

Localism and the National Planning Policy Framework:

some implications for local government





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Forewords from LG Group and SOLACE



The Local Government Group (LG Group) has long argued for reform of national planning policy guidance and a radical reduction to the volume, complexity and prescription of the current system.

We welcome the National Planning Policy Framework's focus away from centralised guidance onto Local Plans to be developed by local planning authorities. We also welcome the emphasis placed on LPAs collaborating, with each other and with other public bodies (including county councils and LEPs), to understand and plan for the wider economic and housing market areas of which they are part.

Local Plans are the 'spatial expression' of the economic, social and environmental ambitions of our communities. Clear, up-to-date and well-evidenced local plans that respond positively to opportunities for sustainable growth, wealth generation and employment

are the only valid way to deal with risks and opportunities ahead. It is a big task, but the potential rewards for your community are tremendous, so if you haven't already done so... please do not wait. Get your local plan in place now.

It is our hope that this short introductory communication will help to demystify the framework while at the same time spur you in to action.

Councillor David Parsons CBE

Chairman, LG Group Environment and Housing Programme Board and Leader, Leicestershire County Council.



We believe that local authorities are best placed to understand the requirements of their communities for economic development, regeneration and housing.

To serve these purposes we require a planning framework and system that enables us to work with developers in order to contribute towards a positive future for our counties, cities, towns and villages. The new National Planning Policy Framework (NPPF) opens up many new opportunities for Local Authorities which embrace its principles.

It is welcomed that the NPPF is built upon the principle of localism and brings with it new responsibilities for local authorities to make use of freedoms, and remove barriers to development, which will bring economic growth and enhance social wellbeing. It will work best where local authorities have planned ahead, are ready to face the challenges of doing things differently, and are prepared to lead with strong and reasoned decisions on development.

We recommend this document to you as a quick and simple guide to the questions you need to be asking to ensure that you get the best out of the new regime.

Terry Huggins

Chief Executive of Breckland and South Holland Councils and Senior Vice President at SOLACE

Introduction

The Government is making some significant changes to the planning system that will affect the responsibilities of all local planning authorities. The intention is to make the planning system one that better supports sustainable economic growth and jobs, underpinned with the principles of localism, with less 'top-down' prescription and more 'bottom up' involvement.

The National Planning Policy Framework (NPPF) will set out the Government's priorities for planning in England. It will replace the current raft of planning policy guidance notes and statements with one document of less than 60 pages. The final version will be published around the end of 2011 or early 2012.

The regional tier of planning is to be abolished, including Regional Spatial Strategies and their associated housing targets. This will give you more freedom and flexibility to work with your neighbours and other bodies (as covered by the 'duty to co-operate') to do the strategic planning for your area.

Your authority will need to have a plan in place to guide development to the right place, and against which to make planning decisions. Without an up-to-date local plan, development decisions will be made on the basis of national policy, with the presumption being 'yes'. Some predict an increase in 'planning by appeal' where there is no up-to-date local plan.

Neighbourhoods and parishes will increasingly be able to take on planning in their areas. You will need to work with them – managing their expectations and helping them to understand what they can and can't do.

This document aims to give chief executives a brief overview of the significant changes to the planning system and the implications of the changes.

Growth and the presumption in favour of sustainable development

The draft NPPF makes clear that achieving sustainable development is still the purpose of the planning system. This includes planning for the social, environmental and economic needs of a community. The presumption in favour of sustainable development, set out in the draft NPPF, means that the default response to a proposal for development is 'yes' unless the adverse impacts would 'significantly and demonstrably outweigh the benefits'. The presumption will apply in all cases where the local plan is 'absent, silent, indeterminate or where relevant policies are out of date'

Implications

This emphasises the importance of having an up-to-date plan in place to enable the council to influence and direct where development goes. If your council doesn't have an up-to-date adopted plan the presumption means that any development or neighbourhood plan in conformity with national policy will be acceptable, regardless of any previous positions of the authority.

