

REVIEW OF GOVERNMENT RESPONSE TO THE NPPF CONSULTATION

RSN OVERALL COMMENTS ON THE GOVERNMENTS RESPONSE.

1. We are extremely disappointed that the majority of the points which we made have not been taken on board.
2. It is our belief that some of the consequences will be:
 - Planning by appeal becomes prevalent.
 - The proposed changes to the standard method results in a significant increase across rural areas. This is entirely counter intuitive. In essence it is imposing the exportation of unmet housing need from larger urban centres and circumventing the duty to cooperate.
 - The necessary infrastructure and services to meet the increase in development in rural areas will not be present. Neither will the capacity of the house building industry.
 - The proposals will lead to the 'planning by appeal' scenario for many councils.
 - Developments in rural communities allowed under Presumption in Favour of Sustainable Development will be out of scale with the host community, fail to provide the type of housing or affordable housing that would meet the needs of the local community. Too often they have resulted in pressure on local infrastructure that has disadvantaged existing residents and those moving into the new homes.
 - The system will punish Local Planning Authorities when:
 - Land is promoted as being deliverable in the Local Plan but is not delivered
 - Land is delivered but not in accordance with the allocation i.e. watered down
 - Applications are submitted that do not accord with the Affordable Housing etc. requirements
 - No applications are submitted so it is impossible to approve them
 - Developers game the delivery of their site to engage the tilted balance to land bank more consents but do not build them out
3. We welcome that fact that further consideration is to be given to several important issues. See section below on Matters Due for Further Consideration

The following matters are raised in the NPPF and are due for further consideration:

Q 39 The government will not take forward now but is considering the treatment of benchmark land values as part of a review into the viability planning practice guidance in 2025.

Q.50 (date for further consideration not specified). We welcome the views that were expressed specifically on the delivery of First Homes exception sites. This raises a wider question about the best approach to exception sites, which we will consider in the future. In the meantime, the policy on First Homes exception sites will remain in place.

Q 51. We intend to reinforce this with further measures in the new year, including setting a site size threshold above which sites must deliver a mix of tenures.

Q 52. We will consider what further steps we can take to support social and affordable housing as part of our intent to produce a set of national policies for decision making in 2025.

Q 54. We intend to give further consider to how policy can better promote rural affordable housing and wider exceptions site policy as part of our work to produce a set of national policies for decision making in 2025.

Q 57. Informed by the points raised in the consultation, we will actively explore options in future changes to national policy related to decision making.

Q 58. We intend to give further consideration to how policy can better support small site development as part of our work to produce a set of national policies for decision making in 2025.

Q 94. We will consult further on the details of local fee setting model and the benchmarking of costs in due course.

In the following section, we highlight some of the key questions included in the consultation, along with the RSN response, and the main points of the Government response.

Question 1: Do you agree that we should reverse the December 2023 changes made to paragraph 61?

Summary RSN response

NO. We do not support the whole premise of the proposed new approach that is based on housing stock. It bakes in existing housing stock as the basis and doesn't reflect what is actually needed in future, which the population and household projections would do in the current approach. Obviously the 2014 basis was well out of date.

The whole housing stock basis is just plain wrong for working out what is in future needed. It also penalises authorities that have delivered huge amounts of housing in recent years and assumes that more is needed as well.

It is essential that there is genuine ability for authorities to be able to justify a lower housing requirement than the figure the method sets, based on local constraints on land and delivery, such as existing National Park, protected habitats and flood risk areas, but would (as now) must evidence and justify their approach through local plan consultation and examination National Landscapes (formerly AONB's) should also be listed as posing a relevant constraint on development

Question 2: Do you agree that we should remove reference to the use of alternative approaches to assessing housing need in paragraph 61 and the glossary of the NPPF?

NO. We agree that the government should provide LPAs with a housing requirement number, but this must be realistic and deliverable. The proposed stock-based approach fails to do this. A more appropriate approach would be for government to provide LPAs with a range derived from stock -based methodology and 2018 household projection methodology. LPAs would then adopt a housing number requirement that was appropriate to their housing markets and hence be deliverable.

Instead of removing reference to exceptional circumstances, such circumstances should be explicitly detailed within an associated footnote. These circumstances should include areas impacted by National Parks and National Landscapes

Main points of Government Response to Questions 1 & 2

We intend to make the changes set out in the consultation, reversing the changes made in December 2023 to what was previously paragraph 61 and removing the reference to the exceptional circumstances in which the use of alternative approaches to assess housing need may be appropriate.

We have published revised planning practice guidance on assessing housing needs to reflect changes made to the standard method (as explained later in the government response) and additional guidance on setting a housing requirement. We will keep under review the need for any additional planning practice guidance on matters related to assessing and planning for housing needs.

Question 3: Do you agree that we should reverse the December 2023 changes made on the urban uplift by deleting paragraph 62?

