

Planning, Housing & Environment Overview & Scrutiny Committee

Date: 18 October 2017

Subject: Greater Manchester Spatial Framework (GMSF) - Update

Report of: Anne Morgan, Head of Planning Strategy, GMCA

1. PURPOSE OF REPORT

1.1 Scrutiny requested an update on the Greater Manchester Spatial Framework at their meetings.

2. RECOMMENDATIONS

2.1 Members are asked to:

- a) Note the report.
- b) Comment on the issues that the response to the housing consultation should cover.

3. CONTACT OFFICERS

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4. BACKGROUND

4.1 Scrutiny received a briefing on the Greater Manchester Spatial Framework at its meeting in September. It was agreed at that meeting that the Spatial Framework would become a standing item on the Scrutiny agenda.

4.2 Since the last meeting there have been 2 main developments:

- Government released a consultation document (Planning for the right homes in the right places) which takes forward several proposals from the Housing White Paper, on 14 September 2017.
- Responses to the consultation on the Draft GMSF were released on 28 September 2017.

5. PLANNING FOR THE RIGHT HOMES IN THE RIGHT PLACES: CONSULTATION

- 5.1 The long awaited consultation on the standardised methodology for calculating Objectively Assessed Housing need was published on the 14 September for 8 weeks, ending on 9 November 2017. The consultation can be found at the following link
<https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>
- 5.2 While attention will understandably be focused on the housing need methodology, the consultation deals with several other important issues identified in the White Paper and signals the intention to revise the National Planning Policy Framework in spring 2018
- 5.3 The consultation sets out proposals in relation to:
- Calculating local housing need.
 - Statement of common ground.
 - Planning for a mix of housing needs.
 - Neighbourhood planning.
 - Viability assessment.
 - Planning fees.
- 5.4 A brief outline of the proposals is attached at Appendix 1. It is proposed that the GMCA respond to this consultation and to the 19 detailed questions which are posed. The key areas that it is considered the response should cover are set out below.
- i) Local housing need – in its response to the Housing White Paper, Greater Manchester supported the approach to a standard methodology to calculate housing need. The Government propose a simple calculation which takes the Sub National Households projections as the baseline and adjusts this according to an affordability ration. For Greater Manchester this results in a figure of 10,708 per annum for the period 2016-2026. This figure is slightly below that in the Draft GMSF (11,360 pa).
 - ii) The consultation proposes a figure of 10,708 for the period 2016-2026. It is not clear why a 10 year figure has been proposed as the National Planning Policy Framework (NPPF) recommends that plans are prepared with a longer time horizon 'preferably 15 years'. Government needs to clarify whether the NPPF is to be altered to reflect a 10 year time horizon, or whether Local Authorities will still be required to look longer term.

- iii) Government recognise that the 'Duty to Co-operate' is not working effectively and propose some changes to this with the introduction of 'Statements of Common Ground' whilst it is welcomed that problems with the Duty to Co-operate' are recognised, there are concerns that the proposals put forward will not resolve the situation.
- iv) Government is proposing a change to national planning policy to ensure that where applications meet viability requirements set out in local planning policies, they should be assumed to be viable. Whilst this is appealing at first glance, there is a concern that viability assessments produced at the plan-making stage can only ever be broad brush, dealing with generic sites and standardised assumptions. This would require a very cautious approach, for example making a significant allowance for abnormals. Policies based on this level of viability could result in more viable sites contributing far less to affordable housing and infrastructure than they would actually be capable of doing.
- v) The Housing White Paper contained proposals to allow a further 20% increase for authorities 'who are delivering the homes their communities need'. This consultation is seeking view on the appropriate criteria to enable this increased fee to be applied.

5.5 The views of Scrutiny members are sought in relation to the issues that the response should cover, including but not limited to those outlined

6. PUBLICATION OF CONSULTATION RESPONSES

6.1 The consultation responses to the Draft GMSF 2016 consultation have now been published. The 27,000 responses received is the biggest consultation that Greater Manchester or its constituent councils have handled. Respondents can now see their own responses alongside the comments of others. Given the problems that some people found accessing the consultation portal, a new 'landing' page has been designed which allows people to search via name of consultee/agents and keywords. Comments can also be viewed via the consultation portal itself. Respondents are encouraged to check that their responses are online and to raise any issues with the Planning & Housing team.

7. RECOMMENDATIONS

7.1 Recommendations are found at the front of the report.

The following is a list of the background papers on which this report is based in accordance with the requirements of Section 100D(1) of the Local Government Act 1972. It does not include documents, which would disclose exempt or confidential information as identified by that Act.

- Minutes of the Housing, Planning & Environment Overview & Scrutiny Committee dated 7 September 2017.

The above papers and documents may be inspected during normal office hours at GMCA, Churchgate House, 56 Oxford Street, Manchester M1 6EU.

Planning for homes in the right places; consultation proposals

Introduction

The long awaited consultation on the standardised methodology for calculating Objectively Assessed Housing need was published on the 14 September for 8 weeks, ending on 9 November.

While attention will be focused on the methodology, the consultation deals with several other important issues identified in the White Paper and signals the intention to revise the National Planning policy Framework in Spring 2018.

