



Department for
Communities and
Local Government

Planning for the right homes in the Right Places

Helping Communities understand the housing challenge in their area





Department for
Communities and
Local Government

Context: a comprehensive four-point plan for tackling the dysfunctional housing market

1. Planning for the right homes in the right places (plans and land)
2. Building homes faster
3. Diversifying the market
4. Helping people now

“We need to build many more houses, of the type people want to live in, in the places they want to live. To do so requires a comprehensive approach that tackles failure at every point in the system.”

The Rt Hon Theresa May MP





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Consultation concentrates on proposals to put more homes in the right places

Takes forward housing White Paper commitments

Key proposals include:

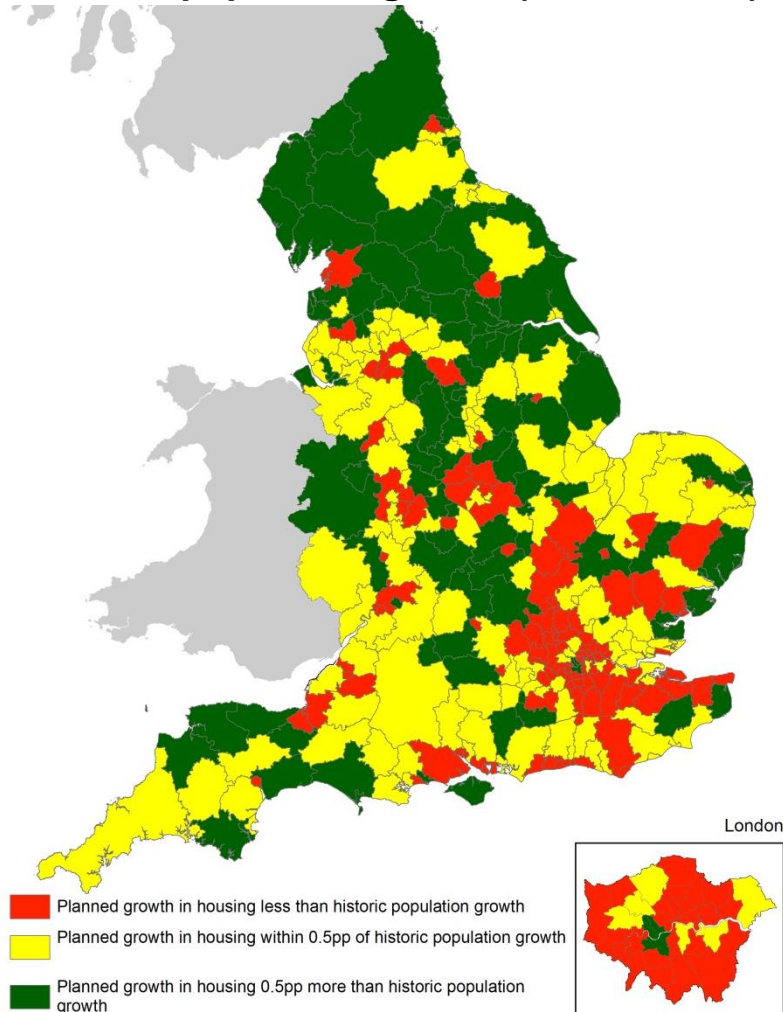
1. Standard approach to calculating local housing need
2. Supporting neighbourhood planning
3. Introducing a statement of common ground
4. Simpler approach to viability assessments
5. Increasing planning fees



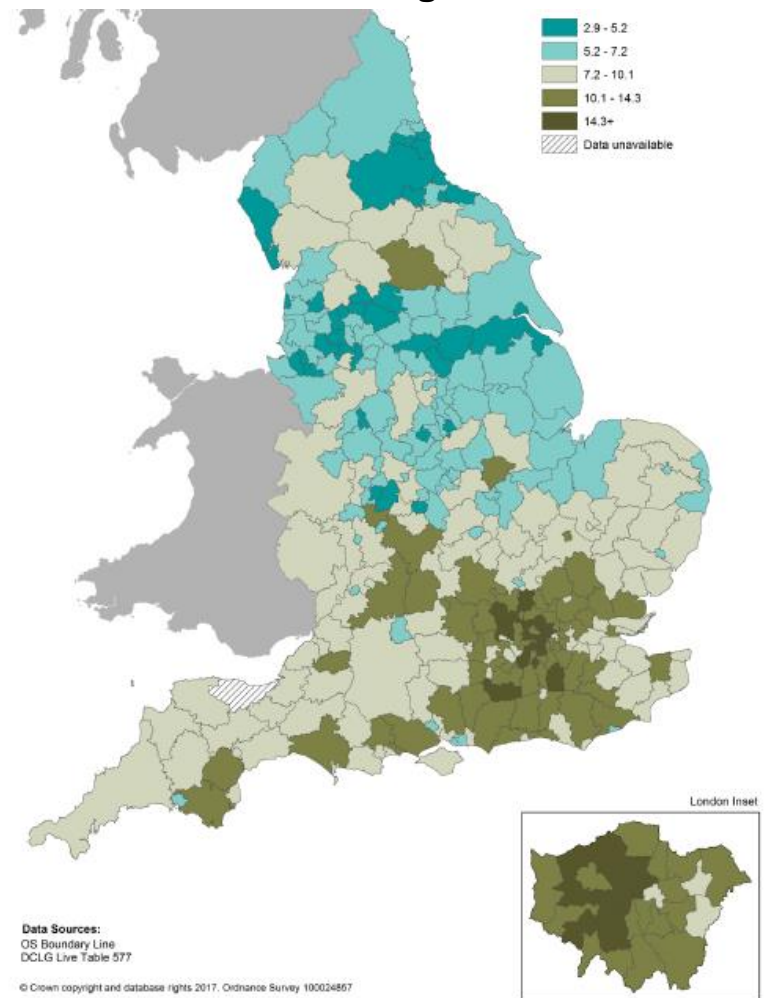
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Local Plans do not currently plan for housing where population growth is, or where affordability is worst