NO. We strongly support the underlying principle of focussing development in cities and large urban areas first. The removal of the uplift should not result in such places reducing their planned supply.

It can be seen from the above that despite the NPPF Consultation stating that “the government supports the principle of directing housing growth to our larger urban areas and that the proposals will maximise delivery in urban areas, the proposals mean:

- In Predominantly Rural Areas overall – an increase of 70.2% (32,215 additional houses, or 6% per 1000 of the dwelling stock.
- In Predominantly Urban Areas - an increase of 6.4% (14,267 additional houses, or 0.9% per 1000 of the dwelling stock

Main points of Government Response to Question 3

The government recognises that urban areas should be the focus for growth and has been clear that brownfield land must, wherever possible, be prioritised for new development

The revised standard method will not include an urban uplift and as a result what was previously paragraph 62 is now no longer relevant.

Question 4: Do you agree that we should reverse the December 2023 changes made on character and density and delete paragraph 130?

NO. Existing paragraph 130 provides safeguards that ensure LPAs can take local character into account in planning policies and decisions to accommodate new housing growth. This is essential for rural towns and larger rural communities where increasing densities would result in development wholly out of character with the existing area, within and outside nationally protected landscape areas.

Paragraph 130 should be revised rather than deleted, to emphasise that residential densities should not be significantly uplifted where this would undermine the principles of good design set out in the National Design Guide and National Model Design Code.

Many of the existing urban areas within rural authority areas are historic in character, and often within a conservation area. In this context it is considered

minimum density standards are too blunt a tool and should not be a requirement.

Main points of Government Response to Question 4

Whilst we recognise the concerns expressed by some respondents about the impact of increased densities on local character arising from the removal of what was previously paragraph 130, provisions exist elsewhere in national planning policy to ensure that density and local character can be considered through the planning process. In particular, new paragraph 130 of the National Planning Policy Framework expects planning policies and decisions to take account of the desirability of maintaining an area's prevailing character and setting when assessing the efficient use of land.

Question 6: Do you agree that the presumption in favour of sustainable development should be amended as proposed?

NO. Experience to date of developments in rural communities allowed under PFSD is that they are out of scale with the host community, fail to provide the type of housing or affordable housing that would meet the needs of the local community. Too often they have resulted in pressure on local infrastructure that has disadvantaged existing residents and those moving into the new homes. These impacts have also increased community opposition to new development that would address local housing needs, including through small scale rural exception sites.

Main points of Government Response to Question 6

The government has decided not to take forward the proposed change to the 'trigger' for the presumption relating to policies for the supply of land, and instead to retain the existing wording which refers to the policies which are most important for determining the application being out of date. This will avoid fettering the range of 'most important' policies that could trigger the presumption.

We have however decided to retain references to the location and design of development and securing affordable homes, to signal the particular importance of these matters in assessing the potential impact of development proposals when the presumption is applied.

Question 7: Do you agree that all local planning authorities should be required to continually demonstrate 5 years of specific, deliverable sites for decision making purposes, regardless of plan status?

NO. A 5YHLS is essential to a plan-led system, but the proposed new standard housing methodology has resulted in housing numbers in rural areas that are unrealistic and undeliverable, even in areas that have gone for growth. This, along with the very limited capacity in rural LPA planning teams means that they will struggle to provide a 5YHLS, triggering the PFSD. Without a change in the

methodology for calculating each LA's housing requirement rural areas will not benefit from a plan-led approach.

Once a Local Plan has been adopted, there should be no requirement to have to demonstrate a 5-year supply of deliverable housing sites. Instead, they should be required to report on the progress of allocated sites and larger planning permissions as part of their Annual Monitoring Report.

Main points of Government Response to Question 7

In re-introducing the requirement to maintain a rolling 5-year housing land supply, we are making clear that we expect authorities to take the action necessary to maintain that pipeline.

In addition, there are many authorities whose local housing need figures will be substantially larger than their adopted or emerging local plan housing requirement figures, indicating a significant unmet demand for new homes in these areas. To help close the gap, we are introducing a new requirement that authorities with plans adopted under the old standard method must provide an extra year's worth of homes in their 5-year housing pipeline.

Question 8: Do you agree with our proposal to remove wording on national planning guidance in paragraph 77 of the current NPPF?

NO. The wording on counting past oversupply in the five- year housing land supply should be retained. Housing delivery over a Local Plan period comes in peaks and troughs. While housing requirements should not be a maximum figure, disregarding past oversupply within a local plan will undermine plan LED development.

