

**Question 1: (a) do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?**

- 1.1 The Land Promoters and Developers Federation agree with the Government that the housing market in this country is dysfunctional and that the root cause is the lack of housing delivery. We also agree with the overarching principle that sits behind the Government's proposed standardised methodology (PSM); as there is little doubt that there are faults with the current process for assessing the Objectively Assessed Housing Need (OAHN) for Local Planning Authorities (LPAs) and that it has become an unduly time consuming and complex part of Local Plan Examinations in Public (EiPs).
- 1.2 In practice there is a conflict between the development industry pushing for levels of growth that are commensurate with need and LPAs, often driven by political aspirations, seeking to actively limit the levels of growth. In many cases this leads to a delay whilst LPAs amend their OAHN upwards and then search for additional housing allocations to deliver the true level of need.
- 1.3 However, the agreement with the principle sitting behind the PSM unfortunately does not translate to agreement with all aspects of the PSM set out by the Government.
- 1.4 We set out our thoughts on the key aspects of the PSM below:

The start or the end of the process?

- 1.5 The language used in the document has left us uncertain as to the aspiration of the Government for the PSM.
- 1.6 Paragraph 6 of the 'Foreword' states that, *'The proposals in this consultation provide a more robust **starting point** for making these important decisions.'* Such language is consistent with paragraph 9, which states that, *'... to enable effective planning of new homes, local planning authorities should start the plan-making process with a clear understanding of the number of new homes that they need in their area. While this is an essential **first step**, it is **not the only stage** in the process.'*
- 1.7 We are comfortable with this wording; Planning Practice Guidance already sets a starting point (provided by household projections) and to enhance this starting point to apply an appropriate uplift for affordability seems sensible. Therefore, if this is to be what is achieved – before all parties have an opportunity to raise other material considerations that should impact on the housing requirement (i.e. policy constraints, economic aspirations, strategic aspirations) – then we are happy to endorse the PSM more fully; however, in other places within the document it appears that the figure is much more than an enhanced starting point; and in fact appears to be the end of the process.
- 1.8 This point appears to be borne out by the comment at paragraph 13 (c) that the PSM is to *'... reflect **the actual need** for homes in each area...'* and more worryingly at paragraph 41 that the Government *'... propose to amend national planning policy so that having a robust method for assessing local housing need becomes part of the tests that plans are assessed against; and to make clear (through guidance) that use of **the proposed standard method will be sufficient to satisfy this test.**'*
- 1.9 In terms of the Government's aspirations of tackling the housing challenge, we would also raise concerns with the wording at paragraph 42 that OAHN should be met *'insofar as it is reasonable to do so'*; the position must be that OAHN should be met unless there is a clear agreement for these to be met in another suitable location.
- 1.10 In our view the PSM should be used only to amend the starting point for the consideration of OAHN at Local Plan EiPs.

### The type of housing need captured by the PSM

- 1.11 The PSM appears to be designed *only* to address to the number of homes demanded/ needed *now*. An affordability ratio above 4 is the only basis for an uplift above the level of need indicated by the household projections. The more above 4 the ratio is, the greater the uplift.
- 1.12 We agree that the affordability ratio can be used in this way as a proxy for pent up and current demand pressures that have arisen through past undersupply.
- 1.13 We further acknowledge that, where evident, Local Plans should address such undersupply by promoting a greater quantum and a faster rate of house building than achieved in the past.
- 1.14 To that end, the PSM (steps 1 and 2) is a proportionate and sound basis for:
- i. Identifying the areas of greatest current housing demand and pressure *now*; and
  - ii. Arriving at an appropriate annual rate of housing delivery that should be planned for to address past undersupply *only*.
- 1.15 However, we are not convinced that the PSM provides a sound basis for planning for the number of homes needed to support local plan policies for economic growth. This is particularly the case when the Government has actively promoted growth in areas, such as the ‘Midlands Engine’ or the ‘Northern Powerhouse’. A snapshot of OAHN based purely on affordability is not capable of reacting proactively to growth aspirations.
- 1.16 We are concerned that as proposed, the PSM will result in assessments and policies to address housing need that are detached from employment assessments and strategies to the detriment of the plan making process and the resultant Local Plan.
- 1.17 Simply put, the PSM presents a very real risk that housing need will not be assessed in full. This will put employment strategies and economic growth at risk at the threshold of the UK leaving the European Union. Precisely the time when every effort should be made to ensure that economic growth is supported.
- 1.18 In terms of the number of homes needed to support employment growth, at best, the PSM addresses areas where jobs growth has historically been greatest and where the economic pull continues to be particularly strong; notably London. It will not address areas – summing to a large number of LPAs - where the objective is to transform or accelerate economic growth.

