



Government response to the CLG Select Committee Inquiry into the Operation of the National Planning Policy Framework

Presented to Parliament
by the Secretary of State for Communities and Local Government
by Command of Her Majesty

February 2015



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Introduction

1. The Communities and Local Government Select Committee launched an inquiry into the operation of the National Planning Policy Framework (the Framework) on 4 April 2014. The Committee published its report on 16 December 2014.
2. The Committee has grouped its recommendations into categories including recommendations aimed directly at local government. This response addresses all the recommendations in the report.
3. The Government is grateful to the Committee for their detailed and balanced report and recommendations, and has considered the points very carefully.

Background

4. The Government published the Framework, including the presumption in favour of sustainable development, on 27 March 2012 after extensive consultation. It sets out planning policies for England and how these are expected to be applied. The Framework consolidated more than 1,000 pages of policy across more than 40 documents into around 50 pages
5. The Localism Act 2011, which abolished regional strategies and introduced neighbourhood planning, together with the Framework reaffirms the importance of Local Plans and neighbourhood plans as the primary basis for identifying what kind of development is needed in each area and puts power in the hands of communities to shape the places in which they live. As well as making the system much simpler and easier to use, the Framework is intended to support growth by facilitating the homes and jobs that the country needs and to help protect and enhance our natural and historic environment.
6. To support implementation of the Framework, streamlined planning guidance was published on 6 March 2014, reducing over 7,000 pages of guidance to a simple accessible online guide.
7. Alongside our wider planning reforms, the Framework is delivering real results - encouraging positive economic growth, while retaining the environmental safeguards that have long been part of our country's planning system. For example:
 - a. Plan making has significantly improved under this Government. 80% of local

planning authorities have at least published their plan so are at an advanced stage and 62% of local planning authorities now have an adopted local plan in place (compared to 17% in 2010);

- b. Planning permission was granted for 240,000 new homes in England in the year to September 2014;
 - c. Two-thirds of appeal decisions are in line with the council's original determination - 99% of decisions are right first time with only 1% of applications overturned on appeal;
 - d. Over 1,200 communities across England are now involved in bringing forward neighbourhood plans to shape what gets built where in their local area. This means more than six million people are living in areas undertaking neighbourhood planning; and
 - e. The amount of Green Belt land remains constant, covering over 13 per cent of England.
8. The Government welcomes the Committee's consideration and conclusion that it is still too early to assess the full impact of the Framework, and agrees that a complete overhaul is not required.

Revisions to the National Planning Policy Framework

Recommendation 1

We recommend that the Government remove from the NPPF the statement that the policies in paragraphs 18 to 219, taken as a whole, constitute the Government's view of what sustainable development means in practice. The definition on page 2 of the NPPF needs to stand on its own.

9. The Government does not accept this recommendation. It welcomes the Select Committee's acknowledgement that the Framework makes a strong statement of what constitutes sustainable development. The Framework is very clear that sustainable development should be at the heart of planning, and should be pursued in a positive and integrated way. The way in which it defines sustainable development was reached after careful consideration of the Committee's views and other responses to the consultation on the draft Framework to ensure that it is clear and robust.
10. The three 'pillars' of the environment, society and economy need to be considered together, and the role of the planning system is to look for solutions that deliver gains across all three. These opportunities will depend on the nature of particular development proposals and the local context, so it is right that the Framework translates these high-level principles into what sustainable development means in practice for different aspects of planning.

Recommendation 2

We recommend that the Government amend paragraph 118 of the NPPF to state that any loss of ancient woodland should be "wholly exceptional". We further recommend that the Government initiate work with Natural England and the Woodland Trust to establish

whether more ancient woodland could be designated as sites of special scientific interest and to consider what the barriers to designation might be.

11. The Government recognises the value and irreplaceable nature of ancient woodland but does not accept the Committee's recommendation that the current wording in paragraph 118 of the Framework should be amended to state that any loss of ancient woodland should be "wholly exceptional". The Government considers that the existing protection for ancient woodland in the Framework is strong and it is very clear that development of these areas should be avoided. It maintains the level of protection in planning policy prior to the Framework, which has not changed over the last decade and is broadly equivalent with the protection for Sites of Special Scientific Interest (SSSIs) in the Framework.
12. The Government acknowledges the further recommendation and this work is already underway. Natural England is responsible for the designation of Sites of Special Scientific Interest. It is already working on identifying further ancient woodland suitable for designation as SSSIs, and is aware of potential barriers to designation and the role the Woodland Trust could play in helping address some of these barriers.

Recommendation 3

We recommend that the Government amend the NPPF to make clear to local authorities that they should be looking to reduce the complexity and increase the accessibility of their local plans. This should be accompanied by guidance about the key elements plans should contain. We also consider it incumbent upon planning inspectors to advise local authorities at an early stage against producing excessively lengthy plans.

13. The Government agrees that plans should be proportionate and accessible, and we will work closely with the Planning Advisory Service and the Planning Inspectorate to ensure that these objectives are applied in practice. This joint working has already supported considerable improvement in plan-making with 80 of all local planning authorities with at least a published plan, and 62% with plans that are adopted: a considerable improvement upon the position in 2010 when only 17% of authorities had plans adopted.
14. Planning policy and guidance already strongly support these objectives. The Framework sets out that Local Plans should be supported by relevant evidence and that a wide range of people should be involved in plan-preparation such that plans represent, as far as possible, a set of agreed priorities for the sustainable development of an area. Planning guidance further refers to the need to keep plans proportionate. However, the Government agrees that this could be stated more clearly and will consider a clarification to the Framework/Planning guidance.

