



Planning performance and planning contributions

Response from National Parks England

April 2014

1. National Parks England (NPE) exists to provide a collective voice for the nine English National Park Authorities and the Broads Authority. It is governed by the Chairs of the ten Authorities. Our response represents the collective view of officers who are working within the policies established by the National Park Authorities (NPAs). Individual National Park Authorities may submit separate comments, which will draw on the specific issues for their particular area.
2. In March 2014 the Department for Communities and Local Government launched a consultation seeking views on changes to the threshold for the speed of decisions, as well as proposing to clarify the way in which exceptional circumstances affecting performance will be taken into account. The consultation also suggests possible changes to section 106 planning obligations policy. National Parks England wishes to make the following points in response to the latter part of the consultation document.

Summary

3. We understand the need to assist the delivery of small scale housing sites which in some cases struggle with marginal viability. However, National Park Authorities have a strong track record of delivering small scale housing sites with a proportion of affordable housing, particularly in rural areas where new homes for local needs are in high demand. House prices within National Parks are among the highest in England relative to local incomes. This drives positive development viability on sites of all sizes but seriously threatens the sustainability of communities and increases demand for affordable housing where local people have increasing difficulty finding suitable accommodation to continue living in their areas.
4. We are very concerned about the proposals to introduce a 10-unit threshold for section 106 affordable housing contributions. We set out our reasons in more detail below.
National Parks England would urge the Government to exempt National Parks and the Broads from this specific proposal.
5. National Park Authorities in partnership with local housing authorities are specialists in affordable housing delivery. For example, the North York Moors NPA helps to fund the Rural Housing Enabler Programme, proactively identifying land for affordable homes. In many National Parks, affordable housing delivery in National Parks does not solely rely on Rural Exception Sites, as a significant proportion of affordable housing is secured through cross-subsidised section 106 obligations on small scale market sites (referred to from here as quota sites). Exceptionally high sales values on open market housing in National Parks ensures the section 106 cross-subsidy on quota sites is viable where it may not be in other parts of England.

6. To support this claim, evidence from seven of the nine English NPAs and the Broads Authority attached at Annex I shows that smaller sites of less than ten units represent 84% of all quota sites and 59% of the affordable houses permitted on quota sites were on those of ten units or less. This is in part because larger sites have a more significant impact on protected landscapes but clearly demonstrates that smaller quota sites are critical to ensure the continued provision of affordable housing in National Parks.
7. We support the proposal to exclude Rural Exception Sites from the scope of the 10-unit threshold. However, we are concerned about the delivery of Rural Exception Sites continuing in the future. HCA grant funding on schemes has reduced significantly in the last three years and rural schemes are more costly and time consuming to bring forward. Rural Exception Sites are also less relevant for larger settlements, such as Lewes and Petersfield in the South Downs National Park, which rely more heavily on quota sites with open market housing to cross-subsidise the majority of affordable housing through section 106 obligations. North York Moors NPA are also keen to provide a good range of housing offer in larger settlements, allowing open market housing sites to come forward where they provide an affordable housing mix.
8. If the 10 unit threshold were to be introduced, it would therefore seriously compromise the ability of National Park Authorities to secure affordable housing on 84% of their quota sites and force them to be solely reliant on Rural Exception Sites for delivery of affordable housing on smaller sites. Since 2005 at least 126 affordable houses would have been lost from seven of the English NPAs and Broads Authority if the proposed threshold was in place.
9. National Park Authorities have a statutory duty to foster the economic and social wellbeing of local communities and are guided by The English National Parks and the Broads Circular (2010, paragraphs 78-79) *“to maintain a focus on affordable housing...to ensure that the needs of local communities in the Parks are met”*. Particularly in National Parks with few existing houses, it is important to ensure that the limited number of new dwellings that are delivered are focused on meeting local needs as much as possible. Preventing affordable housing provision on small quota sites as proposed in the consultation will militate against our ability to meet the requirements of Government policy in the Circular, reemphasised in the NPPF, that National Parks are not suitable locations for unrestricted market housing.
10. If Government is committed to supporting the viability of small scale housing sites to deliver more housing across England, including within National Parks, then we would favour a more flexible and informed policy approach based on local evidence, rather than relying on the introduction of blanket restrictions to affordable housing. Up-to-date viability evidence from the South Downs NPA demonstrates clearly that certain levels of affordable housing are viable on small scale housing sites. Currently, most NPAs have a policy of negotiating section 106 obligations and accept a locally-agreed reduced level of contribution where marginal viability can be demonstrated. The New Forest NPA has adopted Core Strategy Policy CP11 clearly setting out the terms for open book viability testing while the North York Moors NPA assess the viability of affordable housing on all sites where a contribution is due. Experience shows these flexible approaches to be working well.
11. If a threshold is to be imposed following this consultation, we firmly believe National Parks should be excluded in acknowledgement of their special circumstances and their focus on affordable housing as required by The English National Parks and the Broads Circular (2010).

