

**LICHFIELDS**

## **Planning:**

### ***‘A New Blueprint to deliver 1.5M New Homes’***

**Ian Anderson: Senior Director UK**

**Lichfields**

**Autumn 2024**



**LICHFIELDS**

### **1. Introduction**

### **2. A New NPPF in 2024**

- a) ‘Top Down’
- b) ‘Presumption in Favour of Sustainable Development’
- c) ‘Grey Belt’
- d) ‘Brownfield Passports’

### **3. Other possible emerging changes?**

- a) Permitted Development / Permitted Changes of Use



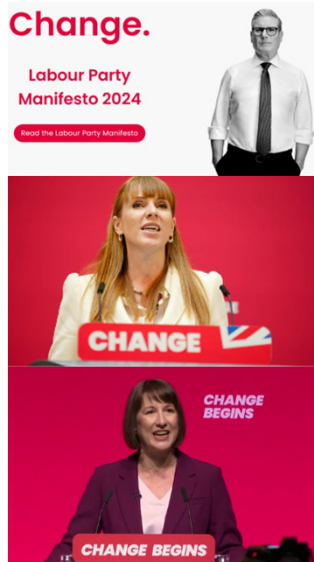


## **1. Introduction**



***A very busy summer!***

## Planning Reform: Central in June ‘Manifesto for Change’



Labour Party Manifesto June 2024: ‘Change’

*‘Reform our Planning Rules’*

*‘... to build 1.5m homes’*

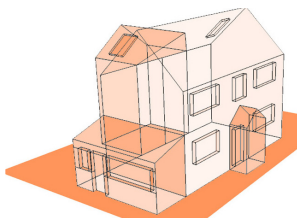
Why 1.5M?

Theresa May (2017): Housing White Paper minimum of 225,000 pa to deal with shortfall / undersupply

Boris (2019): manifesto pledge 300,000 homes pa to tackle undersupply.

**300,000 x 5 = 1.5M across new Government’s 5 year term**

## Planning Reform: Key Part of Labour’s Housing Reform



**The next generation of ‘new towns’;** new communities with beautiful homes, green spaces, reliable transport links and bustling high streets;

**Unleashing Mayors;** a package of devolution to Mayors, with stronger powers over planning and control over housing investment;

**‘Planning passport’ for urban brownfield development;** with a fast-track approval and delivery of high-density housing on urban brownfield sites;

**First dibs for first time buyers;** supporting younger people the first chance at homes in new housing developments with a government-backed mortgage guarantee scheme;

**The housing recovery plan;** a blitz of planning reform to quickly boost housebuilding to buy and rent and deliver the biggest boost to affordable housing in a generation, enhancing local voice on ‘how’ housing is built; and

**Tenant / Landlord reform:** rent protection & preventing ‘no fault’ evictions

## Rachel Reeve's Speech: 8<sup>th</sup> July 2024



Nowhere is decisive reform needed more urgently than in the case of our planning system.

*'Today, alongside the Deputy Prime Minister, I am taking immediate action to deliver this government's mission to kickstart economic growth and to take the urgent steps necessary to build the infrastructure that we need, including one and a half million homes over the next five years.'*

*'First, we will reform the National Planning Policy Framework, consulting on a new growth-focused approach to the planning system before the end of the month, including restoring mandatory housing targets.'*

## King's Speech: 17<sup>th</sup> July 2024



*'My Ministers will get Britain building, including through planning reform, as they seek to accelerate the delivery of high quality infrastructure and housing ...'*

An intent to:

*'... speed up and streamline'* in order to build more homes of all tenures.

The ambition is for a revamped system to be an:

*'... enabler of growth'*, with *'democratic engagement on how, not if, homes and infrastructure are built'*.



