

<b>Meeting:</b>	Local Plan Working Group
<b>Meeting date:</b>	10/09/2024
<b>Report of:</b>	Claire Foale, Interim Director for City Development
<b>Portfolio of:</b>	Cllr. M Pavlovic, Executive member for Housing, Planning and Safer Neighbourhoods.

## **Report: Proposed reforms to the National Planning Policy Framework Consultation**

### **Subject of Report**

1. City of York Council is a Local Planning Authority and has responsibility for planning within the authority area. The Government are consulting on reforms of the National Planning Policy Framework, which sets the overarching planning framework for plan-making and decision-making. Although a consultation at this stage, should the proposals be implemented there would be implications for planning in York.
2. This report sets out the key matters outlined in the consultation for consideration and discussion with members of the Local Plan Working Group to inform the Council's response to the consultation.

### **Benefits and Challenges**

3. This national consultation on proposed reforms to the National Planning Policy Framework (NPPF) is open to responses until 24 September 2024. This approach allows all interested parties to submit a response to inform the national approach to planning.
4. The outcomes are subject to change following the Government's consideration of all consultation responses received. However, the Government are keen to enact changes quickly to align the

framework with their manifesto objectives; it is therefore anticipated that changes will be enacted by the end of 2024.

5. There are a number of other challenges associated with consultation and implementation of a reformed planning framework:
  - i) The timing of the revised NPPF and other changes in relation to the adoption of York's emerging new Local Plan, currently in the final stages of independent Examination. The transitional arrangements set out for implementing policy changes and when these take effect will be an important consideration for planning across both plan-making and decision-taking. Currently, proposed transitional arrangements are clear that the Council will be able to continue to progress positively with the ongoing Examination of the Local Plan, and subject to any issues identified through this process, will be able to move to adopt the Local Plan;
  - ii) The documentation released includes a tracked change version of NPPF text. However, it is anticipated that further text modifications may be enacted to align with questions asked and their answers, where wording is not currently suggested. These further changes and whether they are to be consulted on is unknown.
  - iii) The changes may have significant resourcing impacts on planning policy and development services in York should they be implemented. Whilst the government have committed to the provision of more planning officers, the funding and the scope of this on service areas will need to be considered in further detail to inform service planning, when known.
6. There remains a commitment from Government to implement further planning reforms aligned to the Levelling Up and Regeneration Act (2023) regarding examination of Local Plans, supplementary planning documents and environmental assessment for example. We await the detail of this, including the relevant timescales for implementation and how this will dovetail with updates in the NPPF.

## Policy Basis for Decision

7. The National Planning Policy Framework sets out the government's planning policies for England and how these are expected to be applied. This is the principle guidance for planning authorities in planning for future development and decision-making. It is supported by a suite of [Planning Practice Guidance](#)<sup>1</sup>, which adds further details to the requirements set out therein. It is also supported by the delivery of other development plan documents, such as Neighbourhood Plans, which have their own legislative requirements.
8. The National Planning Policy Framework was revised in response to the [Levelling-up and Regeneration Bill: reforms to national planning policy consultation](#) on 19 December 2023; this was the fifth update since it was first introduced in 2012.
9. The Government has made clear that sustained economic growth is the only route to improving the prosperity of our country and the living standards of working people. Their approach to delivering this growth focuses on three pillars: stability, investment and reform. The Chancellor's speech on 8 July committed to consulting on reforms to the NPPF to take a different, growth-focused approach and this consultation seeks views on their proposed approach to revising the National Planning Policy Framework in order to achieve sustainable growth in the planning system. They consider that this will help to deliver their economic ambitions and their overall housing target of 1.5 million new homes.
10. The contents of this consultation supports the Council Plan and 10 year strategies where delivery is reliant on plan making and decision-taking as part of delivery. This is particularly relevant for the Economic and Climate Change Strategies.
11. It also relates to all of the administration's key manifesto pledges regarding Affordability, Environment, Equalities and Human Rights, and Health Inequalities in so far as the consultation is consulting on all aspects of the NPPF, which covers these policy areas in varying degrees of detail. The significance of this will be determined by the enacted changes resulting from this consultation.