Councils may find it difficult to justify and defend some decisions to refuse planning permission. Some anticipate a 'planning by appeal' system with developers leading the agenda, choosing the best sites for them rather than being directed to sites allocated in a plan. This could have an impact on the coordination of sustainable infrastructure, including transport.

The emphasis on growth and responsiveness to market forces may concern some authorities that social and environmental sustainability, and the view of local community, are not given enough weight.



Is your plan up-to-date? If not, what do you need to do to get one in place as soon as possible?

Removal of regional spatial strategies and housing targets

When the Localism Bill is enacted, the regional spatial strategies (RSSs) will be abolished along with their associated housing targets and policies on other strategic issues. Until then, the RSSs remain part of your development plan. The knowledge that regional housing targets are going has caused some uncertainties for both authorities and developers.

After the Localism Bill becomes an Act, authorities will be responsible for their own strategic planning (see below on the duty to co-operate). One of the more immediate consequences will be that authorities will set their own housing targets in their local plans.

London is different from the rest of the country in this respect. The London Plan remains in place as a strategic planning document and is not being removed as part of the changes affecting other regional planning documents.

Local planning authorities will need to prepare evidence of need and demand across their housing market areas and set local housing figures based on this evidence. Local plans

will need to identify sites to deliver the housing strategy over the life of the plan. This includes a requirement to identify deliverable sites to provide five years of housing requirements. To ensure that these targets are met, there is also a requirement to include an additional twenty per cent in the housing supply.

The intention to increase housing delivery is an important part of reforms to the planning system. The section below on incentives explains how the new homes bonus, Community Right to Build and the Community Infrastructure Levy will all be used to encourage housing growth. It will be very difficult to refuse proposals for housing schemes unless there are good reasons, backed by evidence, in the local plan.

Implications

During this transitional period (after the publication of the final NPPF and enactment of the Bill and before adoption of a local plan) there could be an increase in uncertainty and appeals.

Maintain conversations with both housing investors and landowners and the community about your authority's approach to housing in the area.

On a practical level, your authority needs to make sure that its plan picks up on the relevant strategic policies that were in the RSS and may need to be incorporated into the local plan.

Just because the RSS and the regional housing targets are going, you can't ignore the growth agenda or adopt a 'no growth' stance. The authority will need to have a local debate, including with neighbouring authorities in your housing market area, about the reality of growth and where it is going to be accommodated. The opportunity here is for this debate to happen locally without a regional target dictating the level of development in the area.

Councillors need to understand the role of evidence in setting policy on housing targets. The localism agenda and removal of RSS targets has resulted in many authorities reviewing local housing targets – often downwards. The targets must be driven by the evidence, or the authority risks an unsound plan at examination.

Housing growth must be considered alongside appropriate infrastructure, the provision of adequate employment land and other strategic issues such as sustainable energy, and adequate supply of construction material through minerals planning. Your authority will need to consider the wider impacts of housing on your area and plan accordingly.

Applications for housing developments will be subject to the presumption in favour of sustainable development. As noted above, if the housing policies in your local plan are silent, indeterminate or out-of-date you risk losing the ability to refuse permission for an application.



Do you understand your local housing market area and its future needs?



How are you going to approach strategic planning issues, specifically about housing, that were previously covered by the regional strategy?



Does your local plan sufficiently demonstrate the relationship between evidence and the content of the plan?

Duty to cooperate

Although the RSSs will be abolished, the need for strategic planning has not gone away. To ensure that sensible planning for issues which extend beyond a local authority boundary still happens, the Localism Bill and draft NPPF introduce a duty to cooperate on strategic planning issues.

The duty to cooperate applies to all local planning authorities, including counties and national park authorities. It means working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also

means collaborating on the evidence critical to understanding the needs of your area, and the wider economic and housing market areas, including through the preparation of a strategic housing market assessment.

Growth needs in a strategic cross-boundary context must be included in the local plan. Authorities will need to demonstrate that they have successfully cooperated with other bodies on cross-boundary issues. The Planning Inspectorate see the duty to cooperate as an essential test as to whether the plan is deliverable.