**And 13 days later...**



Ministry of Housing,  
Communities &  
Local Government

## **Draft National Planning Policy Framework**

**(NPPF24)**

**National Planning Policy Framework**

## **Party Conference September 2024**



**Reeves:**

*'Labour will continue to rip out blockages in the Planning System'*



**Rayner:**

*'A new planning framework will unlock the door to affordable homes and provide the biggest boost to social and affordable housing in a generation.'*



**Starmer:**

*'The work of change has begun ... We have started the hard yards of planning reform. Because we are facing up to decisions ignored for years. Because we are introducing new planning passports that will turbo-charge housebuilding in our inner cities.'*

## **Spare a thought for Matthew ...**



Matthew Pennycook, Minister of State for Housing and Planning:

*'The shortage of planning officers keeps me up at night ...'*

**2. A new NPPF in 2024  
(or maybe now 2025 ...)**

## Planning Reform: Draft NPPF 30 July 2024

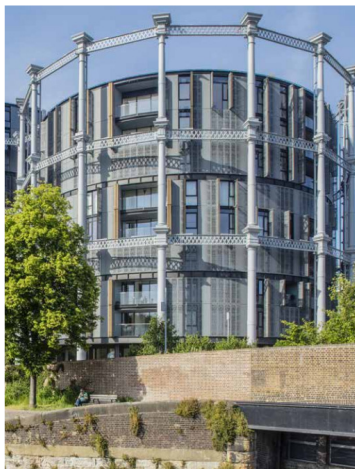


Ministry of Housing,  
Communities &  
Local Government

### National Planning Policy Framework

- Only 26 days after Labour came to power
- 13 Days after Kings Speech
- Intended to streamline, cut red tape and provide ‘clarity and certainty’ in plan making and decision taking.
- Consultation of 8 weeks over summer (ended on 24<sup>th</sup> September)
- Changes heavily residential focused

## Planning Reform: Draft NPPF 30 July 2024



### Key Areas of Change:

- Revised approach to the provision of housing / ‘Top down’ Calculations
- Changes to ‘Presumption in Favour of Sustainable Development’
- Green Belt and ‘Grey Belt’
- Brownfield development: ‘Brownfield Passports’

## a) 'Top Down' Housing Requirements

### 'Top Down' Housing Requirements

- Previously a tenet of the Conservative Government
- But unpopular in 'Tory Shires': Led to the '*Gove flip flop*'

#### 'Top Down' now reinstated:

- Key policies set / Targets at a national level
  - **A Target to deliver 1.5M homes, or 300,000 homes per year**
- National Standard Method for housing need replaced with nationally calculated **Binding housing requirement**





## 'The Science'

The **current** Standard Method is based on a four-step approach for each local authority area

1. Using the 2014-based household projections, take the 10 year average growth rate;
2. Apply an uplift, based on the latest median workplace-based affordability ratio (formula set out in national guidance);
3. Apply a cap to the 'need', where appropriate.
  - Where the strategic policies for housing in the current plan are less than five years old, the cap is 40% above the current plan requirement.
  - Where more than five years old, cap the need at 40% above whichever is higher of the current plan requirement or household projections; and
4. For the 20 largest urban areas nationally a further 35% uplift to step should be added to totals



