



**To:**  
**All members of the**  
**Environment and Sustainability**  
**Committee**

*Please reply to:*  
Contact: Christeen Abee  
Service: Committee Services  
Direct line: 01784 446224  
E-mail: [c.abee@spelthorne.gov.uk](mailto:c.abee@spelthorne.gov.uk)  
Date: 25 January 2023

### Supplementary Agenda

#### **Environment and Sustainability Committee - Tuesday, 31 January 2023**

Dear Councillor

I enclose the following items which were marked 'to follow' on the agenda for the Environment and Sustainability Committee meeting to be held on Tuesday, 31 January 2023:

- |               |   |                    |
|---------------|---|--------------------|
| <b>5.</b>     | <b>Local Plan Update and Implications of Revised National Planning Policy Framework</b>   | <b>3 - 20</b>      |
|               | To consider the implications of proposed changes to the National Planning Policy Framework on the submitted Local Plan.                           |                    |
| <br><b>6.</b> | <br><b>Spelthorne Borough Council's Proposed Response to Government Consultation on Changes to the National Planning Policy Framework</b>         | <br><b>21 - 28</b> |
|               | To consider Spelthorne Borough Council's proposed response to the government's consultation on changes to the National Planning Policy Framework. |                    |

Yours sincerely

Christeen Abee  
Committee Services

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

[www.spelthorne.gov.uk](http://www.spelthorne.gov.uk) [customer.services@spelthorne.gov.uk](mailto:customer.services@spelthorne.gov.uk) telephone 01784 451499

To the members of the Environment and Sustainability Committee

Councillors:

I.J. Beardsmore (Chairman)	A. Brar	V.J. Leighton
R.J. Noble (Vice-Chairman)	T. Fidler	S.C. Mooney
R.O. Barratt	N.J. Gething	L. E. Nichols
M. Beecher	K.M. Grant	O. Rybinski
J. Button	K. Howkins	J.R. Sexton

Substitute Members: Councillors: M.M. Attewell, J.R. Boughtflower, J.T.F. Doran, C. Bateson, M. Gibson, H. Harvey, I.T.E. Harvey, N. Islam, T. Lagden, D. Saliagopoulos and S.J Whitmore



## Environment and Sustainability Committee

31 January 2023

<b>Title</b>	<b>Implications of proposed changes to National Planning Policy Framework on Spelthorne's submitted Local Plan</b>
<b>Purpose of the report</b>	To note
<b>Report Author</b>	Ann Biggs, Strategic Planning Manager
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Community Affordable housing Environment
<b>Recommendations</b>	<p><b>Committee is asked to:</b></p> <ul style="list-style-type: none"> <li><b>Note the contents of the report setting out the potential implications of the proposed changes to the National Planning Policy Framework on Spelthorne's submitted Local Plan (option one)</b></li> </ul>
<b>Reason for Recommendation</b>	The Local Plan is currently being examined by a planning inspector ahead of public hearing sessions this spring, following submission in November 2022. In light of the Government's current consultation on proposed revisions to the National Planning Policy Framework (NPPF), an analysis of the changes and the implications for the Local Plan are presented to the Committee. The proposed changes to the NPPF are being consulted on and not confirmed so Spelthorne can proceed with examination of the Plan to meet the timescales for adoption agreed by the Council.

### 1. Summary of the report

- 1.1 Spelthorne's Local Plan was submitted to the Secretary of State on 25 November 2022 for examination by a Planning Inspector. The hearing sessions are due to take place in the next few months. In December 2022, the Government published a consultation on proposed changes to national policy in the NPPF around how Local Plans are prepared and the issue of meeting

development need, especially housing. This consultation runs until 2 March 2023. There is no change to the standard method for calculating housing need but it could mean it is easier to argue Spelthorne should not release any Green Belt sites to help meet our need in full. This would require us to withdraw the Plan, review and consult on changes before resubmitting; a process that is expected to take a further two years.

- 1.2 Following review of the proposed changes, which the Government is currently consulting on, it is recommended that our Local Plan remains on track without amendments as the Green Belt release sites deliver a relatively small number of new homes compared to Brownfield sites, which cannot be reduced under the proposed changes, but will provide significant benefits in terms of affordable units, family houses with gardens, and community facilities. This will ensure the Local Plan is adopted this year without further considerable delay and cost.

## **2. Key issues**

- 2.1 The full analysis of the proposed changes to the NPPF are set out in the presentation appended to this report as appendix 1.
- 2.2 A meeting of the Local Plan Task Group took place on 23 January 2023, where the presentation was given followed by questions and discussions between the Task Group members and Officers. The Member Questions and Officer responses are attached at appendix 2 and are summarised below. No new points or issues were raised by the Task Group that have not already been discussed extensively at previous Task Groups and meetings of the E&S Committee. The key issues raised were:
- reduction in number of homes (873) and reasons why brownfield sites can not deliver more affordable units (viability),
  - flood risk,
  - financial cost of delay (c£100k to update evidence base),
  - future revisions to the standard method for calculating housing need,
  - concerns over speculative development,
  - affordability of affordable housing (detailed note provided at appendix 3).
- 2.3 Officers have analysed the consultation document on the proposed changes to the NPPF and the Local Plan remains a 'sound' strategy. None of the proposed changes require us to amend our strategy or our policies because most of the revisions in the consultation document are not actually 'changes' but add further clarification to existing policy provisions. Without a change to the standard method, our Plan should still aim to meet our development need, which includes the existing housing figure. The Local Plan Examination can proceed under the existing timetable and with no requirement to withdraw and reconsider. It is entirely our choice how we wish to proceed.
- 2.4 **Option one**, would be to continue with the Plan as submitted, following the decision made by the Council last year. This is the no change option. The Plan as submitted meets our development need in full, against the standard

method figure we are still required to use. We remain confident it will be found sound and can be adopted later this year. Having an up-to-date Local Plan places us in a protective 'bubble' for five years, during which we are expecting further changes to the planning system and these may not be in our favour, particularly if there is a change in national government. The Government says the implications of the latest Census data on the standard method will be reviewed in 2024, the same year as when general election is expected. Due to the work required under Option 2, it is likely an amended Local Plan wouldn't be submitted until after the general election.

