

## 1. SUMMARY

1.1 The National Planning Policy Framework (NPPF) has made significant changes to planning policy for housing. There is now much greater emphasis on increasing land supply. Pressures for greenfield development and damage to the countryside are likely to increase.

1.2 Financial incentives for housing development and emphasis on viability add a new dimension. They could make it more difficult to secure good planning outcomes and high standards of development.

## 2. TOP TIPS

- Familiarise yourself with the key evidence sources; population and household projections, the local planning authority's (LPA's) Annual Monitoring Report and the 'housing trajectory'/five year land supply position, the Strategic Housing Market Area Assessment and the Strategic Housing Land Availability Assessment. Question the assumptions made in compiling and using this evidence.
- Press your LPA to exploit the brevity and generality of the NPPF to propose bold and innovative local and neighbourhood planning policies designed to achieve '[Smart Growth](#)'.

### PLANNING CAMPAIGN BRIEFING SERIES:

1. Development Plans
2. Green Belts
3. Housing
4. Energy Infrastructure
5. Transport
6. Heritage and Design
7. Light Pollution
8. Rural Economy
9. Economic Development and Town Centres
10. Wider Countryside and Protected Areas
11. Tranquillity

We welcome case studies and feedback to inform future versions of these briefings.

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## 3. LAW AND POLICY CHANGES AT A GLANCE

PRE REFORM / PPS3	LOCALISM ACT / NPPF
Reliance on household projections for the evidence base, but cautious "plan, monitor and manage" approach to land supply.	Emphasis on meeting the 'full, objectively assessed needs for market and affordable housing' suggesting a return to the "predict and provide" approach.
LPAs should identify a rolling five year deliverable supply of sites for housing.	Five year supply plus 5% - 20% buffer, depending on delivery performance. Lack of deliverable supply makes a plan out of date.
National target for 60% of new housing on brownfield land. LPAs should establish their own local targets.	LPAs should encourage effective use of previously developed land, provided that it is not of high environmental value. Local targets can be used.
National indicative minimum density target of 30 dwellings per hectare.	LPAs should set their own approach to housing density to reflect local circumstances.
Rural Exception Sites for 100% affordable housing.	Rural Exception Sites can include market housing where this is necessary to subsidise affordable housing.
Parish Plans able to express support for rural affordable housing to meet need.	Statutory Neighbourhood Plans can allocate sites for affordable housing, additional to those included in a local plan.
Housing and Planning Delivery Grant and Growth Area and Growth Point funding used to encourage housing provision.	New Homes Bonus rewards LPAs for new housing completions. LPAs can treat local finance considerations as material in planning decisions.

### 4. BACKGROUND

4.1 The purpose of this briefing is to assist understanding of the reforms to the town and country planning system introduced by the Localism Act 2011 and the NPPF (March 2012) and Planning Practice Guidance (PPG). It outlines the main changes and the issues to be aware of (Analysis) and advises on specific campaign topics (Campaign Advice).

4.2 The new emphasis on localism is likely to lead to a much wider variety of local planning policies and decisions. These decisions will determine the impact of the planning reforms. CPRE is keen to ensure that our precious countryside continues to be protected and valued, and to highlight significant threats to it where they arise. We will collect evidence of outcomes (good and bad), in the form of cases that illustrate the issues we highlight. We welcome public assistance with this, as well as feedback on the briefing.

### 5. WHAT ISSUES ARE YOU LIKELY TO FACE?

#### Housing need

5.1 There is a growing and changing pattern of need for housing. Part of this need will have to be met by building new homes and some new greenfield land allocations will be required. The overall Government policy context for planning policies on housing is set out in section 6 of the NPPF, which states that 'local planning authorities should...use their evidence base to ensure that their local plan meets the full, objectively assessed needs for market and affordable housing in the housing market area...' (NPPF paragraph 47). This is a major departure from previous policy in two respects. First, the former Planning Policy Statement 3: *Housing* applied a useful 'plan, monitor and manage' approach to assessing need and dealing with land supply for housing development. This approach also sought to achieve the overall planning objective of regenerating urban areas. It also clearly differentiated meeting market 'demand' for housing for sale from identified 'need' for social housing or housing for other groups whose needs would not be met in the open market. From CPRE's point of view this differentiation is critically important. Demand for new housing, particularly in environmentally attractive areas, is potentially limitless. Conversely, in recent years a large proportion of the new housing built has not catered for those most in need of it, and this market failure has meant that there is still a need to build much more new housing to meet genuine social need. The NPPF is effectively a return to a conventional 'predict and provide' approach. It largely conflates the need for new housing with market demand, and is aimed at maximising land supply in areas where the market has been buoyant, with much less regard to wider planning objectives. This is in the hope that this will encourage increased house building and thereby improve affordability.

5.2 The 'predict and provide' approach uses the housing market and population and household projections as a basis for determining future need. While these projections are always an important part of the evidence for planning housing, they only extrapolate past trends, and therefore should be treated with caution. A 'plan, monitor and manage' approach is more cautious. A crude application of 'predict and provide' is likely to increase pressure for higher levels of land allocation and, potentially, greenfield development. In particular, because of discrepancies between theoretical predictions of aspirational demand and the availability of finance to convert this to effective demand this can frequently lead to an over supply of land allocated for housing. This can mean that there will often be market pressure for sites which are less suitable in planning terms to be developed before more sustainable ones (see Land Supply below).

