Consultation response

Shelter response to CLG consultation: Draft National Planning Policy Framework

October 2011

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This document contains information and policies that were correct at the time of publication.

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Shelter

Until there's a home for everyone

In our affluent nation, tens of thousands of people wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. The desperate lack of decent, affordable housing is robbing us of security, health, and a fair chance in life.

Shelter believes everyone should have a home.

More than one million people a year come to us for advice and support via our website, helplines and national network of services. We help people to find and keep a home in a place where they can thrive, and tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

Introduction

- Shelter campaigns across all tenures to bring an end to homelessness and bad housing. We draw on the experience of our front-line advice and support services in the development of our policy and research expertise. At the core of many of the problems we see - ranging from people unable to access social housing, to people renting from rogue landlords to mortgage repossession cases - is the chronic lack of affordable, secure and decent homes, particularly in the social sector.

- The housing delivery figures speak for themselves. Each year, 230,000 new households form, but in 2010-11 a record low of 105,000 new homes were delivered - the lowest level in any peacetime year since 1924 – and just 23,800 of these were social rented homes. Consequently, there are 630,000 households on social housing waiting lists.

- Therefore, Shelter strongly welcomes the Framework's statement that *'The Government's key housing objective is to increase significantly the delivery of new homes. Everyone should have the opportunity to live in high quality, well designed homes, which they can afford, in a community where they want to live'*[1].

- Since the publication of the Framework, there has been a great deal of opposition to the 'presumption in favour of sustainable development' and the emphasis on housing growth. Much of it has focused on the impact on the natural environment. It is important that national and local planning policy understands and addresses public attitudes, and particularly opposition, to house building.

- In April 2011, Shelter launched Housing Insights for Communities[2]. This on-line resource provides a unique insight into the housing views and aspirations of local communities. It provides a detailed breakdown (by seventeen demographic groups) of the likelihood of, and reason for, active opposition to house building (see Annex 1).

- This shows that, of the five groups most likely to actively oppose house building, the most common reason for opposition was concern about the impact on the value of their own home. Other reasons included concerns about the quality of new development and worries about the impact on facilities, infrastructure and local services. Only one group – out of a study containing seventeen groups in total – cited environmental damage as a reason not to build more homes.

- However, four out of the five groups most likely to actively oppose house building also expressed concerns about the lack of affordable housing and the impact this will have on either local people or the next generation. In an interview with the Observer[3] on 2 October, Ben Cowell of the National Trust said: *'There is a desperate need for new, affordable housing, especially for young families in areas of the country where the number of households is growing rapidly'*.

- We want to see planning reform deliver housing in the right places, of the right type and at the right price to alleviate housing need. These new homes must be constructed to high design and environmental standards and be linked to existing infrastructure to minimise impact. Priority should be given to bringing old buildings into use and developing brown-field sites, but some new building on green sites will inevitably be required. Most importantly, if we are to address the growing housing crisis, there must be a priority given in the planning system to the delivery of truly affordable and accessible homes.

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[1] DCLG, Draft National Planning Policy Framework, page 30
[2] http://england.shelter.org.uk/professional_resources/housing_insights
[3] Observer (2 October 2011) *Social housing threatened by planning shake-up* (page 6): http://www.guardian.co.uk/politics/2011/oct/01/social-housing-planning-reform

- The existing guidance on affordable housing, contained in the recently-amended *Planning Policy Statement 3: Housing*, is already very strong. The Framework must not weaken this important guidance but instead aim to strengthen it. Local authorities should be duty-bound to comprehensively and consistently assess local housing need and produce their own sufficiently robust Local Plans to address it. It is vital that land continues to be allocated for affordable homes and that affordable housing continues to be delivered within market-led developments.

- It is also important that market and affordable housing development creates mixed and balanced neighbourhoods by meeting the needs of all those in society: families with children, single person households, older people, people with disabilities and others in need of supported and specialist housing. Such development allows people to remain in the neighbourhood as their needs change. It ensures inclusive and stable communities. It can also improve efficiency by, for example, improving choices for older people who want to move to smaller homes within their existing neighbourhood, freeing up much-needed family homes.

- We appreciate the Government's aim of trying to make the guidance more accessible by replacing the large number of guidance documents into one slim Framework. It is important that local people, especially those in housing need, become more involved in planning policy and decisions. It is important that there is well-informed and well-evidenced local debate about the need for new homes.

- However, there is a danger that the baby could have been thrown out with the bathwater. If the Framework is insufficiently detailed and leaves too many issues open to interpretation, we may see an increasingly adversarial planning system with local appeals and legal challenge. This will inevitably lead to further uncertainty and delay to the completion of homes, causing further damage and difficulty for those who are already suffering the effects of our housing crisis: homeless people, families on social housing waiting lists, first-time buyers priced out of home ownership and households forced into expensive and insecure private rentals.

- The Government is attempting the biggest shake-up of the planning system for decades. It owes it to all these people to get this planning reform right. We hope our recommendations for improvements to the Framework will be taken seriously.

- Finally, planning reform alone will not be sufficient to stimulate house building, particularly the delivery of affordable homes. The biggest barrier to affordable house building is lack of investment. The fact that money for new social housing was cut by 60% in the last comprehensive spending review is likely to have a bigger impact on affordable house building levels than any planning reforms. We urge the Government to address the critical lack of investment in the housing the nation needs.

Summary of recommendations

With house building levels at a record low, there is an undeniable and pressing need to build affordable, secure and decent homes, particularly in the social sector. Therefore, Shelter strongly welcomes:

- The Framework's statement that *'The Government's key housing objective is to increase significantly the delivery of new homes. Everyone should have the opportunity to live in high quality, well designed homes, which they can afford, in a community where they want to live'*[4].
- The Government's aim of trying to make planning guidance more accessible by replacing the large number of guidance documents into one slim Framework.
- The core principle that housing development should be plan-led, with succinct Local Plans setting out a positive long-term vision for the area.

