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National Planning Policy Framework
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National Planning Policy Framework

Dear Alan Scott

We welcome the opportunity to shape the new National Planning Policy Framework, which will consolidate all existing planning policy statements, circulars and guidance documents into a single consolidated guidance document. We note that the new Framework is to be:

- localist in its approach, handing power back to local communities to decide what is right for them;
- used as a mechanism for delivering Government objectives only where it is relevant, proportionate and effective to do so and
- user-friendly and accessible, providing clear policies on making robust local and neighbourhood plans and development management decisions.

We support the development of the framework, which will set out the economic and environmental priorities for local planning. We understand, from the Conservative Planning Green Paper: *Open Source Planning*¹, that the framework will include 'a series of short and focused guidance notes describing how specific aspects of the planning system will operate to deliver the government's agenda and setting out minimum environmental, architectural, economic and social standards for sustainable development'. The framework will therefore replace all the existing suite of planning policy guidance (PPGs) and Planning Policy Statements (PPSs), including *PPS3: Housing*, most recently updated in June 2010.

¹ Conservatives (2010), *Open Source Planning: Policy Green Paper No.14* (page 15)

Relationship between planning legislation and national planning policy

We believe that the success of the new planning system will depend on all parties having full clarity about the relationship between the statutory provisions relating to the planning system and the standards set out in the framework. The framework will be a powerful part of the structure of powers, responsibilities and incentives that will in future inform the operation of the locally based planning system. We believe that the coherence and strength of this structure would be usefully increased if the Bill provided an appropriate statutory link between the planning legislation and the framework:

- We suggest that the Bill makes specific reference to the production of the framework by government and that planning authorities should ‘have regard to’ the framework in drawing up local plans.
- In addition to, and consistent with, such a provision, we also propose that the Bill should provide clearly that, in cases where a local plan has not been adopted, planning applications should be determined in accordance with the framework.

We feel that these two provisions would provide a transparent and effective framework for communities and all others to work within.

Sustainable development

We support the concept, as set out in *Open Source Planning*, that the new, localised planning system should have a clear ‘presumption in favour of sustainable development’. This would make it unlawful for a local planning authority to refuse permission for a development, providing it conformed with the local plan and national policy, as set out by the National Planning Policy Framework (NPPF). We believe that, given the importance of the definition of ‘sustainable development’, it should be subject to Parliamentary scrutiny.

However, whether it is set out in statute or by the framework, it is very important that the definition of ‘sustainable development’ prioritises the meeting of housing need alongside economic and environmental priorities. If the new planning system is to enable local people to shape their surroundings, one of its foremost concerns should be to ensure existing and future local residents have access to the basic human right of a decent and suitable home. However, sustainable housing development should aim to minimise environmental impact and be situated within easy access of employment, services and amenities.

Therefore, we have restricted our priorities for a shorter, more decentralised National Planning Policy Framework to its priorities for the development of housing, and particularly ‘affordable’ and social rented housing to meet housing need. Specifically, we have considered the most valuable aspects of *PPS3: Housing*, that should be retained within the new policy framework.

Retention of core principles of PPS3: Housing

In our view, *PPS3: Housing* is a concise and useful document, which makes clear that a key principle of national planning policy is to ‘improve the affordability and supply of housing in all communities’² to ensure that ‘everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live’³. We are particularly supportive of the ‘planning for housing policy objectives’ set out in paragraph 10, namely:

- well-designed housing development, built to a high standard
- developments containing a mix of market and affordable housing, in terms of tenure and price, to support a wide variety of households
- a sufficient quantity of housing to meet need and demand, and improve choice
- housing development in suitable locations with access to jobs, services and infrastructure
- a supply of land and managing this land supply in the most efficient way, including re-use of previously developed land

and the policies to achieve these objectives, outlined in paragraph 11, namely:

- sustainable housing development, particularly seeking to minimise environmental impact
- joining local planning, housing, economic and community strategies to define a spatial vision for the area
- taking into account local and sub-regional housing market areas
- working collaboratively with local communities, developers and infrastructure providers
- informing local development documents with ‘robust, shared evidence base, in particular of housing need and demand, through a Strategic Housing Market Assessment, and land availability, through a Strategic Housing Land Availability Assessment’.

These objectives and policies have been particularly helpful in setting the agenda for local development plans and local planning decisions. They are generally clear and succinct, and can be applied to the new, localised approach to planning. They should therefore be retained within the National Planning Policy Framework.

Robust data on housing need and demand

One of the main strengths of *PPS3: Housing* is that it requires the level of housing provision to be determined by a strategic, evidence-based approach, including the local and sub-regional evidence of need and demand set out in Strategic Housing Market Assessments. However, SHMAs are often larger than local and have a varying focus on

² CLG (June 2010) *Planning Policy Statement 3: Housing* (paragraph 3)

³ CLG (June 2010) *Planning Policy Statement 3: Housing* (paragraph 3)

housing demand and housing need. Whilst SHMAs, of some version of them, will still be necessary to reflect the spatial nature of housing markets, a move to a localised approach to planning for housing development is likely to necessitate a return to district-wide Local Housing Needs Assessments.