### Accounting for economic growth

- 1.19 At Local Plan EiPs, debates around OAHN usually relate to market signals and economic growth. Market signals is covered, to a degree, the affordability aspect of the PSM. However, the impacts of economic growth risk being largely ignored by the PSM.
- 1.20 Whilst at paragraph 28 the document recognises that ‘... *where there is a policy in place to substantially increase economic growth, **local planning authorities may wish to plan for a higher level of growth** than our formula proposes*’, it cannot be appropriate for this matter not to be open to discussion at every Local Plan EiP.
- 1.21 This is particularly the case as there is often a political disincentive to plan for aspirational levels of growth, which leads to the limiting of OAHN.
- 1.22 The Government should also be clearer that LPAs constrained by Green Belt can demonstrate exceptional circumstances by adopting a pro-growth strategy that plans for levels of growth above the PSM figure.
- 1.23 The National Planning Policy Framework (NPPF) already sets out that ‘*strategies for housing, employment and other uses are integrated*’ (Para 158) and the Planning Practice Guidance acknowledges that ‘*Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or*

*cycling) and could reduce the resilience of local businesses.’ (Paragraph: 018 Reference ID: 2a-018-20140306)*

- 1.24 The loss of the ability to argue for the balancing of housing and economic policies through a Local Plan EiP would in our view lead to unsustainable patterns of growth across the country and would serve to undermine the basic principles of Plan-led growth.
- 1.25 In this regard we are also particularly concerned about the wording of paragraph 46, where the document states that, *‘Plan makers may put forward proposals that lead to a local housing need above that given by our proposed approach.’* The ability to engage with the Plan making process and advocate levels of housing growth higher than suggested by the PSM should not be limited to Plan makers; the development industry, other statutory bodies and members of the public should all be able to engage with the EiP process to advocate different levels of growth to that proposed, where it can be robustly justified.
- 1.26 If the PSM provides the basis for assessing the minimum number of homes in each LPA, there will still need to be checks and balances in place to ensure that housing and economic policies and evidence align. LP Inspectors will need a framework – some form of guidance – to enable them to reach sensible and transparent conclusions about the number of homes needed to support economic growth. And the development industry – as with all interested parties – should not lose the opportunity to challenge them.

#### Capping, i.e. ‘policy-on’

- 1.27 It’s a well-established legal aspect of identifying OAHN that it should be a policy-off figure. The Government’s PSM acknowledges that after the first stage there is a *‘need to determine whether there are any environmental designations or other physical or policy constraints which prevent them from meeting this housing need. These include, but are not limited to, Ancient Woodland, the Green Belt, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest.’*
- 1.28 We understand that there is a role for policies to be applied, however that is not in setting the OAHN; and it is hard to describe the application of a 40% cap as being anything other than the application of a policy-on position. As set out in *Gallagher Homes Ltd and Lioncourt Homes Ltd and Solihull Metropolitan Borough Council* ([2014] EWHC 1283 (Admin)), there should be a clear separation between the process of assessing OAHN and applying policies to increase or decrease this position. Utilising a policy-on position in the PSM would introduce uncertainty in this regard.
- 1.29 In our view, the basis for all Local Plan EiPs should all commence on the basis of meeting the full OAHN for that area, and then policy should be applied. Whether this be the policies set out above, or a wider assessment of the deliverability of a certain level of growth, it is appropriate to do this through the EiP process as opposed to applying a blunt cap across the country. There is no justification for a simple percentage cap at any geographical level.
- 1.30 In this regard, we note that the justification for the cap is *‘To help ensure the method is deliverable’*. We consider that the Government should show more faith in LPAs, as the LPAs have done in themselves and the Planning Inspectorate have done in bringing forward new Local Plans.
- 1.31 We’ve no doubt that there will be numerous examples of more significant uplifts having been achieved across the country; and would hope that LPAs set out examples of an uplift above this proposed cap having been delivered.
- 1.32 However, we note that at the time of writing our response, LPAs are still pressing ahead with ambitious plans that would undermine the proposed cap. For example, North Warwickshire Borough Council is advancing with a new Local Plan which will replace their 2014 Core Strategy; it is expected to undergo pre-Submission consultation between November 2017 and January 2018 and has been approved at the Council’s Executive Board for consultation.

