



Planning Policy Consultation Team

Ministry of Housing, Communities and Local Government
3rd Floor, South East
Fry Building
2 Marsham Street
LONDON
SW1P 4DF

Dear Sir/Madam

National Planning Policy Framework: Consultation Proposals (March 2018)

WYG is a top 3, UK Planning Consultancy with offices nationwide. We are currently advising on sites which are seeking to deliver approximately 120,000 dwellings as well as major retail and leisure facilities. We act for a wide range of clients such as Council's (as landowners), Homes England, the retail sector and the house building industry. We provide services throughout the whole planning process from the promotion of sites within the Local Plan to gaining planning permission and the discharge of conditions.

The following provides the WYG response to the consultation on the proposed revisions to the National Planning Policy Framework (draft Framework). This submission should be read in conjunction with other WYG submission made on behalf of specific clients.

Chapter 1: Introduction

Q1 Do you have any comments on the text of Chapter 1?

The clarification, within paragraph 6, that endorsed recommendations by the National Infrastructure Commission may be material considerations when preparing plans or deciding applications is welcome. To provide greater clarity and certainty with regards the delivery of such recommendations it is suggested that this statement be strengthened to read;

'Other statements of government policy are material when preparing plans or deciding applications, such as relevant Written Ministerial Statements and endorsed recommendations of the National Infrastructure Commission.'

Chapter 2: Achieving sustainable development

Q2 Do you agree with the changes to the sustainable development objectives and the presumption in favour of sustainable development?

Yes.

The changes to the presumption in favour of sustainable development are welcomed. The emphasis on meeting objectively assessed needs for housing and other development provides a strong steer in terms of the importance of planning positively to meet these needs. Reference to meeting the unmet needs from neighbouring areas is also supported. To ensure that the unmet needs are met in practice the authority or group of authorities unable to meet their own needs should be required, through the Local Plan examination process and Statements of Common Ground, to demonstrate how and where these unmet needs will be met in full. Failure to identify how the unmet needs will be delivered should lead to a plan being found unsound at examination. Further clarification either within the Framework or through the updated national Planning Practice Guidance (PPG) would assist in this regard.

The inclusion of a definitive list of restrictive policies and designations in footnote 7, paragraph 11, is welcomed. This will reduce ambiguity and increase clarity for all involved in the planning process. It must, however, be clear that the presence of a designation or policy identified on the list need not necessary lead to plans not planning for their development needs or applications being refused. Our reasoning for this is due to the continued inclusion of Green Belt on the list. Whilst we recognise the importance of Green Belt it is not always fit for purpose and indeed constrains the growth opportunities of many of our major conurbations. Many Green Belt boundaries were set many decades previously and there has been little or no assessment of their continued strategic importance since this time. To ensure that the economic prosperity of the country is not unduly harmed by the wholesale application of footnote 7 further clarity upon the use of footnote 7 would assist.

Q3 Do you agree that the core principles section should be deleted, given its content has been retained and moved to other appropriate parts of the Framework?

No.

The inclusion of the core principles provided a useful introduction and overview to the document. Moving these principles to specific chapters has lessened their impact. A useful compromise may be to clearly identify the core principles relevant for each chapter of the document.

Q4 Do you have any other comments on the text of Chapter 2, including the approach to providing additional certainty for neighbourhood plans in some circumstances?

The requirement within paragraph 13 for neighbourhood plans to support the delivery of strategic policies in higher level plans is welcome and should ensure greater consistency between differing tiers of development plans. This is considered particularly important in relation to development needs and strategic sites.

Paragraph 14 formalises the neighbourhood plan three-year housing land supply test and introduces a 45% delivery threshold under the Housing Delivery Test. Whilst the reason for lower thresholds in neighbourhood plan areas is understood, a delivery rate of less than half of the plan requirement appears contrary to the general thrust of the draft Framework which is about delivering new homes.

