



**LOCALISM AT RISK:
IS THE NPPF DELIVERING
PLANNING FOR PEOPLE?**



**National
Trust**

Executive summary

It is now a year since the introduction of the National Planning Policy Framework (NPPF). The NPPF has been the subject of intense and, at times, heated debate. It is for this reason that the LGiU, in partnership with the National Trust, has surveyed and interviewed senior local government politicians and officials in 94 Local Planning Authorities (LPAs) to take an objective look at the planning debate. We hope that this will provide the foundation for a practical, evidence-based discussion of the challenges we face going forward.

Key findings

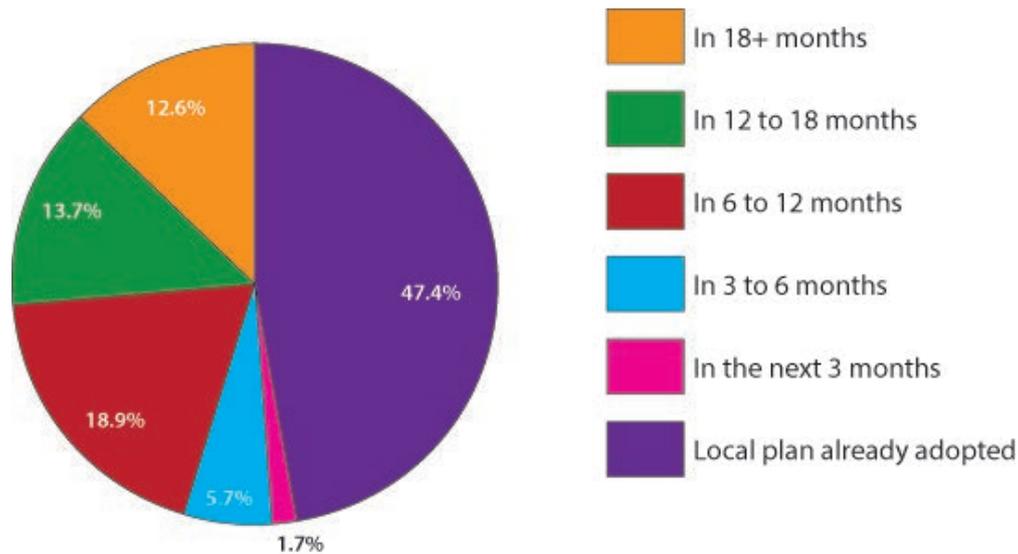
- **Local Plans.** 53 per cent of LPAs will miss the March deadline for the production of Local Plans that set out the development policies for their area. Not providing councils with more time to adopt Local Plans will put communities at greater risk of speculative development. The government has argued that “seven out of ten local councils have now published Local Plans compared to two out of ten previously, and there is good progress across the remainder”. New research conducted by the LGiU, however, casts doubt on this analysis. The LGiU estimates that over a quarter (26 per cent) of local authorities will take more than a year to adopt their Local Plan.
- **Land-banking.** The LGiU research found that many of the 400,000 sites nationally that have planning permission are likely to be excluded from a council’s deliverable five-year housing supply on the basis that they are currently considered economically unviable for development. Many are brownfield sites that are less profitable to develop than greenfield sites. In the longer term, economic growth will make brownfield development more viable for developers who have outstanding planning permission. As a case study in this report shows, many of the sites for 10,300 new homes approved for development in Salford are excluded from the council’s five year supply forcing the council to consider planning applications for greenfield sites.
- **Centralisation of the planning system.** Three-fifths (60 per cent) of respondents disagree or strongly disagree that the introduction of the NPPF has had a positive impact on their ability to deliver a Local Plan that reflects local concerns and priorities. Similarly, two-thirds (66 per cent) of respondents disagree or strongly disagree that Neighbourhood Planning will have a positive impact on their authority’s ability to deliver development that reflects local concerns and priorities. Respondents to the survey suggested that the Planning Inspectorate, through the examination process, is prioritising development over the views of local people. The research found that housing land availability was the most common reason for Local Plans being rejected. In contrast, the research found that communities are most concerned about protection of the natural environment.
- **Resources in planning departments.** Three-fifths (60 per cent) of respondents disagree or strongly disagree that future levels of human and financial resource and capacity in planning departments will be adequate to meet future workload.

