

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 09 April 2018

<b>Portfolio:</b>	Planning and Development
<b>Subject:</b>	<b>Response to Government Consultations on the National Planning Policy Framework &amp; Supporting housing delivery through developer contributions</b>
<b>Report of:</b>	Director of Planning & Regulation
<b>Corporate Priorities:</b>	Providing housing choices Protect and enhance the environment Strong, safe, inclusive and healthy communities Maintain and extend prosperity Leisure opportunities for health and fun Dynamic produce and progressive Council

#### **Purpose:**

To seek approval of Fareham Borough Council's response, as outlined in this report, with Appendices 1 & 2 which are the Council's full and detailed response to the two separate Government consultations, to be submitted prior to the end of the consultation period (10 May 2018).

#### **Executive Summary:**

On 5 March 2018, the Government launched a series of documents centred on the planning system for consultation up until 10 May 2018 (Reference Papers A-E).

This report briefly outlines the most significant proposals within these Government five consultation documents (Reference Papers A, B, C, D & E).

This report also sets out the Council's overall response to the two Government's consultation documents that seek specific answers to the questions posed (Reference Papers A & E).

It is important to highlight that, like the Council's previous response last year to 'Planning for the right homes in the right places: consultation proposals', this report emphasises that the Council is very concerned about the immediate and significant increase on housing requirements that the Government's proposed new standard method for calculating local need would have. This would in turn have an adverse and negative impact on the five-year housing land supply in the Borough and its

local communities.

If the Government impose these consultation proposals, it would rapidly increase the level of housing need in the Borough and leave local authorities exposed to the potential requirements to accommodate the unmet need from neighbouring authorities.

These two aspects would have an immediate significant detrimental effect on the Council's five-year housing land supply position.

In addition, the Government is proposing a Housing Delivery Test (Reference Paper D) potentially with a 2018 start date but using retrospective three-year requirements. If imposed, this would rapidly further increase levels of future housing need, resulting in totally unrealistic housing delivery targets.

These proposed reforms are comprehensively and specifically targeted at local authorities to deliver. Local authorities, like Fareham, with negligible ownership of deliverable sites, can permit (i.e. determine planning applications for housing) but not deliver. The proposals, if fully imposed, would result in an immediate and unrealistic significantly increased level of housing need numbers to deliver.

All of this would lead to a wholly unaccountable decision-making process for local communities, as in effect national policy will simply dictate local planning decisions, further undermining the plan-led system and local authorities such as Fareham Borough Council.

Also, as the Council highlighted in its previous response to the Government proposals consulted upon last year, 'Planning for the right homes in the right places', if enacted, such reforms would significantly undermine the collaborative and beneficial work already undertaken by the Council and with the Partnership for Urban South Hampshire (PUSH).

### **Recommendations:**

It is recommended that the Executive agrees:

- (a) Fareham Borough Council's overall response to recent Government consultations (Reference Papers A, B, C, D & E) as outlined in this report, along with both Appendices 1 and 2 attached to this report, which directly answer specific questions posed by the Government in Reference Papers A and E respectively, and for these to be submitted to the Government prior to 10 May 2018 for their consideration;
- (b) that the Director of Planning and Regulation be authorised to make any necessary minor amendments in consultation with the Executive Member for Planning and Development to Appendices 1 and 2, prior to their submission to the Government's consultation deadline (10 May 2018), provided these do not change their overall direction, shape or emphasis; and
- (c) to write to local Members of Parliament (MPs) highlighting the unreasonable, unrealistic nature of the proposals and seeking their support for the Council's position and write to relevant Government Ministers

(Secretary of State for Housing, Communities and Local Government and Minister of State for Housing) to convey the Council's overall opposition to the Government's current consultation proposals.

**Reason:**

If the Government impose these consultation proposals, including the proposal to utilise a standard method for calculating local housing need and to meet unmet neighbouring authorities need, this will have an immediate and significant increase in the Council's housing requirements. It will have an immediate and adverse negative impact on the Borough. Consequently, undermining the plan-led system (i.e. Local Plan) and locally accountable decision-making (i.e. planning applications), as well as the constructive work already undertaken by Fareham Borough Council and jointly within PUSH.

**Cost of proposals:**

Existing resource budgets cover the officer time necessary to respond to this Government consultation.

**Appendices:**

**Appendix 1.** [Fareham Borough Council's Response – including Technical/Clarification Matters - to the Government's \(Ministry of Housing, Communities and Local Government\) Consultation on 'National Planning Policy Framework: Consultation proposals' \(March 2018\).](#)

**Appendix 2.** [Fareham Borough Council's Response – including Technical/Clarification Matters - to the Government's \(Ministry of Housing, Communities and Local Government\) Consultation on 'Supporting housing delivery through developer contributions: Reforming developer contributions to affordable housing and infrastructure' \(March 2018\).](#)

**Background papers:** N/A

**Reference papers:** **Reference Paper A:** Ministry of Housing, Communities and Local Government (March 2018) 'National Planning Policy Framework: Consultation proposals'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685288/NPPF\\_Consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/685288/NPPF_Consultation.pdf)