It is imperative that LPAs that have adopted plans are not penalised by land supply requirements. To incentivise the speedy delivery of local plans and to avoid unplanned development in unsustainable locations, LPAs with recent local plans should continue to be given certainty over a five-year period. The amount of time and money dedicated to plan-making, as well as the useful input from interested parties, including the public, is put in jeopardy with the emerging proposals on five-year housing land supply. The current position gives far more certainty and allow places to be shaped in a meaning and consistent way

The proposed change may have the perverse incentive for local planning authorities to slow down early/over delivery because they may feel they will be punished later in the cycle when there are insufficient sites left to meet targets.

Main points of Government Response to Question 8

The government has concluded that the wording should be removed. This change is intended to simplify the wording of the National Planning Policy Framework and has no bearing on local authorities' ability to account for over-supply – this can continue

to be taken into account as it is currently. The government will continue to keep the matter of over-supply under review.

Question 9: Do you agree that all local planning authorities should be required to add a 5% buffer to their 5-year housing land supply calculations?

No. The proposed new standard method results in a very significant increase in housing need for most rural authorities. The consultation acknowledges that the results of this will be many authorities being unable to demonstrate a 5- year supply and thus the tilted balance of the NPPF will be engaged.

In the absence of any phased introduction of the proposed standard method, to apply a 5% buffer on top, will simply exacerbate the situation and lead to an increase in speculative applications and planning appeal.

The issue is not that local planning authorities do not allocate enough land for housing and jobs, it is the delivery which is the challenge and should be targeted.

Main points of Government Response to Questions 9 & 10

The government has concluded that the requirement to apply a 5% buffer should be re-introduced, reinstating the position that existed prior to December 2023. This 5% strikes the appropriate balance between ensuring housing land supply positions are responsive to market conditions, while avoiding significant extra burdens on local authorities.

The 10% buffer to be applied when confirming land supply positions through an Annual Position Statement or the adoption of a new plan is being removed, as we are removing the wording regarding confirming housing land supply through these means.

Question 14: Do you have any other suggestions relating to the proposals in this chapter?

YES. It is recognised that planning delays in some areas can account for delays in house building. This, however, is not the whole picture. If Government focusses solely on planning delays its strategy will fail.

Even setting aside land-banking and gaming the system by developers, Government also needs to address issues associated with the lack of capacity in the building industry, the lack of drinking water supplies, the lack of sewage infrastructure to serve the new houses, the lack of grid connections, sites locked up in nutrient

neutrality areas, developments mired in HRA assessments, developments where the lack of Habitat Banks means planning permission is stalled etc. These all sit outside the ability of the LPA to control but directly affect delivery and will prevent delivery of the houses no matter how many permissions are granted.

Main points of Government Response to Question 14

The government has reviewed the range of responses received to this question and has identified the above key points. These points have been considered throughout the response document, and there are no further proposed changes beyond those set out.

Question 15: Do you agree that Planning Practice Guidance should be amended to specify that the appropriate baseline for the standard method is housing stock rather than the latest household projections?

NO. We are confused by the affordability ratio which is applied to housing requirements. We understand the basic ratio of 4:1 to mean where house prices are 4x income. But it then goes on to say '*for every 1% above that 4:1 ratio*' there will be a further increase.

Does this mean that when the ratio hits 5:1 there will be another increase in housing requirement? We have seen two different assumptions from Planning Consultants.

One suggests that it implies a 100 per cent increase (i.e. house prices have gone from 400 per cent of earnings under 4:1, to 500 per cent of earnings under 5:1

The second suggest that the approach is to take 0.8% of the current housing stock of the area and an uplift is applied based on a three-year average of the median workplace -based affordability ratio, with an increase of 15% for every unit above 4.

We would welcome urgent clarification.

We do not support the whole premise of the proposed new approach that is based on housing stock. By failing to also take account of population and wider housing market conditions it provides housing requirement figures that are unrealistic and undeliverable.

We would propose that the Government provides a range of housing requirement numbers derived from two methodologies, that based on stock and that based on 2018 population projection numbers. Local authorities would be required to plan on the basis a number within this range, evidencing this with reference to deliverability.

Main points of Government Response to Question 15

We intend to introduce a new standard method that uses housing stock to set a baseline figure. The method will use 0.8% of existing stock as the baseline, in line with the proposals as consulted on

We are satisfied that stock data, based on the Census, and updated annually through new housing supply data collected by local authorities remains the most appropriate source for the purposes of the standard method. We are also satisfied that the stock baseline should not be adjusted to account for vacant and second homes, with local authorities having powers available to respond to locally specific concerns related to vacant and second homes.

We recognise that a stock baseline does not tell us where future housing demand is likely to be strongest which is why we then think it is appropriate to apply an uplifted adjustment to the baseline to account for housing affordability.

Question 16: Do you agree that using the workplace-based median house price to median earnings ratio, averaged over the most recent 3-year period for which data is available to adjust the standard method's baseline, is appropriate?

NO. Housing affordability ratios are biased towards increasing housing delivery in rural areas. They also do not reflect the range of stock in an area.

