



September 2011

CRC planning briefing

National Planning Policy Framework / Localism Bill – background

- In order to fully understand the Government's proposed changes to the planning system, the draft National Planning Policy Framework (NPPF) has to be seen in conjunction with the Localism Bill.
- The Localism Bill is intended to pass power down to local communities by abolishing previous regional targets and devolving responsibility for strategic planning down to local authorities, which in turn will give some of their powers to neighbourhoods.
- The Government is proposing to replace previous regional planning strategies and targets with a more locally focussed approach, whereby 'Local Plans' drawn up and agreed by local authorities will be the key strategic planning documents for local areas. These policies are likely to state the number of houses which local authorities have agreed are needed on the basis of objective criteria, and the allocation of some larger sites for development. These plans will need to be in line with the NPPF.
- A core element to the NPPF is the 'presumption in favour of sustainable development'. Local Planning Authorities will be required to plan positively for new development, and approve all individual proposals wherever possible. Moreover, "decision-takers at every level should assume that the default answer to development is 'yes', except where this would compromise the key sustainable development principles set out in this framework."
- The Government is also proposing to introduce 'Neighbourhood Plans', and smaller scale 'Community Right to Build', drawn up by local people, and ultimately approved in a referendum. These plans will be judged against the NPPF, and will contribute to the make-up of Local Plans (drawn up by the local authority), as well as having regard to and complying with the strategic policies contained in the Local Plan.
- Other key elements of the NPPF and Localism Bill include the 'New Homes Bonus', a requirement that some of the 'Community Infrastructure Levy' should be spent locally, the 'Community Right to Buy' assets which they believe are important to the community, and the right to challenge a local authority by expressing an interest in running a service.
- Key strategic planning decisions of national importance will be decided centrally.

Recent media coverage

- Some organizations have raised high profile objections to the draft NPPF.
- What has alarmed the National Trust and others are two things in particular:
 - The presumption in favour of sustainable development and default 'yes' to development, and
 - The end of the target for building 60 per cent of new homes on brown field land.
- The government's priority in favour of growth has fuelled anxiety from some that large amounts of the green belt will be built on.

CRC view

- Fundamentally, new legislation could help deliver more desperately needed affordable housing.
- The presumption in favour of sustainable development should help provide much needed housing in villages where the default position has all too often been "no". This should also be viewed in the context of the abolition of regional targets which were often a restraint on building in villages as the numbers were often used up in urban areas. In the same way the abolition of the brownfield target should help in villages as

there often hasn't been enough brownfield land to provide sites.

- England's villages need more housing if they are going to survive, and thrive as vibrant communities for the next generation. That is the best way to keep local services open. Not huge developments which dwarf the existing village, but small developments in keeping with the environment. Not just affordable houses, though that is essential in many areas, but some market too.
- The current planning system has meant that in many rural areas, development necessary for the ongoing viability of communities has been prevented by the lack of brown field land available, and the fact that the housing targets laid down in regional plans were often used up by urban areas, leaving little scope left for development in villages – a point highlighted by the 2006 Affordable Rural Housing Commission, which found many people in villages frustrated about their inability to build because the allocations within the Regional Spatial Strategy had already been used up nearer towns.
- The danger of instinctively rejecting development proposals in rural areas is that it becomes increasingly the preserve of older people and the better off. And that means that the next generation won't have a stake in it – or a reason for wanting to protect the best of it.
- Through the Localism Bill, the government is making provisions to ensure that councils will be able to protect the green belt as part of their Local Plans.
- There is much in the principles outlined in the NPPF which is in line with CRC policy – a plan led approach based on wide consultation with decisions taken at the lowest level possible. It also says that that planning policies should make effective use of land, and promote mixed use developments that create more vibrant communities. However, the core planning principles in the NPPF, as well as the section on plan making, are not sufficiently clear as they don't specify the detail the "positive long term vision" should contain.
- Many rural housing associations have highlighted the considerable confusion over how the various plans will inter-relate.
- We should acknowledge, though, that there are welcome references to particular rural circumstances in relation business and transport. The housing section also refers to the need for "inclusive mixed communities".
- There is some ambiguity about the concept of sustainable locations, which might be open to legal challenge. The NPPF says that "To promote sustainable development, housing development should not be located in places distant from rural services." This could be used to perpetuate the old 'key villages' hierarchy for development, which would undermine the sustainability of smaller rural communities, and exacerbate the problem of a lack of affordable rural housing in smaller communities, thus contributing to a spiral of decline. The CRC has always advocated looking at communities as "clusters" rather than in isolation.
- Our other major concern is the future of exception sites. These are sites which are provided exclusively for affordable housing in perpetuity – i.e. they cannot be sold on the market. As a result landowners have sold the land at substantially discounted prices. The framework does not explicitly refer to them, and as a result Rural Housing Associations are extremely confused and worried, giving rise to an urgent need for clarification. Over half – 57 per cent – of affordable housing in settlements under 1,000 have been on exception sites, and just over a third in settlements of over 3,000.
- The localism bill itself contains other powers which could strengthen local communities, like the community right to buy assets which they believe are important to the community, and the right to challenge a local authority by expressing an interest in running a service. There is a danger though, that expectations won't be met, because as far as we know, the empty pub will still have to be bought at market value.
- If localism is going to be the lifeblood for villages, as the Government hopes, then the challenge will be to convince people that housing is desperately needed and that it could bring benefits to their communities in terms of making them more viable and more vital.
- What all these changes, and the Big Society itself, are based on is the concept of active citizenship; the belief that people will be motivated to help not just their own families but the wider community. The question is whether there is the capacity in the community to do this. The government is promising that councils will help local groups, but will councils have the money to do this, including funding the much needed housing enablers to help local residents realise their vision for the local community.

