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Planning for housing

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Summary

Under the last Labour Government, housing requirements were calculated at a national level and targets were set for each regional planning authority. The regional planning authority would then divide that target between each local planning authority (LPA). Each LPA would then have to set aside enough land to satisfy that target. The Coalition Government abolished nationally set housing targets and regional planning bodies under provisions introduced under the Localism Act 2011.

Despite the abolition of national targets, LPAs are encouraged to calculate their own housing figures and set aside enough land to satisfy housing demand. Although not mandatory, LPAs are encouraged by Government to have a Local Plan adopted, following examination by a planning inspector, which sets out housing need in the particular area. The Government does not want to lay down in detail the method of calculating housing need. The estimate, however, needs to be based upon robust evidence in order to be approved by the planning inspector. National planning policy is set out in the Government's [National Planning Policy Framework](#) (NPPF), published in March 2012. The NPPF gives some broad guidance to local authorities about calculating supply of housing. Further detail is also now given in the web-based [Planning Practice Guidance](#).

It is generally accepted that not enough new homes are being built to meet growing need. February 2015 [housing projections](#) indicated that 220,000 additional households will be formed each year up to 2022. This exceeds the number of homes built in recently by a considerable margin – in the 12 months ending September 2014, 117,070 houses were completed.

The House of Commons [Communities and Local Government Committee](#) has raised concerns, alongside others, that NPPF provisions relating to the viability of housing land are “leading to inappropriate development.” There is mixed reaction from planning professionals as to whether the provisions in the NPPF are working successfully to boost housing supply.

The Government aims to increase housing supply and access to home ownership. A number of policies to boost housing supply were set out in the [Conservative Party 2015 Manifesto](#) and have now become part of the [Housing and Planning Act 2016](#), including provision to allow an element of housing to be consented as part of the nationally significant infrastructure project process. The Queen's Speech on 18 May 2016 announced a [Neighbourhood Planning and Infrastructure Bill 2016-17](#). The purpose of the Bill was described in the [Government's background briefing notes](#) as being to:

- Support the Government's ambition to deliver one million new homes, whilst protecting those areas that we value most including the Green Belt.
- Deliver the homes and infrastructure that this country needs.
- Transform the way we plan for major infrastructure projects in this country.

Non planning related policies to incentivise house building are outside the scope of this note, but are set out in Library briefing paper [Stimulating housing supply - Government initiatives](#).

Related Library briefing papers are also available on [Neighbourhood Planning](#) and [Green Belt](#).

This paper applies to England only. For an overview of the planning system in the other UK countries see the joint Library briefing paper [Comparison of the planning systems in the four UK countries: 2016 update](#).

1. Abolition of national housing targets

Under the last Labour Government, housing requirements were calculated at a national level and targets were set for each regional planning authority. The regional planning authority would then divide that target between each local planning authority. Each local planning authority (LPA) in England would then have to set aside enough land to satisfy that target. The LPA would make a development plan, which would make provision for land to be available to build a certain number of houses. Once land had been zoned for housing in that way, individual planning applications were more likely to be approved.

The [Coalition Agreement](#) of May 2010 said that the Coalition Government would “rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils.”¹ On 6 July 2010 a [written statement](#) to the House announced that regional spatial strategies would be revoked.² The *Localism Act 2011* provided for the abolition of regional strategies in a two-stage process. The first stage, to remove the regional planning framework and prevent further strategies from being created, took effect when the *Localism Act* received Royal Assent on 15 November 2011. The second stage was to abolish each existing regional strategies by secondary legislation.³

Legal challenges initially delayed the revocation and the abolition of regional spatial strategies, but the process was completed, as of 20 May 2013 when the final Order abolishing the last regional spatial strategy took effect. Some individual policies from certain regional spatial strategies remain. Further details about what remains for each strategy is published by the UK Government in a “Post Adoption Statement” for each region.

Nationally set housing targets have been abolished, but local planning authorities are strongly encouraged to calculate their own housing figures and to set aside enough land to meet demand.