However, there a number of ways that the Framework could be improved to ensure the affordable homes we so desperately need are delivered without further unnecessary delay:

- The Framework must not weaken the existing guidance on affordable housing[5] but, instead, aim to strengthen it. Local authorities should be duty-bound to comprehensively and consistently assess local housing need and produce their own sufficiently robust Local Plans to address it. It is vital that land continues to be allocated for affordable homes and that affordable housing continues to be delivered within market-led developments.
- The Framework must be sufficiently detailed, for example in its definition of 'sustainable development', to prevent conflicting interpretation of policy. Without this, there may be local appeals and legal challenge, with definitions determined in the court. This will inevitably lead to further uncertainty and delay to the completion of new homes.

Our recommendations for improvement of the Framework are as follows:

Recommendation 1: The definition of sustainable development in paragraph 10 should be tightened in line with the social justice definition contained in *Planning Policy Statement 1: Sustainable Development*.

Recommendation 2: The 'core planning principles' set out in paragraph 19 should include a clear and absolute statement about the importance of mixed and balanced communities, and the need for truly affordable (see below), specialist and supported housing as a fundamental building block of those communities.

Recommendation 3: The current definitions of affordable housing and housing need contained in Annex B: Definitions of *Planning Policy Statement 3: Housing* should be retained to ensure that the need for affordable housing is assessed objectively.

Recommendation 4: The wording of in paragraph 29 of *PPS3: Housing* on local housing targets should be retained within paragraph 29.

Recommendation 5: The Framework should retain the wording in paragraph 29 (point 2) of PPS3: Housing on the need to set separate local targets for the delivery of Affordable Rent, Social Rent and Intermediate Affordable homes. This would ensure a clear local indication of the scale of the local authority's ambition to meet housing needs within its district.

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[4] DCLG, Draft National Planning Policy Framework, page 30
[5] Contained in the recently-amended *Planning Policy Statement 3: Housing* (June 2011)

Recommendation 6: We would like to see 'acceptable' replaced with 'reasonable' in paragraph 39 and for Government to issue supplementary guidance on the criteria for assessment of this. If housing delivery objectives are to be met, it is important that development is not deferred, or affordable housing excluded from site plans, solely to maximise returns for land owners and developers.

Recommendation 7: There should be a continuation of national guidance for local planning authorities to ensure that housing assessments are undertaken in a transparent, efficient and consistent way across the country. This should ideally be developed by the housing and planning sector, with the endorsement of CLG.

Recommendation 8: We would like to see the addition of a third specific objective in paragraph 107, namely:

- *Increasing the supply of all tenures of affordable housing, including specialist and supported homes, for people in housing need.*

Recommendation 9: The second requirement in point two of paragraph 109 should be amended to read: *identify and maintain a rolling supply of specific deliverable sites sufficient to provide a* **minimum of** *five years worth of* **both affordable and market** *housing against their housing requirements.*

Recommendation 10: We would like to see guidance on density in point six of paragraph 109 to ensure an effective use of land supply and avoid both over-development and under-development. Planning authorities should, at the very least, be required to base density policy on the principles of sustainable residential quality to meet the needs identified in the SHMA. It is important that density is considered and set out in conjunction with space standards.

Recommendation 11: Paragraph 111 of the Framework should be amended so that it requires planning authorities to plan for a mix of both affordable and market housing by tenure, size, type and neighbourhood, reflecting both demand and need. Planning authorities should be required to specify the broad splits of tenure, size and type both overall and on specific sites.

Recommendation 12: Paragraph 111 should be amended to make reference to the need for specialist and supported housing for vulnerable and excluded people and to improve choice for older people, including those with care needs.

Recommendation 13: Paragraph 111 should be amended to make reference to the need for sites for Gypsies and Travellers.

Recommendation 14: Planning authorities should be encouraged in paragraph 112 to have a rural exception site policy. The primary objective for exception sites policies is to secure new homes for local people, affordable in perpetuity. The Framework should be explicit that any on-site open market homes or commercial uses should only be permitted to subsidise the overall development where, for site-specific viability or other reasons, affordable homes alone are not possible.

Recommendation 15: We would like to see the reintroduction of space standards for all tenures, including external space standards, such as children's play space. This could best be achieved via improvements to building regulations. This would address local concerns about poor design and would allow the development of higher density development: making more efficient use of land without the risk of cramped living conditions and future overcrowding.

Consultation Questions

A. Policy questions

Delivering sustainable development (paragraphs 9-19)

1a The Framework has the right approach to establishing and defining the presumption in favour of sustainable development.

We agree.

1b Do you have comments?

The Framework has the right approach because it defines sustainable development (paragraph 10) as:

- Planning for prosperity (an economic role)
- Planning for people (a social role)
- Planning for places (an environmental role)

We are very pleased that, in theory, the social role of planning has been given equal weight to its economic and environmental roles. Sadly, the media debate that has followed the publication of the draft Framework has been polarised by arguments about the economic and environmental roles of planning. The social role of planning, and specifically the need for planning to deliver social justice - both now and for future generations - has been overlooked.

However, there is a danger that, in practice, the 'presumption in favour of sustainable development' will be used to give priority to development that delivers economic benefits, which may sometimes be at the expense of development that delivers social equality. For example, paragraph 13 states that *'The Government is committed to ensuring the planning system does everything it can to support sustainable economic growth.*' And concludes: *'Therefore, significant weight must be placed on the need to support economic growth through the planning system'*. This inference may, in practice, make it difficult for planning authorities to defend long-term commitments to socially sustainable housing developments against shorter term speculative housing development, particularly in relation to the viability test set out in paragraph 39 of the Framework.