**Reference Paper B:** Ministry of Housing, Communities and Local Government (March 2018) 'National Planning Policy Framework: Draft text for consultation'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685289/Draft revised National Planning Policy Framework.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/685289/Draft_revised_National_Planning_Policy_Framework.pdf)

**Reference Paper C:** Ministry of Housing, Communities and Local Government (March 2018) 'Draft Planning Practice Guidance: Draft update to planning guidance which will form part of the Government's online Planning Practice Guidance'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/687239/Draft\\_planning\\_practice\\_guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/687239/Draft_planning_practice_guidance.pdf)

**Reference Paper D:** Ministry of Housing, Communities and Local Government (March 2018) 'Housing Delivery Test Draft Measurement Rule Book: Draft methodology to calculating the Housing Delivery Test'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685292/Housing\\_Delivery\\_Test\\_Measurement\\_Rule\\_Book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/685292/Housing_Delivery_Test_Measurement_Rule_Book.pdf)

**Reference Paper E:** Ministry of Housing, Communities and Local Government (March 2018) 'Supporting housing delivery through developer contributions: Reforming developer contributions to affordable housing and infrastructure'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/691182/Developer\\_Contributions\\_Consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/691182/Developer_Contributions_Consultation.pdf)

#### **Other reference papers:**

**Reference Paper F:** Department for Communities and Local Government (February 2017) Housing White Paper 'Fixing our broken housing market'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

**Reference Paper G:** Department for Communities and Local Government (September 2017) 'Planning for the right homes in the right places'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685293/Government\\_response\\_to\\_Planning\\_for\\_the\\_right\\_homes\\_in\\_the\\_right\\_places\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/685293/Government_response_to_Planning_for_the_right_homes_in_the_right_places_consultation.pdf)

**Reference Paper H:** Fareham Borough Council (6 November 2017) Executive Report 'Planning for the right homes in the right places: Response to Government Consultation'.  
[http://moderngov.fareham.gov.uk/documents/s19375/Planning\\_for\\_the\\_right\\_homes\\_in\\_the\\_right\\_places%20Report.pdf](http://moderngov.fareham.gov.uk/documents/s19375/Planning_for_the_right_homes_in_the_right_places%20Report.pdf)

**Reference Paper I:** Ministry of Housing, Communities and Local Government (March 2018) 'Government response to the Planning for the right homes for the right places consultation: A summary of consultation responses and the Government's view on the way forward'.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/685293/Government\\_response\\_to\\_Planning\\_for\\_the\\_right\\_homes\\_in\\_the\\_right\\_places\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/685293/Government_response_to_Planning_for_the_right_homes_in_the_right_places_consultation.pdf)

**Please note if Members require a hard copy of any of the above reference papers, please contact Democratic Services to request copies.**

# FAREHAM

## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	09 April 2018
<b>Subject:</b>	<b>Response to Government Consultations on the National Planning Policy Framework &amp; Supporting housing delivery through developer contributions</b>
<b>Briefing by:</b>	Director of Planning and Regulation
<b>Portfolio:</b>	Planning and Development

#### BACKGROUND

1. On 5 March 2018, the Government launched a series of documents centred on the planning system for consultation up until 10 May 2018 (Reference Papers A-E). This briefing paper outlines the most obvious significant proposals within these Government five consultation documents (Reference Papers A, B, C, D & E).
2. This briefing paper also sets out the Council's overall response to the two Government consultation documents that seek specific answers to the questions posed (Reference Papers A & E).
3. The first of these consultation documents is entitled 'National Planning Policy Framework: Consultation proposals' (Reference Paper A), which largely poses questions in relation to the proposed changes to national planning policy (i.e. the National Planning Policy Framework) contained in Reference Paper B, and further supported guidance in Reference Paper C (i.e. proposed changes to National Planning Policy Guidance).
4. The second of these consultation documents is entitled 'Supporting housing delivery through developer contributions to affordable housing and infrastructure', Reference Paper E, which has its own separate consultation.
5. Both consultations last just over 9-weeks, ending on 10 May 2018.
6. The following section provides both the context to the Government reforms proposed and outlines the most significant proposals within the consultation documents focused on changes to national planning policy and guidance (Reference Papers A, B, C & D).
7. An outline of the most significant proposals in Reference Paper E is covered in a later dedicated section within this briefing paper.