In the Housing White Paper, HM Land Registry announced the aim of achieving comprehensive registration by 2030. The Government is contributing to that aim by registering "...all publicly held land in the areas of greatest housing need...by 2020, with the rest to follow by 2025." Alongside this consultation the Government has published a list of local authorities that has been compiled using the new approach to assessing local housing need and the percentage of unregistered land. 4 GM authorities are listed; Manchester, Oldham, Stockport and Wigan. It is not yet clear what this designation will mean in practice

The consultation sets out proposals in relation to:

- Calculating local housing need
- Statement of common ground
- Planning for a mix of housing needs
- Neighbourhood planning
- Viability assessment
- Planning fees

Summary of the Proposals

Calculating the local housing need

A new standard method for calculating local housing need, including transitional arrangements is proposed. This is intended to ensure that robust housing targets are established in each local authority area and then reflected in realistic Local Plans. The new methodology would use household growth projections as the baseline for local housing need, adjusted for affordability – a multiplier would be applied in areas of low affordability. The model includes a cap designed to limit the level of increase. DCLG estimates that the new methodology could result in local housing need figures rising by an average of 35% in more than 150 local authority areas.

The methodology proposes a local housing need figure for a 10 year period, 2016-2026. Local plans should be planning for a 15 year period, however it is unclear what figure should be used beyond 2026.

It is proposed that NPPF is amended so that having a robust method for assessing local housing need becomes part of the tests that plans are assessed against and that use of the standard method will be sufficient to satisfy the ‘soundness test’

There is an expectation that LPAs/mayors adopt the standard approach. There would need to be compelling evidence which would be tested at examination if the standard approach is not followed. There should be ‘very limited’ grounds for adopting an alternative approach and Inspectors would take the Government ‘number’ as a reference point when considering the alternative method. The limited grounds are not specifically set out in this consultation.

LPAs may put forward a local housing need above the Government approach as a result of a strategic infrastructure project, bespoke housing deal etc. Planning guidance will be amended so that Planning Inspectors work on the assumption that in these instances, the approach adopted is sound unless there are compelling reasons to indicate otherwise.

The table below sets out the proposed housing need for authorities in Greater Manchester compared to the Objectively Assessed Need/Requirement as set out in Draft GMSF 2016.

	Government OAN	GMSF OAN	GMSF requirement
Bolton	798	821	840
Bury	597	610	625
Manchester	2661	3120	2765
Oldham	716	780	685
Rochdale	514	567	775
Salford	1385	1502	1745
Stockport	1078	1011	965
Tameside	648	679	680
Trafford	1319	1296	1155
Wigan	992	975	1125
GM	10,708	11,361	11360

The consultation document contains an important section on ‘joint working’ which recognises that many local authorities are already working together to identify their housing need. There is an expectation that where plans are being prepared jointly/Mayoral strategic plans, the proposed approach will produce a single assessment of the housing need for the area as a whole and that the defined need should be the sum of the local housing need for each local authority area. It will be for the relevant planning authorities/Mayor to distribute this total housing need figure across the plan area.

It is proposed that the local planning authorities will be able to rely on the evidence used to justify their local housing need for a period of two years from the date on which they submit their local plan. This should prevent delay in the plan making process caused by LPAs having to revisit their evidence/carry out further consultation when new population/household projections were produced etc.

The document also sets out proposals for implementing the new standardised methodology. It sets out that it would apply 'immediately' from 31 March 2018 where plans are more than five years old, or if new plans have not been submitted to the Secretary of State before that date. Local Plans submitted before this date may use the current approach, and then use the new methodology when next reviewing or updating the Plan.

It is proposed that the new method for calculating local housing need would apply as a baseline for assessing the 5 year housing land supply from 31 March 2018 where there is not an up to date plan in place.

Government is also consulting on whether national policy should be changed to allow local authorities who have co-operated on a joint plan to calculate their 5 year supply at the 'whole plan' level rather than for each constituent district.

Statement of common ground

Government recognises that the current arrangements around 'duty to co-operate' are not working effectively. The proposed approach is to require local authorities to agree Statements of Common Ground with neighbouring local authorities within 12 months of the publication of the Government's changes to the NPPF. The statements should set out cross-boundary matters, including housing need for the area, distribution and proposals for meeting any shortfalls. Where districts are not producing statements of common ground, Government will consider intervention to ensure that communities and neighbouring authorities are not disadvantaged by authorities who are not effectively co-operating.

The duty to co-operate does not apply to Mayors with plan-making powers but Government is seeking views on the most effective way of introducing the statement of common ground in areas with mayors with strategic plan-making powers.

Planning for a mix of housing needs

It is important that local authorities do not just plan for the right number of homes but also the different size, type, tenure and range of housing that is required. Government recognises that this is traditionally carried out as part of the Strategic Housing Market Assessment (SHMA) but considers that given the new approach to assessing local housing need, planning guidance will need to be updated on how to plan for different types of homes. Government have identified several categories of types and tenure, (older and disabled people; families with children; affordable housing; self-build and custom development; student accommodation; travellers who have ceased to travel; private rented sector and build to rent housing) although are clear that this is not an exhaustive list.

Section 8 of the Neighbourhood Planning Act 2017 requires the SoS to provide guidance on how local authorities should address housing needs arising from old age or disability. Government is proposing that the definition of older people set out in NPPF is fit for purpose but is requesting views on this. The definition reads

'People over retirement age, including the active, newly retired through to the very frail elderly whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.'

Neighbourhood planning

The document sets out that local authorities with up to date plans would be expected to provide neighbourhood planning groups with housing need figures for their areas, while in areas without an up to date Local Plan, councils could use a standardised formula-based approach to provide a figure.

Viability assessment

Government is proposing a change to national planning policy to ensure that where applications meet viability requirements set out in local planning policies, they should be assumed to be viable. Government is also going to amend NPPF so that LPAs and mayors set out in their plans how they will monitor, report on and publicise funding secured through s106 and how it is spent.

Planning fees

Regulations will be brought forward at the earliest opportunity to enable local authorities to increase planning fees by 20% as set out in the Housing White Paper. The Housing white Paper also contained proposals to allow a further 20% increase for authorities 'who are delivering the homes their communities need'. This consultation is seeking view on the appropriate criteria to enable this increased fee to be applied.