



Planning for the right homes in the right places: consultation proposals

Response by National Parks England

November 2017

Introduction

1. National Parks England (NPE) exists to provide a collective voice for the nine English National Park Authorities and the Broads Authority – all of which are Local Planning Authorities. NPE 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) and follows internal consultation with the Board and All Parks Heads of Planning Group. Individual National Park Authorities may submit separate comments, which will draw on the specific issues for their particular area.

2. For context, the nine English National Parks and the Norfolk Broads cover around 10% of England. Populations range from 1,951 in Northumberland to 115,049 in the South Downs. All National Park Authorities and the Broads Authority are guided by two purposes as set out in the 1995 Environment Act:

- To conserve and enhance the natural beauty, wildlife and cultural heritage of the Parks
- To promote opportunities for the understanding and enjoyment of the special qualities of the Parks by the public.

In pursuing these purposes the Authorities also have a duty to seek to foster the economic and social wellbeing of local communities. In addition, the Broads Authority has an additional purpose regarding navigation.

Summary

3. A detailed response to the individual questions is set out in the Appendix. Where we have suggested changes we have tried to suggest alternative approaches which are compatible with the overall aim of speeding up housing delivery nationally. In this summary we would like to highlight three key points.

4. The first is the proposed approach to **assessing housing need in National Parks and the Broads Authority area (Question 4)**. We very much support the intention to make it clear in national policy that National Park Authorities and the Broads Authority should generate their own needs figure based on the best available information, and that the proposed standardised national methodology is not applicable within National Parks.

5. Secondly, we would again ask that the **Housing Delivery Test** is not applied to National Park Authorities and the Broads Authority. We have raised this issue in our response the Housing White Paper. We set out three reasons as to why the test is unsuitable

in National Parks and the Broads under our response to question 5b. In short, the test risks penalising National Parks and the Broads for failing to deliver housing and economic growth. It does not recognise that national planning policy states that development should be restricted in accordance with the statutory framework for National Parks and the Broads. This focuses on the conservation and enhancement of the natural beauty, wildlife and cultural heritage and promoting opportunities for their enjoyment. We note and welcome the statement by the Secretary of State, Sajid Javid MP that “*There will be places where constraints – for example, such as Areas of Outstanding Natural Beauty, national parks or others – mean there’s not enough space to meet local need*” (CLG Written Ministerial Statement 14/09/17). The test, as currently set out, is also likely to be failed at some point in most National Parks and the Broads because of low and uneven levels of housing supply. If this is not possible we ask that it is made clear in guidance that the ‘strong reasons’ (Housing White Paper 2.49) for not granting permission include possible conflict with the statutory purposes under which the National Park Authorities and Broads Authority and other public bodies operate.

6. The third area we would highlight is the proposed approach to the production of **Statements of Common Ground**. We support the principle and intention. However, National Park Authorities and the Broads Authority usually overlie multiple numbers of local authority areas (and in some cases multiple Housing Market Areas) and will need to act as originators of and signatories to statements over multiple stages of the plan making process. This is particularly an issue in larger National Parks such as the South Downs who overlie twelve district or unitary authority areas, three County Councils and four Housing Market Areas. We have suggested a way forward that we believe would simplify the process whilst still delivering the intention of the policy.

7. If you have any questions regarding this response please contact me.

For Further information

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Appendix 1

Question 1 (a). Do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

As the suggestion is that the methodology is not to be applied to National Parks and the Broads we have no specific comments on the methodology itself. The approach to be taken where planning authority boundaries do not align to local authority boundaries (such as the National Parks and the Broads Authorities) is discussed as part of question 4.

Question 1(b). How can information on local housing need be made more transparent?

We would suggest that national policy or guidance could specify that Annual Monitoring Reports should include the level of housing need estimated on an annual basis using the standard method or a more tailored approach where this is not possible. It would also be more transparent if guidance made it clear that local plans should specify a timeframe for the plan. We would suggest 'Plans should clearly indicate the timeframe for which they have been prepared' at the end of NPPF 157 bullet 2.

Question 2. Do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

Yes. We agree that specifying a time period would provide more certainty. However, we would request that the 'fix' on the time period should operate from an earlier stage (such as Regulation 19), otherwise there is a danger that, if updated information is published shortly before submission there could be a challenge to housing need numbers with the likelihood of local planning authorities therefore slowing down plan making to revisit the figures as is the case currently.

