

## SEEC Internal briefing: Initial views on MHCLG housing & planning consultations, March 2018

- 1 The Government launched [consultation](#) on its draft revised National Planning Policy Framework (NPPF), closing on 10 May 2018. The draft new Framework implements the Government's reforms to planning policy, as proposed in last year's [Housing White paper](#) and '[Planning for the right homes in the right places](#)' consultations.
- 2 The Government has confirmed its aim to substantially increase home building to 300,000 a year nationally (up from 217,000 in 2016-17, of which 36,526 were in the South East). It is taking forward last year's proposed planning reforms largely unchanged, except for the addition of a welcome transition period, reflecting SEEC calls – see below.
- 3 Consultation documents include a full draft text of the NPPF (70 pages) and a 28 page explanatory document with consultation questions. An associated draft update to national [Planning Practice Guidance \(PPG\)](#) includes unchanged proposals for a new housing needs methodology to underpin Local Plan development, and updated viability guidance. Government has also published consultations on the proposed [Housing Delivery Test](#), plus [reforming developer contributions](#).
- 4 Also of note are the preliminary thoughts from Sir Oliver Letwin's [review of barriers to housing delivery](#), which were [published on 13 March](#). Sir Oliver intends to focus on delivery delays on large sites by major housebuilders. He believes the fundamental driver of build-out is the absorption rate – ie. how many homes can be sold without disturbing market sale prices.
- 5 To shape SEEC's response to NPPF, views are invited on whether key issues (below) previously raised with Government are still relevant and any other issues to raise.
  - i. **Housing need calculation methodology**: The draft NPPF and NPPG propose taking forward Government's previous proposals.
    - **SEEC previously asked Government to review its proposed approach to housing need calculations, given unexpected results from the methodology compared to current assessed needs in the South East.** Members' concerns included:
      - Increases for many parts of the South East with current high growth levels but limited further capacity.
      - Reductions in other parts of the South East which could undermine local growth plans.
    - **To make sure methodology outputs are deliverable SEEC suggested:**
      - Considering how Green Belt & protected land (which the Government has reiterated its support for) and development capacity should be factored into baseline need figures.
      - Reviewing Government's proposed affordability criteria.
      - Making clear that any 'reduced' needs figures do not take precedence over locally-led higher-growth plans.
  - ii. **Tackling unimplemented/slow delivery of planning permissions, and housing delivery test on councils**: NPPF confirms Government will implement a delivery test on councils, but does not include any significant extra levers for councils to incentivise builders.
    - **SEEC has asked Government for further actions to ensure permitted homes are built-out more quickly, including tools for councils to help tackle the South East's growing number of unimplemented permissions and unlock agreed housing plans.** This is vital given Government proposals to impose a housing delivery test on councils.
    - **Tools should include:**
      - Giving councils discretionary powers to charge council tax or other fees on unnecessarily stalled permissions.
      - Powers to better target skills funding to improve construction sector capacity.
  - iii. **Infrastructure funding**: Alongside the NPPF, Government is consulting on changes to developer contributions.
    - **Members have been keen to ensure Government's focus on homes is not at the cost of sustainable economies and supporting infrastructure. SEEC has asked Government for more action to address the growing South East infrastructure funding gap, to help deliver the transport, broadband/utilities and affordable homes needed to support sustainable communities.**

- Whilst Government proposals to improve Section 106 agreements and address viability issues could be helpful if they lead to increased local infrastructure funding, they will not be enough to address the £15.4bn (by 2030) South East infrastructure funding gap. More powers/funding flexibility for councils would help them play a greater part in funding local infrastructure needs and build more homes themselves.
- NPPF increases focus on small sites but it can be hard for councils to secure developer contributions on such sites and it is unclear whether a collection of small sites will attract central infrastructure funding. Commercial to residential conversions are also a concern as there are no developer contributions and they can, potentially, undermine local economies through loss of business premises.

**iv. Transition:** Following calls from SEEC and others, NPPF now sets a transition timetable. This allows Local Plans submitted within 6 months of the final NPPF (expected summer 2018) to proceed under the 2012 NPPF and locally derived housing need. However concerns remain, including:

- NPPF transition proposals are a move in the right direction, but consideration is needed on whether the proposed transition could have any adverse impacts on some local plan timetables.
- Clarity is also needed about how the new Statement of Common Ground will work. There are concerns that it may add to bureaucracy and duplicate existing Duty to Co-operate processes without resolving problems where a council cannot meet its objectively assessed needs within its own boundaries.