5.3 Despite the new policy emphasis there is still some scope for LPAs to apply the principles of 'plan, monitor and manage' locally. CPRE should promote and support this. In some areas there is still a reliance on population and household projections and targets from the former Regional Spatial Strategies. Increasingly, however, these will become less relevant as the strategies are revoked and the 2011 census is used as a baseline, replacing older data. New work will be necessary at LPA level or via groupings of LPAs under the new duty to cooperate (see Briefing 1 Development Plans). LPAs will need to present their strategies for housing development on the basis of their own, convincing, local evidence concerning population and household change. Taking a critical view on assumptions made in this work will be increasingly important.

5.4 Strategic Housing Market Assessments (SHMAs) will continue to be used as the basis of planning for housing. They will be important for meeting the requirement in paragraph 50 of the NPPF which states that LPAs should plan for a mix of housing based on current and future demographic trends. This policy has been retained, but with slightly different wording. It enables LPAs to identify the size, type, tenure and range of housing that is required in particular locations, implying that policies will be able to specify the details of what kind of housing will be permitted in what area. This policy could be extremely useful in facilitating provision of the housing for which there is most pressing need, for example, smaller and specially designed units for first time buyers or elderly 'downsizers'. It could also help to justify policies on levels of affordable housing provision. It may be possible to make elements of land supply conditional on meeting specific needs. This can be done by designating sites for specific types of housing only, or by application of proportional requirements on a site by site basis. In practice, it has usually proved difficult for LPAs to adopt and implement this type of policy. However such an approach should be suggested as a way to retain some important elements of the 'plan, monitor and manage' approach.

5.5 The Planning Practice Guidance on preparing a SHMA can be found here: <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>. The PPG sets a methodology for calculating 'housing need', which, as mentioned above, is conflated with 'demand'. The assessment of need cannot be constrained by factors such as the capacity of the area's environment to take more development, and should be made in line with population projections and market demand rather than local surveys of those classed as in housing need. Such surveys therefore will generate much higher figures for the amount of new housing needed than previous surveys. Only when these overall figures are generated should they be broken down by tenure, type and size. A similar approach informs land availability assessment (see paragraphs 5.7 - 5.14 below).

5.6 It is also justifiable for a LPA to reference past rates of development as part of the evidence influencing future levels of land allocation. This can be an important way of reflecting declining market delivery of housing and controlling land allocation accordingly. Evidence on past trends in housing development will be available in the LPA's Annual Monitoring Reports (AMR).

### Land supply

5.7 Strategic Housing Land Availability Assessments (SHLAAs) are a key part of the evidence base for a local plan. They collate information about all potential sites for housing development across a LPA area. They are based on various sources of information, including landowner suggestions for housing development and their own assessments of deliverability and viability. SHLAAs should in theory be policy neutral and not be the main consideration in developing

strategy and policy; they simply establish what all the possible options for housing development are. In practice, however, SHLAAs have become more influential in planning decisions since the NPPF came into force (see paragraph 5.9 below). The LPA should then apply a critical analysis to the sites identified in the SHLAA, including landowner and developer assessments of the merits of particular sites. Practice guidance on preparing a SHLAA can be found here: <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-land-availability-assessment/>.

5.8 The requirement for local authorities to demonstrate a fifteen year supply of sites for housing is not new, and is an important part of the 'plan, monitor and manage' approach. The interpretation of deliverability and viability of available housing land, however, has become a much more important issue recently. Accordingly, NPPF policy is much more stringent than PPS3 with regard to future land supply. In parallel to SHMAs, SHLAAs cannot be constrained in terms of the amount of land they assess. The PPG states that they should identify all available land, regardless of the local housing target. This is an important distinction from the former SHLAA guidance which allowed local planning authorities to only identify sufficient land to meet the required housing target over a 10 to 15 year period.

5.9 As under PPS3, years 1 - 5 of the supply must be deliverable, years 6 - 10 must be specific and developable, and years 11 - 15 should also preferably be specific and developable. Under the NPPF, LPAs must also bring forward to the first 5 years' supply 5% of their years 6 - 10 supply, to allow for more choice and competition in the land market. LPAs with a 'persistent record of under delivery' in housing must bring forward an additional 20%. Where LPAs cannot demonstrate an adequate 5 year supply of sites, plus 5% or 20% depending on local circumstances, other relevant housing policies will be deemed to be out of date in development management decisions. The identification of a site in a SHLAA can be given weight, despite it not having been tested locally against other potentially more suitable sites.

5.10 The PPG states that there is no single definition of 'persistent under delivery' and that each case will require a degree of judgment for the decision maker. The wording of the NPPF and PPG refers to 'under delivery' and not 'under allocating' and appeal decisions have shown that judgments on under delivery refer to completions and not allocated sites in the plan. This is a worrying trend as LPAs have little direct control over completions and may have to increase future allocations to compensate. The cumulative practical effect of all these elements is that developers have a large menu of sites to choose to develop, and outside protected areas such as Green Belts they have been supported in this by the NPPF 'presumption in favour of sustainable development' and the planning appeals process.

5.11 The PPG does, however, recommend that when determining past 'delivery' rates imposed housing moratoriums should be considered as well as encouraging taking a longer term view of 'delivery' record. For example, in a number of rural or semi-rural local authorities in the northern regions of England, the former Regional Strategy policies placed a moratorium in order to concentrate new housing on brownfield sites in nearby urban areas. In the light of the PPG it may be possible to argue that, if since the moratorium was lifted planning permission rates have picked up to the rate where a five year supply is being provided, there is currently no 'persistent under-delivery' and therefore the additional buffer of sites is not required.