It is clear that the definition of sustainable development (as set out in the Framework) will, in some circumstances, be the only barrier to the 'presumption in favour of development'. For example, the draft Framework states (paragraph 14) that authorities should *'approve development plans that accord with statutory plans without delay'* and *'grant permission where the plan is absent, silent, indeterminate or where relevant policies are out of date'*. It goes on to state (paragraph 19) that *'decision-takers at every level should assume that the default answer to development proposals is 'yes', except where this would compromise the key sustainable development principles set out in this Framework'*.

It is therefore very important that the Framework provides a much more explicit definition of sustainable development in relation to its three main roles. However, the guidance on the social role of sustainable development (housing; design; sustainable communities) is weaker that the guidance contained in *PPS1: Delivering Sustainable Development*. For example, it makes no mention of the need for development plans and decisions to reduce social inequality, particularly spatial inequality, and ensure equal access to resources and services.

Recommendation 1: The definition of sustainable development should be tightened in line with the social justice definition contained in PPS1.

Recommendation 2: The 'core planning principles' set out in paragraph 19 should include a clear and absolute statement about the importance of mixed and balanced communities, and the need for truly

affordable (see below), specialist and supported housing as a fundamental building block of those communities.

There is a danger that, in the absence of a sufficiently detailed statutory definition of 'sustainable development' contained within the Framework, local plans and local planning decisions will be open to conflicting interpretation and legal challenge. Definitions may ultimately be clarified in the courts. The recent media and public clashes between environmentalists on the one-hand and developers and Government on the other are a clear indication of the likelihood of such legal challenges at local level. We do not want legal challenges and uncertainty to undermine the Government's aim (paragraph 107) to *'increase significantly the delivery of new homes'* and particularly the delivery of desperately needed affordable housing.

Plan-making (paragraphs 20-52)

2a The Framework has clarified the tests of soundness, and introduces a useful additional test to ensure local plans are positively prepared to meet objectively assessed need and infrastructure requirements.

We disagree.

2b Do you have comments?

We are very pleased that (paragraph 28) planning authorities will continue to be required:

- To prepare Strategic Housing Market Assessments (SHMAs) to identify the scale and mix of housing and the range of tenures that the local population is likely to require over the plan period.

- To prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified requirement for housing over the plan period.

We are also very pleased that SHMAs should address *'the need for all types of housing, including affordable housing and the needs of different groups in the community (such as families with children, older people, disabled people, service families and people wishing to build their own homes)'*.

OBJECTIVE ASSESSMENT OF THE NEED FOR AFFORDABLE HOUSING

In our previous submission to CLG on the contents of the Framework[6], we pointed out that the affordable housing section in paragraphs 27-30 of the existing guidance[7] is already concise and succinct, having previously been refined down from guidance in the former Circular 6/98. We would like to see this retained.

Change to definition of Affordable Housing

As the Framework requires planning authorities to identify the need for affordable housing, it is important that the definition of this is very clear. Common sense dictates that housing defined as 'affordable' must be truly affordable to local people in relation to their incomes. However, the Framework significantly changes the definition of affordable housing:

- The existing definition, contained in the recently updated *PPS3: Housing*[8], states that affordable housing should: *'meet the needs of eligible households including availability at a cost low enough for them to afford, determined in relation to local incomes and local house prices'*.

[6] http://england.shelter.org.uk/__data/assets/pdf_file/0006/334887/Shelter_submission_to_CLG_on_National_Planning_Policy_Framework_-_February_2011.pdf
[7] CLG (June 2010) Planning Policy Statement 3: Housing (paragraphs 27-30)
[8] CLG (June 2011) *Planning Policy Statement 3 (PPS3): Housing*, Annex B: Definitions (page 25)

- The draft Framework[9] defines affordable housing as that where **'eligibility** *is determined with regard to local incomes and local house prices'*.

This may appear to be a matter of semantics, but is in fact a very significant change. It could result in a scenario where housing is considered affordable because households' *eligibility* for such homes is determined with regard to local incomes and house prices, regardless of whether the homes offered are at a cost low enough for people with average incomes to afford without financial assistance. For example, the new Affordable Rent homes (let at 80 per cent of market rates) could remain out of reach for the majority of working households and completely unaffordable for the poorest. Research for East Thames Group[10] has found that, in Newham, 65 per cent of households would be unable to afford a three bedroom home let at 80 per cent of market rates.

Removal of definition of Housing Need

Furthermore, the draft Framework contains no definition of housing need, whereas the existing guidance[11] defines housing need as *'the quantity of housing required for households who are unable to access suitable housing without financial assistance'*.

Recommendation 3: The current definitions of affordable housing and housing need contained in PPS3 should be retained to ensure that the need for affordable housing is assessed objectively.

Housing Assessments

We are very pleased that planning authorities will be required:

- To prepare Local Plans on the basis that *'objectively assessed development needs should be met, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits'* (paragraph 20).

- To *'set out the strategic priorities for the area in the Local Plan'* (paragraph 23) including strategic priorities to deliver *'housing and economic development requirements'*.

- To *'use an evidence-base to ensure that their Local Plan meets the full requirements for market and affordable housing in the housing market area, including identifying key sites which are critical to the delivery of the housing strategy over the plan period'* (paragraph 109).

We are also pleased that (paragraph 48), in order for a Local Plan to be considered sound it *'should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is practical to do so consistently with the presumption in favour of sustainable development'*.

Overall Local Targets for Affordable Housing

However, we are very disappointed that planning authorities will not be required to set local numerical targets for the delivery of housing and, particularly, affordable housing. Instead, they will be required to:

- *'illustrate the expected rate of housing delivery through a housing trajectory for the plan period and, for market housing, set out a housing implementation strategy describing how they will maintain delivery of a five year supply of land to meet their housing target'* (paragraph 109).