## **NATIONAL PLANNING POLICY FRAMEWORK: CONSULTATION PROPOSALS**

### **Context**

8. The document entitled 'National Planning Policy Framework: Consultation proposals' (Reference Paper A) poses a series of questions for respondents to answer.
9. In the introduction (Reference Paper A), the Government explains that the 'country does not have enough homes' and for 'decades the number of new homes has not kept pace with rising demand', thus 'resulting in soaring prices and rising rents'. In its own words, 'it (the Government) set out a comprehensive strategy to tackle these failures' in the publication of the housing White Paper 'Fixing our broken housing market' (February 2017), produced further detail on a number of these reforms in 'Planning for the right homes in the right places' (September 2017) and in the 2017 Budget 'put us on track to reach 300,000 net additional homes a year'. In addition, the Government cites a 'more active' Homes England' and a 'manifesto commitment to capture increases in land value and reinvest that in local infrastructure, essential services and further housing'.
10. Within the document 'National Planning Policy Framework: Consultation proposals' (Reference Paper A) it explains that the Government is announcing further progress on turning their strategy into reality through a draft new National Planning Policy Framework (Reference Paper B), draft updates to national planning policy guidance (Reference Paper C), proposals for reforming developer contribution, to be delivered through regulations (Reference Paper E) and associated papers (including the Government's response to the consultations on the housing White Paper and Planning for the right homes in the right places). The Government has also issued a draft methodology for calculating the Housing Delivery Test, which is contained in Reference Paper D of this briefing paper.
11. Finally, by way of introduction, it is explained in the consultation proposals (Reference Paper A) that it is the Government's intent to publish a final National Planning Policy Framework (NPPF) before the summer (2018), subject to the consultation.
12. It is also important to highlight that the Government is considering further planning reforms, subject to the outcomes of Sir Oliver Letwin's review of the build out rates of planning permissions into homes. The Letwin Review is an expert panel set up to review why hundreds of thousand of homes have not been built despite planning permission (i.e. the gap between number of planning permissions being granted and those built in areas of high demand).

### **Summary of NPPF Consultation Proposals & Implications to Fareham Borough Council**

13. Whilst there are numerous proposals within the Government's 'National Planning Policy Framework: Consultation proposals' (Reference Paper A) and the associated consultations (Reference Papers B, & D), this briefing paper highlights those with the most significant implications to this Council. The Council's full response is contained in Appendix 1, including any Council consultation responses to technical matters or requests for clarification from Government.

*The Government's Proposals on Objectively Assessed Need for Housing (the 'Standard Approach')*

14. The first significant proposal is the expectation that a specifically nationally defined 'objectively assessed need' for housing is to be accommodated by local planning authorities (Councils). This includes meeting unmet needs from neighbouring authorities. This composite proposal features throughout the Government's consultation, particularly paragraphs 11.b) and 36.a) (Reference Paper B). For clarity, whilst the Government uses the term 'objectively assessed need', the same term the existing Draft Local Plan uses for housing needs (in line with current policy). However, the Government actually mean using a new proposed 'standard approach' to calculating housing need. This is later confirmed in the consultation document (paragraph 61 of Reference Paper B) which states that the Government requires 'strategic plans' (i.e. strategic policies in Local Plans) to be based upon a local housing need assessment 'using the standard method in national planning guidance.'
15. It is important to highlight, under the Government's proposed new standard method Fareham's housing need would rise from the existing 420 to a new target of 531, an uplift of 111 dwellings per annum, for at least ten years (2016-2026). This equates to some 1,110 additional homes required in the Borough, if the Government take these proposals forward. Given that paragraph 22 of the Government's proposed changes to national policy (Reference Paper B) states that Local Plan (i.e. strategic) policies should look ahead over a minimum fifteen-year period from adoption. It could be inferred that the Government's standard approach is applied for a fifteen to twenty-year period for plan-making purposes, thus further increasing housing requirements.

*The Implications of the Government's Proposed 'Standard Approach' for Calculating Housing Need on Fareham*

16. The Government consulted on this new proposed standard method for calculating housing need through a previous consultation on 'Planning for the right homes in the right places' back in September 2017. At the time, as clearly expressed in a previous (6 November 2017) Executive Report (Reference Paper H), the Council fundamentally disagreed with this standardised approach and submitted a consultation response to the Government that stated its opposition. This opposition is repeated in this briefing paper, with some additional emphasis, given the more detailed proposals contained in these recent Government proposals.
17. This standard approach imposed by Government, put simply, sets a baseline of housing need using data from the ONS (Office for National Statistics) on household growth projections (i.e. annual average household growth over a 10 year period), plus an adjustment factor based on local affordability (i.e. the higher the household income to price differential the more houses an authority should provide with the Government's proposed cap applied for those authorities who have reviewed and adopted their Local Plan in the last five years.
18. As previously stated, this would if enacted by Government, lead to an additional 1,110 home requirements over ten years up to 2026. This would, in effect, have an immediate and significant increase in the Borough's housing needs through this Government imposition of a standard approach. Furthermore, it is completely unreasonable to expect local planning authorities to apply a Government imposed standard approach retrospectively in terms of increased supply and delivery demands as a matter of principle.



*The Government's Proposals for Councils to Have Agreements with other Authorities, so Unmet Needs from Neighbouring Areas is Accommodated*

19. Furthermore, the Government also states that 'the strategy' (i.e. Local Plan) 'is informed by agreements with other authorities, so unmet needs from neighbouring areas is accommodated' (paragraph 36 c) of Reference Paper B). The quantum of development needing to be accommodated would be established through a new requirement to produce 'Statements of Common Ground' (SOCG) between neighbouring authorities. It is clear from Government that SOCGs are designed in a manner that strategic matters are dealt with rather than deferred. The implications of this are that, if the Government enacts these reforms not only would, as a minimum, Fareham have a requirement for 1,110 additional homes, but the Council would also be required to have agreements in place, so unmet needs from other neighbouring authorities are accommodated as well.

