on simplicity, as the current approach requires significant financial resources. The production of standardised methodology also provides an opportunity for the Government to confirm the position on housing in National Parks, having regard to the *National Parks Circular* (2010). Currently national park authorities are required by the NPPF to generate an Objectively Assessed Need (OAN) figure based on a 'policy-off' approach. Yet, as acknowledged within the *National Parks Circular* and NPPF, National Parks are areas where development is restricted. The Authority would therefore welcome clarification within the standardised methodology on whether the Objectively Assessed Need figure for housing should apply to National Parks. It appears perverse for national park authorities to be required to generate a 'policy-off' housing need figure, when their entire Plan-area is recognised as an area where development should be restricted under the 'policy-on' scenario.

In addition, many planning authorities are working to submit updated Local Plans by March 2018, broadly the same date that is proposed for the production of a standardised approach to assessing housing need. Consequently planning authorities, like the New Forest National Park Authority, will be unable to take this new standardised methodology into account in preparing their Submission draft Local Plans and this could take up significant time at the subsequent Local Plan examinations in 2018.

Question 4: *Amend the presumption in favour of sustainable development so that the reasons to restrict development are limited to those set out in footnote 9 of the NPPF*

The Authority welcomes the proposed adjustments to paragraph 14 of the NPPF and the clear, continuing recognition of National Parks as areas where development should be restricted (footnote 9). The proposed amendments make the position clearer for both Plan-making and decision-taking. Amending this important paragraph in the NPPF offers the Government the opportunity to clarify that it expects there to be a different approach to housing development in National Parks.

Question 8: *Supporting the development of windfall sites*

The Authority supports the proposed amendments to national planning policy to expect local planning authorities to have policies that support the development of small 'windfall' sites. Land supply in many National Parks, including the New Forest, is often heavily (or entirely) reliant on small-scale windfall development and the contribution it can make to housing delivery should not be overlooked.

Question 16: *Housing Land Supply*

The Housing White Paper proposals for agreeing a five year housing land supply raise particular issues in National Parks. The *National Parks Circular* makes it clear that National Parks are not appropriate locations for unrestricted housing and therefore they do not have specific housing targets. The Authority would therefore call for recognition in the NPPF that in locations where the Framework indicates development should be restricted (see paragraph 14 and footnote 9), development plans should not be considered out of date in the absence of the five year housing land supply.

Question 18: *The merits of introducing a fee for making a planning appeal*

The Authority supports the proposed introduction of a fee for making planning appeals, which may dissuade the more speculative appeals. The Authority fully recognises that an applicant's right to appeal is a fundamental part of the British planning system and

therefore agrees with the proposal (Question 18, part c) that there could be lower fees for less complex cases, up to a maximum capped figure of £2,000.

Question 28: Introducing a Housing Delivery Test

The Authority has the same concerns regarding the Housing Delivery Test as those highlighted above regarding the five year housing land supply (Question 16). The application of a 20% buffer on the five year housing land supply, allied to the presumption in favour of sustainable development applying automatically, may risk compromising the statutory National Park purposes and paragraph 14 of the NPPF.

Question 31: Changing the definition of affordable housing

As highlighted in the Authority's consultation response on proposed changes to the NPPF in early 2016, we have concerns regarding the proposal to significantly broaden the definition of affordable housing to include Starter Homes and discounted market sales housing. The Authority remains concerned that these forms of housing may not fully meet local affordable housing needs in perpetuity, as in the case of Starter Homes the dwelling will only be available at an affordable level for a time limited period.

3. A new approach to Developer Contributions – A report by the CIL Review Team

- 3.1 In November 2015 the Government established a Community Infrastructure Levy (CIL) review group to assess the extent to which CIL provides an effective mechanism for funding infrastructure; and to recommend changes that would improve its operation in support of the Government's wider housing and growth objectives. The review group included representatives from local planning authorities, the Home Builders Federation and the British Property Federation. Their report was completed in October 2016 and published alongside the Housing White Paper in February 2017.
- 3.2 The report notes that there have been amendments to the CIL regulations every year since it was introduced in 2010. The adoption of CIL remains optional for planning authorities and take up since 2010 has been patchy, with just under 60% of planning authorities either charging CIL or in the process of setting one up. Only one national park authority - the South Downs – is charging CIL to date.
- 3.3 The report concludes that the current system is not as fast, simple or transparent as originally intended. CIL has not raised as much money as was envisaged when it was first introduced. Further problems identified by the report include:
 - the number of exemptions granted to certain forms of development from paying CIL;
 - subsequent restrictions on Section 106 agreements through the pooling restrictions;
 - the impacts of CIL on the delivery of affordable housing;
 - the overall complexity of the CIL system which is described as, "*difficult to understand, expensive to operate and uncertain in its implementation*"; and
 - the time and resources required to set a CIL charge, which costs between £15,000 - £50,000 per authority to commission viability work and manage the process.
- 3.4 The Report concludes that it is not sensible to leave matters as they are. A range of options were considered - including the complete abolition of CIL - and the main recommendation of the Report is that a new approach to developer contributions is required. This would be based on a new 'low level' tariff that ensures all development

makes some contribution; combined with an additional Section 106 agreement for larger developments. To enable this new approach a number of more detailed specific recommendations are made, including:

- The setting of the new 'Local Infrastructure Tariff (LIT)' should be linked to the Local Plan process wherever possible.
- The LIT should be calculated using a national formula based on local market value set at a rate of £ per square metre. One possible methodology would be to take a sum of between 1.75% and 2.5% of the sale price for a standard 100m² three-bed family home and divide that by 100 to reach a square metre rate.
- There should be no (or very few) exemptions to the LIT on the grounds that every development should contribute in some way to the need for local infrastructure.
- There should be no need for a complex examination process. The examination process should be replaced by a simple mechanism to address any representations received on the proposed LIT rates.
- In terms of Section 106 agreements, it is recommended that the pooling restrictions currently in place are removed completely.
- Small sites (10 dwellings or less) should only pay LIT and should pay no other charges (e.g. Section 106 agreements). The Government should give further consideration to how environmental mitigation for small sites can be addressed if the Government accepts this principle.
- LIT should be a mandatory for all local planning authorities, except where it would bring in insufficient funds to justify the cost of collection.

3.5 The Government will examine the options for reforming the system of developer contributions and will make an announcement in the Autumn Budget 2017.

*A new approach to developer contributions: a report by the CIL Review Team
Proposed NFNPA response*

- The DCLG-produced 'CIL progress at 1 October 2016' map (page 7) is misleading as it is based on local authority boundaries, not local planning authority boundaries. Consequently the whole of the New Forest National Park is shown as 'charging CIL' when in reality it the constituent areas of New Forest District, Test Valley and Wiltshire outside the National Park where CIL is currently being charged.
- It is noted that the Government will be making an announcement on the system of developer contributions in the Autumn Budget 2017 (November 2017). The report by the CIL Review Team includes a recommendation that the setting of LIT should be linked to the Local Plan process wherever possible. However, a significant number of planning authorities have been given a deadline of March 2018 to submit an updated Local Plan. Consequently combining the Local Plan review process and potentially taking LIT forward together will not be possible for many local planning authorities as the respective timetables do not allow this.
- The National Park Authority supports the Report recommendations that:
 - a) LIT should be calculated using a national formula based on local market value

- set at a rate of £ per square metre;
- b) there should be no (or very few) exemptions to the LIT; and
 - c) the examination process should be replaced by a simple mechanism to address any representations.

The costs of commissioning viability work; the wide range of developments that are currently CIL-exempt; and the resources required for the examination process are factors behind the New Forest National Park Authority not adopting CIL to date.

- The National Park Authority supports the Report recommendation that the pooling restrictions on Section 106 agreements are removed. The current pooling restrictions have proved unhelpful in the context of development within the New Forest National Park, where developments are typically small and it is therefore difficult to build up a sufficient pot of funding to support local infrastructure.
- The proposed abolition of the pooling restrictions for Section 106 agreements (supported above) would remove one of the problems associated with seeking habitat mitigation contributions. However, as is noted within the Report recommendations, there is a potential conflict between the recommendation that smaller developments (10 dwellings or less) should only pay LIT; and the current practice whereby habitat mitigation contributions are sought through Section 106 agreements. In the New Forest, the Authority routinely seeks financial contributions towards habitat mitigation measures from all developments resulting in a net gain of residential units. Under the Report recommendations, the Authority would no longer be able to do this through a Section 106 agreement and the question of how small sites would contribute to habitat mitigation measures therefore remains unclear.

4. Consultation on changes to permitted development rights following the Rural Planning Review call for evidence

- 4.1 Between February and April 2016 the Government issued a 'call for evidence' as part of the Rural Planning Review which sought evidence on how the planning system was operating in rural areas. A key message which emerged from the review was that some further changes to Permitted Development Rights would be beneficial.
- 4.2 In response to this, the Government is now consulting on a new agricultural to residential use Permitted Development Right to allow the conversion of up to 750m² of agricultural buildings, for a maximum of 5 new dwellings (each with a floorspace of no more than 150m²) without requiring planning permission. Currently the threshold is 450m² and the Permitted Development Right does not apply within National Parks. The consultation asks if the new thresholds should be subject to similar restrictions.