¹ Cabinet Office, [The Coalition: our programme for Government](#), May 2010, p11

² HC Deb 6 July 2010 [cc4-5WS](#)

³ HL Deb 25 July 2012 [cWS66-8](#)

2. Calculating housing supply

Despite the abolition of housing targets local planning authorities still have to set aside enough land to satisfy housing demand. Local planning authorities need to have a Local Plan, which can include a core strategy, adopted by a planning inspector which sets out housing need in the particular area. The Government does not want to lay down in detail the method of calculating housing need. The estimate, however, needs to be based upon evidence in order to be approved by the planning inspector.

The Government does not set out an exact method of how to calculate future housing requirements.

On 27 February 2015 the Government published its [2012-based household projections in England, 2012 to 2037](#). The NPPF requires that assessment of future housing requirements in local plans should have regard to current and future demographic trends and profiles and take into account evidence, including the Government's latest published household projections. The household projections therefore provide an important part of the evidence base for the assessment of future requirements for housing.⁴ The Government's Planning Practice Guidance (PPG) sets out further updates of these projections and how housing assessments should take account of this:

Housing requirement calculations need to be based on robust evidence.

The Government's official population and household projections are generally updated every two years to take account of the latest demographic trends. The most recent published Household Projections update the 2011-based interim projections to be consistent with the Office for National Statistics population projections. Further analysis of household formation rates as revealed by the 2011 Census will continue during 2015.

Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.⁵

On 25 May 2016 the Office for National Statistics published its [Subnational population projections for England: 2014-based projections](#). These projections provide the base for household projections. The projections indicate that:

All regions of England are projected to see an increase in their population size over the next decade, with London, the East of England and South East projected to grow faster than the country as a whole. The population is also ageing with all regions seeing a faster growth in those aged 65 and over than in younger age groups.⁶

⁴ Department for Communities and Local Government, [Household interim projections \(2011 to 2021\) in England](#), 9 April 2013, page 20

⁵ National Planning Practice Guidance, [Housing and economic development needs assessments](#), Paragraph: 016 Reference ID: 2a-016-20150227, Revision date 27 February 2015

⁶ Office for National Statistics, [Subnational population projections for England: 2014-based projections](#), 25 May 2016

At no point does the NPPF state that local authorities must use these National Statistics figures on which to base their housing need calculations, although many local authorities do base their housing numbers on these figures. Some local authorities have used these and Office for National Statistics figures as a starting point, but then invested in their own reviews and evidence to modify these numbers. See for example, [Cheltenham Borough Council, Independent review makes recommendations for the Joint Core Strategy about trends in household size](#), 17 January 2013 and [Swindon Core Strategy: Economic Testing A Final Report by Regeneris Consulting](#), September 2012.

For further information about using different figures, assumptions and methodology see the Local Government Association guidance, [Ten key principles for owning your housing number finding your objectively assessed needs](#), July 2013 and Cambridge Centre for Housing and Planning Research, [Choice of Assumptions in Forecasting Housing Requirements Methodological Notes](#), March 2013.

2.1 The National Planning Policy Framework

The [National Planning Policy Framework](#) (NPPF) is the Government's official planning guidance, published in March 2012. Planning policies and applications have to be determined in accordance with the NPPF "unless material considerations indicate otherwise".⁷ The NPPF gives some broad guidance to local authorities about calculating housing requirements. It stipulates that more land should be zoned for housing than was required under previous guidance. An extra 5% buffer is required "to ensure choice and competition in the market for land", this should be increased to 20% in some circumstances:

47. To boost significantly the supply of housing, local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;
- identify and update annually a supply of specific deliverable^[8] sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic

⁷ *Planning and Compulsory Purchase Act 2004* s.38(6)

⁸ NPPF definition: To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

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- prospect of achieving the planned supply and to ensure choice and competition in the market for land;
- identify a supply of specific, developable^[9] sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;
- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and
- set out their own approach to housing density to reflect local circumstances.

In June 2012, two local authorities were required to provide a full 20% buffer. Wigan Metropolitan Borough had to withdraw from the examination of its core strategy. Hull City Council asked for a six month suspension of examination of its core strategy.¹⁰

Paragraph 50 of the NPPF sets out the range of homes and housing mix which should be supplied:

50. To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

The NPPF also encourages local authorities to bring back empty houses and building into use:

51. Local planning authorities should identify and bring back into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase powers. They should normally approve planning applications for change to residential use and any associated development from commercial

⁹ NPPF definition: To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

¹⁰ "Two councils hit core strategy trouble" [Planning](#), 15 June 2012

buildings (currently in the B use classes) where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate.