The RSN does support the use of workplace-based affordability ratios rather than residence-based.

Question 17: Do you agree that affordability is given an appropriate weighting within the proposed standard method?

The detail of how the weighting was derived is not published and therefore cannot have any counterfactuals to challenge this.

Providing more housing will not deliver more affordable housing

However, the additional weighting given to affordability factors is problematic. There is a clear issue of affordability in rural areas and that is not disputed. However, there is a significant disbalance between low wages and high housing costs that are unlikely to be addressed through a blunt mechanism such as increased housing targets without accompanying investment in affordable housing provision or the ability to increase the proportion of social housing delivered by schemes in an area with challenging viability.

It is a misleading notion that increasing supply at a district-wide level will have any significant impact on house prices. It is often evident that housebuilders retain supply rather than expedite building to maintain market value of properties. These actions reduce market availability and preserve high house prices. It is imperative that other measures are put in place to tackle the issue of affordability, rather than simply building more homes.

Main points of Government Response to Questions 16 & 17

Government will be making changes to the affordability multiplier consulted on, to make the method more responsive to affordability pressures.

First, we will increase the threshold from which the adjustment applies from where affordability is 4 (so where median house prices are 4 times median earnings) to 5.

Changing the threshold from which the affordability adjustment applies from 4 to 5 means some of the most affordable local authorities will no longer be subject to the affordability adjustment, and that the overall impact of the adjustment is reduced meaning overall numbers would fall. To ensure housing need remains at the level we consider appropriate, the second change we are making is to increase the scale of the affordability adjustment – instead of a multiplier of 0.6, we will set this at 0.95. The overall effect of these two changes is that housing need is reduced in more affordable areas and increased in areas where affordability issues are most acute, but overall remains around 370,000 nationally. We think this better reflects an approach that is based on directing housing to where it is most needed.

Third, we noted that the majority of respondents who commented on this matter agreed that using affordability averaged over 3 years would be preferable to using just the most recent years data point, with some respondents suggesting this could be extended over a longer time frame. We welcome the support for this proposal, and we intend to go further and extend this to a period of 5 years rather than 3.

The revised standard method results in increases in assessed housing need in London, South East and East of England. For all other regions, housing need falls when compared to the method consulted on. Alongside the government response, we have published indicative assessed local housing need figures for local authorities in England using the new standard method.

With regard to the affordability data used in the model we have decided that a workplace-based approach continues to remain most appropriate.

Question 18: Do you consider the standard method should factor in evidence on rental affordability? If so, do you have any suggestions for how this could be incorporated into the model?

YES. The affordability multiplier should be based on the relationship between local workplace-based incomes and house prices and rents, with a benchmark that no more than 33% of locally earned median incomes should be spent on rent and mortgage.

Main points of Government Response to Question 18

Government will not add a rent-related adjustment to the standard method.

Question 19: Do you have any additional comments on the proposed method for assessing housing needs?

The government should provide LPAs with a range of housing requirement numbers derived from two methodologies, that based on stock and that based on 2018 population projection numbers.

As part of the national standard methodology a component should be included that reduces the housing numbers in areas with nationally and internationally protected landscape, habitat, and ecological designation.

Where local authorities are facing an increase in housing numbers above 50%, provision should be made for back-loading the numbers, providing LPAs with time to identify a deliverable 5-year housing land supply.

Government should take action to force developers to build out sites for which they have planning permission.

Government should direct the resources it has identified to increase the capacity of LPAs to rural local authorities where staff teams are very small and the increase in housing numbers is significant. This could include making available at nil cost to the authority sophisticated land search tools.

Main points of Government Response to Question 19

The majority of the main issues and themes that were raised through this question were also captured through the consultation responses to the other questions on specific aspects of the proposed new method and other changes to planning policy for housing.

We have therefore responded to those key issues and themes elsewhere in the government response where they were raised in relation to other questions – in particular, Questions 1, 2, 15,16 and 17.

Question 39: To support the delivery of the golden rules, the Government is exploring a reduction in the scope of viability negotiation by setting out that such negotiation should not occur when land will transact above the benchmark land value. Do you have any views on this approach?

In principle we support a reduction in scope of viability negotiation. A reduction in negotiations will allow the communities greater opportunity in receiving the maximum benefits from the requirements provided via the golden rules.

Main points of Government Response to Question 39

The government believes that it is important to restrict access to viability assessment, to ensure that the viability system is not used to subvert government policy intent. The government will update planning practice viability guidance.

The government will not take forward now but is considering the treatment of benchmark land values as part of a review into the viability planning practice guidance in 2025.

Question 47: Do you agree with setting the expectation that local planning authorities should consider the particular needs of those who require Social Rent when undertaking needs assessments and setting policies on affordable housing requirements?

YES. This is a more affordable and long-term sustainable form of tenure. However, there needs to be recognition that this will require additional subsidy to deliver it.