- 1.33 This is proposing to increase the Council's housing target from 203dpa to 436dpa, an increase of 115%. Such aspiration from Officers and Members is critical if we are to tackle the national housing crisis and to constrain this artificially through an unjustified cap would be unhelpful in the extreme if we are genuinely to solve the underlying issues that sit behind the housing crisis; particularly given that we are already aware of areas who are seeking to capitalise on reduced numbers to change their approach to growth.
- 1.34 As well as the unnecessary curtailing of attempts to meet OAHN, in our view the 40% cap has the potential to deliver a series of significant unintended consequences. Perhaps the most severe example of these is articulated by the City of Birmingham.
- 1.35 The Birmingham Development Plan 2031 was adopted in January 2017, as such it is post-NPPF and up-to-date. However, like many cities, and even some Green Belt areas like Bromsgrove, it is a Plan which does not meet for the OAHN due to capacity constraints.
- 1.36 It's OAHN is 89,000 dwellings (2011-31 / 4,450 dpa), however, it's housing target is 51,100 dwellings (2011-31 / 2,555 dpa) – with the Council charged with working actively with neighbouring Councils through the Duty to Co-operate (DtC) to ensure that appropriate provision is made elsewhere within the Greater Birmingham Housing Market Area to meet the shortfall of 37,900 homes.
- 1.37 However, based on the PSM, when Birmingham City comes to review the Plan they will be capped at 40% above 2,555 dpa (i.e. 3,577 dpa). This would leave a gap of 873 dpa based on the current methodology, and demonstrates the danger of capping Local Plan requirements when they can already be significantly constrained figures. If such a policy were in place currently then over the 20-year Plan period there would be 17,460 dwellings of unmet need in the Birmingham HMA directly from the City Council.
- 1.38 We are certain that similar circumstances will appear across the country to a greater or lesser scale, with the net result being a continuation of the housing crisis across the country.

#### Total delivery

- 1.39 The document notes at paragraph 21 that most suggestions are that England needs net additions of 225,000 – 275,000 dpa. We consider that this figure could conceivably be higher, and nearer 300,000 dpa.
- 1.40 However, it's clear from the Local Plan process that there needs to be flexibility and contingencies built in to strategic growth aspirations. Put simply, if the Government's PSM sets a requirement that only just meets the OAHN for the country then there is no allowance built in for delays at the LPA level. Given the track record of Local Plans being adopted in a timely manner, this is not considered to be a sensible or pragmatic approach.
- 1.41 Therefore, to ensure delivery across the country meets the minimum levels, we would contend that the Government should be building in at least 10% flexibility. As such, we consider that the PSM should result in a total delivery of 330,000 dpa across the country.
- 1.42 In this regard we also note that the distribution of the numbers puts significant pressure on the south east of the country. Whilst this is understandable, given the affordability of houses in this region, it also puts pressure on an area of the country that has significant policy constraints in terms of Green Belt and AONB and already has a poor track record of advancing Local Plans; which may hinder their ability to meet the PSM figures, or lead to lengthy debates at EIPs whilst LPAs seek to justify planning for a lower figure. The theoretical oversupply at the national level that the Government consider will be delivered, will in reality rapidly become an undersupply.

**Question 1b: How can information on local housing need be made more transparent?**

- 1.43 By providing clear guidance regarding the relationship between housing need and forecast employment growth.
- 1.44 The guidance should include an explanation of the factors that should be taken into account and offering best practice examples to guide Plan making.
- 1.45 A central database that is searchable would also be helpful to enable all interested parties to ascertain quickly and easily what the OAHN for an area are.