Introduction

The government’s NPPF, introduced a year ago to free-up the planning system and promote sustainable development, reflected a strong commitment to people-led planning. The NPPF reasserted a commitment to a plan-led system based on Local Plans that the government has described as “produced by communities” and the “keystone of the planning system”.

Research conducted for this report, however, has found that the NPPF has failed to put communities at the heart of the planning system. Our research has found that the NPPF is, in fact, at risk of undermining localism for two key reasons. First, the challenging schedule set for implementing the NPPF and, second, an apparent centralisation of the planning system. The research also identified two external factors that are making Local Plans challenging to deliver: land-banking and resources in planning departments.

Table 1: Adoption of local plans



1. NPPF timeframe

LPAs without a Local Plan are at significant risk of the “presumption in favour of sustainable development” in the NPPF. The NPPF requires LPAs to approve development proposals “where the development plan is absent, silent or relevant policies are out-of-date”. The only exceptions are when the development is specifically restricted by the NPPF or its adverse impacts would “significantly and demonstrably” outweigh its benefits.

Local Plans are not in place in the majority of authorities. Official information collected by the Planning Inspectorate shows that under half (47 per cent) of local authorities in England have had their Local Plan adopted as of March. LPAs contacted by the LGiU stated that they had already received speculative applications looking to take advantage of these situations.

The government has argued that the Planning Inspectorate figures are not a cause for concern. Responding to the figures, Planning Minister Nick Boles MP said that “seven out of ten local councils now have published Local Plans compared to two out of ten previously, and there is good progress across the remainder.”

However, plans that are published but not adopted do not hold as much weight in planning decisions. New analysis conducted by the LGiU suggests that over half (53 per cent) of local authorities will miss the March deadline for their

Local Plan and over a quarter (26 per cent) will take more than a year to adopt their Local Plan. The LGiU estimates that:

- 7.4 per cent of Local Plans will be adopted six months from now
- 18.9 per cent of Local Plans will be adopted 6-12 months from now
- 13.7 per cent of Local Plans will be adopted 12-18 months from now
- 12.6 per cent of Local Plans will be adopted in 18+ months

2. Land-banking

The NPPF excludes many of the 400,000 sites nationally that have planning permission from a council’s deliverable five-year housing supply on the basis that they are currently considered economically unviable for development.

The NPPF encourages a short-term view of economic viability that risks unnecessary development of greenfield and Green Belt sites. Local Plans must identify a “deliverable” five year housing land supply. This means that development plans must be shown to be economically viable and achievable with a reasonable timeframe.

The fact that greenfield sites are more profitable to develop than brownfield sites, and therefore more viable, is forcing councils to propose development of these sites. As a case study in

Case study: the impact of land-banking

Salford City Council recognises the value of the Local Plan process. The process helps get consent from communities for development, gives local people a say and improves the planning of and funding of much-needed supporting infrastructure through Section 106 and the Community Infrastructure Levy.

The production of Salford's development plan was on schedule for the March 2013 deadline. The council submitted its Core Strategy, the document which preceded Local Plans, to the Planning Inspector on 4 September 2012 to assess its compliance with the NPPF. The Core Strategy submitted to the Planning Inspector included an annual housing target of 1300 new homes per year, a reduction of 300 on the target in the out-of-date Regional Strategy. The council made this reduction in response to new data and weakened demand from the housing market. However, the Planning Inspector deemed this new lower figure to be inadequate.

To meet the 1600 target proposed by the Planning Inspector, on the basis of the Regional Strategy, the council would have to identify the release of significant additional areas of land for housing, including greenfield and possibly Green Belt. The council decided that doing so at this late stage would provide insufficient opportunity for the city council to fully consult and respond to the concerns of local communities. Consequently, the council has committed to the production of a new Local Plan.

