



## Official draft National Planning Policy Framework (NPPF) July 2011

### Thames Valley Housing Formal Representations

#### **1.0 Introduction**

- 1.1 Thames Valley Housing (TVH) is a Registered Provider providing over 14,000 affordable homes across London and the South East. Our objective is to improve the opportunities people have in life through providing good quality, affordable homes. Our comments on the draft NPPF are therefore aimed at ensuring that a revised planning system will further this objective.
- 1.2 England faces an acute and growing housing crisis with millions of people on local authority waiting lists for an affordable home and falling levels of home ownership, creating pressures on new development and the management of existing housing stock. This ever increasing housing shortage which threatens to lead to another bout of house price inflation will further exclude future generations from affordable home ownership or rental.
- 1.3 It is therefore essential that necessary changes are made to make the planning system an agent for sustainable growth so that decent and affordable homes are available for everyone in need.

#### **2.0 General Issues**

- 2.1 We welcome the brevity of the draft NPPF which should help simplify the planning system, making it more accessible and easier to operate for all users. The draft NPPF implies that it is for Local Planning Authorities and communities to develop their own plans for their own areas. However, in order to avoid scope for discretion and increased unpredictability caused by the gap between the NPPF and local policy, the NPPF should put greater emphasis on the need to justify Local Plans based on a clear understanding of local housing needs and demands (addressed further at paragraphs 4.1 - 4.4 of these representations). RPs have a clear role to play in this regard due to their understanding of these needs and their responsibility to deliver homes. This should be acknowledged in the NPPF.



- 2.2 We also support the objective to increase the level of house building in the country in order to stimulate economic growth, job creation and meet housing demands overall. These themes have continued through from the Government's Local Growth Paper (March 2010) and within the Budget Statement last year. This positive, pro-growth tone within the framework should continue and not be diluted. As part of this national growth strategy, it is essential that identified housing needs are met across the UK and within local authority areas; the planning system needs to continue to encourage mixed and balanced communities through the allocation of affordable homes.
- 2.3 We also support the Presumption in Favour of Development which applies where a development is absent, silent, indeterminate or where relevant policies are out of date. This paves the way for sustainable, well planned schemes to be considered directly against the NPPF if there is insubstantial and non directional local policy. It is agreed that the principle of development should be permitted unless there will be adverse impacts that would "significantly and demonstrably outweigh the benefits". Some existing plans will meet the Framework's requirements, so this is not an issue. Where there are no plans, the presumption should apply in considering application schemes and Local plans should, as a result, also be drawn up quickly. A sensible emerging plan will be a material consideration. This approach overall should not stifle sustainable development activity whilst retaining the plan led system. The double presumption in Local Authorities considering housing applications favourably where there is a poorly performing 5 year land supply in that area is also supported on a similar basis. We acknowledge the focus on sustainable development as the underlying principle of the draft NPPF and consider that the balance between economic, social and environmental components of sustainable development is appropriate. However, further examination is required to define and assess "sustainability". This could, for example, be in the form of a Sustainability Appraisal Toolkit as a means of ensuring a consistent and comparable approach to determine whether development meets local economic, social and environmental targets. In particular, as part of this toolkit weight should be attached to meeting socio-economic needs linked to the development through providing a mix of homes (including affordable) which meet housing needs and demand in a certain area.



- 2.4 The NPPF should make it clearer that planning has a pivotal role in defining the spatial vision for an area, as does collaborative working with local communities, stakeholders and actual delivery partners which includes RPs, in order to better express the practical implication of this principle.

### **3.0 Affordable Housing Issues**

#### *Core Planning Principles*

- 3.1 We consider that the core principles of the planning system (paragraph 19 of the NPPF) should include reference to the "requirement for planning policies and decisions should make effective use of land, promote mixed use *and mixed tenure* developments that *meet market and affordable local needs and demands in order to create sustainable, vibrant and inclusive new communities.*"(author's emphasis in italics).
- 3.2 This should make it clear that one of the key objectives of the planning system is to ensure that a sufficient supply of affordable homes is provided as part of the plan and decision-making process.

#### *Threshold*

- 3.3 The omission of advice to set percentages for the level of affordable homes and tenure splits and the removal of unit or site size thresholds for affordable housing provision as part of market led schemes is questioned. RPs plan and develop land outright for both mixed tenure and affordable housing led developments however they are also dependent as a business on 106 sites to contribute towards their housing stock. We recognise that allowing local authorities to set their own thresholds is intended to allow them to tailor their threshold to local circumstances however there is a risk, for example, that some authorities set high thresholds in order to limit affordable housing. The NPPF should demonstrate assessment of this potential issue further.



