

Agenda Item IMD5

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: 2023/05

TITLE	Levelling-up and Regeneration Bill: Reforms to National Planning Policy: Consultation Proposals
DECISION TO BE MADE BY	Executive Member for Planning and Local Plan - Lindsay Ferris
DATE, MEETING ROOM and TIME	22 February 2023 LGF7 at 2.20pm
WARD	None Specific;
DIRECTOR / KEY OFFICER	Director, Place and Growth - Simon Dale

PURPOSE OF REPORT (Inc Strategic Outcomes)

To consider the council's response to the government consultation 'Levelling-up and Regeneration Bill: reforms to national planning policy' (December 2022).

RECOMMENDATION

That the Executive Member for Planning and Local Plan agrees that Wokingham Borough Council submit the comments contained in Enclosure 1 as this council's response to the government consultation 'Levelling-up and Regeneration Bill: reforms to national planning policy' (December 2022).

SUMMARY OF REPORT

The government has published the consultation Levelling-up and Regeneration Bill: reforms to national planning policy (DLUHC, December 2022). The consultation seeks views on two principal areas:

1. Proposed updates to the National Planning Policy Framework (NPPF); and
2. Proposed approach to preparing National Development Management Policies.

The consultation runs to 2 March 2023. The consultation documents are available to download from the [GOV.UK website](https://www.gov.uk).

The consultation invites comments on 58 specific questions. Recommended responses are provided in Enclosure 1 to this report.

The proposed amendments included changes as to how the forward looking Five Year Housing Land Supply Test and the backward looking Housing Delivery Test operate. The proposed changes include the ability to take into account past over delivery of housing completions compared to the housing requirement / need in the calculation of the forward looking deliverable supply. This is not supported in current national policy and guidance, and is the primary reason why Wokingham Borough Council is unable to demonstrate a deliverable supply in excess of five years.

The proposed amendments also include the introduction of flexibilities to meeting housing need. Three flexibilities are defined:

1. Where meeting need in full would mean building at densities significantly out of character with the existing area.
2. Where the release of land from the Green Belt would be the only means of meeting need in full.
3. Where there is clear evidence of past over-delivery, in terms of the number of homes permitted compared to the housing requirement in the existing plan; in which case this over-delivery may be deducted from the provision required in the new plan.

The recommended response highlights that with regards to past over delivery, by focusing on permissions, the changes will not recognise past over delivery but in fact make no difference, with planning permissions always having been considered part of any future supply. Changes must recognise the over delivery of housing completions to achieve the stated intention.

Background

The government has published the consultation Levelling-up and Regeneration Bill: reforms to national planning policy (DLUHC, December 2022). The consultation seeks views on two principal areas:

1. Proposed updates to the National Planning Policy Framework (NPPF); and
2. Proposed approach to preparing National Development Management Policies.

The consultation runs to 2 March 2023. The consultation documents are available to download from the [GOV.UK website](https://www.gov.uk).

Business Case (including Analysis of Issues)

As set out above, the consultation invites views on both proposals that would be implemented by an amendment to the NPPF and proposals that would require primary legislation or be subject to further consultation in the future. With regards to proposals that would be implemented by an amendment to the NPPF, the potential changes are illustrated in a 'track change' version.

Notwithstanding, in many places there is simply a lack of detail to understand the government's intentions in full and from which to consider local implications. In others, there appears to be a dis-connect between the explanation of a change and the proposed change itself.

Recommended responses to the 58 specific questions set out in the consultation document are provided in Enclosure 1 to this report. An overview of several of the more significant proposed changes is set out below.

Reforming the Five Year Housing Land Supply Test

The consultation documents set out proposed changes to the Five Year Housing Land Supply Test – the test which considers how many housing completions may be realistically deliverable over the next five years. The meaning of 'deliverable' is defined by the NPPF.

The proposed amendments would remove the need to demonstrate a deliverable five year housing supply where the local plan is less than five years old, remove the buffers currently required to be added to the housing requirement / need as part of the calculation, and allow past over delivery in terms of the number of homes permitted compared to the housing requirement in the existing plan.

It is recommended that the council strongly support the proposed changes, however continues to request the government delete the five year housing land supply in its entirety.

