



BRIEFING PAPER

Number 03741, 14 June 2017

Planning for housing

By Louise Smith

Inside:

1. Abolition of national housing targets
2. Calculating housing supply
3. Unplanned development
4. House building statistics
5. Local Plan Expert Group Report: March 2016
6. Housing and Planning Act 2016
7. Neighbourhood Planning Act 2017
8. The Housing white paper: February 2017
9. Conservative Party 2017 manifesto pledges on planning and housing
10. Further reading



Contents

Summary	3
1. Abolition of national housing targets	4
2. Calculating housing supply	5
Proposals for a standardised approach to housing requirements	6
2.1 The National Planning Policy Framework	7
2.2 The duty to cooperate	10
2.3 National Planning Practice Guidance	11
Guidance on taking account of constraints	11
2.4 Gallagher Homes case and Regional Spatial Strategy figures	12
2.5 Accounting for historic under-supply of housing	13
3. Unplanned development	15
3.1 The presumption in favour of sustainable development	15
3.2 May 2017 Supreme Court case on NPPF interpretation	16
3.3 Neighbourhood plan areas	16
3.4 Concern about unplanned development	17
4. House building statistics	19
5. Local Plan Expert Group Report: March 2016	20
6. Housing and Planning Act 2016	22
7. Neighbourhood Planning Act 2017	26
8. The Housing white paper: February 2017	27
Other Government planning reforms	29
9. Conservative Party 2017 manifesto pledges on planning and housing	30
10. Further reading	31

Summary

Under the former 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). The 2010-15 Coalition Government abolished nationally set housing targets and regional planning bodies under provisions introduced by 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. The previous Conservative [Government made clear](#) that there was no one methodological approach or use of a particular dataset(s) to provide a definitive assessment of development need. The estimate, however, should be based upon robust evidence in order to withstand challenge. The [National Planning Policy Framework](#) (NPPF) gives some broad guidance to local authorities about calculating housing need and a suitable supply of housing land, which is now supported by the web-based [Planning Practice Guidance](#).

It is generally accepted that not enough new homes are being built to meet growing need. July 2016 [household projections](#) indicated that on average 210,000 additional households will be formed each year up to 2039. This exceeds the number of homes built recently – 140,660 [new build dwellings were completed](#) in the year to December 2016.

Concern has been highlighted by the House of Commons [Communities and Local Government Committee](#) and others about whether policies in the NPPF have led to a rise in unplanned development, where developers are able to gain planning permission at appeal for sites that the local authority did not intend for development.

With the aim of boosting housing supply the previous Conservative Government introduced two pieces of planning legislation to make the system quicker and simpler to use: the [Housing and Planning Act 2016](#) and the [Neighbourhood Planning Act 2017](#).

A Housing white paper, [Fixing our broken housing market](#) was published in February 2017. The Government [consulted](#) on the proposals but did not publish a response before the 2017 general election. Many of the planning related proposals in the white paper would be achieved by making changes to the NPPF. Some of its headline proposals included:

- giving local authorities the opportunity to have their housing land supply agreed on an annual basis and fixed for a one year period;
- further consultation on introducing a standardised approach for local authorities in assessing housing requirements;
- changing the NPPF to introduce a housing delivery test which will highlight whether the number of homes being built is on target;

The [Conservative Party manifesto](#) for the 2017 general election stated it would deliver the reforms proposed in our Housing White Paper. The new Government has not yet confirmed this position since the appointment of a new Housing and Planning Minister.

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 former 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 were saved. Further details about what was saved for each strategy was 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 (LPAs) should still set aside enough land to satisfy housing demand. LPAs are encouraged strongly have an up-to-date Local Plan accompanied by a Strategic Housing Market Assessment (SHMA) to assess their full housing needs and an annually updated Strategic Housing Land Availability Assessment (SHLAA) to establish the availability and suitability of land to meet this housing need over the plan period.

The Government's planning practice guidance (PPG) sets out that there is no one methodological approach or use of a particular dataset that will provide a definitive assessment of housing development need.⁴ The estimate, however, needs to be based upon evidence. The PPG offers the following guidance:

What methodological approach should be used?

Establishing future need for housing is not an exact science. No single approach will provide a definitive answer. Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (eg Census, national surveys) to inform their assessment which are identified within the guidance.

Paragraph: 014 Reference ID: 2a-014-20140306

Revision date: 06 03 2014

In July 2016 the then Government published its [2014-based Household Projections: England, 2014-2039](#). 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.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

There is currently no set methodological approach to calculating a definitive assessment of housing need

Housing requirement calculations need to be based on robust evidence.

⁴ HM Government, Planning Practice Guidance, [Can local planning authorities use a different methodology?](#) Paragraph: 005 Reference ID: 2a-005-20140306 Revision date: 06 03 2014

⁵ Department for Communities and Local Government, [Household interim projections \(2011 to 2021\) in England](#), 9 April 2013, page 20

faster growth in those aged 65 and over than in younger age groups.⁶

While many local authorities use these statistics and calculations on which to base their housing need 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 views and information about the use of different figures, assumptions and methodology see:

- Planning Advisory Service, [Objectively Assessed Need and Housing Targets](#), July 2015;
- 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.