Frustratingly for the council, sites for 10,300 homes are approved for development in Salford. However, many of these sites do not count towards the "deliverable" five year housing supply demanded by the NPPF. To be deliverable, development must be considered economically viable. Given current weak housing demand, as a result of the economic downturn, developers consider that the additional costs associated with the development of brownfield sites do not provide an adequate return. This is forcing the council to consider planning applications for greenfield sites where development costs are lower and, consequently, schemes more viable. The question of desirability is not, at this stage, part of the question.

The new Local Plan will take over a year for the council to produce. In the intervening period, the council has already seen applications from developers looking to take advantage of the presumption in favour of development in the NPPF. Recently, the council turned down a proposal for the development of 350 new homes on a greenfield site not identified for housing development in the Core Strategy. However, due to the absence of a Local Plan and the presumption in favour of sustainable development, the council's decision, and an Appeal Inspector's recommendation, were overturned by the Secretary of State.

this report shows, many of the sites for 10,300 new homes approved for development in Salford are excluded from the council's five year supply forcing the council to consider planning applications for greenfield sites.

3. Centralisation of the planning system

The LGiU research has found that the NPPF is prioritising development over the views of local people. The government has argued that Neighbourhood Planning will deliver localism

and local planning. However, the LGiU has found that authorities are concerned that Neighbourhood Planning will not deliver real benefits to communities.

NPPF

Three-fifths (60 per cent) of respondents disagree or strongly disagree that the introduction of the NPPF has had a positive impact on their ability to deliver a Local Plan that reflects local concerns and priorities. Respondents to the survey suggested that the Planning Inspectorate is prioritising

development over the views of local people through the process of examination. The research found that housing numbers was the most common reason for Local Plans being found unsound. In contrast, the research also found that communities are most concerned about protection of the natural environment.

Supporters of the NPPF have acknowledged that national priorities are taking precedence over the views of local communities. The House Builders Federation, for instance, has criticised some councils for allowing so-called “objective assessments” to be distorted by locally-informed “subjective considerations and policy assumptions such as the effect of the recession or environmental and heritage constraints”.

The research raised questions about how housing numbers are decided in relation to Strategic Housing Land Availability Assessments (SHLAA). In some cases, Regional Plans abolished by the government as part of its commitment to localism are being used to calculate housing totals. The Planning Inspectorate will make reference to these documents in the absence of a more recent locally derived and tested housing land supply. The LGiU research has found that local authorities are regularly required to make

reference to these documents. 65 per cent of respondents said that Regional Plans were very important or important in influencing their Local Plan.

The NPPF has, as a result, left councils less able to deliver a Local Plan that balances the views of local communities with the need for development.

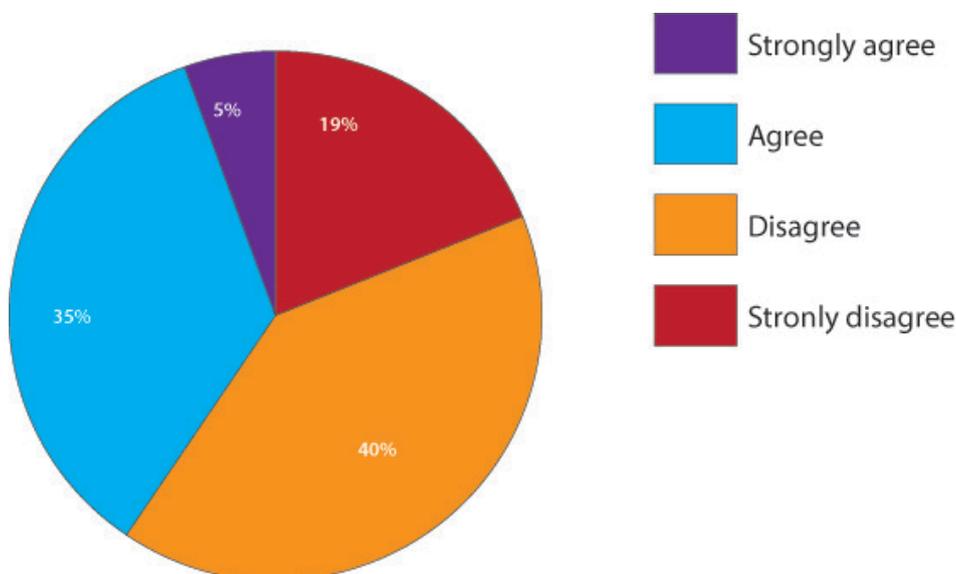
Neighbourhood Plans

The Localism Act introduced a new layer of local planning: Neighbourhood Plans. The government’s aim is to “put communities in the driving seat”.

