

North Devon Council & Torrige District Council

Report Date: 20th September 2024

Topic: Response to Government consultation on proposed reforms to the National Planning Policy Framework and other changes to the planning system

Report by: Senior Planning Policy Officer (NDC)

1. INTRODUCTION

- 1.1. The Government is currently seeking views on their proposed approach to revising the National Planning Policy Framework as well as on a series of wider policy proposals in relation increasing planning fees, local plan intervention criteria and appropriate thresholds for certain Nationally Significant Infrastructure Projects.
- 1.2. The Consultation closes on 24th September 2024 and Officers have prepared a draft response (Appendix 1) for the Committee to endorse. There are 106 questions and this report highlights the areas that Officers believe will have the most impact on the Councils. Following agreement of the draft, Officers will make arrangements for the response to be submitted prior to the deadline for submissions.

2. RECOMMENDATIONS

- 2.1. Members of the Joint Planning Policy Committee are recommended to:
 - (1) Consider the draft response to the Government's consultation on proposed reforms to the National Planning Policy Framework and other changes to the planning system (Appendix 1); and
 - (2) Endorse the response to be formally submitted on behalf of North Devon Council and Torrige District Council.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To enable the Councils to seek to influence the Government's approach to the planning system.

4. REPORT

- 4.1. Key Points from the consultation include:
 - A new standard Method resulting in higher significant local housing need figures for the plan area;
 - Amending the wording of the 'presumption in favour of sustainable development' to make clear that the 'relevant policies' are those for the supply of land, as the primary role of the presumption is in addressing inadequate land supply. In addition it makes clear that the Framework's policies for the location and design of development are to be taken into account in decisions when the presumption applies;
 - Strengthening of the existing 'duty to cooperate' in plan making. This is in advance of legislation on strategic planning which will be introduced at a later date;

- Greater support for 'social rented' affordable housing and withdrawing the requirement for a proportion of 'affordable home ownership';
- Support for renewable energy developments; and
- Support for key industries including laboratories, gigafactories (battery cell manufacturing plants), digital infrastructure, freight and logistics.

4.2. Other proposed changes to wider planning system include:

- A new system of strategic planning to be introduced through new legislation. It will require universal coverage of spatial planning across wider geographies.
- Increasing planning fees, and consultation on the potential to set planning application fees locally
- A delay to the introduction of the new Plan-Making process as set out in the Levelling Up and Regeneration Act (2023) with the government indicating that the necessary regulations will not come into effect until summer or autumn 2025.

4.3. The most significant implication for the Councils' is the change to the standard method for calculating housing targets. The purpose of the change is to meet the government's ambition to build 370,000 homes a year (the previous government objective was for 300,000 homes a year). It will mean an increase for the North Devon and Torrige Local Plan area from the current figure of 719 homes a year to 1,307 - which is significantly higher than historic delivery rates across the plan area. There are several components to the standard method and each of these have been changed in the consultation resulting in the higher number and which the Councils are making objections to.

4.4. Firstly, replacing the baseline of household projections with a baseline set at 0.8% of existing housing stock levels. The Councils are concerned that the amendments proposed fundamentally remove any link between actual housing need and the results of the standard method. It is too simplistic to consider that larger places should accommodate larger levels of growth, having no regard to constraints, demands or opportunities.

4.5. Secondly, the Councils are concerned about the continued use of the workplace-based affordability ratios, believing that the resident-based ratios would be more appropriate as it is more reflective of the ability of people to afford housing in the locality where they choose to reside. There are a variety of reasons why people may work in a different place to they reside and not a simple correlation that they cannot afford to live in the place where they work. Accordingly, the resident-based ratios would be more reflective of local circumstances and the true challenges of housing affordability for local communities. In addition, The Councils are concerned for local planning authorities such as North Devon Council, which is intersected by a National Park and whereby the work placed dataset is provided at a local authority level rather than at a local planning authority level. In such circumstances, this may skew the affordability ratio, given that National Parks often see higher housing costs.

4.6. Thirdly, unlike the previous method, the new standard method does not have a cap applied to limit the level of increase for individual authorities. The Councils are objecting to this change on the basis that the proposed weighting places a

disproportionate and inappropriate emphasis on the affordability aspect of the standard method. There are many factors that impact on the affordability of housing and these may vary dependent upon the local context and circumstances. Whilst it is accepted that constraints on housing supply can contribute to housing affordability challenges, this is not the only factor and will often not be the principal driver. Simply increasing the housing requirement on a local area, will not necessarily result in an increase in housing supply, nor result in an improvement in housing affordability.