The introduction of the five year housing land supply test has spawned an industry of speculation, with some elements of the development industry going to great lengths to suggest uncertainty of supply in the hope of benefitting from the presumption in favour of sustainable development, commonly known as the 'tilted balance'. What allows this speculation is the focus on whether a site is 'deliverable'. This unfairly places the outcome on the willingness, not the capability of developers who can choose when to build out a scheme. The use of the term invites a move from objectivity to speculation.

The current way the five year housing land supply test operates does not allow past over delivery to be directly taken into account. As such it acts to penalise local authorities that have delivered against the housing requirement or need. It is only right that government changes this to ensure that communities that have accepted development have this recognised.

Since 2006/7, Wokingham Borough has over delivered 1,727 dwellings against the housing requirement set out in the adopted Core Strategy local plan (2006/7 to 2021/22) and has significantly exceeded the housing need calculated by the standard method since its introduction in 2018.

The current way the five year housing land supply test operates, the council is currently able to demonstrate a 3.95 year deliverable supply. This is primarily the result of the over delivery acting to reduce the bank of planning permissions from which the supply position is calculated. Taking account of past over delivery would recognise this, boosting the deliverable supply outcome.

Reforming the Housing Delivery Test

The consultation document sets out proposed changes to the Housing Delivery Test – the test which compares how many housing completions have occurred and the housing requirement or local housing need.

The proposed amendment would see the introduction of a permissions based ‘switch off’ to the test. This is considered proportionate given that the timing of delivery of houses lies with the developer and not the local planning authority. Where opportunity clearly exists to meet housing need, the plan-led system should be upheld and not undermined.

It is recommended however that the council object to the proposed figure at which this ‘switch’ would operate, which is set out at 115% of the requirement or housing need. It is felt that this figure is not justified, with the lapse rate or non-implementation rate of planning permissions within Wokingham Borough being negligible at less than 1%.

Introducing flexibilities to meeting housing need

The consultation documents set out no changes to national policy on how housing need is calculated – known as the standard method. A future review will be considered in 2024, when sub-national household projections which consider the 2021 census are expected to be published.

The consultation document does however reaffirm that the standard method is the starting point for considering the housing requirement (the number of homes that will be enabled). The emphasis within the proposed amendments to the NPPF remains meeting housing need, requiring exceptional circumstances to be demonstrated to justify a lower requirement.

Three flexibilities are defined:

1. Where meeting need in full would mean building at densities significantly out of character with the existing area.

2. Where the release of land from the Green Belt would be the only means of meeting need in full.
3. Where there is clear evidence of past over-delivery, in terms of the number of homes permitted compared to the housing requirement in the existing plan; in which case this over-delivery may be deducted from the provision required in the new plan.

Whilst broadly supporting the stated intentions regarding amendments relating to out of character densities, protecting Green Belt and taking account of past over-delivery, it is recommended that the council object to the proposals as outlined. This is because the proposed amendments will not achieve the intended outcome.

With regards to out of character densities and the protection of the Green Belt, the absence of a positive spatial strategy for England or a region, the changes will result in unacceptable and undeliverable development pressures on local authorities adjoining designated Green Belt.

With regards to past over delivery, by focusing on permissions, the changes will not recognise past over delivery but in fact make no difference, with planning permissions always having been considered part of any future supply. Changes must recognise over delivery of housing complications to achieve the stated intention.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	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

No financial implications arise directly as a result of the government's consultation exercise.

Cross-Council Implications

Whilst national planning policy and guidance strongly influence the council's statutory planning function and other services which involve changes to the use of land or buildings, the focus of these specific proposals have limited impact on the principal use of land or buildings.

Public Sector Equality Duty

This report relates to proposed changes to the planning system promoted and consulted on by government, and does not directly relate to actions of the council. As such an equality assessment has not been undertaken.

An equality assessment will be undertaken by government and views have been specifically invited as part of the consultation process on potential impacts of the proposals in this regard.

SUMMARY OF CONSULTATION RESPONSES

Director – Resources and Assets	No comments received.
Monitoring Officer	No specific comments received.
Leader of the Council	No comments received.

List of Background Papers

[National Planning Policy Framework](#)

Contact Ian Bellinger	Service Delivery and Infrastructure
Telephone No Tel: 0118 974 6231	Email ian.bellinger@wokingham.gov.uk