



WOKINGHAM BOROUGH COUNCIL

**A Meeting of an INDIVIDUAL EXECUTIVE MEMBER
DECISION will be held in First Floor 12 - Civic Offices on
FRIDAY 14 DECEMBER 2018 AT 11.35 AM**

Heather Thwaites

Heather Thwaites
Interim Chief Executive
Published on 6 December 2018

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

For consideration by

Stuart Munro, Executive Member for Business, Economic Development and Strategic Planning

Officers Present

Ian Bellinger, Category Manager for Growth and Delivery (Strategy and Commissioning: Place)

Callum Wernham, Democratic & Electoral Services Specialist

IMD NO.	WARD	SUBJECT	
IMD 2018/43	None Specific	TECHNICAL CONSULTATION ON UPDATES TO NATIONAL PLANNING POLICY AND GUIDANCE	5 - 14

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Agenda Item IMD43

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: 2018/43

TITLE	Technical Consultation on Updates to National Planning Policy and Guidance
DECISION TO BE MADE BY	Executive Member for Business, Economic Development and Strategic Planning - Stuart Munro
DATE, MEETING ROOM and TIME	14 December 2018 FF12 at 11.35am
WARD	None Specific;
DIRECTOR	Director of Corporate Services - Graham Ebers, Director of Locality and Customer Services - Interim Sarah Hollamby

OUTCOME / BENEFITS TO THE COMMUNITY

To ensure that the government's planning policy and guidance has minimal negative impacts upon Wokingham Borough and that any positive benefits are maximised.

RECOMMENDATION

The Executive Member for Strategic Planning and Highways agrees that Wokingham Borough Council:

- 1) Submit the comments contained in Appendix A as this council's response to the government's consultation 'Technical consultation on updates to national planning policy and guidance'.

SUMMARY OF REPORT

The government has published draft revisions to the National Planning Policy Framework (NPPF) and Planning Practice Guidance for consultation. The NPPF consultation runs until Friday 7 December 2018.

The report provides a summary of key aspects of the consultation and outlines a recommended response in Appendix A.

The proposals include:

- Revisions to the standardised methodology for calculating Local Housing Need.
- Clarifications on when alternative approaches to calculating housing need can be progressed.
- Clarification of the deliverability of non-major outline planning applications.
- Revisions to presumption in favour of sustainable development in the context of an appropriate assessment under the Habitat Regulations.

The proposed changes seek to use outdated population projection figures to boost housing delivery nationwide. Locally, based on current data the changes would increase Local Housing Need for the borough from 752 dwellings per annum from April 2018, to 864 dwellings per annum. The draft response strongly objects to these changes.

Background

The government has published draft revisions to the National Planning Policy Framework (NPPF) and Planning Practice Guidance for consultation. The consultation proposes changes in the following areas:

- Revisions to the standardised methodology for calculating Local Housing Need.
- Clarifications on when alternative approaches to calculating housing need can be progressed.
- Clarification of the deliverability of non-major outline planning applications.
- Revisions to presumption in favour of sustainable development in the context of an appropriate assessment under the Habitat Regulations.

The consultation runs until Friday 7 December 2018. The consultation documents are available to download at [here](#).

Due to the timing of the consultation and council procedures, a holding response based on this report has been submitted to government within the consultation period. Following formal consideration of this report, a final response will be provided incorporating any necessary updates.

Analysis of Issues

The recommended response to the questions set out in the consultation is provided in Appendix A to this report. A supporting analysis of key issues is set out below.

The National Planning Policy Framework (NPPF), published July 2018, requires a Local Plans strategic policies to be informed by a local needs assessment, conducted using the standard methodology in national planning guidance – unless there are exceptional circumstances justifying an alternative approach which also reflects current and future demographic trends and market signals.

The government alongside the publication of the NPPF, in July 2018, confirmed the standard methodology. It uses the starting point of the latest national household projections, adjusting these to reflect affordability based on median house prices and workplace earnings.

When the standard methodology was originally consulted on and introduced, the 2014-based household projections formed the starting point for the calculation. Subsequently in September 2018, the 2016-based household projections were published. These projected a lower level of household growth than that previously.