*Implications of Government Proposals for Authorities to Meet Unmet Housing Need from Neighbouring Authorities*

20. There is a fundamental flaw in this approach in that different authorities are often at different stages of plan making, including their development of a proportionate evidence base to substantiate their approach to development. Therefore, if, say Authority A is in a more advance approach of plan-making, a neighbour, say Authority B, may not have sufficient evidence to substantiate their position of not being able to meet their need. These proposals could effectively slow plan-making down, adversely affecting Authority A from advancing a plan. Fareham Borough Council would therefore argue for an authority to successfully maintain it cannot meet its need, its Local Plan would need to have been adopted before a neighbouring authority would be expected to see if it could accommodate their need.
21. Furthermore, it appears that in the eyes of the Government, proposals for Local Plans to be considered sound, as a minimum, they need to meet the standard approach to housing.

*The Government's Proposals & Implications regarding the Presumption in Favour of Sustainable Development for Local Decision-making (i.e. housing planning applications)*

22. Paragraph 11 (of Reference Paper B) highlights that strategic plans (i.e. the Local Plan) 'should, as a minimum, provide for objectively assessed needs for housing and other development, as well as any needs that cannot be met within neighbouring areas, unless' the Government's prescriptive criteria apply. This in turn, put simply, means Government's proposed policies provide a specific reason for restricting development, such as green belt and national parks, however they are set out in a defined list rather than as examples, as in the present framework. Proposed national policy therefore gives authorities like Fareham very limited protections from development in valued locations in the Borough.

*The Implications of the Government's Standard Approach to Housing Need on Fareham's Five-Year Land Supply*

23. It is apparent that any shortfall in delivery of the Government's standardised housing figures will have to be met by those Council's affected within five years from adoption or review of a Local Plan, or from the introduction of the standardised method if enacted. Thus, potentially having a significant effect on a Council's five-year housing land supply position.

24. Paragraph 74 of the proposed changes to National Planning Policy Framework (Reference Paper B) sets out a range of buffers, which should be added into the five year land supply calculations. The Government explains that buffers are not cumulative, meaning that an authority should add either a 5%, 10% or 20% buffer. The Government's proposals make it clear that the supply of specific deliverable sites should include a buffer of 5% to ensure choice and competition, or 10% where they wish to demonstrate a five-year supply of specific deliverable sites (through an annual position statement or recently adopted plan), or 20% where there has been significant under-delivery.
25. The Government also state that 'local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement, or against their local housing need where the strategic plan is more than five years old.' This means, the Council should have an agreed annual position statement.
26. The Government's proposed standardised approach to calculating housing need and the implications for the Council's five-year housing land supply position, undermines both the existing adopted and emerging Fareham Local Plan 2036 (recently consulted upon). They potentially have immediate significant adverse effects on the Borough. These proposals present real dangers where unrealistic buffers are arbitrarily applied through Government policy and guidance, if the Council's well-reasoned objections are not listened to.

*The Government's Proposed Housing Delivery Test (in relation to Five-year Housing Supply)*

27. The Government's proposed Housing Delivery Test (HDT) is set out in the Government's consultation document 'Housing Delivery Test Draft Measurement Rule Book: Draft methodology to calculating the Housing Delivery Test'. (Reference Paper D). HDT is the percentage measurement of the number of net homes delivered against the number of homes required in a plan-making authority over a previous three-year period (paragraph 2 of Reference Paper D).
28. It is clear the Government is proposing to use a standard housing need figure as the basis for calculating the HDT, particularly where local plans are out of date. The Government state that the HDT required figure will be used where it is lower than the adopted housing requirement or the local housing need figure and unmet neighbours' need figure (paragraph 3 of Reference Paper D).

*The Government's Proposed Sanctions & Implications for those Authorities who do not meet the HDT or Five-year Housing Supply*

29. The policy consequences of not meeting the HDT are outlined in paragraphs 74-77 of the Government's 'National Planning Policy Framework: Draft text for consultation' (Reference Paper B).
30. Paragraph 75 of the Government's consultation states that for planning applications for housing, paragraph 11d of proposed national policy would apply (Reference Paper B) if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites (with an appropriate buffer), or where the Housing Delivery Test (HDT) indicates delivery of housing has been substantially below the requirement over the previous three years. Put simply, local planning authorities without a five-year housing

land supply or failing the Housing Delivery Test would be open to development on developable sites not within adopted Local Plans that have been found sound and have involved engagement with local communities, along with the development industry and other interested parties. Therefore, this Council is strongly opposed to these Government proposals.

31. If the Government go ahead with these proposals, it is clear that there will be a requirement for Councils (local planning authorities) to produce an action plan where delivery has fallen below 95% of its' housing requirement over the three previous years. From November 2018, councils will also need to provide a 20% buffer on top of its five-year supply of deliverable sites, where delivery in the previous three years was below 85% of the housing requirement. From 2020, the presumption in favour of sustainable development will also apply where delivery is below 75% of the authority's housing requirement. Whilst not included in the revised NPPF draft, the consultation document clarifies that the application of the presumption will also apply where delivery is less than 25% of the housing requirement in 2018 and 45% in 2019.
32. This would act to further compound the unrealistic standardised housing targets imposed by Government, therefore in turn having a negative impact on the housing supply figures (five-year housing land supply) and delivery (Housing Delivery Test). These Government proposals, as the following paragraphs explain, mean that the Council will have little or no influence on achieving the unrealistic housing supply and delivery targets set by Government, further undermining plan-making and local decision-making for local communities.