Proposals for a standardised approach to housing requirements

In the February 2017 [Housing white paper](#) the previous Conservative Government stated that it believed that a more standardised approach to calculating housing requirements would provide a more transparent and more consistent basis for plan production. It set out plans to consult on options for introducing a standardised approach to assessing housing requirements, which would be published “at the earliest opportunity this year”.⁷ Any changes made would be reflected in an updated NPPF. The white paper also set out how local authorities would be incentivised to use the new standardised approach:

1.14 We want councils to use the new standardised approach as they produce their plans and will incentivise them to do so. We expect councils that decide not to use the new approach to explain why not and to justify to the Planning Inspectorate the methodology they have adopted in their area. We will consult on what constitutes a reasonable justification for deviating from the standard methodology, and make this explicit in the National Planning Policy Framework.⁸

A new standardised approach to calculating housing requirements will be consulted on by Government later this year.

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

⁷ HM Government, Housing white paper, [Fixing our broken housing market](#), February 2017, para 1.12-1.13

⁸ HM Government, Housing white paper, [Fixing our broken housing market](#), February 2017, para 1.14

2.1 The National Planning Policy Framework

The [National Planning Policy Framework](#) (NPPF) is the Government's official planning guidance, published in March 2012. The NPPF must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions, "unless material considerations indicate otherwise".⁹ The NPPF gives some broad guidance to local authorities about calculating housing requirements.

Objectively assessed need and deliverable sites

The NPPF directs that LPAs should calculate what it called the "objectively assessed need (OAN)" for housing in their area. This is often a figure which local authorities calculate in terms of the number of new dwellings needed to be provided per annum (dpa). The NPPF then requires LPAs to identify a supply of specific deliverable sites sufficient to provide five years' worth of housing supply (often called a five year housing land supply), which should be updated annually. This sets out where the housing could realistically be located.

Under the NPPF, once an LPA has identified its OAN for housing in its area, it must then add on an extra 5% buffer "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^[10] 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 prospect of achieving the planned supply and to ensure choice and competition in the market for land;

Depending on the extent of previous under delivery of housing in area, an extra 5% or 20% "buffer" of houses will need to be added on to calculated housing requirements.

⁹ Sections 19(2)(a) and 38(6) Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990

¹⁰ 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.

- identify a supply of specific, developable^[11] 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.

Since the introduction of the NPPF there have been many examples of LPAs being found to need a 20% buffer, in both the examination stage of local plans and by planning inspectors in planning appeals decisions. For example, 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.¹²

Mix of housing types

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.

Local authorities should plan for a mix of different types of housing, taking into account the needs of different groups in the community.

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

¹¹ 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.

¹² "Two councils hit core strategy trouble" [Planning](#), 15 June 2012

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 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.

Demonstrating housing need and land availability

A later section in the NPPF directs that local planning authorities should have “a clear understanding of housing needs in their area”. This in turn requires the production of both a Strategic Housing Market Assessment (SHMA) and a Strategic Housing Land Availability Assessment (SHLAA):

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.¹³

A strategic housing market assessment (SHMA) assesses the scale and mix of houses required across a housing market area.

A strategic housing land availability assessment (SHLAA) helps to establish where these houses could be viably built.

In December 2014 the then Planning Minister, Brandon Lewis, wrote to the Chief Executive at the Planning Inspectorate about SHMAs. This letter set out the relationship between housing figures produced as part of a SHMA 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

¹³ Department for Communities and Local Government, [National Planning Policy Framework](#), March 2012, para 159

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 local circumstances in responding to Strategic Housing Market Assessments.¹⁴

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.¹⁵ Guidance about the duty is contained in the NPPF and guidance in the [PPG](#).

Where strategic issues, including housing, have a significant impact on at least two planning areas, the local planning authorities must be able to demonstrate how they have worked together.

An article in the *Guardian* from 2013 highlighted the problems that some LPAs had experienced with the duty to cooperate and with 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.¹⁶

In the HM Treasury's July 2015 Productivity Plan, [Fixing the foundations: Creating a more prosperous nation](#) the then Government said that it would "strengthen guidance to improve the operation of the duty to

¹⁴ Letter from Brandon Lewis to the Chief Executive at the Planning Inspectorate about [strategic housing market assessments](#), 19 December 2014

¹⁵ National Planning Practice Guidance, [Duty to cooperate](#), Paragraph: 002Reference ID: 9-002-20140306 [on 2 June 2015]

¹⁶ "True localism or selfish politics? Why the duty to cooperate is failing" [The Guardian](#), 28 January 2013

cooperate on key housing and planning issues, to ensure that housing and infrastructure needs are identified and planned for.”¹⁷

In the February 2017 [Housing white paper](#) the Government acknowledged that in some parts of the country the duty to cooperate has “not been successful.”¹⁸ It proposed to consult on changing the NPPF so that authorities would be expected to prepare a “Statement of Common Ground”, setting out how they would work together to meet housing requirements and other issues that cut across authority boundaries.