5.12 The definitions of deliverable and developable included in the NPPF are particularly important. They could be very onerous when applied blindly in a period of economic decline. LPAs are being pressed to demonstrate that allocated and permitted sites are immediately

deliverable. Thus the requirement for a higher level of supply of immediately deliverable land combined with the new emphasis on short term viability (see below) can often mean that, even where there are permitted sites that are well planned, but remain undeveloped or have lapsed permissions, 'off plan' sites that have a greater environmental impact could be successfully promoted, because they are more profitable, and therefore deliverable, in the short term. This is the antithesis of good land use planning and thus potentially a very worrying aspect of the NPPF.

5.13 CPRE's view is that LPAs that plan properly for an adequate land supply should not be adversely judged on viability. While LPAs can take action to try and improve the viability of sustainable development sites, for example by funding remediation of contaminated sites, they cannot manipulate the market to ensure that the private sector actively builds.

5.14 Information about a LPA's five year land supply position and expected rates of housing delivery completions is available in AMRs. This will usually be presented as a standardised Housing Trajectory, in graph form, based on assumptions about how quickly land allocations will be taken up and permissions implemented.

#### Deliverability and viability

5.15 NPPF paragraphs 173 and 174 have introduced stringent new viability requirements to the planning process. These policies apply to all types of development, but are likely to impact especially on housing delivery. Particularly notable is the policy 'To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and developer to enable the development to be deliverable'.

5.16 As noted above, this will pose a particular threat to the sustainable development of housing. Even where LPAs have allocated enough land to meet the identified need in their areas, if these sites are not 'deemed to provide competitive returns to a willing land owner or developer' off plan sites could be granted planning permission in order to meet the perceived shortfall. This could be particularly adverse for the development of brownfield sites as they often have higher existing use values, and site preparation costs. The PPG recognises this issue and places particular emphasis on brownfield site viability by stating that 'Local Plan policies on planning obligations, design, density and infrastructure investment, as well as in setting the Community Infrastructure Levy, to promote the viability of brownfield sites across the local area.' While the effect of this policy could be to encourage the redevelopment of brownfield sites it could also pose a real threat to the delivery of affordable housing, higher standards of design and sustainability (including infrastructure delivery) by allowing developers to argue against quality requirements (see below).

#### Design and environmental performance standards

5.17 The NPPF includes strong policies on design, stating that 'permission should be refused for development of poor design'. More detailed information about the NPPF approach to design is included in Briefing 6 Heritage and Design. Apart from policies included in the NPPF, the Government has weakened targets for improving the environmental standards to which new houses are built. The target for all new homes to be zero-carbon by 2016 remains nominally in place, but the definition of zero-carbon has been altered so that emissions from household



appliances are no longer included in the calculation of carbon output. In addition, the Government recently announced (13 March 2014) that the Code for Sustainable Homes will be wound down, with some of the standards to be absorbed into building regulations. Combined with the new viability policies these changes could make it very difficult to compel developers to achieve improved design and environmental standards for housing.

### Brownfield first

5.18 The former national target to build 60% of all new houses on brownfield sites has been abolished. Nationally specified local performance indicator monitoring has also been abandoned. The NPPF includes an encouragement to LPAs, however, to reuse previously-developed land. LPAs will also be able to set locally appropriate targets for the reuse of previously-developed land (NPPF paragraph 111). These policies are applicable across all types of development, not just housing. The approach is not as strong as a sequential or 'brownfield first' approach and, as our recent report found (*Community Control or Countryside Chaos*), only a minority (27%) of LPAs outside of London are setting local targets for the re-use of brownfield land in their area. Promoting brownfield first combined with a 'plan, monitor and manage' approach to land supply is a key means of achieving Smart Growth. Smart Growth is about compact development that makes best use of the existing urban area. It should enable public transport use and active travel by ensuring that essential services and facilities are close to homes and jobs. In essence, 'Smart Growth' is the antithesis of urban sprawl. More information about 'Smart Growth' is available in Briefing 1 Development Plans, and on the UK 'Smart Growth' website, here: <http://www.smartgrowthuk.org/>.

5.19 Following CPRE campaigning, the PPG gives greater encouragement to brownfield regeneration (as mentioned in paragraph 5.12). In addition, a statement by Chancellor of the Exchequer George Osborne on 13 June 2014 reiterated that Ministers 'are clear of the need to make the best possible use of brownfield land in a way that keeps strong safeguards in place that protect our valued countryside', and that they 'want to see permissions for homes in place on more than 90% of suitable brownfield land by 2020'. CPRE has welcomed what appears to be a gradual shift back to a 'brownfield first' approach, but in our view the overarching policies in the NPPF also need to be made stronger in order to achieve this.

### Windfall sites

5.20 Wording on windfall sites in the NPPF (paragraph 48) is less stringent than that included in PPS3, providing more scope for housing sites that come forward unexpectedly to be accounted for in decision making. PPS3 did not allow windfall sites to be accounted for in the first 10 years supply of land unless robust evidence of local circumstances that prevented specific sites being identified could be provided, and it did not allow for greenfield windfalls. The NPPF states that windfalls are 'normally' brownfield but does not expressly rule out greenfield windfalls. The PPG has clarified the NPPF approach to windfall allowance and allow it to be included in all 15 years of land supply if there is 'compelling evidence that such sites have consistently come available in the local area and will continue to provide a reliable source of supply'. While this remains an onerous test, this is a step forward for areas which rely on brownfield windfalls in order to avoid development in nationally protected areas. There is often strong evidence contained in AMRs on the contribution of windfall sites to housing supply. This information can be crucial for demonstrating that an allowance for windfall sites can and should be included in a LPA's supply of sites for housing. This can make a major contribution to achieving Smart Growth and reducing pressure for greenfield development.