Question 5: Is the Government's objective of aiding the delivery of small scale housing sites and expanding the self build housing market supported by: the introduction of a 10-unit and 1000 square metres gross floor space threshold for section 106 affordable housing contributions; and the exclusion of domestic extensions and annexes from section 106 affordable housing contributions?

12. **No - we firmly believe National Parks should be excluded from the proposed threshold.** National Park Authorities have a statutory duty to foster the economic and social wellbeing of local communities and are directed by The English National Parks and the Broads Circular (2010) *"to maintain a focus on affordable housing...to ensure that the needs of local communities in the Parks are met"*.
13. The National Planning Policy Framework (2012, paragraph 54) states *"In rural areas...local planning authorities should be responsive to local circumstances and plan housing development to reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate. Local planning authorities should in particular consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs"*. Paragraph 50 requires local planning authorities to widen housing opportunities to create sustainable, inclusive and mixed communities, including by the provision of affordable homes both on sites and through off-site financial contributions.
14. Preventing affordable housing on smaller market housing sites would be contrary to the emphasis in the NPPF on rural affordability which is a particular issue in National Parks and the provision of sustainable, mixed communities. The key benefit of granting planning permission for open market quota sites in National Parks is often to secure the proportion of affordable housing for the local area.
15. NPAs successfully deliver a significant proportion of their affordable housing on small scale housing sites through section 106 agreements in addition to Rural Exception Sites as detailed above. The effect of the proposal would be to severely undermine the ability of NPAs to facilitate the delivery of affordable housing for local needs on smaller quota sites in protected landscapes where larger sites are often unacceptable in planning and environmental terms. To allow small quota sites to deliver only open market housing in these areas which command exceptionally high house prices would be contrary to the NPPF and represent a reversal in the long standing approach that has sought to ensure that the limited development opportunities available in the National Parks cater for local needs rather than unrestricted market housing.
16. Localism and the progression of many neighbourhood plans across all National Parks would also be undermined by the introduction of this threshold where communities are likely to feel disenfranchised by the planning process if they are unable to secure any affordable housing from small quota sites in their areas. Again, Rural Exception Sites alone cannot be relied upon to deliver all affordable housing in many of the National Parks and neighbourhood plans are looking to small market sites to deliver additional benefits as well as affordable housing, within the safeguard of viability evidence.
17. **We believe there is a valid case for exempting National Parks from the small site threshold, given that the proposal will significantly reduce the delivery of affordable homes in National Parks for the reasons we have outlined above.** The threshold may not increase market housing either as small sites coming forward without an affordable proportion could be resisted by NPAs as contrary to the Circular and NPPF. We welcomed the comment by Planning Minister, Nick Boles MP to Parliament (Hansard, HoC, 11.09.13) that National Parks *"are some of the most beautiful parts of the country, and it is right that we accord them a different status from other beautiful landscapes and approach*

development issues slightly differently". Exempting the National Parks from this latest proposal would ensure a more nuanced approach and enable us to do our bit for supporting affordable housing, as encouraged by the Planning Minister when announcing the most recent reforms to Permitted Development Rights.

Question 6: Should the proposed exemption apply beyond affordable housing to other tariff style contributions based on standard formulae?