The Government has acknowledged that the duty to cooperate has not always been successful and plans to consult on reform.

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 was 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. In particular, it gives guidance on how to undertake the assessment of housing and economic development needs required for the Strategic Housing Market Assessment (SHMA).

Another section in the PPG on [Housing and economic land availability assessment](#) provides information to LPAs about how to identify a future supply of land which is “suitable, available and achievable for housing and economic development uses over the plan period.” It also gives guidance on making the assessment of land availability in the Strategic Housing Land Availability Assessment (SHLAA).

Guidance on taking account of constraints

The Coalition Government updated the PPG in October 2014, aiming to clarify the relationship between housing figures and the potential constraints of 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

The planning practice guidance aims to clarify how local authorities are expected to deal with any constraints on providing their full housing requirements.

¹⁷ HM Treasury, [Fixing the foundations: Creating a more prosperous nation](#), July 2015, para 9.11

¹⁸ HM Government, Housing white paper, [Fixing our broken housing market](#), 7 February 2017, para 1.9

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)¹⁹

Another section of the [PPG](#) sets out what should happen if there is a shortfall in the number of sites for housing:

What happens if the trajectory indicates that there are insufficient sites/broad locations to meet the objectively assessed need?

It may be concluded that insufficient sites/broad locations have been identified against objectively assessed needs. Plan makers will need to revisit the assessment, for example changing the assumptions on the development potential on particular sites (including physical and policy constraints) including sites for possible new settlements.

If, following this review there are still insufficient sites, then it will be necessary to investigate how this shortfall should best be planned for. If there is clear evidence that the needs cannot be met locally, it will be necessary to consider how needs might be met in adjoining areas in accordance with the [duty to cooperate](#).

Paragraph: 026 Reference ID: 3-026-20140306

Revision date: 06 03 2014

2.4 Gallagher Homes case and Regional Spatial Strategy figures

In April 2014 the High Court, in the case of Gallagher Homes Ltd,²⁰ upheld a judicial review by Gallagher Homes that Solihull Metropolitan District Council had failed to take into account policy changes introduced by the NPPF in calculating its housing supply. The Council

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

¹⁹ National Planning Practice Guidance, [Housing and economic land availability assessment](#), updated 6 October 2014

²⁰ [Gallagher Homes Ltd & Another v Solihull Metropolitan Borough Council](#) [2014] EWHC 1283 (Admin) (30 April 2014)

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.²¹

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.²²

2.5 Accounting for historic under-supply of housing

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 used case studies from Liverpool and Sedgefield about how these authorities calculated housing figures in their (now abolished) regional spatial strategies. In particular it highlighted Liverpool and Sedgefield as being “good examples” for calculating historic undersupply of housing in a “clear and transparent manner”.

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*, in 2013 highlighted a shift towards the Sedgefield method being required by Planning Inspectors:

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

Local authorities with a record of persistent under delivery of housing should compensate for this in their local plan.

²¹ Ibid, para 98

²² “Local plan ruling ‘a warning’” [Planning](#), 9 May 2014

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.²³

From March 2014 the PPG has provided the following guidance on how to deal with historic under-supply of housing, which favours the Sedgefield method:

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 2014²⁴

²³ "The struggle for sites" [Planning](#), 31 May 2013

²⁴ National Planning Practice Guidance, [Housing and economic land availability assessment](#), Paragraph: 035Reference ID: 3-035-20140306 [on 2 June 2015]

3. Unplanned development

3.1 The presumption in favour of sustainable development

Paragraph 14 of the NPPF introduced a “presumption in favour of sustainable development” to direct what should happen if a local authority does not have up-to-date development policies. In relation to decision-taking this means:

- approving development proposals that accord with the development plan without delay; and
- where the development plan is absent, silent or relevant policies are out-of-date, granting permission 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 this Framework indicate development should be restricted.²⁵

The presumption in favour of sustainable development directs planning permission to be granted where the development plan is absent, silent or out-of-date, unless specified exceptions apply.

Paragraph 49 of the NPPF puts this presumption in the context of housing planning applications. It states:

49. Housing applications should be considered in the context of the presumption in favour of sustainable development. Relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.

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

When the draft NPPF was published the then Coalition [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

²⁵ HM Government, [National Planning Policy Framework](#), March 2012, para 14

sustainable and not in breach of the framework's environmental protections.²⁶

3.2 May 2017 Supreme Court case on NPPF interpretation

In May 2017 the Supreme Court published its verdict on the application and meaning of paragraphs 14 and 49 of the NPPF in the combined cases of [Suffolk Coastal District Council \(Appellant\) v Hopkins Homes Ltd and another \(Respondents\) Richborough Estates Partnership LLP and another \(Respondents\) v Cheshire East Borough Council \(Appellant\)](#), [2017] UKSC 37.

