

**NFNPA/PC 261/18**

## **NEW FOREST NATIONAL PARK AUTHORITY**

### **PLANNING COMMITTEE MEETING – 17 APRIL 2018**

#### **DRAFT REVISED NATIONAL PLANNING POLICY FRAMEWORK (NPPF) AND ASSOCIATED DOCUMENTS**

**Report by:** David Illsley, Policy Manager

#### **Summary:**

In March 2018 the Government published their draft revisions to the National Planning Policy Framework (NPPF), with the public consultation closing on 10 May 2018. Alongside the draft NPPF a range of other documents and proposals were published (although not all of these are open for consultation). This report highlights the main areas where changes are proposed that are most relevant to the New Forest National Park. The report seeks member endorsement of the Authority's proposed consultation responses to a number of key areas; and also recommends the Authority inputs into the combined National Parks England response.

#### **Recommendation:**

**Members endorse the main areas of comment highlighted in sections 2 and 3 of this report and delegate to officers to input into a combined National Parks England response to the Ministry of Housing, Communities & Local Government by 10 May 2018.**

#### **1. Introduction**

- 1.1 The Government published their draft revised version of the National Planning Policy Framework (NPPF) on 5 March 2018. The proposed changes take forward a number of measures outlined in earlier consultations, including the Housing White Paper '*Fixing our Broken Housing Market*' (February 2017); the '*Planning for the Right Homes in the Right Places*' consultation document (September 2017); and the Budget 2017.
- 1.2 Alongside the draft revised version of the NPPF, the Government also published a range of other planning policy and guidance documents. These include:
  - '*Supporting housing delivery through developer contributions*': reforming developer contributions to affordable housing and infrastructure;
  - Draft updates to guidance which will form part of the Government's online Planning Practice Guidance. Proposed changes include guidance on viability, the five-year land supply and housing land delivery, housing needs assessments and neighbourhood planning. These changes are not subject to consultation;
  - Guidance on applying the Housing Delivery Test (which it has been confirmed does not apply to National Park Authorities); and
  - Changes to the General Permitted Development Order, which include an increase in the size of agricultural buildings which can be built without needing planning permission (from 465m<sup>2</sup> to 1,000m<sup>2</sup>) for holdings of 5 hectares or more. The rights came into effect on 6 April 2018 and are subject to a prior notification procedure.

1.3 This report focuses on the main parts of the draft revised NPPF that could affect the New Forest National Park and sets out the key areas of comment from the National Park Authority. As well as submitting our own response, we will input into the National Parks England response to be submitted on behalf of the ten English National Park Authorities.

## 2. Proposed changes to the National Planning Policy Framework (NPPF)

2.1 The NPPF was introduced in 2012 and this represents the first review since its publication. The Government has emphasised that there is a significant level of continuity in the updated Framework when compared to the current NPPF. It is clear that the primary aim of the proposed amendments are to significantly increase the supply of new housing in England and the speed with which it is permitted and built.

2.2 Set out below is an overview of the main areas of proposed change that are most relevant to the National Park; followed by the recommended response from the Authority where appropriate (the numbers in brackets refer to the Government's consultation questions).

### (i) *Presumption in favour of sustainable development*

2.3 The wording on the presumption in favour of sustainable development has been re-ordered. The draft text sets out an expectation that Local Plans should, as a minimum, meet objectively assessed needs unless there are very strong reasons for restricting development. Importantly, the proposed revisions list policies relating to National Parks, sites protected under the Birds & Habitats Directives, designated Sites of Special Scientific Interest and ancient woodland as strong reasons for restricting development.

#### NFNPA Consultation Response (Q2)

The New Forest National Park Authority supports the continued reference in paragraph 11 (and footnote 7) to National Parks as protected areas of 'particular importance', which provides a strong reason for restricting the overall scale, type or distribution of development. The proposed re-ordering of the wording in paragraph 11 is supported, as is the confirmation that this applies to both Local Plan-making and decision-making on applications. This strengthened wording reflects the protection afforded to National Parks through primary legislation and paragraph 170 of the draft NPPF.