Recommendation 4

We recommend that the Government amend the NPPF to include a section setting out the expected responsibilities of developers.

15. The Government agrees that applicants should play a positive role in all aspects of the planning process. However, it does not agree that this requires a specific section in the

Framework. The core planning principles set out at the start of the Framework apply to everyone engaged in the process, while the decision-taking section recognises the specific roles that different participants play. Where policy is set out for decision-makers, it is also implicit that applicants should recognise and respond to the Framework in taking forward their proposals.

16. The Government notes that the Committee has also recommended that an updated 'planning users' concordat' should be developed between local government (including parish and town councils), the development and property industries and the voluntary sector to set out the responsibilities of these groups within the planning process. The Government supports this recommendation and considers that a concordat, where all parties are actively engaged and in agreement, is a more suitable approach than top down national requirements. Where appropriate, the Government will support relevant bodies in development of an updated concordat and will review future policy and guidance as necessary.

Recommendation 5

We recommend that the Government strengthen the NPPF to make clear that, as a matter of good practice, local authorities should review their local plans regularly to ensure they are up-to-date. We further call on the Government and the Planning Inspectorate to develop an expedited process to ensure local authorities can carry out a light touch review of all aspects of their plans.

17. The Government agrees that plans should be regularly reviewed to ensure that they are kept current and provide a robust framework for decision-taking. The Framework does this by requiring plans to be based on appropriate and up-to-date evidence. Planning guidance sets out that most plans are likely to require updating in whole or part every five years. The Government will be writing to those local authorities who adopted their Local Plans before 2010 to remind them of the need to review their plans or to continue with their work in this respect.
18. The Government welcomes the intent of this recommendation, but is of the view that policy and guidance already contain sufficient encouragement that plans should be kept up to date. The Government and the Planning Inspectorate will review the scope of the Inspectorate's existing expedited review process to see if it is practical to extend further.

Recommendation 6

We recommend that the Government amend the NPPF to make clear that all sites with planning permission should be counted towards the five year supply of housing land.

19. As the Committee points out, Footnote 11 to the Framework describes what is meant by a deliverable site. It states that these are "Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans". Planning guidance provides further interpretation on the meaning of deliverability, for example on

how it should apply in relation to large sites. In the Government's view it is already clear that all sites would count against the five year supply of housing land unless it is very clear that these sites will not be delivered.

20. The requirement for a five-year housing land supply has supported the increase in planning permissions granted for housing development (permission was granted for 240,000 homes in the year to September 2014). Any change to the current approach would undermine the operation of the five-year supply requirement, and result in less deliverable land for housing. To further support implementation, the Government is considering some changes to planning guidance to clarify the operation of the five-year housing land supply.

Recommendation 7

We recommend that the Government amend paragraph 89 of the NPPF to make clear that development on sites allocated in an adopted neighbourhood plan, and which has the approval of the local planning authority, does not constitute inappropriate development for the purposes of the green belt. In addition, where neighbourhood plans, ahead of the local plan, make proposals to change the green belt, local authorities should have a duty to consider them as part of the local plan production process.

21. The Government does not accept this recommendation. Where a locally-led review of the Green Belt is proposed, the local planning authority will need to engage carefully with local people and other interested groups in the process. The Government supports the principle of local planning authorities working with those preparing neighbourhood plans where a review of the Green Belt is underway. But the Government is also clear that the responsibility for a review of the Green Belt rests with the local planning authority and must be conducted through the local plan process of consultation and examination. The rationale for this approach is to ensure the Green Belt is considered in the round of all the other planning issues the Council is addressing in its Local Plan and on an authority-wide, and indeed a cross-authority basis where appropriate.
22. It is already the case that neighbourhood plans can consider developing policies related to development in the Green Belt where these have regard to national policy on Green Belt and are in general conformity with the strategic policies of the adopted development plan for the local area. Planning guidance is clear that where a neighbourhood plan has been made following referendum the local planning authority should take it into account when preparing the Local Plan strategy and policies, and avoid duplicating what will be non-strategic policies set out in the neighbourhood plan.

Recommendation 8

We recommend that the Government restore to the NPPF the policy on disaggregation, so that local authorities are required to ask developers for evidence of flexibility as to whether a proposed retail development can be broken down into specific parts on separate sites.

23. The Government recognises the Committee's view that planning policies should support the vitality and viability of our town centres. The Framework makes clear that local authorities should apply a sequential test which requires proposals for main town centre uses including

retail to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered.

24. The Government strongly supports measures that ensures the success and vitality of our high streets, but considers that this proposal is unnecessary. Planning guidance already makes clear that in determining whether a proposal complies with the sequential test due regard should be given to the requirement to demonstrate flexibility, including whether suitability of more central sites to accommodate the proposal have been considered.