A more reasonable and proportionate approach within neighbourhood plan areas would be to consider how the neighbourhood plan is performing in delivering the targets for the neighbourhood plan area. This would ensure that positively prepared neighbourhood plans are not unduly penalised for the poor performance of the rest of the authority. Likewise, it would reduce the opportunity for negatively prepared neighbourhood plans.

Chapter 3: Plan-making

Q5 Do you agree with the further changes proposed to the tests of soundness, and to the other changes of policy in this chapter that have not already been consulted on?

No.

References to meeting objectively assessed needs for housing and Statements of Common Ground are supported. Unfortunately, the wording of the 'Positively prepared' test appears to water down the requirement to meet development needs by the inclusion of "*...as much as possible of the area's objectively assessed needs...*". This infers that plans are not expected to meet the identified needs in full. Not meeting needs in full should be seen as the exception rather than the rule. It is therefore recommended that the first sentence of the 'Positively prepared' test be amended to read;

"Positively prepared – *provides a strategy which will, as a minimum, meet the area's objectively assessed needs (particularly for housing, using a clear and justified method to identify needs);...*"

If required a reference to footnote 7 could be included. These amendments would ensure that the test is more positively worded and consistent with the desire to increase the delivery of housing.

Similarly, the 'Justified' test also appears to be watered down by the removal of reference to the "...most appropriate strategy..." within the current Framework and replacement with "...an appropriate strategy...". This is a much lower bar than the previous test. It is our opinion that the current wording within the Framework should be retained.

Q6 Do you have any other comments on the text of Chapter 3?

The current Framework, paragraph 158, includes reference to ensuring that strategies for housing, employment and other uses are integrated. This appears to have been lost in the draft Framework. The importance of aligning strategies for housing and employment growth are essential elements of sustainable development. The re-introduction of such a statement is therefore recommended.

The reference to five-yearly reviews (paragraph 23) is supported and should ensure plans are kept up to date and remain relevant. Further guidance upon 'changing circumstances' as well as a form of examination of the Council's position may prove beneficial to ensure this does not simply become a 'tick-box' exercise.

The introduction of 'Statements of Common Ground' (SoCG) in paragraph 29 is supported. It is noted that the approach to their preparation is set out within draft PPG. The draft guidance refers to Local Enterprise Partnerships (LEPs) being potential co-signatories where they have interests. This is not considered sufficiently robust. LEPs have an important role to play in the economic prosperity of an area and as such their contribution should be given appropriate weight.

Our principal concern stems from recent experiences at Local Plan Examinations where the Strategic Economic Plans (SEPs) of the relevant LEP is given very limited weight. This is because they are not seen as binding and simply aspirational in nature. This is particularly the case when considering the link between the economy and housing growth. This limited application of weight and commitment occurs despite the local planning authority being co-signatories to the SEP and the SEP often being used as the basis for devolution and local growth deals. It is therefore considered that LEPs should be defined co-signatories on all economic issues including links with housing growth.

Chapter 3 also establishes an expectation that detailed viability will be addressed for allocated sites at the plan making stage. This is an area of significant concern and is addressed fully in our response to question 10 of this consultation.

Chapter 4: Decision-making

Q7 The revised draft Framework expects all viability assessments to be made publicly available. Are there any circumstances where this would be problematic?

No comment.

Q8 Would it be helpful for national planning guidance to go further and set out the circumstances in which viability assessment to accompany planning applications would be acceptable?

No.

The inclusion of a defined set of circumstances either within the Local Plan or national guidance where viability assessments would be acceptable is not supported. Whilst Local Plans should be able to identify the viability implications at the point of adoption for strategic sites and a generic list of site typologies, they will not be able to accurately reflect the viability of all site types and circumstances throughout the plan period.

A defined set of circumstances would constrain the opportunities for sites to be submitted with viability assessments. This is likely to mean that some sites which would otherwise be desirable to develop may not come forward. This would appear contrary to the Government's stated position of increasing housing delivery.