At the Budget 2017, the government announced that it would enable the market to deliver 300,000 homes per year on average by the mid 2020s. Applying the standard methodology to the 2014-based projections lead to around 269,000 homes each year across England. Under the 2016-based projections, this falls to 213,000 homes each year.

The consultation proposals are specifically intended to return the output of the standard methodology to deliver the government's policy position on 300,000 homes per year across England. It does this by proposing amendments to national guidance so that the 2014-based household projections are used to calculate Local Housing Need. In effect,

the more up-to-date 2016-based household projection is disregarded. In the longer term, the government indicates the intention to review the standard methodology.

The government sets out the following reasons in support of disregarding the up-to-date 2016-based projections. In terms of the projections the government point to methodology changes between the 2014-based and the 2016-based projections - reducing the historic period of household formation on which the projections are based from five census points to two. Other factors references are:

- Household projections being constrained by housing supply.
- The historic under-delivery of housing being a case for public policy supporting delivery in excess of household projections, even if those projections fall.
- A more responsive supply of homes will help to address the effects of increasing demand, such as declining affordability.

The additional factors are not related to the 2016-based projections, and could have been put forward at any time.

The consequence of using the 2014-based projections, rather than the 2016-based projection is to increase Local Housing Need for the borough from 752 dwellings per annum from April 2018, to 864 dwellings per annum. Other authorities within the West of Berkshire Housing Market Area are similarly impacted, with the exception of West Berkshire Council which sees need decrease (see below).

	Local Housing Need Standard Methodology September 2017 Based on 2014 based household projections	Local Housing Need Standard Methodology September 2018 Based on 2016 based household projections
Bracknell	670	510
Reading	611	511
West Berks	545	631
Wokingham	876 (864 at April 2018) ¹	752

The Government proposing further changes to calculating housing need further increases the challenge of plan-making through introducing greater uncertainty. The proposals also removes the principal of objectivity in the evidence base by specifically excluding up-to-date information and being based on the government’s policy position. No impact assessments have been undertaken to support the consultation.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

¹ A calculation of the other Berkshire local authorities at April 2018 has not been undertaken.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	Not relevant	Not relevant
Next Financial Year (Year 2)	Nil	Not relevant	Not relevant
Following Financial Year (Year 3)	Nil	Not relevant	Not relevant

Other financial information relevant to the Recommendation/Decision
None anticipated.

Cross-Council Implications
Government planning policy and guidance strongly influences the council's statutory planning function and other services which involve changes to the use of land or premises.

SUMMARY OF CONSULTATION RESPONSES	
Director – Corporate Services	No comments received.
Monitoring Officer	No specific comment.
Leader of the Council	No comments received.

List of Background Papers
1. National Planning Policy Framework (MHCLG, July 2018).
2. Planning Practice Guidance (MHCLG, online resource).
3. Technical consultation on updates to national planning policy and guidance (MHCLG, October 2018).

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Appendix A:

Recommended response Technical consultation on updates to national planning policy and guidance, MHCLG October 2018

Q1:

Do you agree that planning practice guidance should be amended to specify that 2014-based projections will provide the demographic baseline for the standard method for a time limited period?

Wokingham Borough Council strongly objects to the use of the 2014-based projections as the demographic start point for calculating Local Housing Need.

As a matter of principle, it is unsound and unprofessional to disregard up-to-date information and continue to use old information in any calculation of future needs. In all instances, up-to-date information should always form the starting point in any analysis, with adjustments made from that point where necessary.

Government policy on housebuilding to deliver 300,000 homes a year by the mid-2020s does not represent an objective assessment of future housing needs – it is a ‘policy on’ position. The consultation document itself acknowledges that the most recent population projections show population growth to be slower than previously expected.

The arguments put forward in the consultation simply do not justify the approach.