### Empty homes

5.21 The NPPF (paragraph 51) contains the same wording as PPS3 on encouraging LPAs to bring empty homes back into use. The Government has also implemented two initiatives to support this policy: A £160m fund for supporting local authority and community projects to get empty houses back into use and an Empty Homes Mapping Toolkit available to government agencies ([http://www.homesandcommunities.co.uk/empty-homes-toolkit?page\\_id=3832&page=7](http://www.homesandcommunities.co.uk/empty-homes-toolkit?page_id=3832&page=7)). More about these initiatives is included in *Laying the foundations: A housing strategy for England*, available here: <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>. It is important that local plans apply the empty homes policy included in the NPPF, and that LPAs draw up empty homes strategies.

5.22 It is also useful to consider refurbishment of empty homes alongside other land regeneration policies, including brownfield reuse, economic development and town centre first. Concentrations of empty homes are often found where demand is low due to a whole host of economic, environmental and social reasons. Campaigners should therefore also consider how planning policies and decisions can boost local areas so that demand for houses in that area rises. This includes targeting investment at unused and unattractive land and buildings. Safeguarding important employment sites and premises, and protecting retail and other essential services that facilitate thriving communities remain important.

### Phasing policies

5.23 Where greenfield sites need to be allocated in a local plan, phasing policies can help to ensure that the most sustainable sites are developed first. Not only can this take immediate pressure for development away from greenfield sites, but it can direct investment to previously-developed areas. Phasing policies are a crucial component of a 'plan, monitor and manage' approach to development, allowing local authorities to release sites in response to effective demand rather than projected aspirational demand. The NPPF (footnote 11) states that if sites are covered by long term phasing policies they do not qualify as 'deliverable', and therefore cannot be included in the five year supply of land for housing. This implies that local authorities are free to use phasing policies to ensure that the most sustainable sites for development are delivered first. Results of Core Strategy examinations, however, have shown contradictory interpretations by Inspectors with regards to the use of phasing policies.

### Converting commercial buildings to residential use

5.24 To avoid the unintended consequence of undermining economic development and the retail and service role of town centres, housing policies should be coordinated with those that support a healthy retail offer in town centres. Particular care should be taken in rural areas, where there is often a need for affordable housing, but also usually a great need for the few remaining employment, retail and community use premises and sites, such as village shops and post offices. The NPPF (paragraph 51) strongly encourages commercial to residential conversions but acknowledges that approval of conversions from commercial to residential use should not be approved by default when there are strong economic reasons not to. Local plan policies protecting employment land and buildings in appropriate rural locations will therefore remain important.

5.25 Recent changes to the permitted development rights have made it easier for some commercial uses to convert to residential. Premises in office use can change to residential use, subject to prior approval covering flooding, highways and transport issues and contamination. Similarly, it is now possible for shops and banks to convert to residential use through the prior approval process. It remains to be seen what effect these changes will have, but they will likely undermine the amount of control that an LPA has over town centre and rural employment vitality.

### Density

5.26 Developing land efficiently is one of the major ways in which the countryside can be protected. The national minimum indicative density target was abolished in June 2010, and has not been replaced by a national standard for the density of new housing development in the NPPF. The NPPF (paragraph 47) confirms, however, that local authorities are able to outline their own approach to housing density in their local plans. This makes it crucial that the case is made to each LPA of the importance of encouraging development to achieve the highest appropriate density. This approach should be linked to the NPPF's emphasis on good design (see above and Briefing 6 Heritage and Design). The former national minimum density of 30 dwellings per hectare remains a useful guide, but it is also a relatively low density. More evidence on the importance of using land efficiently and other benefits of higher density development is analysed in our earlier report *The Proximity Principle*, available here: <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/449>.

5.27 The NPPF makes explicit reference to the issue of 'garden grabbing', stating that LPAs should consider setting out policies which would allow them to resist inappropriate development in residential gardens. Such local policies should be considered carefully, as blanket protection of all existing garden land will not always be compatible with using land more efficiently.

### Location of housing

5.28 The NPPF (paragraph 95) states that 'To support the move to a low carbon future, local planning authorities should...plan for new development in locations and ways which reduce greenhouse gas emissions'. This policy is crucial to achieving 'Smart Growth', and should be linked to other NPPF policies, including those on brownfield reuse, density and transport, to promote sustainable patterns of housing development.

5.29 The NPPF has not carried over the specific requirement from PPS3 that 'housing should have good access to jobs, key services and infrastructure, achieved by making effective use of land and existing infrastructure'. It will therefore be important for LPAs to develop local plan policies that ensure new housing has close access to services infrastructure and jobs.

### Affordability of housing

5.30 The NPPF provides much less guidance to LPAs than PPS3 about how they should ensure delivery of affordable housing. There is no longer a national indicative site threshold above which it is expected that a proportion of housing on a market site will be affordable (this was set as sites of 15 houses or more in PPS3). Additionally it is not made explicit that LPAs may set a threshold of their own, appropriate to local circumstances. The essence of affordable housing policy is retained however, in that affordable housing contributions as part of market housing developments should be delivered 'on site' (NPPF paragraph 50). However, the qualification that



off-site provision or a financial contribution of ‘broadly equivalent’ value where this can be ‘robustly justified’ also remains. This qualification is particularly concerning in the context of a slight weakening of the onsite provision policy, which now includes the requirement that such policies should be flexible to take account of varying market conditions (NPPF paragraph 50). Combined with the viability policies in the plan-making section of the NPPF, this could make it much more difficult for LPAs to secure sufficient affordable housing contributions. While financial contributions might be of ‘broadly equivalent’ value, this generally does not provide access to land, which is often the most challenging aspect of affordable housing delivery.