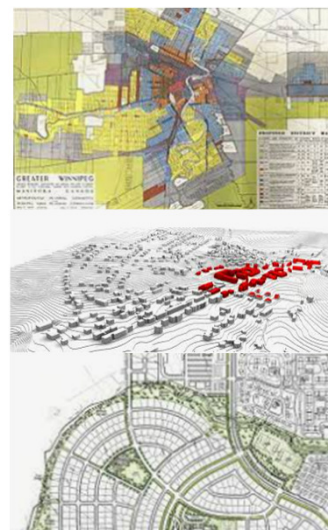
The Local Plan



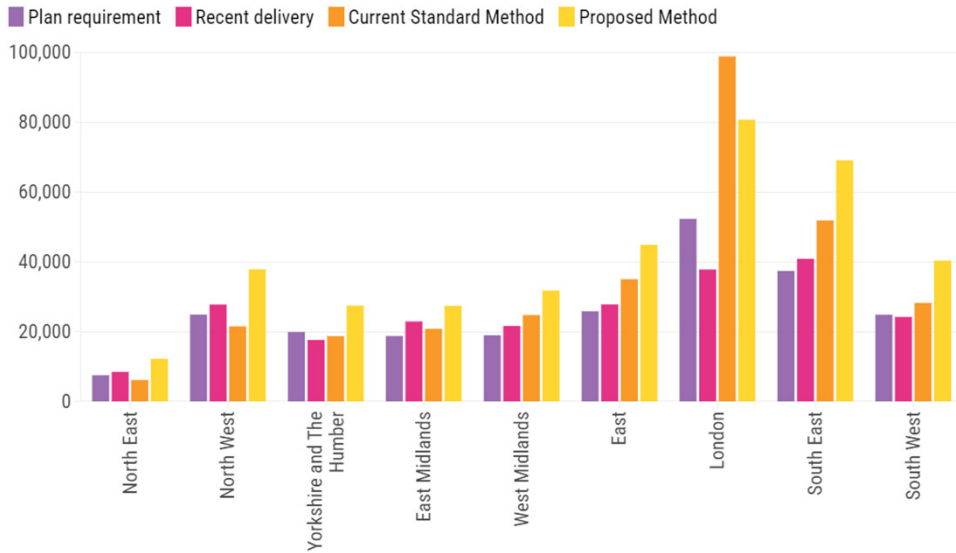
## 'Top Down' Housing Requirements

The **proposed new Standard Method** adopts a simpler two-step approach for each local authority area:

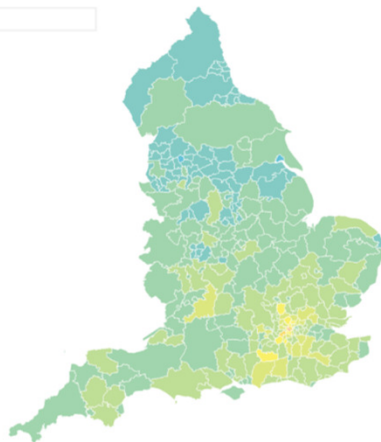
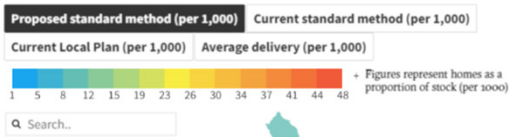
1. Take 0.8% of the current housing stock of the area;
2. Apply an uplift, based on a three-year average of the median workplace-based affordability ratio, with an increase of 15% for every unit above four.



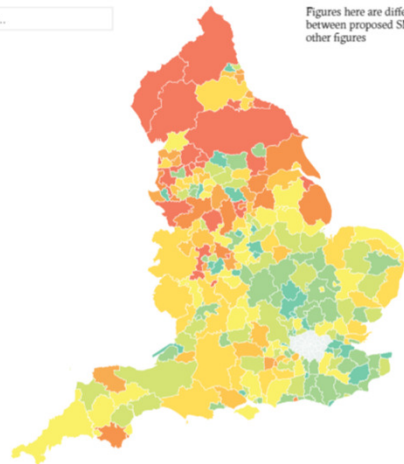
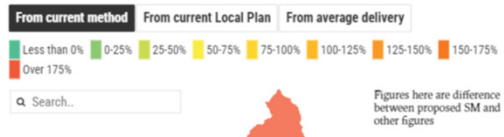
**Figure 1 Regional Breakdown of Housing Target and Delivery Data**



**Housing Targets (per 1,000 homes)**



**Change %**



## BUT! ... 'Mandatory' but 'not Binding'?!

'Mandatory ... but not binding ...' Is this the 'flip flop'?

The NPPF proposals suggests the proposed Standard Method is:

1. **Mandatory** in that it should be the basis for establishing need in Local Plans, with no provisions: exceptional or otherwise, for using a different method; **BUT!**
2. **Not binding** in that it is not the same as the housing requirement (or target) in the local plan.

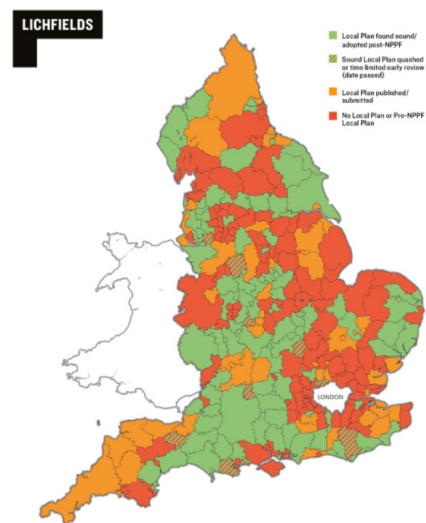
Local Plans may be justified in providing for less housing than needed in their area if there are areas or assets of particular importance that restrict development or if the adverse impacts of meeting need would '*significantly and demonstrably*' outweigh the benefits.