Implications

Some authorities are setting up formal joint working arrangements to satisfy this new requirement. This could be a joint plan or a joint committee. Many strategic issues are difficult to solve, and that there may be tension between neighbouring authorities, particularly in regards to housing land allocations, Gypsy and Traveller allocations, and provision of waste facilities.



Leadership from the corporate team as well as councillors will be essential to ensure that successful cooperation is achieved between neighbouring authorities. If this isn't sorted out, you run the risk of your local plan being found unsound, with all the consequences of the presumption in favour of development.

Many of the decisions which need to be taken on strategic issues are political and difficult. Be aware of the potential deal breakers, risks and consequences.



What is your relationship like with neighbours and other bodies? Is there potential for agreement about some of the strategic issues?



Have you taken account of the plans of partner authorities in developing your own local plan and identified scope for mutual benefits?



Changes to the local plan

The local plan (previously known as a core strategy) remains at the heart of the planning system. Planning is still plan-led. The local plan will be the main consideration in decision making, along with the NPPF and the presumption in favour of sustainable development.

In terms of content, the plan should seek to encourage growth and provide sites for needed development. Policies should not add a financial burden on developers or make developments unviable. This is relevant when it comes to policies on affordable housing, for example.

There is an option to seek a 'certificate of conformity' to ensure that your plan is in line with the NPPF. The mechanism for doing this is still being decided.

Implications

The importance placed on local plans in the decision making process retains the imperative of getting one adopted as soon as possible. If you have a plan already it needs to be up to date and in conformity with the NPPF for the council to rely upon it for making planning decisions.

It's up to the council to decide if its plan is up-to-date. One issue to consider is the extent to which your plan avoided duplicating national policies in planning policy statements. These policies have been significantly simplified in the draft NPPF. The local plan may need some revisions to reflect these changes.



If you have an adopted core strategy how will you ensure that it is up-to-date and in conformity with the NPPF?

Neighbourhood planning

Neighbourhoods (including both residents and businesses) can set planning policies for the land in their area in a Neighbourhood Development Plan (NDP). This will allow them to give planning consent through neighbourhood development orders and Community Right to Build orders. In most areas this will be done via existing parish or town councils, or newly formed neighbourhood forum in non-parished areas.

There are still constraints about what neighbourhoods can include in their plans. The neighbourhood plan cannot go against an adopted local plan or national policies. On this basis a neighbourhood plan cannot be restrictive of development. Neighbourhood plans need to be pro-growth.

There are two main goals from neighbourhood planning. One is that neighbourhoods will have influence over where development, such as housing, can go and what it might look like. The other is that neighbourhoods will be more welcoming of development because of financial incentives through the new homes

bonus and Community Infrastructure Levy. Ward councillors will have an important role in working with the community on these plans.

A local authority has some responsibilities to ensure neighbourhood planning works. This will include: advising and supporting neighbourhoods, organising (and financing) the light touch independent check, and the referendum on the plan. If the referendum votes in favour of the plan, then the authority has to adopt it and it becomes part of the area's planning framework.



Implications

Think about the appetite in your communities for getting involved in planning. The opportunity here is for genuine empowerment and revitalisation of neighbourhoods through plans that genuinely reflect local issues. Meaningful engagement with local communities, including about the wider area's economic and housing needs, will be crucial if the aspirations of local communities and the wider needs of the economy are to be reconciled.

This is an opportunity for an improved relationship with local communities that may feel more involved in the future of their area through the council's support.

Councillors will need to take a lead on this in their wards, talking to residents about the opportunities with neighbourhood planning. Officers and councillors will need to ensure that neighbourhood plans fit with the local plan and the authority's vision for the future of the area.



What can you offer in terms of support and how will you manage community expectations over neighbourhood planning?



Will your community's ambitions 'fit' with the authority's vision in the local plan?



Have you considered the financial and human resource implications of supporting neighbourhood planning in your area?