Q9 What would be the benefits of going further and mandating the use of review mechanisms to capture increases in the value of a large or multi-phased development?

The question only relates to capturing increases in value, any review must work both-ways otherwise this could lead to many developments stalling if there is an economic downturn. Review mechanisms could be useful but only where applied appropriately and based upon robust evidence. Neither the draft Framework nor PPG provide any clear direction upon what evidence should be required to invoke a review mechanism.

Q10 Do you have any comments on the text of Chapter 4?

Local Plan viability is by its very nature a broad-brush snap-shot in time. The assumptions used are generic and only relevant at the time of the study. The draft PPG suggests that local planning authorities will be responsible for defining cost assumptions, the existing use value (EUV) of land and an acceptable uplift to EUV. If, as suggested, Local Plan viability assessments are to be given greater



prominence it is essential that the development industry and land owners are properly engaged in the process to ensure that any assumptions made are realistic and robust.

The effect of ill-judged assumptions upon costs, EUV or appropriate EUV uplift could have significant effects upon delivery. The current Framework, paragraph 174 and PPG (ID 10-008) are clear that the delivery of plans should not be put at risk and plan-makers should not plan to the margins of viability. This emphasis appears to have been diluted in the draft Framework and PPG. However, if as suggested, greater reliance is placed upon Local Plan viability assessments in the decision-making process it is even more essential that the assumptions used and scale of obligations are not set at the margins of viability and appropriate viability buffers are used. This is because build costs, finance costs and sales values are all highly dynamic and vary from site to site and between developers. They are not standardised, or constant between different types of developer or site.

Furthermore, there is no parallel requirement to ensure that S106 costs are fixed at the point of the Local Plan production. In reality these are often not confirmed until the end of the application process. It is very common at planning appeals, for example, only to get agreement on the final S106 package at the first day of an Inquiry. S106 costs can be significant, also running into millions of pounds. It would be impossible, therefore, to 'fix viability' at a plan making stage, when such significant unknown costs still exist.

It is also important that the draft PPG makes it clear that the new viability guidance only relates to plans submitted after the introduction of the new Framework. This is important to ensure that the new provisions and guidance are not inappropriately applied. This will also ensure that the new provisions and guidance do not impede the delivery of sites where land deals have recently been concluded.



Chapter 5: Delivering a wide choice of high quality homes

Q11 What are your views on the most appropriate combination of policy requirements to ensure that a suitable proportion of land for homes comes forward as small or medium sized sites?

The consultation refers to at least 20% of sites allocated for housing being of 0.5 hectares or less but notes that a firm decision on whether this is the correct threshold for promoting a good supply of small sites.

WYG is supportive of the focus upon the promotion of a diversity of sites this will not only assist in providing sites which can be built-out quickly but will also ensure that sites within a plan appeal to the widest possible market. It is, however, important that the focus isn't solely upon sites below 0.5ha as the market for such sites is not currently very large. A strict adherence to such a small threshold could therefore place the delivery of the plan in jeopardy. Furthermore, a threshold of 0.5ha will inhibit the ability of local authorities to meet their affordable housing needs due to the implications of paragraph 64. To encourage a wider range of development interests it is recommended that the site size be increased to at least 2ha.

The requirement for the 'at least 20%' to be measured against the number of allocations and sites identified in other ways, such as through the brownfield register is supported. This should provide a balanced supply of sites, particularly if the threshold is increased to at least 2ha as suggested above. If the 20% was against the overall number of homes to be provided this could potentially unbalance the market in areas where there is a low residual requirement, once extant permissions have been considered, and / or there is a significant reliance upon windfalls, which in themselves are often dominated by small sites.

Q12 Do you agree with the application of the presumption in favour of sustainable development where delivery is below 75% of the housing required from 2020?

Yes.