The question before the court was about whether policies in local plans which did not relate to housing (e.g. green belt, employment land etc.), could be considered out of date if the local authority could not demonstrate an up-to-date five year housing land supply. Lord Neuberger concluded that they could not be considered out-of-date for that reason alone. He favoured a "narrow" interpretation of the paragraph 49, "contrary to the previous conclusion of the Court of Appeal":

58. In so far as the paragraph 47 objectives are not met by the housing supply policies as they stand, it is quite natural to describe those policies as "out-of-date" to that extent. As already discussed, other categories of policies, for example those for employment land or transport, may also be found to be out-of-date for other reasons, so as to trigger the paragraph 14 presumption. The only difference is that in those cases there is no equivalent test to that of the five-year supply for housing. In neither case is there any reason to treat the shortfall in the particular policies as rendering out-of-date other parts of the plan which serve a different purpose.²⁷

In response to the judgement Justin Cove, associate director at Nexus Planning considered that:

"The judgment will also be of particular importance to green belt and other environmental policies, as the Court ruled that up-to-date policies should still be applied through paragraph 14; even where authorities fail to demonstrate a five-year land supply and fall foul of paragraph 49."²⁸

3.3 Neighbourhood plan areas

At second reading of the then [Neighbourhood Planning Bill 2016-17](#) in the House of Commons, many members, including Sir Oliver Letwin and John Mann, raised concern about neighbourhood plan policies not being adhered to in areas where there was no local plan in place, or where the local authority had no up-to-date five year housing supply. They asked for provisions to be added to ensure that policies in

Concern has been raised in Parliament about neighbourhood plan policies not being adhered to where there is not a 5 year housing supply.

²⁶ Department for Communities and Local Government, [National Planning Policy Framework: Myth-Buster](#), 8 September 2011

²⁷ [Suffolk Coastal District Council \(Appellant\) v Hopkins Homes Ltd and another \(Respondents\) Richborough Estates Partnership LLP and another \(Respondents\) v Cheshire East Borough Council \(Appellant\)](#), [2017] UKSC 37, para 58

²⁸ "Reaction to Supreme Court ruling on the NPPF" [The Planner](#), 10 May 2017

neighbourhood plans were given stronger force and were not overruled.²⁹

In part, in response to some of these concerns raised, the Government issued a [written statement](#) on 12 December 2016, which aimed to strengthen the weight given to neighbourhood plan policies in areas where: a neighbourhood plan allocates sites for housing; is fewer than two years old; and where the local authority can demonstrate a three year (as opposed to a five year) housing land supply:

As more communities take up the opportunity to shape their area we need to make sure planning policy is suitable for a system with growing neighbourhood plan coverage. Building on proposals to further strengthen neighbourhood planning through the Neighbourhood Planning Bill, I am today making clear that where communities plan for housing in their area in a neighbourhood plan, those plans should not be deemed to be out-of-date unless there is a significant lack of land supply for housing in the wider local authority area. We are also offering those communities who brought forward their plans in advance of this statement time to review their plans.

This means that relevant policies for the supply of housing in a neighbourhood plan, that is part of the development plan, should not be deemed to be 'out-of-date' under paragraph 49 of the National Planning Policy Framework where all of the following circumstances arise at the time the decision is made:

- This written ministerial statement is less than 2 years old, or the neighbourhood plan has been part of the development plan for 2 years or less;
- the neighbourhood plan allocates sites for housing; and
- the local planning authority can demonstrate a three-year supply of deliverable housing sites.

This statement applies to decisions made on planning applications and appeals from today. This statement should be read in conjunction with the National Planning Policy Framework and is a material consideration in relevant planning decisions.

My Department will be bringing forward a White Paper on Housing in due course. Following consultation, we anticipate the policy for neighbourhood planning set out in this statement will be revised to reflect policy brought forward to ensure new neighbourhood plans meet their fair share of local housing need and housing is being delivered across the wider local authority area. It is, however, right to take action now to protect communities who have worked hard to produce their neighbourhood plan and find the housing supply policies are deemed to be out-of-date through no fault of their own.³⁰

3.4 Concern about unplanned development

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

In December 2016 the previous Government changed planning policy to give greater weight to neighbourhood plans, subject to certain criteria, in areas which cannot demonstrate a five-year housing land supply.

Several reports have raised concerns about the ability of local authorities to resist unplanned development where there is a deficit in the 5 year housing supply.

²⁹ [HC Deb 10 October 2016](#) c89 and c90 and c103

³⁰ [Neighbourhood Planning: Written statement](#) - HCWS346 12 December 2016

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.³¹

This was followed by a further report by Savills in June 2017, [Planning to solve the housing crisis](#), which summarised that many councils were still losing planning appeals due to not having a 5 year land supply:

61 local authorities have lost at appeal due to not having a five year land supply in the year to April 2017. A further 61 authorities have a published housing land supply of less than five years.