A later section in the NPPF directs that local planning authorities should have “a clear understanding of housing needs in their area” and should prepare a Strategic Housing Market Assessment and a Strategic Housing Land Availability Assessment:

Local planning authorities should have a clear understanding of housing needs in their area. They should:

- prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
 - meets household and population projections, taking account of migration and demographic change;
 - addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
 - caters for housing demand and the scale of housing supply necessary to meet this demand;
- prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.¹¹

In December 2014 the Planning Minister, Brandon Lewis, wrote to the Chief Executive at the Planning Inspectorate about strategic housing market assessments. This letter set out the relationship between housing figures produced as part of a Strategic Housing Market Assessment and those in a Local Plan:

However, the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidate housing numbers in existing Local Plans.

Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement. They also need to consider whether there are opportunities to co-operate with neighbouring planning authorities to meet needs across housing market areas. Only after these considerations are complete will the council’s approach be tested at examination by an Inspector. Clearly each council will need to work through this process to take account of particular

¹¹ Department for Communities and Local Government, [National Planning Policy Framework](#), March 2012, para 159

local circumstances in responding to Strategic Housing Market Assessments.¹²

2.2 The duty to cooperate

The *Localism Act 2011* also introduced a legal “duty to co-operate” on local planning authorities in preparing plans that relate to “strategic matters” (including housing) that would have a significant impact on at least two planning areas. Once the plan is made it must pass independent examination by a Planning Inspector. This examination now includes an assessment of whether the planning authority has complied with the legal duty to cooperate – the planning inspector will look for evidence that the different relevant bodies have worked together. If the inspector is not satisfied that the local authorities have cooperated as necessary, their plan will not pass the examination stage. The inspector will recommend that the Local Plan is not adopted if the duty has not been complied with and the examination will not proceed any further.¹³ Guidance about the duty is contained in the NPPF and guidance in the [PPG](#).

An article in the *Guardian* reported that Councils in Hertfordshire had experienced problems with the duty to cooperate and agreeing housing numbers:

Stevenage contends that the other nine district councils in Hertfordshire are lowering their housing targets. They claim that this will lead to a short-fall of 50,000 homes by 2033. One of these councils is Liberal Democrat-controlled Three Rivers, which reduced its house-building targets from 5,000 to 4,500. Despite this, their core strategy was approved by the planning inspector at the end of 2011.

The duty to co-operate is flawed, because local politics breeds different – sometimes conflicting – local visions for everything from employment to housing. Without a regional level of oversight to knock heads together, more councils could become locked into long disputes over housing and as a result, new homes will take longer to deliver.

The Hertfordshire councils are currently working on a memo of understanding over the duty to cooperate; the result may give us a clue as to whether the policy will survive at all.¹⁴

Some planning authorities have experienced problems meeting the duty to cooperate.

In the HM Treasury’s July 2015 Productivity Plan, [Fixing the foundations: Creating a more prosperous nation](#) the Government said that it would “strengthen guidance to improve the operation of the duty to cooperate on key housing and planning issues, to ensure that housing and infrastructure needs are identified and planned for.”¹⁵

¹² Letter from Brandon Lewis to the Chief Executive at the Planning Inspectorate about [strategic housing market assessments](#), 19 December 2014

¹³ National Planning Practice Guidance, [Duty to cooperate](#), Paragraph: 002Reference ID: 9-002-20140306 [on 2 June 2015]

¹⁴ “True localism or selfish politics? Why the duty to cooperate is failing” [The Guardian](#), 28 January 2013

¹⁵ HM Treasury, [Fixing the foundations: Creating a more prosperous nation](#), July 2015, para 9.11

2.3 National Planning Practice Guidance

In March 2014 the Government launched its web-based [Planning Practice Guidance](#) (PPG). One of the aims of the guidance is to give more information to planners about how the policies from the NPPF should be applied and interpreted. The section of the PPG on [Housing and economic development needs assessments](#) provides local authorities with more guidance on defining housing needs and housing market areas, choosing a methodology to use, assessing housing market need, which trends and market signals should be used, and how to calculate need for affordable housing.