- 2.5 An adopted Local Plan with a 5-year land supply will allow us to defend against speculative development:
- on Green Belt sites we want to see protected
  - on urban sites of excessive density and/or height, where they may otherwise be treated more favourably without a 5-year housing land supply (e.g. Inland Homes scheme in Staines, where the lack of a 5YHLS weighed in favour of allowing the appeal)
- 2.6 We will benefit from the following if we continue with the Plan as submitted, rather than waiting for a further two years:
- Staines Development Framework can be implemented– requires Local Plan to be adopted at the same time
  - Zoning in Staines can be implemented – as above, as it relies on the Local Plan policy
  - Up-to-date policies on climate change
  - Higher threshold for affordable housing, plus viability tested so more defensible – 30% on brownfield sites and 50% on greenfield
  - Local Green Space designations and protections – LGS can't replace the ineffective PUOS designation until the new Local Plan is adopted so sites will be less protected
  - Begin work on Design Codes – 'beautiful' buildings, significant public engagement in the process
  - Robust defence against any Green Belt applications as we would have an up-to-date supply of homes – have already received enquiries from developers, asking about the impact of changes on the LP timetable
  - Green and blue infrastructure initiatives and strategies
- 2.7 **Option two** set out in the PowerPoint presentation would require a recommendation to Council to consider and make a decision. Option two would be for the Council to debate whether to withdraw the Local Plan and review whether we should consider a strategy that does not meet our housing need in full, update the evidence base and carry out further public consultation. This revised strategy may have the potential to remove the Green Belt sites from the Local Plan because the Government consultation document implies from the proposed changes it will be easier in future to argue this point at Examination. It would still require identification of the harm

and why the adverse impacts of meeting our housing need by amending Green Belt boundaries would ‘significantly and demonstrably’ outweigh the benefits (this ‘standard’ has not changed in the proposed revision). We also still need to meet our housing need ‘so far as possible’ (para 35), which would remain a high bar. The proposed change to para 15 of the NPPF has been updated to ‘meeting’ our housing needs rather than ‘addressing’ them so there is some contradiction in the consultation document. The cost of additional work to withdraw, review and resubmit the Plan would be considerable, running to over £100,000.

- 2.8 Under option two there would be no change to brownfield allocations, and the potential change may result in requiring further intensification of brownfield sites especially in town centres (the most sustainable locations). Our housing need figure remains the same and there is no dilution of the national policy requirement to make effective use of brownfield sites. If anything, there is more focus on intensifying urban sites rather than Green Belt release. This could impact whether the zoning proposals in Staines are likely to be found sound.
- 2.9 A brownfield-only approach would deliver 98% of new homes as flats. This could even reach 100% if we have to further intensify brownfield sites as we are no longer meeting our need in full by releasing Green Belt sites. For example, on some sites we have assumed a small mix of houses and flats on existing industrial sites but these may need to be given over to fully flatted schemes to boost our supply. This affects our ability to deliver the mix of homes our communities need and becomes an argument over housing type versus housing numbers
- 2.10 If we remove all the Green Belt sites, we lose:
- Most or all family houses with gardens (567)
  - A significant number of affordable homes (428)
  - Sixth form college in Sunbury
  - Enhanced replacement community centre in Ashford – without being released from the Green Belt, only a modest increase in size would be allowed
  - Sports and recreation improvements to Staines and Laleham Sports Club and Ashford Sports Club – we have been advised that for SALSC, this also may affect the future viability of the club
  - Gypsy, traveller and travelling showpeople sites – no brownfield sites are available or viable so we would either need to argue we can’t meet our need, which risks soundness, or still release these Green Belt sites (otherwise it is difficult to defend against unauthorised traveller sites)
  - Defence against development on Green Belt sites using ‘very special circumstances’, whether originally proposed for allocation or not.
  - Protection for the two Stanwell Green Belt sites from being developed for employment purposes (which the community here opposes due to scale and HGVs).

### **3. Options analysis and proposal**

- 3.1 The issues are set out above and in further detail in the attached PowerPoint presentation. Option one, to continue with the Local Plan as submitted for examination, with adoption (together with the Staines Development Framework) in Autumn this year, this is the no change option and the recommendation of Officers.
- 3.2 The PowerPoint sets out a second option; this would require the E&S Committee to make a recommendation to Council to allow for debate and decision. Option two would be to consider whether to withdraw the Local Plan or not and review whether we should consider a strategy that does not meet our housing need in full, update evidence base, carry out further public consultation (Regulation 19 as a minimum but potentially another Regulation 18 consultation followed by a Regulation 19 consultation) and resubmit the Local Plan for examination in 2024-26
- 3.3 There is no third option because the Local Plan has been submitted to the Secretary of State and an Examination by an Independent Planning Inspector has begun. Option one is effectively the 'no change' option.