## Transitional Arrangements

Depending on where Plan is during its adoption process:

1. Authorities able to continue on old calculation
2. But will need to review Plan immediately
3. Elsewhere, where Plan are in abeyance, Inspectors beginning to take calculation into account as 'material'
4. Appear to be applying now more rigorously assessment of housing delivery under old test
5. Therefore far reaching impact on new local plans / plan preparation



## b) Changes to the ‘Presumption in Favour of Sustainable Development’

### Presumption in Favour of Sustainable Development



Para 11 ‘Presumption in Favour of Sustainable Development’ introduced NPPF12

Seen as key Policy of successive Governments to try and ‘unlock’ planning

Importantly:

1. Doesn’t change position of S38(6) of the Act in decisions being ‘Plan Led’
2. Does introduce a ‘balance’ to decision making, which weighs advantages of proposals
3. Sets in some cases a ‘high bar for refusal’

## Presumption in Favour of Sustainable Development



Para 11 'Presumption in Favour of Sustainable Development

1. Where developments accord with an up to date Plan should be approved without delay
2. Where the Plan doesn't cover adequately the provisions of the planning application, or Plan is out of date, should approve, unless:
  1. Policies of the NPPF suggest there should be restriction on development (eg Green Belt / AONB / Conservation Areas) **OR**
  2. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits

## Updating Presumption in Favour of Sustainable Development



Election manifesto to '*reform and strengthen*' Presumption in Favour of Sustainable Development (para 11)

Changes consulted on in present revision include 2 key elements:

**1. The addition of circumstances where Presumption can be applied.**

- Historically, where there are no relevant Policies or Plan is out of date.

- Adds that presumption should now also be applied '*where there are no policies for the supply of land*'

## Updating Presumption in Favour of Sustainable Development



Revised National Planning Policy Framework

VIEW INSIGHT



2. Clarifies the addition of circumstances where *significant adverse affects* should apply.

*'... in particular, those preventing the location and design of development for securing affordable housing'*

Placing affordable housing as a more significant priority and a higher bar for refusal.

BUT, Presently the draft:

- Doesn't set how much additional weight should be given
- Doesn't state the position where this sits against 'Plan Led / S38(6) or 'tilted balance'

c) 'Grey Belt'

## 'Grey Belt'

Potentially biggest policy initiative is reform of Green Belt and the introduction of the 'Grey Belt'.

First mooted in October 2023 as a description of land use and landscape quality, with particular reference to infamous Ferry Lane Petrol filling Station in Tottenham's Green Belt



## 'Grey Belt': Definition



Draft NPPF24 definition (in the glossary at Annex 2) describes 'Grey Belt' as covering:

1. *Areas of Previously Developed Land (PDL) and/or*
2. *Land that make a "limited contribution" to the Green Belt purposes*





## 'Grey Belt': Definition



A Lichfields review of a random sample of 20 recent Green Belt Reviews found:

- 2 Reviews that resolutely failed to identify any land that made a limited (or low) contribution to Green Belt purposes,
- 9 Reviews that identified between 1-9 parcels at the bottom of the scale
- 9 Reviews identified between 17 and 84 individual parcels that made a limited contribution to Green Belt purposes.



(A disappointment to advocates of fairways and putting greens as the panacea for the housing crisis, Golf Courses tended not to sit at the bottom of the scale in terms of Green Belt purposes, with most regarded as having 'moderate contribution' to Green Belt purposes.)

## 'Grey Belt': Definition



However, for Grey Belt, "*limited contribution to Green Belt purposes*" may not mean what is usually does.

The consultation suggests (and invites views on), for the purposes of 'Grey Belt', this would mean the land would:

1. Not strongly perform against any Green Belt purpose; and
2. Have at least one of the following features:
  - Land containing substantial built development or which is fully enclosed by built form;
  - Land which makes no or very little contribution to preventing neighbouring towns from merging into one another;
  - Land which is dominated by urban land uses, including physical developments; or
  - Land which contributes little to preserving the setting and special character of historic towns





## 'Grey Belt': Definition



### However:

This raises the potential that very significant areas of land that are 'urban fringe' might represent Grey Belt, even if a conventional Green Belt Release finds that the site performs 'moderately' against Green Belt purposes individually and as a whole.