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<sup>1</sup> <https://www.gov.uk/government/collections/planning-practice-guidance>

## **Financial Strategy Implications**

12. There are no financial implications as result of considering or responding to this consultation.
13. Subject to the implementation of the revised NPPF following the consultation, there may be financial implications on York Council planning services. Work to scope the impact of a revised NPPF following the outcomes of this consultation will be considered in due course when these are understood.

## **Recommendation and Reasons**

14. The Local Plan Working Group are asked:
  - i. To note the contents of the consultation and officer report;
  - ii. Provide feedback to inform the Council's response to the consultation.

Reason: To inform a Council response to the Government's consultation on Proposed Modifications to the National Planning Policy Framework by the deadline of 24 September 2024.

## **Background**

15. The Government are seeking views on a reformed approach to the planning system. This consultation seeks to modify the National Planning Policy Framework to achieve sustainable growth in our planning system. They are also seeking views on a series of wider policy proposals in relation to increasing planning fees, local plan intervention criteria and appropriate thresholds for certain Nationally Significant Infrastructure Projects. This aligns with their drive for sustained economic growth and are stated to be vital to delivering the Government's commitment to achieve economic growth and build 1.5 million new homes.
16. The proposed changes to the NPPF fall within several topic areas, which are detailed below. In summary, these are:
  - Reverse other changes to the NPPF made in December 2023 which are considered to be detrimental to housing supply. This includes the reintroduction of mandatory standard method for assessing housing need to ensure local plans are ambitious

enough to support the Government's manifesto commitment of 1.5 million new homes during this Parliament;

- Broaden the existing definition of brownfield land, setting a strengthened expectation that applications on brownfield land will be approved and that plans should promote an uplift in density in urban areas;
- Identify grey belt land within the Green Belt, to be brought forward into the planning system through both plan and decision-making to meet development needs;
- Improve the operation of 'the presumption' in favour of sustainable development, including safeguards to make sure its application cannot justify poor quality development;
- Deliver affordable, well-designed homes, with new "golden rules" for land released in the Green Belt to ensure it delivers in the public interest;
- Ensure that local planning authorities are able to prioritise the types of affordable homes their communities need;
- Support economic growth in key sectors, aligned with the Government's industrial strategy and future local growth plans
- Deliver community needs to support society and the creation of healthy places.
- Support clean energy and the environment, including through support for onshore wind and renewables.

17. It should be noted that the consultation does not cover revisions to the Neighbourhood Planning process.

### **Assessing housing needs**

18. The Ministerial Statement<sup>2</sup> and proposed modifications seek to reverse changes to the NPPF made in December 2023 regarding housing land supply. This means that mandatory housing targets are reintroduced and that there remains necessary a need to show

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<sup>2</sup> Made by Angela Raynor, Deputy Prime Minister, on 30 July 2024:

<https://www.gov.uk/government/speeches/deputy-prime-minister-on-changes-to-national-planning-policy>;

a 5 year housing supply (as opposed to a 4 years supply in specific circumstances).

19. The standard method for assessing the level of local housing need was originally introduced in 2018 and uses a formula to identify the minimum number of homes expected to be planned for based on household projections (produced by the Office for National Statistics), which are then adjusted to take account of affordability.
20. The current standard method housing need for York based on the existing formula equates to **1020 net additional homes per year**.
21. This consultation proposes a new standard method that uses a baseline set at a percentage of existing housing stock levels and using a stronger affordability multiplier. The result of this new standard method would result in the requirement for **1251 net additional homes per year** (see Annex C for a breakdown of this calculation).
22. This compared to the new Local Plan, currently in Examination, wherein policy requires at least **822 net additional homes per year** over the Plan period.
23. The proposed new standard method for housing results in an **increased housing requirement of 429 net additional homes** compared to the Local Plan requirement of 822 homes, or an **increase of 52.19%**.
24. In the context of the new Local Plan, it should be noted that planned delivery of our site allocations will currently result in an oversupply of housing against our average housing target given we have identified strategic sites which will continue to deliver post plan period. This may lessen the overall uplift required to be implemented.

### **Brownfield land, grey belt and the Green Belt**

25. The revisions to the NPPF will require a local planning authority undertakes a Green Belt review where they cannot meet their identified housing, commercial or other need without altering Green Belt boundaries.
26. A sequential approach is proposed to the release of Green Belt land for development. This starts with the consideration of Previously Developed Land (PDL) and to assist in this para.154 of

the NPPF is to be amended to allow for the redevelopment of PDL with the only restriction being that it should not cause substantial harm to the openness of the Green Belt. The consultation further asks whether the definition of PDL in the glossary of the NPPF should be revised to include hardstanding and glasshouses.

