



1 Gracechurch Street, London EC3V 0DD, UK
T: +44 (0)20 3713 8500 E: contact@dominiclawson.co.uk
www.dominiclawson.co.uk

Representations to the Consultation on the Draft National Planning Policy Framework

**Submitted on behalf of the Gracechurch
Group by
DLBP Ltd**

Subject: Representations to the Consultation on the Draft NPPF, May 2018
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DLBP Ltd is registered in England & Wales at the above address, number 7229435.
VAT registration number 260 6370 18.

A. INTRODUCTION

1. This response to the consultation on the draft National Planning Policy Framework (NPPF) is made by the Gracechurch Group. The Gracechurch Group is an alliance of investors, planners, promoters and developers, founded to promote positive engagement in public policy on housing and development¹.

Context

2. It is acknowledged by this Government that England is suffering from an acute housing crisis and the Chancellor's November 2017 Budget announced that 300,000 new homes are required per year to make inroads into housing affordability.
3. The existing NPPF was published in March 2012 and is evidently considered by the Government to be inadequate to the task set by the Chancellor, since a new NPPF is now proposed.
4. The background to this new NPPF is the February 2017 Housing White Paper, "Fixing our Broken Housing Market", together with a range of written ministerial statements and other policy announcements since.

Summary

5. The Gracechurch Group agrees that the existing NPPF, even taken together with subsequent policy announcements and initiatives, is not sufficient to achieve the Chancellor's goal. We believe that more action is needed to unlock the housing market by making land allocation and planning for housing simpler and quicker. We believe that the measures proposed in the new NPPF should be supplemented as follows:
 - a. A new Duty to Collaborate between local authorities and land owners and promoters, the purpose of which is to ensure that major new sites are brought forward collaboratively between developers and local authorities.
 - b. Greater flexibility for local authorities to agree with land owners how and where a proper contribution should be made towards affordable homes.
 - c. Encouragement of the rural economy by building self sustaining communities.
 - d. A more dynamic approach to protecting the Green Belt.

¹ The Gracechurch Group founder members are: Crocus Valley, Bonnar Allan, Palatium Investment Management and DLBP

B. DUTY TO COLLABORATE

6. We believe that the existing planning system has become adversarial between land owners and promoters on the one hand, and local planning authorities and communities on the other.
7. The result of this is that there is essentially no difference for the land promoter between putting forward a scheme that respects the local community and heritage, and a scheme that simply maximises the number of units to be built. It is the same cost and process but the second approach has greater financial rewards.
8. We think that, at least for major new developments, there should be a route where the land promoter could opt to work collaboratively with the local authority and where the local authority has a duty to do so.
9. We would like to see this enshrined in a new “Duty to Collaborate” which would have the same weight as the existing statutory Duty to Cooperate but without the need for legislation to define it. The new Duty to Collaborate would require local planning authorities to enter into agreements with land owners and promoters to develop plans for their sites with the aim of meeting the requirements for allocation in the Local Plan if they can be proved to be sustainable.
10. The land promoter would pay a fee for this service so that there is no cost to the public purse.
11. This approach is particularly relevant in situations where local authorities are not considering any more site allocations and have no process in place to consider unallocated sites, even if plan targets are failing.
12. The new Duty to Collaborate would require Local Planning Authorities to enter into Planning Performance Agreements with landowners and promoters for sites which can deliver a minimum target number of new homes and/or new jobs with the objective of creating a masterplan for the site which would be sustainable.
13. The Duty to Collaborate would include a requirement that, if the Council cannot demonstrate a five year housing land supply or has not met 75% of its housing requirement in the Housing Delivery Test, new sites should be allocated during the plan period. These sites would be drawn from sites that are either already in the Strategic Housing and Economic Land Availability Assessment (SHELAA) or that would be brought forward in a continuing call for sites process. The current alternative of waiting for a long and complex review of the Local Plan takes too long to meet the urgent requirement for new homes now.
14. We believe that this approach is the embodiment of the “presumption in favour”. Instead of Councils doing all they can to argue that unallocated sites are unsustainable, as at the

moment, they will start from the presumption that they are sustainable, and the mission is to find out how to make them so.