WYG is supportive of the introduction of the Housing Delivery Test this will assist in ensuring plans and decision makers are focused upon providing and delivering sustainable housing sites. We do, however, query, given the Government's ambition to deliver 300,000 new homes per year, whether this should be further increased to 85% from 2021 onwards.

Q13 Do you agree with the new policy on exception sites for entry-level homes?

Yes.

This is considered a good addition to the Framework which should enable local needs to be more easily met. The provision does not, however, currently extend to Green Belt areas where needs can be just as acute. It is therefore recommended that the Government consider extending this provision to Green Belt sites to address local needs.

Q14 Do you have any other comments on the text of Chapter 5?

WYG is supportive of the introduction of a standard methodology for objectively assessed housing needs (paragraph 61). We are, however, disappointed that the proposed methodology does not take account of our previous concerns with the proposed methodology. In summary, our key concerns were that the guidance and methodology should;

- Clarify that the methodology provides a benchmark against which the housing requirement is to be tested rather than a definitive figure
- Consider previous under-delivery and the effect this will have upon the household projections;
- Provide an allowance for vacant and second homes;
- Concealed households to be included within the ONS household projections;
- Students and institutional population not included in the local needs assessments;
- Consideration given to affordable housing need and delivery;
- Threshold for the affordability uplift to be reduced to 3.5 to reflect the Government's own evidence (Council for Mortgage Lenders average first-time buyer loan to income ratio in England was 3.61);
- In using the cap based upon recently adopted Local Plans clear consideration is given to whether the plan is meeting its identified objectively assessed needs;
- A 40% cap upon reductions based upon the most recent Local Plan housing requirement be introduced.

Chapter 6: Building a strong, competitive economy

Q15 Do you agree with the policy changes on supporting business growth and productivity, including the approach to accommodating local business and community needs in rural areas?

Yes.

It is important that plans are positively prepared and support business growth. The Framework could usefully refer to plans and decisions supporting wider economic strategies, such as Strategic



Economic Plans of the Local Enterprise Partnerships, the Northern Powerhouse / Midland Engine and the Government's Industrial Strategy.

Paragraph 83, part c, identifies addressing potential barriers to investment. These are all considered important. It is, however, considered that the role of housing should be strengthened. The housing offer and future provision is often identified as a key requirement for businesses seeking to invest within an area. Due to this reason and to promote sustainable development WYG recommend the Framework creates a clear link between business growth and housing need.

Q16 Do you have any other comments on the text of chapter 6?

No further comments.

Chapter 7: Ensuring the vitality of town centres

Q17 Do you agree with the policy changes on planning for identified retail needs and considering planning applications for town centre uses?

Yes.

WYG consider that the proposed changes provide welcome clarification for the key retail policy tests for assessing main town centre uses. There are, however, a few areas where further detail or clarification would be useful to provide greater certainty.

Paragraph 87 provides greater clarity over the much-debated definition of 'availability' of potential sequentially preferable sites. The new text refers to suitable sites not being available, or expected to become available within a reasonable period. The reference to 'reasonable period' will undoubtedly lead to significant additional debate. Further clarity either within the Framework or draft PPG would assist on this issue.

Paragraph 88 considers the sequential approach and the test of 'suitability' for edge of centre and out of centre proposals. Disappointingly this paragraph does not provide any clarification regarding the requirement for applicants to demonstrate the 'disaggregation' of a proposal. Further clarification is recommended.

Q18 Do you have any other comments on the text of Chapter 7?

No further comments.

Chapter 11: Making effective use of land

Q25 Do you agree with the proposed approaches to under-utilised land, reallocating land for other uses and making it easier to convert land which is in existing use?

Yes.

Whilst WYG agree with the principle of the proposed approach it should be made clear through guidance that this is not seen to be a 'brownfield first' approach. The delivery of 300,000 homes per year will require a wide range of sites from a wide range of sources. Previously developed land will play an important role in the delivery of the housing needs of an area. However, to ensure that the system provides the right types of homes in the right locations will also require the use of greenfield land.