The former Government amended this part of the PPG in October 2014, aiming to clarify the relationship between housing figures and green belt boundaries:

Do housing and economic needs override constraints on the use of land, such as Green Belt?

The National Planning Policy Framework should be read as a whole: need alone is not the only factor to be considered when drawing up a Local Plan.

The Framework is clear that local planning authorities should, through their Local Plans, meet objectively assessed needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole, or specific policies in the Framework indicate development should be restricted. Such policies include those relating to sites protected under the Birds and Habitats Directives, and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park or the Broads; designated heritage assets; and locations at risk of flooding or coastal erosion.

The Framework makes clear that, once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan. (Paragraph: 044 Reference ID:3-044-20141006)

Do local planning authorities have to meet in full housing needs identified in needs assessments?

Local authorities should prepare a Strategic Housing Market Assessment to assess their full housing needs.

However, assessing need is just the first stage in developing a Local Plan. Once need has been assessed, the local planning authority should prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period, and in so doing take account of any constraints such as Green Belt, which indicate that development should be restricted and which may restrain the ability of an authority to meet its need. (Paragraph: 045 Reference ID:3-045-20141006)¹⁶

¹⁶ National Planning Practice Guidance, [Housing and economic land availability assessment](#), updated 6 October 2014

2.4 Gallagher Homes case and Regional Spatial Strategy figures

In April 2014 the High Court, in the case of Gallagher Homes Ltd,¹⁷ upheld a judicial review by Gallagher Homes that Solihull Metropolitan District Council had failed to take into account policy changes introduced by the National Planning Policy Framework in calculating its housing supply. The Council had used figures from the now revoked regional spatial strategy figures for the area, from 2009, and argued that there had been no significant change in demographic trend since then. Gallagher homes argued that this housing supply figure was not supported by a figure for objectively assessed housing need. The judge said “extreme caution” should be taken when using housing data from the former regional spatial strategies:

Where housing data survive from an earlier regional strategy exercise, they can of course be used in the exercise of making a local plan now – paragraph 218 of the NPPF makes that clear – but where, as in this case, the plan-maker uses a policy on figure from an earlier regional strategy, even as a starting point, he can only do so with extreme caution – because of the radical policy change in respect of housing provision effected by the NPPF.¹⁸

Following this judgement planning and house building commentators in *Planning* magazine have speculated about whether this will mean that any local plan which is based on regional spatial strategy figures will now be open to challenge if it is not also supported by an objective housing market assessment. There was also speculation that local authorities with plans adopted after the NPPF was published in March 2012, but which were supported by regional spatial strategy figures could also now be vulnerable to challenge.¹⁹

The high court has ruled that “extreme caution” should be used when using housing data from former regional spatial strategies.

2.5 Accounting for shortfall: Liverpool and Sedgefield methods

The NPPF directs that the housing supply calculation should be updated annually. There have previously been two different methods for how historic shortfall of housing should be put compensated for in a local plan. The differences come in the time period over which the shortfall should be spread.

The Department for Communities and Local Government research document, [Land Supply Assessment Checks](#), May 2009 uses case studies from Liverpool and Sedgefield about how these authorities calculated housing figures in their (now abolished) regional spatial strategies. In particular it highlights Liverpool and Sedgefield as being “good examples” for calculating historic undersupply of housing in a “clear and transparent manner”.

Local planning authorities need to account for any previous under-supply of housing.

¹⁷ [Gallagher Homes Ltd & Another v Solihull Metropolitan Borough Council](#) [2014] EWHC 1283 (Admin) (30 April 2014)

¹⁸ Ibid, para 98

¹⁹ “Local plan ruling ‘a warning’” [Planning](#), 9 May 2014

The **Sedgefield** method of calculating land supply involves adding any shortfall of housing in the local plan from previous years over the next five years of the plan period, whereas the **Liverpool** method spreads the shortfall over the whole remaining plan period.