We would also advise that guidance needs to make it clear that the assessment of need endures for the five year life of a plan (paragraph 17 seems to suggest this will be the case) to avoid the situation where figures are challenged in applications or at appeals following subsequent publication of new household projections.

Question 3. Do you agree that we should amend national planning policy so that a sound plan should identify local housing needs using a clear and justified method?

Yes. We would suggest that the soundness test should be *'the levels of housing development identified in the plan should be based on a clear and justified method to establish need and the capacity to deliver it.'*

Question 4. Do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from the Planning Inspectors?

We welcome the acknowledgement that available data does not allow local needs to be calculated within National Parks and the Broads using the standard model. We therefore agree that Authorities should be able to deviate from the proposed method where it is not possible to use it, and use other methods to help establish and deliver local housing need. We also think that National Parks and the Broads should generate their own figure of need for planning purposes and, taking account of constraints, they and constituent authorities should then be expected to work together to meet housing needs across the relevant Housing Market Area in ways that are compatible with National Park purposes. The housing need figure to be calculated by National Park Authorities should be part of the figure

calculated for the rest of the local authority area which will form part of the total need for the HMA to be met across the HMA.

In terms of how a need figure could be generated for the National Parks and Broads Authority areas, seven of the ten authorities have now produced SHMAs which have generated a specific need figure. Our experience from working with these SHMAs leads us to conclude that we would caution against developing a standard model for the calculation of need in the National Parks and the Broads Authority areas, although we would welcome any recognition that use of a different method of calculation is in response to the special circumstances of the National Parks and the Broads Authorities. The main difficulties are:

- Such authorities 'overlie' other local authority areas and Housing Market Areas
- Information on household projections is not available for the National Park Authorities and Broads Authority areas.
- A purely demographic approach can lead to low or negative household projection rates. Six National Parks have shown a declining population over the years 2005-15. To illustrate, technical work shows that the last migration-led demographic trend projections for the Yorkshire Dales and North York Moors National Parks yielded an annual need of 8 households and minus 3 households per year respectively. In this situation National Parks may therefore need to assess other factors when establishing local need.
- Age structure can vary with some Authority areas containing a much older population or older migrating population which can greatly vary household formation rates, or they can demonstrate very different migration trends to areas just outside.
- A much older population profile is more likely to have a higher income which skews affordability ratios and masks affordability problems in younger populations.
- Demographic projections are rounded to the nearest 100 – which can present issues in areas with very small populations such as the Broads and Northumberland.

Given these variations we would therefore support the approach set out at paragraph 45. Our suggestion would be that the NPPF or NPPG could state:

“Where local planning authority areas do not align with local authority boundaries (such as National Parks and the Broads Authorities and Urban Development Corporations) the planning authority should work with other local authorities to ensure that plans collectively aim to deliver a level of housing that meets assessed need across Housing Market Areas. Authorities should also establish their own separate housing need figure based on an assessment of anticipated change in households and affordability. National Parks and the Broad Authorities may need to adjust any resultant figure to further statutory purposes whilst also having regard to the associated duty that through the pursuit of their statutory purposes they seek to foster the social and economic wellbeing of the people who live and work in the National Parks and the Broads.”

Question 5(a). Do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

In our response to the Housing White Paper we requested that the National Park and the Broads Authority be exempt from the housing delivery test. We would like to restate this request here and expand on the reasons as to why:

- The creation of a national test could remove local policy safeguards which risks compromising the statutory National Park and the Broads purpose of conserving and

enhancing their natural beauty, wildlife and cultural heritage, to which relevant authorities and public bodies must have regard. We understand that the intention is to incentivise plan making and boost housing numbers nationally, however Parliamentary statute and guidance recognises that housing delivery is not the primary function of planning in National Parks or the Broads.

- We are assuming that the intention is that the test is potentially triggered if an average of the last three years housing completions fall below the annualised figure set out in a plan. If this is the case most National Parks are likely to fail the test at some point given that housing delivery rates are very low or fluctuate annually because plans rely on a few key sites. For example the Northumberland National Park has delivered 0, 3 and 1 homes over the past three years and the Broads has delivered 3, 64 and 57 over the same period. Low numbers will cause a high degree of fluctuation in delivery over time and housing supply will be uneven. Reliance on a few key sites will also raise or lower annualised rates against assessed need – for example around half of housing supply in the North York Moors National Park is locked up in three sites at Helmsley. When completed the annualised rate will fall, possibly triggering the test. This scenario would be common to most National Parks at some point, leading to policies protecting nationally protected landscapes being potentially rendered out of date.
- An unintended impact of the housing delivery test if applied to National Parks is that National Parks are likely to fail the housing delivery test if the trend for depopulation continues and households fail to form, including in those National Parks (such as the Yorkshire Dales) which have set ambitious figures in response to concerns about depopulation.