Recommendation 9

We recommend that the Government remove from the NPPF the statement that needs for retail, leisure, office and other main town centre uses should be met in full in the local plan. It would be more sensible to say that councils should allocate sites to meet needs over the first five years, with regular reviews to keep the supply of sites up-to-date thereafter, taking into account the expectation of considerable changes in retail habits. Such an approach would help councils to keep their planning policies up to date with the rapidly changing dynamics of the retail sector and town centre environments.

25. The Government agrees that it is important for local planning authorities to respond to the changing nature of our town centres when planning to meet their needs. However, it considers the recommendation is not needed as planning guidance sets out that local authorities should ensure that their planning policies are responsive to changes in the market as well as the changing needs of business when planning for town centres. Planning guidance also encourages local authorities to regularly review their retail site allocations to ensure full effective use of their town centres.

Additional practice guidance

Recommendation 10

We recommend that the Government take appropriate steps to impress publicly upon both the Planning Inspectorate and local authorities the importance of giving equal weight to each of the three dimensions of sustainable development, as required by the NPPF. Both the Planning Inspectorate and local authorities, when they make their decisions on planning applications, should set out clearly how all three factors have been considered as part of the decision-making process.

26. The Government agrees with the intention of this recommendation, but considers that the need for decision makers to give equal weight to the three dimensions of sustainable development is already clear. The Framework is explicit that the purpose of the planning system is to contribute to achieving sustainable development, and that the three 'pillars' of the environment, society and economy are mutually dependant and should not be pursued in isolation, in either plan- making or decision- taking. All material considerations must be taken into account by decision-makers, although the weight that is attached to any particular pillar of sustainable development will depend to some extent on the type and location of what is proposed.

Recommendation 11

We recommend that the Government issue guidance reminding local authorities and the Planning Inspectorate of the importance of timely infrastructure provision to delivering sustainable development. In setting out the reasons for approving development, decision-makers should fully explain the consideration they have given to its impact on infrastructure and explain how and where they expect the infrastructure to be provided, and to what timetable.

27. The Government agrees that the provision of timely and robust infrastructure provision is vital to delivering sustainable development.
28. Expectations for sustainable infrastructure delivery are already clearly set out within the Framework, particularly regarding sustainable transport, communications infrastructure and assessing the need for infrastructure provision at the plan making stage. The Government has also set out the importance of infrastructure provision and its role in supporting sustainable growth within planning guidance sections on local plans and planning obligations.
29. Since the Framework is a material consideration in planning decisions, decision makers will be able to consider the potential impact of the development on existing infrastructure in determining the application and will consider requesting a planning obligation to make the development acceptable in land-use planning terms. Local planning authorities have a range of powers to ensure that infrastructure is provided at the appropriate time in respect of development, including imposing conditions that infrastructure must be provided at specific phases of delivery.
30. Information on planning applications is already publicly accessible and, where in place, a Community Infrastructure Levy charging schedule, is a publicly accessible document that will indicate the revenue and type of infrastructure provision the local area will receive from development. Local planning authorities with a Community Infrastructure Levy are also required to report each Financial Year on revenues raised from the Levy and what these are spent on.

Recommendation 12

We recommend that the Planning Inspectorate produce a document setting out lessons learned from the examination of local plans since the launch of the NPPF.

31. The Government agrees that the Planning Inspectorate has a key role in capturing lessons emerging from the examination of local plans. The Planning Inspectorate will explore the best ways to share these lessons working with the Department for Communities and Local Government and the Planning Advisory Service.

Recommendation 13

We recommend that the Government, by March 2015, issue clearer guidance on what constitutes co-operation.

32. The Government recognises that the duty to co-operate is a relatively new requirement placed on local authorities and that good practice will continue to develop. To help local planning authorities meet the duty, comprehensive guidance was published in March last year. The Planning Inspectorate and the Planning Advisory Service continue to disseminate learning and best practice, and provide support to authorities that have significant cross boundary strategic issues to resolve.

Recommendation 14

We recommend that the Government issue guidance making clear that assessments of site viability should consider not only current prices and costs but projections of prices and costs over the next five years. The guidance should state that assessments should be transparent, that is 'open-book', so that the developers' finances in relation to the specific site are open to scrutiny, and consider developers' own projections for future viability. In addition, the Government should work with local authorities and the house building industry to agree the wording of new guidance setting out a standard approach to determining viability.

33. The Government agrees with the aim of achieving greater transparency in the viability assessment processes used by local authorities and developers - where commercial confidentiality considerations make this possible – and recent Freedom of Information cases are already helping to have this effect. The Government is considering strengthening existing guidance on transparency, in particular in relation to the use of section 106 planning obligations agreements. This will include related viability assessment processes, subject to the caveat of not compromising commercial confidentiality where this would risk harming or inhibiting commercial activity.
34. Existing guidance on viability assessment encourages consideration of changes in costs and values where a scheme involves phased delivery over the medium to longer term. However, this would not be appropriate in all viability assessments and would unnecessarily add to the complexity and time required to complete and agree assessments in more straightforward cases.
35. The Government will test further with applicants, local authorities and representative bodies whether there is an appetite for joint endorsement of the use of particular models or principles of viability assessment as best practice. It does not believe that imposition by Government of a single viability model for all purposes would be appropriate or welcomed and that it would conflict with commercial practice.

Recommendation 15

We recommend that the Government work with local government and the house building industry to revise its guidance on strategic housing market assessments and produce an agreed methodology. Inspectors should then be required to test SHMAs against this methodology.

