



Planning & Housing Commission

Date: 05 February 2025

Subject: National Planning Policy Framework (NPPF) Briefing Note

Report of: City Mayor Paul Dennett, Portfolio Lead for Housing First and Steve Rumbelow, Portfolio Lead Chief Executive for Housing First

Purpose of Report

To update members on changes to the on the National Planning Policy Framework (NPPF).

Recommendations:

1. To note contents of the report.

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1. INTRODUCTION

- 1.1 Following the consultation on draft NPPF between July – September 2024, Government published the revised NPPF on 12 December 2024. Some changes to Planning Practice Guidance (PPG) were also published, however more changes to PPG are promised for the New Year.
- 1.2 The new NPPF (<https://assets.publishing.service.gov.uk/media/675abd214cbda57cacd3476e/NPPF-December-2024.pdf>) is broadly the same as the draft, however there have been some changes particularly in relation to the standard method (in PPG); 5 year housing land supply, and clarification about the definition of grey belt and development in the Green Belt.
- 1.3 New NPPF applies immediately for decision-making (planning applications) and there are transitional arrangements set out for plan-making.

2. HOUSING NEED AND SUPPLY

STANDARD METHOD FOR ASSESSING LOCAL HOUSING NEED

- 2.1 The new NPPF, at paragraph 62, directs that strategic policies should be informed by a local housing need assessment conducted using the government's standard method. The changes remove reference to the method being 'an advisory starting point', as well as removing reference to the ability of councils to use 'exceptional circumstances' to argue for the use of alternative approaches to assess need. It is clear that the Government consider use of the standard method as 'mandatory' apart from in a limited number of circumstances, as set out in Paragraph 14 of Planning Policy Guidance (PPG).
- 2.2 Local planning authorities are instructed to "meet an area's identified housing need". This is in comparison with the previous wording in paragraph 60, which instructed councils to "meet as much of an area's identified housing need as possible".
- 2.3 The Standard Method formula is set out in PPG. The standard method uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures to identify the minimum

number of homes expected to be planned for. (Paragraph: 002 Reference ID: 2a-002-20241212)

2.4 The standard method has changed from the consultation draft, there are three main changes:

- i. The threshold from which the adjustment applies has increased, from 4 (so where median house prices are 4 times median earnings) to 5. The threshold has been set at 4 since the standard method was first introduced in 2018, and at the time represented the maximum amount that could typically be borrowed for a mortgage. So that where house prices were above 4 times earnings was a proxy for where supply should be increased as homes were considered unaffordable. It is considered that a ratio of 4 is now less appropriate than it was in 2018 – the housing market, and access to mortgages, has changed in recent years, and currently no local authorities in England have an affordability ratio below 4. The Office for National Statistics (ONS) also use a ratio of 5 as a broad indicator of affordability when they consider housing affordability issues.
- ii. Changing the threshold from which the affordability adjustment applies from 4 to 5 means some of the most affordable local authorities will no longer be subject to the affordability adjustment, and that the overall impact of the adjustment is reduced meaning overall numbers would fall. To ensure housing need remains at the level the Government consider appropriate, the second change being made is to increase the scale of the affordability adjustment – instead of a multiplier of 0.6, this will be set at 0.95. The overall effect of these two changes is that housing need is reduced in more affordable areas and increased in areas where affordability issues are most acute, but overall remains around 370,000 nationally.
- iii. Third, affordability is averaged over 5 years, (instead of 3 currently) and so will consider slightly longer-term trends in affordability and market conditions and further smooth out outlying changes to affordability over time which will add additional stability to the standard method.

- 2.5 The revised standard method incorporating the changes set out above sets a marginally lower local housing need for England of 370,408 compared to 371,541 under the method consulted on.
- 2.6 Collectively, the changes have the effect of decreasing (or indeed, removing altogether) the affordability uplift – and thus housing numbers – in the most affordable areas, and increasing the affordability uplift and numbers in less affordable areas. In practical terms, from the proposed July version this results in a shift of housing numbers away from the Midlands and North and more greatly concentrated in London and the wider South East
- 2.7 The table below shows the implications of the new standard method for Greater Manchester Authorities. The last column illustrates the housing numbers which the 10 GM authorities will need to plan for through their Local Plans (Part 2 plans in the case of PfE).

