

## **APPENDIX 1 - Summary of the National Planning Policy Framework – Implications for the Thurrock Local Plan and the Issues and Options (Stage 2) Consultation Document**

### **Context**

A revised version of the National Planning Policy Framework (NPPF) was published by the Government on 24 July 2018 and sets out how the Government's planning policies for England should be applied. The NPPF's policies come into effect immediately.

The publication of the NPPF came two days before Full Council was due to consider a Report seeking authorisation to publish the Thurrock Local Plan Issues and Options (Stage 2) Consultation Document. The NPPF must be taken into account in preparing the development plan, and is a material consideration in planning decisions. In view of the significance of the changes set out in the new NPPF for the plan-making process, it was considered necessary to withdraw the Issues and Options Stage 2 Consultation Document from the Agenda in order to provide Officers and Members with an opportunity to consider whether there was a need to update the Consultation Document to ensure it was consistent with the approach set out in the Framework.

This Note sets out the key policy changes included in the revised NPPF and identifies their implications for both the Thurrock Local Plan and the Issues and Options Stage 2 Public Consultation Document.

#### **1. A housing delivery test will be introduced for local authorities in November 2018.**

This will measure the number of built against housing need and penalise councils that under deliver against various thresholds over a three-year period. This includes applying the presumption in favour of sustainable development where delivery is below 75 per cent of the housing requirement from 2020. However, this year the presumption penalty threshold kicks in at 25 per cent, rising to 45 per cent next year.

#### *Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The Government had already signalled its intention to introduce the Housing Delivery Test (HDT) when it consulted on the Draft Revisions to the NPPF in March 2018. The potential impact of HDT on Thurrock has already been taken into account in preparing the Issues and Options Stage 2 Consultation Document and no further changes are required to reflect the publication of the NPPF. However, it should be noted that the Council faces being sanctioned under the HDT within the next 3 years for failing to meet the HDT due to the lack of sites available for development in Thurrock to meet future housing needs.

#### **2. The Framework introduces a new standardised method of calculating housing need.**

This takes the government's household growth projections and applies an affordability ratio, comparing local house prices with workplace earnings, to produce a need figure. It is hoped it will end protracted arguments on housing need at Public Examination. The Government has said that it will adjust the methodology to meet its annual target of 300,000 homes in the light of new household growth projections that are likely to be lower than previous figures. It

will “consult on specific details “when the new projection figures are published at the end of September 2018.

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The assessment of housing need for Thurrock using the standard method is 1,173 dwellings per annum which is less than the annual requirement of 1,381 identified by the South Essex Strategic Housing Market Assessment (SHMA) (2017). This partly relates to the fact that the SM figure does not take into account the need to boost housing supply in Thurrock to support economic development objectives (307 dwellings a year). The Government intends to provide each authority with an updated SM housing number by the end of September 2018 and the revised housing need figure will be set out in the Issues and Options Stage 2 Consultation Document to replace the housing need figure derived from the SHMA.

Further technical work will then need to be commissioned to evidence whether it remains appropriate to add the 307 housing need requirement to support economic growth onto the SM housing need figure.

**3. Development plans must, as a minimum “seek to meet the area’s objectively assessed needs” to be declared sound.**

In determining the minimum number of homes needed, strategic policies should be informed by a local housing need assessment prepared using the standard methodology. It adds that “any needs that cannot be met within neighbouring authorities should also be taken into account in establishing the amount of housing to be planned for”.

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The Issues and Options Stage 2 Consultation Document already recognises the expectation from Government that local authorities should plan to meet their area’s objectively assessed needs. However, minor changes to the text will be required to ensure consistency with the language and approach set out in the NPPF.

**4. The framework supports build to rent and other specialist housing formats. Social rent has been reinstated in the NPPF’s definition of affordable housing.**

The revised NPPF exempts purpose build-to-rent housing and accommodation for students and the elderly from the 10 percent affordable housing requirement in major schemes. Build to rent is also recognised as a form of affordable housing. Furthermore the NPPF says that Councils should make sure that “the size, type, and tenure of housing” meets the needs of “people who rent their homes”, as well as older people and students, among other groups.

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

Minor changes are required to the text in the Consultation Document to reflect the language and approach set out in the new NPPF.

