

Revisions to the National Planning Policy Framework

30 July 2018

The Ministry for Housing, Communities and Local Government (MHCLG) published its [revised](#) National Planning Policy Framework (NPPF), on 24 July 2018.

Alongside the revised NPPF, additional documents have also been published and can be found [here](#). These include:

- Government response to the consultation on the draft revised NPPF
- Revised NPPF equality impact assessment
- Housing delivery test measurement rule book
- Updated planning practice guidance

This briefing provides a summary of some of the key changes to the revised NPPF from the version consulted on earlier this year, with a focus on the areas that the LGA has lobbied on – please note this is not an exhaustive list and does not cover every change.

The LGA's response to the revised draft NPPF consultation can be found [here](#) and our on the day press response can be found [here](#).

The archived NPPF published in 2012 can be found [here](#).

For information the 2012 version of the NPPF is 65 pages long and the revised draft version is 73 pages.

Affordable housing definition

In our response to the draft revised NPPF consultation we raised concerns about the significant change in the definition of affordable housing in the glossary and in particular the removal of social rented housing from the definition. We also expressed doubt that some of the tenures covered in the definition would provide housing for those in genuine need for affordable housing in many parts of the country

The definition of affordable housing has been amended in the final revised NPPF to make clear that 'social rent' and 'affordable rent' products fall within the scope of what is referred to as 'affordable housing for rent'.

The definition of 'other affordable routes to home ownership' has also been amended to make clear that other low cost home ownership products should be made available at a price equivalent to at least 20% below local market value.

Reference to the maximum annual household income of eligible buyers (£80,000, or £90,000 in London) for Starter Homes has been removed in the final revised NPPF.

Viability assessments

In our response to the draft revised NPPF consultation we raised a number of concerns about the proposed changes to viability assessments. This included concerns that councils would be required to undertake viability assessments on a site by site basis at plan-stage which would be an expensive technical exercise for councils. In addition, that using existing and previous cost data (e.g. previous market transactions) would 'lock in' existing practice of overbidding for land and subsequent downward negotiation of policy requirements.

The final revised viability planning practice guidance makes clear that assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. Plan makers can use site typologies to determine viability at the plan making stage. However, in some circumstances more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies.

The final revised NPPF states that all viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available.

The final revised NPPF also removes the requirement for plans to set out circumstances in which further viability assessments may be required in determining individual planning applications (paragraph 34) and instead puts the burden on applicants (paragraph 57).

Paragraph 57 also makes clear that the weight to be given to a viability assessment is a matter for the decision maker.

The new national planning guidance sets out how land should be valued for the purposes of viability assessments. Existing Use Value Plus (EUV+) has been retained, and further guidance has been introduced on the use of Alternative Use Values (AUV). The guidance has been refined to make clearer how a landowner premium should be determined as part of EUV+. This sets out how data, including market data, should be used and that adjustments should be made to reflect the cost of policy compliance.

The new national planning guidance also confirms that the price paid for land is not a relevant justification for failing to accord with relevant policies in a plan.

Standard methodology for Local Housing Need and Housing Delivery Test

In our response to the draft revised NPPF consultation, we stressed that since councils are not able to control private sector delivery of housing, that the government scrap the proposals that would introduce a presumption in favour of sustainable development for under-delivery from 2018, through the proposed Housing Delivery Test.

We are also raised concerns about the Housing Delivery Test being introduced in the final revised NPPF ahead of the final Letwin report and consideration of the issues and recommendation included within it, which is

essentially about the barriers to delivery of housing sites.

The new standard methodology for assessing local housing need and the Housing Delivery Test are however reflected in the revised NPPF and accompanying documents.

Of interest, specifically in relation to the standard methodology is the Government response to the NPPF consultation which states:

'[...] it is noted that the revised projections are likely to result in the minimum need numbers generated by the method being subject to a significant reduction, once the relevant household projection figures are released in September 2018. In the housing White Paper the Government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time.'

Garden City principles

In our response to the draft revised NPPF consultation, we called for the reference to Garden City principles to be reinstated in the final revised NPPF to ensure that future larger scale development is of a high quality.

A reference to Garden City principles has been included in the final revised NPPF, as part of expanded text on planning for larger scale developments.