Rural Planning Review Call for Evidence consultation on new permitted development rights - Proposed NFNPA response

The National Park Authority is firmly of the view that the proposal to extend national Permitted Development Rights for the conversion of agricultural buildings to residential use should not apply in National Parks – as is currently the case with the existing Permitted Development Rights. It remains appropriate that such development proposals continue to go through the full planning process in nationally designated landscapes to avoid sporadic housing development that conflicts with the statutory Park purposes. Therefore National Parks should be exempted from this change.

5 Proposed Changes to the NPPF – Summary of Consultation responses

- 5.1 Between December 2015 and February 2016 the Government consulted on a range of proposed changes to the National Planning Policy Framework. In total the Government received 1.138 responses to this consultation, including responses from National Parks England and the New Forest National Park Authority.
- 5.2 The proposed changes included a number that raised concerns, including the proposal that there be a presumption in favour of sustainable development on small sites (less than 10 units) adjacent to existing settlement boundaries. The Authority's consultation response objected to this proposal and the impact it would have on the Local Plan-led system in the National Park. The Government has now announced that, "...following careful consideration and in recognition of the potential harmful impacts to villages, the Government will not take forward proposals for extending the presumption in favour of sustainable development of small sites adjacent to existing settlements." (page 9).

Proposed Changes to the NPPF – Summary of consultation responses Proposed NFNPA response

The New Forest National Park Authority supports and welcomes the Government's decision not to proceed with proposals to extend to presumption in favour of sustainable development to small sites adjacent to existing village boundaries. This would have undermined the Local Plan-led system and would have increased development pressures around villages in the National Park. The Local Plan review process is the more appropriate route for considering sites adjacent to settlement boundaries.

RECOMMENDATION

1. **Members endorse the National Park Authority's proposed consultation responses to the Housing White Paper and associated documents for submission to the Department of Communities and Local Government by 2 May 2017.**

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Papers:

**NFNPA/PDCC 232/17
Annex 1 – Supporting Technical Documents to the
Housing White Paper**

Equality Impact Assessment:

There are no equality or diversity implications arising directly from this report.

ANNEX 1 - Supporting Technical Documents to the Housing White Paper

1. Alongside the Housing White Paper, in February 2017 the Government published a range of supporting documents which provided the evidence underpinning many of the White Paper proposals. Further details are set out below.

Planning and affordable housing for Build to Rent Consultation

2. This consultation seeks views on planning measures to support an increase in Build to Rent schemes across England. This includes changing the NPPF policy to support and to increase the number of new Build to Rent homes, and the provision of Affordable Private Rent homes as the main form of affordable housing provision on Build to Rent schemes. The consultation also seeks to promote the availability of longer tenancies (of 3 years or more) in Build to Rent accommodation, to those tenants who want one.

Response to changes to the NPPF consultation

3. This document sets out the Government's response to the consultation document which sought views on proposed changes to national planning policy. It covered a number of areas including:
 - broadening the definition of affordable housing to expand the range of low cost housing opportunities
 - increasing the density of development around commuter hubs to make more efficient use of land in suitable locations
 - supporting sustainable new settlements, development on brownfield land and small sites and delivery of housing agreed in Local Plans
 - supporting delivery of starter homes.

Response to the Starter Homes regulations – technical consultation

4. This document summarises the responses to the technical consultation (Spring 2016) seeking views on the details for the starter homes regulations under the Housing and Planning Act 2016.

Summary of responses to the technical consultation on implementation of planning changes, consultation on upward extensions and changes to permitted development rights following the Rural Planning Review call for evidence

5. The consultation on implementation of planning changes provided detailed proposals to support the Housing and Planning Act 2016, covering the following areas:
 - changes to planning application fees
 - enabling planning bodies to grant permission in principle – response to be published separately
 - introducing a statutory register of brownfield land suitable for housing development – response to be published separately
 - introducing criteria to inform decisions on intervention to get Local Plans in place
 - extending the existing designation approach to include applications for non major development – response published separately
 - testing competition in the processing of planning applications
 - information about financial benefits
 - improving the performance of all statutory consultees

Report of the Local Plans Expert Group – summary of representations and government response to the Communities and Local Government Select Committee

6. In September 2015 Ministers asked the Local Plans Expert Group (LPEG) to examine what measures or reforms might be helpful in ensuring the efficient and effective production of Local Plans. The Communities and Local Government Select Committee undertook a short inquiry into LPEG's Report. The report responds to the Select Committee and briefly summarises representations received on LPEG's recommendations.

A new approach to developer contributions – A report by the CIL Review Team

7. The government commissioned an independent review of the community infrastructure levy in November 2015 to assess the extent to which CIL can provide an effective mechanism for funding infrastructure, and to recommend changes that would improve its operation in support of the government's wider housing and growth objectives. The independent review group submitted their report to Ministers in October 2016.