It should be emphasised that Neighbourhood Planning is still at an early stage. The regulations governing the creation of Neighbourhood Forums were only finalised in April 2012.

Councils have identified three key challenges that face Neighbourhood Planning. First, the powers of Neighbourhood Forums are limited. Neighbourhood Plans cannot include proposals that are contrary to the Local Plan or the National Planning Policy Framework. The LGiU research confirms this picture. Nearly two thirds of local authorities said that Neighbourhood Plans were

Table 2: How far do you agree with the following statement: “The introduction of the National Planning Policy Framework has had a positive impact on my authority’s ability to deliver a Local Plan that reflects local concerns and priorities.”



not important or not important at all in shaping their Local Plan.

Second, not all areas have a Neighbourhood Forum. Parish and Town Councils are able to act as Neighbourhood Forums. Neighbourhood Forums must, however, be established from scratch where these bodies do not exist. Although there are a number of successful examples, contributors to the LGiU research expressed concern that coverage is uneven and focused in more advantaged areas.

Third, the resources for Neighbourhood Forums are limited. Estimates for the production of a Neighbourhood Plan range from £20,000 to £100,000 which, given the low level of funding allocated by government to support Neighbourhood Plans, must in general be found by local communities. This has had a deterrent effect and may serve to concentrate Neighbourhood Plans in more advantaged areas.

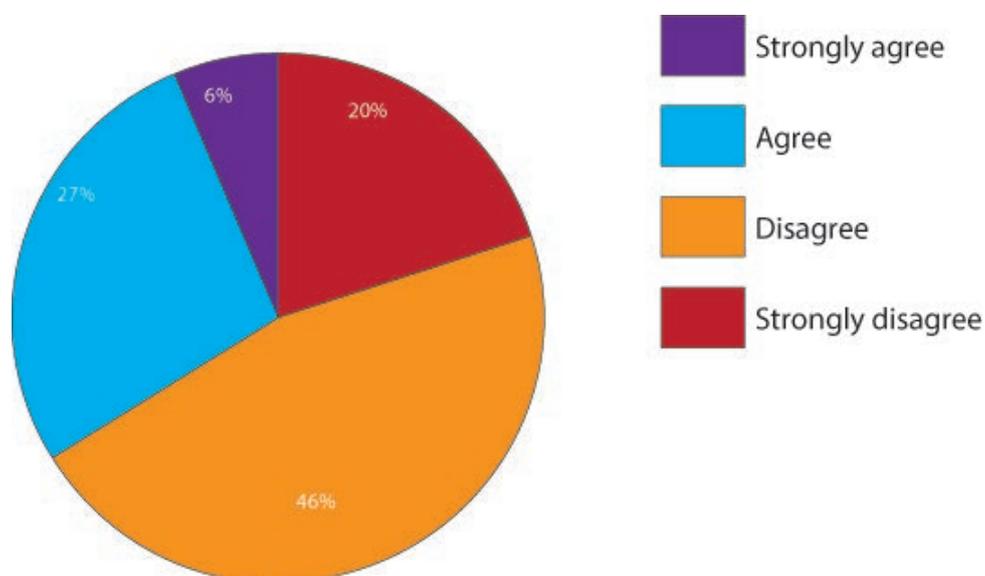
Going forward, the LGiU research found that councils were not convinced that Neighbourhood Planning would deliver real benefits to communities. Two-thirds (66 per cent) of respondents disagree or strongly disagree that Neighbourhood Planning will have a positive impact on their authority's ability to

deliver development that reflects local concerns and priorities. It could be argued, of course, that this may reflect the unwillingness of local government to positively share power with new partners. However, as noted above, local authorities expressed particular concern about the uneven coverage of Neighbourhood Plans, as a result of high costs and procedural obstacles, rather than their new powers.

