

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 03 December 2018

Portfolio:	Planning and Development
Subject:	Council's Response to the Government's 'Technical consultation on updates to national planning policy and guidance'
Report of:	Director of Planning and Regulation
Corporate Priorities:	Protect and enhance the environment Providing housing choices

Purpose:

To seek approval of Fareham Borough Council's response to the Government's recent technical consultation on updates to national planning policy and guidance, as outlined in this report, to be submitted prior to the end of the consultation period (7th December 2018).

Executive summary:

On 26th October 2018, the Government issued a technical consultation on changes proposed to both national policy but also planning guidance. This Government consultation closes on 7th December 2018. The Government consultation covers the following areas; firstly, it proposes changes to local housing need assessment and housing land supply. It also proposes a revised definition of 'deliverable' sites and lastly, seeks to clarify national planning policy regarding development requiring Habitat Regulations Assessment following a recent European Court of Justice ruling on a case. The following report details the Council's response to this technical consultation.

Recommendation:

It is recommended that the Executive agrees:

- a) Fareham Borough Council's response, as outlined in this report, which answers the questions posed in the Government's 'Technical consultation on updates to national planning policy and guidance'; and
- b) that the Director of Planning and Regulation be authorised to make any necessary minor amendments, following consultation with the Executive Member for Planning and Development, prior to the submission to the Government's consultation deadline (7th December 2018), provided these do not change their overall direction, shape or emphasis.

Reason:

In July 2018, the Government introduced the requirement that local planning authorities use the standard method to calculate local housing as set out in a revised National Planning Policy (NPPF) and associated Planning Practice Guidance (PPG). This Council raised strong objections to the standard 'top-down' approach to calculating local housing need at that time.

The recent technical consultation proposing the use of the older 2014-based ONS household projections, rather than the up-to-date lower 2018 projections, as part of the current application of the standard method to calculating local housing need will significantly increase in the Council's housing requirements, and it is therefore proposed that the Council similarly raise strong objections in responding to this consultation.

Cost of proposals:

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

Appendices: None.

Background papers: Executive Report (6th November 2017) 'Planning for the right homes in the right places: Response to Government Consultation'.

Executive Report (9th April 2018) 'Response to Government Consultations on the National Planning Policy Framework & Supporting housing delivery through developer contributions'.

Reference papers: Ministry of Housing, Communities & Local Government (October 2018) Technical consultation on updates to national planning policy and guidance.

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BOROUGH COUNCIL

Executive Briefing Paper

Date:	03 December 2018
Subject:	Council's Response to the Government's 'Technical consultation on updates to national planning policy and guidance'.
Briefing by:	Director of Planning and Regulation
Portfolio:	Planning and Development

INTRODUCTION

1. On 26th October 2018, the Government issued a technical consultation on changes proposed to both national policy but also planning guidance. This Government consultation closes on 7th December 2018.
2. The Government consultation covers the following areas; firstly, it proposes changes to local housing need assessment and housing land supply. It also proposes a revised definition of 'deliverable' sites and lastly, seeks to clarify national planning policy regarding development requiring Habitat Regulations Assessment following a recent European Court of Justice ruling on a case.

BACKGROUND TO THE PROPOSED CHANGES TO LOCAL HOUSING NEED ASSESSMENT AND HOUSING LAND SUPPLY

3. Turning to the first matter, in March 2018, the Government consulted on the Draft National Planning Policy Framework, which looked to deliver 300,000 homes per year, through a proposal that would require local planning authorities, such as Fareham Borough Council, to use the Government's standard method for assessing local housing need.
4. Using data, the Government published in September 2017 as part of the 'Planning for the right homes in the right places consultation', this would, plan for around 266,000 homes across England (based on 2014 household projections and 2017 local affordability ratios of median house prices to median earnings).
5. As the Executive may recall, two Executive Reports were approved that opposed the standardised approach proposed in both the 'Planning for the right homes in the right places consultation' (6th November 2017) and the 'Draft National Planning Policy Framework consultation' (9th April 2018). The Council subsequently submitted a consultation response to the Government on both occasions, clearly stating its opposition to these proposals.