### **The Council's Overall Response to the Government's NPPF Consultation**

#### *Council Opposition to a Non-Plan, Non-Led Locally & Accountable Planning System*

33. Fareham Borough Council fundamentally disagrees with the proposed standard approach to assessing local housing need for the following reasons.
34. Fareham Borough Council has over many years worked jointly with other local authorities in south Hampshire area and key partners through the Partnership for Urban South Hampshire (PUSH). For clarity, PUSH is a partnership of Hampshire County Council; the unitary authorities of Portsmouth, Southampton, Isle of Wight; and district authorities of Eastleigh, East Hampshire, Fareham, Gosport, Havant, New Forest, Test Valley and Winchester. The PUSH Local Authorities also work collaboratively with the Solent Local Enterprise Partnership, Environment Agency and other relevant bodies.
35. Whilst the PUSH Joint Committee has no statutory powers or functions, it plays a vital role in co-ordinating the preparation of sub-regional evidence and statements across the South Hampshire local authorities. The PUSH Local Authorities recognise the benefits of working together to support the sustainable economic growth of the sub-region and to facilitate the strategic planning functions necessary to support that growth, which is in line with current Government advice.
36. PUSH has been instrumental in agreeing a joined-up approach to addressing housing objectively assessed housing needs over three housing market areas (Southampton, Portsmouth and Isle of Wight). This is evident in the fact that the PUSH Local Authorities published a Spatial Position Statement in June 2016, which set out the overall need for, and a distribution of development in South Hampshire to 2034. This Statement draws on evidence from the South Hampshire Objectively Assessed Housing

Need (OAHN) Update Report published in April 2016, which updates and complements the Strategic Housing Market Assessment (SHMA) published in 2014. Furthermore, there are a number of evidence documents prepared through joint working by the PUSH Local Authorities that have helped inform the PUSH Spatial Position Statement on a whole series of strategic planning matters.

37. It is considered that this is a more locally accountable, collaborative and 'bottom-up' approach to responding to local housing needs over three housing market areas by PUSH. This Council contends that it is preferable to the 'top-down' imposed standard approach to housing need currently proposed by the Government. Over a relatively short time period PUSH has established a joint position and evidence base from which individual authorities can progress their own Local Plans.
38. Unlike paragraph 9 of the previous consultation ('Planning for the right homes in the right places'), these Government proposals nationally prescribe a definitive list of policies that provide specific reasons restricting development. Paragraph 9 of 'Planning for the right homes in the right places' explained that after establishing the number of homes that are needed in the area 'Local planning authorities then need to determine whether there are any environmental designations or other physical or policy constraints which prevent them from meeting this housing need. These included, but are not limited to, Ancient Woodland, the Green Belt, Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest. They also need to engage with other authorities – through the duty to co-operate – to determine how any need that cannot be accommodated will be redistributed over a wider area. This means that the level of housing set out in a plan may be lower or higher than the local housing need.' This is what Fareham Borough Council and PUSH have worked towards and established through the PUSH Spatial Position Statement. This has resulted in, for example, agreement between PUSH Authorities that the protection of important strategic gaps such as the Meon Valley (which sits between the housing market areas of Southampton and Portsmouth) is supported. The Government's further current round of consultation gives no or little protection to those authorities who have landscapes and countryside that do not fall under these listed designations but are clearly valued by local communities and the Council.
39. This continual changing of the goal posts by Government acts to undermine and slow-down those local authorities such as Fareham positively plan-making under the existing regimes, which are successfully working with their neighbouring authorities.

*Council Opposition to Imposition of Unrealistic Increases in Housing Delivery Requirements*

40. The impacts of the Government proposals in terms of timescales are completely unreasonable. They act to undermine the plan-led planning system, as well as the value local communities place in their involvement into Local Plans and the development industry. This, in turn, undermines local decision-making for local communities, who should have the reassurance of a plan-led planning system. There are no suitably robust provisions within the Government's proposals (even in relation to the Government's provisions for stepped trajectories) that support authorities to have 'realistic' trajectories given the Government's focus on standardising housing needs.
41. Fareham Borough Council have sought to develop a Draft Local Plan which maximises brown-field regeneration sites and provides a strategic site at Welborne Garden Village

(for approximately 6,000 homes), as well as having draft allocations for four urban extensions and a combination of small to medium sites. If Government proposals are pursued, the Draft Local Plan and local-decision-making will be undermined by these unrealistic nationally imposed Government reforms. In conclusion, therefore Fareham Borough Council believes the current approach should remain and the Government's new proposals should not progress.