**Planned housing growth compared to historic
annual population growth (2010 to 2015)**



**Ratio of average house price to average
earnings**





New approach consists of three components

Seeks to reflect market signals

Household Projections (the **baseline**)



Adjustment for Affordability

- Uplift of 0.25% to projections for every 1% affordability ratio is above
4



Cap level of uplift

- More than 40% above their current local plan figure, if that plan is **under 5 years old; or**
- More than 40% above their local plan or projected household growth (whichever is **higher**), if their plan is **over** 5 years old



Transitional Arrangements

The effects will depend on location and the current status of Local Plans

Plan stage	Proposed transitional arrangement
No plan, or plan adopted more than five years ago and has not yet reached publication stage	The new standardised method should be used, unless the plan will be submitted for examination on or before 31 March 2018, or before the revised Framework is published (whichever is later).
Plan has been published, but not yet submitted	If the plan will be submitted for examination on or before 31 March 2018 or before the revised Framework is published (whichever is later), continue with the current plan preparation – otherwise, use the new standardised method.
Plan is at examination stage	Progress with the examination using the current approach.
Plan adopted in the last five years	Use the new standardised method when next reviewing or updating the plan.



Planning for a mix of housing needs

Expectation remains to plan for needs of different groups

Retaining National Planning Policy Framework expectations to plan for a mix of housing needs, including:

- Older and disabled people;
- Affordable housing;
- Self-build and custom build development
- Student accommodation

We would welcome suggestions on how to streamline the process.



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Providing greater housing certainty for neighbourhood planning bodies



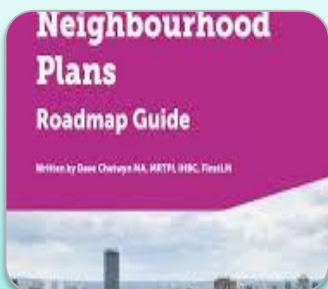
How many homes should neighbourhood bodies plan for?

- Current process too complex – need to simplify process and avoid duplication of debates and efforts in Local Plan and neighbourhood Plans



Local Planning Authority – Local Plan's providing direction

- Should Local Plan's set out a housing figure for designated neighbourhood planning areas and parished areas within their local area
- If yes, should national policy not expect the resulting housing figure to be tested during the neighbourhood plan's production



Neighbourhood Planning groups choice

- What to do if there is no housing requirement for the area in an up to date Local Plan?
- Potential Fallback: DCLG formula to apportion the new standard approach for the whole LPA area, to the neighbourhood area, based on population size.



Making the duty to co-operate work more effectively

Introducing a Statement of Common Ground

A **living document** providing a road map and record of cross boundary strategic planning matters. The objectives are to:

- **increase certainty and transparency**, earlier on in the plan-making process, on where effective cooperation is and is not happening;
- **encourage all local planning authorities to cooperate effectively** and seek agreement on strategic cross boundary issues – including housing; and
- **help local planning authorities demonstrate evidence of co-operation** by setting clearer and more consistent expectations as to how co-operation in plan-making should be approached and documented.



Proposed approach to viability

To improve use of Section 106 Agreements

- CIL review found that the current system of developer contributions is **not as fast, simple, certain or transparent** as originally intended.
- **No single consistent approach** for assessing viability
- Use of viability is adding **complexity and uncertainty to the planning process** – leading to delays and contributions for infrastructure and affordable housing.
- **No transparency with Section 106 Agreements** – communities unable to see what funding has been secured and when it has been spent



Suggestions for improving viability

Key proposals include:

- **A standardised approach** to how viability is used in plan-making and decision-taking – including what issues should be tested.
- **No retesting of viability** at planning application stage, where proposal tested at plan-making stage and complies with plan policies
- **Greater transparency** – including on how viability assessments are used, and that communities are able to better understand how developer contributions have been secured and spent.



Increasing local authority capacity

Building on housing White Paper commitment

- The Housing White Paper set out the Government's intention to increase nationally set planning fees by 20 per cent with the additional fee income ring-fenced for local authority planning departments.
- All planning authorities have accepted the 20 per cent fee increase and we are bringing forward the necessary regulations in the autumn to apply the increase.
- The White Paper suggested that an increase of a further 20 per cent on the current fee level could be applied to those authorities who are delivering the homes their communities need.
- We are now interested in obtaining views on the most appropriate criteria to enable this fee increase to be applied.



- Consultation contains 19 questions, including 6 on Local Housing Need
- Ambition to published a draft, revised Framework early in 2018 – to check wording is clearly understood
- Aim to publish a revised Framework by Spring 2018.

The consultation closes on 9 November 2017

we prefer responses online:

<https://www.surveymonkey.co.uk/r/XFHM8RD>

We have included in the consultation a template to use if wishing to send by email:

planningpolicyconsultation@communities.gsi.gov.uk