

**18 October 2017**

## **Ordinary Council**

### **Response to the Government consultation: “Planning for the right homes in the right places”**

**Report of:** *Phil Drane – Planning Policy Team Leader*

**Wards Affected:** *All Wards*

**This report is:** *Public*

#### **1. Executive Summary**

- 1.1 The Government has published a consultation that proposes reforms to the planning system by increasing housing supply and local authority capacity to manage growth. Proposals include:
- a) Standard method for calculating housing need;
  - b) How neighbourhood planning groups can have greater certainty on the level of housing need to plan for;
  - c) Statement of common ground to improve how local authorities work together to meet housing and other needs across boundaries;
  - d) Making use of viability assessments simpler, quicker and more transparent; and
  - e) Increased planning application fees in areas where local planning authorities are delivering the homes their communities need.
- 1.2 The housing need data table published alongside the consultation document sets out the housing need for each local authority using the Government’s proposed method. This indicates that for Brentwood Borough the Objectively Assessment Housing Need is calculated as 454 dwellings per annum.
- 1.3 The consultation closes on 9 November 2017. A proposed response on behalf of Brentwood Borough Council is provided in Appendix A.

#### **2. Recommendation**

- 2.1 To approve the response to the Government’s consultation paper “Planning for the right homes in the right places”, as set out in Appendix A.**

### **3. Introduction and Background**

- 3.1 On 14 September 2017 the Government published a consultation entitled “Planning for the right homes in the right places”. This consultation sets out a number of proposals to reform the planning system to increase the supply of new homes and increase local authority capacity to manage growth. Details of these changes are summarised below.
- 3.2 Whilst the consultation document proposes a number of reforms to the planning system, the proposed approach to calculating local housing need is the most pressing issue that requires thought as to how it could affect the plan-making process.
- 3.3 Brentwood Borough Council is preparing a new Local Development Plan for the Borough and since 2013, when the East of England Plan was abolished, has been calculating housing need according to the latest best practice. However, this is an imperfect system as methodologies for calculating need can vary across local authority boundaries, which can make it difficult to plan for wider strategic needs.

### **4. Issue, Options and Analysis of Options**

- 4.1 The Government’s proposed approach to a standardised methodology uses the latest household projections as the demographic baseline and this should be the annual average household growth over a 10-year period.
- 4.2 It is proposed that an adjustment is made to take account of market signals, where appropriate, based on affordability (the latest information on workplace-based median house price to median earnings ratio). A calculation is proposed, which determines a level of uplift, that seeks to ensure more homes are delivered in locations where affordability is worst. However, the level of increase can be capped according to the status of the local plan in the authority area, whereby the increase is limited to 40% above the local plan (for recently adopted plans) or 40% above whichever is the higher of the household projections of the figure in the local plan.
- 4.3 The consultation does reiterate that local planning authorities are able to plan for a higher number, for example, to take account of anticipated employment growth. If a local authority proposes a figure lower than the standard methodology the reasons for doing so will need to be tested through examination.

- 4.4 In implementing the approach:
- a) Local planning authorities should be able to rely on the local housing need evidence used to justify their local housing need for a period of two years from the date on which they submit their plan;
  - b) It is proposed that the National Planning Policy Framework (NPPF) be amended so that having a robust method for assessing local housing need is part of the tests that plans are assessed against; and
  - c) The Housing White Paper also proposed that after 31 March 2018, the new method for calculating the local housing need would apply as a baseline for assessing five-year housing land supply. This is to incentivise getting up-to-date plans in place (note that policies in the NPPF which restrict development would still apply). It is implied that the Revised Framework would introduce this requirement, which may follow the date previously suggested, but would take immediate effect and there would be some discretion for local planning authorities with ambitious proposals for new homes.
- 4.5 In terms of transitional arrangements for implementing the proposed approach the Government proposes the following:
- a) No plan that has not yet reached publication stage, or a plan adopted more than five years ago, should use the new standardised methodology, unless the plan will be submitted for examination on or before 31 March 2018 or before the revised NPPF is published (whichever is later);
  - b) Where a plan has been published, but not yet submitted, if the plan will be submitted for examination on or before 31 March 2018 or before the revised NPPF is published (whichever is later), the local planning authority should continue with the current plan preparation, or otherwise use the new standardised method;
  - c) Where a plan is at examination stage the local planning authority should progress with the examination using the current approach; and
  - d) Where a plan has been adopted in the last five years, the local planning authority should use the new standardised method when next reviewing or updating the plan.
- 4.6 In addition to proposing a standard methodology for determining the level of housing provision, it is proposed that:
- a) The Framework will be updated to require local planning authorities to prepare a Statement of Common Ground to support more effective joint working where planning issues need to be addressed by more than one authority. It is proposed that the tests of