In contrast, the views of local communities submitted during the course of the Local Plan consultation process was valued highly by local authorities. 100 per cent of respondents said that feedback from the local community was very important or important to the development of their Local Plan. This emerged as the second most important factor influencing the development of Local Plans. Feedback from elected members emerged as the most important factor influencing the development of Local Plans.

As the case study from South Staffordshire District Council below demonstrates, local authorities can work in partnership with communities to develop plans that balance the protection of valued heritage but, also, development that supports the long-term economic interests of an area.

Table 3: How far do you agree or disagree with the following statement: "The introduction of the Localism Act's Neighbourhood Planning provisions will have a positive impact on my authority's ability to delivery development that reflects local concerns and priorities.



Case study: local planning gives communities a real say

South Staffordshire District Council has some of the country's most historic and beautiful villages. The council recognises the need to protect this valued heritage but, also, to deliver development that supports the long-term economic interests of the area. The council believes that the best way to achieve this is through honest, open dialogue with communities that establishes consensus about the future development of the places that they live and work in.

The council has taken a three-pronged approach to setting out options for future community engagement in planning. Neighbourhood Planning is the most involved approach to community planning which allows communities the most comprehensive say over development but, as elsewhere, the cost and time commitment has been a significant deterrent.

The second approach put forward by the council is the development of local Supplementary Planning Documents. These documents, which will be a material consideration in the planning process, flow from ideas generated in workshops with parishes organised by Staffordshire Community Council. The Community Council work in the County to generally help support sustainable local communities and, importantly, is a body that is independent from the council. The role of the Community Council as a trusted intermediary allows communities to have honest, open discussions about their needs in a non-threatening environment. This has resulted in productive, positive discussions about future housing allocations, site identification and supporting infrastructure will be of mutual benefit to both the council and communities.

Finally, the council's third approach to community planning is to ensure that it engages with all communities that will be affected by development in the Local Plan process. The council recognises that not all communities possess the same capacity and resources to engage in the planning process. In communities particularly where engagement is not forthcoming, but housing allocations are planned, the council will proactively engage to ensure that all residents have their say and will again work with the Community Council to engage as widely as possible.

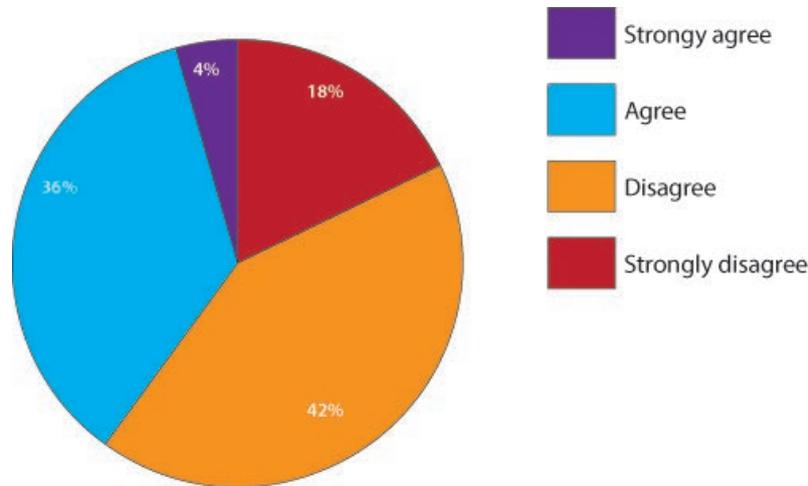
4. Resource in local planning departments

The LGiU survey suggests that planning departments are reaching a critical point. 60 per cent of respondents disagree or strongly disagree that future levels of human and financial resource and capacity in planning departments would be adequate to meet future workload.