An article from the specialist publication, Planning highlighted that the Sedgefield method is currently used most often by Planning Inspectors at appeal:

Experts says there has been a shift towards the Sedgefield method, shown in appeal decisions, since the NPPF. Savills director Chris Rees says: "This ensures the current housing shortfall is made up quickly, and not simply averaged out over a much longer time frame."

Barton Willmore senior partner Ian Tant says: "A lot of councils recognise that housing need cannot wait until 2026."

But the Sedgefield method is not always upheld, as an appeal decision in January on a 91-home scheme in Groby, Leicestershire, shows.²⁰

The PPG now gives the following guidance on how to deal with historic under-supply of housing:

How should local planning authorities deal with past under-supply?

The approach to identifying a record of persistent under delivery of housing involves questions of judgment for the decision maker in order to determine whether or not a particular degree of under delivery of housing triggers the requirement to bring forward an additional supply of housing.

The factors behind persistent under delivery may vary from place to place and, therefore, there can be no universally applicable test or definition of the term. It is legitimate to consider a range of issues, such as the effect of imposed housing moratoriums and the delivery rate before and after any such moratoriums.

The assessment of a local delivery record is likely to be more robust if a longer term view is taken, since this is likely to take account of the peaks and troughs of the housing market cycle.

Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the '[Duty to Cooperate](#)'.

Revision date: 06 03 2014²¹

²⁰ "The struggle for sites" [Planning](#), 31 May 2013

²¹ National Planning Practice Guidance, [Housing and economic land availability assessment](#), Paragraph: 035Reference ID: 3-035-20140306 [on 2 June 2015]

3. The presumption in favour of sustainable development

The NPPF introduced a “presumption in favour of sustainable development”. This means that where any local plan is absent, silent or relevant policies are out-of-date, planning permission for development will normally be granted, unless:

- any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
- specific policies in [the] Framework indicate development should be restricted.

An up-to-date adopted local plan is therefore important for local planning authorities wishing to control where development should go.

When the draft NPPF was published the then [Government said](#) it was a “myth” that the presumption would mean that every planning application would have to be granted and that green spaces would not be protected. The document also said it was myth that communities would not be able to protect green spaces or countryside:

Myth: Communities won’t be able to protect green spaces or countryside

Fact: Not true. Green Belt, Areas of Outstanding Natural Beauty and other designated land will retain the protections they enjoy today. In addition communities will be given a new power to protect locally important green spaces which are a vital part of residents’ quality of life.

Rather than imposing targets or blueprints from above, this Government is changing things so local people and their councils decide for themselves where to locate development and how they want their local area to grow. Development will need to be sustainable and not in breach of the framework’s environmental protections.²²

The presumption in favour of sustainable development comes into play where local plans are absent or relevant policies are out of date.

3.1 Concern about unplanned development

A 2014 research report by [Savills](#) indicated that councils without a 5 year supply of housing were more vulnerable to housing development being granted at appeal by a planning inspector:

Of the 103 most significant planning appeal decisions issued since the NPPF came into effect, 69 were allowed. In 63 of these cases, a deficit in five year supply was a material factor in the decision.²³

A December 2014 report by the National Trust, [Positive Planning: the NPPF and plan-led development](#), suggested that housing developers had been “gaming” the planning system to get new housing estates built on greenfield sites even though local authorities had never intended for them to be built on. It explained that because local authorities which

²² Department for Communities and Local Government, [National Planning Policy Framework: Myth-Buster](#), 8 September 2011

²³ Savills, [Countdown to the election](#), Spring 2014, p5

hadn't earmarked suitable land to meet housing demand over the next five years had to adopt a "presumption in favour" of approving applications for planning permission, that this had "opened the door to challenges from streetwise developers, undermining the local planning process and bypassing local opinion." A press release said that "the problem has been intensified by the NPPF requirement for councils to clear any housing backlog within five years."²⁴