27. Following the consideration of PDL in the Green Belt, attention would turn to land defined as grey belt. The proposed definition of grey belt<sup>3</sup> is:

*‘For the purposes of Plan-making and decision-making, grey belt is defined as land in the Green Belt comprising Previously Developed Land and any other parcels and/or areas of Green Belt land that make a limited contribution to the five Green Belt purposes (as defined in para 140 of this Framework) but excluding those areas or assets of particular importance listed in footnote 7 of this Framework (other than land designated as Green Belt).’*

28. The consultation goes on to explain that land which makes a limited contribution to Green Belt purposes will:

- a) Not strongly perform against any Green Belt purpose; and
- b) Have at least one of the following features:
  - i. Land containing substantial built development or which is fully enclosed by built form
  - ii. Land which makes no or very little contribution to preventing neighbouring towns from merging into one another
  - iii. Land which is dominated by urban land uses, including physical developments
  - iv. Land which contributes little to preserving the setting and special character of historic towns

29. Finally, once PDL and grey belt land have been considered, higher performing Green Belt sites, where these can be made sustainable, should be assessed.

30. The aim of the approach is to ensure that low quality Green Belt is identified first, while not restricting development of specific opportunities which could be made more sustainable. While it is made clear that local planning authorities should meet their

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<sup>3</sup> See [Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system), Chapter 5, para 9

development needs in full, the release of land should not be supported where doing so would fundamentally undermine the function of the Green Belt across the area of the plan.

31. While it is intended that Green Belt release takes place through the plan making process, the consultation recognises this will take time. In the short term, to support housing delivery, changes are proposed to support the release of Green Belt land through development management. This is detailed in a new paragraph 152 which identifies that housing and other development in the Green Belt is not inappropriate where it utilises grey belt in sustainable locations; and the authority cannot demonstrate a five year housing land supply, or failed the housing delivery test over the previous 3 years, or where there was a demonstrable need for land to be released for development of local, regional or national importance.
32. Where land is released from the Green Belt, either as PDL, grey belt or Green Belt, then development will have to comply with the golden rules as set out in new paragraph 155. These apply only to major development and require that:
  - Housing schemes provide at least 50% affordable housing with an appropriate proportion being Social Rent, and subject to viability;
  - Necessary improvements to local or national infrastructure are made; and
  - The provision of new, or improvements to existing, local green spaces that are accessible to the public.

### **Gypsies and Travellers**

33. Proposed changes to support the release of Green Belt land are intended to address unmet needs for traveller sites. The exceptional circumstances under which Green Belt boundaries can be altered during the preparation or review of plans are now defined and include instances where an authority cannot meet its identified need for housing through other means, unless such alterations would undermine the function of the Green Belt across the plan area.
34. The sequential approach to Green Belt release, explained above, would apply and would allow for housing in the Green Belt to be



not inappropriate where it utilised grey belt in sustainable locations; and the authority could not demonstrate a five year housing land supply, or failed the housing delivery test over the previous 3 years, or where there was a demonstrable need for land to be released for development of local, regional or national importance. The 'golden rules' would apply. The consultation asks for views on how the assessment of need for traveller sites should be approached to determine whether a Green Belt review is required.

### **Viability**

35. A new Annex 4 is proposed to the NPPF to clarify issues around viability in relation to Green Belt release and the golden rules. It suggests a national policy basis for adopting an Existing Use Value of the land plus a 'reasonable and proportionate premium' for the landowner when calculating benchmark land values (BLV) as part of a viability assessment. Locally set BLVs would then be informed by Local Plan policies. Where land transacted at a price above the nationally set BLV, it should then be assumed to be viable.

### **Housing mix**

36. Changes are proposed to ensure that development provides the most appropriate mix of housing. This includes specifically socially rented housing within the mix of affordable housing and in accordance with identified local needs. Sites should contain a mix of tenures including ownership and rental as well as housing for specific groups.
37. The removal of the requirement to deliver 10% of housing on major sites as affordable home ownership. LAs are advised that this should be seen as an expectation to deliver a locally specific mix. The consultation also asks why insufficient small sites are being allocated and how this issue might be solved.