#### **4. Financial implications**

- 4.1 To continue with the Local Plan as submitted would result in no additional financial implications other than those already agreed.
- 4.2 If voted by full Council, the second option, withdrawing the Local Plan (and the Staines Development Framework which was submitted with it) from the Examination process, will incur additional financial costs as evidence becomes out of date and needs refreshing. This will include updating the transport modelling and we estimate the cost could be around £100k. This would be in addition to the costs already incurred to date on the Local Plan review and the costs that are yet to come.

#### **5. Risk considerations**

- 5.1 The risks have been covered in the main body of the report and the PowerPoint slides.
- 5.2 The main risks are the financial implications of revising and updating the evidence base and the risk of speculative applications coming forward if the Plan is withdrawn. Other risks include a Local Plan for 98-100% flats, significantly fewer affordable homes, no new sixth form college, no sports and recreation improvements to Staines and Laleham Sports Club and Ashford Sports Club future of the club in doubt, no provision of Gypsy, traveller and travelling showpeople sites and the two Stanwell Green Belt sites from being developed for employment purposes .

#### **6. Procurement considerations**

- 6.1 There are no procurement considerations associated with option one. If voted by full Council, option two may involve procurement of consultants to update the evidence base.

#### **7. Legal considerations**

- 7.1 Legal officer attended LPTG meeting on 23 January to observe and be aware of the main issues ahead of E&S Committee on 31 January.

## **8. Other considerations**

- 8.1 The submitted Local Plan and the Staines Development Framework began to have limited weight in decision making from the start of the Regulation 19 consultation in June 2022 stage but this is limited. The level of weight has increased on submission and will increase throughout the examination stage to the inspector's report on the soundness of the Plan but full weight can only be given on adoption of both documents.
- 8.2 The Council's CARES corporate objectives have been used to set out the Destination and Objectives for the Local Plan so that there is a 'golden thread' that binds strategic objectives with planning policy. This means we have been able to focus on how these common objectives can be achieved at a practical and deliverable level. Examples include: Affordable housing, where the Local Plan policy and key allocations will ensure delivery of significantly higher levels of affordable housing than we are currently achieving. Environment, where climate change has been at the forefront of new policies that go much further in terms of requirements on developments to incorporate mitigation and zero carbon solutions. Recovery, where both the Local Plan and the Staines Development Framework have a clear emphasis on supporting local businesses and employment opportunities, enhancing our town centres and retail offer.

## **9. Equality and Diversity**

- 9.1 An Equalities Impact Assessment has been produced for the Local Plan, although consideration of impact on all sectors of our community is integral to the sustainability appraisal process. This means that the social element of sustainability is balanced against environmental and economic factors in developing a strategy and policies that meet the needs of residents, including aspects covering social inclusion, suitable homes, affordable housing, access to healthcare, adequate infrastructure and reducing the need to travel.

## **10. Sustainability/Climate Change Implications**

- 10.1 Sustainability appraisal, including climate change implications, is the cornerstone of plan making and has been included throughout the Plan's preparation to respond positively to the Climate Change Emergency. As set out in the Destination and Objectives of the Plan, this will be achieved by:
- Implementing Local Plan policies to safeguard the environment against air, noise, light and water pollution and remediating land contamination.
  - Local Plan policies and allocations which support the requirement for biodiversity net gain, through partnership working and the use of Nature Recovery Strategies.
  - Implementing Local Plan policies to encouraging waste prevention and promote recycling.



- Implementing Local Plan policies to promoting sustainable travel, including actively supporting improvements to public transport access to Heathrow.
- Promoting residential development that is sustainably located with access to existing services and transport hubs.
- Promoting energy efficiency for new buildings and refurbishments.

## **11. Timetable for implementation**

- 11.1 The Local Plan was submitted on 25 November 2022 and we anticipate the hearing sessions will be during March or April this year. Option one, to remain on current course will retain this timetable. Option two would set the process back by approximately two years.

## **12. Contact**

- 12.1 Ann Biggs, Strategic Planning Manager ([a.biggs@spelthorne.gov.uk](mailto:a.biggs@spelthorne.gov.uk))  
 Jane Robinson, Local Plan Manager ([j.robinson@spelthorne.gov.uk](mailto:j.robinson@spelthorne.gov.uk))

**Background papers:** There are none

## **Appendices:**

1. **Presentation to Local Plan Task Group**
2. **Councillor questions and Officer responses from Local Plan Task Group 23 January 2023**
3. **Affordable Housing Prices in Spelthorne**

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## **Environment and Sustainability Committee 31 January 2023**

### **Implications of proposed changes to National Planning Policy Framework on Spelthorne's submitted Local Plan**

#### **Appendix 2: Councillor questions and Officer responses from Local Plan Task Group 23 January 2023**

A meeting of the Local Plan Task Group took place on 23 January 2023, where the PowerPoint presentation (Appendix 1) was given followed by questions and discussions between the Task Group members and Officers.

#### Councillor questions and Officer responses

- Clarification requested regarding the likely number of family homes that would be lost if the Greenbelt sites were removed.
  - Confirmed 873 home reduction of which 567 would be family homes with gardens and 428 would be affordable homes.
- Could the remaining sites deliver better quality design and more affordable homes?
  - Brownfield sites do not normally have the same viability to deliver as much affordable housing as Green Belt sites and densities need to be optimised as set out in the NPPF. Once the Local Plan is adopted the team can produce design codes to ensure all development is produced to the highest possible design.
- There are current flood warnings out for the River Thames; concerns raised about the impact of additional development in Staines on flood risk. Some properties in Staines have been reclassified and insurance premiums have rocketed and some people are finding it difficult to purchase insurance.
  - The Planning Practice Guidance of Flood Risk and Coastal Change was updated on 25 August 2022, during the Reg 19 consultation. The changes include changing the definition of flood zone 3B, the functional flood plain, to 1 in 30 years rather than 1 in 20 years. As a result, consultants Aecom are updating the Strategic Flood Risk Assessment (SFRA) Level 1 and will then update the SFRA Level 2. National Planning Policy on flooding requires development not to worsen flood risk and if possible, to improve it. Insurance is not a matter for the Local Plan to address.
- Concern over the wider cost of Local Plan delay on Spelthorne Assets and financial implications.
  - The prompt Examination and adoption of the Local Plan would provide greater certainty for developers and would allow the use of the zoning approach set out in the Staines Development Framework, however the Council owned sites are on brownfield land and so can come forward without the Local Plan. Withdrawing the Local Plan from the Examination process will incur additional