*Council Opposition to Reforms Purely Focused on Council for All Aspects of Housing Delivery*

42. The Council questions the focused and continued emphasis on local planning authorities for the main responsibility for housing delivery through these reforms, especially for those authorities who lack significant public land assets, rather than landowners and developers who possess suitable land assets to be sustainably developed. Local planning authorities are responsible for permitting sustainable development (i.e. planning permissions) in appropriate locations for local community benefit but not delivery (i.e. housing completions). Except for authorities that have suitable land ownership, which, in the case of Fareham Borough Council, is negligible. Clearly, if the Government task local planning authorities with delivery, simply by reducing the length of permissions when viable and practical, is inadequate for this proposed responsibility.
43. The Council believes the Government needs to reconsider these proposals, and target reforms on those responsible at each stage of the delivery of housing. If developers fail to deliver development (i.e. housing completions) with suitable infrastructure (i.e. in line with local community & Council aspirations), there is no recourse. For Council's like Fareham, to allocate less sustainable locations or more development, would result in much unnecessary anxiety from local communities and less sustainable development, which will have adverse affects on existing and future generations, which in turn undermines sustainable development.
44. Furthermore, in a small highly urbanised Borough, sandwiched between two major cities (Portsmouth and Southampton), where there are limited options for sustainable development, simply changing allocations that do not deliver as site promoters' or applicants have stated, is not a satisfactory approach. It is not one which is not plan-led or one which engages with local communities. It also causes local communities significant concern when there is uncertainty over delivery.
45. If, despite the Council's opposition, the Government does force through these proposals and impose these burdens on local planning authorities, it would need to give Councils suitable delivery mechanisms in the most sustainable locations. For example, the ability to new fast-track Compulsory Purchase Order (CPO) powers to acquire land allocated for sustainable development (i.e. edge of settlements where brown-field sites are fully exploited) at 'Existing Use Value' and appropriate compensation for disruption and relocation to those landowners and tenants affected in order that these sites are delivered. However, without appropriate mechanisms, CPOs remains an unsuitable, costly and lengthy method for Councils. The Council await the outcomes of Sir Oliver Letwin's review on these fundamental matters.

*Council Opposition to the removal of the reference to 'Garden City Principles' within the NPPF*

46. The removal of the Garden City principles (paragraph 52 of the existing NPPF) from the

draft revised NPPF appears to question the Government's support for new 'Locally-Led Garden Villages, Towns and Cities' that was only announced in March 2016. Fareham Borough Council has spent a considerable number of years investing in the planning of a new 6,000 home Garden Village community at Welborne. This has included the development and adoption of the Welborne Plan in 2015, which embraces 21st Century Garden City principles and sets out how the Council wants the new community to be developed. This further culminated in the award of Garden village status from Government in January 2017.

47. The Welborne Plan seeks to take as a starting point, the original guiding principles of the Garden City movement and update them to make them relevant to the 21st century. The long-established Garden City (Village) principles which will help guide the development of Welborne include the long-term stewardship of community assets, high quality imaginative design including homes with gardens, mixed tenure homes which are affordable for ordinary people, a strong local job offer with a variety of employment opportunities, easy access to generous green spaces linked to the wider countryside, local cultural, recreational and shopping facilities, and integrated and accessible transport systems.
48. The role of the NPPF should not only be to provide the specific guidance required when plan-making and determining applications, but also to provide an overarching vision for place-making and delivery standards when providing new housing. The deletion of the Garden City principles removes this vision, and does not replace it with an alternative. The proposed removal comprises part of the unequal balance that the revisions propose of speed and quantum of housing over quality. Furthermore, it comes at a stage where the Council is in the process of determining the Outline Planning Application for Welborne, and the suggested changes are likely to cause unnecessary confusion to both decision makers and the site promoter, and therefore having the undesired effect of impacting on development timeframes.
49. This Council remains completely committed to both the delivery of Welborne, which forms the central pillar of the Borough's housing supply over the next 25 years, and for the delivery of a high quality, inclusive and affordable new development to meet local housing need and urges the Government to retain a reference to Garden City principles within the new NPPF.
50. The other consultation document that has specific questions posed, which the Council can respond to, are within Reference Paper E (Supporting housing delivery through developer contributions: Reforming developer contributions to affordable housing and infrastructure). The following paragraphs cover this aspect of the consultation.

#### **SUPPORTING HOUSING DELIVERY THROUGH DEVELOPER CONTRIBUTIONS: REFORMING DEVELOPER CONTRIBUTIONS TO AFFORDABLE HOUSING AND INFRASTRUCTURE**

51. Whilst there are various proposals within the Government's Consultation proposals 'Supporting housing delivery through developer contributions: Reforming developer contributions to affordable housing and infrastructure' (Appendix E), this part of the report highlights the most significant to this Council. In addition, the Council's full response is contained in Appendix 2. It should also be noted that whilst the title of the document includes the words 'affordable housing' there is very little focus on this issue within the consultation.

