

Consultation response form

This is the response form for the technical consultation on updates to national planning policy and guidance. If you are responding by email or in writing, please reply using this questionnaire pro-forma, which should be read alongside the consultation document. You are able to expand the comments box should you need more space. Required fields are indicated with an asterix (*)

This form should be returned to:
planningpolicyconsultation@communities.gov.uk

Or posted to:

Planning Policy Consultation Team
Ministry of Housing, Communities and Local Government
2nd floor, South East
Fry Building
2 Marsham Street
LONDON
SW1P 4DF

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Your details

First name*	Matt
Family name (surname)*	Thomson
Title	Head of Planning
Address	5-11 Lavington Street
City/Town*	London
Postal Code*	SE1 0NZ
Telephone Number	020 7981 2864
Email Address*	planning@cpre.org.uk

Are the views expressed on this consultation your own personal views or an official response from an organisation you represent?*

Organisational response

If you are responding on behalf of an organisation, please select the option which best describes your organisation.*

Trade association, interest group, voluntary or charitable organisation

If you selected other, please state the type of organisation

N/A

Please provide the name of the organisation (if applicable)

Campaign to Protect Rural England

Local housing need assessment

The Government's proposed approach

Question 1

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?

No

The standard method for the estimation of local housing demand is already deeply flawed, and the proposal to retain the use of the 2014-based household projections is a fudge of staggering ineptitude.

Please note that there is a lot of overlap between this and Question 2, and our discussion of both questions is included in the response to this question.

It is a general requirement of national planning policy, as explicitly stated in para 31 of the 2018 NPPF, that the "preparation and review of all policies should be underpinned by relevant and up-to-date evidence". The current proposal amounts to a declaration that an exception to this general rule should apply where the outcome of doing so would suit the government, and that policies should in fact be based on cherry-picking the data that best fits this week's ministerial priorities.

That the 2016-based projections are much lower indicates that MHCLG may have used a methodology in the past that over-estimated future household growth. The ONS has an independence from the policy-formulation role whereas MHCLG was both handling the projections and the policy that they informed. It appears that ministers are not happy with the more independent and objective data they have now received and are proposing to sweep this under the carpet ostensibly in favour of a sudden interest in stability for local planning authorities – something that has never previously bothered the government one jot.

On that point, the proposal to retain the 2014-based projections for a 'time limited period' fails to provide real certainty, even with the half-hearted commitment to a reviewed standard method formula "by the time the next projections are issued". How can anyone – whether local authority, developer or community – meaningfully trust government to deliver on this commitment, when this consultation paper has so conspicuously failed to deliver on a similar commitment made at the time that

the NPPF was being reviewed, just because the ONS didn't deliver the output ministers expected? Do ministers expect that ONS will project higher household growth next time, and what pressure will they be putting on statisticians in order to achieve that objective?

The effect of requiring the continued use of the discredited 2014-based projections will be that local planning authorities will be expected to plan for higher levels of growth than the demographic evidence provided by ONS shows are strictly necessary to meet the needs of their communities. This will put unnecessary pressure on land that government has committed to protect for the wellbeing of citizens.

CPRE does of course support the principle of providing stability for local planning authorities, and the communities they serve. We would urge that MHCLG commit to providing this essential stability across all policy areas, in particular by taking steps to mitigate the many aspects of the NPPF that undermine stability, and in so doing end the Sisyphean aspects of preparing local plans and keeping them up-to-date. It would help to take into account the need for sound plans that are actually deliverable in the context of respecting all policies of the NPPF, including the positive management of the special assets specified in footnote 6. It is also essential that government focuses on the willingness and capacity of the construction industry to deliver new homes, instead of relying on arbitrary and intangible 'market signals'.

Even if government insists against all reason on continuing to apply the standard method for estimating local housing demand as the means to dictate minimum local housing targets, CPRE strongly advises that the 2016-based household projections are used. This is because, while their assumptions and outputs may still be open to challenge, the 2016 projections are more objective than the 2014-based projections, being both more up-to-date and produced by an agency that is fully independent of the policy-making body. (Note that the ONS have since published additional sensitivity analysis of the 2016-based household projections which demonstrate how much more accurate and robust their data is than the old – one might now say 'discredited' – 2014-based projections produced by MHCLG.)