36. The Government recognises the importance of having a credible and robust evidence base on housing need that is capable of standing up to objective scrutiny. Planning guidance recommends use of a standard methodology to assessing housing need based on a simple core method using secondary data sources. This approach avoids the need for complicated bespoke arrangements and ensures that assessment findings are transparently prepared. It is thought for local planning authorities, who are best-placed to understand their local needs, to decide what approach is appropriate for their area.
37. The Planning Advisory Service provides practical support to help local planning authorities prepare their strategic housing market assessments.
38. The Government recognises concerns from local communities on the role of strategic housing market assessments in the preparation of Local Plans. Planning guidance is clear that preparing such an assessment is just the first stage in the process, and the Government wrote to the Chief Executive of the Planning Inspectorate on 19 December 2014 to ensure the policy in the Framework is clearly understood. A copy of the letter can be found at: www.gov.uk/government/publications/strategic-housing-market-assessments.

Consultation and Gathering of Further Information

Recommendation 16

We recommend that the Government consult on options to allow for the partial adoption of local plans, if necessary through a change in statute. In the meantime, the Planning Inspectorate should do what it can within the existing framework to ensure local authorities do not find themselves in the frustrating position of having their plans found unsound—especially if earlier advice from planning inspectors could have stopped this happening. In particular, inspectors should give councils as much advice and support as possible during the early stages of plan production. Moreover, while the action taken by the inspector in the case of the Dacorum local plan was determined by local circumstances, nevertheless inspectors should be encouraged to learn from this example and consider the potential for innovative and flexible approaches that will enable councils to get their plans adopted, even if the need for an early review is identified.

39. The Government is open to considering whether modest improvements to the examination procedure could increase certainty for local authorities. We are discussing with the District Councils Network and Planning Officers Society their proposals for a split examination process to see whether there would be merit in taking this further. However, the Government does not support fundamental changes to the plan making or examination process which could risk delay. The Planning Inspectorate provides support for local authorities on plan making and is considering how best it can use this resource.

40. Planning guidance sets out that Local Plans may be found sound conditional on an early review; this may be an appropriate mechanism to address future uncertainty or some shortcomings in Local Plan strategies. This guidance also makes clear that local planning authorities can look towards other successful Local Plans in forming their strategies.

Recommendation 17

We recommend that, before the end of the parliament, the Government start consultation on proposals to place a statutory requirement on councils to have an adopted local plan in place within three years of the legislation coming into force. At the same time, the Government should consult on possible penalties for local authorities that fail to comply with the requirement. One option would be to restrict at the end of the three year period the payment of the New Homes Bonus to housing built on sites allocated in an adopted local plan. Once a statutory requirement is in place, the Government should ensure that the Planning Inspectorate has sufficient resources so delays do not occur while councils wait to have their plans examined.

41. As recent plan-making progress is very positive, the Government has no immediate plans to introduce a statutory requirement to get Local Plans in place. However, the Government will keep under review whether it may be necessary to introduce further requirements or sanctions in respect of plan-making in the future should this situation change.

Recommendation 18

We recommend that, as part of the consultation on local plans proposed above, the Government consult on options for incentivising local authorities to meet the duty to co-operate and where they fail to co-operate what penalties they may incur. It should consider whether there are particular grants that could be linked to co-operation, whilst recognising that there might be difficulties identifying who in fact was responsible for the failure to co-operate.

42. The Government agrees with the Committee's intention but considers that there are sufficient requirements on local authorities to support the duty to co-operate. Local Plans are key to the planning system as they engage communities in determining what development is appropriate and where.
43. The Government does not intend to link grants to the duty to co-operate as it is a central requirement of plan-making, however we acknowledge that providing other approaches to support engagement on duty to cooperate issues can help local authorities to achieve positive outcomes on strategic cross boundary issues. As part of the Growth Deal agreements with a number of Local Enterprise Partnerships, the Government asked for a commitment to support strategic planning. It has continued to support authorities on the duty to co-operate through the financial support to the Planning advisory Service.

Recommendation 19

We recommend that the Government examine measures to encourage local authorities to group together to produce joint core strategies. With the Planning Inspectorate, the Government should consider drawing councils' attention to examples of good practice.

44. The Government welcomes this recommendation as many areas are already taking forward joint or aligned Local Plans where planning issues cross administrative boundaries. The Government will continue to support and work with the Planning Advisory Service to ensure that this approach is promoted and publicised through their work with local authorities on plan-making. The Government does not, however, feel that top-down direction requiring local authorities to join together in plan-making is appropriate given local areas should rightfully arrive at whatever is the most appropriate approach to plan-making locally.

Recommendation 20

We recommend that the Government consult on how the relationship between neighbourhood plans and local plans could be clarified. The consultation should include the option that neighbourhood plans should not be adopted until an adopted local plan is in place.