Local authority	PfE annual average March 2024	Draft NPPF July 2024	New NPPF December 2024	GM 'housing targets' December 2024
Bolton	787	1,340	1184	787
Bury	452	1,054	979	452
Manchester	3,533	2,686	2430	3,533
Oldham	680	1,049	910	680
Rochdale	616	1,031	918	616
Salford	1,658	1,475	1308	1,658
Stockport	N/A	1,906	1,815	1,815
Tameside	485	1,223	1124	485
Trafford	1,122	1,607	1599	1,122
Wigan	972	1,572	1418	972
PfE Total	10,305	13,037	11869	10,305
GM Total	N/A	14,941	13,684	12,120

FIVE-YEAR HOUSING LAND SUPPLY

- 2.8 Changes made to the five-year housing land supply policy in December 2023 - including the ability to show a four rather than five-year housing land supply in certain cases - are reversed with the deletion of former paragraphs 77 and 78. The general requirement for local planning authorities to include a buffer of five per cent on top of their five-year housing land supply, is retained in paragraph 78, “to ensure choice and competition in the market for land”.
- 2.9 A 20 per cent buffer will be applied on top of local authorities’ five-year housing supply in some cases, for decision-making. This will apply where there has been significant under-delivery of housing over the previous three years.
- 2.10 A 20 per cent buffer on top of five-year housing supply will also apply more widely for some authorities for decision-making purposes from **1 July 2026**. It will apply where a local planning authority has a housing requirement adopted in the last five years examined against a previous version of the NPPF, and whose annual average housing requirement is 80 per cent or less of the most up-to-date local housing need figure (paragraph 78c)
- 2.11 At first reading it appears that several PfE authorities would be caught by this provision, however Footnote 42 states ‘Defined as the total housing requirement, divided by the number of years in the plan period. For joint local plans, the percentage should be applied in aggregate across the joint local plan area.’.
- 2.12 In terms of PfE, the housing requirement, taken across the plan as a whole equates to 87% of new LHN, so this requirement should not have an impact on decision making for the PfE authorities.

3. GREEN BELT

- 3.1 NPPF sets out that meeting identified need for houses, commercial or other development constitute exceptional circumstances for altering Green Belt boundaries (paragraph 146). LPAs should undertake a green belt review where they are unable to meet their identified needs for housing, commercial or other development through other means.

- 3.2 NPPF introduces the concept of 'grey belt' land within the green belt (defined in the Glossary) , and clarifies that it would not include land which “strongly” contributes to three of the green belt purposes, (a), (b), or (d) (as set out in paragraph 143). These are the purposes which seek to check unrestricted sprawl, prevent merging of towns and preserve the setting of historic towns. (However, it doesn't include the purpose of safeguarding the countryside from encroachment.) 'Grey belt' would also exclude land covered by key constraints such as national landscapes and SSSIs.
- 3.3 Where it is necessary to release green belt land for development, plans should give priority to previously developed land, then consider grey belt which is not previously developed, and then other green belt locations (paragraph 148). However, when drawing up or reviewing Green Belt boundaries, the need to promote sustainable patterns of development should determine whether a site's location is appropriate.
- 3.4 The development of homes, commercial and other development in the green belt should not be regarded as inappropriate in certain circumstances. This is where the following criteria apply:
- The development would be on grey belt land and would not fundamentally undermine the purposes of the remaining green belt across the area of the plan.
 - There is a “demonstrable unmet need for the type of development proposed” (defined in relation to housing supply and delivery).
 - The development would be “in a sustainable location”.
 - The development proposed meets the 'golden rules' requirements.
- 3.5 The following 'golden rules' would be applied to major housing development on land released from the green belt (set out in paragraph 156). A development which complies with the Golden Rules should be given significant weight in favour of the grant of permission.:
- Affordable housing contribution which would be 15 percentage points above the highest existing affordable housing requirement which would otherwise apply to the development, subject to a cap of 50 per cent. In the

absence of a pre-existing requirement for affordable housing, a 50 per cent affordable housing contribution should apply by default. The use of site-specific viability assessment for land in or released from the green belt should be subject to the approach set out in planning practice guidance, which says that site specific viability assessment should not be undertaken or taken into account for the purpose of reducing developer contributions, including affordable housing (Paragraph: 029 Reference ID: 10-029-20241212).

- The government intends to review this Viability Guidance and will be considering whether there are circumstances in which site-specific viability assessment may be taken into account, for example, on large sites and Previously Developed Land.
- Necessary improvements to local or national infrastructure,
- The provision of new, or improvements to existing, local green spaces that are accessible to the public. New residents should be able to access good quality green spaces within a short walk of their homes, whether through onsite provision or through access to offsite facilities.

3.6 Development proposed on previously-developed land in the green belt, and limited infilling in the green belt, is now classed as 'not inappropriate development', as long as it doesn't cause "substantial harm to the openness of the green belt".

3.7 This is a potential change to policy, which may be unintended. Previous policy was interpreted that 'not inappropriate' development in the Green Belt had passed the Green Belt hurdle and did not need to demonstrate lack of harm etc, The 'openness' test seems to have been reintroduced.