Q26 Do you agree with the proposed approach to employing minimum density standards where there is a shortage of land for meeting identified housing needs?

No.

Whilst higher densities in some locations are appropriate it is important that the drive to increase densities does not harm design, character and delivery. In this regard paragraph 122 of the draft Framework is a useful inclusion. However, this is somewhat undermined by the reference to plans containing; "...policies to **optimise** the use of land in their area and meet as much of the identified need for housing as possible...". The reference to optimise suggests a drive towards higher densities at all costs. This could have implications for delivery, particularly within weaker market areas.

Q27 Do you have any other comments on the text of Chapter 11?

No further comments.

Chapter 13: Protecting the Green Belt

Q30 Do you agree with the proposed changes to enable greater use of brownfield land for housing in the Green Belt, and to provide for the other forms of development that are 'not inappropriate' in the Green Belt?

Yes.

This is considered a good addition to the Framework which should enable the development of under-used and derelict sites within the Green Belt.

Q31 Do you have any other comments on the text of Chapter 13?

Paragraph 136 of the draft Framework discusses the exceptional circumstances test for removing land from the Green Belt. Part b of this paragraph refers to optimising the density of development, including a significant uplift in minimum density standards in town and city centres and other locations well served by public transport. Whilst it is considered appropriate that higher densities are

achieved in town and city centres the proposals concerning 'well served by public transport' are wide ranging and open to considerable interpretation. This could lead to some plans being focused upon a drive towards high density development at all other costs in almost any location which has a public transport system.

It is therefore recommended that guidance is provided in relation to 'well served by public transport' and a footnote reference be made back to the criteria in paragraph 122 of the draft Framework.

Chapter 15: Conserving and enhancing the natural environment

Q35 Do you have any other comments on the text of Chapter 15?

Paragraph 170 of the draft Framework identifies that in National Parks, the Broads and Areas of Outstanding Natural Beauty planning permission should be refused for major development other than in exceptional circumstances, and where it can be demonstrated that the development is in the public interest. WYG agrees that significant weight should be given to conserving the landscape and scenic beauty of these areas. Our concern with the proposed text relates to the use of the term 'major development'. Major development is described in the proposed Glossary as sites of 10 or more homes, 0.5 hectares or more. For non-residential it means additional floorspace of 1,000m² or more, or a site of 1 hectare or more. The current Framework (paragraph 116), also refers to 'major development' but importantly this is not defined.

The inclusion of a definition of 'major development' in the glossary will effectively reduce the potential for development by providing a very limited scope, in our view would be unduly restrictive. The current definition is a matter of judgement taking account of the circumstances of the individual case. This allows issues such as location and site characteristics to be considered allowing schemes to be considered in their context. Whilst this can create areas of dispute it is considered preferable to a strict adherence to a set threshold.

To overcome this issue, it is recommended that the reference to 'major development' be changed to 'significant development'.

Transitional arrangements and consequential changes

Q40 Do you agree with the proposed transitional arrangements?

Yes.



It is considered important to put in place transitional arrangements for plan-making to ensure well advanced plans can be adopted in a timely manner. In terms of decision making it is considered important that the Framework is a material consideration from the date of its publication. This reduces any uncertainty and given most practitioners will be aware of its likely content prior to publication should not be an impediment to effective decision making. The only exception to this relates to the new viability requirements and guidance where this should only apply to plans submitted after the publication of the new Framework. Our reasoning for this is set out in response to question 10.

Glossary

Q43 Do you have any comments on the glossary?

The expanded definition of affordable housing is welcomed.

Yours faithfully,

A handwritten signature in black ink that reads 'M. J. Good' with a stylized flourish at the end.

Matthew Good

Director – Housing and Economics

For and on behalf of WYG