**Question 2: do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?**

- 2.1 We agree with the principle of freezing an evidence base to enable EiPs to proceed more expeditiously; however we do have some comments to add.
- 2.2 If this decision is taken to speed up Plan making then it should apply equally to LPAs as it does to any other contributor to the Plan making process. We cannot agree to a system where new housing evidence is inadmissible, except for where the LPA considers it helpful to their case. In a fair and transparent process the ability to update evidence should apply equally to all interested parties.
- 2.3 We would also note that the above agreement is based on it being agreed that the most up-to-date information has been used prior to the Submission of the Local Plan. Perhaps it would be sensible for the testing of this to form part of the openings for a Local Plan EiP.
- 2.4 We consider that where more up to date evidence is available, which is materially different in its content and outcomes then such evidence should not be precluded from the Local Plan EiP process.
- 2.5 Thirdly, whilst we are anticipating a revised NPPF early in 2018, we are concerned as to how the above approach would sit with the NPPF and in particular the need to balance the housing and economic evidence base in formulating a sustainable Plan. If this approach is to be carried forward then it is perhaps advisable to consider freezing all aspects of the evidence base at the moment of Submission, as opposed to a part of it.
- 2.6 Finally, even if this is to be done, we'd ask that the Government consider whether there is a point at which the scale of change is so great that it cannot sensibly be ignored in formulating a Plan to cover a significant length of time. Whilst the judgement as to what any trigger would be is subjective, we consider that perhaps a 20% change in the household projections in either direction would be significant enough to halt the Local Plan EiP whilst the Inspector was given an opportunity to consider the implications of the new data.

**Question 3: do you agree that we should amend national planning policy so that a sound plan should identify local housing need using a clear and justified method?**

- 3.1 We do not see that the proposed amended test of soundness would provide a particular benefit to any party involved in the Plan making process.
- 3.2 As of now a 'sound' Plan has to be positively prepared, justified, effective and consistent with national policy; and based on any reasonable interpretation of these tests it is clear that having a clear and justified approach to assessing OAHN is a key pillar of sound Plan making. As such an additional test described in these terms would serve only to duplicate the existing tests.
- 3.3 Whilst the PSM offers a relatively clear and consistent approach to establishing OAHN across the Country that does not necessarily mean that the output resulting from it can be considered justified, credible or robust.
- 3.4 The current NPPF is very clear in its requirement that LPAs should meet the full OAHN of the HMA – the standard method does not provide a housing need output which can be justified as representing the full OAHN of the HMA.

- 3.5 Further, more detailed analysis is required beyond the PSM to provide a credible and justifiable level of need across a District and HMA, which takes full account of local demographic, economic and market factors.
- 3.6 Therefore, whilst the PSM provides an indicative level of housing need, this should only be treated as the starting point, with further analysis required to ensure that it represents a robust figure which adequately provides for demographic, economic and market demands within an area.
- 3.7 LPAs and Planning Inspectors will need further guidance on these latter points.
- 3.8 Terminology such as *'insofar as it is reasonable to do so'* (as used at paragraph 42 of the consultation documents), should be clearly defined and used with caution as they infer scope to vary from the standard approach without significant justification.

**Question 4: do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from Planning Inspectors?**

- 4.1 We disagree with the approach where a LPA is seeking to deviate from the PSM. As set out in our response to question 1(a), we consider that it is imperative that all parties involved in the Plan-making process should have an opportunity to raise concerns over the balancing of housing and economic aspirations, or other significant arguments that relate to the sustainability, soundness or robustness of the Plan.
- 4.2 Therefore, whilst we accept in principle that it should be possible to reduce the length of time spent on OAHN at EiPs, it is fanciful to believe that we can do away with all discussion on OAHN at EiPs without there being adverse consequences across the country.
- 4.3 As such there needs to be clear guidance to all participants in the EiP process, including Inspectors, as to how this matter is to be dealt with.
- 4.4 We welcome the level of scrutiny afforded to Planning Inspectors in instances where a LPA seeks to adopt a lower level of need than the proposed approach, but we have significant concerns with the limited scrutiny which will be afforded to Inspectors in instances where a LPA provides for an uplift against the proposed approach – for example to meet job growth demand – or where the PSM is utilised without the consideration of other factors that should be considered.
- 4.5 The NPPF at its core seeks to ensure sustainable development, which in respect of economic growth relates to the adequate provision of a local labour force – this is reinforced in paragraph 158 of the NPPF where LPAs are required to ensure that their housing and economic evidence bases are integrated. It is therefore essential that the adequacy of any uplift to the proposed approach is acceptable in accommodating a growing labour force.
- 4.6 Without sufficient scrutiny, and given the downturn in levels of housing need resulting from the proposed approach in areas which are currently heavily reliant on economic growth, there is a significant risk that low levels of housing supply (informed by the PSM) could constrain economic growth.
- 4.7 Any uplift to the proposed approach should be welcomed, but as with all evidence underpinning a Local Plan, the Planning Inspectorate should be required to rigorously test that evidence. Planning Inspectors will require greater clarity and tools to scrutinise this evidence quickly and robustly given the need to bring forward sound Local Plans quickly.