Across England, local authorities have on average 5.3 years' land supply, down from 5.4 years last year.³²

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 such sites to be built on. It argued that the presumption in favour of sustainable development 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."³³

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 when land for housing could be deemed to be "viable" was "leading to inappropriate development".³⁴ 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.³⁵ 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."³⁶

³¹ Savills, [Countdown to the election](#), Spring 2014, p5

³² Savills, [Planning to solve the housing crisis](#), 12 June 2017, p1

³³ National Trust, [Countryside at risk from 'gaming' developers](#), 6 January 2015

³⁴ 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

³⁵ Ibid, p36

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

4. House building statistics

It is generally accepted that not enough new homes are being built to meet growing need. [Household projections up to 2039](#) were published in July 2016, which indicated that on average 210,000 additional households will be formed each year up to 2039. This exceeds the number of homes built in recently by a considerable margin – 140,660 [new build dwellings were completed](#) in the year to December 2016, which is 1 per cent lower than in the year to December 2015.³⁷

The latest Government statistical release [Planning Applications in England: October to December 2016](#) states that approval for 277,000 homes was given in the rolling year to 30 December 2016, compared to a revised figure of 270,000 homes approved in the rolling year to 30 September 2016. The number of homes granted permission during the year to 31 December 2016 was five per cent higher than in the rolling year to 31 December 2015.³⁸

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

³⁷ Department for Communities and Local Government, [House building: new build dwellings, England: December Quarter 2016](#), 23 February 2017

³⁸ HM Government [Planning Applications in England: October to December 2016](#), 23 March 2017

5. Local Plan Expert Group Report: March 2016

On 15 September 2015 the previous Conservative 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 (a planning consultancy firm). Further information about the panel and its members was set out in the press release, [Launch of new group of experts to help streamline the local plan-making process](#), 15 September 2015.

In March 2016 the Local Plans Expert Group concluded that “substantial reform” to local plan making was necessary.

The Local Plans Expert Group (LPEG), final report [Report to the Communities Secretary and to the Minister of Housing and Planning](#), was published on 16 March 2016. In it the LPEG argued 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.

It 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 a number of recommendations aimed at changing the process for calculating and delivery housing needs. These included:

- A single, clear and simplified approach to calculating housing needs that will drive forward the Government’s objectives to improve affordability and opportunities for wider home ownership
- A standard calculation of 5 year supply, which is then monitored annually and signed off, instead of being repeatedly challenged at planning appeals;
- Automatic release of additional plan-led sites if monitoring shows that the housing requirements are not being delivered (instead of planning by appeal);
- Strengthening the duty to cooperate;

21 Planning for housing

- Requiring the distribution of housing between local authorities to be agreed by March 2017 or settled through the devolution of planning powers to combined authorities or through the local production of joint local plans;
- Limiting the life of pre-NPPF local plans and the life of short term reviews;
- Advising that the Government may need to take complementary steps to incentivise the development of growth points to ensure that housing needs are met.³⁹

The publication of the LPEG's report coincided with the March [2016 Budget](#) and at that the time the Government launched a consultation on the recommendations made by the LPEG.⁴⁰

Clauses introduced by the Government at Committee stage of the [Neighbourhood Planning Act 2017](#) aimed to implement some of the LPEG's recommendations needing primary legislation (see section 7 for further information).

³⁹ Local Plans Expert Group, [Press release](#), 16 March 2016

⁴⁰ HM Government, [Budget 2016](#), 16 March 2016, para 2.288

6. Housing and Planning Act 2016

On publication of the then *Housing and Planning Bill* in October 2015 the former Conservative Government said it would kick-start a “national crusade to get 1 million homes built by 2020” and transform “generation rent into generation buy.”⁴¹ The supply-side measures in the Act were primarily focused on speeding up the planning system with the aim of delivering more housing. There is also a clear focus on home ownership, with measures to facilitate the building of Starter Homes and self/custom build housing.

The Act received Royal Assent on 12 May 2016. The planning provisions of the Act are outlined in the sections below, and are explored in more detail in the Library briefing papers:

- [Housing and Planning Bill 2015-16](#);
- [Housing and Planning Bill: Report on Committee Stage](#); and
- [Housing and Planning Bill: Lords amendments and Ping Pong](#).

On 18 February 2016 the Government published an [Implementation of planning changes: technical consultation](#) which set out the Government’s proposed content of future secondary legislation made under various different parts of the Act. A number of the planning provisions in the Act were aimed at making it easier for new homes to be built. These are set out in the sections below.