KEY GOVERNMENT PROPOSED CHANGES TO LOCAL HOUSING NEED ASSESSMENT AND HOUSING LAND SUPPLY

6. The most significant proposal within this technical consultation is that in the short-term the Government propose that the 2014-based data (household projections) will provide the demographic baseline for the assessment of local housing need. The Government consultation, also states that in the longer term, they intend to review the formula with a view to establishing a new method that meets the Government's ambitions by the time the next projections are issued. It also states that in all other respects the standard method of assessing housing need would, for now, remain unchanged.
7. As Members may recall, from the 6th November 2017 Executive Report (paragraphs 7-9), the proposed approach to a standard method for calculating local housing need had three steps, it is these which remain unchanged following the Government's implementation of the 2018 National Planning Policy Framework (NPPF). This is despite the Council also opposing this in its further consultation response to Government on the Draft National Planning Policy Framework, as detailed in the 9th April Executive Report this year.
8. This standard approach imposed by Government, put simply, firstly sets a baseline of housing need using data from the Office for National Statistics (ONS) on household growth projections. Secondly, a Government derived adjustment factor based on local affordability ratios is added using ONS data (i.e. the higher the household income to price differential the more houses an authority should provide). Lastly, where relevant, a Government derived cap can be applied depending on each local planning authorities' plan position (i.e. the increase should not be 40% higher of the household projection or annual housing requirement in the local plan).
9. It is important to note that now, as of July this year, the National Planning Policy Framework is now in force, which in turn means for the Council, the standard approach should be used for calculating local need. As paragraph 60 states: *'To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance'*

IMPLICATIONS OF RECENT GOVERNMENT CONSULTATIONS AND NATIONAL POLICY FOR THE COUNCIL

10. At the time of the consultation by the Government 'Planning for the right homes in the right places' in September 2017 the implications of the Government's proposals indicated that this would result in Fareham's housing need requirement increasing from 420 to 531 per year using the 2014-based household projections. The release of ONS local affordability ratios which followed had potential implications if the Government then proceeded with its standard method to calculating local housing need, as it would potentially increase Fareham's requirement from 531 to 544 homes per year.
11. The Council fundamentally oppose the 'top-down' standard method employed by the Government, including the inflexible methodology and the artificial affordability ratio application. Despite the Council's opposition, in July this year the Government implemented its standard approach to calculating housing need, as the 2018 NPPF came into force. This confirmed the Government's requirement for the Council to deliver 544 per year by applying the standard method. Then, however, ONS released 2016-based household projections, which applying the standard method, led to a reduction in Fareham Borough Council's requirement to 479 homes per year. The

Government propose in this recent consultation not to use the 2016-based household projections and use the 2014-based projections instead, which would result in a housing need of 544 homes per year in Fareham, through applying the Governments standard method.

THE COUNCIL'S RESPONSE TO THE GOVERNMENT CONSULTATION

12. It is fully recognised that providing suitable housing choice for all is a clear objective the Council supports; however, it has many key concerns with the Government's proposed approach.

Question 1: 'Do you agree that planning practice guidance should be amended to specify that 2014-based projections will provide the demographic baseline for the standard method for a time limited period?'

Question 2: Do you agree with the proposed approach to not allowing 2016-based household projections to be used as a reason to justify lower housing need?'

Question 3: Do you agree with the proposed approach to applying the cap to spatial development strategies?'

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

Answers to Questions 1, 2, 3 & 4:

13. In answer to the Government's question 1. the Council disagrees with this proposed approach, as previously stated in two previous Executive Reports.
14. The 6th November 2017, Executive Report states Fareham Borough Council disagrees with the proposed standard approach to assessing local housing need for the following reasons. 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.
15. 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.
16. PUSH has been instrumental in agreeing a joined-up approach to addressing housing need 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 sets 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.