Central and local government must recognise and help manage the demands on planning departments. In the current resource context, it is difficult to make the argument for additional

resources. All departments do important work, and special pleading could be made in all cases. However, as the Department of Communities and Local Government recognised in its New Burdens Doctrine, more could be done to recognise the impact of reforms on local government. In particular, additional time to adopt Local Plans would help ease the pressure on planning departments and recognition that, with the removal of regional planning, some authorities may lack the capacity and expertise to deliver SHLAAs.

Table 4: How far do you agree or disagree with the following statement: “I am satisfied that future levels of human and financial resource and capacity in my authority’s planning function will be adequate to meet the function’s future workload.”



Conclusion

The LGiU research, conducted in partnership with the National Trust, demonstrates that local government has low confidence in the NPPF’s ability to create real opportunities for local communities to be involved in setting the planning agenda in their local area. This falls short of the government’s own localist ambitions.

The debate about the NPPF has become increasingly polarised. However, the LGiU research has found two practical issues that could be mitigated to help both give people more say over planning decisions and achieve sustainable economic growth.

First, greater recognition of the issues around land-banking. The LGiU research found that many of the 400,000 sites nationally that have planning permission are likely to be excluded from a council’s deliverable five-

year housing supply on the basis that they are currently considered economically unviable for development. Councils are being forced to propose development of more profitable, and therefore more viable, greenfield sites. The government and Planning Inspectorate should consider taking a longer view on regeneration priorities alongside the economic viability of sites allocated for development.

Second, additional time to adopt Local Plans. Local authorities are under resource pressures that mean it is increasingly difficult for them to produce Local Plans in the very short timetable that the government has set. In the current economic climate, there is little possibility of extra financial resources, but additional time to adopt Local Plans would help ease the pressure on planning departments.

Appendix: method statement

The LGiU conducted quantitative and qualitative research into the impact of the NPPF and Localism Act, the number of Local Plans that had been put in place and best-practice examples of the community involvement improving the quality and effectiveness of the planning process. In the quantitative phase, the LGiU surveyed 108 lead members and senior officers in 94 LPAs. This represents 28 per cent of the 336 LPAs producing Local Plans. The political breakdown of responses was as follows:

- Conservative-led councils: 60%
- Labour-led councils: 29%
- Liberal Democrat-led councils: 9%
- Independent-led council: 1%
- Non-political council: 1%

This reflects the political control local authorities in England of Conservative 62.5%, Labour 33.5% and Liberal Democrat 4.0% (this calculation assumes that no-overall control councils are distributed evenly between the three main political parties). The survey was conducted between Wednesday 20 February and 20 March 2013. In the qualitative phase, follow-up interviews were conducted with three case study authorities to explore the issues in more depth.

The National Trust

The National Trust is a conservation charity of over 4 million members. We were created more than 115 years ago to care for special places, for ever, for everyone. To achieve these goals we look after a quarter of a million hectares of land, over 700 miles of coastline, several hundred historic houses and their gardens and parks, and many thousands of vernacular buildings. Many millions visit and enjoy our places, while over 60,000 people volunteer with us on a regular basis.

We are, therefore, a major business as well as a charity and sometimes a developer too, building visitor facilities, converting buildings for business use, and providing housing to support our conservation work. In fact, over the last ten years the National Trust has built or had consent for over 900 homes to be sold on a commercial basis, as well as a number of affordable homes for rent. When the National Trust develops sites, we adhere to the policies in the relevant local plan; deliver energy efficiency and reduce carbon dioxide emissions; build in harmony with the local built and natural environment; and involve the local community throughout the process.

The National Trust has championed a strong, effective land use planning system in England since the 1920s. As a participant in the planning system, we recognise the importance of a fair and balanced decision-making process. We support a plan-led system as a means to provide certainty and confidence, and a way to deliver sustainable development: good development in the right place which we can be confident meets long term needs.

The LGiU

The LGiU is a localist think tank. Our mission is to help make people and communities powerful. We are working for a new democratic dynamic between citizens and the state, and between local and central government, so that changes can be shaped and decisions made by those who they most affect. We support local councils, communities, civil society, business and government to share knowledge and ideas and to create new thinking and innovation. We focus our work on long term transformation and on real outcomes for people, such as improving health and social care, enhancing educational opportunity and creating prosperous and sustainable places.

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