

BRIEFING NOTE

TO: Councillor Legg

Arriving at an Indicative Housing Requirement for Neighbourhood Plans**Purpose**

This note sets out the Council's proposed approach to the setting of an indicative housing figure for neighbourhood plans.

Summary

In July 2018, the Government published its revised version of the National Planning Policy Framework (NPPF). This sets out a number of national planning policy guidance changes, in particular, a requirement for Local Authorities to provide an indicative housing figure, if requested, for the preparation of a neighbourhood plan. This Briefing Note sets out the approach that has been taken to arrive at a recommended indicative housing figure for Neighbourhood Plans.

Background Information

Paragraph 65 of the revised NPPF, July 2018, requires local planning authorities (LPAs) to set out in their strategic policies a housing requirement for designated neighbourhood plan areas "*which reflects the overall strategy for the pattern and scale of development and any relevant allocations*". The intention is that such housing requirement figures, once adopted in the local plan, should not need to be re-tested at the neighbourhood plan examination stage.

Where timing does not allow a local plan to include a housing requirement for neighbourhood plan areas (for example, where a neighbourhood area is designated after strategic policies have been adopted, or at a late stage in the policy-making process), then paragraph 66 requires LPAs to provide these areas with an indicative housing requirement figure, if requested to do so. This is to be derived, taking account of "*factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the local planning authority.*"

The updated Planning Practice Guidance published on 13 September, 2018 advises that "*Housing requirement figures set for designated neighbourhood areas should reflect any relevant allocations already set within the strategic policies.*"

The need for a housing requirement figure: When determining a planning application, paragraph 11d of the NPPF requires LPAs to grant permission where there are no relevant development plan policies or where relevant policies are out of date (i.e. where the LPA is unable to demonstrate a 5 year housing land supply). Paragraph 14 recognises that where paragraph 11d applies this can, where certain circumstances apply, mean that the adverse impacts of allowing development that conflicts with a neighbourhood plan are likely to significantly and demonstrably outweigh the benefits of that development. The circumstances where paragraph 14 will apply are where:

- a. the neighbourhood plan became part of the development plan two years or less before the date on which the decision is made,
- b. the neighbourhood plan contains policies and allocations to meet its identified housing requirement,

- c. the local planning authority has at least a three year supply of deliverable housing sites (against its five year housing supply requirement, including the appropriate buffer as set out in paragraph 73); and
- d. the local planning authority's housing delivery was at least 45% of that required⁹ over the previous three years.

Obtaining a housing requirement figure and allocating sufficient sites to meet it is, therefore, a key requirement for any neighbourhood plan seeking to ensure it conforms to paragraph 14 of the NPPF.

Arriving at an indicative housing figure: The NPPF emerged whilst Plan:MK was at examination process. The plan therefore does include a housing requirement for designated neighbourhood areas as it was examined under the old NPPF. It does, however set out the development strategy for the area and the settlement hierarchy at Policy DS1 directs most development to Milton Keynes City, followed by the 3 Key Settlements and then the Villages and Rural Settlements. Policy DS2 sets out how and where new housing development will be delivered, including: *"Small to medium scale development within rural settlements, appropriate to the size, function and role of each settlement to be delivered through allocations in neighbourhood plans currently being prepared"*.

Following the close of the Plan:MK examination hearings in summer 2018, the Inspector in his note INS4, confirmed that the Objectively Assessed Need (OAN) of 1,766 dwellings per annum for the plan period and the accompanying trajectory for the delivery of those dwellings was broadly justified.

The housing supply set out in the submission version of Plan:MK (October 2017) equates 29,601 homes, which is some 3,104 dwellings or 11.7% above the Objectively Assessed Need for Housing. Since the examination in public, we have increased our anticipated number of homes to circa 30,900 within the plan period which provides a buffer of 16.7% above the Objectively Assessed Need for Housing. The housing land supply consists of various sources and is diverse in its makeup in terms of location and size of site which should assist in ensuring the steady and timely delivery of homes in line with the housing trajectory.

Plan:MK allocates sufficient land to deliver at least a 10% buffer above the OAN to account for the risk of one or more sites not delivering (within the plan period). The OAN is therefore not dependent on further sites coming forward through neighbourhood plans. On that basis it is proposed to set an indicative housing figure of 1 home for all neighbourhood plans. The indicative housing figure is the amount of additional homes that a neighbourhood plan should allocate land for, over and above existing allocations in the Development Plan. Paragraph 29 of the NPPF is clear that a neighbourhood plan should not promote less development than is set out in the strategic policies for the area or undermine those strategic policies. In order to meet condition b) of paragraph 14 of the NPPF, a neighbourhood plan must meet its housing requirement in full. It is, however, important to note that this is not a maximum figure and neighbourhood plans are encouraged to plan positively for development in their areas, including allocating more development, where that is sustainable and in general conformity with the development strategy.

As work on the review of Plan:MK proceeds, a housing requirement will be identified for designated areas, in line with the requirements of paragraph 65 of the NPPF.

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