



**BEDFORD**  
BOROUGH COUNCIL

## **Changes to National Planning Policy**

### **Briefing Note for Local Councils**

#### **Introduction**

You will remember that we emailed you at the end of November 2018 to explain that the Government was consulting on a new way of calculating housing need for local authority areas. The consultation closed on 7<sup>th</sup> December 2018 and the Government has issued its [response to the consultation](#). An updated version of national planning policy was released shortly afterwards. You can find the new National Planning Policy Framework [here](#).

#### **An important change**

There are only a few changes but one in particular is very significant for Bedford Borough Council. Clarification has been added to the Framework to confirm that where planning applications are being decided we must now use the Government's new standard methodology to determine whether the Council has a five year supply of housing land. This is important because the availability or otherwise of a five year supply of housing land determines how planning applications are assessed.

Before this clarification we had understood that for both plan making and decision taking (in relation to planning applications) we would be able to rely on the housing need number in the emerging Local Plan 2030 to calculate the supply of housing land because we qualify for the Government's plan making transitional arrangements. Other Local Authorities had reached the same conclusion but it seems that this

wasn't what the Government intended. Whilst we made clear through the recent consultation the impact on authorities such as Bedford of not extending the transitional arrangements to decision taking, this has not deterred the Government from confirming its proposed approach.

### **Local context**

To put this in context, the Local Plan 2030 assessment of housing need is based on a local study and local evidence. It concludes that we should plan for and deliver a minimum of 970 new dwellings each year. The Local Plan 2030 will continue to be examined on this basis. With a requirement for the completion of 970 dwellings a year we currently demonstrate 5.8 years' worth of housing land supply.

However, with the Government's new standard method our annual requirement is to plan for and deliver a minimum of around 1,300 dwellings each year which is a 35% increase on the locally calculated number. What this means is that despite the local plan based housing land supply of 5.8 years, for the purposes of making decisions on planning applications our land supply is now in the region of 3.7 years. To achieve a five year housing land supply using this new target the number of new homes that would need to be granted planning permission and be deliverable in the coming five years is 1792.

### **How the standard method works**

To give a bit more detail, the new calculation is made up of three parts. These are explained in the [Government's Planning Practice Guidance](#)

**Step 1** is setting the baseline which simply means identifying the published 2014 household growth projection for Bedford Borough and then calculating the projected average annual household growth over a ten year period.

For Bedford Borough the figure arrived at is 988 which although calculated in a completely different way is reasonably close to the Local Plan 2030 number of 970.

**Step 2** is then to apply an adjustment to take account of affordability. This will be different in each part of the Country and the most recent median workplace-based affordability ratios are to be used. Where the ratio is 4 or below then no adjustment is necessary. However for each 1% that the ratio is above 4, the average household growth must be increased by a quarter of one percent. The Government believes this is needed because

- *household formation is constrained to the supply of available properties – new households cannot form if there is nowhere for them to live; and*
- *people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.*

*The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.* (National Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20190220)

In other words, using basic supply and demand economics, if more houses are built then house prices will fall and houses become more affordable. The current affordability ratio for Bedford Borough is 9.33. This number is updated and published annually by the Office of National Statistics so using the standard method, the number we need to plan for can go up and down over time.

**Step 3** is to cap the level of the increase at 40% above the Step 1 number.

Working this through, the housing need for Bedford Borough Council is a minimum of 1,314 net- additional dwellings per year.

### **The implications**

National Planning Policy Framework paragraph 11 explains at sub-paragraph d) that where a local authority cannot demonstrate a five year supply of deliverable housing sites, those local policies which are most important for determining applications for housing development are deemed 'out of date' and planning permission is to be granted for housing proposals unless

*i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or*

*ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*

Under i, examples of such policies are those relating to the protection of Sites of Special Scientific Interest, designated heritage assets or policies relating to flood risk.