**Question 5: (a) do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?**

- 5.1 Whilst it may seem a reasonable approach to provide the Secretary of State with discretionary powers to defer the period for using the baseline for some LPAs, the LPDF consider such a discretionary

approach may not be fully justified, and would likely lead to inconsistent decision making and appeals/litigation; all of which would serve to slow-down the meeting of housing needs.

- 5.2 For example, where LPAs are preparing a joint Plan, even where the joint Plan may anticipate ambitious proposals for new homes, if it has not progressed to adoption prior to the PSM coming into force (or within the relevant timescale of any transitional arrangements), there would appear to be no justification for that emerging joint Plan not to be prepared in accordance with the PSM.

**Question 5 (b): do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the whole area?**

- 5.3 Where LPAs have adopted a joint Local Plan, it is reasonable to assume that there will be commonality across the LPAs regarding OAHN and that that need has been appropriately dispersed across the Plan area having regard to sustainability principles and policy, environmental and technical constraints.
- 5.4 Accordingly, if the proportion of housing requirement for each LPA has been carefully planned through the adopted Local Plan process, it is appropriate for each LPA to be assessed against its own housing target.
- 5.5 However, this should always be subject to appropriately planned reviews, which should be embedded within the adopted Local Plan to ensure that, where possible, the full OAHN is met across the whole Plan area over the Plan period.
- 5.6 Thus, if a LPA is under delivering, then any shortfall is capable of being met through delivery in one (or more) of the other joint Plan LPAs – subject to normal sustainability considerations.

**Question 6: do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?**

- 6.1 We have no specific comment to make regarding the proposed transitional arrangements; however, we suggest that if the PSM approach comes into force, it should be brought into effect on a specified date rather than await publication of the new NPPF.
- 6.2 Consideration should also be given to whether there is forthcoming data at the national-level, such as updated projections, that should be built in to the PSM prior to it being finalised.

**Question 7 (a): do you agree with the proposed administrative arrangements for preparing the statement of common ground?**

- 7.1 The requirement to produce a Statement of Common Ground (SoCG) is welcomed, provided that such a document will result in actual agreement on strategic matters, such as apportionment of OAHN. However, as no change is proposed to the statutory DtC which applies at Plan submission stage, it is unclear whether the SoCG will actually assist in bringing Plans forward earlier, notwithstanding the requirement to produce the SoCG in a prescribed timescale.
- 7.2 Paragraph 66 begins to hint at the problems which exist in the absence of a focused, ‘top down’ approach to defining HMAs. This paragraph highlights that SoCGs, when ‘completed effectively’ will be an important record of how LPAs work together. However, there is nothing in the document to suggest that when the SoCG has not been completed effectively, what the repercussions are. It is assumed that the penalty will in effect be that the DtC will not have been met and therefore the Plan has not been found sound; however, this is not explained in the accompanying text and should be clarified in the revised NPPF.
- 7.3 We understand the NPPF is to be revised so that the tests of Plan soundness are amended so that plans should be ‘based on a strategy informed by agreements over the wider area’ and should be

based on *'effective joint working'*. This arguably moves the DtC towards being a *'duty to agree'*, with a 12-month transitional period; something that is unacceptable if the new measures are to have any gravitas.