15. Chelmsford City Council has recently adopted this approach in part, by requiring the developers of strategic sites in their emerging Local Plan to enter into Planning Performance Agreements with the Council to produce masterplans for allocated sites which will then be adopted by the Council for the purposes of decision-making. This ensures that the plan-making process provides deliverable developments that can be given planning permission with minimum fuss and delay. All that needs to happen now is to extend this offer to unallocated sites that could come forward during the plan period.
16. This process would lead to a constant stream of sites being added to the developable list in the local planning authority's SHELAA which would in turn allow authorities to top up their site allocations during the plan period if they fall behind with their five year housing land supply.
17. There are precedents for such an approach. Horsham District Council, for instance, had a Reserve Sites SPD in 2008 which set out criteria through which edge of settlement sites could be brought forward during the plan period should the Council not have a five year housing land supply.

C. AFFORDABLE HOMES

18. The Gracechurch Group welcomes the move towards transparency and collaboration in the preparation of viability assessments at both plan-making and decision-making stages.
19. Development finance models are not secret or revolutionary such that they need the cloak of "commercial confidentiality". Build costs and sales values are in the public domain in general terms, and developers can, we are sure, maintain their "trade secrets" whilst providing sufficient information to allow an open discussion about viability with local planning authorities.
20. If all parties have the same numbers and model in front of them, this also permits a much more flexible approach to affordable homes delivery. This is highly desirable because the best people to decide how to meet local affordable housing need are local people.
21. There is an increasingly wide range of methods of delivering affordable housing, based on reducing build costs, discounting land values and more flexible space standards that can contribute to meeting the requirements of both developer and local planning authority. Decision-making should be open to these new alternatives, as long as quality is maintained and the new homes provide a good experience for the people living in them.
22. For people in poor housing, people who are over-crowded or people living in hostels or on the street, new homes that are water-tight, practical, aesthetically pleasing and comfortable

are demanded. A more flexible approach to the affordable housing contribution could satisfy more of that demand more quickly.

D. THE RURAL ECONOMY

23. If the UK economy is to thrive, we must have the means to provide the housing and employment land that the country needs to meet the requirements of our people for decent homes and well-paid jobs.
24. We would place more emphasis on Councils' and other bodies' roles to promote economic development being used to drive the planning process. Councils' economic regeneration departments, Local Enterprise Partnerships and local commerce networks such as Chambers of Commerce should have a much greater say in setting the strategic direction of a Local Plan, being there to ensure that sufficient land is allocated for development to meet the needs of the area for a strong and vibrant economy.
25. This is particularly true in rural economies, where the direct agricultural workforce has fallen from nearly 1 million in 1950 to some 200,000 today. Modern rural communities are no longer self-sustaining as they cannot support the schools, GP services, shops and pubs of historic village life. They have become car dependent communities unsuitable for the young, elderly or less able bodied.
26. Rural communities can be revitalised through new homes being built in existing villages. In spite of all the anxieties about building on greenfield land (including green belt), there is a great deal of land in our country that can be built on that will not result in coalescence or in urban sprawl. Councils should be encouraged to identify these sites as part of the plan-making process and to encourage their owners and promoters to bring them forward for development. Alongside this, strategic infrastructure investment to make currently unsustainable locations fit for development will need to be planned, using both existing resources and the Government's Housing Infrastructure Fund.
27. We welcome paragraph 85 of the proposed draft NPPF. Existing settlements cannot be expected to provide all the development that the country needs. Existing towns and villages have finite capacity to take on extra people and jobs, whilst retaining their distinctive and well-loved characters. There are plenty of opportunities all across the country for new settlements to be developed, either with the support of the Government's Garden Communities initiative or simply through careful and innovative spatial and urban planning.

E. THE GREEN BELT

28. The Gracechurch Group has shown, through our research paper, *Brownfield – the Housing Crisis Solved?* (Gracechurch Group, 2018) that there is insufficient brownfield land, as currently defined, to meet the housing needs of the country. For the 307 Local Planning

Authorities that published their Brownfield Registers by 31 December 2017, they were only able to provide 670,000 homes on brownfield land over the next five years, out of their total requirement of 1,250,000 homes.