52. At the present time Fareham Borough Council is a CIL charging authority and also secures contributions in some instances through planning obligations. Under CIL this Council charges a levy on new development such as housing to help deliver infrastructure within the Borough. The levy is based on floorspace and is 'non-negotiable'.
53. In addition to CIL this Council also enters into planning obligations. Planning obligations can be attached to a planning permission to make development acceptable, which would otherwise have been unacceptable in planning terms. Contributions towards affordable housing, off site junction improvements and education facilities are just some examples of matters for which this Council secures contributions through planning obligations. The Government's consultation proposes the continuation of both the CIL and planning obligation regime.
54. The consultation acknowledges that the current system of the Community Infrastructure Levy (CIL) and Developer Contributions is not working as well as it should. The consultation identifies that the system is too complex and has a number of uncertainties for developers. These factors act as a barrier to development and results in developers negotiating down the levels of affordable housing provided and infrastructure that has been agreed to be provided.
55. The Consultation sets out the Government's proposals for CIL and planning obligations secured pursuant to Section 106 of the Town and Country Planning Act 1990. The key objectives of the changes to the system are to:
- Reduce complexity and increase certainty for both Authorities and developers;
  - Support swifter development;
  - Increasing market responsiveness;
  - Improving transparency and accountability of where money is spent; and
  - Allowing the introduction of a Strategic Infrastructure Tariff (SIT)
56. Within the Consultation the government is seeking views on its proposals to:
- Streamline the process for local authorities to set and revise CIL charging schedules;
  - In certain circumstances, to remove the pooling restriction;
  - Improvements to the operation of CIL (which would have implications for Fareham Borough Council) such as:
    - How exemptions are administered
    - Clarifying and changing indexation
    - Setting CIL rates based on the existing use of land
    - Simplifying the charging of CIL on complex sites
    - Removing the requirement for a Regulation 123 List and requiring a 'Infrastructure Funding Statement' instead

**Overall Council response to the Government's consultation on supporting housing delivery through developer contributions: reforming developer contributions to affordable housing and infrastructure**

57. Fareham Borough Council is broadly supportive of the proposals from the Government in this Consultation.

### *Evidence on the need to fund infrastructure*

58. The consultation seeks to establish views on aligning the evidence requirements for making a local plan and setting a CIL charging schedule. The Government's view is that viability evidence accepted for plan making should usually be considered sufficient for setting CIL rates subject to endorsement by an appropriate examiner. Aligning such evidence could avoid duplication, saving local authority resources and reducing complexity in the CIL setting process.
59. The Consultation sets out that it is likely most authorities will have an infrastructure funding need that is greater than anticipated CIL income. Where evidence, including that prepared to support plan making, shows a funding gap significantly greater than anticipated CIL income, the consultation proposes that further evidence of infrastructure funding need should not be required.
60. Where charging authorities consider there may have been significant changes in market conditions since evidence was produced, it may be appropriate for charging authorities to take a pragmatic approach to supplementing this information as part of setting CIL – for instance, assessing recent economic and development trends and working with developers (e.g. through local development forums), rather than procuring new and costly evidence.
61. There is no objection to this part of the consultation and the proposed Government proposals on this point are supported.

### *Removing unnecessary barriers: the pooling restriction*

62. This part of the consultation reviews the pooling restriction within the CIL Regulations and whether this barrier to development is unnecessary and should be removed.
63. At present, there is a “pooling restriction” within Regulation 123 of the CIL Regulations which prevents councils from entering into more than five separate planning obligations in connection with a specific project or type of infrastructure. The initial purpose of the pooling restriction was to incentivise local authorities to introduce CIL in order to collect a fixed contribution towards infrastructure from a large number of developments.
64. The Government's CIL Review however has identified that the pooling restriction can hold back development and has been found to cause particular problems for large or strategic sites.
65. To address the issue, the Government sets out within the Consultation that it intends to remove the pooling restriction in areas:
  - that have adopted CIL;
  - where authorities fall under a threshold based on the tenth percentile of average new build house prices, meaning CIL cannot feasibly be charged;
  - or where development is planned on several strategic sites.

The pooling restriction would be retained in other circumstances.

66. On first reading, as an Authority that has adopted CIL, the Consultation indicates that the pooling restriction would be lifted for the whole Borough of Fareham. This being the



case this Council would strongly support the proposal. However, when reviewing the consultation questions on this matter it is noted that there is no specific question regarding this first bullet point.

