1. PURPOSE AND SUMMARY OF REPORT

1.1 In December 2015, the Department for Communities and Local Government (DCLG) published a consultation paper on proposed changes to the NPPF, mainly related to housebuilding. Responses are due by 25 January 2016.

1.2 This report summarises the most recent proposed changes to the NPPF. It considers some of the possible implications on the planning system for this Council and provides a draft Council response to the consultation.

2. RECOMMENDED ACTION

2.1 That the Committee notes the contents of the report and the various proposed changes to National Planning Policy Framework announced by the government in December 2015.

2.2 That the Committee endorses the attached draft response to the proposed changes to the NPPF for submission to DCLG.

3. CONSULTATION AND ISSUES

3.1 The consultation is seeking views on a number of specific changes to national planning policy. The document indicates that changes are proposed in the following areas:

- Broadening the definition of affordable housing, to expand the range of low cost housing opportunities for those aspiring to own their new home;
- Increasing the density of development around commuter hubs, to make more efficient use of land in suitable locations;
- Supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing allocated in plans; and
- Supporting the delivery of starter homes.

3.2 The main changes proposed under the consultation are detailed under the following headings.

3.3 **Affordable housing definition to be broadened:** The government proposes to amend the national planning policy definition of affordable housing “so that it encompasses a fuller range of products that can support people to access home ownership.” It proposes that the definition will continue to include a range of affordable products for rent and for ownership for households whose needs are not met by the market, “but without being
unnecessarily constrained by the parameters of products that have been used in the past which risk stifling innovation”.

3.4 **Councils to plan for needs of those who aspire to home ownership:** The consultation says that the government proposes to make clearer in policy the requirement to plan for the housing needs of “those who aspire to home ownership alongside those whose needs are best met through rented homes, subject as now to the overall viability of individual sites”.

3.5 **Higher densities around commuter hubs:** The consultation proposes a change to national planning policy “that would expect local planning authorities, in both plan-making and in taking planning decisions, to require higher density development around commuter hubs wherever feasible”.

3.6 **Fresh policy backing for new settlements:** The government proposes to strengthen national planning policy to “provide a more supportive approach for new settlements, within locally-led plans. We consider that local planning authorities should take a proactive approach to planning for new settlements where they can meet the sustainable development objectives of national policy, including taking account of the need to provide an adequate supply of new homes”.

3.7 **A presumption in favour of brownfield housing development:** The consultation says that the government will “make clearer in national policy that substantial weight should be given to the benefits of using brownfield land for housing” (in effect, a form of ‘presumption’ in favour of brownfield land). The government wishes to “make it clear that development proposals for housing on brownfield sites should be supported, unless overriding conflicts with the local plan or the National Planning Policy Framework can be demonstrated and cannot be mitigated”.

3.8 **Sanctions for under-delivering on housing targets:** Local planning authorities that fail to deliver the homes set out in their local plans could be required to identify ‘additional sustainable sites’, which could include new settlements, according to the consultation. It sets out further details on the operation of the housing delivery test announced in last month’s Spending Review. It says that the government proposes to amend planning policy to make clear that where significant under-delivery is identified over a sustained period, when compared with the delivery proposed in local plans, action will be taken to address this. “One approach could be to identify additional sustainable sites, including new settlements if the existing approach is demonstrably not delivering the housing required.”

3.9 **Call for release of unviable employment land:** The government intends to amend paragraph 22 of the NPPF “to make clear that unviable or underused employment land should be released unless there is significant and compelling evidence to justify why such land should be retained for employment use”.

3.10 **Starter Homes initiative widened further:** The scope of the current exception site policy for Starter Homes could be widened to incorporate other forms of unviable or underused brownfield land, “such as land which was previously in use for retail, leisure and non-residential institutional uses (such as former health and educational sites)”, according to the consultation document.

3.11 **Neighbourhood plans to identify green belt Starter Home sites:** The government proposes to amend national planning policy so that neighbourhood plans can allocate appropriate small-scale sites in the green belt specifically for Starter Homes, with neighbourhood areas having the discretion to determine the scope of a small-scale site.