1. The standardised methodology would result in more homes being provided above the level of projected growth in households. This will help address the needs of ‘hidden’ households.
2. The use of two Census points within the 2016-based projections to consider trends is robust. Whilst a lesser period than previously used, it is sufficiently long to mitigate short term trends, whilst also sufficiently short to reflect actual changes in society. The use of five census points considerably dampens down actual social change.
3. The increase in average household size cannot be assumed to solely relate to access for housing. As referenced above, social change will influence this, including the differences in cultural approach to family.
4. Social changes cannot be assumed to be a reflection of no choice. Social change can be reflective of positive choices by individuals and families, for example reflecting flexible employment practices, caring for elderly relatives, or living in social groups.
5. Affordability will not be addressed by simply building more homes. Access to finance has a greater impact on house prices than supply, as will access to alternative housing tenures. If people can borrow more, house prices go up. If people cannot afford more, house prices remain static or decrease. The actions by Government to support house sales act to increase the cost of housing.

Should the Government wish for policy reasons to deliver 300,000 homes per year, it should seek to influence policy making through positive incentives such as Housing Deals and Infrastructure Funds. As stated above, it is unsound to bring a ‘policy on’ position into objective evidence.

Q2:

Do you agree with the proposed approach to not allowing 2016-based household projections to be used as a reason to justify lower housing need?

Wokingham Borough Council objects in principle to the use of the 2014-based projections as the demographic start point for calculating Local Housing Need for the reasons set out in our response to Question 1. As such, the 2016-based household projections should form the demographic starting point, with no need to consider them to form exceptional circumstances.

Q3:

Do you agree with the proposed approach to applying the cap to spatial development strategies?

Wokingham Borough Council welcomes the move to clarify the position regarding how the cap to increases in Local Housing Need is applied in the situation of joint plans.

Wokingham Borough Council objects, however, to the way the cap is applied. Whilst supporting the principle of applying the cap to ensure the output is realistic and deliverable, the application of a cap to the plan allocation is unreasonable. There will be many instances where a plan allocation represents an agreement for housing to be restricted in one authority and increase on another; that is the allocation represents a 'policy on' position made in the circumstances of a particular time. It is not acceptable for some local planning authorities to see the housing requirement capped against an objective 'policy off' position, whilst others are capped against a 'policy on' position.

By way of illustration, the Wokingham Borough Council adopted Core Strategy target (which evolved from the now revoked South East Plan) includes 2,500 dwellings on behalf of the greater Reading area. Since this time, Reading Borough Council has delivered a greater amount of housing than that envisaged. Applying the cap to Wokingham Borough on this basis therefore presents a 'policy on' approach and fails to reflect an objective assessment of local need and recent delivery.

We strongly request that the cap is applied only to the household projections, to ensure a 'policy off' approach so that all local authorities are treated consistently.

Q4:

Do you agree with the proposed clarifications to footnote 37 and the glossary definition of local housing need?

Wokingham Borough Council welcomes the proposed clarification.

The issue the Government is seeking to address was raised in our response to the draft revised National Planning Policy Framework and we are glad that our concerns over the ambiguity have been recognised. It is unacceptable for alternative methodologies towards calculating need to be raised outside of the plan making process. To not close this ambiguity risks significant public funds being unnecessarily used in the determination of planning applications and appeals.

Q5:

Do you agree with the proposed clarification to the glossary definition of deliverable?

Wokingham Borough Council welcomes the move to clarify that non-major developments benefiting from outline planning permission are in principle deliverable.

Wokingham Borough Council objects, however, that major developments that benefit from outline planning permission are not similarly defined as deliverable. Whilst we accept that developments involving hundreds of homes will not necessarily all be delivered within a five year period, the proportion that can be anticipated to be delivered, based on information from the landowner/developer or on historic delivery trends, should similarly be deemed deliverable unless there is clear evidence to the contrary.

We have undertaken research of development lead-in times in Wokingham Borough. Our records show that sites with outline planning permission can be expected to see housing completions an average of 31 months from the date of planning permission being granted. Lead-in times on sites between 10 and 49 dwellings were considerably quicker at 25 months. Sites with outline planning permission can clearly be expected to see completions within the five year period.

There is no evidenced justification for excluding any site with outline planning permission from being deliverable unless there is clear, site specific evidence.

Q6:

Do you agree with the proposed amendment to paragraph 177 of the National Planning Policy Framework?

Wokingham Borough Council notes the proposed amendment which is intended to bring the NPPF in line with the ruling of the European Court of Justice case C323/17 (People over Wind, Peter Sweetman v Coillte Teoranta).

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