

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The proposed changes seek to use outdated population projection figures to boost housing delivery nationwide.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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