This is a serious and worrying weakening of the existing guidance on the delivery of affordable housing which requires planning authorities to:

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[9] CLG (July 2011) *Draft National Planning Policy Framework*, Glossary (page 53)
[10] East Thames Group, *Impact of Affordable Rent Model: Newham* (unpublished)
[11] CLG (June 2011) *Planning Policy Statement 3 (PPS3): Housing*, Annex B: Definitions (page 27)

- *'Set an overall (i.e. plan-wide) target for the amount of affordable housing to be provided. Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, taking into account information from the Strategic Housing Market Assessment.'*

Under the new Framework, Local Plans will be the primary mechanism for ensuring that development meets the needs of local people. It is vital that they contain targets for the delivery of affordable housing. We have pressed for a statutory duty on planning authorities to include housing targets in their Local Plans, to show how they intend to address numerical assessments of present and projected levels of housing need and demand. Such a duty would ensure that local people are able to hold authorities to account on housing delivery, without imposing national or regional targets, and giving authorities the freedom to use locally tailored approaches.

The Government has recognised the need to ensure a thorough assessment of housing need is undertaken by each local authority. During the Commons Committee stage of the Localism Bill, Greg Clark, Minister of State, Department for Communities and Local Government: *'Section 13 of the Planning and Compulsory Purchase Act 2004 requires a wide range of assessments to be made, and PPS3 in the current suite of national planning policy statements requires councils to undertake the types of assessments [of housing need and demand]…This approach will be required and strengthened by the national planning policy framework. We will strengthen their [powers to make absolutely clear, transparent, robust, numerical assessment of housing need] importance by making sure that no plan can be assessed and found sound unless it conforms to rigorous assessment: indeed, every neighbourhood plan has to go beyond that.'*[12]

We believe it is essential to place a requirement on the face of the Localism Bill and by amendment to the 2004 Act to provide clear housing need data and for local authorities to set out how they plan to address this need. We believe that the Framework should make it clear that local plans should contain numerical targets for both market and affordable homes provision derived from the SHMA.

Recommendation 4: The wording of in paragraph 29 of *PPS3: Housing* on local housing targets should be retained.

Separate Local Targets for Affordable Rent, Social Rent and Intermediate Affordable Housing

We are also very supportive of the existing requirement to set separate targets for the different affordable housing tenures, including Social Rent and Intermediate homes. While cuts to public subsidy for affordable housing and the introduction of Affordable Rent will mean that the majority of affordable housing built until 2015 will be in the new Affordable Rent tenure, Local Plans are expected to remain in place for 15 years and the Framework needs to apply for many years to come. Furthermore, the reform of the Housing Revenue Account subsidy system will give some councils the scope to build a substantial number of new council homes, let at social rents. It will be important that authorities clearly state how many socially rented homes they aim to build for people who cannot afford Intermediate Affordable and Affordable Rent homes without becoming benefit-dependent.

Recommendation 5: The Framework should retain the wording in paragraph 29 (point 2) of PPS3: Housing on the need to set separate local targets for the delivery of Affordable Rent, Social Rent and Intermediate Affordable homes. This would ensure a clear local indication of the scale of the local authority's ambition to meet housing needs within its district.

Viability (paragraphs 39 to 43)

We appreciate that it is important that sites identified in Strategic Housing Land Availability Assessments are deliverable. Planning authorities should work closely with housing developers to ensure that their assumptions about viability are correct.

[12] Hansard for House of Commons Localism Bill Committee (17 February 2011), column 637

However, affordable housing must not be seen as a residual requirement but a fundamental aspect of a well designed sustainable development. We are therefore very concerned by the wording of paragraph 39, namely: *'To ensure viability, the costs of any housing, local standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and on-site mitigation, provide acceptable returns to a willing land owner and willing developer to enable the development to be deliverable'*. This implies that land owners and developers could argue for affordable housing to be excluded from a site in order to maximise profit margins of an 'acceptable' level. It risks allowing developers and landowners to present any requirement for affordable housing as threatening viability.

Recommendation 6: We would like to see 'acceptable' replaced with 'reasonable' in paragraph 39 and for Government to issue supplementary guidance on the criteria for assessment of this. If housing delivery objectives are to be met, it is important that development is not deferred, or affordable housing excluded from site plans, solely to maximise returns for land owners and developers.

Joint working (paragraphs 44 to 47)

2cThe policies for planning strategically across local boundaries provide a clear framework and enough flexibility for councils and other bodies to work together effectively.

We disagree.

2dDo you have any comments?

Please see our answer to question 4(a) - SHMA Guidance - below.

In addition, there should be specific reference to the need for planning authorities within housing and employment market areas to undertake joint assessment of both development requirements and capacity. This should include both Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments.

Decision taking (paragraphs 53 to 70)

3a-b In the policies on development management, the level of detail is appropriate.

We have no comment on this section.

Guidance: using a proportionate evidence base (paragraphs 27 to 28)

4a Any guidance needed to support the new Framework should be light-touch and could be provided by organisations outside Government.

We disagree.

We are mindful of the Government's desire to reduce the amount of guidance that local authorities are required to work to. However, we are of the view that, in some cases, there is a continuing need for national guidance to ensure the implementation of local policy in a transparent, effective and efficient way.

We believe that existing guidance on producing SHMAs has been hampered by a lack of clear and good quality practice guidance. We believe it is very important that the Framework uses the opportunity to address this by including a schedule, listing all practice guidance to be issued alongside it. This should include improved guidance for assessing local housing need.

The most recent guidance on SHMAs[13] was published in 2007, with robustness and transparency identified as key aspects. However, Shelter has identified a range of problems in using SHMAs to hold councils to account. The methodology used by planning authorities often falls short of being robust, transparent and user-friendly. This issue was also identified by the National Housing and Planning Advice Unit[14], which found that guidance should be revised to make it simpler, clearer and non-technical. The same paper found that there was a need to revise and clarify the data sources to give greater comparability between areas. Because SHMAs vary so much in their methods they can produce very different results, making it difficult for the public to compare their evidence with that of other councils.

SHMAs have also proved to be costly to local authorities. The original intention was for councils to undertake SHMAs themselves but fewer than 10 per cent have been produced in this way, with most councils using consultants for some elements at a Shelter estimated cost of between £80,000 and £150,000 per assessment.