The revisions to the NPPF that place greater weight on the provision of affordable housing and in particular social rented housing are welcome. Local Housing Needs assessments in rural communities consistently demonstrate the need for truly affordable rented housing. It is also the case that Affordable Rent tenure does not provide this because it is set in relation to market rents which are high in rural areas and are consequently unaffordable to rural residents as locally earned incomes in rural areas are low.

This could be expanded in the glossary definition of affordable housing to include the recommendations of the Affordable Housing Commission chaired by Lord Best that recommended that no household should pay more than 33% of their equivalised household income on housing costs. As rural locally earned incomes are lower than those in urban areas, and rural house prices and rents are significantly higher than urban areas outside London, this calculation should be based on lower figures.

Main points of Government Response to Question 47

Having considered the responses, government will make proposed changes to the National Planning Policy Framework to make clear that local planning authorities should consider the particular needs of those who require Social Rent when undertaking needs assessments and setting policies on affordable housing requirements.

Question 49: Do you agree with removing the minimum 25% First Homes requirement?

YES. There is a place for affordable home ownership products, but this should be determined locally with reference to local need, incomes, and affordability. Policies should prioritise Social Rent

Question 50: Do you have any other comments on retaining the option to deliver First Homes, including through exception sites?

First Homes Exception Site policy should be removed.

Main points of Government Response to Questions 48, 49 & 50

The government will proceed with our proposal to remove the prescriptive national requirements relating to affordable home ownership, giving greater control to local areas. This means that the requirement to deliver at least 10% of the total number of

homes on major sites as affordable home ownership, as well as the requirement that 25% of affordable housing units delivered through section 106 planning obligations should be First Homes, both no longer apply. The option to deliver First Homes both through section 106 planning obligations and exception sites will, however, remain in place.

We also acknowledge the view that support for people into home ownership should be available. The government is committed to offering such support, and we wish to emphasise that these changes are about local flexibility: in those areas where the need for affordable home ownership is most pressing, local planning authorities can continue to reflect this in their affordable housing requirements.

Question 51: Do you agree with introducing a policy to promote developments that have a mix of tenures and types?

YES. The proposal for mixed tenure sites, helpfully assists LPAs to secure developments that respond to a range of needs that exist in their areas. In rural communities this could include a higher proportion of affordable housing than could be delivered through market led developments, a higher percentage of social rented housing and homes for older residents needing to downsize or move into adapted accommodation.

However, the successful implementation of this policy will require that Homes England is able to provide grant funding for these sites, even though they may include an element of affordable housing. Currently Homes England cannot fund affordable housing provided through S106 contributions on market sites.

Main points of Government Response to Question 51

The government has concluded that a policy promoting developments with a mix of tenures and types should be introduced. We have therefore strengthened the National Planning Policy Framework to encourage the delivery of mixed tenure developments. We intend to reinforce this with further measures in the new year, including setting a site size threshold above which sites must deliver a mix of tenures.

Question 52: What would be the most appropriate way to promote high percentage Social Rent/affordable housing developments?

- Local Plans should set separate targets for social rented and affordable rented housing that reflect evidence of local housing need. These should be translated into policy as the proportion of these tenures that will be required from affordable housing contributions on market sites. Given low locally earned incomes and high house prices in rural areas, LPAs should set different targets and contributions for their rural communities.

- Vary tenures within a developer-led site – retain the overall number of affordable homes but provide social rent homes by increasing the number of intermediate homes such as Shared Ownership.
- Review the rent calculation for social rent to enable Registered Providers to offer developers more for the homes, thus aiding development viability and prompting the delivery of social rent.
- All LPAs should be able to take affordable housing contributions, including for social rent from sites of less than 10 dwellings in rural parishes with populations of 3,000 or fewer.
- LPAs should be required and supported to take a more positive and proactive approach to delivering rural exception sites by the introduction of a bespoke RES Permission in Principle (Aka – RES Planning Passport) and a RES National Development Management Policy.
- Key to LPAs being able to deliver more social and affordable housing will be the provision of national government capital grant subsidy through Homes England. Two measures will be crucial:
 - A rural multiplier for small rural exception sites in response to the already higher costs of developing these sites as a consequence of inability to achieve economies of scale, rurality and remoteness.
 - Homes England capital grant funding to fill any viability gap on smaller S106 sites that provide high levels of social rented housing or where for viability reasons developers, including RPs, seek to change social rented housing to affordable rent or shared ownership or discounted market sale housing.

Main points of Government Response to Questions 52 & 53

In recognition of the calls to give clearer priority to social rent, the government is amending the definition of affordable housing in the glossary to the National Planning Policy Framework, as set out in response to Question 57. We will consider what further steps we can take to support social and affordable housing as part of our intent to produce a set of national policies for decision making in 2025.