45. The Government recognises that it may be more challenging to produce a neighbourhood plan where an authority has not kept its Local Plan current, but it is also the case that in these circumstances a made neighbourhood plan can provide for certainty in areas where there may otherwise be an absence of up-to-date policy. Local authorities should be working with all communities that are developing neighbourhood plans to ensure effective linking up between local and neighbourhood plans.
46. The legislation is clear that a neighbourhood plan is considered against the development plan, not an emerging Local Plan. Yet the Government fully understands the concern of those submitting evidence to the Committee that, in order to retain the confidence of communities, a neighbourhood plan must be an effective tool to shape development. Planning guidance draws attention to the importance of minimising any conflicts between policies in the neighbourhood plan and those in an emerging Local Plan. Neighbourhood plans, like Local Plans, should be designed with sufficient flexibility to respond to changed circumstances if they are to shape development not just for the immediate future but for many years ahead.
47. Policy is clear that where a neighbourhood plan has been made, the local planning authority should take it into account when preparing the Local Plan strategy and policies, and avoid duplicating what will be non-strategic policies set out in the neighbourhood plan.

Recommendation 21

We recommend that the Government take steps to gather data about the operation of the sequential test and the extent to which planning policies, both local and national, are giving sufficient protection to town centres. We invite the Government to set out the data it has gathered in its response to our report.

48. The Government wishes to reduce reporting burdens on local authorities, which should always be proportionate to the matter in hand. It remains committed to a Town Centre First policy as set out in the Framework which makes clear that the sequential test should be applied to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan. The Government considers that it is for local authorities to apply the sequential test and assure themselves that the “town centre first” approach has been followed. Where an application fails to satisfy the sequential test or is likely to have significant adverse impact it should be refused.

Recommendation 22

We recommend that the Government commission research into changing retail dynamics as they relate to planning policy. It should aim to commission this research by the end of the parliament, and to publish it by the end of 2015. We further recommend that the next Government, by the end of 2015, launch a consultation on how the NPPF should be amended to bring it up to date with modern retail habits.

49. The Government recognises the impact of changing retail habits on town centres. However, it does not accept the Committee’s recommendation that Government should commission research into changing retail dynamics as they relate to planning policy, as there is already a range of independent research in this area.

Recommendation 23

We recommend that the Government expand its consultation on land availability data to cover a set of data that can be used to monitor the overall effectiveness of the NPPF. It should set out what it sees as the principal aims of the NPPF, and for each of these aims propose a small data set to be collected from local authorities and collated nationally. Once a clear set of data has been agreed upon, it should be updated annually.

50. The Government agrees that sufficient data to monitor the effectiveness of the key aims of the Framework is important. However, as the Committee recognises the Government does not want to impose unnecessary burdens on local authorities, and so only want to collect the data which it needs. The Planning Application Statistics continue to monitor the key outcomes of the planning system. Section 35 of the Planning and Compulsory Purchase Act 2004 as amended requires local planning authorities to produce a Monitoring Report. This must report on the implementation of the area’s development plan and the extent to which its policies are being achieved. The Localism Act 2011 and Local Plan Regulations in 2012 gave local planning authorities greater flexibility as to when they published these reports, and ensured that Monitoring Reports are made publicly available.

51. The Department for Communities and Local Government monitors the proportion of new dwellings in England built on previously-developed land, the Green Belt and areas of flood risk via the Land Use Change Statistics. These statistics were last published covering the 2011 period.
52. In 2013, the Department for Communities and Local Government let a tender to secure these statistics and a 30 per cent reduction in costs using an innovative methodology that promises more timely statistics in future. The first publication of these new statistics will cover the year 2013-14 and has been provisionally announced for June/July 2015. The Government has also published proposals for the collection, sharing and reporting of information by local authorities on brownfield land that is suitable for housing. This information would be updated at least annually, and would enable local residents to see the land that is available for new homes in their area – and to challenge councils to get work started.

Wider recommendations to the Government and the Planning Inspectorate

Recommendation 24

We recommend that the Government revoke its decision to limit to five the number of planning obligations that can contribute to a single piece of infrastructure until the proposed 2015 review of the Community Infrastructure Levy has taken place. In the meantime, local authorities should have a free choice between the use of the Community Infrastructure Levy and section 106 agreements for the funding of infrastructure.

53. The Government does not accept this recommendation. The Community Infrastructure Levy is the Government's preferred means of collecting developer contributions towards the infrastructure necessary to support the development of an area. It provides a fairer and more transparent mechanism than section 106 planning obligations agreements. It is intended to operate alongside a significantly scaled back system of planning obligations – which will only be used for site-specific items and affordable housing. The pooling restriction will not apply to affordable housing contributions.
54. Although it is not mandatory for local planning authorities to adopt the Levy, when the regulations were originally introduced in 2010 it was made clear that this pooling restriction would apply nationally for section 106 contributions from 6 April 2014. This was delayed by a year to April 2015 when the regulations were amended last year to give local planning authorities more time to either implement the Levy, or determine that they would choose to operate within a more restricted section 106 regime. Local Planning authorities have therefore had considerable notice of the pooling restriction and the opportunity to consider its potential effects locally.

Recommendation 25

The Secretary of State has the power to recover planning appeals relating to wind energy projects, and to determine them in accordance with Government policy. We found no evidence to suggest that he was doing otherwise. We do, however, consider that he could make decisions faster, in line with his own expressed views about the importance of reducing planning delays. Investors will be deterred if wind energy projects continue to spend upwards of two years in the planning system. We recommend that the Government take appropriate steps to speed up the process of taking decisions on recovered planning appeals. If necessary, it should allocate more resources to the team supporting the Secretary of State on planning decisions.