### **Strategic and regional planning**

38. Issues such as meeting housing needs (including neighbours' unmet needs), strategic infrastructure and climate resilience are areas which are specifically identified to be addressed through the duty to cooperate. Para.24 is amended to address this and notes that effective strategic planning across boundaries will play a vital and increasing role in how sustainable growth is delivered.

39. New para.27 then makes clear that once the matters of collaboration have been identified, strategic policy makers should ensure that their plan policies are consistent with others where a strategic relationship exists unless there is a clear justification to the contrary.
40. The consultation notes that the Duty to Cooperate requirement is to be strengthened but also that short term measures to strengthen cross-boundary strategic planning will be introduced. New legislation will subsequently introduce formal strategic planning mechanisms with the intention to move to a model of universal strategic planning covering functional economic areas within this parliament. The model will support elected Mayors in overseeing the development and agreement of Spatial Development Strategies. No further detail has been provided of the form of the Spatial Development Strategies.

### **Local Plan Production**

41. Plans at examination will continue to be examined under the version of the NPPF they were submitted under. However, as is the case in York, if the revised Local Housing Need (LHN) figure is more than 200 dwellings per annum higher than the annual housing requirement set out in the adopted version of the plan, upon introduction of the new plan-making system, the local planning authority will be required to begin preparation of a plan under the new system as soon as possible, or in line with any subsequent arrangements set out to manage the roll-out of the new system.
42. It is the intention to implement the new plan-making system as set out in the Levelling- up and Regeneration Act from summer or autumn 2025.

### **Design and character**

43. Chapter 12 maintains the primacy of the National Model Design Code and support for design codes, in areas that provide the greatest opportunities for change, such as allocated sites. Reflecting the wider aspiration to drive housing and economic growth, there is an acknowledgement that design codes should also consider where, and in what circumstances, higher density development could be encouraged.

44. Removal of the references to 'beauty' and 'beautiful' (which is considered subjective), instead focusing on well-designed buildings and places.

### **Building a modern economy**

45. The proposed change to para 86b now mandates local plans to set criteria and identify strategic sites for local and inward investment, where previously they were only required to do one or the other. This includes for the first time a requirement to plan and provide land to accommodate a range of commercial development which meets the need of the 'modern economy' (also enacted in changes to para 87): Laboratories, Gigafactories, Data Centres, Digital Infrastructure and Freight/Logistics.

### **Presumption in favour of sustainable development**

46. Changes to para 11d, which include clarification both of the policies relevant to decision taking and to those in the Framework, seek to ensure that planning permissions are only granted where high standards are met; these are safeguards to ensure only high-quality schemes benefit from the presumption.

### **Supporting Renewable Development**

47. The changes give emphasis and support for all forms of renewable and low carbon development:
- New para 161 b) mandates Local Authorities to identify in their Local Plans suitable areas for renewable and low carbon energy sources, and supporting infrastructure where this would help secure the development (removing the prior 'consider identifying' phrase).
  - Para 164 guides LPAs to support planning applications for all forms of renewable and low carbon development and, at part a) significant weight should be given to the proposal's contribution to renewable energy generation and a net zero future.

### **Changes to Planning Fees**

48. The proposals seek to address the funding shortfall experienced by many Local Authorities:
- Proposed fee increase for householder applications to £528 (from £258) to meet cost recovery levels (and seeking views on

whether a smaller increase to the householder fee (e.g. 50% increase) would be more appropriate).

- Seeking views on increasing fees for other application types such as prior approval and S73 applications.
- Introducing fees for applications with no fee at the moment such as demolition consent in a conservation area and Listed Building Consent.

49. There is also the potential for a locally set fee and two different models are suggested for how this might be calculated.

## **Consultation Analysis**

50. Given the NPPF covers different technical topic areas, an internal officer workshop is being undertaken to inform a council response including officers from Strategic Planning Policy, Development Services, Design and Conservation, Housing, Health, Carbon reduction and Transport.

51. Officers are also attending a suite of national workshops run by the Planning Advisory Service and MHCLG wherein they are presenting on the proposed planning reforms and allowing discussion with colleagues from other authorities. This will help better understand and respond to the current consultation.