financial costs as evidence becomes out of date and needs updating. This will include updating the transport modelling and the total could amount to tens of thousands of pounds and we estimate around £100k. This would be in addition to the costs already incurred to date on the Local Plan review. Withdrawing the Local Plan would also result in the Staines Development Framework not progressing further as this relies on the Local Plan to be implemented.

- Question regarding housing targets and why cannot we use more up-to-date data.
  - The Government have decided not to amend the Standard Method used to determine housing need, so the use of 2014 figures still apply. This may be reviewed after 2021 Census data is released in 2024. However, before then there is likely to be a general election in May 2024 which may result in a change in Government. It is not known if an alternative Government would stick with this approach to the Standard Method.
- What happens if we withdraw the Local Plan?
  - We would need to formally notify the Secretary of State that we wish to withdraw the Plan and they would discharge our appointed Inspector Jameson Bridgwater. We would need to undertake a number of new Task Group meetings to agree a revised strategy and take this to E&S for agreement. The evidence base would need to be updated including the transport modelling which would need to be scheduled in by Surrey CC. There would need to be at least one round of public consultation, potentially two. All consultation responses would need to be complied and the entire process may take around two years.
- Concerns raised regarding speculative development if the process is delayed.
  - Officers are also concerned about speculative development if the Local Plan is delayed. It is likely that applications will come forward in the interim. A recent decision by the Secretary of State, issued on 14 December 2022 (after the publication of Michael Gove's Ministerial Statement of 6 December 2022) granted permission for 970 homes in the green belt north of York. The planning inspector and the SoS, while both acknowledging that the garden village scheme would represent inappropriate development and result in significant harm to the green belt, considered that the benefits of the scheme 'clearly' outweighed the harm and therefore that very special circumstances existed. The Chair added that the York decision was more homes on one site than all of the green belt release sites in the Spelthorne Local Plan combined. A change of

course would result in the significant delay to adopting an up-to-date local plan, as discussed above and in the interim period the need for housing does not go away. We are historically underdelivering, are not able to demonstrate a Five Year Land Supply and this, together with the fact that the 2009 plan is out of date leaves the Council with little protection against speculative development, both on green belt sites and brownfield sites, where the zoning proposals offer greater opportunity to protect sensitive parts of Staines.

- Question regarding the use of constraints to reduce housing targets
  - The use of physical constraints (for example green belt or flood zones) did not appear in the NPPF as a reason to use an alternative methodology to calculate housing need; we are raising this matter in our consultation response. The NPPF consultation document focuses on demographic changes such as an unusually high elderly populations as in the Isle of Wight and Cornwall. Spelthorne's demographic trends are similar to many other LPAs, in Surrey, the wider southeast and indeed nationally.
- How affordable are affordable homes?
  - Affordable Housing is defined as per Annex 2 of the NPPF. Various typologies sit under the term 'Affordable Housing'; however this is generally 80% of local market rent levels. The cost of affordable housing is dependent upon the type of product, with this generally split into affordable housing for rent and for ownership. Appendix 3 provides additional information on the types of affordable housing as well as the expected costs of affordable housing to both rent and purchase for Spelthorne.
- Now the Government deadline has been extended to June 2025, suggestion to use the additional two years to produce a Local Plan which our residents want.
  - There have never been mandatory targets, so that is not a change set out in the NPPF consultation. No other authority at that stage had succeeded having their Local Plan found sound with a housing number under the standard method figure. With the proposed changes set out in the consultation draft, it may now be easier to argue that we cannot meet the housing number. The implications of this are set out in the presentation.
- Suggestion to tweak the Local Plan by amending the housing number and resubmit the Plan in six months
  - Amending the number of homes planned for is not a tweak to the Local Plan, it is a significant change with implications that would

require evidence to be updated and at least one further round of consultation.

#### Councillor comments

- Comments on the Local Plan having been drawn up after years of work, amounting to hundreds of hours of officer time and professional advice.
- Need to recognise the importance of the implication of reducing housing numbers.
- Adopting the Local Plan this year would offer five-years of protection from external changes and able to focus on Design Codes and related issues.
- The Local Plan has cost a huge amount of time and money and Officers and Members have invested hundreds of hours in meetings. We cannot consider withdrawing as this will increase the risk of speculative development for another two years while we only have the 2009 Core Strategy to rely on. It is not unreasonable to keep the Plan on track.
- The subject which received the largest number of representations was Local Green Space and designating Local Green Space is part of the Local Plan process.
- A progressing Local Plan can be used to defend non-allocated Green Belt sites.
- The risks of not having a Plan are greater, especially when all of the main parties agree that delivering new homes is a priority.

## Appendix 3: Affordable Housing Prices in Spelthorne

- 1.1 Affordable Housing is defined as housing for sale or rent, for those whose needs are not met by the market, with schemes aiming to make cheaper homes available for people who can't afford to buy or rent at market rates. The full definition of Affordable Housing is set out in Annex 2 of the National Planning Policy Framework<sup>1</sup>.