Starter homes

The Act put into legislation the former Government’s intention to provide a number of Starter Homes, sold at a discount, for first-time buyers under the age of 40. Starter Homes would be sold at a discount of at least 20% of the market value. Specifically, the Act puts a general duty on all planning authorities to promote the supply of Starter Homes, and allows for the provision of a specific duty, to be determined in later regulations, to require a certain number or proportion of Starter Homes on site.

On 23 March 2016 the Government published a [Starter homes regulations: technical consultation](#) which closed on 18 May 2016. The consultation asked for views on the content of these regulations. This included proposals for a new requirement of 20% of new homes to be provided as starter homes on sites above a specified size.

The [Starter homes regulations: government response to the technical consultation](#) was published on 7 February 2017. It stated that the Government had decided not to implement a compulsory starter homes requirement at that point in time. The Government would commence the general duty on local authorities to promote the supply of starter homes and will bring forward regulations to finalise the starter homes definition and monitoring provisions.

Local authorities will have a duty to promote the supply of starter homes, but there will not now be a compulsory requirement to provide a certain amount.

⁴¹ HM Government, [Historic Housing and Planning Bill will transform generation rent into generation buy](#), 13 October 2015

As part of its [consultation](#) on the Housing white paper, the then Government asked for views on its intention to introduce a household income eligibility cap of £80,000 (£90,000 for London) on starter homes through changes to the National Planning Policy Framework (NPPF).

Planning “permission in principle” and local registers of land

The [Housing and Planning Act 2016](#) made a number of changes to the planning system. It received Royal Assent on 12 May 2016.

One of the key planning changes from this Act was the introduction of a new duty for local authorities to keep a register of brownfield land within its area. This in turn ties in with a new system of allowing the Secretary of State to grant “permission in principle” for housing on sites identified in these registers.

Planning “permission in principle” is a new process that grants planning permission for housing-led development. It separates the decision about the principle of whether housing development should be approved from a later technical details consent process. The in principle matters relate to the location, use, and amount of development on a site. It is expected that everything else will be reserved for the technical details consent stage. Planning permission in principle would then have to be combined with a new “technical details consent” granted by the local authority before development could go ahead.

The former Government has made a number of statutory instruments to implement the permission in principle policy. These came into force in April 2017 and include:

- [Housing and Planning Act 2016 \(Permission in Principle etc\) \(Miscellaneous Amendments\) \(England\) Regulations 2017](#);
- The [Town and Country Planning \(Permission in Principle\) Order 2017](#);
- The [Town and Country Planning \(Register of Previously Developed Land\) Regulations 2017](#).

The Government published non-statutory guidance, [Brownfield registers and permission in principle: frequently asked questions](#) on 21 April 2017 to set out how councils should manage their brownfield land registers. Statutory technical guidance is expected to be published in June 2017.⁴²

Nationally significant infrastructure projects and housing

The Planning Act 2008 introduced a new development consent process for NSIPs. NSIPs are usually large scale developments (relating to energy, transport, water, or waste) which require a type of consent known as “development consent”. A Development Consent Order (DCO) automatically removes the need to obtain several separate consents, including planning permission and is designed to be a much quicker

From 6 April 2017 a development consent order can grant consent for housing that has either a functional link or a close geographical link to a Nationally Significant Infrastructure Project.

⁴² HM Government, [Government response to the technical consultation on implementation of planning changes: Permission in principle and brownfield registers](#), March 2017, p6

process than applying for these separately. The DCO process starts when an application is formally accepted by the National Infrastructure Planning Unit and lasts approximately 12-15 months. The final decision on granting a DCO rests with the Secretary of State for that field, based on advice from planning inspectors – known as the “examining authority”. For further information about the process see Library briefing paper, [Planning for Nationally Significant Infrastructure Projects](#).

It used to be the case that a DCO could not grant consent for housing. The 2016 Act changed this situation so that a DCO could now grant consent for housing which is linked to an application for an NSIP. For example, it would allow for housing provided for workers during the construction or operation phase of a NSIP. It also allows 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. In this context, “close to” is considered to be up to 1 mile away from any part of the infrastructure (excluding any associated development) for which development consent is being sought.⁴³

The [Housing and Planning Act 2016 \(Commencement No. 5, Transitional Provisions and Savings\) Regulations 2017](#) brought this provision allowing housing to be consented alongside a DOC into force from 6 April 2017. Further information is now provided in the Government’s March 2017 [Guidance on Nationally Significant Infrastructure Projects and Housing](#).

Section 106 planning obligations

Section 106 planning obligations can be sought by local authorities to help mitigate adverse impacts of development to make it acceptable in planning terms. At Report Stage of the then Bill on 5 January 2016 the Government tabled new clauses to provide for a dispute resolution process to speed up section 106 negotiations.⁴⁴

Chapter 10 of the February 2016 [Implementation of planning changes: technical consultation](#) provided further information about how the proposed dispute resolution mechanism would work. The then Government’s response to this part of the consultation set out that an announcement on this is would not be expected until the autumn Budget 2017:

The independent review of CIL and its relationship with Section 106 planning obligations, published alongside this White Paper, found that the current system is not as fast, simple, certain or transparent as originally intended. The Government will examine the options for reforming the system of developer contributions including ensuring direct benefit for communities, respond to the independent review and make an announcement at Autumn

The previous Government said an announcement on reform of developer contributions would be given in the autumn budget 2017.

