

The Revised NPPF

Standardised OAN method (for now!)

Zack Simons

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De Vere Holborn Bars



National Planning
Policy Framework



Standardised OAN



- 1) Background.
- 2) Response to consultation: 265k v 300k.
- 3) 24th July 2018: the new NPPF / PPG.
- 4) What's happening on the ground: inconsistent messages.
- 5) More consultation to come.

1) Background

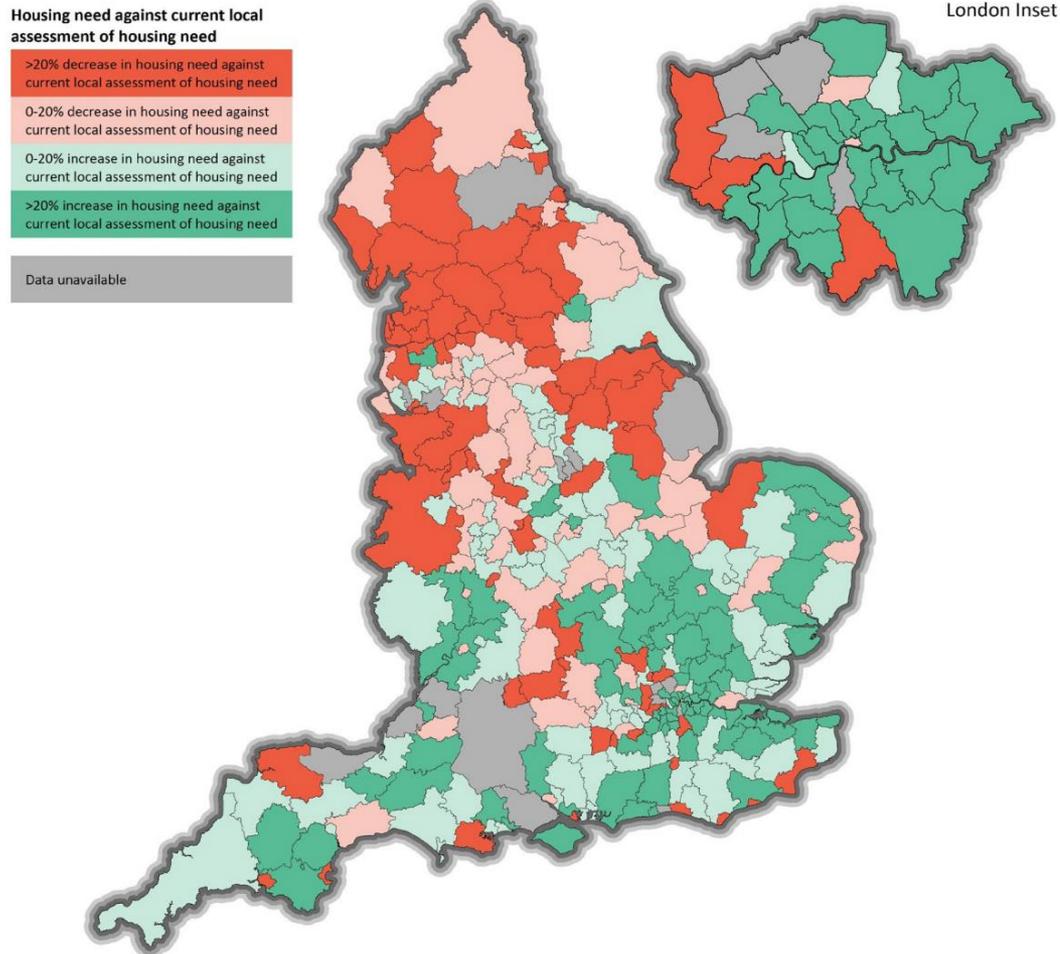


- Widespread dissatisfaction with the OAN “industry” and time/cost added to plan-making leads to...
- LPEG, March 2016: suggests “simplified, standard common methodology” for OAN through NPPG.
- “Fixing our Broken Housing Market”, Feb 2017: promises standardised OAN consultation.
- “Planning for the right homes in the right places”, Sept 2017:
 - i. Demographic baseline (household growth #s).
 - ii. Adjust for market signals (affordability).
 - iii. Apply a **cap**.



2) Response to consultation

Figure 6: Housing need under proposed methodology compared to current local assessment of housing need (as of September 2017)⁵



Source: MHCLG; Lichfields analysis

2) Response to consultation

- Overall = adds up to around 265k dwellings / year. Less than 300k required.
- ↓↓↓ in North – over 13k units.
- ↑↑↑ in South-east.
- When is simple too simple? No adjustments for migration, vacancy, 2nd homes?
- That cap? How is a cap consistent with principles of OAN set out in Gallagher? Risk of fixing OAN by reference to artificially suppressed baselines?

3) 24th July 2018



- Revised NPPF:

*“60. To determine the **minimum** number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the **standard method** in national planning guidance – **unless exceptional circumstances justify an alternative approach** which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”*

- NB:

- [212]: NPPF2 policies material for decision-making from date of publication.
- **BUT** [214]: NPPF1 still applies to examinations of plans submitted on or before 24.1.19.

3) 24th July 2018



- MHCLG response to NPPF consultation:

“The government is aware that lower than previously forecast population projections have an impact on the outputs associated with the method. Specifically it is noted that the revised projections are likely to result in the minimum need numbers generated by the method being subject to a **significant reduction**, once the relevant household projection figures are released in September 2018.

In the [housing white paper](#) the government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will **consider adjusting the method** after the household projections are released in September 2018. **We will consult on the specific details of any change at that time.”**

3) 24th July 2018



- Revised PPG on “Housing and economic development needs assessments”
 - Repeats need to consult.
 - Sets out standard method =
 - Household projections.
 - Adjusted for affordability.
 - Cap of 40%+ of existing OAN if policies <5 years old, or else 40%+ over the greater of (a) predicted household growth or (b) average annual requirement in most recently adopted.

4) What's happening on the ground



- 8.8.18 Planning Resource:

MHCLG spokesman says standard method should "*apply to decision-making, where applicable, from the date of publication*".

Which reflects [212] NPPF.

- But **NB** - 5yhs should be measured against adopted policy requirement if under 5 years old: [73].
- And even if older than 5 years, can use alternative approach if justified by “exceptional circs” (like the fact that MHCLG intends to re-consult?).
- And what about plan-making...

4) What's happening on the ground



- [214] (NPPF1 applies for plans submitted on/pre-24.1.19).
- **East Cambridgeshire Local Plan**
 - Interim findings, 30.7.18, Inspector Louise Nurser.
 - Endorsed standard OAN method as sound because pragmatic in light of 2013 SHMA which required updating.
- **Peterborough Local Plan**
 - Post hearing advice note, 22.8.18, Inspector Louise Crosby.
 - Found plan should be based on SHMA, not standard OAN, noting MHCLG intention to re-consult.

5) More consultation to come



Landmark
CHAMBERS

zsimons@landmarkchambers.co.uk