18. We strongly believe that new housing sites of any size have a proportional impact on local infrastructure of all types which should be mitigated against and the fairest way to achieve this is through tariff style infrastructure contributions. Notwithstanding the existing amendments to the CIL regulations, we firmly disagree with further limits to infrastructure contributions through section 106.
19. In many areas, the Habitats Regulations require a financial contribution towards a package of mitigation measures in addition to standard infrastructure. Preventing tariff contributions may also cause serious delays where developers would have to undertake their own 'appropriate assessments' for even a single dwelling.

Question 7: We would like your views on the impact on the Government's policy objectives to incentivise brownfield development through proposed national policy change. This would reduce the financial burden on developers by requiring that affordable housing contributions should not be sought where buildings are brought back into any use – other than proportionately for any increase in floor space.

20. We recognise that brownfield development is often financially challenging. Good practise is to assess the viability of proposed brownfield redevelopment schemes on a case-by-case basis. The planning policies of the individual National Park Authorities allow this degree of flexibility, as required by the NPPF. Limiting affordable housing contributions on brownfield sites (it is not clear from the consultation document whether the 10-unit threshold would apply to this proposal) could risk a significant reduction in planned affordable housing provision in settlements with larger brownfield redevelopment opportunities.

National Parks England

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Annex I - Affordable Housing Provision in National Parks since 2005

No. of Affordable Housing Units Approved in total since 2005	Broads	New Forest	Exmoor	North York Moors	Peak District	Dartmoor	Yorkshire Dales	Total
No. of applications approved for >10 units on S106 schemes (i.e. quota sites where affordable housing is required as % of open market provision)	1	2	1	1	1	3	3	12
No. of affordable housing units approved on sites of >10 units (i.e. quota where affordable housing is required as % of open market provision)	13	4	3	5	10	26	27	88
No. of applications approved for <10 units on S106 schemes (i.e. quota sites where affordable housing is required as % of open market provision)	0	6	5	0	0	44	8	63
No. of affordable units approved on sites of <10 units (i.e. quota sites where affordable housing is required as % of open market provision)	0	12	12	0	0	80	22	126
No. of applications approved for > 10 units on exception sites	0	0	3	4	6	3	0	16
No. of affordable dwellings approved on exception sites of >10 units	0	0	39	45	113	42	0	239
No. of applications approved for < 10 units on exception sites	0	2	29	10	60	5	4	110
No. of affordable dwellings approved on exception sites of <10 Units	0	19	51	64	133	22	28	317

Notes - The table excludes those NPAs that were either not in existence from 2005; that have not approved new affordable housing units; or where the policies of the National Park do not allow for any open market housing. In the Lake District National Park, for example, their housing delivery is through the use of local housing and affordable housing only.

Analysis of the data

556 units were delivered through **exception sites** while **214** were delivered from **quota sites**.

As can be seen from the table the majority of affordable housing in the National Parks has been delivered through the use of exception sites.

The table shows that **only 12 applications** were received on **quota sites** for **more than 10 units** compared with **63 applications for sites with less than 10 units**.

If the 10 unit threshold had applied since 2005 **126 affordable units would have been lost** in National Parks (59% of the total delivered through quota sites).

Some additional points to note

- The English National Parks and the Broads UK Government Vision and Circular explain the principles behind the use of Section 106 agreements to secure the long term affordability of new build dwellings permitted exceptionally in these nationally significant areas:

'The Authorities have an important role to play as planning authorities in the delivery of affordable housing. Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services.

The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer term' (paragraphs 78-79)

- The proposals outlined in the consultation document will be contrary to the provisions set out in the circular by militating against affordable housing delivery on quota sites which constitute a significant proportion of overall affordable housing delivery.
- The delivery of affordable housing in National Parks and other rural areas plays a significant role in ensuring that local communities remain sustainable. Although development is on a much smaller scale the provision of half a dozen affordable houses can ensure that local people can remain in the communities they grew up in, ensuring the viability of local facilities. The provision of affordable housing ensures that employers have access to a workforce and therefore helps to support the growth of the local economy.

For more information contact

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