The publication of clear methodological guidance would help to deliver the aims of a more localised system by ensuring that local people are able to play an effective role in shaping local plans, planning decisions and holding their local authority to account by:

- Ensuring that all local authorities undertake a robust assessment of housing need in a thorough manner. This will ensure that local people have good data set on which to base local planning decisions, including the vision for their neighbourhoods, and ensure that there is proper transparency at a local level.

- Allowing local people to compare the performance of their local authority against that of a neighbouring authority. This not only allows better joint working (see below) but also allows local people to make an assessment of the success their local authority is achieving, relative to comparable areas, in order to hold the council to account.

- Making complex data available in a consistent format that is accessible for local people. This will allow people without a formal planning background to more effectively engage in planning discussions.

It is neither cost effective nor helpful to leave the development of methodology to 335 different local planning authorities. The use of consistent methodologies set out in national practice guidance would also be an effective tool for helping local authorities work more efficiently and at reduced cost:

- It would enable local planning authorities to continue undertaking their development and review of this part of the evidence base without having to 'start again'. This is important in order to ensure continued progress on Local Plans.

- Clear and user-friendly practice guidance makes efficient and effective use of resources, not just for local planning authorities but also for key stakeholders including the development industry and for registered providers. It would reduce reliance on costly consultants, advising individual authorities on the method for assessing housing need. This is particularly important for smaller local authorities which may lack the resources to commission bespoke means for assessing housing data.

- A comparable data set would allow local authorities to benchmark their performance relative to others. This would help local authorities to identify examples of best practice across the country and deliver more effective methods of working.

- Consistent methodology would create a consistent approach to evidence across local authority areas and enable assessment of cross-boundary considerations to be undertaken on a 'like-for-like' basis. This would also allow local authorities to work together where the spatial nature of housing development transcends local authority boundaries. For example, authorities to the north and south

[13] CLG (August 2007) Strategic Housing Market Assessments: Practice Guidance: Version 2
[14] National Housing and Planning Advice Unit (2010) Strategic Housing Market Assessments: A summary of conversation findings.

of a large city, whilst not neighbouring, may in the future decide it is appropriate to work together to address the housing need generated by the city. This would help deliver the aims outlined in the 'Duty to Cooperate' contained in the Localism Bill and the draft Framework (paragraphs 44 to 47).

- The introduction of more consistent datasets would also allow local authorities greater opportunities to increase integrated working, such as the sharing of back-office staff. This could be particularly useful in some areas of local housing planning, whereas varying data sets make the practicalities joint working more difficult.

Importantly, practice guidance on assessing local housing need would greatly assist the Planning Inspectorate in determining whether a local development plan was objective and sound because it addressed housing need as defined in national practice guidance.

We are pleased, that during the Localism Bill's House of Commons Committee stage, the Minister stated: *'my approach is to invite professional bodies to make recommendations for robust methodologies that can be shared with members of the public, so that they can be held to account'*[15].

We would like to see the Framework require local authorities to have regard to such practice guidance on methodology when making assessments. Without a requirement to use robust methodology, the proposed changes to housing policy introduced by the Localism Bill (such as local eligibility criteria for social housing waiting lists) could be used by NIMBY authorities to under-assess levels of housing need and demand in order to justify inadequate levels of housing development, particularly the development of social rented and other affordable housing

Recommendation 7: There should be a continuation of national guidance for local planning authorities to ensure that housing assessments are undertaken in a transparent, efficient and consistent way across the country. This should ideally be developed by the housing and planning sector, with the endorsement of CLG.

4b What should any separate guidance cover and who is best placed to provide it?

Shelter is a member of the Local Housing Requirements Assessment Working Group[16]. The purpose of the group is to develop guidance for practitioners to assist in developing robust and objective evidence regarding the full range of for housing requirements in their local area. The Group has come together to respond to the changing context in planning for housing. The Group is exploring the opportunities that exist, and the benefits that could be achieved, in building on the range of existing guidance and techniques to provide a greater understanding of what housing local communities need. The principles that govern any guidance produced by the Group are that it is transparent and accessible to a range of audiences and is affordable and proportionate.

The group have based its comments on the results of work undertaken by way of a cross-sector review of the 2007 SHMA Guidance. The findings have indicated that the overall thrust of the guidance is still 'fit for purpose'. However, there are some aspects of the Guidance which would benefit from reviewing, updating and amending in the light of a) knowledge gained having undertaken the initial assessments and, b) to reflect the changes emerging at the national level as a result of proposals in the Localism Bill and the draft NPPF. In addition to our views that guidance on SHMAs, albeit in an amended form, is of critical importance it has become clear that local planning authorities would also welcome some practical assistance in relation to how to undertake certain aspects of the technical work – effectively the creation an 'implementation toolkit'. As a Group we believe that we are in a strong position to assist with the development of such a toolkit and to assist Government with a review of the current SHMA Guidance.

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[15] Hansard for House of Commons Localism Bill Committee (17 February 2011), column 637

[16] Other members of LHRAWG are Town and Country Planning Association, Planning Officers Society, National Federation of Housing, Home Builders Federation, British Property Federation, Royal Town Planning Institute, Chartered Institute of Housing, Building and Social Housing Federation, Northern Housing Consortium, Campaign to Protect Rural England, Royal Institute of Chartered Surveyors

Business and economic development (paragraphs 71 to 81)

5a-b The 'planning for business' policies will encourage economic activity and give business the certainty and confidence to invest.

We have no comment to make on this section.

5c What market signals could be most useful in plan making and decisions, and how could such information be best used to inform decisions?

We have no comment to make on this section.

6a-b The town centre policies will enable communities to encourage retail, business and leisure development in the right locations and protect the vitality and viability of town centres.

We have no comment to make on this section.