### (ii) *Plan-making*

2.4 The Plan-making chapter of the draft NPPF reflects changes proposed in the Housing White Paper. This includes a new requirement for planning authorities to review plan policies every five years following the date of adoption; a tightening of the evidence required to support a 'sound' plan; and changes to strengthen the 'effective' soundness test to emphasise effective joint working, as evidenced by Statements of Common Ground on strategic cross-boundary matters.

### (iii) *Viability*

2.5 Paragraph 58 in the draft revised NPPF takes forward reforms to the viability assessment process originally proposed in the Government '*Planning for the right homes in the right places*' consultation (September 2017). The draft revised wording states that, "...where proposals for development accord with all relevant policies in an up to date development plan, no viability assessment should be required to accompany the application. Where a viability assessment is needed, it should reflect the recommended approach in national planning guidance." It is recommended that the Authority supports this proposed wording.

NFNPA Consultation Response (Q7)

The New Forest National Park Authority supports the proposed wording in paragraph 58 regarding viability assessments. Authorities are required to assess the viability of their policies through the Plan-preparation process and we endorse the draft wording proposed in the accompanying planning practice guidance that, “...*the role for viability assessment is primarily at the plan making stage.*” A Local Plan viability assessment is a significant undertaking and it is therefore appropriate that having completed one, viability assessments will not be necessary for applications that met the requirements of an up-to-date development plan (including those on affordable housing provision).

*(iv) Delivering a wide choice of high quality homes (including affordable housing)*

- 2.6 The proposed NPPF revisions aim to deliver a significant boost in housing to meet identified needs. Last year saw a significant increase in housing supply in England to over 217,000 new homes, but well short of the Government’s annual target of 300,000 new dwellings. The draft NPPF is clear that in areas with a shortage of land to meet housing needs, policies should avoid low density development and schemes should make optimal use of the potential of each site. To further support increased housing delivery, the Government has introduced a new **standardised methodology** for calculating housing needs and the details are set out in the draft revised planning practice guidance.
- 2.7 The draft guidance recognises that in National Parks - where plan-making authorities do not align with local authority boundaries - available data does not allow local housing needs to be calculated using the standard methodology. National Park Authorities are not exempt from the requirement to assess local housing needs and the draft revised planning practice guidance confirms that National Park Authorities are expected to generate their own housing need figure based on the best available local information.
- 2.8 Linked to the standardised methodology, the draft revised NPPF introduces a new ‘**Housing Delivery Test**’. Under the test, from 2020 the presumption in favour of sustainable development would apply to applications where housing delivery is below 75% of the authority’s housing requirement. Other proposals include potentially linking payments of the New Homes Bonus (which the Authority does not receive) to the Housing Delivery Test. The accompanying changes to national planning practice guidance state that although the Housing Delivery Test does not apply to National Park Authorities, “...*if the identified housing need is not met for these areas we would encourage the use of an action plan to help identify causes of under delivery and actions to address these.*”<sup>1</sup>
- 2.9 The provision of **affordable housing** for local people in the National Park is a key focus of our current Local Plan review. Paragraph 64 in the draft NPPF states that affordable housing provision should not be sought on development sites of less than 10 dwellings, “...*other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer)*...” This wording appears to offer greater flexibility for authorities to set lower affordable housing site size thresholds where justified. The Authority’s proposed Submission draft Local Plan (January 2018) proposes a site size threshold for affordable housing of 3 dwellings and therefore the proposed NPPF revisions are supported.
- 2.10 The draft revisions to the NPPF support the development of exception sites to provide ‘**entry-level**’ homes for first-time buyers on sites outside existing settlements. It is recommended that clarification is sought over the relationship between entry level homes

<sup>1</sup> Page 22, Draft Planning Practice Guidance, MHCLG, March 2018

(which are not defined in the Glossary to the draft NPPF); starter homes (now included under the definition of 'affordable housing' in the draft NPPF); and rural exception sites.