A House of Commons Communities and Local Government Committee report, [Operation of the National Planning Policy Framework](#), 16 December 2014, found that provisions in the NPPF relating to the viability of housing land were "leading to inappropriate development".²⁵ It recommended that the Government work with local government and the house building industry to revise its guidance on strategic housing market assessments and produce an agreed methodology. Inspectors should then be required to test SHMAs against this methodology.²⁶ The [Government's response](#) to this report was published in February 2015, which said that it was "for local planning authorities, who are best-placed to understand their local needs, to decide what approach is appropriate for their area."²⁷

²⁴ National Trust, [Countryside at risk from 'gaming' developers](#), 6 January 2015

²⁵ House of Commons Communities and Local Government Committee report, [Operation of the National Planning Policy Framework](#), 16 December 2014, Fourth Report of Session 2014–15, HC 190, 16 December 2014, p3

²⁶ Ibid, p36

²⁷ HM Government, [Government response to the CLG Select Committee Inquiry into the Operation of the National Planning Policy Framework](#), February 2015, para 36

4. Housing as part of nationally significant infrastructure projects

At present a development consent order (DCO) for a nationally significant infrastructure project (NSIP) cannot grant consent for housing. The [Housing and Planning Act 2016](#) includes provision for a DCO to grant consent for housing which is linked to an application for an NSIP, for example, for housing provided for workers during the construction or operation phase of a NSIP. The Act will also allow for consent to be granted for housing where there is no functional link, but where there is a close geographical link between the housing and the NSIP.

The Government's March 2016 [National Infrastructure Delivery Plan 2016–2021](#) said that this provision would allow up to 500 dwellings included alongside infrastructure in a single DCO application.

Further information is provided in the Government's October 2015 [Nationally significant infrastructure projects and housing: briefing note](#).

For further information about development consent orders and nationally significant infrastructure project planning processes see Library briefing paper, [Planning for Nationally Significant Infrastructure Projects](#).

5. House building statistics

It is generally accepted that not enough new homes are being built to meet growing need. Housing projections up to 2037 were published in February 2015 which indicated that over the period from 2012 to 2022, annual average household growth is projected at 220,000 homes per year.²⁸ This exceeds the number of homes added to the dwelling stock in recent years by a considerable margin – in the 12 months ending September 2014, 117,070 houses were completed. In that same year 139,500 homes were started in the 12 months to September 2014, a 17 per cent increase from the 12 months to September 2013.²⁹

Statistics and Live tables on house building are available from the [Government website](#).

²⁸ National Statistics, [2012-based Household Projections: England, 2012-2037](#), 27 February 2015

²⁹ Department for Communities and Local Government, [Housing Statistical Release](#), 3 December 2014

6. March 2016 Local Plan Expert Group Report

On 15 September 2015 the Government announced that it had set up an “expert panel” to consider how to simplify the local plan making process. This panel was chaired by Chair John Rhodes, from Quod (Planning Consultants). Further information about the panel and its members is set out in the press release, [Launch of new group of experts to help streamline the local plan-making process](#), 15 September 2015.

The Local Plans Expert Group, final report [Report to the Communities Secretary and to the Minister of Housing and Planning](#), was published on 16 March 2016. In it the Expert Group found that some of principal difficulties in local plan making related to agreeing housing needs and a lack of clarity on key issues, particularly strategic housing market assessments (SHMAs), strategic planning, Green Belt and environmental constraints. It identified two particular problems for authorities in undertaking SHMAs, that:

- there is no pre-set determination of the boundaries of Housing Market Areas; and
- there is no definitive guidance on the way in which to prepare a SHMA, leading to significant disagreement and uncertainty over housing numbers, which then affects every stage of the plan making process.

In respect of this its recommendations included:

the need for the Government to commission a statistical assessment of HMA [Housing Market Area] boundaries based on the last Census and to strengthen guidance in the NPPG that the outcome should be applied in future local plans, with boundaries adjusted to local authority boundaries for simplicity. In the longer term, Government should also work towards harmonising economic and housing planning boundaries to aid coordination.

The Expert Group concluded that “serious problems” were generated by the lack of an agreed approach to SHMAs, which have become “one of the most burdensome, complex and controversial components of plan making.” The report sets out detailed recommendations for a shorter, simplified, standard methodology for SHMAs and, in particular for assessing housing need.