Question 54: What measures should we consider to better support and increase rural affordable housing?

It is disappointing in the extreme that no suggestions have been put forward by the department given all the submissions made over the years by the RSN and other rural interest groups. Overall, some of the proposed changes are helpful, but it is disappointing that so little attention is given in the NPPF to achieving sustainable development in rural communities. Whilst some of this is down to lack of rural specific content, it is also as a result of unintended consequences that arise from not taking into account the circumstances of rural areas.

There is a clear need for a comprehensive rural housing strategy rather than trying to ‘tweak’ an urban base policy to address the different rural issues.

- The provision in the NPPF that “where a need for affordable housing is identified, planning policy should specify the type of affording housing required [including the minimum proportion of social homes required] and expect it to be met on site (with two exceptions) is welcomed.
- The wording around the proportion of market homes on rural exception sites could also possibly be reviewed so that it is clearer that any such provision should be subsidiary to the provision of new affordable homes.
- Affordable housing needs to not only be affordable to rent or buy, but affordable to run, and affordable to provide quality of life. Thus, housing needs to be well constructed and insulated, with minimised running costs, with good access to daily necessities. This is best enabled by a plan led system, which takes time and energy, not rapidly imposed housing numbers which will enable a rash of speculative and ill thought out applications.
- Set clear benchmark land values for land prices for Rural Exception sites. Allow LAs to CPO small sites (max 25 units) on the edge of or well related to existing settlements giving landowners a BLV above agricultural use but with no ‘hope value’ addition.
- **Local Planning Authorities should be permitted to determine that the proportion of the totally assessed local housing need that is generated by the ‘Affordability Criteria’ should be allocated only to homes that are truly affordable (but to include affordable home ownership products) to those household on local rural level wages/salaries.**
- Homes England needs to introduce a national rural housing target. Only soft rural targets apply at present based on regional level.
- It is considered by several of our members that the Vacant Building Credit particularly disadvantages rural areas. This policy allows a developer to subtract the floor area of any vacant buildings on the site from the affordable housing requirement, meaning that any affordable housing is effectively extinguished from the outset. This policy automatically assumes that any such brownfield land is low in value. In rural areas this may not be the case and some of our members report that they have seen some developments locally where very high value sites have immediately escaped any affordable housing provision due to having buildings upon them.
- Site thresholds is another area that needs addressing. While the NPPF does identify the ability for designated rural areas to set a threshold of five or fewer this designation isn't automatic and in fact relates to S157 of the Housing Act and must be applied for through the Secretary of State. As we have argued many times the ability to set a threshold of five or fewer should automatically apply to all rural communities with populations less than 3,000. Site thresholds should be set by each LPA.
- Rural areas have significant elderly populations, and many elderly households have a desire to move into more manageable bungalow style homes freeing

up their larger family homes. They do not want to move away from the area having spent time and energy establishing social groups and support within the community. Provision Needs to be made within the NPPF to encourage developments of this kind.

- We welcome the continuation of the policy specifying that “local planning authorities should support the development of exception sites or community led development on sites that would not otherwise be suitable as rural exception sites.”
- We also welcome the acknowledgement that “to promote sustainable development in rural areas, housing should be allocated where it will enhance or maintain the vitality of rural communities. Planning policy should identify opportunities for villages to grow and thrive, especially where this will support local services. However, in the rural context it will remain important That existing communities are not ‘swamped’ by large scale development, - especially those for market housing which will not meet the identified local housing need.
- Other measures could be:
 - Incentivising apprenticeships to ensure there is a skilled workforce to deliver the new homes required
 - Extend the new RTB flexibilities beyond the 2-year period

Main points of Government Response to Question 54

The government is aware of higher costs of delivery in rural areas, and we want to see more affordable housing in these areas as part of our ambition to deliver the biggest increase in social and affordable housebuilding in a generation.

We recognise the strong support that was given to rural exception sites and the potential for encouraging them to be brought forward in greater numbers.

We are committed to improving the quality of life for people living and working in rural areas. We intend to give further consideration to how policy can better promote rural affordable housing and wider exceptions site policy as part of our work to produce a set of national policies for decision making in 2025.

Question 57: Do you have views on whether the definition of ‘affordable housing for rent’ in the Framework glossary should be amended? If so, what changes would you recommend?

In rural communities, especially ones that are under considerable market-led development pressure, there is a well understood need to create additional housing for those whose housing needs are not being served by either the private sale or rental market.

The definitions of ‘affordable housing’, ‘social housing’, ‘local needs housing’ etc. used in relation to this can be very important for these communities and are often the

‘make or break’ issue over the way in which a proposed development is received. However, they are distinctly different products and vary in the extent to which they are affordable to rural residents dependent on locally earned incomes, which are lower than for their urban counterparts. Of particular concern is Affordable Rent, which charged up to 80% of market rents is often unaffordable to these households.