17. It is considered that this more collaborative and 'bottom-up' approach to responding to local housing needs over three housing market areas by PUSH, and this Council contends this is preferable to the 'top-down' standardised approach to local housing need which the 2018 NPPF requires local planning authorities. 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.
18. As the 6th November 2017 Executive Report, went onto explain Fareham Borough Council and PUSH have worked towards and established a 'bottom-up' approach 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.
19. The Council still contends that, the now 2018 NPPF (as did the Draft NPPF) gives very little in way of protection to those authorities who have landscapes and countryside that do not fall under these '*policies in this Framework that protect areas or assets of particular importance*' but are clearly valued by local communities.
20. It has been now proven that the 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, who are successfully working with their neighbouring authorities. In conclusion, therefore Fareham Borough Council disagrees that the NPPF and planning practice guidance should be amended to specify that 2014-based projections will provide the demographic baseline for the standard method for a time limited period.
21. It is important to highlight that, like the Council's previous responses to Government consultations, the Council is very concerned about the immediate and significant increase on housing requirements that the Government's new standard method for calculating local need. This would in turn will have an adverse and negative impact on the five-year housing land supply in the Borough and its local communities.
22. If the Government impose continue with these recent consultation proposals, it would continue to have a rapid increase the level of housing need in the Borough and leave it exposed to the potential requirements to accommodate the unmet need from neighbouring authorities.
23. Now the 2018 NPPF imposes the standard method, coupled with the recent Government proposal to use the 2014-based household projections, will rapidly further increase levels of future housing need, resulting in totally unrealistic housing delivery targets. These Government 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. Thus, resulting in an immediate and unrealistic significant increase in the level of housing need numbers to deliver.
24. As previously stated, the 2018 NPPF imposing the standard method, coupled with the recent Government proposal to use the 2014-based household projections, will 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 planned system and local authorities such as Fareham Borough Council.

25. Finally, as the Council highlighted in its previous responses to the Government, the 2018 NPPF imposing the standard method, coupled with the recent Government proposal to use the 2014-based household projections significantly undermine the collaborative and beneficial work already undertaken by the Council and with the Partnership for Urban South Hampshire (PUSH).
26. In answer to question 2, the Council disagrees with this proposed approach and use of the standard approach to local housing need in the 2018 NPPF and PPG. The Council therefore, reiterates its answer to question 1.
27. In answer to question 3, the Council disagrees with this proposed approach and use of the standard approach to local housing need in the 2018 NPPF and PPG. The Council therefore, reiterates its answer to question 1.

Explanation of the Government's Proposed Changes to Footnote 37

28. The Government's recent consultation proposes that the basis for determining an authority's five-year housing land supply requirement (as set out in paragraph 73 of the 2018 NPPF) is either an up to date housing requirement set out in strategic policies (where these are less than five years old, or older if they have been reviewed within the five years and do not need updating); or local housing need using the standard method set out in national planning guidance.
29. In answer to question 4, the Council disagrees with this proposed approach and use of the standard approach to local housing need in the 2018 NPPF and PPG. The Council therefore, reiterates its answer to question 1.

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

Explanation of the Government's proposed clarification to the glossary definition of deliverable

30. The Government's recent consultation seeks to redefine the term 'deliverable' in national policy and guidance. The Government states that for a site to be considered deliverable, '*sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years.*' Furthermore, sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years. Also, where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, the Government consultation proposes it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

Answer to Question 5

31. In answer to question 5, the Council welcomes clarity on this matter, however, the term 'major development' implies dwellings of 10 or more. The Council considers it is more appropriate to use the term 'strategic', and should apply to more strategic sites of 250+. A significant concern also lies in that this recent Government proposal is likely to lead to Council's not taking brave decisions about allocating significant strategic developments, when often strategic sites, like Welborne, are the most deliverable solution in the

medium to longer term, that will deliver high annual housing numbers once significant infrastructure is in place.

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

Explanation of the Government's proposed amendment to paragraph 177 2018 NPPF

32. Following the ruling of the European Court of Justice on case C323/17 (People over Wind, Peter Sweetman v Coillte Teoranta), the recent Government consultation proposes to make one additional clarification to national planning policy. The effect of the ruling is that appropriate assessment of habitats impacts is required in plan-making and decision-making whenever there is a potential impact on a habitats site, regardless of any mitigation measures proposed.
33. One of the measures which the 2018 National Planning Policy Framework takes to protect habitats sites is to disengage the presumption in favour of sustainable development where there is potential for harm to these sites. However, the judgment means that sites with suitable mitigation are now excluded from the application of the presumption, which was not the intention of the policy.
34. To rectify this, the Government is proposing an amendment to paragraph 177 of the Framework to make clear that the presumption is disapplied only where an appropriate assessment has concluded that there is no suitable mitigation strategy in place.

Answer to Question 6:

35. In answer to question 6, the Council believes Government clarity on this matter would be beneficial.

Enquiries:

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