### Types of Affordable Housing

#### Affordable Housing for Rent

- 1.2 Affordable Housing for rent is generally defined under one of the following categories:
- Social rented housing: Social rented housing is housing with the lowest rental levels possible. The rent for these properties is regulated by the Government. Properties are owned by local authorities and private registered providers.
  - Affordable rented housing: must be at least 20% cheaper than local market rents. This allows housing associations to let properties out at 80% of local market rent levels. All new build affordable housing in Spelthorne is based on Affordable Rent
- 1.3 This includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

#### Affordable Housing for Ownership

- 1.4 Affordable Home ownership schemes aim to make cheaper homes available for people who can't afford to buy or rent at market rates. This can be split into the following categories:
- Shared ownership: this offers help to first time buyers who can't afford to buy a property outright. Buyers are able to purchase a share of a property between 25% and 75% of the value, for which they might need to raise a mortgage. They then pay an affordable, subsidised rent on the remaining share.
  - First Homes/Discounted Open Market: offers first-time buyers a discount when they purchase a new-build home in England. First Homes must be sold at a discount of at least 30% against their market value. After the discount, the maximum amount First Homes can be sold for is £250,000, or £420,000 in Greater London. The government says First Homes must account for at least 25% of affordable housing sold by developers. The discount will be tied to a legal agreement (Section 106), and remain on the property for future sales

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<sup>1</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1005759/NPPF\\_July\\_2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005759/NPPF_July_2021.pdf)

- **Rent to Buy:** helps buyers who can't raise a deposit make progress towards owning a home over time.  
Under the scheme, housing associations offer properties for reduced rent (usually around 20% less than market value), allowing buyers to save for a deposit or purchase shares in their home using shared ownership.  
Rent to Buy is open to non-homeowners with an annual household income below £80,000 who can't buy a suitable home without assistance, and don't have any outstanding credit issues.

## Analysis of House Prices

- 1.5 Estimating the cost of Affordable Housing in Spelthorne has been explored through the Strategic Housing Market Assessment (SHMA) Update 2019. This report used Land Registry and Valuation Office Agency (VOA) data to consider entry-level costs of housing to both buy and rent across the Council area. The focus of this analysis was on lower quartile rents and prices – this is consistent with national Planning Practice Guidance and reflects the entry level point into the market. The data included in the SHMA update dates from 2018 and has been updated for 2022 internally to provide an indication of trends.
- 1.6 The data in Table 1 shows the estimated lower quartile property prices in the Borough by dwelling type. This is taken as a proxy for entry level costs for home purchases.
- 1.7 The data shows that entry-level costs to buy in Spelthorne are estimated to start from about £178,000 for a flat and rising to over £560,000 for a detached home. The lower quartile price across all dwelling types is £281,000. It should however be noted that there may be issues with the quality of the stock of housing at the bottom of the market and properties may require financial investment to improve their condition.

Table 1: Lower quartile cost of housing to buy – Spelthorne

	Lower quartile price (Sept 2018)	Lower quartile price (June 2022)
Flat/maisonette	£235,000	£178,000
Terraced	£330,000	£365,700
Semi-detached	£376,000	£430,000
Detached	£474,000	£560,000
All dwellings	£294,000	£281,000

Source: Land Registry

- 1.8 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – in the SHMA this covers a 12-month period to September 2018. This has also been updated internally to September 2022.
- 1.9 For rental data, information about dwelling sizes is provided by number of bedrooms (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £950 per month in 2018, with this increasing to £995 in 2022.



- 1.10 In line with the National Planning Policy Framework definition, affordable rent should be at least 20% below local market rents, therefore a provisional column has been added to Table 2 to indicate the estimated rental cost with subsidy.

Table 2: Lower Quartile Market Rents – Spelthorne

	Lower Quartile rent, pcm (Sept 2018)	Lower Quartile rent, pcm (Sept 2022)	Affordable rent, pcm – 80% market rate (Sept 2022)
Room only	£525	£625	£500
Studio	£695	£795	£636
1-bedroom	£875	£925	£740
2-bedrooms	£1,100	£1,150	£920
3-bedrooms	£1,200	£1,350	£1,080
4-bedrooms	£1,550	£1,600	£1,280
All properties	£950	£995	£796

Source: Valuation Office Agency + internal analysis

- 1.11 To supplement Table 2, research carried out by the Spelthorne Housing Team provides an indication of the actual rental property prices by type at the lower end of the market in October 2022.

Table 3: Market and Affordable Rents in Spelthorne (October 2022)

Property type	Location	Market rent pcm	Affordable rent pcm
2 bedroom maisonette	Ashford	£1,300	£1,040
1 bedroom flat	Ashford	£950	£760
2 bedroom flat	Staines	£1,250	£1,000
1 bedroom flat	Ashford	£950	£760
1 bedroom flat	Ashford	£950	£760
1 bedroom flat	Ashford	£950	£760
1 bedroom flat	Ashford	£950	£760
1 bedroom flat	Staines	£950	£760
3 bedroom maisonette	Staines	£1,600	£1,280
3 bedroom end of terrace	Ashford	£1,600	£1,280

Source: Zoopla and Rightmove

- 1.12 As per the SHMA, a household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income i.e. if households only spent 40% of income how many would be in affordable housing need.