We believe that Government should adopt, as a central plank of housing policy, the recommendation of Lord Best’s Affordable Housing Commission that no household should have to use more than 33% of its net income to meet its housing needs.

We believe the NPPF glossary definition of affordable housing should be changed by:

- setting the principle of what is affordable using the definition recommended by the Affordable Housing Commission
- followed by distinct definitions of each different form of affordable housing tenures that can meet this affordability principle
- supporting a greater diversity of providers of affordable housing, without compromising the need for fair, transparent and high-quality management and maintenance of affordable rented properties.

Main points of Government Response to Question 57

Informed by the points raised in the consultation, we will actively explore options in future changes to national policy related to decision making.

The government recognises the concerns raised by many respondents about the definition of affordable housing. We are committed to building a greater share of genuinely affordable homes, and to prioritising the building of new Social Rent homes in particular.

In that context, the government has concluded that is no longer appropriate that the definition of affordable housing in national planning policy should refer to Social Rent as just one of a number of types of affordable housing for rent. Instead, as specifically proposed by a number of respondents to the consultation, it is right that Social Rent should be defined separately. We have amended the definition in the National Planning Policy Framework glossary accordingly.

Question 58: Do you have views on why insufficient small sites are being allocated, and on ways in which the small site policy in the NPPF should be strengthened?

- The site allocation process is complex and time consuming. Rural LPAs have limited staff capacity and focus their efforts on identifying sites that will deliver high housing numbers, in order that they can meet their Housing Delivery Targets.

- Staff and financial resources will be needed to make this requirement achievable. It would also be helpful to have confirmation of the ability for local plans to delegate identification of smaller sites to neighbourhood Plans. This will help in large and complex authority areas and also increase local say over how growth is planned for. However, it may require additional technical and financial support for NDP groups.
- The requirement for allocating multiple sites is also burdened by a double requirement for modelling environmental impact, both through the allocation process and SEA (which rests with the LPA and with the applicant when the land is brought to application. This evidential burden of comparative analysis of different sites is onerous in terms of finance, resource – wasteful, because the LPA and developers duplicate the same work. It is suggested that any process to reduce this burden could employ a model like permission in principle or a passporting system to reduce waste, but this must be cost recoverable for the LPA.
- It is noted that there is currently no detail provided by the consultation on what an authority-specific small-site strategy would cover. A proposal that would provide the mechanisms needed to give small and medium enterprises access to a range of small sites through a series of annually renewing small site reviews should be considered.
- There has been a loss of SME builders who would be interested in developing these sites and they are too small for major developers to consider. LPAs may then consider that these sites do not meet the deliverability criteria in the allocation process (as set out in NPPG) and therefore do not allocate.
- The small site policy in the NPPF could be strengthened to allow all LPAs to seek affordable housing contributions from sites of 9 dwellings or less in their parishes with populations of 3,000 or fewer. The presence of affordable housing on these sites provides SME builders with the reassurance that there will be an income from the sale of these homes to a RP. This supports their cash-flow, making developing these schemes a more viable proposition for the developer and more deliverable from the LPA stance.
- Introduce more proportionality into the requirements to meet Nitrate and Phosphate Neutrality mitigation and Biodiversity Net Gain requirements. The small size of these developments means it is difficult to achieve economies of scale so any additional requirements above affordable housing contributions can make schemes unviable. There is evidence that requirements to provide Nitrate and Phosphate Neutrality mitigation and meet the Biodiversity Net Gain requirements is stopping SME builders develop these sites.
- Clarify and give greater emphasis in the NPPF – para 58 and NPPG that ALL the planning obligations tests should inform the decision to seek planning obligations. The third is that the obligation is fairly and reasonably related to the scale and kind of development. Too often this latter test is not applied.

Main points of Government Response to Question 58

In recognition of the strong feedback about burdens on local planning authorities, the government will not make 10% small site allocation in local plans mandatory. Local planning authorities are already expected to allocate 10% to small sites in local plans unless they can provide a strong explanation for why this is not possible.

Supporting small to medium sized housebuilders to grow is a crucial part of the government's strategy, and we are strengthening the wording in the National Planning Policy Framework to make the importance of allocating small sites to small to medium sized housebuilders clear. We intend to give further consideration to how policy can better support small site development as part of our work to produce a set of national policies for decision making in 2025.

Question 89: Do you agree with the proposal to increase householder application fees to meet cost recovery?

YES

Main points of Government Response to Questions 89, 90 & 91

Taking into account the responses received, the proposed fee level of £528 is considered to be set at the right level for householder development for the enlargement, improvement or alteration of a single dwellinghouse. We consider that the existing fee of £258 remains appropriate for small-scale operations within the curtilage of a dwellinghouse, such as the construction of gates or fences. We intend to keep the existing fee exemptions and concessions, including those relating to domestic accommodation for disabled people.