CPRE recognises that the standard method was originally intended to flag up housing demand hotspots so that those areas could prioritise activities that would address demand. Consideration of the effectiveness of the standard method needs to take full account of the very real difference between housing need and housing demand. Housing need is based on basic standards that society considers should be satisfied in order for citizens to be considered adequately housed, in terms of price, size and suitability; housing need is therefore calculable and finite. However, housing demand is based on what some people are able and willing to pay for in the market, which responds most efficiently to those with higher spending power. In effect, demand is also notionally infinite, with investors and high-earning

households willing to purchase second, holiday and investment properties while the needs of those with lesser means continue not to be met. CPRE calls for a clear distinction between housing need and housing demand (see also our paper [Needless Demand](#).)

Government has previously emphasised that estimating housing demand is not an exact science, and that the outputs from this process should be considered only as the first stage of a positive planning process. A great deal more emphasis has always been placed on encouraging (including bribing, cajoling and sometimes forcing) planning authorities to plan for more homes than are indicated by the estimate of local housing demand – regardless of the impact on the achievement of other objectives, let alone the likelihood of delivery. It is therefore rather disingenuous that government puts such unnecessary effort into devising a standard method that itself results in the highest estimate of housing demand that can possibly be demonstrated.

In this respect we utterly reject the premise used by the government as the basis for ignoring the 2016-based household projections. The argument that application of the current standard method formula to the new projections results in a figure (213,000) that is lower than the number of homes delivered in the previous year (consultation para 10) in the context of the government's commitment to further increasing housing delivery rates, is wrong for the following reasons:

1. 213,000 is still significantly higher (54,000 higher) than the projected annual rate of household growth (159,000). So long as we are planning to build homes faster than households form we are going to both meet emerging needs and make a dent in pent-up need.
2. 213,000 is only 4,370 short of what was delivered in the previous year. Since local planning authorities are encouraged to plan for more homes than indicated by the national estimate of local housing demand, it is surely likely that in aggregate councils across England will continue to plan for the overall increase in housing delivery that is desired.
3. The 217,350 homes built in the previous year were not planned for in the context of the current standard method, which was only introduced after most of those homes had been built. There is no evidence given in the consultation document as to the numbers of homes that local planning authorities had been planning for that led to that level of delivery. Nor is there a discussion of the total assessment of housing need (which would then have been so-called 'objectively assessed need' under the 2012 NPPF) that had formed the basis for those plans. It could be the case that an estimated demand figure of 213,000 homes would be sufficient to result in significantly more homes being delivered.

It needs to be remembered that the standard method comprises two elements: projected household growth, and a (capped) multiplier acting as a proxy for pent-up need/demand based on the differences between house prices and earnings in

each local authority area. It might be desirable to plan to meet pent-up need/demand faster than is assumed by the standard method, but so long as the majority of new homes are provided by the private sector, demand will only be satisfied as fast as market absorption rates allow, whatever targets may notionally be set in a planning document. If the market cannot, or is unwilling to, provide the types and tenures of homes that people can afford to live in, then actual need/demand will not be met, however high the headline targets are set.

The fundamental failing of the standard method's approach is that it focuses attention on the achievement of a target number of homes. The housing crisis is not a crisis of numbers of homes, but of their affordability and distribution, and the impacts of the crisis may best be mitigated by means other than just the construction of a large number of (any) new homes – see for example [A Housing Crisis? More Like a Series of Local Crises Needing Local Solutions](#). The focus on delivering mere numbers is demonstrably failing to address the causes of the crisis, and for this reason government urgently needs to change the direction of its suite of policies on housing delivery.