- 1.13 Based on a local analysis of Spelthorne as set out in the SHMA Update 2019<sup>2</sup>, the figure of 35% can be used as a guide as to the proportion of income spent on housing considered to be reasonable, the figure can be adjusted based on the actual cost of any particular type of housing.
- 1.14 The table below provides an indication of the affordability thresholds and income levels considered appropriate. This shows for example that a housing cost of £800 per month might be expected to take up no more than 32.5% of a household income, and that the income would need to be in excess of around £29,500 per annum for this to be affordable.
- 1.15 The table below does not provide data above 40% as this is considered to be the maximum proportion of income on housing that can be considered affordable. It should also be noted that the SHMA update analysis dates from 2019 therefore the increased cost of living should also be factored in.

Table 4: Suggested income thresholds for different levels of housing cost

Housing cost (£ per month)	% of income	Income threshold (pa)
£400	25.0%	£19,200
£600	29.2%	£24,686
£800	32.5%	£29,538
£1,000	35.2%	£34,065
£1,200	37.5%	£38,400
£1,400	39.4%	£42,615
£1,467	40.0%	£44,010

### How Much should Affordable Home Ownership Homes Cost?

- 1.16 Whilst several types of household are likely to fall under the definition of affordable housing need (i.e. in the gap between renting and buying), the potential supply of housing to buy makes it difficult to fully quantify this need.
- 1.17 Where Affordable Housing comes forward as discounted market sale, it will be important for the Council to ensure that such homes are sold at a price that is genuinely affordable for the intended target group.
- 1.18 On this basis, it is worth discussing what sort of costs affordable home ownership properties should be sold for. The Annex 2 (NPPF) definitions suggest that such housing should be made available at a discount of at least 20% from Open Market Value (OMV).
- 1.19 The SHMA update aims to set out a series of affordable purchase costs for different sizes of accommodation. These are based on equivalising the private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. Setting higher prices would mean that such housing would not be available to many households for whom the Government is seeking to provide an 'affordable' option.

<sup>2</sup> SHMA Update 2019, page 27: [https://spelthornelocalplan.info/wp-content/uploads/sby-local-media/Evidence\\_Base/Housing/HOU004-Spelthorne-Strategic-Housing-Market-Assessment-Update-Report-2019.pdf](https://spelthornelocalplan.info/wp-content/uploads/sby-local-media/Evidence_Base/Housing/HOU004-Spelthorne-Strategic-Housing-Market-Assessment-Update-Report-2019.pdf)

- 1.20 The table below, derived from the SHMA Update 2019, therefore sets out a suggested purchase price for affordable home ownership in the borough. As noted, the figures are based on trying to roughly equate a sale price with an equivalent access point to the private rental market. This is because many households who would like to own a property but cannot afford to, are confined to private renting whereby their income allows for rental expenditure but they are unable to find a suitable property to purchase based on their income. Figures have been updated internally for 2022 to determine the approximate prices of affordable home ownership houses in Spelthorne<sup>3</sup>.

Table 5: Affordable home ownership prices (aligned with cost of accessing private rented sector) – data for year to September 2018

	1-bedroom	2-bedroom	3-bedroom	4+-bedroom
Spelthorne	£187,000	£235,000	£256,000	£331,000

Source: derived from VOA data

Table 6: Affordable home ownership prices (aligned with cost of accessing private rented sector) – data for year to September 2022

	1-bedroom	2-bedroom	3-bedroom	4+-bedroom
Spelthorne	£197,333	£245,333	£288,000	£341,333

Source: derived from VOA data

- 1.21 The SHMA update 2019 also advises that if the Council do seek some additional housing to be in the affordable home ownership sector, it is additionally recommended that they set up a register of people interested in these products (in a similar way to the current Housing Register). This will enable any properties to be 'allocated' to households whose circumstances best meet the property on offer. This will be further considered once the Local Plan is adopted to determine if this is necessary to assist in meeting the needs of those requiring affordable home ownership products.

<sup>3</sup> Monthly rent annualised (\*12) then assumed that this represents 40% of household income (\*4). Mortgage given on the basis of 4 times household income (\*4) with an assumed 10% deposit raised separately (/0.9).

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# Environment and Sustainability Committee



31 January 2023

<b>Title</b>	<b>Spelthorne's draft consultation response to proposed changes to National Planning Policy Framework</b>
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Ann Biggs, Strategic Planning Manager
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	N/A
<b>Corporate Priority</b>	Community Affordable housing Environment
<b>Recommendations</b>	<b>Committee is asked to:</b> <ul style="list-style-type: none"> <li><b>Consider and agree the draft consultation response</b></li> </ul>
<b>Reason for Recommendation</b>	The Government is consulting on proposed revisions to the current National Planning Policy Framework (NPPF). The implications of these changes, if implemented, are considered elsewhere on this agenda. This report seeks the view of the Committee to incorporate into the draft response ahead of the deadline in order to have our say on the revisions.

## 1. Summary of the report

- 1.1 On 22 December 2022, the Government commenced a consultation on changes to the NPPF, which will run until 2 March 2023: <https://www.gov.uk/government/consultations/levelling-up-and-regeneration-bill-reforms-to-national-planning-policy>. This follows debates on the Levelling Up and Regeneration Bill (LURB) that is progressing through the parliamentary stages before receiving Royal Assent. Whilst a revised NPPF was expected in due course, the timing of the changes is a result of rebel MPs unhappy with the proposed content of the LURB and national planning policy, primarily concerning Local Plan preparation, housing targets and the issue of releasing Green Belt to help meet development need. The Secretary of State, Michael Gove MP, wrote to all councils in early December and followed up with a Written Ministerial Statement to announce changes to the NPPF that would assist in dealing with these concerns. The consultation then commenced on 22 December, including a track-changed version of the

NPPF. The Council's draft response to the consultation is attached at Appendix A.