The government intends to bring forward regulations to implement the increase of householder application fees at the earliest opportunity, subject to Parliamentary procedures. The increase in householder fees will provide local authorities with more income, which we would expect to result in an improved performance in the determination of these applications.

Question 94: Do you consider that each local planning authority should be able to set its own (non-profit making) planning application fee? Please give your reasons in the text box below.

YES.

Question 95: What would be your preferred model for localisation of planning fees?

Full Localisation – Placing a mandatory duty on all local planning authorities to set their own fee.

Local Variation – Maintain a nationally-set default fee and giving local planning authorities the option to set all or some fees locally.

Neither

Don't Know

Please give your reasons in the text box below.

Main points of Government Response to Questions 94 & 95

The government intends to take forward measures in the proposed Planning and Infrastructure Bill to introduce a power for local planning authorities to be able to vary or set their own fees. The government intends to pursue a model that would enable local variation from a national default fee. In varying or setting their own fees, local authorities will not be able to set fees above costs. The government will provide guidance on fee setting, including what costs can be recovered. Where local planning authorities set their own fees, or vary from a national fee, they will have to consult and publish their schedule of fees. The Secretary of State will have the power to intervene where it is considered fees are excessive or unjustified. The government will continue to monitor the performance of local planning authorities. These measures are all subject to Parliamentary procedures.

The detail of fee localisation will be set out in affirmative regulations and supported by guidance. We will also undertake a benchmarking exercise to establish a robust baseline for full cost recovery of fees and to inform a national default fee. We will consult further on the details of local fee setting model and the benchmarking of costs in due course.

Question 96: Do you consider that planning fees should be increased, beyond cost recovery, for planning applications services, to fund wider planning services?

YES

Main points of Government Response to Questions 96 & 97

It is not proposed that planning fees are increased beyond cost-recovery of the planning applications (development management) service to fund wider planning services at this time. However, the government will continue to investigate ways to better resource other areas of planning, such as statutory consultees, to enhance the resilience of the planning system.

Question 98: Do you consider that cost recovery for relevant services provided by local authorities in relation to applications for development consent orders under the Planning Act 2008, payable by applicants, should be introduced?

YES

Main points of Government Response to Questions 98 & 99

The government proposes to develop secondary legislation to enable cost recovery for relevant services provided by local authorities in relation to applications/ proposed applications for development consent under the Planning Act 2008

Question 104: Do you agree with the proposed transitional arrangements?

NO

It is important to understand and manage a likely unintended consequence of introducing the proposals as currently drafted. To provide the opportunity for Councils to ensure that development is appropriate, we strongly recommend that a transition period is introduced whereby LPAs are given time to plan for increased housing needs without being exposed to the “presumption in favour of sustainable development”.

Main points of Government Response to Questions 103 & 104

The government’s proposed transitional arrangement for local plans seek to maintain the progress of plans at more advanced stages of preparation, while maximising proactive planning for the homes our communities need.

We had considered a 200 dwellings per annum threshold struck the right balance between allowing plans to continue or requiring them to be reworked to meet the government’s housing aspirations. However, given the strength of support for a percentage-based threshold we have decided to take this forward, to enable a more nuanced and locally specific application of the threshold. In order to strike a similar balance to the previous 200dpa threshold in terms of which plans continue and which need to be revised we have decided that for plans at Regulation 19, if the draft housing requirement meets less than 80% of local housing need, authorities will be required to update their plan to reflect the revised local housing need figure and the revised National Planning Policy Framework prior to submission. For authorities with plans at examination, where the draft housing requirement meets less than 80% of local housing need the authority will be expected to begin a plan in the new plan-making system as soon as it is brought into force in 2025.

We will also make some changes to the proposed timings. Firstly, the changes to the National Planning Policy Framework for plan-making will take effect 3 months after the National Planning Policy Framework is published, with the exceptions as set out in the transitional arrangements. In addition, where plans at reg 19 need to be revised to account for the revised National Planning Policy Framework and local housing need, the expectation for plans to be submitted in 18 months will be extended to December 2026 where LPAs have to do significant additional work (defined as returning to the regulation 18 consultation).



To ensure that local authorities are supported to implement the changes in the National Planning Policy Framework, the government has announced funding to support local plan delivery. This will provide a direct financial contribution to local authorities that are at an advanced stage of the local plan making process (Regulation 19 stage), and that will need to revise their draft plans to accommodate the increase in their Local Housing Need figures as a result of changes in the revised National Planning Policy Framework. Local authorities that meet our eligibility criteria will be able to submit an Expression of Interest (EoI) to receive a share of this funding.

To help limit any disruption to neighbourhood plans at an advanced stage, we will set out that neighbourhood plans which have been submitted for examination by the National Planning Policy Framework implementation date will be examined against the current version of the National Planning Policy Framework.