

# Consultation Response to Proposed Reforms to the NPPF and Other Changes to the Planning System

Date: 17<sup>th</sup> September 2024

Report of: Chief Planner

Report to: Development Plan Panel

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

On the 30<sup>th</sup> July 2024 the Government launched an 8-week consultation on proposed changes to the National Planning Policy Framework (NPPF) and a series of wider national planning policy reforms. This report summarises the key proposed changes as part of this consultation, such as a new standard method for calculating Local Authority housing requirements and, in conjunction with Appendix 1, highlights the proposed response of officers across a range of Council departments. Members of Development Plan Panel are invited to provide comments to the consultation in advance of a formal response being submitted on the 24<sup>th</sup> September by the Chief Planning Officer in consultation with the Executive Member.

## Recommendations

- a) Members of Development Plan Panel are invited to note the contents of the report and Appendix 1, and provide comments on the proposed response to the National Planning Policy Framework consultation prior to the Chief Planning Officer submitting these in consultation with the Executive Member for Economy, Transport and Sustainable Development.

## What is this report about?

- 1 On 30<sup>th</sup> July 2024 the Government launched an 8-week consultation on proposed revisions to the National Planning Policy Framework (NPPF) and a series of wider national planning policy reforms. These intend to help increase the delivery of new homes, improve their affordability, drive growth and support the building of 1.5 million new homes nationally over the next five years.
- 2 The consultation poses a total of 106 questions, many of which are wide-ranging in nature, with a deadline for responding of the 24<sup>th</sup> September 2024. It is understood that the Government intends to respond to the consultation and publish revisions to the NPPF by the end of the year, so that policy changes can take effect as soon as possible.

- 3 It is highlighted that this consultation forms only part of a wider programme of expected planning reform. Specifically, this consultation does not cover:
- a) The New Towns taskforce that was announced on 31<sup>st</sup> July, which will be charged with identifying new town locations within the next 12 months;
  - b) National Development Management policies;
  - c) Full details of the 'Spatial Development Strategies' that combined authorities will be expected to draw up for their areas;
  - d) The further changes to the NPPF that would be needed to support the new plan-making system outlined in the 'Levelling Up and Regeneration Act';
  - e) The proposed 'National scheme of delegation' that is expected to be contained in the Planning and Infrastructure Bill; or
  - f) The longer-term plan for housing, that is expected to include right to buy reforms as well as other funding to support affordable housing.
- 4 This report summarises the key matters on which views are being sought through the consultation, the issues raised for Leeds, and the suggested response. The draft proposed response can be seen at Appendix 1. At the time of writing some elements of the response remain incomplete as not all responses from other Council departments have been received. Members of Development Plan Panel (DPP) will be updated verbally at the formal meeting of DPP should these responses then be available.

### **What impact will this proposal have?**

#### Housing targets

- 5 A new 'standard methodology' for calculating housing numbers is proposed, with accompanying changes to the NPPF to make clear that local authorities will be expected to make all efforts to allocate land in line with their housing need as per the standard method. The revised methodology uses a baseline set as a percentage of the existing number of homes in an area, to which a multiplier based on affordability is added.
- 6 The new methodology generates a figure of **4,159** per annum for Leeds. This is far in excess of the existing target set by the Core Strategy Selective Review (3,247) or what the standard methodology previously generated for Leeds (3,022). The previous methodology did also generate an alternative 'urban uplift' figure of 4,080, but the weight given to that number was much reduced by the previous wording of the NPPF, as it was clear that this as a 'starting point' only, with the expectation that the additional 'urban uplift' should be met on brownfield/urban sites, rather than across the whole District.
- 7 This change would have significant implications for future plan-making in Leeds and the number of new homes needed to be planned for through Leeds Local Plan 2040.
- 8 In terms of decision taking, a 'presumption in favour of sustainable development' applies where authorities are not able to demonstrate that they have a five-year supply (with a buffer) of available housing land, or delivery of new housing in the area is less than 85% of the target (averaged over a 3-year period). Wording changes are proposed to the 'presumption' to provide more clarity on how it applies. The application of the 'presumption' significantly reduces the control that authorities may have in terms of where and in what form development takes place in their area.
- 9 At present Leeds benefits from a healthy land supply equivalent to 7.7 years, and would continue to have a supply in excess of the minimum 5-year requirement against the increased target of the new standard method, though the margin above the 5-year minimum would be reduced. Similarly, with 4,441 homes being built in Leeds last year the authority is currently in a strong position against the delivery target. However, with last year being the first year since

1980 where more than 4,000 homes were built, continually meeting this target is expected to be a significant challenge without significant land release, infrastructure and funding to support sustainable development.