soundness are amended to require such agreements that inform strategy and provide evidence of effective cross boundary working;

- b) Plan makers should disaggregate the total housing need against different types of housing (including those for older people and disabled people, families with children, affordable housing etc), although no method is suggested;
- c) Regarding viability in plan-making, local planning authorities should set out the types and thresholds for affordable housing contributions required; infrastructure needed to deliver the plan; and expectations for how these will be funded and contributions developers will be expected to make. For decision-taking, where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage; and
- d) Further increases on planning application fees could be imposed.

## **5. Reasons for Recommendation**

- 5.1 The proposed consultation response, set out at Appendix A, focuses on responding to questions (questions 1-6) contained within the section entitled “Proposed approach to calculating the local housing need” (pages 8-20). After several years of working through assessing local objectively assessed housing need, with the help of specialist consultant advisors, this is the section that the Council is most able to respond and contribute.
- 5.2 Due to timescales and resources, it is suggested for other proposals set out in the consultation document that the Council rely on the wealth of responses likely to be generated by professional bodies and partner organisations with a greater degree of expertise on these subjects.

## **6. Consultation**

- 6.1 The Government is consulting on proposals to reform the planning system, specifically a standardised approach to calculating local housing need. This consultation began on 14 September 2017 and runs until 09 November 2017.

## **7. References to Corporate Plan**

- 7.1 Changes to the method for calculating housing need will have a direct impact on the emerging Brentwood Local Development Plan, the production of which is a key priority in the Council’s Corporate Plan.

## 8. Implications

### Financial Implications

Jacqueline Van Mellaerts, Financial Services Manager  
01277 312829 jacqueline.vanmellaerts@brentwood.gov.uk

- 8.1 No direct financial implications are included in the report. However it should be noted that any impact on growth from the Governments consultation could potentially have an effect on the Council's Funding, as this paper is referring to the number of homes built in future, the future financial implications are unclear at present.

### Legal Implications

Daniel Toohey, Head of Legal Services and Monitoring Officer  
01277 312860 daniel.toohey@brentwood.gov.uk

- 8.2 Following the outcome of this consultation the Government intends to publish a revised draft NPPF early in 2018. There will then be further consultation on the new text of the NPPF followed by a final revised update in Spring 2018. This consultation is therefore significant as it will impact on the envisaged amendments to the NPPF. Local plans are already required to be 'positively prepared' if they are to be found to be 'sound'. However, by using the standardised method of identifying housing need inspectors will be able to sign off local plans as sound and with lesser scrutiny.

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 None identified.

## 9. Background Papers (include their location and identify whether any are exempt or protected by copyright)

- 9.2 The following consultation documents are available to view online, along with a summary and other details -

<https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>:

- a) Planning for the right homes in the right places: consultation proposals – Department for Communities and Local Government (September 2017).
- b) Housing need consultation data table – Department for Communities and Local Government (September 2017)

## 10. Appendices to this report

- Appendix A: Brentwood Borough Council proposed response to the Government's consultation paper "planning for the right homes in the right places".

**Report Author Contact Details:**

**Name:** Phil Drane, Planning Policy Team Leader

**Telephone:** 01277 312610

**E-mail:** phil.drane@brentwood.gov.uk