- 1.2 Although a separate item on this agenda, the key changes are set out in the presentation that accompanies the report on the implications of the revised NPPF on the submitted Local Plan. However, the draft response to the consultation covers all the changes rather than just those pertinent to the Local Plan. One significant issue is that there are no changes proposed to the standard methodology for calculating housing need, which could have reduced Spelthorne's need figure if it used more up to date household growth projections. The Government has set out that it will be reviewed once the latest Census data is published in 2024, although this could coincide with a general election and the possibility of a new national government. Without this key change, it is still for Local Plans to aim to meet their need as far as possible.

## **2. Key issues**

- 2.1 Separate to the implications of the proposed changes on our Local Plan, there are concerns over aspects of the revised NPPF. Some revisions lack clarity or are even contradictory. Rather than answering all 58 questions, the response focuses on topics including plan-making, planning for housing, design and the environment. The Committee's views are invited in order to supplement the officer draft response, for issue to the Government by the closing date of 2 March 2023. If the Committee does not agree on certain changes in the collective response, Members may wish to submit an individual response in their own name.
- 2.2 The response includes input from other teams at the Council, including Development Management, Housing Options and Sustainability.

## **3. Options analysis and proposal**

- 3.1 The pros are that a response to the consultation is provided to make clear officers' views on the proposed changes. Without doing so, these views cannot be aired prior to the NPPF potentially being changed following the closing of the consultation.

## **4. Financial implications**

- 4.1 None arising from the Council's response to the consultation itself (there are financial considerations arising from the report on the implications for the Local Plan).

## **5. Risk considerations**

- 5.1 None arising from the Council's response to the consultation itself.

## **6. Procurement considerations**

- 6.1 None arising from the Council's response to the consultation itself.

## **7. Legal considerations**

- 7.1 None arising from the Council's response to the consultation itself.

## **8. Other considerations**

- 8.1 None arising from the Council's response to the consultation itself.

## **9. Equality and Diversity**

9.1 None arising from the Council's response to the consultation itself

**10. Sustainability/Climate Change Implications**

10.1 Sustainability and climate change issues are included in the proposed revised NPPF and are commented on in the draft response.

**11. Timetable for implementation**

11.1 The closing date of the consultation is 2 March 2023 and the Government expects to publish the revised NPPF around April 2023 to replace the current version.

**12. Contact**

12.1 Ann Biggs, Strategic Planning Manager ([a.biggs@spelthorne.gov.uk](mailto:a.biggs@spelthorne.gov.uk))

**Background papers: There are none.**

**Appendices:**

**Appendix A: Spelthorne draft NPPF consultation response**

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### **Chapter 3 - Providing certainty through local and neighbourhood plans**

An up-to-date Local Plan should carry with it the level of protection afforded by having an established 5YHLS. Once a 5YHLS has been confirmed through the adoption of a Local Plan, this should be protected. This would ensure the primacy of the Local Plan and encourage LPAs to have up-to-date Local Plans in place.

The application of buffers to 5YHLS calculations has not demonstrated clear improvements in delivery of housing. The buffers often result in unrealistic sources of housing delivery being included in the calculations. This does not necessarily result in a tangible increase in supply and in some cases can lead to problems over the effective delivery of housing. However, the inclusion of the 5% buffer is the most helpful as this allows the identification of sources of supply such as 'windfall' sites. This can work in favour of the identification of additional housing sites that could be added to supplement the main sites within the 5YHLS.

Where a Local Authority is over supplying homes this should be seen positively in the context of 5YHLS. It is difficult to have a constant stream of supply over the course of 5 years, or a 15-year plan period, without having times when more housing is delivered. It is expected that a lot of housing would come forward in the early stages of an adopted plan, especially where sites have been released from the Green Belt.

In Para 11 (biii), it is unclear how past over delivery will be considered against the Objectively Assessed Need (OAN). Whilst the affordability ratio helps to address under delivery against need, it is unclear if a standard mechanism will be used to take account of this and whether the affordability ratio applied to the standard method will feature in calculations. The Council seeks clarification on this matter.

### **Chapter 4 – Planning for Housing**

The Council have concerns over the approach to Green Belt. There is potential conflict between developing urban areas within local character whilst maintaining the Green Belt. The delivery of a mix of housing, including for affordable units, will be heavily impacted by reducing the opportunities for supply. Where the intensification of development in urban areas has been determined as being unsuitable there may not be an immediate solution to meeting housing needs which may delay Local Plan making.

There has been no consideration of the use of Green Belt for the purposes of providing climate change mitigation. Given the significance of this, and the ability for green spaces and other areas that are largely undeveloped to contribute to minimising these impacts, there should be a move towards including climate change mitigation as one of the main purposes of Green Belt.

The Council have concerns over the application of the new para 35 and the resulting impacts of this. Firstly, the removal of justified is of concern given the time and effort Local Planning Authorities go to produce up-to-date evidence in support of Local Plans. This evidence plays a vital role in the determination of an appropriate strategy and consideration of any reasonable alternatives. Without being justified by evidence, the ability to set out a clear and coherent strategy for development and a more general approach to place-making within a Local Plan is heavily compromised.

Additionally, clarity is sought on how para 35 is applied in the context of para 225 in Annex 1. It is set out that para 35 only applies to plans that have not reached Regulation 19 stage. This would indicate that if a Plan is at post Regulation 19 stage, then it would have to be withdrawn and be subject to a further regulation 19 consultation for the provision of the new para 35 to apply. However, authorities who are post-Regulation 19 may seek changes to the Plan to apply the new para 35. It is unclear as to why those LPAs who are post-Reg 19 are unable to consider amendments to their Plans without having to withdraw the Plan and start again. Being able to make these amendments, especially if there are positive impacts that could benefit the delivery of the Plan, without withdrawing could make the plan-making process quicker.