29. The conclusion is recognised in paragraph 85 of the draft NPPF. Greenfield land, including Green Belt land, is going to have to be allocated if we are to house and provide jobs for our people.
30. The Gracechurch Group believes that the NPPF should include additional measures to assist with this difficult political issue:
 - Instead of an explicit assumption that development in the Green Belt is almost certainly going to be defined as “inappropriate”, we would like the assumption to be that small amounts of Green Belt land can be brought forward for development so long as it does not impact on the five purposes of Green Belt set out in paragraph 133.
 - Given that we know that there is insufficient brownfield land to meet most authorities’ requirements, paragraphs 135 and 136 of the draft NPPF are largely redundant. Instead, these paragraphs should be replaced by the requirement for each local planning authority, at the time of the production or review of its Local Plan, to carry out a thorough review of its Green Belt land and identify land that would be available for development if required.
31. The prospective loss of Green Belt is very small. For example, looking at two neighbouring authorities in the home counties, Tandridge will need to release 1.5% of its total Green Belt to fully achieve its housing need and Sevenoaks will only need to release 1.1% of its extensive greenbelt after delivering over 3,000 homes on brownfield sites.
32. Wycombe Council is leading the way in a progressive and pragmatic approach to meeting the needs of its population (Planning Resource, 11 April 2018). The Council has submitted plans to provide 10,925 homes up to 2033 - at a rate almost 40 per cent higher than existing targets - including the release of 'carefully selected' sites in the Green Belt.

F. POLICY PROPOSALS

33. To implement the proposed changes that we recommend, the Gracechurch Group proposes the following changes to the draft NPPF.

Chapter 3 - Plan Making; Question 5

34. For a Local Plan to be found sound, the Local Planning Authority should have complied with a new **Duty to Collaborate**. The Duty to Collaborate will require Local Planning Authorities to enter into Planning Performance Agreements with land owners and promoters who are putting forward sites with a minimum target number of new homes or jobs, to be determined through consultation. The Planning Performance Agreement will

determine the sustainability and capacity of the site, and result in the preparation of a masterplan for sustainable sites. For sites that can be shown to be sustainable, the Local Planning Authority will adopt the masterplan as the basis for future decision-making. Where the Local Planning Authority cannot demonstrate a five year housing land supply or has not met 75% of its housing requirement in the Housing Delivery Test, new sites should be allocated during the plan period.

Chapter 4 - Decision Making: Question 10

35. The Gracechurch Group welcomes the move towards transparency and collaboration in the preparation of viability assessments, so long as this is accompanied by greater flexibility in the way in which affordable homes can be provided. This will require a further widening of the definition of Affordable Housing in the glossary, and a more flexible approach to Local Plan policies in the definition of affordable housing to include, for example, temporary homes to meet immediate needs (such as the YCube model in Merton) and co-living.

Chapter 5 - Delivering a Wide Choice of High Quality Homes: Question 12

36. The Gracechurch Group fully supports the application of the presumption in favour of sustainable development where delivery is below 75% of the housing required, determined through the new Housing Delivery Test.
37. We propose that where the Authority fails this Housing Delivery Test, and/or where the Authority fails to demonstrate a five year housing land supply in its Annual Position Statement, new sites should be automatically allocated for development.
38. This will require Local Planning Authorities to have a process for identifying sustainable sites, working with landowners and promoters, which can be brought forward in a carefully managed way with no delay. This in turn requires the Local Planning Authority to comply with the proposed Duty to Collaborate (see section B of our representation).

Chapter 6 - Building a Strong, Competitive Economy: Question 15

39. The Gracechurch Group fully endorses the new policy in paragraph 85 of the draft NPPF on the need for planning policies and decisions to accommodate sites for local business and community needs outside existing settlements, in ways which minimise the impact of such sites and exploits opportunities to make such locations more sustainable.
40. This is a welcome recognition that many existing settlements are “full”, and that there is land in rural sites that is currently making no contribution to the economy, is of little landscape value and which, with sufficient investment in infrastructure, could provide exemplary new settlements.

41. It is vital that these developments are of a sufficient scale to generate the necessary infrastructure investment. Through our proposed new Duty to Collaborate, these are precisely the sites that would benefit from joint working between the Local Planning Authority and the landowners and promoters, to ensure that sustainable new settlements, with homes, jobs, education and leisure opportunities all built in, can be provided to meet local need.

Chapter 13 - Protecting the Green Belt: Question 30

42. The proposals to allow very restricted development on green belt land do not, in our view, go far enough to meet the country's need for new housing and employment land.
43. Instead, the Gracechurch Group proposes that there be a presumption in favour of development on Green Belt land where it does not conflict with the five purposes of the Green Belt.
44. We would replace paragraphs 135 and 136 with a requirement for Local Planning Authorities to prepare an appraisal of their Green Belt land for submission with their Local Plan, which identifies sites that could be brought forward for development in the Green Belt without detriment to the five purposes. The evidence suggests that this would be a very small proportion of the existing Green Belt land, which would cause no harm to the countryside and existing settlements.

Ends