55. The Government recognises the need to deal with applications expeditiously and wherever practicable it makes decisions within agreed timelines. The Government's performance is subject of separate reporting to parliament. The resourcing of the Secretary of State's planning casework team is kept under review as part of the Department for Communities and Local Government's business plan.

Recommendation 26

We recommend that the Government place a duty on combined authorities to coordinate the production of a joint core strategy for the area they cover.

56. The Government has intentionally abolished the whole tier of regional planning, and established Local Plans as the mechanism by which spatial planning should be undertaken. Top-down direction requiring combined authorities to produce joint strategies would not be appropriate. It is right that local authorities decide how they should cooperate on strategic issues. Requiring the creation of a new additional tier would lead to uncertainty and delays in the planning system, and also threaten to centralise power – away from elected councils upwards to unelected combined authorities. 'Function creep' by combined authorities should also be resisted. The abolition of County Structure Plans and their replacement with Regional Spatial Strategies under the last Administration contributed to slowing down the whole planning process: six years after the 2004 Planning Act, by May 2010, only one in six local planning authorities had an adopted Core Strategy. Now, following the abolition of Regional Strategies, 62% of local planning authorities have an adopted Core Strategy.

Recommendation 27

It is important that neighbourhood planning does not become the preserve of the middle class. We recommend that the Government take steps to promote and support neighbourhood planning in all areas, particularly those with significant levels of deprivation. It should ensure that some of the £23 million funding for neighbourhood planning is targeted at encouraging take-up and building capacity in more deprived communities.

57. The Government agrees that as we learn more from the experiences of those that have prepared neighbourhood plans, there is room to do more to encourage more communities

to do so. That is why in November last year the Government announced funding for a new £22.5 million support package for neighbourhood planning for the period 2015 -2018. This is a 50 per cent increase in the value of the existing support programme. The programme will provide groups with expert advice, access to grant funding, and technical assistance from April 2015.

58. Under the new support programme all communities will be eligible to apply for a grant of up to £8,000 to help them make progress with a neighbourhood plan or an Order. But certain priority groups will be eligible to apply for additional support; priority groups will include communities in more deprived areas. Priority groups will be able to apply for an additional grant of up to £6,000 and have access to technical advice to be delivered by qualified experts in particular fields. The Government has announced Locality as its partner to deliver its new support programme shortly.

Recommendation 28

We recommend that the Department for Communities and Local Government establish a fund to enable the remediation of brownfield sites. It should set out a prospectus for how this fund will operate.

59. The Government welcomes the Committee's positive response to its initiatives for promoting housing development on suitable brownfield land. The funding and incentives the Government has put in place will provide a strong stimulus to promote development and maximise the number of new homes on suitable brownfield land. The Government expects to see local development orders granting permission for housing in place on more than 90 per cent of suitable brownfield land by 2020 and believe this could provide planning permissions for up to 200,000 new homes.
60. The Government is currently supporting local planning authorities that are piloting the use of local development orders to promote housing on suitable brownfield land and announced a package of further financial support on 28 January. On the same day the Government published a public consultation seeking views on a range of measures to underpin its objective for getting local development orders in place for housing on suitable brownfield sites. The consultation includes proposals for identifying, sharing and updating information on suitable brownfield land in an open and transparent manner and for measures that may be needed in more exceptional circumstances to drive progress to get local development orders in place.
61. The Government is also stimulating development on brownfield land through wider measures, for example by reforming the Community Infrastructure Levy to provide an increased incentive for brownfield development and bringing empty buildings back into use; providing a credit against affordable housing contribution sought through s106 agreements for buildings brought back into use or demolished for re-development, providing tax relief where brownfield land suffers from contamination; and providing access to funding for developers through initiatives such as the Local Infrastructure Fund, Get Britain Building investment fund, Growing Places Fund, and Housing Zones.

Recommendation 29

We recommend that the Government revoke the permitted development rights allowing change from classes A1 and A2 to C3.

62. The Government does not accept this recommendation. As the Committee recognises, the way we use our high streets is changing, and the Government has introduced permitted development rights to respond to this change. It is important to remove unnecessary barriers for owners to make the best use of their premises, such as allowing small shops and financial and professional services to change to residential use. This flexibility can provide much-needed homes and can help to revitalise town centres by increasing footfall and spending.
63. The Government appreciates that in certain locations it may not be appropriate for premises to change use, which is why this permitted development right is subject to prior approval. Local planning authorities are able to take account of the impact of the loss of a retail unit on the sustainability of the shopping centre, and to ensure that an adequate provision of retail services of the sort provided is retained, provided there is a reasonable prospect of the building being used to provide such a service. To ensure there is no adverse visual impact of introducing housing into a retail streetscape, prior approval is also required for any change to the external appearance of the building.
64. The Government is committed to do more to help businesses to adapt existing premises to meet changing demand and re-invigorate town centres. That is why over the summer it consulted on further flexibilities between uses on the high street such as allowing shops to change to financial and professional services and to restaurants. In response to concerns about the negative impact on our high streets, the Government also intends to ensure a planning application is always required for change of use to a betting shop or pay day loan shop.