- 2.11 Paragraphs 79 – 81 of the draft NPPF set out the proposed policies for **rural housing**. Paragraph 81 confirms that planning policies and decisions should avoid the development of isolated new homes in the countryside unless particular circumstances apply. The list of circumstances has been extended from those within the current NPPF (2012) to include where, "...*the development would involve the sub-division of an existing residential property.*" This represents a potentially significant change in national policy that could have implications in areas such as the New Forest National Park, where currently circa two thirds of properties are located outside of the four defined villages.

#### NFNPA Consultation Response

The New Forest National Park Authority supports the confirmation that: (i) the standardised methodology for assessing housing needs; and (ii) the Housing Delivery Test, do not apply to National Parks. This accords with the consultation response submitted by National Parks England in 2017 and we welcome the Government's recognition that the methodology and test are not suitable in National Parks. The Authority is committed to delivering housing to meet identified local needs within the context of a nationally protected landscape and draft paragraph 11 of the NPPF.

The delivery of affordable housing to meet local needs is a key focus for the New Forest National Park Local Plan review. We therefore support the proposed wording in paragraph 64 of the draft NPPF that in rural areas local planning authorities can set a lower site size threshold for affordable housing where this is robustly justified. This would obviously be independently assessed at the Local Plan examination stage.

(Q13): We seek clarification on the relationship between entry level homes; Starter Homes; and rural exception sites, both in terms of their definition and their implementation. The latter two are defined in detail in the Glossary, but entry level homes are not. We are concerned that entry level exception sites risk undermining the delivery of affordable housing in perpetuity on rural exception sites.

The National Park Authority does not support the addition of criteria (d) in paragraph 81. We have significant concerns regarding the impact of creating a principle that would enable isolated dwellings to be sub-divided. Although changes to the appearance of the dwellings may be limited, there would be increased activity in areas that may not be appropriate or well served by local facilities. The Local Plan-making process represents the most appropriate way of setting planning policies for rural housing.

#### *(v) Conserving and enhancing the natural environment*

- 2.12 Existing national planning policy coverage for National Parks is contained within paragraphs 115 and 116 of the NPPF (2012). The Government is proposing a number of amendments to these paragraphs in the revised NPPF which can be summarised as:

- Combining existing paragraphs 115 and 116 into a single paragraph setting out the overall national policy on development within National Parks (new paragraph 170).
- Additional wording clarifying that development in National Parks should be limited.
- Continued cross-reference to the *English National Parks and the Broads: UK Government Vision and Circular* (2010) within the footnotes.
- The major development test is retained with very minor proposed wording changes.

- 2.13 The continued national policy recognition of the status of National Parks is welcomed, as is the statement that, “...*the scale and extent of development within these designated areas should be limited.*” It is recommended that the Authority’s response supports the proposed revisions, subject to a number of detailed comments on the wording.
- 2.14 In addition, there are a number of proposed updates in the draft NPPF linked to the Government’s recently published 25 Year Environment Plan. These include additional wording on strengthening existing networks of habitats (paragraph 169); taking air quality fully into account (paragraph 180); protection for Heritage Coasts (paragraph 171) and ancient woodland (paragraph 173). The draft NPPF does not, however, provide details on how the principle that new development should result in net environmental gain will be embedded into the planning process.