- 7.4 To be clear and transparent, the administrative arrangements should only cover HMAs, not *'other agreed geographical area'*. This definition is far too vague and will result in delays to the process as the geographical areas are defined.
- 7.5 Furthermore it should be a requirement that, before any LPA in a HMA can progress a new Local Plan, there needs to be a full agreement as to the OAHN for the HMA and how this is to be apportioned across the individual LPAs. The failure to do this has led to a situation where Plans are adopted with triggers for early reviews linked to timescales or other triggers; however in reality this is a painfully slow method for tackling the housing crisis.
- 7.6 In addition, we are of the view that as soon as such agreement is set in a SoCG then this should be applied at all stages of planning, including the assessment of 5yhls at planning appeals.

**Question 8: do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?**

- 8.1 The *'contents of the statement of common ground'* (Table 2) requires LPAs to record whether agreements have or have not been reached on key strategic matters. There is nothing in the consultation to explain what the repercussions are in the event that such agreements have not been reached.
- 8.2 This is particularly prevalent when considering strategic issues such as meeting unmet housing need. In the absence of any strategic planning powers, it is unclear whether the absence of a SoCG will trigger Government intervention in Plan making. LPAs will be well aware of the Governments much publicised deadline of May 2017 for Local plans to be put in place. As of the time of writing this response, no such intervention has taken place.
- 8.3 Paragraph 86 of the consultation seeks to explain the steps that will be taken in the event that a SoCG is not being prepared; however it does not state that these powers will be used, merely *'considered'*. In the absence of any definitive measures in this consultation, what is the timescale for the Government to understand *'the issues at hand'* and in turn, actively intervene? In the absence of such definitive timescales, these *'warnings'* will not be adhered to resulting in further paralysis in the Plan making process.

**Question 9 (b) do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?**

- 9.1 We do not see that the proposed amended test of soundness would provide a particular benefit to any party involved in the Plan making process. Indeed, it appears in many ways that the amendments will simply serve to water down the effectiveness of the current legal DtC.
- 9.2 A sound Plan has to be positively prepared, justified, effective and consistent with national policy already; and based on any reasonable interpretation of these tests it is clear that effective co-operation is a key aspect of sound Plan making.
- 9.3 As such an additional test in these terms would serve only to duplicate the existing tests.

**Question 10: (a) do you have suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?**

- 10.1 We support the principle of streamlining the process of identifying the need for the variety of housing tenure and types in a LPA area.



- 10.2 We consider disaggregating ‘total’ housing need into overall need for each housing type as part of the Plan-making process will assist the streamlining process. However, to be successful, an integrated approach should be required where the overall housing need of varied housing tenure and types (and their specific key requirements) in a LPA area is assessed against the suitability and capacity of potential housing sites in that area (or in a joint Plan area).
- 10.3 For example, key requirements for inner city student accommodation in most cases will be different to key requirements for suburban dementia care, or indeed family housing. It would therefore be futile for a Local Plan to set out a housing requirement for a specific type where insufficient land is available to meet that requirement during the Plan period.
- 10.4 It is our view that, in all cases, use class C3 residential should be clearly set apart from other residential land uses, to avoid ambiguity which could potentially lead to a slowing of housing delivery.

**Question 11(a): should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?**

- 11.1 The LPDF supports the principle of the suggested change to the NPPF as outlined in the consultation, that LPAs should set out a housing figure for designated neighbourhood planning areas.
- 11.2 Local Plans have been adopted around the country with policies included which state that a percentage of their housing requirement is to be delivered by neighbourhood plans. In some instances, such as in Horsham District it is as much as 2,000 dwellings. However, as these figures are often LPA-wide, it is unclear how many dwellings each neighbourhood plan area should plan for. In practice, this is leading to situations where neighbourhood plan groups are often carrying out their own housing needs surveys, as there is no formula within the adopted Local Plan to guide them as to how many dwellings they should plan for in their area. This is leading to a lack of consistency which in turn is leading to many Local Plans not delivering.
- 11.3 Paragraph 96 of the consultation sets out the basis for LPAs to make a ‘reasoned judgement’ based on the settlement strategy and housing allocations in their Plan. However, when turning to the next part of the question below, it is apparent that deficiencies exist in the proposed formula for apportioning housing need that will lead to confusion amongst Local Plan and neighbourhood plan makers.
- 11.4 As a result of this we suggest that the weight attributed to neighbourhood plans should be significantly reduced where there is no up-to-date Local Plan against which to assess its robustness. In addition, where neighbourhood plans do come ahead of Local Plans, there must be a strong trigger mechanism necessitating a full review of the neighbourhood plan once the up-to-date Local Plan is adopted.