Extended info / views

- Initial discussions and drafting of the Localism Bill actually led some to claim that it would create a NIMBY's charter. Early indications about the bill pointed towards a removal of the necessity to comply with top down targets and allow communities to decide for themselves about the future of their communities. However, the Government has since refined this approach, with for example the majority required to support a successful Community Right to Build coming down from 90 per cent of the community to 50 per cent.
- The Government believes that communities will be more receptive to new development if they feel involved in the process. But they also believe in the market, and that shortage of land with planning permission has been one of the main constraints on housing supply. So they are not prepared to give communities a veto on all development. Instead, the Government wants local authorities to consult as many as possible when drawing up the local plan so that it has wide public support.
- There is ambiguity when the framework goes on to describe the local plan making, and later neighbourhood plans. It says that local planning must set out the strategic priorities for the area, including housing and economic development (para23), and allocating sites to promote development. It also says local authorities should prepare a strategic housing assessment but it doesn't say whether this should contain numbers – presumably because the Government wants to move away from a target driven culture. If the strategic plan contains no allocations on a site specific basis, it would be open to legal challenges which drag out the planning process.
- In the section on neighbourhood planning (para 49,50) it makes clear that these "must be aligned with the strategic needs and priorities of the wider local area, and therefore must be in general conformity with the strategic policy of the local plan." But if the local strategic plan contains no numbers, this may lead to interminable legal challenges.
- If Neighbourhood Plans etc don't conform with the local plan, they won't be put to a referendum. However, elsewhere in the Localism Bill the Government is proposing that local people should be able to trigger a referendum on any issue they want. This gives rise to the question of what will happen if a community demands a referendum on a proposed development and says no if that development is in the local plan. This has the potential to create real problems for local politicians.
- What Neighbourhood Plans will do is allow communities to decide where the allocated development should go locally, and what it should look like – where houses and shops should go, and then grant planning permission for the new building they wish to see go ahead. It can be detailed or general depending on what people want. Crucially they can go further than the Local Plan in terms of numbers if they want.
- If the Neighbourhood Plan is converted into a Neighbourhood Development Order, meaning it has been approved as conforming with both the Local Plan and national policy, then the community can grant planning permission for the new building envisaged. Ministers believe that in passing this downwards, they are doing what many local authorities and housing associations have wanted for years. However, the downside is that this might simply move legal battles downwards – the challenges will be to local authorities not the regional bodies.
- The rural definition of sustainable development should be changed. The general commitment to sustainable development concludes, "the heart of the planning system is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan making and decision taking...Local authorities should approve all individual proposals where possible" (para 13 and 14). Para 124 says "the objective of the planning system should....create a built environment that facilitates social interaction and inclusive communities", which the ARHC and the CRC have long argued for in rural villages when making the case for affordable housing. But para 112 says "to promote sustainable development, housing in rural areas should not be located in places distant from local services." This could undermine the helpful policies elsewhere in the document as it could result in local authorities reverting back to development policies based on settlement hierarchies defined in terms of levels of service provision. The ARCH and more recent Mathew Taylor report both demonstrated that this undermines the sustainability of smaller rural communities, and exacerbates the problem of a lack of affordable rural housing in smaller communities, thus contributing to a spiral of decline. The CRC has always advocated looking at communities as "clusters" rather than in isolation.
- There is concern over the future of exception sites, which have been a vital source of new affordable housing in the smallest communities. Exception Sites are sites where exceptions should be made to the Local Development Plan to allow the development of sites purely for affordable housing. And because no market housing is allowed, the land can usually be acquired for far less than an open market site.

- The draft NPPF is unclear on exception sites – the document itself doesn't mention them. It merely says that local authorities in rural areas should be responsive to local circumstances, particularly for affordable housing. It goes on to say that "local planning authorities should in particular consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs." The NPPF's accompanying Impact Assessment" includes a heading on "removing exception sites", which states that "the rigid requirement for sites to be only for affordable housing limits local councils' options for meeting the full range of housing needs". This suggests that exception sites are being removed.
- The government, it says, "believes councils should have greater flexibility to decide the best approach to delivering housing in rural areas. It then goes to quote a scheme in Cornwall where the council is prepared to consider an element of market housing provided it is the only way of delivering the affordable housing. What it doesn't say is that that scheme was based on buying the land at exception site prices. This poses the question of whether the landowner would be prepared to discount the site in that way if they knew there was going to be an element of market housing. Interestingly, the impact statement makes no mention of the possible impact on land prices.
- This lack of clarity is creating real confusion among RSLs and councils. CLG has indicated that it will be down to local councils to decide their own approach. Therefore if they want to continue with an exception policy they can. However, although rising inward migration to rural areas has led to an acknowledged need for more market housing in rural areas, there is real concern that communities may be less receptive to proposed developments if they don't have the assurance that the houses will go to local people in need.