Question 5(b). Do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

This is not applicable to National Parks.

Question 5 (c). Do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five year land supply and to be measured for the purposes of the Housing Delivery Test?

We would again caution against applying the housing delivery test to National Parks and the Broads Authorities. Over the years the national policy expectation has been that National Parks and the Broads are not suitable locations for unrestricted housing (quoting the DEFRA English National Parks and the Broads Circular, 2010) and that the focus should be on affordable housing for local communities. Indeed the Secretary of State, Sajid Javid MP, in announcing the *Planning for the right homes in the right places* consultation specifically said,

“There will be places where constraints – for example, such as Areas of Outstanding Natural Beauty, national parks or others – mean there’s not enough space to meet local need”.

We welcome this recognition, which is consistent with legislation and policy. This has led to a variation in approach as the Authorities have tailored their housing strategies for their areas. There is also no consistent or emerging set of local plans or evidence based studies of need that can be used to measure the test against.

Current progress on assessing housing needs is:

1. The Broads Authority has no adopted figure but has a figure in policy in a pre-submission draft plan (October 2016). A 2017 SHMA includes a projected dwellings figure.
2. Dartmoor has an indicative figure in policy in a pre NPPF Core Strategy and are currently carrying out technical work.
3. Exmoor has an indicative figure for affordable housing in a recently adopted plan (2017)
4. The Lake District has a figure in policy in a pre –NPPF Core Strategy and is currently carrying out technical work.
5. The New Forest has a figure in policy in a consultation draft plan and an adopted plan with an indicative figure in supportive text.
6. The North York Moors has an anticipated figure in supporting text in a pre NPPF Core Strategy and are now consulting on a figure arising from their 2016 SHMA.
7. Northumberland do not have a housing figure or target in an adopted or emerging plan. A 2017 SHMA includes an indicative OAN figure.
8. The Peak District has indicative figures in its Core Strategy following on from a jointly commissioned SHMA.
9. The South Downs have a housing provision figure in policy in its 2017 draft pre-submission local plan which is based on the capacity of the landscape to accommodate growth. Evidence on housing need is set out in a 2015 SHMA and 2017 HEDNA.
10. The Yorkshire Dales has a target in a recently adopted Local Plan in supporting text, based on an uplift from a demographic assessment.

Across a local authority area and HMA as a whole, the delivery test should be on the basis that it is against a figure in local plans - either an up to date adopted or emerging Local Plan (i.e. a housing need figure that has been subject to consultation), where this is based on published local evidence.

We would also ask that where a figure does not exist the assumption that adopted policies of the Authorities to achieve National Park and the Broads purposes are not considered to be out of date.

Question 6. Do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?

Whilst this question is not directly applicable to National Park and the Broads Authorities there are implications for these areas under the Duty to Co-operate. We do have some concerns that for some National Parks (the South Downs and New Forest in particular) the local authority areas onto which National Parks are overlain may see housing need estimates rise abruptly, which could place pressure for development on nationally protected landscapes and their settings. We would therefore ask that any transitional arrangements included in revisions to the NPPF recognise the duty under Section 62(2) of the 1995 Environment Act for public bodies to have regard to the statutory purposes for the National Parks, Broads and Areas of Outstanding Natural Beauty.

Question 7(a). Do you agree with the proposed administrative arrangements for preparing the statement of common ground?

We support the principle but would question the level of complexity and the potential to slow down plan-making. This is a particular issue for areas such as National Parks and the Broads which overlie numerous local authority areas. All National Park Authorities and the Broads Authority will need to identify strategic issues as they do not correspond to one housing market or local authority area. A statement is proposed to be required up to six times - six

months and twelve months post a revised NPPF then at consultation, publication, submission and adoption of a plan. To take the case of the South Downs National Park which lies across four Housing Market Areas the requirement would be to produce statements covering sixteen other authorities (twelve districts/boroughs/unitary authorities, three County Councils and the Marine Management Organisation) potentially up to six times (six and twelve months after the NPPF, and then at consultation, publication, submission and adoption stages) and then to countersign other's statements – which would lead to multiple processes requiring signatures over production of their plan and those of their neighbouring local planning authority areas. Other National Parks may have fewer Authorities to agree statements (usually four or five including County Councils) but even so, in the case of a National Park covering five authorities this would mean up to sixty signature or counter signatures are needed.

