

CBC Response to the Technical Consultation on Updates to National Planning Policy and Guidance

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Technical consultation on updates to national planning policy and guidance

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?

Central Bedfordshire Council (CBC) fundamentally disagrees with the proposed amendment to planning practice guidance to require use of the 2014-based household projections. There is no acceptable justification for this change, and adjusting the method to ensure that a national 'aspirational' figure of 300,000 homes per annum is achieved is unfounded and lacks transparency, particularly when the Government has not evidenced the use of this national target, or clearly set out how this figure was derived. Surely using the most up to date evidence base provides firstly the most robust justification for the use of the model and secondly the most confidence in the system by all stakeholders.

The justification for departing from the figure generated by the standard method using the latest household projections is stated as being the need to maintain the Government's commitment to deliver 300,000 homes a year. This approach is surely the wrong starting point and has the real danger of implying that the Government is using the evidence base to deliver a commitment rather than something that reflects the evidenced needs of the country. The introduction of the standard methodology was intended to be a robust way of delivering the houses we need with departures being wholly exceptional. It now appears to be easily capable of being changed where a government objective is not being delivered as opposed to being underpinned by the latest evidence. We ask the Government what makes the 300,000 homes per annum figure superior to that generated by the standard method? To re-state it would appear that an evidence-based figure is being disregarded in favour of an 'aspirational' one. The 'Building more homes' report which is quoted in the consultation paper provides very little evidence and reasoning to support the 300,000 homes figure.

The consultation paper argues that the latest published household projections when compared to the previous household projections represent a reduction of 53,000 a year between 2018 and 2028. The consultation paper goes on to argue that this fall results from two main factors; firstly a reduction from lower population trends (a reduction of 29,000), and secondly a reduction resulting from changes to the method for converting population changes into estimates for household formation (a reduction of 23,000). It then states that the Government should not change its aspirations as a result of methodological changes. This Council argues that this is not a methodological change but a factual one. Over 50% of this reduction results from lower population trends. Furthermore, the changes to the method are likely to have been made to make the household projections more accurate and therefore reliable.

The consultation paper discusses that using the 2016 household projections as a baseline would lead to 'significant change at the local level'. However, this Council argues that this does not mean that the change is wrong. We also disagree with the argument made in the consultation paper that a move to the more recent household projections would create delays and uncertainties for those authorities who are due to submit a Plan in early 2019. Instead, this Council proposes that the Government allows those authorities to continue using the 2014 based projections under a transitional arrangement whilst others implement the 2016-based figures.

The argument made in the consultation paper that household projections are constrained by housing supply holds limited weight when set against the fall in population trends. Further to this, there is no evidence that the change in average household sizes drawn on by the consultation paper is caused by a supply issue, or that this increase in household sizes is not

caused by another factor. In addition, the affordability uplift has been built into the formula to address affordability constraints.

Whilst it is acknowledged that growth deals can be used to 'bridge the gap', this Council is concerned that entering into a deal would generate local annual requirements that are beyond reach.

In conclusion, this Council does not agree with the proposed change to guidance to require use of the 2014-based household projections in use of the standard method to calculate housing need. This is because this change is not evidenced based and therefore it can only be assumed that the Government is making adjustments to the method to fit the pre-determined figure of 300,000 homes per annum, a figure that is not justified or clearly evidenced. The arguments for this proposed change are both weak and unclear, as outlined above. We believe that the calculation of housing need should be transparent, robust and based on clear evidence. In addition to this, we would like to stress that household need is not static, rather it is a fluid situation and it is therefore wrong to not respond to up-to-date trends.

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?

The Council disagrees with this approach. As outlined above, the lower household projections are in a large part caused by lower population projections. Therefore, it does not seem logical to not allow these more up-to-date trends to be used in the determination of a housing need figure. As the standard method has been developed using household projections as a basis, it would seem logical that these newer projections should inform the determination of a housing need figure. It would also seem logical that since the fall in household projections has been informed by falling population trends then these latest projections should be taken into account.

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

Whilst we understand the rationale for this, it is unclear how individual authorities will be assessed in terms of five-year supply. For example, will a local authority who is part of a spatial development strategy have their delivery assessed against what the cap would be for their authority, or would the spatial development target be apportioned out in some way to the relevant authorities? Also, would authorities involved in spatial development strategies have their delivery and five-year supply tested or assessed as a whole, and therefore be subjected to combined measures such as action plans, 20% buffer and presumption in favour when one authority is under-delivering? We therefore seek clarification on this.

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

It is not clear what this change means for authorities who are unable to meet the requirement generated by the standard method. Could MHCLG please clarify the position for those local authorities that have already submitted their Plan, i.e. are they required to use the standard method for decision making until their Plan is examined and adopted? Requiring an authority to change approach to housing need calculations part way through the plan-making process, is not conducive to a plan-led approach and will create huge confusion in the market and communities and generally undermine the robustness of the planning system.

Therefore, whilst we recognise the need for this alternative approach to only apply in exceptional circumstances, we feel that there is a need for an alternative mechanism for those

authorities which are in the process of developing a Plan with a figure that is different to that generated by the standard method. We would also seek clarification on what an 'exceptional circumstance' is likely to constitute. We think it is important for national policy documents to avoid the use of subjective phrases, as this has caused problems in the past.

This Council considers it appropriate for authorities who have already submitted a Plan to continue to use objectively assessed OAN figures for decision making until their Local Plan is adopted.

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

This Council supports the clarification of the text as this will avoid unnecessary debate in an appeal situation. However, as a whole this Council disagrees with the new definition of deliverable. We do not agree with the presumption in the definition that major sites which only benefit from outline permission should generally fall outside of the five-year supply. In our experience, major sites do progress from outline application to building of houses in less than five years, and indeed if there is such a need for housing as the Government suggests there is little reason why such sites should not progress.

This definition makes it difficult for Councils to demonstrate a five-year supply when they have little or no control over whether full or outline applications are submitted. We have concerns that this definition would provide an incentive for developers to submit more outline applications and therefore slow down the planning process. Furthermore, as the onus is now on the Council to provide clear evidence we are mindful that the housebuilding industry may be inclined to not cooperate as readily with local planning authorities when asked to provide delivery information. This is because it would be in their interest to suppress the housing supply. This Council is of the opinion that the onus should be on the applicant to demonstrate deliverability of a site on submission of a planning application as we believe that deliverability is a vital consideration.

We welcome the commitment made in the consultation paper to the publication of additional national planning guidance to provide further information on the way that sites with different degrees of planning certainty may be counted when calculating housing land availability. We hope that this upcoming guidance would provide clarity on the tools open to Councils to boost their five-year supply, particularly for major sites with outline permission.

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

The Council has no objection to the proposed changes.

**Central
Bedfordshire**

Central Bedfordshire in contact