4. BROWNFIELD LAND

4.1 Brownfield developments should be viewed positively. Wording in the document to emphasise this point has, however, been tweaked from the suggestion in the draft framework that such proposals "should be regarded as acceptable in principle". The new wording in the final document is that proposals should be approved "unless substantial harm would be caused".

5. STRATEGIC PLANNING

5.1 Local planning authorities and county councils “continue to be” under a duty to cooperate with each other. Once the matters for collaboration have been identified, new wording (paragraph 27) states that authorities “should make sure that their plan policies are consistent with those of other bodies where a strategic relationship exists on these matters, and with the relevant investment plans of infrastructure providers, unless there is clear justification to the contrary”. In particular, plans should ensure that:

- a consistent approach is taken to planning the delivery of major infrastructure;
- unmet development needs from neighbouring areas are accommodated; and
- any allocation or designation which cuts across the boundary of plan areas “is appropriately managed by all relevant authorities.”

5.2 The NPPF acknowledges that plans come forward at different times and that there can be a degree of uncertainty over other plans. In such circumstances, it states, those preparing plans “will need to come to an informed decision on the basis of available information, rather than waiting for a full set of evidence from other authorities.”

6. AFFORDABLE HOUSING

6.1 Housing needs assessments should explicitly consider the needs of those requiring social rent. It states that authorities specify their expectations on social rent delivery as part of broader affordable housing policies. Reference is also added in the new document to assessing the needs of ‘looked after children’, which a footnote says can be evidenced in the relevant LPA’s Children’s Social Care Sufficiency Strategy. The requirement to deliver at least ten per cent of the total number of homes on major sites as affordable home ownership, as set out in the previous NPPF, is removed.

6.2 New wording (paragraph 69) expects LPAs to take a positive approach to development proposals that have a mix of tenures and types, through both plans and decisions. It recognises, however, that this should not preclude

schemes that are mainly, or entirely, for Social Rent or other affordable housing tenures from being supported.

- 6.3 No changes are proposed to the definition of the types of housing which constitute affordable housing.

7. SUPPORTING ECONOMIC GROWTH AND CLEAN ENERGY

- 7.1 Local planning authorities should pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics. Planning policies and decisions should make provision for new, expanded or upgraded facilities and infrastructure to support the growth of knowledge and data-driven, creative or high technology industries, including data centres and grid connections.
- 7.2 The framework, says storage and distribution operations should be provided for “that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation” (paragraph 87). The same paragraph also includes new text that provision should be made for “the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.”
- 7.3 Decision-makers should give “significant weight” to the benefits associated with renewable and low carbon energy generation, and proposals contributing to meeting a net zero future, (paragraph 164). However, wording in the draft which stated that local planning authorities should support planning applications for all forms of renewable and low carbon development has not been included in the final document.
- 7.4 The need to mitigate and adapt to climate change should also be considered in preparing and assessing planning applications, taking into account the full range of potential climate change impacts (new paragraph 163).

8. INFRASTRUCTURE

- 8.1 “Significant weight” should be placed on the importance of facilitating new, expanded or upgraded public service infrastructure when considering proposals for development, (new wording in paragraph 101). The framework also includes reference to post-16 education places to support the delivery of this type of education provision.
- 8.2 Development proposals and allocation of sites should ensure that sustainable transport modes are prioritised, taking account of the vision for the site. Development should only be prevented or refused on highways grounds if there would be an unacceptable impact on highway safety, or the residential cumulative impacts on the road network following mitigation, would be severe, “taking into account all reasonable future scenarios” (paragraph 116).

9. TRANSITIONAL ARRANGEMENTS

- 9.1 The new NPPF applies straight away for decision-making. However, existing policies are not necessarily out of date and “due weight” should be given to them. Policies should not be regarded as out of date where LPAs meet certain criteria relating to housing supply and delivery.
- 9.2 For plan-making, the new NPPF applies from 12 March 2025. This is with the exception of the following cases:
- a) Where the plan has reached the Regulation 19 stage of consultation on or before 12 March 2025, and its draft housing requirement meets at least 80 per cent of local housing need
 - b) Where the plan is submitted for examination on or before 12 March 2025
 - c) **Plans which include policies to deliver levels of housing and other development set out in a preceding local plan adopted since 12 March 2020**
 - d) The local plan is in an area where there is an operative Spatial Development Strategy and the local plan has reached Regulation 19 stage on or before 12 March 2025.

e) The plan deals only with minerals and/or waste matters and has reached Regulation 19 on or before 12 March 2025; or has been submitted for examination under Regulation 22 on or before 12 March 2025.

9.3 For PfE, paragraph 234 c) is significant as this applies to PfE and provides protection from plan-making provisions of new NPPF, until the Plan is reviewed.