Paragraph ii means that when planning applications are being considered, the case officer will now need to identify and weigh any adverse impacts arising from the development against the benefits of granting permission. It is important to remember that by law applications for planning permission must be determined in line with our own adopted development plan policies unless material considerations indicate otherwise. However, the National Planning Policy Framework is a material consideration and the effect of paragraph 11 d) is that where policies are deemed out of date (because we cannot show a five year housing land supply) the balance at the start of the assessment of a planning application is tilted in favour of approval (you may hear this referred to as 'the tilted balance'). The adverse impacts arising from development and the weight to be given to them need to be very clear and of sufficient weight in order to tilt the scales the other way to justify a refusal of planning permission.

As a result we can expect planning applications to be made on sites where in the past development would not have been supported by our local policies but where landowners and developers consider that the likelihood of them achieving planning permission with reference to ii above has now tilted in their favour; so where in their view any adverse impacts do not outweigh the benefits of granting planning permission. Such applications will be considered on their merits and recommendations made in light of the facts relating to each case. Where permission is refused by the Local Planning Authority and applicants disagree with that decision, we can expect to have to defend our approach and balancing exercise at appeal. We will need to explain why the reasons for refusing the application are so significant that they outweigh the NPPF's expectation that permission will be granted.

### **When and how will this change**

Looking ahead, once the Local Plan 2030 is adopted (anticipated before the end of 2019) the basis for calculating housing land supply will revert to the local plan number of 970 dwellings per year.

However, it is clear to see why sites identified for delivery early on in the plan period must be progressed through the adoption of neighbourhood plans and progression of planning applications, otherwise we may once again find it challenging to demonstrate that we have sufficient deliverable land to meet the Government's targets. The document that shows when we expect sites to be delivered is called the Housing Trajectory. You can view the Trajectory supporting the Local Plan 2030 [here](#).

When the local plan is updated and rolled-forward to look beyond 2030, housing numbers will be calculated using the new standard method so the Council in consultation with residents and others will need to find housing land to satisfy the larger number, unless further

changes to the method are made. In this regard the Government's published response to the recent consultation comments says on Page 6

*'Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market.'*

### **Neighbourhood Plans**

As far as neighbourhood plans are concerned, the publication of the new National Planning Policy Framework should not hold up progress. Nevertheless it is quite possible that applications will continue to be received in the coming months on both potential neighbourhood plan development sites and on sites which neighbourhood plan groups do not support. The Council has a legal requirement to determine those applications; we cannot 'hold' them until the Local Plan 2030 or the neighbourhood plan is adopted. It is unfortunately also the case that until they are legally part of the development plan the Local Plan 2030 and draft neighbourhood plans do not carry full weight in the decision making process. They are however material considerations and the National Planning Policy Framework gives clear guidance on the weight that can be attached to emerging policies in the balancing exercise (Paragraph 48).

### **The Housing Delivery Test**

On a more positive note, at the same time as publishing the new National Planning Policy Framework, the Government also published the results of the first Housing Delivery Test. Again, this is a new annual test to identify those authorities that have failed to deliver the number of new homes that the Government expects. Local authorities rather than developers are penalised for failing to deliver housing and the penalty is determined by the gap between the expected number and actual completions achieved.

The National Planning Policy Framework explains that where the test shows that delivery has fallen below 95%, an action plan is required to assess the causes of under-delivery and identify actions to increase delivery in future years. Those failing to a greater degree attract either a 20% additional buffer on the amount of housing land they need to find or become subject to paragraph 11 d) of the Framework in the same way as they would if they didn't have a five year supply of housing land. The planning press reports that over 100 councils have fallen short of achieving expected targets. I am pleased to say that Bedford Borough Council has performed well, with a 'pass' for each of

the first three years assessed. More about the test results can be found here <https://www.gov.uk/government/publications/housing-delivery-test-2018-measurement>

### **Further queries**

If you have any queries relating to the above information please do send them to the Planning Policy Team using this email address [planningpolicy@bedford.gov.uk](mailto:planningpolicy@bedford.gov.uk) and we will get back to you.

*Planning Policy Team  
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