By allowing these amendments to be made at post-Regulation 19 stage, this would help Local Plans to be adopted as soon as possible in line with the Government's requirement, rather than result in a lengthy delay to plan-making. The proposed amendments could be considered through main modifications after the Plan has been examined and this would enable the plan-making process to continue without additional delays being necessary. Clarification on how the transition arrangements from para 225 are applied is required.

Further, para 226 indicates the stages at which it is proposed that a four-year housing supply, rather than five years, is applied. It is likely that most authorities without an adopted plan will fall into this at one of the stages. These proposals in para 226 entirely clear. The Council interprets that the two-year period is a long stop period running from the date of publication of the new NPPF. It would be helpful if further clarity could be provided on how para 226 is to be applied, in respect of the two-year period. Additionally, the transitional arrangements should clarify whether Local Plans at an advanced stage (post-submission) will be able to remove the buffers from housing land supply calculations.

## **Chapter 5 – A planning system for communities**

The Council welcome the emphasis on social rent and a focus on providing a mixture of homes including those for older people. The addition to para 60 sets out a clear focus for housing provision and this is welcomed. However, there is a potential conflict between providing older persons housing and footnote 67. This footnote deals with the issue of prioritising food production on agricultural land. It is often the case that older person housing operators use former agricultural land in the Green Belt as these sites are often less attractive to developers of market housing. The approach in footnote 67 could therefore impact on deliverability of older persons housing in this context.

Para 61 sets out that the housing numbers are an 'advisory starting point' however this is the same as is currently in place for establishing housing needs. This will effectively just confirm national guidance and makes no material change to the approach to determining housing need. This could have been an opportunity to re-appraise the standard method and look at an alternative means of determining housing needs, taking account of constraints such as Green Belt. Where an authority has a percentage of Green Belt, for e.g., 65%, that makes housing delivery challenging, then a formula which sees the authority's housing number reduced by an equitable figure would make sense. This would ensure that such constraints are considered from the outset and Plans can be positively prepared based upon the quantum of housing that could realistically be delivered.

Para 62 includes the uplift for the 20 towns and cities which have been included. There remains an issue over boundaries and where the extent of the uplift should be applied. Footnote 30 is attached to this which focuses on optimising densities on brownfield and urban sites, using masterplans and design codes. It is unclear as to whether this same approach is meant to apply across all urban areas, outside the 20 towns and cities, or if this is not the case taking account of local character and gentle densification as set out further in the revised NPPF. Further clarification on this would be helpful.

Regarding changes to definition of affordable housing for rent, there is scope for an amendment to encourage uptake through other means of development and for those who are not Registered Providers. However, this must ensure that any changes do not reduce the contribution to affordable housing from development of market housing.

The issue of taking into account past behaviours in determining planning applications could help to reduce the number of applications which are submitted as a means of delaying enforcement action. However, this approach could also impact upon the democratisation of planning and there are no details provided which sets out what would be considered as bad behaviour and if there is a threshold that would be reached for this to be enacted. Further information is required on this to determine if such an approach would be useful. Option 1 would seem to be the most broadly applicable approach to take however this is dependent on further detail coming forward to set this out.

The Council welcome the provision in para 77, for the HDT consequences to be removed if planning permissions are above 115% of the authority's housing requirement. The HDT is however backwards facing and considers housing delivery over the past three years and does not necessarily take into planned Local Plan development which looks forward. Whilst footnote 9 is helpful, there could potentially be a delay between the adoption of a Local Plan and the granting of planning permissions of allocation sites, meaning the Housing Delivery Test score is lower and the Presumption applies. Similarly, as the test is averaged over three years, it will take a several years for a newly adopted Local Plan to take effect on the HDT score. Negative consequences could therefore still apply even though a Plan has been adopted by the Local Authority. Protection from the HDT consequences therefore needs to be afforded to authorities with recently adopted Local Plans.

## **Chapter 6 – Asking for beauty**

The concept of beauty is subjective and difficult to determine what would fit this criterion. It is not clear as to what the process for how you would measure beauty would be. There are no tests or definitions for what constitutes beautiful.

Local character remains a key factor in assessing applications given the sensitivities that can come with this. The use of design codes could help to set out what the expectations for an area would be and assist in developing an approach. Place-making is more than just looking 'beautiful' it is about developing a sense of belonging and ownership for residents and others. Whilst an attractive area helps as part of this, creating a sense of place through well-designed features, improving accessibility, and providing opportunities for people to use these spaces are important also.

It is unclear as to why mansard roof extensions are receiving such a significant amount of focus through this consultation. These extensions are unlikely to provide

much scope in increasing the supply of housing. Any increase is unlikely to outweigh the potential impact of the design of the extensions on the street scene. It is not clear how this focus on mansard roof extensions fits with the incorporation of beauty into this consultation version of the NPPF. Whilst mansards remain a means of extending a property upwards, they are not the only means of doing so and often appear out of keeping with the existing character.

## **Chapter 7 – Protecting the environment and planning for climate change**

On reviewing the changes to the NPPF, areas of uncertainty have been identified. This is particularly the case in relation to the new para 156 and the transition arrangements in para 225. Para 225 sets out that the provisions of this will impact on para 156. There have been no changes made to para 156 in the draft consultation version, so it is unclear as to whether this is correct. Changes have been made to para 157, which relates to the use of renewable and low carbon energy. Clarification is sought as to whether the application of para 225 relates to para 156 or 157 and further detail is required on how this is to be applied in practice.