5.31 SHMAs should continue to provide specific information about need in each local authority area, and relate it to affordability. Combined with the NPPF policy on housing development meeting particular identified needs (see [5.4](#), above), this should allow LPAs to plan accurately to meet the need for affordable housing. Where the evidence is that specific aspects of need can only be met by affordable housing it may be possible to promote policies that reserve land for that type of housing only. These phasing policies could help to prevent the over allocation of land, where aspirational demand does not translate to effective demand, discussed above ([5.2](#)).

### Rural affordable housing

5.32 The NPPF has made significant changes to policy on planning for rural affordable housing. While Rural Exception Sites are explicitly referred to in the NPPF, the policy is now vague about how these are defined. Unlike in PPS3, no definition is given, and in particular there is no requirement that housing on Rural Exception Sites should be 100% affordable in perpetuity (NPPF paragraph 54). Equally while it is not absolutely explicit that market housing can be included on Rural Exception Sites, it is implied that it should be considered where it could cross-subsidise affordable housing.

5.33 CPRE fears that this change could cause confusion and undermine the principle of Rural Exception Sites. In particular, it could compromise the motivation of landowners to provide sites for rural affordable housing because they may retain a ‘hope value’ for market housing. Where a mix of market and affordable housing is proposed, the quantity and viability of the affordable element could also be threatened by the demands of a mixed scheme. Local opposition to development may also increase as a result.

5.34 Other elements of the planning reforms offer more cause for optimism about rural affordable housing, however. Communities leading the way with neighbourhood planning have frequently identified the need for affordable housing for local people as a key priority. Neighbourhood Plans and Neighbourhood Development Orders can therefore provide a means for communities to deliver on a commitment to providing affordable housing for those with strong employment or family connections to a rural location.

5.35 From June 2011 to March 2013, CPRE and the National Association for Local Councils (NALC) worked together as one of the delivery partners for the Government's Supporting Communities and Neighbourhoods in Planning (SCNP) Programme. The programme provided advice and support to town and parish councils, community groups and individuals and has specifically offered direct professional help to local councils preparing Neighbourhood Plans and planning for rural affordable housing. The publications produced as part of this project are available on the Planning Help website at <http://www.planninghelp.org.uk/resources/publications>.

### Isolated dwellings in the countryside

5.36 The special circumstances under which new isolated homes in the countryside may be allowed have changed slightly from PPS3 and Planning Policy Statement 7: *Sustainable Development in Rural Areas*. They include the essential need for ‘rural workers’ (an undefined term, rather than ‘agricultural workers’ formerly) to live near or at their place of work; development that preserves a heritage asset or is enabling development that secures the future of a heritage asset; and, development of exceptional quality or innovative design. This final exception is slightly weakened from the PPS requirement, which was that the proposed building should be of innovative *and* exceptional design. This gives scope for development that while of high aesthetic design is not particularly innovative in terms of environmental mitigation, or vice versa.

5.37 A recent change to permitted development rights allows the change of use of buildings used for agricultural purposes to residential use as well as some associated physical works. This involves a ‘prior approval’ process and the local planning authority can consider impacts of the proposed change. Following strong objections from CPRE the Government altered the draft guidance so that this new right does not apply to land protected by article 1(5) of the General Permitted Development Order (including National Parks, the Broads, areas of outstanding natural beauty, conservation areas, World Heritage Sites and certain areas specified under the Wildlife and Countryside Act 1981). Prior approval allows the LPA to undertake checks on a limited number of issues relating to transport and highways impacts, noise, contamination and flood risk, as well as design, external appearance, location and siting. In reality LPAs will have very little control over these conversions and it is very unlikely that they will contribute to addressing the lack of affordable housing in rural locations. However, as these changes have only recently been implemented it is too soon to determine the scale of impact that they will have on the countryside.

### Financial considerations

5.38 New financial incentives have been introduced to encourage LPAs to plan for housing growth. These sit uneasily with the principles of good planning. The New Homes Bonus (NHB) was introduced in February 2011, supported by section 143 of the Localism Act 2011, which states that planning decisions can have regard to financial considerations so far as they are material to the application in question. The NHB and the Community infrastructure Levy (CIL) together risk encouraging LPAs to use housing development as a general source of revenue, and therefore distorting planning decisions. More information about CIL can be found at this link: <http://www.communities.gov.uk/planningandbuilding/planningsystem/communityinfrastructurelevy/>.

5.39 The NHB financially rewards local authorities for the completion of new homes in their areas. For every new home occupied the Government promises to match the council tax receipts on that house for 6 years after its first occupation. More information about the way that the NHB works can be found here: <http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/>.

5.40 Section 143 of the Localism Act 2011 states that financial considerations can be taken in account in a planning decision so far as they are material to the application concerned. This currently applies to both monies received via the NHB and CIL, and potentially to future local government financial measures, such as Business Rate Retention (BRR). The legislation does not

specifically define when a financial consideration is material to an application. The Government has argued that ‘material to the application’ has the same meaning as currently defined by case law, so the financial consideration must be directly connected in some way to the development. Assuming that this is the case, it could be legitimate for CIL and NHB to be a material consideration in planning decisions. Case law may eventually clarify whether section 143 does indeed just clarify the law, or whether the Government’s assumption is flawed. More detail on the legal implications of the NHB and section 143 is included in CPRE’s [Localism Act 2011 briefing](#).