- 10 As part of the Council's draft response support is given to: the principle of a standard method for housing, the removal of the urban uplift, and the re-assertion that local authorities should plan to meet their arising needs, rather than them just being seen as an advisory starting point. However, the draft response also raises concerns with the details of the standard method calculation, in particularly how it generates unachievable targets for authorities in the north of England where "levelling up" of infrastructure and funding will be needed to deliver and unlock sites especially in low market areas. In addition, concerns are raised about a method that is strongly influenced by affordable housing pressures, but then does not set specific targets for affordable housing. This risks the wrong kinds of housing being built. It is suggested that far more weight is placed on the delivery of affordable housing, and consideration being given to it being a non-negotiable rather than something that can be negotiated away on the basis of viability.
- 11 As regards the presumption in favour of sustainable development, the Council offers partial support for the proposed changes, but suggests that more weight needs to be given to Local Plans. Where sufficient allocations and permissions are in place it is the Council's view that it is developers who should be encouraged to bring forward their consented schemes, not authorities being required to allocate yet more land. It is felt that the proposed direction would result in more unplanned, speculative development, risking further eroding trust in the planning system. Similarly, we disagree that LPAs should be required to continually provide a 5 year supply of housing irrespective of their plan status, as this provides no pay-off for positive plan making and further erodes trust with local people who will have been engaged through a complex and challenging plan-making process. However, the removal of wording previously only requiring a 4 year supply of housing where a plan is in detailed preparation, is supported, as this did not incentivise attempts to meet housing needs.

### Green Belt

- 12 The proposed changes put a different emphasis on the relationship between the Green Belt (GB) and meeting the housing number, making it explicitly clear that a need to meet needs for housing, commercial or other development would constitute the "exceptional circumstances" required to justify changes to Green Belt boundaries. To justify not meeting needs without allocating land in the Green Belt, authorities would need to demonstrate that green belt releases would "*fundamentally undermine the function of the Green Belt across the area of the plan as a whole*". To inform this, authorities will be required to undertake a review of the Green Belt in their area that considers the land against the five purposes of Green Belt set out in the NPPF.
- 13 As part of these proposed changes, a new term – the '*grey belt*' – is defined. This comprises land in the Green Belt that is previously developed or makes a limited contribution for the five purposes of Green Belt set out in the NPPF. It is proposed that a sequential approach should be taken to the release of land from the Green Belt to meet needs, giving first consideration to previously developed land in sustainable locations, then considering other '*grey belt*' land in sustainable locations, before considering other Green Belt locations.
- 14 For decision making on planning applications, the proposed changes would significantly weaken protection for land considered in the Green Belt. Proposals on '*grey belt*' sites in sustainable locations would not be regarded as 'inappropriate development' provided that the proposal did not fundamentally undermine the function of the Green Belt across the area as a whole. Where an authority was unable to demonstrate a 5-year supply (with buffer), delivered less than 75% of its housing requirement over 3 years, or where there is a "*demonstrable need for the land to be released for development of local, regional or national importance*" development on Green Belt land would also not be regarded as inappropriate.

- 15 Any land that is developed in the Green Belt (either through a Local Plan allocation, or a speculative planning application) would be expected to meet 'golden rules' that require delivery of 50% affordable housing alongside necessary improvements to infrastructure and green space. To support this, a revised approach to viability testing for sites currently designated as Green Belt is proposed.
- 16 The Council supports many of the proposals related to Green Belt and plan-making because releasing land from the Green Belt to meet local needs, including much needed housing delivery in the right places, is increasingly an excessively resource intensive and risky process that considerably slows down plan-making and provides little clarity for investors and residents. However, there are significant concerns about the process for decision-making for grey belt. It is our view that grey belt should be primarily defined through the plan-making process, rather than a speculative Development Management route that would be open to misuse and would not benefit from a comparative or sequential exercise but would instead judge individual parcels on their own merits. It is also felt that more guidance would be beneficial on 1. how to undertake a Green Belt assessment/review and 2. what types of land make a limited contribution to the Green Belt.