3.12 **Green belt brownfield policy test faces revision:** The consultation says that the government proposes to amend the current policy test in paragraph 89 of the NPPF that prevents development of brownfield land where there is any additional impact on the
openness of the green belt to “give more flexibility and enable suitable, sensitively
designed redevelopment to come forward on such sites”.

3.13 This Council’s main concern will be in relation to the government’s further proposals in
relation to affordable housing. Widening the definition to support the government priority
for home ownership and to accommodate starter homes will inevitably be at the expense
of social rented accommodation. Social rented accommodation makes up the main part of
the current definition of affordable housing, the need for which is growing as evidenced by
increasing numbers of homeless and the number of households on the Council’s housing
register.

3.14 The other area of significant concern to the Council is the government’s proposals for
brownfield housing development which involves further reductions in planning control over
such land without any safeguards to ensure that there is adequate employment land and
land for commercial uses. It includes a policy to allow starter homes to be developed on
what is described as unviable employment land. However there is a danger that existing
employment land may become unviable because of the higher value of such land if it can
be developed for residential uses. While officers accept that, over time, there will be
opportunities for some employment land to be developed for residential uses, this should
be properly considered and determined through the local plan process and not through
individual applications.

3.15 A draft Reading Borough Council response to the consultation is attached at Appendix 1. It
answers a select number of the 23 questions set out in the consultation on the various
changes proposed by the document, where they are relevant to Reading Borough. Responses
have not been provided to a number of the published questions. The approval
of this Committee is sought to send this response to DCLG by the deadline for consultation

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The Planning Service contributes to the Council’s strategic aims in terms of:

- Seeking to meet the 2015 -18 Corporate Plan objective for “Keeping the town clean,
safe, green and active.”
- Seeking to meet the 2015 -18 Corporate Plan objective for “Providing homes for
those in most need.”
- Seeking to meet the 2015 -18 Corporate Plan objective for “Providing infrastructure
to support the economy.”

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 No reference is made to these matters in the changes proposed.

7 EQUALITY IMPACT ASSESSMENT

7.1 Where appropriate the Council must have regard to its duties under the Equality Act 2010,
Section 149, to have due regard to the need to—

- eliminate discrimination, harassment, victimisation and any other conduct that is
  prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected
  characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic
  and persons who do not share it.
7.2 The consultation makes specific reference to the equality impact assessment carried out and the draft response in Appendix 1 makes some points in relation to the adequacy of the assessment that DCLG has produced.

8. LEGAL IMPLICATIONS

8.1 These are dealt with in the report.

9. FINANCIAL IMPLICATIONS

9.1 There are no direct financial implications resulting from this report. Some of the proposed changes may involve research and additional work by the council which could involve additional resources.

10. BACKGROUND PAPERS


DCLG: Consultation on proposed changes to national planning policy

Reading Borough Council Response to selected questions from the Summary of Questions contained in the Consultation Document.

a) Affordable Housing

Q1. Do you have any comments or suggestions about the proposal to amend the definition of affordable housing in national planning policy to include a wider range of low cost home ownership options? While Reading Borough Council supports efforts to improve home ownership for households who are unable to afford such housing, it is of the view that the proposed changes in the consultation document will encourage low cost ownership options at the expense of the provision of affordable rented accommodation (social rent and affordable rent). Various assessments of need, including a recently completed Strategic Housing Market Assessment indicate that affordable rented accommodation is the only form of housing provision that is affordable by the lowest paid and most vulnerable households in society, often including those with disabilities. The document refers to discount market sales or innovative rent to buy housing. It also refers to allowing local planning authorities to secure starter homes as part of their negotiations on sites. Some of these products may not be subject to ‘in perpetuity’ restrictions or have recycled subsidy which are not covered by the current definition and which are “affordable” or discounted only on a temporary basis. Starter Homes only retain their discount (at the expense of providing both affordable housing and infrastructure contributions via CIL) for a period of 5 years.