5.41 Regardless of any detailed legal interpretation, the trend of increasingly incentivising development will create hidden, or less direct, pressures on LPAs to open up opportunities for housing growth. This may inhibit good planning for sustainable development. The potential effect on local government finances is significant. As a result local plans and individual application decisions could be unduly influenced, particularly in financially straitened times. If this appears to be the case (e.g. in the selection of easy to develop greenfield over regeneration options) you can highlight the PPG which advises that financial considerations will only be relevant if they would help make the development acceptable in planning policy terms.

## 6. CAMPAIGN ADVICE

### Population and household projections

6.1 CPRE has long argued that projections should not go unchallenged as proxies for housing targets. The projections are just that, they are simply an extrapolation of past and current trends. Population and household projections are an important source of evidence but the direct translation of the migration and household projections into targets for land allocation is inappropriate and should be challenged.

6.2 Challenges should be directed both at the detailed assumptions behind the projections and at any potentially damaging policy conclusions. In particular, examine the economic assumptions for job growth and migration and question whether household formation rates will be maintained in less favourable economic conditions. Effective demand for housing may be substantially reduced because larger households stay together, households find cheaper ways of forming (i.e. sharing and delaying entry to the market). Economic trends may also impact on housing under occupation, creating a better match between household and property size and thus reducing overall demand for new accommodation.

6.3 LPA AMRs are an important source of information about how much housing has been delivered in the past, and how this compares with projections and market expectations. They should include the housing trajectory, showing how much housing has been delivered each year, allowing you to build up a picture of past build rates in your area. The information contained in this trajectory should be closely compared with indications for growth shown by population and household projections. Both past trends and future projections should be used to anticipate future need, and form the evidence base for locally derived housing targets.

6.4 The AMR is useful source for analysing how actual rates of delivery compare with aspirations. While the market plays a very significant role in shaping housing delivery however, planning policies can also have an impact. A sound evidence base allows the planning system to fulfil its responsibility to enable development for which there is a need, while also ensuring that it is sustainable, taking account of environmental constraints.

### Ensuring that housing is built in the most sustainable locations

6.5 Campaigners should aim to ensure that ‘Smart Growth’ principles are applied to the location of new housing development. Argue for well justified windfall development assumptions and use of phasing policies to prioritise urban/brownfield before greenfield/higher impact development locations. The relationship between new housing and its surrounding infrastructure and services will also be important, if residents are to be able to use sustainable travel options.

6.6 The NPPF recognises the need to encourage reuse of brownfield sites as a core planning principle. This policy is weaker than both the sequential approach, and the ‘brownfield first’ approach included in PPS3. Press for more detailed policies on how brownfield sites will be brought back into use in local plans. Evidence of the availability of brownfield sites will be particularly important, including the rate at which these sites are replenished. Research completed for CPRE in Autumn 2011, *Building in a small island*, available at <http://www.cpre.org.uk/resources/housing-and-planning/planning/item/download/1503>, could be a useful starting point. Seek to demonstrate that a brownfield first approach will not restrict the supply of sites for housing. Suggest detailed survey work is undertaken on urban capacity and provide examples of specific opportunities for redevelopment and regeneration. Based on this evidence, campaigners should press LPAs to adopt an ambitious local target for the proportion of new housing to be built on brownfield sites as allowed by paragraph 111 of the NPPF.

6.7 The SHLAA is the crucial piece of evidence for identifying sustainable housing locations. It compiles information on the full range of sites that have been suggested as suitable for housing development in an area. In particular, in areas where the NPPF presumption in favour of sustainable development applies (i.e. outside Green Belts or nationally protected landscapes or wildlife sites), the listing of a site as ‘suitable’ for development in a SHLAA can be used as evidence to grant planning permission if there is no up to date Local Plan. Campaigners should therefore seek to engage with consultations on the content of the SHLAA, and submit their views as to the relative merits of the different options. Once the SHLAA has been assembled, it is up to the LPA to assess the options critically in line with their priorities for sustainable development. For more information, practice guidance on preparing a SHLAA is available here: <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-land-availability-assessment/>.

6.8 SHLAAs replaced urban capacity studies with the introduction of PPS3 in 2006, but some of the principles used for completing urban capacity studies could still be useful for identifying sustainable potential development sites. An earlier CPRE report, *Untapped potential*, published in 2007, and available here <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/453>, offers more detailed advice on best practice in urban capacity studies. This could help you to ensure that the SHLAA has identified all possible sites that are brownfield and/or in the urban area.

6.9 Phasing policies, including designation of ‘reserve land’, are a crucial element of implementing an effective ‘plan, monitor and manage’ approach to housing development, and ensuring that the most sustainable sites are delivered first. The NPPF places great emphasis on land supply. This means that phasing policies that release land stage by stage over the plan period and safeguard a reserve to be used only in case of exceptional need could be extremely

valuable for ensuring that the most sustainable sites are used first. Such policies need to acknowledge the new emphasis on viability and deliverability in the NPPF. Developers may argue that sites that, in pure land use planning terms, are available for immediate development are not viable in the current economic climate, and therefore that longer term sites should be released immediately. A careful assessment of the environmental constraints of different allocated sites however, could provide compelling evidence for a strong phasing policy and help show that bringing forward greenfield sites as the first solution does not represent sustainable development.