Entry-level exception sites

In our response to the draft revised NPPF consultation, we expressed concern that the proposal for entry-level exceptions sites risked undermining the effectiveness of a long established rural exceptions policy through raising the expectations of land owners and land prices through offering increased receipts from development of exception sites for entry-level homes suitable for first-time buyers (or those looking for their first home to rent).

The government intended to proceed with the policy for those looking to buy or rent their first home, with a commitment to monitor the impact of entry-level exceptions sites in rural areas. A number of adjustments to the policy have been made to make clear that the sites should offer affordable housing, to apply a limit on the overall size of the sites, and to exempt National Parks, Areas of Outstanding Natural Beauty and Green Belts (given the wider limitations on the scale of development permissible in these areas).

Small sites policy

In our response to the draft revised NPPF consultation, we expressed concern that the proposed requirement for at least 20% of housing sites in local plans to be small sites (0.5 hectares or less) was too prescriptive. In addition, we raised concern that the identification of 20% of all sites in a local plan as small sites would require a significant amount of additional work for local planning authorities, and risked slowing down plan production.

The final revised NPPF requires local planning authorities to ensure that at least 10% of their housing requirement (rather than 20% of sites allocated) should be accommodated on sites of one hectare or less (rather than 0.5 hectares) that have been identified as suitable for housing (through the development plan or brownfield registers).

It also includes an option for local planning authorities to demonstrate, through the preparation of relevant plan policies, where there are strong reasons why the 10% target cannot be achieved.

Locally designated sites

In our response to the draft revised NPPF consultation, we raised concern that paragraph 113 from the original NPPF which refers to “locally designated sites” had been removed. This meant that some areas, particularly those outside Greenbelt, which have specific local designations, would have no protection within the revised NPPF.

The final revised NPPF now explicitly refers to locally designated wildlife sites in the policies relating to biodiversity.

The glossary has also been amended to reinstate some terms that were omitted from the draft revisions (such as historic environment, and international, national and locally designated sites of importance for biodiversity).

10% of homes on major sites for affordable home ownership

In our response to the draft revised NPPF consultation, we made clear that we do not agree with a minimum national requirement as it remains our view that LPAs, through their local plans, should determine any site size threshold and proportion of affordable home ownership units that are required on sites based on their objectively assessed need and taking into account site viability. The 10% target also risks displacing provision of genuinely affordable homes, for example social/affordable rented homes.

There has been no change to this policy in the final revised NPPF.

Definition of ‘deliverable’

In our response to the draft revised NPPF consultation, we raised concerns that the proposed revised definition of ‘deliverable’ would set an unfairly high test on local planning authorities for sites which do not have a detailed planning permission in place (including sites that have been allocated and subject to a separate examination through the plan-making process), requiring “clear evidence that housing completions **will** (our emphasis) begin on site within five years”.

Our concern was that the change in definition would in effect mean, that only sites with detailed planning permissions could make up a five year supply picture, and risks local planning authorities being challenged on existing site allocations in local plans based on this new definition.

The definition of ‘deliverable’ is the same in the final revised NPPF as in the draft revised NPPF.

Parking standards

In our response to the draft revised NPPF consultation, we supported the maximum parking standard. Many councils make use of maximum parking standards and zero parking provision within new developments as a mechanism to ensure that new development does not overwhelm existing transport networks and that parking provision is protected for existing residents. The Government responded to confirm that maximum standards can still be set locally and that it may be justified in locations where it is appropriate to densify, however they will require greater justification for maximum standards. The LGA does not agree with greater justification being needed but is pleased that this flexibility has been retained.

Transitional arrangements

In our response to the draft revised NPPF consultation, we raised concerns that the policies in the NPPF should be taken into account for the purposes of decision-making from the day of its publication and that there should be a longer transitional period.

The draft revised NPPF stated that any local plan submitted for examination within six months of the final publication of the revised NPPF would not be required to take it into account during the subsequent examination. We called for a degree of flexibility and discretion for plans that fall just outside of the six month period.

The transitional arrangements remain the same as per the draft NPPF, apart from one amendment to footnote 69, which has been specifically made to reflect the stage reached by the draft London Plan, and means that it will be examined against the previous National Planning Policy Framework rather than new national policy.