Transport (paragraphs 82 to 94)

7a-b The policy on planning for transport takes the right approach.

We have no comment to make on this section.

Communications infrastructure (paragraphs 95 to 99)

8a-b Policy on communications infrastructure is adequate to allow effective communications development and technological advances.

We have no comment to make on this section.

Minerals (paragraphs 100 to 106)

9a-b The policies on minerals planning adopt the right approach.

We have no comment to make on this section.

Housing (paragraphs 107 to 113)

10a The policies on housing will enable communities to deliver a wide choice of high quality homes, in the right location, to meet local demand.

We disagree.

10b Do you have any comments?

OBJECTIVES (paragraph 107)

We strongly welcome the statement that *'The Government's key housing objective is to increase significantly the delivery of new homes. Everyone should have the opportunity to live in high quality, well designed homes, which they can afford, in a community where they want to live'*[17].

However, we are disappointed that the list of specific objectives that follows fails to mention an increase in the supply of affordable housing.

Recommendation 8: We would like to see the addition of a new third specific objective in paragraph 107, namely:

[17] DCLG, Draft National Planning Policy Framework, page 30

- *Increasing the supply of all tenures of affordable housing, including specialist and supported homes, for people in housing need.*

SIGNIFICANTLY INCREASING THE SUPPLY OF HOUSING (paragraph 109)

Housing delivery targets

Our comments on the use of a robust and consistent evidence base to ensure that Local Plans meet the full requirements for affordable and market housing are set out in our response to the sections on plan-making and guidance (above). In summary, we would like to see a statutory duty on planning authorities to strategically assess the need for affordable and market homes, backed by CLG-endorsed guidance on SHMAs, and for them to be required to set out in Local Plans their targets for delivery of both affordable and market homes.

Such targets should be incorporated into Neighbourhood Plans and be the basis of development briefs for individual sites. Given that market housing schemes will often be relied upon to deliver affordable housing, via section 106 agreements, the Local Plan should be required to specify the overall number of affordable homes to be delivered and the proportion on each scheme in order to reach the overall target.

There is a risk that Community Infrastructure Levy (CIL) will prejudice the delivery of affordable housing unless the Local Plan level of affordable housing is taken as a given in the preparation of the CIL charging schedule.

Land supply

The SHMA figure should also be used to identify a minimum five year housing land supply. There should be a disaggregated five year minimum housing land supply figure for affordable housing and, where possible, other forms of specialist and supported housing. Local planning authorities should be required to ensure that there is, at all times, a minimum of five years land supply to meet identified needs. While the 20 per cent requirement will be challenging in some areas, it will be a useful mechanism for encouraging planning authorities to undertake a comprehensive analysis of development capacity.

Recommendation 9: The second requirement in point two of paragraph 109 should be amended to read: *identify and maintain a rolling supply of specific deliverable sites sufficient to provide a* **minimum of** *five years worth of* **both affordable and market** *housing against their housing requirements.*

Housing density

We are disappointed that there is no guidance to planning authorities on housing density and that, instead they will be able to *'set out their own approach to housing density to reflect local circumstances'*.

Recommendation 10: We would like to see guidance on density in point six of paragraph 109 to ensure an effective use of land supply and avoid both over-development and under-development. Planning authorities should, at the very least, be required to base density policy on the principles of sustainable residential quality to meet the needs identified in the SHMA. It is important that density is considered and set out in conjunction with space standards.

DELIVER A WIDE CHOICE OF QUALITY HOMES

Paragraph 111: Overall and site-specific split by tenure, size and type

The first two points of this paragraph reflect the existing guidance on achieving a mix of housing, referring to the need to plan for demographic trends and the needs of different groups, such as families with children, the elderly and people with disabilities[18]. However, it emphasises the need to *'widen*

[18] CLG (June 2011)Planning Policy Statement 3 (PPS3) Housing (paragraphs 20-21)

opportunities for home ownership' and to ensure the size, type, tenure and range of housing is *'reflecting local demand'*. There is no mention of the need for affordable housing to meet the needs of different groups, based on housing need. Consequently, the Framework is much weaker than existing guidance because it omits the second and third points from paragraph 29 of *PPS3: Housing*, namely:

- Set separate targets for different tenures of affordable housing where appropriate (Social Rent, Affordable Rent and Intermediate).

- Specify the size and type of affordable housing that, in their judgement, is likely to be needed in particular locations and, where appropriate, on specific sites. This will include considering the findings of the Strategic Housing Market Assessment and any specific requirements, such as the provision of amenity and play space for family housing, and, where relevant, the need to integrate the affordable housing into the existing immediate neighbourhood and wider surrounding area.

Recommendation 11: Paragraph 111 of the Framework should be amended so that it requires planning authorities to plan for a mix of both affordable and market housing by tenure, size, type and neighbourhood, reflecting both demand and need. Planning authorities should be required to specify the broad splits of tenure, size and type both overall and on specific sites.

The Framework should require planning authorities to be mindful of the needs of excluded and vulnerable groups and that added weight should be given to applications that would deliver accommodation and support for these groups. These developments are not always readily accepted by local residents, although they often provide valuable facilities, such as hubs for services that are of benefit to the wider community.

Recommendation 12: Paragraph 111 should be amended to make reference to the need for specialist and supported housing for vulnerable and excluded people and to improve choice for older people, including those with care needs.

Recommendation 13: Paragraph 111 should be amended to make reference to the need for sites for Gypsies and Travellers.

Paragraph 111: On-site provision of affordable housing

To help often over-stretched planning departments secure the required level of affordable homes through S106 agreements, we believe that there should be a policy presumption that Local Plans contain both a numerical requirement for affordable housing and a percentage of units that should be provided in any market led housing scheme.

This is also essential to facilitate local planning authorities preparing Community Infrastructure Levy (CIL) charging schedules that support development plan levels of affordable housing. As indicated by the Minister in the committee stage of the Localism Bill, there should be a very clear statement in the Framework that the CIL should not prejudice affordable housing.