**Question 11 (b): do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?**

- 11.5 The suggested formula in paragraph 99 of the consultation seeks to simplify the process of calculating the housing requirement for each neighbourhood plan area. However, the approach is overly simplistic and leads to numerous flaws, being:
- i. The PSM does not calculate housing need at a parish level as the population projections do not consider areas that are smaller than the LPA area;
  - ii. The population of an area may not reflect its standing within the settlement hierarchy. For example, a parish may have a large population in relation to others, but not have access to facilities that other, smaller parishes will have. As such they may not be the most sustainable choices for locating development;
  - iii. In turn, smaller parishes with access to a broader range of services will not be apportioned a level of housing that is commensurate to its standing in the

settlement hierarchy. Should that occur there is a danger that the parish will not be allowed to grow in a sustainable manner leading to the services and facilities it currently enjoys being put in danger of closure;

- iv. Smaller parishes will be prevented from seeking growth under this policy. Parishes do benefit from an increased percentage of the Community Infrastructure Levy if a neighbourhood plan is in place; however such plans may be thwarted if they are prevented from delivering housing to support the provision of new services. Improving the vitality of rural areas is an important component of the NPPF and this policy will have the unintended consequence of damaging rural vitality of small parishes are unable to plan for housing growth to meet their aspirations;
- v. Reverting to the new PSM in the absence of an up to date Local Plan implies that the figure within it is 'set in stone'. To do so in the absence of that figure not having been considered at a EiP is flawed, as it will not have considered whether a LPA will seek to increase that figure, to take in to account local economic growth aspirations. As such neighbourhood plans will be examined and made in the absence of a tested LPA OAHN, leading to the current situation, as reflected in paragraph 98 of the consultation being replicated in the future.

- 11.6 In summary, neighbourhood planning areas should only be provided with a housing requirement figure from the LPA following adoption of the Local Plan. If this is not the case, national planning policy should be amended to make it clear that neighbourhood plans should be more flexible in their responses to the changes in housing need methodology. Too often neighbourhood plans are being Made without built in review mechanisms such as those which exist in Local Plans. Such a requirement should be enshrined in national policy to ensure that neighbourhood plans respond quickly to policy changes and are not simply tools to prevent development and delay the delivery of much needed housing.

**Question 12: do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?**

- 12.1 Yes, we agree that these are all matters that should be fully considered and set out in a sound Local Plan.

**Question 13: in reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?**

- 13.1 The Government should give thought to whether the approach to testing can be standardised to give clarity and consistency to this aspect of Plan making.

**Question 14: do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?**

- 14.1 We fundamentally disagree with this suggestion. There will always be site-specific circumstances that it is impractical to cover off at the LPA level. As such, the ability to test the viability of individual sites and schemes should remain part of a fair and reasonable planning process.
- 14.2 Furthermore, to robustly test this to a level that would be needed to cover off every eventuality would be a time consuming process at the EiP, and input from all stakeholders. The difficulty is added to due to Local Plans covering an extended period of time, of circa 15 years, a period over which viability considerations could change considerably based on wider economic conditions.

**Question 15: how can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?**

- 15.1 The Government should make it a legal obligation for statutory consultees to respond within the appropriate consultation period. Too often LPAs shoulder all of the responsibility for delays when it is outside of their control.

**Question 17 (a): do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?**

- 17.1 Yes, we agree. Statements should be published alongside AMRs to give full details of what has been collected, from who and how/when it will be spent.
- 17.2 There is a need for greater openness so as the benefits of development are clearly articulated and that LPAs are taken to account if contributions are not used in a timely manner or for their intended purpose.

**Question 18 (a) do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?**

- 18.1 It should be tied to an up to date Plan being in place that plans for its full OAHN and is demonstrating a strong deliverable supply as required by national policy.
- 18.2 Furthermore, the Government could link additional criteria to the rate of appeal success for the LPA.

**Question 18(b): do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?**

- 18.3 This could be tied to determination timescales.

**Question 18 (c): should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?**

- 18.4 No. Only to LPAs that meet them.