- 4.7. For northern Devon, the planning system is not considered to be resulting in a constrain on housing supply, with the North Devon and Torrige Local Pan 2011-2031 providing a specific identified supply of housing (allocations and permissions) far in excess of the housing requirement, which in itself was higher than the level of identified housing need. Many of the larger and smaller allocations have planning consent and have developers on board to facilitate their delivery. However, the market is simply not seeking to absorb the housing at the required rate - be that due to the relative geographical isolation of the area, housing finance (i.e. mortgage rates) or other factors.
- 4.8. In reality the macro-economics of the housing market means that it is unlikely that any increase in the housing requirement will result in a significant reduction in house prices, therefore one has to question the basis for artificially increasing housing requirements for a locality based on affordability. There are also other factors that significantly impact on housing affordability in northern Devon including a relatively low-wage economy rather than the constraints on housing stock. A focus on interventions in the economy and striving to increase earning potential for households, alongside the delivery of additional affordable housing of an appropriate tenure, is likely to be far more effective at addressing housing affordability than simply increasing housing requirements.
- 4.9. In relation to the proposed changes to the presumption in favour of sustainable development and the requirement for local planning authorities to demonstrate a five year housing land supply, the government are proposing to reverse the changes made to the NPPF in December 2023. In response to question 6 which asks if we agree with the changes to paragraph 11 of the NPPF, the Councils' have taken the opportunity to highlight the significant ongoing concerns we have with the application of the presumption. This is because it has historically not been an appropriate or effective means to address the fundamental issue of increasing housing delivery.
- 4.10. The plan-led system is fundamental to ensuring that local communities are engaged with and support the ambitions for housing delivery and economic growth in their local areas and at a national level. While the application of the presumption may not be unreasonable in some circumstances – (if there is no local plan in place), our experience is that the presumption has been triggered soon after the adoption of the Local Plan, when there is little evidence that the plan itself is failing, which undermines not only the policies of the plan but the support local communities have given to those policies. The Councils, local communities and key stakeholders (including the development industry) put in a significant amount of work to prepare our current joint Local Plan, which sets ambitious targets for new homes and economic growth. However, as a result of a planning inspector's decision, the presumption was triggered only 18 months after the adoption of the plan, effectively

rendering a set of policies 'out of date' that had gained significant community buy-in. In view of the proposed significant increase in the local housing requirement (through the revised standard method),

- 4.11. In addition to the above points, the response to this question also highlights the number of planning permissions granted under the presumption which do not come forward for development, the proliferation of planning applications on the edge of smaller settlements for developments which fall below the threshold to deliver affordable housing amongst other matters.
- 4.12. The government are proposing to place more emphasis on the delivery social rent affordable housing as well removing the requirement for local plans to deliver 10% of housing on major sites as affordable home ownership and the requirement for 25% of affordable housing to be First Homes The Councils' welcome these changes which reflect the position which has been set out both in the current Local Plan (75% of affordable homes to be social rent) and the supporting affordable housing SPD (not seeking First Homes).
- 4.13. The Councils' response raises significant concerns with the proposed delay to the implementation of the new plan- making system until the summer or autumn 2025, given that the Councils' are clear in their ambition prepare a new local plan to ensure that they are proactively planning for the future of northern Devon and its communities. While the Government are proposing to extend the deadline to submit local plans for examination under the existing plan-making system until December 2026, this does not assist the Councils' as this timetable is unrealistic, especially if we are tasked with increasing the housing numbers to the extent outlined earlier in this report. Therefore the response to question 104 makes it clear that the Councils are keen to ensure that the Government is aware of the desire of North Devon Council and Torrige District Council to formally commence work on a new joint local plan for northern Devon through the new plan-making system at the earliest opportunity.

5. RESOURCE IMPLICATIONS

- 5.1. The preparation and submission of the consultation response is being completed within the existing resource capacity of the Councils' planning policy teams. The outcomes of the consultation could result in changes to national planning policy and other aspects of the planning system. Some aspects may require changes to the work programme of the planning policy team.
- 5.2. The consultation seeks views on increasing fees for various applications through the planning system, with the intention of aligning more closely to cost recovery for planning services; allowing for the necessary resources to be in place to deliver an effective planning service.

6. EQUALITIES ASSESSMENT

- 6.1. The consultation seeks views on the potential equality impacts of the proposals (Q106). No concerns have been raised.

7. ENVIRONMENTAL ASSESSMENT

- 7.1. The Government's consultation seeks views on a range of proposals that are intended to have a positive impact on the environment and climate change, including increasing support for renewable energy proposals.

8. CONSTITUTIONAL CONTEXT

- 8.1. Schedule 2 of the Agreement for a Joint Planning Policy Committee (North Devon Council and Torrige District Council, dated 22nd October 2021); Section 10 of Annexe 1 – Powers and Duties of Committees, Constitution (North Devon Council, May 2023); and Terms of Reference and Functions of the Joint Planning Policy Committee, Constitution (Torrige District Council, October 2023).

9. STATEMENT OF CONFIDENTIALITY

- 9.1. This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

10. BACKGROUND PAPERS

- 10.1. The following background papers were used in the preparation of this report: (The background papers are available for inspection and kept by the authors of the report):

- (1) Proposed reforms to the National Planning Policy Framework and other changes to the planning system <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system>
- (2) National Planning Policy Framework: draft text for consultation https://assets.publishing.service.gov.uk/media/66acffdce1fd0da7b593274/NPPF_with_footnotes.pdf
- (3) Outcome of the proposed revised method <https://assets.publishing.service.gov.uk/media/66a8d6a20808eaf43b50d9a8/outcome-of-the-proposed-revised-method.ods>

11. STATEMENT OF INTERNAL ADVICE

- 11.1. The author confirms that advice has been taken from all appropriate Councillors and Officers:

- (1) Cllr M Prowse, Lead Member for Economic Development and Strategic Planning Policy; Vice-chair of Joint Planning Policy Committee (NDC)
- (2) Cllr R Hicks, Lead Member for the Economy; Chair of Joint Planning Policy Committee (TDC)
- (3) Helen Smith, Planning Manager (TDC)
- (4) Sarah- Jane Mackenzie-Shapland, Head of Place, Property and Regeneration (NDC)

12. APPENDICES

- 12.1. This report is supported by the following appendices: