**Local Government York, North Yorkshire & East Riding Housing Board**

**6th March 2023**

**Consultation on changes to national planning policy - Levelling-up and Regeneration Bill: reforms to national planning policy**

|  |
| --- |
| **1 Purpose**   * 1. To provide the Housing Board with a summary of the potential effects of the Government’s proposed national planning policy changes on housing delivery in North Yorkshire. |

**2. Background**

**2.1** On 22 December 2022 the Government published its [proposed changes](https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy#chapter-12---wider-changes-to-national-planning-policy-in-the-future) to national planning policy, which closely followed a Written Ministerial Statement by Michael Gove Secretary of State for Levelling Up, Housing and Communities. The Consultation takes the form of:

* Immediate changes to planning policy – with tracked changes to the text of the existing NPPF.
* References a future wider review of the NPPF and changes to national planning policy following royal assent of the Levelling Up and Regeneration Bill (LURB).
* A request for views on a proposed approach to preparing National Development Management Policies (NDMPs).

2.2 The consultation takes the form of a series of 58 targeted questions and the request for views ends on 2 March 2023. The government states it will respond to this consultation by Spring 2023 and publish the NPPF revisions at the same time.

2.3 The proposals are part of the government’s commitment to levelling up, building more homes to increase home ownership and giving a greater say to local communities over where homes are built and what they look like. It is also the result of internal tensions in government over a range of current planning policies relating to housing and wind power.

**3**. **Summary of key changes relating to housing delivery:**

3.1 Changes to Local Plans and National Development Management Policies:

3.2 The government is firm in its belief that the best way of achieving its commitment of 300,000 homes a year by 2025 is for every local planning authority to have a local plan in place (at present fewer than half of local authorities have up to date local plans). Reforms to the local plan system therefore are aimed at producing plans more quickly and simplifying their content. Additionally greater weight is to be given to policies in the decision-making process which will provide a higher “bar” for decisions to depart from adopted policy with wording that states that decisions must be made in accordance with the plan unless material considerations *strongly* indicate otherwise. Local Plans will be required to be prepared to a swift 30 months’ time frame and policies will be limited to those which are locally relevant.

3.3 The Bill proposes new National Development Management Policies which would be given the same weight in planning decisions as the development plan (and more in cases of conflicting or dated plans). These would cover planning considerations that apply regularly in decision-making across the country such as general policies for conserving heritage assets, or those relating to areas of high flood risk or the Green Belt. Such policies would not be able to be replicated in Local Plans, thus reducing their content considerably.

3.3 These reforms are intended to be introduced in late 2024 when the “new planning system” goes live. Those Authorities that have a local plan more than 5 years old at this point will be required to start preparing a new style local plan straight away. Transitional arrangements however will apply to local plans that are less than 5 years old and such authorities will only have to start work on a new plan 5 years after existing plans were adopted.

3.4 Proposed changes to Existing NPPF Text

3.5 The consultation also includes track changes to the text of the existing NPPF which are designed to provide greater flexibility for local decision making in relation to housing delivery. The changes are to provide certainty that authorities can proposed a plan with a housing figure that is below their housing requirement. They are to take effect in Spring 2023 and include:

* The standard method for calculating housing need is to remain as a “starting point” however local authorities will be able to set local housing requirements that reflect local constraints (the standard method, set nationally is currently mandatory). An example of this is given as an authority that can only meet housing need by building at “significantly out of character” densities can make the decision that the adverse impact of this could outweigh the benefits of meeting the need in full.
* Green Belt boundaries do not have to be reviewed and altered if this is the only way of meeting a housing need in full.
* Over-delivery of housing in the past can be taken into account so that surplus can be deducted from what needs to be provided for in the new plan.
* Reform of the 5-year housing land supply – so that local authorities with an up-to-date plan do not have to demonstrate continually a 5-year housing land supply. Also, to remove the need for contingency buffers of 5%, 10% or 20% on top of the existing 5-year housing land supply.
* Placing greater value on homes for social rent. National planning policy will ensure that authorities give greater weight to Social Rent in planning policies and decisions – the consultation asks for suggestions on the best mechanism for doing this.
* Increasing the supply of specialist older people’s housing by adding a specific expectation that particular regard is given to retirement homes, housing with care and care homes to ensure authorities meet the needs of an ageing population.
* More small sites for small builders. National policy to be strengthened to support development on small sites, especially those that deliver high levels of affordable housing to give greater confidence and certainty to SME builders. Again, the consultation is requesting ideas on how this can be done rather than putting forward a specific proposal.
* A series of questions relating to increasing the delivery of affordable housing including amending the definition of “affordable housing for rent” to make it easier for organisations that are not RPs (in particular community-led developers and alms-houses) to develop new affordable homes. It also asks how the rural exception site policy could be changed to make it easier for community groups to bring forward schemes.
* Changes are suggested to ensure faster build out of housing developments including speeding up the process of serving a completion notice and financial penalties on developers who have poor delivery rates or failure to deliver commitments. The NPPF will also highlight that slow delivery can be a material consideration in planning applications which mean that applications with trajectories that propose a slow delivery rate may be refused.

**4 Assessment of the implications of proposed policy changes on housing delivery in North Yorkshire**

4.1 The government’s main aim of the proposed changes is to speed up the adoption of Local Plans to allow local authorities to deliver homes more in accordance with local circumstances rather than having to adopt “top down” figures through a nationally imposed method of calculating need. A new system of plan making is proposed and the immediate effect of this is already being seen across the country with authorities pausing work on existing plans to await the changes to avoid time spent on potentially abortive work. The move away from a mandatory nationally set method of calculating housing need will inevitably result in lower housing figures in some authority areas and fewer houses being built especially in areas of high development pressure and planning constraints such as Green Belt despite the statement in the consultation that the government is still committed to the 300,000 houses per year figure by the mid 2020’s. The figures themselves will inevitably be less important in the local plan process.

4.2 There is uncertainty introduced in the changes affecting supplementary planning documents which will disappear from the plan making system and authorities will need to decide how and where existing advice and guidance on a wide range of planning issues will be incorporated into the new system. The requirement to prepare a Design Code is also something that authorities will need to prioritise and as this is to become part of the development plan system as a Supplementary Plan, its preparation will need to undergo the same public consultation and Examination process as a local plan which adds to the plan-making workload of the authority.

4.3 In terms of Local Plan (and Minerals and Waste Plan) preparation, the new system will mean that the new Local Plan for NYC will need to be adopted by 2027 and work will need to start on the existing Minerals and Waste Plan (which is currently a Joint Plan) within five years of its adoption date – which is May 2027. As City of York Council has recently adopted a local plan, the transitional arrangements would ensure a less challenging timescale for its eventual review.

4.4 So, an initial outcome arising from these quite significant changes is uncertainty and this inevitably leads to delay in plan preparation. Having said that, one of the priories for the new NY Council is the preparation of a local plan in any case, as there is not an existing single local plan in existence for the new Authority area. Delays caused by ceasing existing work and awaiting new outcomes are not therefore likely to arise and the proposals for shorter more precise local plans produced in a more disciplined timeframe favour earlier adoption of a single Authority-wide local plan than would perhaps otherwise have been achieved.

4.5 The changes will allow local authorities to plan properly for future growth alongside local communities to meet future needs. The proposals will help to reduce speculative development (and development by appeal) and provide greater clarity for local residents about where development will take place, it’s appearance and the improvements required to local infrastructure, through stronger, more definitive local plans and mandatory design codes. The emphasis on greater community involvement in plan-making and delivering high quality “beautiful” housing are also important in ensuring local acceptance of housing developments. Similarly, the raft of proposals designed to encourage SME builders, more focus on the development of small sites, penalties for slow build out and greater weight given to social rent and affordable housing delivery reflect the recommendations of the North Yorkshire Rural Task Force in relation to a more determined approach to delivering rural and affordable housing across the patch.

4.6 An interesting aspect of the consultation is that, with the exception of proposals for statutory national development management policies and new local plan timescales it is not in the main putting forward robust definitive changes but rather asking for ideas and suggestions as to how policies can be improved across a range of planning issues. A response from North Yorkshire should therefore extoll the positive elements of its housing delivery record using the Strategic Housing Partnership model and Rural Housing Enablers which have proved successful in delivering affordable housing on the ground, demonstrating the importance of a commitment to effective process rather than any existing significant planning policy constraints to housing delivery.

4.7 In summary, the changes give greater discretion to local decision making on housing delivery and so if the new NY Council wishes to prioritise housing delivery, especially in areas where there has been previously little or low housing volumes, a plan-led approach of high-quality place making supported by local communities should be achievable under the new proposals. This will take political leadership, a shared vision and appropriate resourcing of its planning function. It will also be important to cooperate closely in the development of a new plan with the City of York and other neighbouring local authorities (including the two National Park Authorities) under the proposed new approach to “Policy alignment” which is to replace the existing duty to cooperate.

4.8 It should be noted that a more detailed report on the government’s proposals set out in the Consultation on Reforms to national planning policy is being considered by the Directors of Development on 17th February which will respond directly on behalf of Local Government York, North Yorkshire, East Riding and Hull.

|  |
| --- |
| **5 Recommendation:**  5.1 That the Local Government York, North Yorkshire & East Riding Housing Board notes the main elements of the government’s consultation on reforms to national planning policy and the possible impacts in relation to future housing delivery. |

Author of report:

Chris France

Director of Planning

North York Moors National Park Authority

20th February 2023