Incentives for growth

The coalition government has introduced several incentives to promote growth – particularly new housing. These include: the new homes bonus, the Community Right to Build and the Community Infrastructure Levy (CIL). A proportion of CIL funds will be channelled back into communities where growth takes place. The purpose of these incentives is to show residents the benefits of accepting growth.

One of the proposed amendments to the Localism Bill would allow financial benefit from the new homes bonus and CIL to be considered when determining planning applications as a material consideration.

The Community Right to Build was introduced in the Localism Bill as a way to give neighbourhoods the ability to promote and build the type of development they want in their area. This could be homes, schools, shops and other development supported by the local community and in accordance with the local plan.

The Government has also emphasised the opportunities for local authorities to work closely together to jointly deploy New Homes Bonus and CIL. It has suggested that New Homes Bonus could be pooled at the level of the Local Enterprise Partnership to reinvest into shared priorities which support long-term prosperity for the area. The effective deployment of monies generated to support housing and infrastructure provision could play a key role in ensuring timely delivery of infrastructure.

This incentive will allow a community organisation the right to bring forward a development proposal. If the proposal meets the necessary criteria and is approved by a local referendum, it would not require planning permission. The financial benefits of the development, such as profits made from letting the homes, will remain with the community that put forward the proposal.

The Community Infrastructure Levy will be the main mechanism for securing funding from development to deliver infrastructure. Section 106 obligations are being scaled back in 2014. In their place your authority can get funding via CIL but you'll need a local plan and a CIL charging schedule. CIL funding comes to you when a development starts on site.

Implications

There has been concern about the public perceiving some of these financial incentives as 'cash for permissions'.

In order to increase and enable growth through the delivery of infrastructure, councils will need to use a combination of CIL, section 106 and other funding mechanisms. This marks a change as local planning authorities used to depend on developers delivering infrastructure. The local authority will now be responsible for managing the delivery of infrastructure in a timely manner to support development.

If you want to take advantage of the CIL, you will need to prioritise work on the local plan and CIL charging schedule.



Have you considered how to allocate the expected New Homes Bonus funds to best serve the needs of your community, including collaborating with other local authorities to jointly deploy the New Homes Bonus to deliver infrastructure?



Have you considered the public perception of financial income being taken into account when determining a planning application?



What funding mechanisms will your authority use to deliver infrastructure over the next 3-5 years?

Are you prepared for the new planning system?

As a conclusion, we have provided some questions to get you thinking about how planning reform will affect your authority. You should talk your Head of Planning and Planning Portfolio Holder to discuss your authority's preparedness for upcoming changes to the planning system.

- Is your plan up to date? If not, what do you need to do to get one in place as soon as possible?
- Do you understand your local housing market area and its future needs?
- How are you going to approach strategic planning issues, specifically about housing, that were previously covered by the regional strategy?
- Does your local plan sufficiently demonstrate the relationship between evidence and the content of the plan?
- What is your relationship like with neighbours and other bodies? Is there potential for agreement about some of the strategic issues?
- Have you taken account of the plans of partner authorities in developing your own local plan and identified scope for mutual benefits?
- What can you offer in terms of support and how will you manage community expectations over neighbourhood planning?
- Will your community's ambitions 'fit' with the authority's vision in the local plan?
- Have you considered the financial and human resource implications of supporting neighbourhood planning in your area?
- Have you considered how to allocate the expected New Homes Bonus funds to best serve the needs of your community, including collaborating with other local authorities to jointly deploy the New Homes Bonus to deliver infrastructure?
- Have you considered the public perception of financial income being taken into account when determining a planning application?

- What funding mechanisms will your authority use to deliver infrastructure over the next 3-5 years?
- Given these changes, are you maintaining discussions with major landowners and developers to understand what their plans are in the new system?
- Are you talking to your Head of Planning about the implications of reforms to the planning system? There may be resource implications that you will want to consider.

This guide was written by the Planning Advisory Service (PAS) with input from SOLACE. PAS provide consultancy and peer support, learning events and online resources to help local authorities understand and respond to planning reform. This support includes consultancy for local plan development. PAS is part of the Local Government Group.



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L11-477