Setting targets for housing development that are higher than can tangibly be understood to relate to local need, higher than can be accommodated without harm to interests ostensibly protected by NPPF policy, or higher than house-builders can or are willing to deliver, and then holding local planning authorities to account when those targets inevitably are not met, is a fundamental failure of social, economic, environmental and administrative justice. The pressure to meet the headline target forces councils to accept whatever development proposals they are presented with, or risk losing all control over development in their areas, and income from New Homes Bonus is received even when proposals do not comply with local and even national policy or standards. As a result, the vast majority of the homes that do get built are not affordable to the people in whose name they have been justified, and so housing need remains unmet, while average house prices in the area continue to rise.

This is obviously great for the landowners and developers who profit from the enterprise, helpful for the district council that gets a bit of Bonus cash, and also great for the government who can happily report on the numbers of new homes that have been delivered, but is less great for the local people whose environment may have been blighted while their actual housing needs remain largely unmet.

Clarifying that 2016-based projections are not a justification for lower housing need

Question 2

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?

No

There is a lot of overlap between this question and Q1. Please see our answer to that question.

Applying the cap to spatial development strategies

Question 3

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

No

The outcome of the standard method for estimating local housing demand should be to provide a starting point for positive planning to meet an area's housing needs, which can be revised upwards (in response to aspiration) or downwards (in response to the proper management of land assets).

The cap is another aspect of the standard method that is fundamentally flawed. It is intended to ensure that the estimate of need is deliverable, but is calculated with reference to the numbers of homes previously *planned for* (however ambitious) rather than the number of homes that have historically been delivered. It also takes no account of NPPF policies that indicate that development should be constrained (including footnote 6 land assets). It may be argued that the standard method is meant to yield an unconstrained estimate of housing demand, but the mere existence of the cap, related to a local planning authority's historical ambition, is itself a constraint, and an arbitrary one.

It would be far more pragmatic, and no doubt more effective, to openly and honestly estimate unconstrained demand, and then (openly and honestly) revise housebuilding targets on the basis of development opportunities, taking account both of the NPPF policies that indicate where development should be constrained, and of the willingness and capacity of the construction industry to deliver the types and tenures of homes that are needed to address the housing crisis.

If, against all reason, the government is determined to pursue the current arbitrary and internally inconsistent set of policies – which do not result in the delivery of homes that meet identified local needs, nor the protection of the countryside and

the wider environment that the government claims it seeks – then CPRE recommends a modified approach. This approach would apply in all areas where local planning authorities need to collaborate to plan to meet housing need, including areas preparing a spatial development strategy, joint local plan, statutory or non-statutory strategic plan and/or ‘statement of common ground’. In all such cases the standard method should be applied for both the area as a whole and the individual local authority areas, each capped where appropriate. The data provided could be used as a ‘starting point’ for negotiation among the relevant local authorities about the distribution of development, regardless of the specific type of planning policy document being pursued, and independently of any assumptions about which combination of capped figures should be arbitrarily deemed from Whitehall to be the most appropriate.

Housing land supply

Question 4

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

No

The need for this so-called clarification is entirely the result of allowing for alternative methods to be used to calculate ‘local housing need’. The NPPF itself, as well as plan-making at the local level, would be greatly simplified if the option of alternative methods was removed from the NPPF, since this additional complexity adds no value whatsoever in terms of outcomes.

Notwithstanding CPRE’s considerable concerns about the details of the current standard method and proposals for its alteration, we do support the benefits of a standard method in principle, in terms of reducing debate and delay in local plan making. However, continuing to allow for alternative methods for calculating ‘local housing need’ is entirely unjustified because:

1. The ‘local housing need’ figure is explicitly only a starting point. The NPPG says “*Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for*” (Paragraph: 001 Reference ID: 2a-001-20180913). There is no added value in varying

the means by which this 'starting point' can be estimated through a local plan examination if the housing requirement for an area can already be altered through a local plan examination.