The publication of the Expert Group’s report coincided with the March [2016 Budget](#). In relation to the final report, the Budget document set out:

As recommended by the Local Plans Expert Group report, which is published today, the government will also look at the scope to reduce the weight of outdated plans in decision-making. The government will consult on the other recommendations made by the Group until 27 April 2016.³⁰

The Government has consulted on the final report, which was open to the public to [make comment on](#) until 27 April 2016.

³⁰ HM Government, [Budget 2016](#), 16 March 2016, para 2.288

7. Comment on housebuilding and the NPPF

7.1 Policy Exchange report by Tetlow King Planning 2012

A December 2012 report commissioned by Policy Exchange from Tetlow King Planning said that English local authorities were planning for 272,720 fewer homes than were provided for under the 2010 regional strategies (including the unadopted strategies); a seven per cent reduction.³¹

An article in *Planning* magazine cautioned that interpreting these results it should be noted that not all regional strategies were adopted; that housing figures tended to reduce as they progressed towards final approval. It also noted that not all the figures from local authorities on projected housing numbers came from approved plans; that Planning Inspectors may well increase some of the figures at examination stage.³²

7.2 BNP Paribas Real Estate report 2013

A BNP Paribas Real Estate report, [Housing the Nation Summer 2013](#), from June 2013 reported mixed views on how effective the NPPF had been in boosting housing delivery:

Since its introduction, how effective has the National Planning Policy Framework been in boosting housing delivery?

Not very according to Harry Downes of FizzyLiving. He explains: "as a driver, it has been fairly ineffective because despite its many policies and proposals, there has not been any noticeable increase in planning approvals for the stock which is needed. The average age of first time buyers continues to grow and the 'presumption in favour' policy appears to have made no impact at all."

Adrian Owen agrees that it has not been hugely effective: "whilst Planning Officers follow policy, including the NPPF, and make recommendations for approval; Planning Committees are often too political and ignore these recommendations resulting in too many schemes having to be Appealed and go to Inquiry."

This is certainly not a view reflected within Government. "The National Planning Policy Framework has been very effective" John Howell states. "There has been a 21.7% increase in planning permissions on the previous 12 months. The signs are that the Framework is helping to provide the homes that we need. It reflects the positive planning principles of the NPPF and the robust appeals system being applied," he added. The success of the NPPF is also shared by Andrew Cunningham at Grainger, who is cautious at the same time "the NPPF has been an important step in simplifying the planning system, but it will undoubtedly require

³¹ Tetlow King Planning for Policy Exchange, [Updated research on the impact of the impending revocation of regional strategies on proposed and adopted local housing targets across England](#), December 2012, p2

³² "Rights and wrongs of regional plan abolition" *Planning*, 11 January 2013

further improvement and tweaks as it embeds and is tested through market activity” he says.³³

7.3 Nathaniel Lichfield & Partners report 2014

A Nathaniel Lichfield & Partners report, [Positive Preparations A review of housing targets and Local Plans](#), from March 2014, reported that producing objectively assessed housing figures had been a cause for delay in making local plans:

A review of the 109 Local Plans that have been examined or submitted for examination since the NPPF was introduced confirms that the key reason Plans have stalled is the policy requirement to meet objectively assessed needs, with the housing target remaining the key battleground at examinations. Just over half of Plans propose less housing than had been proposed by former Regional Strategies, but a third of sound plans end up having to increase their target to pass examination.

Half of the plans submitted for examination since the NPPF have experienced delays. Progress of many plans has stalled as LPAs take stock of their evidence base before proceeding with the rigorous examination process.³⁴

³³ BNP Paribas Real Estate, [Housing the Nation Summer 2013](#), June 2013, p11

³⁴ Nathaniel Lichfield & Partners, [Positive Preparations A review of housing targets and Local Plans](#), from March 2014, p1

8. Government planning policies to encourage more housing

For further information about the Government's proposed planning policies to encourage house building see the Library briefing paper, [Planning Reform Proposals](#), which sets out further information about the following announcements and proposals from Government.