Matters for Local Government

Recommendation 30

Local authorities should be particularly mindful of the need to support infrastructure requirements identified in adopted neighbourhood plans. We strongly encourage parish and town councils and neighbourhood forums that have an adopted neighbourhood plan to request from their local planning authorities a share of infrastructure proceeds from section 106 agreements, where the Community Infrastructure Levy is not in place. We encourage local planning authorities to give full consideration to such requests.

65. The Government agrees that local authorities should support the delivery of infrastructure priorities identified by local communities. The Government proposes to consider strengthening existing guidance on the use of section 106 planning obligations agreements to this effect.

Recommendation 31

The NPPF provisions on the natural environment have an important role to play in ensuring sustainable development is delivered. Local authorities are missing an opportunity if they do not set out a clear vision for the biodiversity of their area. Moreover, if they do not set out clear policies in respect of the environmental aspects of sustainable development, it may be harder to resist the economic aspects taking a more dominant role. We strongly encourage all local authorities to make the natural environment an important theme in their local plans. To do so, smaller authorities may need to tap into ecological skills available elsewhere, be it in other local authorities or the Planning Advisory Service.

66. The Government agrees that the three pillars of sustainable development - economic, social and environmental - are mutually dependent. The importance of the environmental dimension in plan making is made clear in paragraph 114 of the Framework which states that “Local planning authorities should set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure”. The Government encourages local authorities to think creatively about how they access ecological services appropriate to their needs and requirements in an efficient and effective manner.

Recommendation 32

For a plan-led system to work, plans need to be in place. The NPPF cannot be truly successful until every local authority has an adopted, up-to-date local plan. Unfortunately, progress in getting local plans adopted remains far too slow.

67. The Government agrees that Local Plans are of central importance to the planning system. They involve communities in determining what development is appropriate and where and set the framework in which decisions on particular applications are taken. Local authorities who fail to put Local Plans in place and ensure that they are kept up to date fail to give their communities clarity as to how their area will develop in the future. Thanks to this Government’s reforms, we have recently seen a substantial uplift in plan-making. Now 80% of councils have a published Local Plan compared to less than a third when this Government came to power in May 2010. The Government is working with local planning authorities both directly and through the Planning Advisory Service and Planning Inspectorate to support all authorities in plan-making. The Government therefore welcomes the recent efforts that councils have put into plan-making.

Recommendation 33

We understand the financial pressures councils are under, but we would contend that planning is a fundamental responsibility of councils and therefore they should treat planning as a front line service and not see it as an easy target for spending reductions. In particular, it is vital to the future sustainability of our villages, towns and cities, that councils ensure resources are channelled not only into development control but also into proactive plan making. We further encourage all councils to put in place strategies and policies to promote the development of planning skills and to retain experienced staff.

68. The Government welcomes this recommendation. Positive and effective planning services are central to supporting growth in the right locations and securing a sustainable future. Increasingly, this is also in local authorities' financial interest, as growth generates additional income through retained business rates and the New Homes Bonus.
69. While local authorities need to make sensible savings, they also need to ensure that important frontline services like planning are adequately resourced. The updating of planning fees in November 2012, in line with inflation, provided an additional £32 million per annum for local authority planning, and the Government has extended the funding made to the Planning Advisory Service: the £2 million being provided for 2015-16 will allow it to continue supporting authorities in adopting improved business models and improving skills.

Recommendation 34

We call on local government (including parish and town councils), the development and property industries and the voluntary sector to work together to produce a new 'planning users' concordat' setting out the respective responsibilities of each group.

70. The Government welcomes the Committee's suggestion for an updated 'planning users' concordat. It considers that developing a concordat, where all parties are actively engaged and in agreement, is a more suitable approach than top down national policy for setting out expectations on the development industry. The Government will support relevant bodies in development of an updated concordat and provide assistance and contributions where appropriate.

Recommendation 35

We emphasise that it is vital to the success of the NPPF that all local planning authorities have in place an adopted, up-to-date local plan. Councils that fail to produce a plan surrender their ability to influence the future development of their local areas. Moreover, they leave their communities exposed to the kind of speculative development about which we have heard so many concerns. The Government should take the steps we propose to encourage swift and effective plan making. We emphasise, however, that the onus to get plans in place should be squarely on local authorities themselves. Councils without a plan are letting their communities down.

71. Although all this Government's reforms reinforce a plan-led system, the Government does not agree that without an up-to-date Local Plan local authorities surrender their ability to influence the future development of their areas. The Framework is clear that it is the purpose of planning to enable only truly sustainable development, not development at any cost. It strikes a careful balance between enabling sustainable development and conserving and enhancing our natural environment, even in the absence of an up-to-date Local Plan. However, failure to put a up-to-date Plan in place does mean that local authorities fail to give clarity to and engage with local communities in shaping development in their area.
72. The Government has considered the proposal that sanctions should be imposed against councils without a Local Plan and that the Secretary of State should direct the Planning Inspectorate to produce a Local Plan in place of the Council. However, the Government

believes that proposal is centralising, and would be an unnecessary re-creation of the top-down planning regime that we abolished in the Localism Act. Moreover we have recently seen an encouraging uplift in plan-making. Now 62% of authorities have an adopted Local Plan and 80% a published Local Plan compared to 17% and 32% respectively when this Government came to power in May 2010. The Government will keep progress on plan-making under review to ensure this momentum is sustained.