In the final point of paragraph 111 (point 3), the Framework must emphasise more strongly that affordable housing should be provided on-site and only exceptionally be provided off site or commuted. The provision of affordable housing on-site as part of market-led developments remains a critically important supply of land for affordable housing, and an important factor in creating inclusive and mixed neighbourhoods.

Historically, off-site provision and commutation of affordable housing has been allowed only in exceptional circumstances and we believe this remains a better policy principle. Too often, commutation monies are unused, or used for schemes that would have provided affordable housing in any event. If off-site provision becomes more allowable, there is a danger of this policy exacerbating growing concentrations of wealth and poverty.

Where off-site provision is justified, the total amount of off-site provision should be much clearer than *'a financial contribution of broadly equivalent value'*. For example, if the affordable housing requirement in

the Local Plan was 40 per cent then, on a site of 60 homes, the on-site provision would be 24 affordable homes. However, if the provision is off-site, 40 affordable homes would be required, as this equates to 40 per cent of the combined total of 100 (60 plus 40) homes on both the sites.

Paragraph 112: rural exemption sites

Rural exception site policies have made a vital contribution to the number of affordable rural homes. Since 2008, around 3,000 much-needed new affordable homes have been built each year in smaller rural communities, the majority of which have been on exception sites.

Exception site developments are an effective blueprint for the reformed planning system the Government is seeking to facilitate through the Framework. Registered providers, often supported by rural housing enablers, engage closely with parish councils and local communities to identify need, consider suitable sites and jointly develop schemes, delivering high-quality homes for local people.

Recommendation 14: Planning authorities should be encouraged in paragraph 112 to have a rural exception site policy. The primary objective for exception sites policies is to secure new homes for local people, affordable in perpetuity. The Framework should be explicit that any on-site open market homes or commercial uses should only be permitted to subsidise the overall development where, for site-specific viability or other reasons, affordable homes alone are not possible.

Each local plan should make it clear how affordable housing provision will be made. In normal circumstances this will require the allocation of sites for affordable housing and a policy requirement for market led schemes (perhaps above a locally set size threshold) to include a proportion of affordable homes. There should be a default position in the NPPF that national policy is that local plans should include a target for affordable homes, allocated sites and a percentage (perhaps with different levels in different areas of the district) for affordable homes in market led schemes.

Planning for schools

11a-b The policy on planning for schools takes the right approach.

We have no comment to make on this section.

Design (paragraphs 114 to 123)

12a The policy on planning and design is appropriate and useful.

We agree.

12b Do you have comments or suggestions?

Poor design can sometimes be a reason for local people to oppose housing development. We therefore welcome the guidance in this section. Careful design of space and place is essential ensure the creation of functioning, stable communities. There should be no tenure difference in design standards: good quality development can deliver social justice.

It is vital that newly-built dwellings meet the living needs of the households for which they are designed. For example, all new dwellings should have enough space for the occupants to sit at a table together to eat meals; entertain friends and family; store their belongings; and accommodate equipment now seen as essential to modern life – television, computer, washing-machine etc. It is also important that, wherever possible, dwellings include some form of private outside space so that residents have easy access to fresh-air and an area to dry laundry and grow food. It is vital that homes intended for growing families provide enough inside and outside space for children to play and study; for the storage of pushchairs, bicycles, toys, books and other essential childhood equipment; and for all members of the household to feel they have some opportunity of peace and privacy.

It is also important that new housing developments contain elements that encourage neighbourliness and provide opportunities for social interaction: local shops, cafes, playgrounds and green spaces should all be a short walk from every dwelling, with other community, leisure and entertainment facilities within walking distance. Efforts must be made to ensure that it is easy and safe to walk or cycle at least part of the way to town and city centres as a measure to encourage social interaction, reduce crime and avoid the isolation of households without access to a car.

Internal and external space standards are an important feature of housing design. We are also concerned about the overall size of newly-built dwellings. In 2007, RIBA[19] highlighted the fact that England and Wales are the only countries in the European Union with no minimum space standards for housing. As a result, much of the housing built fails to meet the Parker Morris space standards set out in the 1960s for floor and storage space: the average floor space of family-sized dwellings is 76m2, compared with 92m2 in Japan and 115m2 in Holland. RIBA also cited anecdotal evidence that the average size of homes in the lower and middle end of the housing market has decreased sharply in recent years.

Recommendation 15: We would like to see the reintroduction of space standards for all tenures, including external space standards, such as children's play space. This could best be achieved via improvements to building regulation. This would address local concerns about poor design and would allow the development of higher density development: making more efficient use of land without the risk of cramped living conditions and future overcrowding.

Green Belt (paragraphs 133 to 147)

13a The policy on planning and the Green Belt gives a strong clear message on Green Belt protection.

We agree.

13b Have you comments to add?

We support the proposal that planning authorities should undertake a review of green belt boundaries, to enable the identification of sites that do not and cannot fulfil the objectives of the green belt designations. Such sites may enable appropriate and sustainable housing development, for example urban extensions, with good access to transport, employments, utilities and social and green infrastructure should be considered for development.

Climate change, flooding and coastal change (paragraphs 148 to 162)

14a-b The policy relating to climate change takes the right approach.

We have no comment to make on this section.

14c-d The policy on renewable energy will support the delivery of renewable and low carbon energy.

We have no comment to make on this section.

14e-f The draft Framework sets out clear and workable proposals for plan-making and development management for renewable and low carbon energy, including the test for developments proposed outside of opportunity areas identified by local authorities.

We have no comment to make on this section.

14g-h The policy on flooding and coastal change provides the right level of protection.

[19] RIBA (April 2007) *Better Homes and Neighbourhoods*

We have no comment to make on this section.

Natural and local environment (paragraphs 163 to 175)

15a-b Policy relating to the natural and local environment provides the appropriate framework to protect and enhance the environment.