2. The NPPG places great emphasis on alternative methods needing to *exceed* the figure generated by the standard method, but councils are free to plan to exceed the figure (which the NPPF explicitly treats as a minimum) through their local plans anyway, so there is no value added to the process by allowing for an alternative method just to arrive at a higher 'local housing need' figure.
3. The NPPF does allow for the possibility, *in extremis*, that an alternative method resulting in a lower figure than the standard method could be acceptable, but it is hard to see how this could ever be justified demographically or in terms of housing need/demand that would not be picked up in the standard method. In any case, again, if there are circumstances that would justify planning for a figure lower than the standard method, these could be determined through the local plan examination process, and again there is no value added to the process in applying an alternative to the standard method.
4. If an alternative method for calculating local housing need is to be used, this method would need to be examined through the local plan examination process, and *then* the application of the figure so generated, in terms of its translation into a local plan housing requirement, would also need to be examined. There is no value to be added here either – in fact the examination process is made more complex, not less.

The substantive part of this consultation paper, relating to the actual standard method for local housing need assessment, clearly demonstrates the government's irrational approach to the evidence that may be used to inform the calculation of local housing need. If, at a national level, government is so unwilling to modify its own housing need estimate on the basis of robust, independent and more up-to-date data indicating that housing targets should be reduced, it seems highly unlikely that a planning inspector, applying national planning policy, would be empowered to find any alternative method sound. If there is no realistic expectation that any alternative method would be found sound, why bother allowing for it in national policy?

Since there is no justification for allowing for an alternative method for calculating local housing need that could not be met by other means (such as the requirement to examine the standard local housing need figure through a local plan examination), the best way to achieve the desired clarification with regard to the housing land supply policy is to **remove the option for an alternative methodology altogether**.

CPRE therefore strongly recommends:

- In NPPF para 60, the deletion of “- unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals”.
- Replace footnote 19 with in-line text in para 35(a) with “as set out elsewhere in this Framework and national planning guidance”
- In the glossary entry for “Local housing need” delete “, or a justified alternative approach”
- Consequent amendments to the relevant parts of the NPPG.

If, against all reason, government is determined to retain the redundant and confounding option for alternative methods, the changes suggested will be necessary and acceptable, but **do not amount to “clarifications” in any normal understanding of the word.**

We also recommend reconsidering use of the term “local housing need” for the specific technical meaning given in the glossary, since “local housing need” has a clear colloquial meaning that is different from this unique technical meaning, and there is no signposting in the main text of the NPPF that indicates that a special meaning for this phrase is ascribed in the glossary. In the previous NPPF, the (inaccurate, but distinctive) phrase “objectively assessed need” (OAN) was used. It might be better to use a very specific phrase like “the local housing need assessment figure” (i.e. linking it directly to the “local housing need assessment” method) to avoid confusion.

The definition of deliverable

Question 5

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

No

Again, the proposed change can barely be described as a “clarification”.

The problem here is that there are many types of consent/allocation/identification that are intended to give certainty to investors, communities and others involved in the development process, but the proposed approach does nothing to address how the current definition undermines that certainty, to the detriment of the planning system as a whole. Given that permission in principle, for example, was introduced to provide a route to increased certainty for investors earlier in the planning process, it is surprising that the government that introduced the measure appears to have such little confidence in it.

CPRE considers that the processes that local planning authorities, landowners and developers need to go through in order to secure a development plan allocation, brownfield register part 2 identification or any form of planning consent are such that any site that benefits from these consents should be considered to be deliverable within 5 years. The onus should not be on the local planning authority to further prove that any such site *is* deliverable, but on the landowner/developer to prove otherwise. Hence, all sites that benefit from any form of consent should be considered to be deliverable within 5 years, unless either (a) the landowner/developer has specified that their site is definitely not deliverable within that timescale, or (b) the local planning authority (working with the landowner/developer) has determined that the site should be developed in a later phase of the development plan period.

Where (a) applies, the landowner/developer should be required to indicate when the site will be considered to be deliverable (where appropriate the site should be appropriately phased in whole or in part), and if not, the local planning authority should have the option to revoke the relevant consent, without compensation, or compulsorily purchase the site in order to bring it forward by another means.