Recommendation 36

We encourage all councils, as part of the local planning process, to review the size and boundaries of their green belts. They should then make any necessary adjustments in their local plan. The rigorous requirements of public consultation, examination by an inspector and adoption by the council will ensure that any changes have been subject to thorough consideration.

73. The Green Belt prevents urban sprawl and unnecessary encroachment into the countryside. Preservation of openness around our cities is highly valued not only by central Government but by local communities too. It is Government policy that Green Belt boundaries, once established, should be altered only through the preparation or review of the Local Plan, which allows for full community consultation and engagement. Local planning authorities are responsible for their Green Belts. Any review of the Green Belt is entirely a matter for them. The Government published guidance on 6 October 2014 which re-affirmed this position, and made clear that once housing need has been assessed, the local planning authority should plan to meet that identified need and in doing so take account of any constraints such as Green Belt which indicate that development should be restricted, and which may restrain the ability of an authority to meet its need.

Recommendation 37

We do not propose the inclusion in the NPPF of a needs test for development control purposes. Nevertheless, it is important that local authorities thoroughly assess and set out the need for retail development as part of the local planning process.

74. The Government recognises the importance of local authorities assessing their retail needs as part of the local plan-making process. The Framework makes clear that local planning authorities should use an adequate, up-to-date and relevant evidence base to assess their development needs including for retail and that they should take full account of relevant market and economic signals.

Recommendation 38

It is important that councils, in their local plans, recognise the changing nature of retail in England. In particular, they should take care not to preserve primary retail areas that are too large for modern needs.

75. The Government acknowledges the changing nature of retail in England. However, town centres should not just be about retail. People enjoy living there as well as visiting them for a wide variety of non-retail reasons. The Framework supported by planning guidance

makes clear that local planning policies should respond to changes to main town centre uses. The guidance encourages local authorities to regularly review their retail site allocations to ensure that town centres are of the right size.

General Conclusions

Recommendation 39

It is still early days for the NPPF. Given it represented a major consolidation of planning policy, it will doubtless take several years to 'bed in' fully. We have considered the concerns raised with us about its operation. Many are significant and need to be tackled, but they point to the need for adjustment, rather than a complete overhaul of the NPPF. It would be ill-advised at such an early stage to consider tearing up the document and starting again.

76. The Framework has made the planning system more accessible, replacing over a thousand pages of national policy with around fifty, written simply and clearly. The Government agrees that it is too early to assess the full impact, but early signs are encouraging and the Framework, along with other planning reforms, is delivering real results.

Recommendation 40

We are supportive of neighbourhood plans, and commend those communities who have got, or are working to get, a neighbourhood plan adopted.

77. The Government welcomes the Committee's support for neighbourhood planning and its recognition of the tremendous achievements of the 52 communities that have said 'yes' to housing and other development delivered through a neighbourhood plan or a neighbourhood development order. The Government hopes that the broad support for neighbourhood planning amongst the Committee's members will provide encouragement to those preparing neighbourhood plans and to the many communities that may be considering following in their footsteps.

Recommendation 41

Nothing could do more to undermine confidence in neighbourhood planning than for a view to pervade that neighbourhood plans are being ignored in planning decisions.

78. The Government agrees with the Committee. Where a neighbourhood plan has been made (brought into legal force) the legislation is unequivocal: planning applications must be determined in accordance with the development plan, unless material considerations indicate otherwise. While it is open for developers to put forward planning applications, and appeal against a refusal, the Government has taken two measures to provide stronger support to communities that have prepared, or are preparing, neighbourhood plans. It has amended the published appeal recovery criteria to enable a decision on any appeal that involves a potential conflict with an emerging (or recently made) neighbourhood plan to be taken by the Secretary of State. The Framework and planning guidance set out the weight that may be given to relevant policies in emerging plans in decision taking. Factors

to consider include the stage of preparation of the plan and the extent to which there are unresolved objections to relevant policies.

Recommendation 42

Instead of objecting to policies in neighbourhood plans, house builders and developers should be working with communities to ensure that development meets local needs.

79. The Government is in full agreement with the Committee on this point. The Government encourages neighbourhood areas and the development industry to work together collaboratively on this process. There are many examples of the industry and a community working constructively on a neighbourhood plan and evidence of this continuing once a neighbourhood plan has been made.

Recommendation 43

We welcome the Government's decision to consult on making land availability data more accessible. Data about the future availability of land are not, however, enough on their own. We also need to understand where development in recent years has taken place. In particular, the absence of recent data about town centre and out-of town development and the proportion of homes built on brownfield land is making it difficult to assess how successful the Government's policies have been and how they may need to change. This creates a risk that the Government will be making future policy decisions 'in the dark'.

80. The Government agrees that sufficient data to monitor the effectiveness of the key aims of the Framework is important. As is consistent with national planning policy as a whole, the Government does not centrally collect data on town centre and out-of-town development given the need to reduce burdens on local authorities. The Framework provides a strong policy tool for local authorities to use to ensure the vitality and viability of their town centres. The presence of out-of-centre developments is not necessarily an indication or cause of a failing town centre.
81. The Government recognises that brownfield land has a vital role to play in meeting the need for new homes and the Government wants to maximise the number of new homes on suitable brownfield land. The Government is consulting on measures to improve data availability on brownfield land because it recognises the importance of having good data in order to monitor progress against its objective.

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