We fully support the idea, set out in *Open Source Planning*, that in developing their local development plans, councils will be expected to ensure, as a minimum:

'The provision of good data by the local planning authority to the electors in the neighbourhoods, so that they can develop their vision for their community on a well-informed basis (this will need to include an analysis by the council of the likely need for housing and for affordable housing for local people in each neighbourhood)'

Shelter welcomes a more localised approach to planning and sees the reforms to the planning system as an opportunity to allow local people to play a more active role in shaping development in their area by helping to shape Local Plans and holding their local authority to account. In order to enable local people to play a more active role it is vital that they have access to data that gives them as full a picture as possible of the housing situation in their area and enables them to assess their local authorities' comparable performance.

We would like to see a statutory requirement for local authorities to make a robust assessment of housing need and demand to inform local development plans. However, at the very least, the National Planning Policy Framework should retain a requirement for local authorities to assess local housing need and demand. This should be based on a localised form of paragraph 33 of *PPS3: Housing*.

We are therefore pleased that, in the Localism Bill Committee, the Minister for Decentralisation stated:

*'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.'*⁴

Practice guidance on assessing local housing need

The requirement of *PPS3: Housing* that local planning authorities should take an evidence-based approach to developing local development documents has been hampered by a lack of clear and good quality practice guidance. We believe it is very important that the National Planning Policy Framework uses the opportunity to address

⁴ Hansard for House of Commons Localism Bill Committee (17 February 2011), column 637

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 SHMAs⁵ 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. Most stem from the fact that, despite the guidance, the methodology falls short of being robust, transparent and user-friendly. This issue was recently identified by the National Housing and Planning Advice Unit⁶, 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 ensure that these important issues could be addressed. This will enable local people to play an active role in planning decisions 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.

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:

- Clear and user-friendly practice guidance 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.

⁵ CLG (August 2007) *Strategic Housing Market Assessments: Practice Guidance: Version 2*

⁶ National Housing and Planning Advice Unit (2010) *Strategic Housing Market Assessments: A summary of conversation findings*.

- 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 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 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.
- 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 Inspector in determining whether a local development plan was compliant because it addressed housing need as defined in national practice guidance.

Improved practice guidance will 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 and holding their local authority to account, whilst enabling local authorities to work together in a more efficient manner.

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*'⁷. We would like to see the National Planning Policy 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.

Locally set targets for affordable and social rented housing

The affordable housing section in *PPS3: Housing*⁸, having previously been refined down from guidance in the former Circular 6/98, is already concise and succinct. We are particularly supportive of paragraph 29 and its requirement that, in local development documents, 'local planning authorities should set an overall (i.e. plan-wide) target for the amount of affordable housing to be provided' and 'should aim to ensure the provision of affordable housing meets the needs of both current and future occupiers'.

⁷ Hansard for House of Commons Localism Bill Committee (17 February 2011), column 637

⁸ CLG (June 2010) *Planning Policy Statement 3: Housing* (paragraph 29)

We are also very supportive of the PPS3 requirement to set separate targets for social rented and intermediate housing. This will become particularly important with the forthcoming introduction of a further tenure of 'Affordable Rent' and restrictions to public capital subsidy. 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.

Therefore, it is very important that the National Planning Policy Framework contains a continued requirement for local planning authorities to set both local targets and thresholds for the number of affordable, and particularly, social rented homes. This would ensure a clear local indication of the scale of the local authority's ambition to meet housing needs within its district.

We would also like to see a continuing requirement for local development plans to ensure new housing developments provide for the current and future needs of a diverse range of people, including families, single person households, older people and people with disabilities by specifying the size and type of affordable housing needed, both overall and on specific sites. On larger developments, this will ensure social integration, which is difficult to achieve when developments contain a concentration of one specific dwelling type. There could also be firmer guidance on the development of housing for older people with care needs. We would also like local planning authorities to continue to be required to plan for gypsy and traveller housing needs in their district.

Definitions of affordable housing

The current consultation on amendments to the definition of affordable housing within *PPS3: Housing* suggests that the definition will be retained within the National Planning Policy Framework. We strongly support the retention of a national definition providing it continues to distinguish between social rented and other sub-market homes. A national definition also provides certainty to developers who operate on a regional or national basis and is also useful in Section 106 negotiations where local development plans contain either no definition or one that is out-of-date.

Further issues

The National Planning Policy Framework should also contain:

- Clear and concise guidance on the parameters for land supply, backed by improved practice guidance on methodology
- Guidance on good quality design
- Guidance on the suitable location of housing similar to that currently contained in paragraph 38 of *PPS3: Housing*.

We are committed to working with CLG to ensure that a new, local planning system properly assesses and responds to local housing need, and that the system is sufficiently

transparent to enable local people to hold their local planning authority to account for failing to do so.

Yours sincerely,

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