⁴³ HM Government [Guidance on Nationally Significant Infrastructure Projects and Housing](#) March 2017

⁴⁴ [HC Deb 5 January 2016 c216-7](#)

Budget 2017. The Government will consider dispute resolution further, in the context of this reform.⁴⁵

This part of the Act also provides the Secretary of State with powers to restrict the enforcement of planning obligations in relation to affordable housing in certain situations. The Government said it would consult later on how to use this power, which would be introduced through regulations.⁴⁶

Holding direction in local plan making

The 2016 Act inserted a new section (21A) into the Planning and Compulsory Purchase Act 2004, titled temporary direction pending possible use of intervention powers. Under section 21A the Secretary of State can issue a “holding direction” if he wants to consider using his powers under section 21 of the 2004 Act. Section 21 allows the Secretary of State to intervene in the making of a development plan document where he believes that a local development document is “unsatisfactory”. Section 21A can help to ensure that a local plan does not proceed any further towards being adopted until such a time that the Secretary of State decides whether or not to use his call-in powers (in force from 26 May 2016).

⁴⁵ HM Government, [Summary of responses to the technical consultation on implementation of planning changes, consultation on upward extensions and Rural Planning Review Call for Evidence](#) 7 February 2017, para 6.17

⁴⁶ [HC Deb 5 January 2016 c217](#)

7. Neighbourhood Planning Act 2017

The [Neighbourhood Planning Act 2017](#) received Royal Assent on 27 April 2017. It made a number of changes which are aimed at freeing up more land to build homes on and at speeding up the delivery of new homes.

On **Neighbourhood Planning** the Act introduces a new procedure to allow Neighbourhood Plans to be modified. It also deals with the situation of where a new Neighbourhood Plan is needed, but covering a slightly different geographical area to the previous one. This part of the Act was also the subject of an open consultation, [Implementation of Neighbourhood Planning provisions in the Neighbourhood Planning Bill](#).

The Act provides that **pre-commencement planning conditions** can only be used by Local Planning authorities where they have the written agreement of the developer. If the developer does not agree to the pre-commencement condition then the local authority has the option to refuse the planning permission. These provisions were also the subject of a Government [Open consultation: Improving the use of planning conditions](#).

Measures are also included in relation to **compulsory purchase powers**. The Act introduces powers allowing the temporary possession of land and a duty to provide compensation for it. It aims to clarify case law on the definition of what is meant by a “no-scheme world” for the assessment of compensation. A time limit is set in the Act for an acquiring authority to issue a compulsory purchase confirmation notice. The Act also provides for Transport for London and the Greater London Authority to be able to acquire land through compulsory purchase on behalf of each other for mixed-use transport, housing and regeneration purposes. [Consultation](#) on these provisions concluded earlier in 2016.

A number of measures were added by the Government at Committee Stage in the House of Commons to provide greater powers of **intervention in relation to development plan documents** (Local Plan) making.

For further information about the Bill see Library briefing papers:

- [Commons Library analysis of the Neighbourhood Planning Bill](#), 28 September 2016; and
- [Neighbourhood Planning Bill: Report on Committee Stage](#), 16 November 2016.
- [Neighbourhood Planning Bill: Briefing for Lords Stages](#), 5 January 2017.

8. The Housing white paper: February 2017

The former Conservative Government published its Housing white paper, [Fixing our broken housing market](#) on 7 February 2017. Its publication was preceded by a [statement in the House of Commons](#) about it from the Secretary of State with contributions from a range of Members. The Government [consulted](#) on its proposals until 2 May 2017.

As well as a range of policies aimed at helping to diversify the housing market and helping people to afford a home, the white paper also has a strong focus on changes that can be made to planning law and policy.

The white paper also sets out that the existing protection for the **green belt** would remain unchanged and emphasised that authorities should amend Green Belt boundaries only when they could demonstrate that they had examined fully all other reasonable options for meeting their identified development requirements. Further information on existing green belt protection is available from the Library briefing paper, [Green belt](#).

Planning for the right homes in the right places

The first chapter of the white paper contained measures on “planning for the right homes in the right places”. Some of the key proposals under this heading included:

- A further consultation to be published on making changes to the National Planning Policy Framework (NPPF) directing local authorities to prepare a **statement of common ground**, setting out how they intend to work together to meet housing requirements that cut across authority boundaries.
- **Removing the policy expectation** that each local planning authority should **produce a single local plan**. Instead it would make clear that authorities should identify “the most effective way of setting out their key strategic priorities,” with an additional requirement to plan for the allocations needed to deliver the area’s housing requirement.
- Enabling **spatial development strategies** produced by new combined authorities or elected Mayors to allocate strategic sites for development.
- A further consultation to be published on introducing a **standardised approach for local authorities in assessing housing requirements**. The outcome will be reflected in changes made to the NPPF.
- Introducing legislation to allow locally accountable **New Towns Development Corporations** to be set up in order to better support new garden towns and villages.