The Queen's Speech on 18 May 2016 announced a [Neighbourhood Planning and Infrastructure Bill 2016-17](#). The main elements of the Bill are:

- Neighbourhood planning: provisions to improve the process for reviewing and updating plans and providing a more transparent duty for the Government to support groups wanting to do neighbourhood planning.
- Planning conditions: provision to ensure that pre-commencement planning conditions are only imposed when they are absolutely necessary.
- Compulsory purchase: provisions designed to make the process clearer, fairer and faster, including a new statutory framework for agreeing compensation.
- National Infrastructure Commission: provision to establish the independent National Infrastructure Commission on a statutory basis.
- Land Registry: provision to enable privatisation of it.

The [Housing and Planning Act 2016](#) received Royal Assent in May 2016. It stems from commitments made in the [Conservative Party 2015 Manifesto document](#) and the 2015 [Queen's speech](#). Many of the planning provisions in the Act have not yet come into force, but when it does it contains provision to:

- put a general duty on all planning authorities to promote the supply of Starter Homes and to require a certain number or proportion of Starter Homes on site;
- allow intervention by the Secretary of State over the production of local plans where local authorities are judged to be too slow; and
- create a system of planning permission in principle for housing.

For more detailed information about the provisions see the Government's February 2016 [Implementation of planning changes: technical consultation](#) and the Library briefing papers, [Housing and Planning Bill 2015-16](#) and [Housing and Planning Bill: Lords amendments and Ping Pong](#).

The Government's July 2015 Productivity Plan, [Fixing the Foundations: Creating a more prosperous nation](#), and the November 2015 [Autumn Statement](#) have also announced some further changes including:

- "significantly" tightening the "planning guarantee" (the time that planning applications spend in total with decision makers), for minor planning applications; and

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- introducing a delivery test on local authorities, to ensure delivery against the homes set out in local plans within a reasonable timeframe.

The Government's August 2015 rural productivity plan, [Towards a one nation economy: A 10-point plan for boosting productivity in rural areas](#), has proposed changes designed to make the planning process easier in rural areas including the introduction of new and revised permitted development rights. This was followed up by a February 2016 [Rural planning review: call for evidence](#).

In the December 2015 [Consultation on proposed changes to national planning policy](#) the Government proposed a number of changes to the National Planning Policy Framework, to support better the development of housing on certain types of land.

9. Further reading

- House of Commons Communities and Local Government Committee report, [Consultation on National Planning Policy inquiry](#), 1 April 2016.
- Local Plans Expert Group, [Report to the Communities Secretary and to the Minister of Housing and Planning](#), March 2016.
- House of Commons Communities and Local Government Committee report, [Operation of the National Planning Policy Framework](#), 16 December 2014 and [Government response to the CLG Select Committee Inquiry into the Operation of the National Planning Policy Framework](#), February 2015.
- National Trust, Positive Planning: [The NPPF and plan-led development](#), December 2014.
- Nathaniel Lichfield & Partners, [Positive Preparations A review of housing targets and Local Plans](#), March 2014.
- BNP Paribas Real Estate, [Housing the Nation Summer 2013](#), June 2013.
- Nathaniel Lichfield & Partners, [Objectively Speaking 12 months of applying the NPPF to housing targets in Local Plans: A review of examinations](#), April 2013.
- Savills, [National Planning Policy Framework \(NPPF\) One Year On](#), March 2013.
- Tetlow King Planning for Policy Exchange, [Updated research on the impact of the impending revocation of regional strategies on proposed and adopted local housing targets across England](#), December 2012.
- BNP Paribas Real Estate, [Housing the Nation; the effect of localism on housing supply](#), summer 2011.
- Town and Country Planning Association, [Policy analysis of housing and planning reform](#), March 2011.
- National Housing and Planning Advice Unit (NHPAU), [Housing Supply and Planning Controls: The impact of planning control processing times on Housing Supply in England](#), January 2010.
- Killian Pretty Review, [Planning applications: A faster and more responsive system](#), 2008.
- Office of Fair Trading, [Homebuilding in the UK: A Market Study](#), 2008.
- National Audit Office, [Planning for Homes: Speeding up planning applications for major housing developments in England](#), 2008
- Audit Commission, [The planning system: Matching expectations and capacity](#), 2006.
- HM Treasury, [Barker Review of Housing Supply](#), March 2004.

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