

# Phase 2 Planning Briefing Note

National Planning Policy Framework (NPPF) December 2024

#### Introduction

Phase 2 Planning has prepared this briefing note to assist our clients and interested parties in understanding the main changes brought about by the publication of the new NPPF and importantly its implications for decision-making in England which take effect immediately.

# New Standard Method for Housing Supply

The new Framework includes a new Standard Method for local authority annual housing supply requirements, which, in the vast majority of cases, increases supply requirements.

At the macro level, this fundamental change is underpinned by the new Labour Government's key objective to deliver 1.5 million new homes during its tenure in seeking to address England's housing crisis.

The new Standard Method for calculating local housing need is central in seeking to achieve this objective and is much more ambitious than its predecessor (targeting 372,000 homes per year up 21% from 305,000).

The new method aims to boost housing numbers with reference to existing housing stock and then uplifting needs, and the target, based on local affordability. The changes are likely to have the effect of decreasing housing numbers in the most affordable areas. In practice, this results in a shift of housing numbers away from the Midlands and North and more greatly concentrated in London and the wider southeast.

### <u>Local Plan Transitional Arrangements</u>

The new Framework sets out important transitional arrangements in respect of plan making to take account of its introduction.

For the purposes of plan making the new Framework will apply from the 12<sup>th</sup> March 2025 but some exceptions do apply. These include existing draft Plans that have reached Regulation 19



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stage on or before the 12<sup>th</sup> March and its draft housing requirement meets at least 80% of local housing need with reference to the new Standard Method. They also include draft Plans submitted for examination before this date as in Uttlesford's case.

In these circumstances draft Plans will be assessed against the previous version of the Framework (Dec 2023).

Where a draft Plan has been submitted for examination on or before the 12<sup>th</sup> March and plans for less than 80% of the new local housing need work on a new Plan is expected to begin under the revised plan-making system.

# Re-Strengthening of Minimum 5-year Housing Land Supply Requirement

The new Framework also reinstates the minimum 5-year housing land supply requirement across the board without exception. The most recent previous version of the Framework (December 2023) removed this requirement where the adopted Local Plan was less than 5 years old and identified at least a 5-year supply of specific, deliverable sites at the time its examination concluded.

The minimum 5-year supply requirement also includes a 5% buffer or 20% buffer if the Housing Delivery Test (HDT) indicates delivery was below 85% over the proceeding 3 years. Interestingly, a 20% buffer will also apply from 1<sup>st</sup> July 2026 where a local planning authority has a housing requirement adopted in the last five years examined against a previous version of this Framework and whose annual average housing requirement is 80% or less of the most up to date local housing need figure calculated using the Standard Method set out through the new Framework.

This, together with the new Standard Method itself increases local housing supply requirements, significantly in the most unaffordable areas. This is likely to mean that ever increasing numbers of new planning applications including the provision of new homes will fall to be determined in line with paragraph 11d (ii) (tilted balance) of the Framework.

Even if a 5-year housing land supply can be demonstrated by a Local Planning Authority (LPA) the HDT can also have similar implications here if an LPA has not delivered at least 75% of its required housing supply over the proceeding 3 years.

#### Green Belt

# Grey Belt Definition and Paragraphs 155 and 156 (Golden Rules)

The new Framework includes a new definition of 'Grey Belt' which it defines as "land in the Green Belt comprising previously developed land and/or any other land that, in either case, does not strongly contribute to any of purposes (a), (b), or (d) in paragraph 143. 'Grey belt' excludes land where the application of the policies relating to the areas or assets in footnote 7 (other than Green Belt) would provide a strong reason for refusing or restricting development."

Firstly, this definition extends to both Previously Developed Land (PDL) and/or any other land with the acid test being whether or not such parcel of land strongly contributes to any of Green Belt purposes a), b) or d) as set out at paragraph 143 of the new Framework.

Green Belt purposes a) relates to checking the unrestricted sprawl of large built-up areas.

Green Belt purposes b) relates to preventing neighbouring towns merging into one another.

Green Belt purpose d) relates to preserving the setting and special character of historic towns.

Although there is clearly a level of subjectiveness involved in such considerations, most Green Belt authorities will have undertaken a Green Belt Assessment as part of their ongoing planning policy evidence base so some baseline evidence will most likely be available here. Going one step further, parcels of land that may have been previously promoted through an emerging Local Plan process may also have been assessed on a parcel-specific basis so, in our view, this is unlikely to be a standing start consideration.

That said, there may likely be some parcels of land that have not been considered in Green Belt purposes terms previously so a robust assessment against the new Grey Belt definition will be an important starting point.

We are expecting new Planning Practice Guidance (PPG) to be issued in January 2025 providing further guidance on implementing Grey Belt provisions in practice and we will provide further guidance on this in due course.

Notwithstanding this, should such purposes assessment score favourably against this definition it is important not to lose sight of the fact that this would exclude land where the application of the policies relating to the areas or assets in footnote 7 of the Framework (other than Green Belt) would provide a strong reason for refusing or restricting development.

Such footnote 7 considerations include habitats sites, Sites of Special Scientific Interest, Local Green Space, a National Landscape, a National Park (or within the Broads Authority) or defined as Heritage Coast, irreplaceable habitats, designated heritage assets (and other heritage assets of archaeological interest) and areas at risk of flooding or coastal change. Therefore, wider Framework policy compliance in these respects (where applicable) would continue to be important.

Should land meet this Grey Belt definition paragraphs 155 and 156 (Golden Rules) of the Framework become key.