The majority of its reforms could be achieved by updating the NPPF; they do require primary legislation.

- Revising the NPPF to make clear that plans and development proposals should make “efficient use of land and **avoid building homes at low densities.**”

Building homes faster

Another chapter of the white paper was concerned with “building homes faster”. Some of its key proposals included:

- Amending the NPPF to give local authorities the opportunity to have their **housing land supply agreed on an annual basis** and fixed for a one year period, in order to create more certainty about when an adequate land supply exists. Authorities taking advantage of this will have to provide a 10% buffer on their 5 year land supply.
- Subject to further consultation large housebuilders would be required to publish **aggregate information on build out rates.**
- Seeking views on whether an applicant’s **track record of delivering previous similar housing schemes** should be taken into account by local authorities taking decisions on housing development.
- A further consultation on **simplifying the completion notice process** to allow a local authority to serve a completion notice on a site before the commencement deadline has elapsed, but only where works have begun, in order to dissuade developers from making a token start on work on site to keep the planning permission alive.
- Changing the NPPF to introduce a **housing delivery test** which will highlight whether the number of homes being built is on target. If delivery then falls below specified thresholds an extra buffer would be added onto the five-year land supply and further thresholds would then allow the presumption in favour of sustainable development to apply automatically.

Initial reactions to the Housing white paper

A number of organisations published their initial response to the white paper online. These include:

- Local Government Association, [Councils respond to Housing White Paper](#), 7 February 2017
- London Councils, [London Councils statement on Housing white paper](#), 7 February 2017
- Royal Town Planning Institute, [Housing White Paper: RTPI response](#), 7 February 2017
- Town and Country Planning Association, [Government commits to a new generation of new communities](#), 7 February 2017
- Campaign to Protect Rural England, [Housing white paper: CPRE reaction](#), 7 February 2017
- Joseph Rowntree Foundation, [Response to Housing white paper](#), 7 February 2017

- Home Builders' Federation, [White paper reflects key role private house builders have in addressing 'broken housing market'](#), 7 February 2017
- National Housing Federation, [Federation response to Housing white paper](#), 7 February 2017
- Nathaniel Lichfield & Partners, [NLP's review of the white paper](#), 8 February 2017
- Savills, [What the Housing white paper means for the planning system](#), 7 February 2017

Other Government planning reforms

Some of the changes in the Housing white paper are a result of earlier Government proposals and consultation, these include:

- [Consultation on proposed changes to national planning policy](#), December 2015.
- [Implementation of planning changes: technical consultation](#), 18 February 2016.
- [Upward extensions in London](#), 18 February 2016.
- [Summary of responses to the technical consultation on implementation of planning changes, consultation on upward extensions and Rural Planning Review Call for Evidence](#) 7 February 2017

For further information about these policies and proposals to encourage house building see the Library briefing paper, [Planning Reform Proposals](#).

There are a number of planning reforms put forward by Government which do not originate from the Housing white paper.

9. Conservative Party 2017 manifesto pledges on planning and housing

In relation to planning housing and planning the [Conservative Party manifesto](#) for the 2017 general election stated:

“We will meet our 2015 commitment to deliver a million homes by the end of 2020 and we will deliver half a million more by the end of 2022. We will deliver the reforms proposed in our Housing White Paper to free up more land for new homes in the right places, speed up build-out by encouraging modern methods of construction and give councils powers to intervene where developers do not act on their planning permissions; and we will diversify who builds homes in this country.”

(...)

“We will build better houses, to match the quality of those we have inherited from previous generations. That means supporting high-quality, high-density housing like mansion blocks, mews houses and terraced streets. It means maintaining the existing strong protections on designated land like the Green Belt, National Parks and Areas of Outstanding Natural Beauty. It means not just concentrating development in the south-east but rebalancing housing growth across the country, in line with our modern industrial strategy. It means government building 160,000 houses on its own land. It means supporting specialist housing where it is needed, like multigenerational homes and housing for older people, including by helping housing associations increase their specialist housing stock.”⁴⁷

The new Government has not yet confirmed this position since the election and the appointment of a new Housing and Planning Minister.

⁴⁷ Conservative and Unionist Party [General Election Manifesto 2017](#), May 2017, p70-71

10. Further reading

- Savills, [Planning to solve the housing crisis](#), 12 June 2017
- Communities and Local Government Committee Select Committee, [Capacity in the homebuilding industry](#), 29 April 2017
- Savills, [Planning: Uncertainty, Challenges and Opportunity](#), summer 2016
- 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.

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).