Equally, some land that performs only a limited role against Green Belt purposes might not be classified as 'Grey Belt'.

## 'Grey Belt': Approach

  
Ministry of Housing,  
Communities &  
Local Government



**Para 144** introduces a sequential approach to Green Belt release, prioritising Previously Developed Land in sustainable locations first, before considering Grey Belt land in 'sustainable locations', and finally, other 'sustainable locations' within the Green Belt.

NPPF24 also expands the definition of development that is not inappropriate in the Green Belt at para 152 to include "*Grey Belt land in sustainable locations*" and where LPAs cannot meet the 5YHLS, or falls below the 75% HDT threshold, or "*there is a demonstrable need for land to be released for development of local, regional or national importance.*"

In view of how many Green Belt LPAs do not have up-to-date Local Plans and will almost immediately be without a 5YHLS (alongside the new Standard Method), this is potentially a very powerful tool for unlocking housing delivery in areas that were hitherto off-limits.

## But the potential ‘sting in the tail’



The complicating factor is that NPPF24 also introduces development management policies (the so-called ‘Golden Rules’) at paras 155-157

Will cover both Local Plan ‘Green Belt releases and planning approvals:

1. For housing schemes, the provision of at least 50% affordable housing (subject to viability);
2. Relevant infrastructure improvements; and
3. Provision or improvement of green spaces accessible to the public  
*“the objective should be for new residents to be able to access good quality green spaces within a short walk of their home”.*

Viability assessments may therefore be even more key for new proposals

## d) Brownfield Passports

## 'Brownfield Passports'



### Released to coincide with Labour Party Conference

*'We have been clear that development must look to brownfield first, prioritising the development of previously used land wherever possible.'*

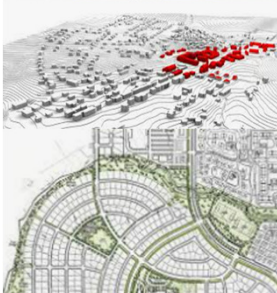
*To support this, we will make the targeted changes, including making clear that the default answer to brownfield development should be "yes".'*

### Brownfield passports proposing to set

*"clear parameters which, if met, serve as accepted markers of suitability, with approval becoming the default and a swifter outcome*

**Could be a new separate 'Use Class' ...**

## 'Brownfield Passport' Published 23/09/24



Working Paper with ideas sought on how to devise national policy that provides clearer route to approval for brownfield land – hence the term 'passport'.

### Objective

*"... to explore ways in which providing more explicit expectations for development could lower the risk, cost, and uncertainty associated with securing planning permissions on brownfield land",*

BUT doesn't contemplate (for now):

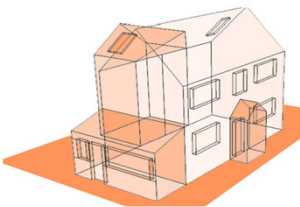
*"... the granting of automatic planning permission on suitable brownfield sites or removing appropriate local oversight of the development control process"*

## Brownfield Passport: 4 Proposals in Working Paper



- **Proposal A related to the principle of development:** national policy would be explicit that development on brownfield land within urban settlements is acceptable unless specified exclusions apply – e.g. flood risk and access (their examples)
- **Proposal B related to scale:** use national policy to set minimum expectations for certain types of location where a particular scale of development may be appropriate. This would be a “*strong starting position*”. Alternatively parameters could be set through local plans and design codes

## Brownfield Passport: 4 Proposals in Working Paper



- **Proposal C related to form:** “*use design guides and codes that draw on the existing character of places, to identify these opportunities and provide clarity on the types of development that are regarded as acceptable in particular locations*”.
- “*densification in some areas should focus on corner plots and those adjoining them rather than whole streets, or linking densification opportunities to accessibility*”.
- **Proposal D – Local Development Orders:** an existing little used route. Would be prepared with effective community engagement creating one or more “zones” for certain development

**Working Paper seeks views, but doesn't set a prescribed timescale / consultation date.**

### 3. Other Possible Emerging Changes?

#### a) Permitted Development & Changes of Use

#### ‘Permitted Development’ (PDR)



**Easy target for successive Government's**

Usually falls into 2 categories:

1. Wider flexibility to changes of use
2. Conferring certain levels / types of development without formal planning permission

Often require ‘Prior Notification’ – a type of ‘mini application’ which sets out the proposals to demonstrate that they accord with the key parameters set out in Permitted Development Rights

Often 56 day determination: quicker than normal application.