Paragraph 155 sets out that "The development of homes, commercial and other development in the Green Belt should also not be regarded as inappropriate where:

- a. The development would utilise grey belt land and would not fundamentally undermine the purposes (taken together) of the remaining Green Belt across the area of the plan;
- b. There is a demonstrable unmet need for the type of development proposed;
- c. The development would be in a sustainable location, with particular reference to paragraphs 110 and 115 of this Framework; and
- d. Where applicable the development proposed meets the 'Golden Rules' requirements set out in paragraphs 156-157 below."

These criteria are considered in turn below.

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For the majority of land with little more than local interest it is difficult to see how this criterion would not be fulfilled. For larger land parcels of a more strategic nature this may well become even more relevant.

#### There is a demonstrable unmet need for the type of development proposed

Footnote 56 of the Framework clarifies that, in the case of applications involving the provision of housing, this means the lack of a five year supply of deliverable housing sites, including the relevant buffer where applicable, or where the HDT was below 75% of the housing requirement over the previous three years.

The development would be in a sustainable location, with particular reference to paragraphs 110 and 115 of this Framework

The Framework's specific reference to paragraphs 110 and 115 is important here as this brings the consideration within a policy context. Some key takeaways here include that paragraph 110 states that significant development should be focused on locations which are or can be made sustainable. This implies that such site contexts do not necessarily have to be deemed to be sustainable but can be made sustainable through the delivery of the development such as infrastructure improvements for example. Para 110 also acknowledges that opportunities to maximise sustainable transport solutions will vary between urban and rural areas, and this should be taken into account in both plan-making and decision-making.

Where applicable the development proposed meets the 'Golden Rules' requirements set out in paragraphs 156-157 below

The development of Grey Belt land comes with a requirement, where applicable, to meet the Golden Rules.

These Golden Rules are as follows:

- affordable housing which reflects either: (i) development plan policies produced in accordance with paragraphs 67-68 of this Framework; or (ii) until such policies are in place, the policy set out in paragraph 157 of the Framework;
- necessary improvements to local or national infrastructure; and
- the provision of new, or improvements to existing, green spaces that are accessible to the public. New residents should be able to access good quality green spaces within a short walk of their home, whether through onsite provision or through access to offsite spaces.

The Framework provides further clarification on affordable housing and open spaces requirements associated with the Golden Rules at paragraphs 157 and 159 respectively.

For affordable housing, paragraph 157 confirms that development plan policies should reflect policy at paragraphs 67 and 68 which seek a higher level of affordable housing provision on Green Belt sites and of at least 50% unless viability considerations in line with associated PPG apply.

Until such time, paragraph 157 makes clear that the affordable housing contribution required to satisfy the Golden Rules is 15 percentage points above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of

50%. In the absence of a pre-existing requirement for affordable housing, a 50% affordable housing contribution should apply by default.

If all of the above can be complied with, such Grey Belt development should not be regarded as inappropriate with paragraph 158 making clear that "development which complies with the Golden Rules should be given significant weight in favour of the grant of permission." (our emphasis).

In a fair number of circumstances these provisions are likely to be a game changer with the potential to make a meaningful contribution to the Government's 1.5 million new homes objective during this Parliament.

#### Partial or Complete Redevelopment of Previously Developed Land (PDL)

One of the most commonly explored and utilised exemptions to national Green Belt policy in recent years has been in relation to PDL redevelopment. The new Framework has raised the bar in terms of the scope of such redevelopment in the Green Belt with the relevant test moving from one of any greater impact to one which would cause substantial harm to the openness of the Green Belt.

The substantial harm test had only previously applied to such redevelopment which contributed to local affordable housing need whereas the new Framework now applies this across the relevant board.

This is of added use as there have been a number of appeal decisions which have sought to grapple with the substantial harm test and how to apply certain thresholds in any one case. This has led to conclusions that redevelopment including greater height and spread of built form can be achieved as 'insubstantial'. That said, a word of caution in that each such case will be assessed on its own merits and will ultimately be a matter for the decision-maker be it the LPA or an Inspector.

#### Flood Risk Sequential Test

The new Framework also reaffirms the application of the Sequential Test in respect of flood risk and at paragraph 173 confirms that this relates to "any form of flooding" be it fluvial, surface water or otherwise.

This matter has recently hindered major housing proposals at appeal so should not be underestimated from the outset of any project.

Paragraph 175 does however provide some useful clarification on application in practice as far as flood risk is concerned. Para 175 sets out that "The sequential test should be used in areas known to be at risk now or in the future from any form of flooding, except in situations where a site-specific flood risk assessment demonstrates that no built development within the site boundary, including access or escape routes, land raising or other potentially vulnerable elements, would be located on an area that would be at risk of flooding from any source, now and in the future (having regard to potential changes in flood risk)."

#### **Further Reform**

Phase 2 Planning understand there will be a further update to the NPPF in 2025 to take account of new National Development Management Policies anticipated to be released at the same time.

The Government has also confirmed the introduction of the Planning and Infrastructure Bill in 2025 which will add further changes to the planning system. This is likely to include a national scheme of delegation, which may provide professional planning officers with greater planning application determination powers and standardise the scope of elected planning committees in the decision-making process.

The Government seeks to address this via £50 million of new funding for the planning system, which itself includes the recruitment of 300 graduate and apprentice planners to strengthen local authority resourcing. This is all within the context of a Devolution Bill, which will reshape local government in England.

Therefore, there is plenty more change to come in 2025.

# **Summary**

The above is only a summary of the full document and there will be various associated interpretations as the new version is used in practice. This will most likely be developed through case law appeal decisions meaning that the operation of the new NPPF will be fluid.

Phase 2 Planning will be happy to advise on this as things evolve.

#### Getting in touch

We trust that the above provides you with useful detail included in the new NPPF and please do not hesitate to get in contact with the team here at Phase 2 Planning should we be able to be of further assistance.