We are assuming the primary focus of Government is to use statements to help identify and ideally resolve cross boundary issues relating to housing supply. We would suggest a simpler process that could achieve this aim. Statements of common ground are typically produced primarily where there remain areas of disagreement or where there has been an attempt to collectively address an issue but parties disagree on a particular issue. We would suggest that a draft (unsigned) Statement of Common Ground is produced at Regulation 18 stage. This could be a very simple document stating that there are no areas of disagreement, or a document highlighting the key areas where a cross boundary approach is required. A signed version (which would go to a committee) is then produced at Regulation 22 stage and submitted with the draft plan. There are then three scenarios:

- a) All parties have identified there are no issues to resolve or have resolved all issues. A Statement of Common Ground would be produced, signed and submitted at the Regulation 22 stage.
- b) All parties have identified cross boundary issues and have done all they can to resolve them but are unable to. An example would be where two authorities cannot deliver housing need across a HMA due to the presence of particular constraints. This would then be tested by the Inspector at Examination, following submission of the Statement at the Regulation 22 stage, with the Inspector either directing a review or the Government using its intervention powers if he or she concludes the plan is not sound.
- c) One or more parties has refused or is unwilling to sign a statement. In this event a statement should be produced outlining the disagreement and recording unresolved issues. It would then be up to the Inspector to test whether every effort has been made to secure co-operation and whether the fact that they continue to disagree is the same as not co-operating. If a plan is then adopted it is then open to that authority to not sign a neighbouring statement. This would then be an issue of soundness in the subsequent examination.

The other scenario is where all authorities within a housing market area agree that the full need cannot be met. Any guidance on the extent to which Authorities would then need to extend the degree of co-operation would be useful.

We would also comment that the requirement to produce a statement at adoption seems unnecessary given that statements will have fulfilled their purpose by then. Some consideration of whether Member sign-off is also needed. Whilst Authorities will require Member agreement to consult on and adopt a plan and can run the signing of statements alongside this activity they could still need Member sign off from other (possibly multiple) Authorities before they can consult on their plan. Committee cycles can be long, particularly in two tier areas. Our suggestion is that if DCLG are anticipating Member input the

requirement is that statements are jointly signed at publication stage (Regulation 19) only, with Authorities then free to delegate powers at other stages.

Some certainty on what is expected at the Regulation 18 consultation stage would also be useful as the Regulations provide flexibility for Authorities as to what is published at this stage – for example if an Authority is publishing an Issues and Options and Preferred Options documents prior to publication do both require new statements?

Question 7(b). How do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?

This is not applicable to National Park and the Broads Authorities.

Question 7(c). Do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a statement of common ground?

No answer/Not applicable to National Park Authorities.

Question 8. Do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?

See question 6.

Question 9(a). Do you agree with the proposal to amend the tests of soundness to include that:

i) plans should be prepared based on a strategy informed by agreements over the wider area; and

ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?

We have no comments to make other than to reiterate our support for some form of (simplified) common ground statement.

Question 9(b). Do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

No answer

Question 10(a). Do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?

No answer

Question 10(b). Do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

Yes

Question 11(a). Should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

In principle yes, as this can provide certainty to communities, and speed up the neighbourhood planning process. We are assuming that this question is only referring to Parishes that are designated as neighbourhood planning areas and not all parished areas – if this is not the case we would ask that planning authorities should not have to provide figures for all areas as neighbourhood plans may not come forward.

Neighbourhood areas can cover more than one authority area – for example there are no whole Parishes in the Broads Authority area. We would suggest that the guidance states that the authority with the largest population should take the lead.