We have no comment to make on this section.

Historic environment (paragraphs 176 to 191)

16a-b This policy provides the right level of protection for heritage assets.

We have no comment to make on this section.

Impact Assessment

17a The Framework is also accompanied by an impact assessment. There are more detailed questions on the assessment that you may wish to answer to help us collect further evidence to inform our final assessment. If you do not wish to answers the detailed questions, you may provide general comments on the assessment in response to the following question: Is the impact assessment a fair and reasonable representation of the costs, benefits and impacts of introducing the Framework?

Planning for Travellers

18. Do you have views on the consistency of the draft Framework with the draft planning policy for traveller sites, or any other comments about the Government's plans to incorporate planning policy on traveller sites into the final National Planning Policy Framework?

Not everyone in the community wants a bricks and mortar home. We would like local planning authorities to continue to be required to plan for Gypsy and Traveller housing needs in their district.

B. Impact assessment questions

We have no detailed comment to make on the following questions. However, we are disappointed that the impact assessment does not consider the impact of removing the existing guidance on affordable housing, contained in *PPS3: Housing*, namely:

- *'Set an overall (i.e. plan-wide) target for the amount of affordable housing to be provided. Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, taking into account information from the Strategic Housing Market Assessment.'*

We are worried that the weaker requirement to *'illustrate the expected rate ... through a housing trajectory'* (with no requirement to either provide numerical plan-wide targets for affordable home or percentages of affordable homes on specific sites) coupled with the unhelpful passages on viability (which indicate that affordable housing can be traded off to make a scheme more viable) could have a serious impact on the number of affordable homes delivered.

The on-site delivery of affordable homes in recent years has been a great success, boosting supply and reducing barriers of in many areas. Affordable housing is not a residual requirement but a fundamental aspect of a well designed sustainable development. Without a presumption that market led schemes should contain affordable and specialist and supported housing, there is a risk to the delivery of mixed communities.

We also take issue with the assumption in the impact assessment that an increase in the minimum site size threshold of 15 dwellings would *'deliver benefits in terms of affordability in the longer term'*20, which appears in contradiction to the analysis of the impact of reducing the site threshold: *'Local communities will benefit from an increase in affordable housing delivered through developer contributions. For a given level of units this will reduce the level of subsidy from the public purse'*[21]. We agree with the latter analysis.

QA1. We welcome views on this Impact Assessment and the assumptions/ estimates contained within it about the impact of the National Planning Policy Framework on economic, environmental and social outcomes. More detailed questions follow throughout the document.

QA2. Are there any broad categories of costs or benefits that have not been included here and which may arise from the consolidation brought about by the National Planning Policy Framework?

QA3. Are the assumptions and estimates regarding wage rates and time spent familiarising with the National Planning Policy Framework reasonable? Can you provide evidence of the number of agents affected?

QA4. Can you provide further evidence to inform our assumptions regarding wage rates and likely time savings from consolidated national policy?

QA5. What behavioural impact do you expect on the number of applications and appeals?

QA6. What do you think the impact will be on the above costs to applicants?

QA7. Do you have views on any other risks or wider benefits of the proposal to consolidate national policy?

QB1.1. What impact do you think the presumption will have on:

i. the number of planning applications;

ii. the approval rate; and

iii. the speed of decision-making?

QB1.2. What impact, if any, do you think the presumption will have on:

i. the overall costs of plan production incurred by local planning authorities?

ii. engagement by business?

iii. the number and type of neighbourhood plans produced?

QB1.3. What impact do you think the presumption in favour of sustainable development will have on the balance between economic, environmental and social outcomes?

QB1.4. What impact, if any, do you think the presumption will have on the number of planning appeals?

QB2.1. Do you think the impact assessment presents a fair representation of the costs and benefits of the policy change?

QB2.2. Is 10 years the right time horizon for assessing impacts?

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[20] CLG (July 2011) *Draft National Planning Policy Framework: Impact Assessment,* page 63
[21] CLG (July 2011) *Draft National Planning Policy Framework: Impact Assessment,* page 64

Do you think the impact assessment presents a fair representation of the costs and benefits of the policy change?

QB2.3. How much resource would it cost to develop an evidence base and adopt a local parking standards policy?

QB2.4. As a local council, at what level will you set your local parking standards, compared with the current national standards?

Do you think the impact assessment presents a fair representation of the costs and benefits of this policy change?

QB2.5. Do you think the impact assessment presents a fair representation of the costs and benefits of the policy changes on minerals?

QB3.1. What impact do you think removing the national target for brownfield development will have on the housing land supply in your area? Are you minded to change your approach?

QB3.2. Will the requirement to identify 20% additional land for housing be achievable? And what additional resources will be incurred to identify it? Will this requirement help the delivery of homes?

QB3.3. Will you change your local affordable housing threshold in the light of the changes proposed? How?

QB3.4. Will you change your approach to the delivery of affordable housing in rural areas in light of the proposed changes?

QB3.5. How much resource would it cost local councils to develop an evidence base and adopt a community facilities policy?

QB3.6. How much resource would it cost developers to develop an evidence base to justify loss of the building or development previously used by community facilities?

QB3.7. Do you think the impact assessment presents a fair representation of the costs and benefits of the Green Belt policies set out in the Framework?

QB4.1. What are the resource implications of the new approach to green infrastructure?

QB4.2. What impact will the Local Green Space designation policy have, and is the policy's intention sufficiently clearly defined?

QB4.3. Are there resource implications from the clarification that wildlife sites should be given the same protection as European sites?

QB4.4. How will your approach to decentralised energy change as a result of this policy change?

QB4.5. Will your approach to renewable energy change as a result of this policy?

QB4.6. Will your approach to monitoring the impact of planning and development on the historic environment change as a result of the removal of this policy?

For further details, contact:

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Annex 1

Shelter Housing Insights for Communities

This chart provides a national overview of each group's likelihood to actively oppose house building.