We either have a planning system or we don't. If landowners/developers have no intention of actively bringing a site forwards for timely development, then they shouldn't be able to enjoy the benefits of development consent in any form. The planning system does not exist to provide landowners with inflated land values and no incentive to build.

We therefore propose that the definition of "deliverable" be amended as follows:

"Deliverable: To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. For clarity, this definition covers all sites that benefit from a development plan allocation, inclusion in part 2 of a brownfield register, permission in principle or technical details consent, outline or reserved matters consent, full planning permission, a specific development order, or prior approval for permitted development. Such sites should be considered to be deliverable in full within five years, unless the landowner or developer has indicated otherwise to the LPA or there is an agreed phasing plan for the development."

If, against all reason, the government wishes to continue with their over-complicated and bureaucratic definition, which is implicitly aimed at maximising the opportunity for landowners/developers to sit on developable land until the time is right for them at the same time as facilitating their desire to increase their consented land-holdings elsewhere without any incentive to develop them, then we would urge the government to reframe the presentation of the definition taking account of the following:

- The definition should use terminology that is consistent and accurate to avoid ambiguity. Does "planning permission" include "outline planning permission"? Does "detailed planning permission" mean "technical details consent" or "full planning permission"? Is a "grant of permission in principle"

restricted to the “permission in principle consent route” or does it include permission in principle “granted” through a local plan, neighbourhood plan or brownfield register? Does the definition refer to part 1 or part 2 of a brownfield register? And so on.

- The definition may best be presented as a table, with the major/non-major distinction on one axis, and all the multitudinous different forms of consent on the other axis. This will facilitate clarity and ensure that all possible combinations are properly addressed.
- The definition also needs to refer to: local development orders, neighbourhood development orders, community right to build orders, development consent orders under the Planning Act 2008 and sites benefitting from prior approval for permitted development for new homes.

Development requiring Habitats Regulations Assessment

Question 6

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

Not sure

We consider that the proposed re-wording of para 177 does provide a better explanation of the intention of the policy than the existing wording, especially for planning and ecology experts, and we therefore support it as far as it goes.

Feedback we have received from people who are not professional planners or ecologists is that para 177 appears to say that, unless a project is likely to have a significant effect but simultaneously will have no effect on a habitat, then the presumption in favour does not apply.

Since an appropriate assessment will not have been undertaken unless the proposal has been deemed likely to have a significant effect, it may be clearer to re-word the policy as follows:

177. The presumption in favour of sustainable development does not apply where the plan or project should be subject to an appropriate assessment under the Birds or Habitats Directives (either alone or in combination with other plans or projects) unless such an assessment has concluded that there will be no adverse effect from the plan or project on the integrity of the habitats site.

This area of policy is one of the most opaque in the NPPF as a result of a large amount of technical jargon (both planning and ecological). For example, the term ‘habitats sites’ (like ‘local housing need’) has a colloquial meaning (any site that is

a habitat), and there is no signposting in paras 176-7 (or footnote 6) indicating that it has a new and unique meaning in the 2018 NPPF, requiring the reader to refer to the glossary (previously these were referred to as “European sites”). Hence, there is also no signposting that there is a specific process (the appropriate assessment process under the Birds and Habitats Directives) that needs to be followed in these cases.

This is perhaps exacerbated by para 176 directing that a variety of types of sites should benefit from “the same protection as habitats sites” when no policy above para 176 describes either what a “habitats site” is or what protection should be given to anything described specifically as a “habitats site”. It is therefore reasonable to infer that the “protection” referred to here is the set of policies contained in paras 174-5 with regard to habitats sites (colloquial meaning) as diverse as local nature reserves, wildlife corridors and SSSIs.

It may also be worth clarifying (in the NPPF or NPPG) whether the combination of paras 176 and 177 means that the presumption in favour of sustainable development will not apply to the types of sites listed in para 176 unless an appropriate assessment has demonstrated that there will be no adverse effect. We believe this is intended to be the case from our reading of footnote 6.