Reading, as with many urban areas in Southern England and beyond, is currently experiencing unprecedented high numbers of homeless households along with growing housing waiting lists comprising households that cannot afford home ownership even in the forms now being proposed by the government. Unfortunately, the mechanisms for providing low cost ownership options being proposed for inclusion in the amended definition of affordable housing in the NPPF in the consultation document can only be provided at the expense of the provision of desperately needed social rented products which currently form the main element of the definition of affordable housing in the NPPF. The proposed change will effectively make it impossible for local authorities to plan for and seek provision of housing to meet identified needs in the area as it will severely undermine the provision of social rented dwellings and other rented products for the large numbers of households who cannot afford or access any form of home ownership. It will therefore make it impossible for local planning authorities to meet the NPPF requirement to provide for objectively assessed needs including the need for affordable housing.

Q2. Do you have any views on the implications of the proposed change to the definition of affordable housing on people with protected characteristics as defined in the Equalities Act 2010? What evidence do you have on this matter? A recent Strategic Housing Market Assessment, drawing partially on the Council’s housing register, points to high numbers of households in need of affordable housing, who would be unable to afford low cost ownership products. The assessment and the Council’s adopted planning policies clearly point to need for high numbers of social rented dwellings. Many of the households on the Council’s Housing Register are from protected groups identified under the Equalities Act 2010. Such groups will be disadvantaged should the numbers of social rented products arising from new development be reduced as a result of expanding the definition of affordable housing in the NPPF to include low cost ownership products.

The Equalities Impact Assessment for the consultation document contains broad brush statements about the impact of the change in definition. It notes that broadening the definition of affordable housing could result in fewer numbers of existing affordable housing products being built by developers as part of their section 106 planning obligations on major developments. However, it then concludes that access of Protected Groups to existing types of affordable housing will not be significantly affected by broadening the definition of affordable housing for planning purposes. It
gives the reason as new affordable housing built through section 106 planning obligations only adds a small contribution to the overall affordable housing stock in England. This is not backed up with any evidence. Annex A of the Equalities Impact Assessment indicates that for every 100 Starter Homes built using Section 106 funding, there will be between 56 and 71 fewer households moving into affordable rented, social rented or low cost home ownership homes. Nationally, and over a number of years, that can only be concluded to be a significant impact on the provision of such housing. There are thus significant impacts on protected groups. The assessment also points to number of other significant impacts on protected groups. Starter Homes and low cost home ownership dwellings have a very limited role to play in relation to affordability for the majority of those identified as in need of affordable housing, and these proposals will therefore have a significant detrimental impact on protected groups.

b) Increasing residential density around commuter hubs

Q3. Do you agree with the Government’s definition of commuter hub? If not, what changes do you consider are required?
Q4. Do you have any further suggestions for proposals to support higher density development around commuter hubs through the planning system?
Q5. Do you agree that the Government should not introduce a minimum level of residential densities in national policy for areas around commuter hubs? If not, why not? Reading Borough Council agrees that the Government should not introduce a minimum level of residential densities in national policy for areas around commuter hubs. Policies in the Reading Borough Local Plan (or Local Development Framework) already encourage higher density development in and around town, district and local centres and other sustainable locations with high levels of accessibility by different modes of transport. Those policies indicate appropriate levels of density related to the levels of accessibility but allow them to be applied flexibly to take account of local circumstances, e.g. historic environment, character, constraints such as flooding, etc. The proposed change to the NPPF as worded in the consultation document is very crude and is likely to promote unsuitable high density development in areas that need very sensitive design.

c) Supporting new settlements, development on brownfield land and small sites, and delivery of housing agrees in Local Plans

Q6. Do you consider that national planning policy should provide greater policy support for new settlements in meeting development needs? If not, why not?
Q7. Do you consider that it would be beneficial to strengthen policy on development of brownfield land for housing? If not, why not and are there any unintended impacts that we should take into account? Existing policy requires appropriate policies on the development of brownfield land including its use for housing as appropriate. The emphasis in the consultation document is to give a presumption to the development of brownfield land for housing which may not be justified. An example of an instance where it may not be justified is where it would involve the loss of important employment land. In Reading, there are a number of employment sites that are occupied by important employment uses that are of importance to the economy (including small businesses) and that represent local employment opportunities, and have been shown by evidence to have a future demand for employment use, but which would nevertheless be vulnerable to loss to residential. A presumption in favour of development of brownfield land for housing would risk a substantial effect on the local economy.