Further more detailed technical work is also required to re-asses future affordable housing needs within Thurrock based on the new SM generated housing needs figure. This also includes the need to consider the viability issues associated with the different forms of affordable housing across the Borough. This work will inform the preparation of the draft Local Plan and help ensure that the full range of housing needs in the Borough are considered as part of the plan-making process.

**5. Larger-scale developments must be well located and designed and supported by the necessary infrastructure.**

The NPPF says that large numbers of new homes “can often be best achieved by new settlements and “significant” extensions to existing towns and villages. Before proposing such development, it advises that strategic policy makers should consider the opportunities presented by existing or planned investment in infrastructure, the areas economic potential and the scope for net environmental gains.

Planning authorities are also told to ensure that the size and location of such developments will support a sustainable community, make a “realistic assessment” of likely delivery rates and identify opportunities for supporting rapid implementation, “such as through joint ventures or locally led development corporations”. The NPPF also reinserts a reference to garden city principles, to illustrate how “clear expectations” for quality can be set.

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The Issues and Options Consultation Document identifies a series of potential strategic development locations across the Borough where there is developer support for new urban extensions and a new settlement. Minor changes are required to the text in the Consultation Document to reflect the language and approach set out in the new NPPF.

**6. Planning performance agreements (PPAs) are likely to be needed for very large or complex applications.**

The revised NPPF sets out the Governments view that applicants and local planning authorities should consider voluntary PPAs where this might achieve a “faster and more effective application process”

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The Council already promotes the use of PPAs to help fund the delivery of an effective development management service. It is now proposed to extend this approach to help assist the plan-making function and ensure that the plan-making process delivers the high quality development and the infrastructure needed to support housing and economic growth.

**7. The NPPF introduces minimum density standards for city and town centres and other locations well served by public transport.**

The framework states that where there is an existing or anticipated shortage of land for meeting identified housing needs, it is especially important that planning policies and

decisions avoid homes being built at low densities, and ensure that developments make optimal use of the potential of each site. Local Plans should set out standards which seek a significant uplift in the average density of residential development within these areas, unless it can be shown that there are strong reasons why this would be inappropriate. Local planning authorities should refuse planning applications which they consider fail to make efficient use of land.

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The Governments support for increasing the development densities particularly within the urban area and around transport hubs is to be welcomed. Minor changes are required to the text in the Consultation Document to reflect the language and approach set out in the new NPPF. Consideration will be given to including a further question within the Consultation Document to obtain views on viability and deliverability of increasing development densities across the Borough.

**8. The importance of Warehousing and Logistics development is highlighted.**

The NPPF requires that storage and distribution operations' specific locational requirements should be recognised in planning policies and decisions. The framework says policies and decisions should make provision for storage and distribution operations "at a variety of scales and in suitably accessible locations". This also includes new support for lorry parking facilities.

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The importance of warehousing and logistics activity in Thurrock to the national and local economy is fully recognised and the Issues and Options Stage 2 Consultation Document considers the need for additional land, premises and lorry parks to support the sector. Minor changes are required to the text in the Consultation Document to reflect the language and approach set out in the new NPPF.

**9. Town Centre diversification promoted**

The rapid changes that are affecting the retail sector and town centres are acknowledged in the NPPF which recognises that diversification is key to the long-term vitality and viability of town centres, to "respond to rapid changes in the retail and leisure industries".. Accordingly, planning policies should clarify "the range of uses permitted in such locations, as part of a positive strategy for the future of each centre".

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The Issues and Options Stage 2 Consultation Document considers the need for a different approach to managing the mix of uses within town centres to help maintain and enhance their vitality and viability. Minor changes are required to the text in the Consultation Document to reflect the language and approach set out in the new NPPF.

**10. Viability and developer contributions**

Plans should set out contributions from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure

(such as the need for education, health, transport, flood and water management, green and digital infrastructure).

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106.

Policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage.

*Implications for the Local Plan and Issues and Options (Stage 2) Consultation Document*

The Government has strengthened the need for Local Planning Authorities to undertake robust and comprehensive viability assessments of their Local Plans to ensure that homes and infrastructure needed to meet local needs can be delivered in the right place and at the right time. The Council has already produced a Whole of Plan and CIL Baseline Study to assess the viability of different type so development in different locations across the Borough. Minor changes are required to the text in the Consultation Document to reflect the language and approach set out in the new NPPF.