67. The Consultation seeks views on when lifting the pooling restriction where significant development is planned on several large strategic sites whether this should be based on either:
  - (1) a set percentage of homes, set out in a plan, are being delivered through a limited number of strategic sites; or
  - (2) all planning obligations from a strategic site count as one planning obligation?
68. The Consultation suggests for part (1) of the question, that the pooling restriction for the whole Borough should be removed when a set percentage of homes, set out in a plan, are being delivered through a limited number of strategic sites. For example, where a plan is reliant on ten sites or fewer to deliver 50% or more of their homes.
69. In the case of Fareham, the main allocated Strategic Site within the Development Plan is Welborne. A number of 'cluster' sites are proposed throughout the Borough as part of the Local Plan Review.
70. It is recommended that Fareham Borough Council would prefer (1) above, assuming that the threshold will be set such that Welborne, as our current strategic site, would be delivering enough homes for the pooling restriction to be lifted from the rest of the Borough.
71. Furthermore, this approach would benefit the other smaller sites coming forward in the remainder of the Borough whereby planning obligations could then be pooled from smaller sites towards strategic infrastructure such as education provision.
72. The definition of "Strategic Site" is fundamental in how the lifting of the pooling restriction would work for the Borough of Fareham.
73. Fareham Borough Council's emerging Local Plan sets out a number of smaller sites that are in a confined geographical area, such as the 'Warsash cluster'. If these smaller sites were taken as a whole then they could potentially form 'Strategic Sites'. As such it is important for the Government to consider the fact that a number of smaller sites in close proximity could and should be included in the definition of "Strategic Site". Furthermore, it is suggested that the term 'Strategic Site' should apply to sites proposed for allocation in draft and emerging plans as well as those that are within an adopted development plan.
74. This Council strongly endorses the Government's proposals to lift the pooling restriction. In the event that certain criteria are applied to the lifting of this restriction and this is related to the delivery of strategic sites then the Council would broadly support this approach given the Council's allocation of Welborne and subject to the consideration of the other factors set out above in deciding what other scales of development would fall within the definition of "strategic site".

*Improving transparency and increasing accountability*

75. A common thread throughout the consultation is that the Government believes that

there is a need for greater clarity on how CIL and Section 106 planning obligations work together. Greater clarity can ensure developers and local communities have more certainty about how charging authorities intend to use CIL receipts and how monies raised has been spent. The Government therefore proposes to remove the restrictions on Section 106 planning obligations in Regulation 123 (the pooling restriction considered previously) and to remove the need for Regulation 123 lists.

76. Regulation 123 lists are proposed to be replaced with a more transparent approach to reporting by charging authorities on how they propose to use developer contributions, through Infrastructure Funding Statements. The Infrastructure Funding Statements would be published by the Council annually, and will set out the Council's priorities for spending CIL and Section 106 planning obligations for the coming five years.
77. In principle, the proposals are considered acceptable. It is considered important that the Government's Planning Practice Guidance indicates rather than prescribes what is within the Infrastructure Funding Statements. This will allow for some flexibility in how the information is presented whilst also meeting the expected levels of information within the Statement itself.
78. The Consultation also seeks views on allowing local planning authorities to seek a sum as part of Section 106 planning obligations for monitoring planning obligations.
79. There is often the need for the submission of and approval of details pursuant to planning obligations and some of these details may require attendance at meetings and site inspections. The Council is normally required to 'absorb' all of these costs and is unable to make a charge for the work associated with discharging planning obligations. The ability to recover these costs through the ability to attach a fee to planning obligations is therefore supported.

## **Conclusion**

80. In conclusion, it is important to highlight that, like the Council's previous response last year to 'Planning for the right homes in the right places: consultation proposals', this report emphasises that the Council is very concerned about the immediate and significant increase on housing requirements that the Government's proposed new standard method for calculating local need would have. This would in turn have an adverse and negative impact on the five-year housing land supply in the Borough and its local communities.
81. If the Government impose these consultation proposals, it would rapidly increase the level of housing need in the Borough and leave local authorities exposed to the potential requirements to accommodate the unmet need from neighbouring authorities.
82. These two aspects would have an immediate significant detrimental effect on the Council's five-year housing land supply position.
83. In addition, the Government is proposing a Housing Delivery Test (Reference Paper D) potentially with a 2018 start date but using a retrospective three-year requirement. If imposed, this would rapidly further increase levels of future housing need, resulting in totally unrealistic housing delivery targets.
84. These proposed reforms are comprehensively and specifically targeted at local authorities to deliver. Local authorities, like Fareham, with negligible ownership of

deliverable sites, they can permit (i.e. determine planning applications for housing) but not deliver. The proposals, if fully imposed, would result in an immediate and unrealistic significantly increased level of housing need numbers to deliver.

85. All of this would lead to a wholly unaccountable decision-making process for local communities, as in effect national policy will simply dictate local planning decisions, further undermining the plan-led system and local authorities such as Fareham Borough Council.
86. Also, as the Council highlighted in it's previous response to the Government proposals consulted upon last year, 'Planning for the right homes in the right places', if enacted, such reforms would significantly undermine the collaborative and beneficial work already undertaken by the Council and with the Partnership for Urban South Hampshire (PUSH).
87. Furthermore, the Council opposes the removal of reference to the Garden City principles, which are in paragraph 52 of the existing NPPF. It is vital that future national policy makes reference to these principles as they ensure place-making visions are established in garden villages and cities and to ensure delivery standards are met when delivering strategic housing sites.
88. In terms of the proposals contained within the consultation: 'Supporting housing delivery through developer contributions', this Council supports many of the changes proposed.
89. The proposal to align the viability evidence for CIL charging schedules and plan making is welcomed as is the removal of the current 'pooling' arrangements in respect of Section 106 planning obligations. On the latter point this Council believes that as Fareham has CIL in place, the removal of the pooling arrangements should apply to housing sites across the Borough, especially when contributions are being sought towards infrastructure such as school enhancements/expansions and highway junction/network improvements.

### **Enquiries:**

For further information on this report please contact Claire Burnett, Head of Planning Strategy and Regeneration (extension 4330).