6.10 LPAs could also take action to improve the viability of the most sustainable sites. You could consider encouraging your LPA to use NHB or CIL funding to get more difficult sites ready for development, so that developers are not fully liable for the costs of remediation and/or site assembly.

### Using land efficiently

6.11 The NPPF states that LPAs may take a locally appropriate approach to housing density. Campaigners should therefore press for policies that support higher density development that uses land efficiently. CPRE has a wealth of information about how higher densities can be achieved without compromising on the quality and space standards of development. *Family Housing: the power of concentration*, published by CPRE London (available here: <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/450>), is a particularly useful compilation of case studies of high quality development providing family homes, but at more efficient densities.

6.12 Further guidance on achieving higher densities is available in the *Urban Design Compendium*, published by the Homes and Communities Agency: [http://www.homesandcommunities.co.uk/urban-design-compendium?page\\_id=&page=1](http://www.homesandcommunities.co.uk/urban-design-compendium?page_id=&page=1). This design guide also includes information about the different ways that density can be calculated, and the contribution that good design can make to ensuring that using land efficiently does not result in unsightly 'town cramming' and a lack of open and green spaces. It is important to be aware of how density is calculated to ensure that representations and suggestions are as effective as possible. In brief, gross density is the density of buildings as a ratio of the total area of the site, including infrastructure such as roads and green spaces. Net density excludes this infrastructure. The difference between the two can give a useful indicator of how efficiently infrastructure on the site is provided.

6.13 Finally, CPRE's *Sprawl Patrol Design and density* briefing also provides some practical guidance about how higher densities can be achieved. The briefing was published in 2002 and so references to national planning policy (at the time PPG3) are out of date. The general principles remain sound however. This briefing can be accessed here: <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/459>.

### Ensuring affordable housing delivery

6.14 Changes to policy, limited public funding, potential CIL requirements and a challenging economic context mean that affordable housing provision is likely to be more squeezed than ever. Campaigners will need to work hard to argue successfully that specific affordable housing provision remains a priority and that market housing will not meet these needs. Affordable



housing will increasingly be competing for public funding and developer contributions with general infrastructure provision.

6.15 Examine the SHMA and check how well need and affordability is being dealt with in planning policies. Argue for specific policies and land allocations for levels of affordable housing that will mean that supply matches the need identified by the SHMA. Again, phasing policies can be used to ensure that land is only being released in response to the need identified by the SHMA. Affordable housing may not be deliverable because of public sector funding shortages and market conditions, and therefore the need profiled by the SHMA may not be met. If this is the case it is important to argue that land needed for affordable housing should be reserved until market conditions have improved, and not released for market housing.

6.16 Campaigners should press for local plans to emphasise the importance of on-site affordable housing delivery and resist proposals for financial payments in lieu or promises of future off site provision. The former can be very problematic as it does not provide the land on which to deliver affordable housing. This can often be a significant barrier to subsidised development. The latter undermines the spatial planning objective of nurturing inclusive and mixed communities, an objective included in the NPPF (paragraph 50).

### Accurately meeting need

6.17 Phasing policies can also be used to encourage improvements in affordability. While subsidised affordable housing is crucial for meeting some needs, the extent to which market supply meets need can also be improved by encouraging housebuilders to deliver the types of homes for which the SHMA identified a need. For example, policies could stipulate that a certain proportion of housing built on sites over a certain size should have three bedrooms. Planning conditions can be used to enforce the policy. Phasing policies can also be used to try and ensure these requirements are enforced, by preventing further land allocations from being released until the requirements on already released sites are met.

### Financial incentives

6.18 Four rounds of NHB payments have been allocated since the introduction of the initiative and CIL is being introduced in more areas. We recommend that branches monitor planning decisions on housing proposals, housing targets and the land allocations included in local plans carefully to make a judgement on whether the prospect of NHB payments or freedom to use CIL payments to fund off site infrastructure projects is influencing planning decisions. Campaigners should remind LPAs that the Government has taken a view that NHB should not influence planning decisions unless the anticipated financial reward is to be spent in ways that are directly relevant to the development under consideration. Consider whether financial incentives are having any unintended spatial consequences, particularly by leading to decisions that favour easier to develop greenfield sites with higher CIL receipts and ready prospects of NHB. If this appears to be the case (e.g. in the selection of easy to develop greenfield over regeneration options) you can highlight the PPG which advises that financial considerations will only be relevant if they would help make the development acceptable in planning policy terms.

### Rural affordable housing

6.19 In many rural areas there is an urgent need for affordable housing for those with local family or employment connections. Evidence to support this kind of development needs to be



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collected at a very local level, and updated regularly to reflect changing circumstances. A robust evidence base for development which is an exception to usual planning constraints is essential for ensuring confidence in the planning system. CPRE has a role to play in scrutinising this evidence and ensuring that it is robust, accurate and reliable.

6.20 Government practice guidance on carrying out Strategic Housing Market Assessment can be viewed at: <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>. The guidance itself highlights potential pitfalls, such as treating local authority affordable housing waiting lists as proxies for need. It is therefore a useful reference point for checking the quality of the evidence.

### Neighbourhood planning

6.21 Consider the benefits or otherwise of LPAs devolving detailed evidence gathering and policy formulation on rural housing plans to town and parish councils' neighbourhood plans. Neighbourhood planning can provide a positive opportunity for a local community to plan its own housing future. Neighbourhood plans work best when set in a clear strategic context, for instance a minimum housing target for a rural area. The local community can then find the best sites and if it wishes plan for a higher level of development to meet affordability or longer term needs.