### Other changes

- 17 A wide variety of other changes are also proposed, including;
- a) **Affordable housing:** changes seek to ensure that the mix of affordable housing provided by schemes meets identified local needs for affordable homes to rent and own. The requirement for 'First Homes' as part of the mix of affordable housing is removed, and clarity that clarity that homes for social rent should be included as part of the affordable housing mix is also proposed.
    - i. There is support for these proposed changes because they are considered to support delivery of local needs that meet truly affordable needs.
  - b) **Beauty:** references to 'beauty' have been removed and have been replaced by 'good design' which is again welcomed in Leeds.
    - i. There is support for these proposed changes as the term was too subjective.
  - c) **Renewable energy:** a variety of wording changes are proposed that give very strong support to renewable energy generation, making clear that "*Local planning authorities should support planning applications for all forms of renewable and low carbon development*". Previous caveats that proposals need have community support and address all issues identified by affected local communities are proposed to be removed. Related to this, there is a proposal to raise the thresholds for considering solar and onshore wind proposals via the (planning inspectorate led) 'Nationally Significant Infrastructure Project route, which is likely to result in more proposals for solar and wind developments being determined by local authorities.
    - i. There is support for these proposed changes as they will assist local authorities in meeting their carbon reduction targets and provide more certainty to industry.
  - d) **Highways:** changes seek to support a 'vision-led' approach to transport planning, and raise the bar for refusing schemes based on transport grounds (only allowing this where proposals would be unacceptable in all of the scenarios tested).
    - i. There is support for these proposed changes as they will assist Leeds in embedding its Connecting Leeds aspirations into planning decision making more easily.
  - e) **Previously developed land:** continued support for building on previously development land, with additional wording proposed to clarify that the re-use of suitable brownfield land within settlements for homes and other identified needs should be regarded as acceptable in principle.

- i. There is support for these changes but a desire to make clear that the planning system is not generally a brake on re-using brownfield land. Primarily the issues with delivery of development on brownfield land relate to viability.
- f) **Planning fees:** household application fees to be increased from £258 to £528 (with views also being sought on other fees, and potential local fee setting)
  - i. There is support for this proposal as it will bring much needed income into planning services.
- g) **Economic development:** strengthening of support to planning for commercial development to meet the needs of a modern economy, specifically including the need for laboratories, gigafactories, data centres, digital infrastructure and freight & logistics.
  - i. Whilst there is general support for this change, further clarification would be beneficial on how these uses are defined and what suitable locations for these uses would be.
- h) **Infrastructure Levy:** the proposal of the previous government to replace CIL and s106 with a new infrastructure levy has been abandoned.
  - i. The Council feels that further clarity is required on how new infrastructure will be delivered as part of the development, as the Government intends. Local Planning Authorities are dependent on the cooperation of other infrastructure providers as part of a system which is currently fragmented and under-resourced. Housing growth needs to be accompanied by proportionate increases in infrastructure provision. Without this, trust in the planning system will erode further.
- i) **Duty to cooperate:** Additional wording is proposed that places increase emphasis on the importance of strategic policy-making authorities (i.e. local authorities and combined authorities) making sure that their policies are consistent with those of other bodies and with the relevant investment plans of infrastructure providers.
  - i. There is support for this proposal.
- j) **Design codes:** it is proposed that focus of design codes should be on areas that provide the greatest opportunities for change (rather than focus on district-wide considerations).
  - i. There is support for this proposal as the benefits of a district-wide design code are relatively minor when compared with focussing on those areas with the greatest opportunity for growth and development.

#### Proposed transitional arrangements

18 Leeds currently has two draft plans in preparation; the Local Plan Update ("Your City, Your Neighbourhood, Your Planet), focussed on the climate emergency) and Leeds Local Plan 2040 (LLP2040, looking at wider planning issues). LLP2040 is at an early stage of preparation, so will need to comply with the revised NPPF. Under the proposed transitional arrangements, LPU1 *could* be examined against the previous version of the NPPF as it is so well advanced, though further consideration will need to be made as to whether there would be benefits in seeking for it to be examined against the updated NPPF, given the proposed changes to renewable energy policy.

#### **How does this proposal impact the three pillars of the Best City Ambition?**

Health and Wellbeing

Inclusive Growth

Zero Carbon

19 The NPPF sets national policy within which the Council must prepare its Local Plan. The NPPF sets out policies which are relevant to each of the Council's three pillars, and the Council's Local Plan provides weight to them depending on their local importance.

## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?  Yes  No

20 The proposed responses to the consultation have been considered within the Planning and Sustainable Development Services, and where appropriate in liaison with other services, such as Asset Management and Regeneration and Public Health.

## What are the resource implications?

21 There are no specific resource implications to this report.

## What are the key risks and how are they being managed?

22 No issues of risk of are identified within the recommendations in this report. Future changes to the planning policy may, however, raise a number of risk issues.

## What are the legal implications?

23 There are no legal implications arising from the recommendations in this report. Future changes to the planning policy may, however, raise a number of legal issues.

## Options, timescales and measuring success

### What other options were considered?

24 There is an option to not engage with the consultation, but as the second largest planning authority in the Country outside of London and with considerable experience of plan-making in recent years it is important for the Council to engage with the Government on these issues.

### How will success be measured?

25 Amendments to Government policy that take on board the Council's comments.

### What is the timetable and who will be responsible for implementation?

26 This is a national consultation by Government which ends on 24<sup>th</sup> September 2024. The Government has stated that it intends to respond to the consultation and publish NPPF revisions before the end of the year.

## Appendices

- Appendix 1: Draft responses to the NPPF consultation questions.

## Background papers

- none