52. The Local Plan Working Group is invited to provide comments, both during the meeting, and separately by 12 September, to inform the council's response to government.

53. The government is inviting comment from all interested parties who can submit a response directly to government; details of how to submit a response is set out in the Government's consultation material (Annex A to this report)

## **Options Analysis and Evidential Basis**

54. Local Plan Working Group are invited to consider the revised NPPF, with a response prepared collating the LPWG and officer comments for consideration by the Executive Member at their Decision Session on 23 September.

55. The Executive Member will be invited to decide whether:
- (i) To submit a Council response to the national consultation
  - (ii) To not submit a Council response to the national consultation
  - (iii) To submit the response proposed as drafted by officers without amendment
  - (iv) To amend the response proposed
56. Submitting a response to the consultation will help inform the Government's approach to modifying the NPPF and sets out the Council's understanding of the proposed changes, both in support and objection where necessary. Option (i) has therefore been recommended.
57. The government will review local responses in respect of changes to local housing need and growth expectation, and alongside this, multiple responses about wider issues. Members are advised that their comments will not necessarily be included in the final NPPF.
58. Whilst technical officers from across the council have compiled a response to the consultation, there may be further considerations arising from discussion at the meeting. Option (iv) is therefore recommended to allow modifications as a result of the Executive Members consideration of any discussion.

## **Organisational Impact and Implications**

59. We are consulting on the Government's consultation ahead of drafting a response for consideration at the Executive Member Decision Session on 23 September. Input and discussion from the Local Plan Working Group will help to inform our response and understanding of implications arising.
60. However, it is important to note that the proposed reforms to the NPPF and associated reforms to the planning system, if implemented in their current form, will likely have a very significant impact on City of York Council's Planning Services.
61. With regard to the Development Management service, the key issue is that proposals would likely to lead to an increase in the number and complexity of speculative planning applications and planning appeals, which has resource and cost implications as a result of the increased housing requirement and in advance of further Green Belt Assessment.

62. With regard to the Strategic Planning Policy Service, whilst it is considered unlikely that the proposals place a significant risk to the timeframe for the adoption of the current draft Local Plan (currently at examination), as a result of the proposed transitional arrangements there is a significant risk to the Council that it would need to progress a Local Plan review at the earliest opportunity, which has significant resource and cost implications.

## Risks and Mitigations

63. There are no risks anticipated with responding to this national consultation on proposed reform to planning.
64. There is the risk that by not responding, York's views will not be taken into account in the government's final considerations.
65. There are risks associated with the proposed revisions in the NPPF itself. Where appropriate, these will be highlighted in the consultation response to government.

## Wards Impacted

66. All wards would be potentially impacted by revised requirements set out in the planning reforms.

## Contact details

For further information please contact the authors of this Decision Report.

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<b>Date:</b>	06/09/2024

## Background papers

Ministry of Housing, Communities and Local Government's consultation: [Proposed reforms to the National Planning Policy Framework and other changes to the planning system - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system)

Including:

- [Proposed reforms to the National Planning Policy Framework and other changes to the planning system](https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system)
- [National Planning Policy Framework: draft text for consultation](https://www.gov.uk/government/consultations/national-planning-policy-framework-draft-text-for-consultation)
- [Outcome of the proposed revised method \[for housing requirements\]](https://www.gov.uk/government/consultations/outcome-of-the-proposed-revised-method-for-housing-requirements).

Officer Decision 18/10/2023: [Response to the Government's consultation titled "Plan-making reforms: consultation on implementation" on behalf of City of York Council \(47\)](#). This decision was made in consultation with the Executive Member for Housing, Planning & Safer Communities.

## Annexes

- Annex A: Government proposals for reform of the planning system and other planning changes consultation (MHCLG, July 2024).
- Annex B: National Planning Policy Framework: draft text for consultation (MHCLG, 2024)
- Annex C: Outcome of the proposed revised method for housing requirements for York (MHCLG, 2024).

## **Abbreviations**

BVL	Benchmark land value
LHN	Local Housing Need
LA	Local Authority
LPA	Local Planning Authority
LPWG	Local Plan Working Group
MHCLG	Ministry of Housing, Communities and Local Government
NPPF	National Planning Policy Framework
PDL	Previously developed land