6.22 Get involved in neighbourhood planning activities (see Briefing 1 Development Plans). Consider using this as an opportunity to carry out robust parish surveys which reveal both the scale and type of housing need. Detailed surveys of this sort can be crucial for supporting new rural affordable housing that accurately addresses local housing shortfalls. An introduction to the neighbourhood planning process is also available in *How to shape where you live*, a guide produced by the SCNP project and available at this link: <http://www.cpre.org.uk/resources/housing-and-planning/planning/item/download/1629>.

6.23 A range of resources to help you plan an effective campaign, communicate your message, and gather people to your cause can be found on Planning Help:

<http://www.planninghelp.org.uk/improve-where-you-live/campaign-tips>

## 7. FURTHER INFORMATION

### CPRE Resources:

[www.planninghelp.org.uk](http://www.planninghelp.org.uk)

*Building in a small island: Why we still need the brownfield first approach*, available at: <http://www.cpre.org.uk/resources/housing-and-planning/planning/item/download/1503>

*Family housing - The power of concentration*, available at: <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/450>

*Housing Policy Guidance note*, available at <http://www.cpre.org.uk/resources/policy-guidance-notes/item/3271-cpres-policy-on-housing>.



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*How to shape where you live - A guide to neighbourhood planning*, available at:

<http://www.cpre.org.uk/resources/housing-and-planning/planning/item/download/1629>

*Localism Act 2011 briefing*, available at: <http://www.cpre.org.uk/news/circulars-and-news-2012/item/download/1610>

*The Proximity Principle*, available at: <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/449>

*Sprawl patrol briefing - Design and density*, available at:

<http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/459>

*Untapped potential*, available at: <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/download/453>

More information about the Supporting Communities and Neighbourhoods in Planning project available at: <http://www.planninghelp.org.uk/>

*Community Control or Countryside Chaos?: The effect of the National Planning Policy Framework two years on*, available at: <http://www.cpre.org.uk/resources/housing-and-planning/planning/item/download/3442>

### External Resources:

*Empty Homes Mapping Toolkit*, available at: [http://www.homesandcommunities.co.uk/empty-homes-toolkit?page\\_id=3832&page=7](http://www.homesandcommunities.co.uk/empty-homes-toolkit?page_id=3832&page=7)

Government announcement (statement by George Osborne MP), 'Government initiatives to help build more new homes on brownfield land', 13 June 2014,  
<https://www.gov.uk/government/news/government-initiatives-to-help-build-more-new-homes-on-brownfield-land>.

*Laying the foundations - A housing strategy for England*, available at:  
<http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>

*Strategic Housing Market Assessments - Practice Guidance*, available at:  
<http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>

*Strategic Housing Land Availability Assessments - Practice Guidance*, available at:  
<http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-land-availability-assessment/>

*Urban design compendium*, available at: [http://www.homesandcommunities.co.uk/urban-design-compendium?page\\_id=&page=1](http://www.homesandcommunities.co.uk/urban-design-compendium?page_id=&page=1)

More information about the Community Infrastructure Levy available at:  
<http://www.communities.gov.uk/planningandbuilding/planningsystem/communityinfrastructurelevy/>

More information about the New Homes Bonus available at:

<http://www.communities.gov.uk/housing/housingsupply/newhomesbonus/>

More information about the housing standards review available at:

<https://www.gov.uk/government/policies/providing-effective-building-regulations-so-that-new-and-altered-buildings-are-safe-accessible-and-efficient/supporting-pages/technical-housing-standards-review>

### Case Studies:

As the NPPF is implemented it is becoming clear that the need for a five year supply of land for housing that is immediately deliverable is becoming one of the defining problems with the policy. This briefing covers housing land supply in some detail in paragraphs 5.7 - 5.9 and 6.9. Our report *Community Control or Countryside Chaos?* documents a number of cases where the perceived lack of a five year land supply is leading to major development pressure around towns and villages, with multiple developers seeking planning permission on sites ringing a settlement at the same time.

The problem isn't the principle of planning to provide land for housing. It is that the definition of what sites are 'deliverable' has become much more stringent. So even where enough sustainable sites are available, and even where these have outstanding planning permissions, many developers are successfully arguing that the sites are not 'deliverable' in current market conditions, and therefore should not count towards the supply.

We are aware that this situation is causing great frustration for our campaigners across the country. We have located however some appeal decisions where landscape considerations outweighed the judged lack of a five year land supply. The details of these cases are outlined below. Combined with the campaigning tips in this briefing we hope that they will help branches to fight speculative planning applications for housing on greenfield sites. Full appeal decisions can be searched for using the appeal references given and <http://www.pcs.planningportal.gov.uk/pcsportal/CaseSearch.asp>

**Feniton, Devon** - Appeal reference 2191905, 2197001, 2197002 & 2200204 - Four applications determined at one appeal. One appeal for 32 was upheld and three (for a total of 262) were dismissed.

**Barnstaple, North Devon** - Appeal reference 2182606 - Planning permission refused for 182 houses on a greenfield, edge of town site.

**Bushby, Leicestershire** - Appeal reference 2167768 - Planning permission refused for 50 houses on a greenfield site.

**Groby, Leicestershire** - Appeal reference 2181080 - Planning permission refused for 91 houses on a greenfield site.

**Taunton, Somerset** - Appeal reference 2177389 - Planning permission refused for 125 houses on a greenfield site in a green wedge.

If you are aware of any other appeal cases that CPRE campaigners could benefit from seeing, please send them to [info@cpre.org.uk](mailto:info@cpre.org.uk).