NFNPA Consultation Response (Q35)

The New Forest National Park Authority supports the proposed wording of paragraph 170 setting out the national planning policy protection for National Parks. The proposed insertion of additional wording confirming that the scale and extent of development within National Parks should be limited is supported and provides a useful link with the wording in paragraph 11 (and footnote 7) of the draft NPPF. In terms of the detailed NPPF wording, we would suggest the following:

- The existing wording in paragraph 115 of the NPPF (2012) stating that National Parks, the Broads and Areas of Outstanding Natural Beauty, “...*have the highest status of protection in relation to landscape and scenic beauty...*” is retained.
- The use of the term ‘major development’ in the draft NPPF should be clarified. Paragraph 170, for example, retains largely unaltered the existing wording on major development in National Parks contained within paragraph 116 of the NPPF (2012), but includes a new definition of ‘major development’ in the Glossary. This includes development which is classed as ‘major’ as defined in the Town & Country (Development Management Procedure) (England) Order 2015, which includes development comprising 10 dwellings or more for example. It is considered unlikely that this is the Government’s intention – existing national planning practice guidance on the ‘Natural Environment’ confirms that major development in the context of considering impacts on National Parks is not the same as that used in development management procedures – and the revised NPPF should clarify this.

(vi) *Transitional Arrangements*

- 2.15 Transitional arrangements are proposed which will apply the existing NPPF (2012) to the examination of Local Plans which are submitted on or before the date which is six months after the date of the publication of the new NPPF. In practice, this is likely to mean that Local Plans submitted before the end of 2018 will be assessed against the current NPPF. This is considered to be reasonable and it will ensure that those local planning authorities who are well advanced in the Local Plan-preparation process (such as the New Forest National Park Authority) can continue to submission under their current timetable.

NFNPA Consultation Response (Q40)

The New Forest National Park Authority considers the proposed NPPF transitional arrangements to be reasonable. Having previously highlighted Spring 2018 as the time when local planning authorities with older Local Plans should be submitting their revised Local Plans for examination, the Government’s proposed approach is supported.

### 3. Supporting housing delivery through developer contributions

- 3.1 The Government has also published proposed reforms to the system of developer contributions as they relate to affordable housing and infrastructure. The reforms cover the Community Infrastructure Levy (CIL) and Section 106 planning obligations and this consultation also closes on 10 May 2018. The proposals seek to provide certainty in the short term; while in the longer term the Government explores options including setting the level of contributions for affordable housing and infrastructure nationally.
- 3.2 The choice as to whether to implement the Community Infrastructure Levy (CIL) rests with individual planning authorities. To date only one of the English National Park Authorities - the South Downs - has done so. This is due to a range of factors, including the comparatively low level of development within most National Parks; the resources required to implement CIL; and the number of developments that would be CIL-exempt. Nationally, one third of planning authorities have not started work on implementing CIL.
- 3.3 To incentivise authorities to introduce CIL, regulations currently prevent authorities from using more than five Section 106 planning obligations to fund a single infrastructure project. The consultation document proposes removing this 'pooling restriction' in areas (i) that have adopted CIL; (ii) where CIL cannot feasibly be charged due to low house prices; or (iii) where development is planned on several strategic sites. It is proposed that the pooling restriction is retained elsewhere. The consultation invites views on whether a specific approach is needed to lifting the pooling restriction in National Parks, and whether a particular threshold (such as a planned number of homes) should be introduced.

#### NFNPA Consultation Response

Q6 (ii): *What comments do you have on how the restriction is lifted in areas where CIL is not feasible, or in National Parks?*

The consultation recognises the issues faced by National Park Authorities in seeking obligations towards affordable housing and local infrastructure (para. 104), given the low levels of development spread across a wide geographical area. The New Forest National Park Authority has negotiated obligations through Section 106 agreements since 2006, but has been restricted since the 'pooling restrictions' were introduced through the relevant CIL Regulations. We would therefore propose that in National Parks where the quantum of annual development is low (for example, less than 100 net new dwellings per annum), the Section 106 pooling restrictions should be lifted. The alternative of resourcing the implementation of CIL will not be feasible in most cases.

### RECOMMENDATION

**Members endorse the main areas of comment highlighted in sections 2 and 3 of this report and delegate to officers to input into a combined National Parks England response to the Ministry of Housing, Communities & Local Government by 10 May 2018.**

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**Papers:** NFNPA/PC 261/18 – cover paper

**Equality Impact Assessment:** This paper sets out a consultation response to proposed Government policy. No impacts have been identified.