## ‘Permitted Development’ (PDR): Consultation 2023 & 2024

- Hotel or guesthouse (C1) to Residential PDR
- Changes to commercial to residential (Class MA) PDR potentially removing floorspace cap
- Potential removal (or in some cases increase) to floorspace cap on takeaway / pay day loan / betting shops / amusement arcades / casinos to Residential (albeit launderettes to residential PDR proposed to be removed)
- Changes to Permitted Development for Householders

## ‘Hotel / Guesthouse’ to Residential

  
Ministry of Housing,  
Communities &  
Local Government



Acknowledged in the consultation that hotels and guest houses play an important role in the tourism industry, helping to stimulate economic activity and drive footfall in their localities.

However, the Government argues that in areas of high housing need, these buildings may better serve their local communities if repurposed as housing.

- Consultation sought responses on appropriateness of this v’s impact on Tourism
- Suggested a (as yet unspecified) potential ‘cap’ on convertible floorspace.
- Linked with introduction last year of the new Use Class for short term lets (new Use Class C5)

## 'Changes to Commercial to Residential'



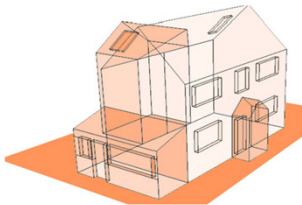
Class MA already allows for conversion of Retail and other Commercial (E Class Uses) to residential, subject to provisions.

*'Helps diversify the High Street'*

Suggested amendments:

- Change floorspace cap from 1,500sqm to 3,000sqm, or remove it altogether?
- Remove requirement of vacancy prior to PDR submission (Presently 3 months)
- Require consideration of the "character or sustainability of the conservation area" for ground floor level proposals

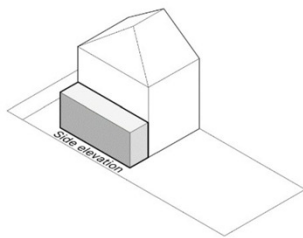
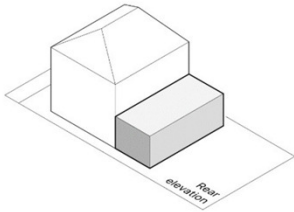
## ... and other uses ...



- Suggested removal (or increase) of floorspace allowed for the conversion on takeaway / pay day loan / betting shops / amusement arcades / casinos to Residential
- Above are 'sui generis' ie outside 'E' Class Commercial / Retail Use.
- Present cap is only 150sqm(!) which limits application
- Suggested removal of cap
- However: launderettes to residential PDR proposed to be removed, as launderettes seen as important 'social' provision

*"Launderettes can provide a valuable community service in certain areas"*

## Householder Changes



A smaller single-storey rear extension cannot extend beyond the rear of the original dwellinghouse by more than 4m if a detached house, or by more than 3m in any other case.

- Suggesting this is now 5m / 4m
- Also provision to allow 2 storey extension to the rear of up to 4m
- And 'wrap around' extensions which would effectively join up a side extension / rear extension.
- Query whether 50% coverage of site still relevant?
- Query whether PD should also apply to 'flats' as well as 'dwellinghouses'

## Conclusion



## Conclusion: NPPF 2024

  
Ministry of Housing,  
Communities &  
Local Government



- Consultation on draft NPPF24 suggests wide changes
  - To unlock housing numbers
  - To push further 'Presumption in Favour of Sustainable Development'
  - To potentially unlock 'Grey Belt' (with caveats!)
  - To further promote 'in Principle' support for Brownfield Land

... Significant representations suggest may not be published until 2025

## Agricultural Diversification



- Aligned with this, likely to see further changes to PDR/Change of Use
  - Often used as a 'quick fix'!
- Given speed of approach to Planning, likely to be those previously consulted on, but not implemented, by Conservatives.

... and further sleepless nights for Matthew Pennycook!

**LICHFIELDS**

**For further information:**

**Ian Anderson**

**ian.anderson@lichfields.uk**

**07775906671**