Question 11(b). Do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

We agree that this could be an option or starting point for a neighbourhood planning group – they could ask the local planning authority to provide a figure based on a proportional split. However we do not feel this ought to be the only option as a proportional split of population, whilst it may meet need across the whole planning authority area may not reflect true need in the neighbourhood planning area. We suggest the guidance could say:

“In the absence of an up to date local plan neighbourhood planning groups should check or request a figure from their local planning authority based on a proportional split of population. This figure could be used as evidence. Neighbourhood Planning groups can carry out or commission their own local housing needs assessment using agreed methodologies or sample based techniques. Neighbourhood Plans which seek to deliver levels of housing below the amount set out in the proportional split risk failing the basic conditions used to test the draft plan. Where neighbourhood planning areas cover more than one local planning authority area the request should be made to the Authority with the highest numbers of residents”.

Question 12. Do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?

In principle, yes, but it depends on the level of detail. We would support a transparent system that allows us to set a level of developer contributions where appropriate.

On affordable housing the requirements for affordable housing and infrastructure are often susceptible to changes in national policy and funding and to external investment decisions. Funding comes from a mix of sources including grant from the Homes and Communities Agency which can't be necessarily guaranteed over time. We would suggest that guidance could regularise current practice and require a percentage of affordable housing to be set out following viability testing, and that plans set out a preferred approach to tenure.

On other infrastructure the answer to this question is obviously tied up with any amendments or changes to the CIL regime so this is a difficult question to answer. If the intention is for local plans to set out infrastructure requirements we would argue for the use of a threshold above which infrastructure requirements are included in plans should be set out – for example those that would trigger a CIL payment or those in Schedule 2(10) of the 2017 EIA Regulations. It should also be open for Authorities to set out any other bespoke approaches that are to be pursued or any desired outcomes e.g. roll out of broadband in rural areas.

Question 13. In reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

Viability assessments should incorporate a standard methodology (see question 16)

Question 14. Do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?

Yes, particularly as assessments at plan-making stage will have had the benefit of public consultation. As is highlighted within the consultation document, viability assessments have increased in their scope and complexity in recent years. It is entirely logical that having commissioned detailed whole-Plan viability assessments through the Local Plan-making process, the presumption should be that planning decisions are made in accordance with the development plan. The Local Plan Examination process assesses overall Plan-viability and having been found sound at Examination we fully support the proposal that viability should not usually need to be tested again at the application stage.

Question 15. How can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?

We support the suggestion that Housing Associations should be more involved in viability testing and would suggest that this could be made clear in the NPPG.

Question 16. What factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?

We strongly support the use of an 'open book' standardised approach to viability assessment. We would suggest that the HCA's development appraisal tool¹ could be used. Alternatively as a minimum; assessments should include existing use value, gross development value, abnormal costs, profit margins and ideally indicate a standard source for costings. They should include a clear statement of residual value (price to be paid for land once costs and profits are factored in) with local planning authorities able to not process a planning application until this information is forthcoming.

We would find it particularly helpful if Government specified its preferred approach to benchmarking land value for viability appraisals; and provided clarity on what is a reasonable benchmark range for profit (ie should it be profit on cost or profit on GDV).

Question 17(a). Do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?

Yes – we believe that this would help transparency. We would suggest that Annual Monitoring Reports (AMRs) should report the numbers of affordable homes completed and the amount and type of developer contributions paid.

Question 17(b). What factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?

Our request would be for simplicity – see question 17a.

¹ <https://www.gov.uk/government/publications/development-appraisal-tool>

Question 17(c). How can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?

This would be up to each Authority, and National Park Authority and the Broads Authority routinely work with local communities to enable affordable housing and publicise successes accordingly. We feel unable to suggest a national policy approach to this beyond strengthening the existing arrangements to produce an AMR with additional reporting of obligations.

Question 18(a). Do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

Additional fee income in the National Parks and the Broads is especially important compared to other local planning authorities as the current New Homes Bonus is supporting planning departments elsewhere but in the vast majority of cases is not currently paid to the NPA or the Broads Authority despite them being LPAs. We have asked for this to be rectified in our response to the technical consultation on changes to the Local Government Finance Settlement. We are also aware that there will be an additional burden on the National Park Authorities and the Broads Authority as they may have to commission bespoke needs assessments as the standard formula cannot be used.

We understand that the intention is to incentivise housing delivery through improved planning performance but as we stated earlier we do not think the Delivery Test can or should be applied to National Park Authorities and the Broads Authority (see question 5a).

Question 18(b). Do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

See question 18a.

Question 18(c). Should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

Fees should be increased for individual authorities.

Question 18(d). Are there any other issues we should consider in developing a framework for this additional fee increase?

No comments.

Question 19. Having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?

No comments.

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