*Plan Making and Affordable Housing Land Supply*

- 3.4 We support the draft NPPF's objective to deliver new homes which are affordable, well-designed and in appropriate locations. The requirement for local authorities to maintain a 5 year rolling supply of deliverable land to meet their needs including a 20% additional allowance, together with a further supply of specific and identifiable sites or broad locations for a further 6-10 (and where possible 11-15 years), is welcomed.
- 3.5 We also acknowledge the principle that Local Plans should be based on an up-to-date, robust evidence base (in accordance with current PPS12 guidance). However, it should be noted that the emergence of Affordable Rent (as identified in PPS3) and the changes to affordable housing grant should not automatically mean that existing development plan policies on affordable housing are out of date. We note the reference within the NPPF on the Government's commitment to "widen opportunities for home ownership" (paragraph 107); the glossary however does contain some ambiguity, in that "intermediate housing" is said to include "shared equity..., other low cost homes for sale and intermediate rent"; but it is then said that "homes that do not meet the above definition.. such as "low cost market" housing, may not be considered" as affordable housing. The NPPF needs to be clear on these definitions.
- 3.6 We support the importance of development plans being based on a clear understanding of their local areas and a robust evidence base but we consider that the NPPF should set a requirement for local plans to include numerical targets (updated regularly) for both market and affordable homes provision. This will allow plans to be underpinned by robust, transparent affordable housing information which is capable of comparison over time.
- 3.7 Given the importance of housing assessments (primarily SHMAs) which should determine these numerical targets, we suggest that they are also critically examined as part of the Local Plan Examination process to assess their soundness.
- 3.8 The SHMA should also be used to identify a minimum of a five year affordable housing land supply and include delivery mechanisms including allocating sites for affordable housing and setting affordable housing proportions of market led housing schemes.



This is important as good market areas for private housing in a borough or district could be different to where affordable housing needs are (mainly due to variations in travel and work patterns dependent on income levels). Identifying affordable housing provision as a requirement within Local Authorities' SHMAs will therefore ensure balanced and inclusive new communities through good planning practice. We recommend that SHMAs also consider economic development assumptions in order to ensure an appropriate assessment of the level of new homes (including affordable housing) needed to facilitate employment generation. More generally, we consider that the NPPF should put greater emphasis on the requirement for a sufficient local labour force through the delivery of new homes in order to support economic growth.

- 3.9 It is also unclear in the draft NPPF what, if any, sanctions will be applied to local authorities if they underestimate their housing and affordable housing needs. It is important that this is addressed in the final version of the NPPF.
- 3.10 It is also considered that the NPPF should endorse good design as a core planning principle where currently Local Authorities might interpret as approving those schemes which are simply better than "obviously poor".

#### *Viability and Deliverability*

- 3.11 We welcome the reiteration of the importance of viability and deliverability in plan-making and in the determination of applications. Local Plan aspirations must be deliverable and planning permissions for housing equally must demonstrate that they can be delivered in the current market. However, the NPPF should make it clear that there are some planning standards, including affordable housing requirements that should not automatically be waived as a consequence of viability issues. There is a real risk that the affordable housing component could get "squeezed" if there is a fixed position on CIL payments for a particular scheme and if this happens on a more local and practical level without local affordable housing targets to secure provision; affordable housing delivery will dramatically suffer. The NPPF needs to protect this position.
- 3.12 The NPPF (at paragraph 111) should emphasise the provision of on-site affordable housing, with off site or commuted only exceptionally provided (in line with PPS3). On-site affordable housing is considered more effective in delivering sustainable and



inclusive communities whilst off-site can exacerbate the disparity between wealth and poverty. It is suggested that where there is a robust justification of the significant benefits of off-site provision or through a commuted sum payment, the off-site provision should be at a level that makes the overall provision on the combined sites policy compliant taking account of the additional market units that will be allowed on the application site.

- 3.13 Finally, we support the draft NPPF's acknowledgement that CIL charging schedules should be prepared in conjunction with Local Plans. The NPPF should however make it clear that affordable housing should not be prejudiced by a fixed CIL set at a level that threatens in any its delivery.

#### **4.0 Conclusion**

- 4.1 We support the draft NPPF's brevity, underlying principles and policy direction in relation to the need for housing growth and the requirement to increase housing land supply to meet pressing demands both nationally and at a local level.
- 4.2 However, in order to avoid the continuing undersupply of affordable housing the Government is urged to consider the above recommendations which relate to core planning principles, affordable housing thresholds, and the soundness of Local Plans and viability issues connected to the delivery of future affordable homes. With these suggested changes incorporated, the final NPPF will ensure that housing and affordable housing is delivered at a rate which meets needs and demands for the future; an essential role of the planning system.