Q8. Do you consider that it would be beneficial to strengthen policy on development of small sites for housing? If not, why not? How could the change impact on the calculation of the local planning authorities’ five-year land supply? Reading Borough Council operate a small site definition of less than 10 dwellings and is concerned over proposals that would require identifying sites of less than 10 dwellings. Such requirements will significantly increase the workload involved in plan preparation, adding to the time taken to produce local plans with little appreciable benefits to housing delivery. The current process of allowing for an annual delivery for small sites based on evidence of past delivery is very efficient.
Q9. Do you agree with the Government proposal to define a small site as a site of less than 10 units? If not, what other definition do you consider is appropriate, and why? Reading Borough
Council has operated a small site definition of less than 10 dwellings for many years and would support this definition.

Q10. Do you consider that national planning policy should set out that local planning authorities should put in place a specific positive local policy for assessing applications for development on small sites not allocated in the Local Plan?

Q11. We would welcome your views on how best to implement the housing delivery test, and in particular:
- What do you consider should be the baseline against which to monitor delivery of new housing?
- What should constitute significant under-delivery, and over what time period?
- What steps do you think should be taken in response to significant under-delivery?
- How do you see this approach working when the housing policies in the Local Plan are not up-to-date?

Delivery of development allocated in a local plan is usually outside the powers of a local authority. It is primarily the responsibility of landowners and developers. They will presumably have made a case for a site to be included in a local plan based on it being available and deliverable. An effective tool might be specific powers to enable the removal of allocated sites from the local plan as a result of the failure of landowners and developers to bring a particular site forward for development in accordance with the local plan expectations and timetables.

Measures to just allocate additional sites for development doesn’t on its own solve the problem, particularly as large sites can be complicated and may take many years to deliver.

Q12. What would be the impact of a housing delivery test on development activity?

d) Supporting delivery of starter homes

Q13. What evidence would you suggest could be used to justify retention of land for commercial or similar use? Should there be a fixed time limit on land retention for commercial use? Reading Borough Council bases its allocations of employment land for residential uses on a careful assessment of economic development evidence including employment forecasts and economic development strategies for economic market areas. It is essential for the development of the economy that employment land in good locations is not lost unnecessarily to alternative development including residential development when it is needed for the proper functioning and development of the local economy. That can only be properly undertaken through the local plan process following an assessment of all relevant evidence.

Q14. Do you consider that the starter homes exception site policy should be extended to unviable or underused retail, leisure and non-residential institutional brownfield land?

Q15. Do you support the proposal to strengthen the starter homes exception site policy? If not, why not? Reading Borough Council does not support the exceptions policy. At the current time, there is a substantial difference in residential compared to employment land values and landowners are naturally seeking to take advantage of the much higher values of land used for residential purposes. The exceptions policy allowing starter homes on employment and commercial land regardless of economic development, amenity and other considerations, as exceptions is short sighted. It will have adverse impacts on the implementation of economic development strategies. It will break up employment and commercial areas, introducing incompatible uses to such areas and making it difficult for many such uses to continue operating effectively. It will lead to incompatible residential uses in employment and commercial areas resulting in unsatisfactory living environments. Such changes in allocations should be made only through the local plan process when all relevant evidence can be properly assessed and examined.

Q16. Should starter homes form a significant element of any housing component within mixed use developments and converted unlet commercial units?

Q17. Should rural exception sites be used to deliver starter homes in rural areas? If so, should local planning authorities have the flexibility to require local connection tests?

Q18. Are there any other policy approaches to delivering starter homes in rural areas that you would support?

Q19. Should local communities have the opportunity to allocate sites for small scale starter home developments in their Green Belt through neighbourhood plans?

Q20. Should planning policy be amended to allow redevelopment of brownfield sites for starter homes through a more flexible approach to assessing the impact on openness?
e) Transitional arrangements

Q21. We would welcome your views on our proposed transitional arrangements. Fast track reviews of local plans can take significantly more than 12 months, so any that changes that will require such a review will need transitional arrangements in excess of 12 months. 2 years would be a more appropriate period.

f) General questions

Q22. What are your views on the assumptions and data sources set out in this document to estimate the impact of the proposed changes? Is there any other evidence which you think we need to consider?

Q23. Have you any other views on the implications of our proposed changes to national planning policy on people with protected characteristics as defined in the Equalities Act 2010? What evidence do you have on this matter?