

Response to NPPF consultation from the Highbury group on Housing Delivery

Our response includes proposals for specific amendments to the draft NPPF, focusing on policies relating to housing provision and development viability

PM 1 Spatial Development Strategies

PM 8 Evidence for plan-making

This needs to set out the evidence base for the SDS, including a Strategic Housing Market Assessment and Strategic Land Availability assessment which are undertaken on a consistent basis across the whole SDS area. Aggregating LPA level SHMAs and SHLAAs, which may use different methodologies would not be a sound approach.

The SDS should set housing targets for each local planning authority within the SDS area, including targets for different types of affordable housing, which have regard to both the SHMA and the SHLAA and give guidance to local planning authorities on density, built form and housing type appropriate to meet the needs identified in the SHMA.

The NPPF needs to distinguish between the evidence base for Spatial Development Strategies and the evidence base for Local Plans. PM8 needs to be divided into two sections.

PM 4 Supplementary Plans

Clarification is necessary on how this proposal would differ from the current provisions for Supplementary Development Plans, which do provide a positive framework for Local Planning Authorities to set out a development framework for specific sites.

PM 11 Cooperation between Local Planning authorities

Add 3. Disputes between local authorities should be resolved through the SDS. Where the strategic planning authority is unable to resolve any dispute, the Secretary of State should intervene to amend both the SDS and Local Plan or Plans as necessary.

DM 5 Viability

DM5 Delete. The assumption that most policy compliant schemes will be viable has no basis. The development economics of individual schemes can vary widely, and while full policy compliance with local plan policies should be the LPA objective for all developments, compliance will in many cases require some public subsidy.

DM 5 (2)

Amend to :

“There may be circumstances in which it would not be possible for development to proceed on a policy compliant basis, and a viability assessment to inform decision-making is **required** to ensure that a proposed development makes the maximum possible contribution to affordable housing and other infrastructure. Such circumstances may include situations where:...”

Delivering a Sufficient Supply of Homes

HO 1 Assessing the Need for Homes

Add

“Local Plans should set targets for new homes in terms of bedroom size mix, to ensure adequate provision for households of different sizes, including family sized homes and homes appropriate for small households to downsize. Application to specific sites needs to relate to the context and capacity of the site and to the local housing market.”

Delete annex D on standard methodology for assessing housing supply as this conflicts with policy HO2 on Setting requirement figures for homes, reflecting housing needs within the local area and neighbouring authorities..

HO 3 Providing land for new homes.

Add : “The assessment of residential development capacity of individual sites (large and small) should reflect the appropriate density of development of each site in terms of units per hectare and habitable rooms per hectare, reflecting 1) access to public transport; 2) access to a town or district centre, health, education , leisure and social facilities; 3) the existing neighbourhood character and predominant built form, and 4) the need for different types of housing provision in terms of size and built form of dwellings as assessed in the Strategic Housing Market Assessment. Local Plans should include maps setting out appropriate density ranges of residential density in different areas, which may include provision for increased density and new medium-rise or higher rise schemes in specific locations which are appropriate. The assessment of total development capacity in the local authority area included in the Local Plan should comprise an aggregation of these site specific assessments and should reflect the likely timescale of development within the plan timescale as assessed in the Strategic Land Availability Assessment.”

HO 5 Meeting the needs of different groups.

1a) This needs to clarify that where social housing is demolished , there should be a replacement of all demolished social rented units with social rented units and with affordable housing targets being applied to NET additional units.

HO 7 Meeting the Need for Homes

Add: “Where development capacity is limited, priority should be given to the meeting of the most urgent needs, which will normally be the needs of lower income households for socially rented homes.”

HO 8 Providing Affordable Homes

HO 8(2b) We do not support the proposal that military housing provision be treated as affordable housing and contributing to targets for new affordable homes.

Annex B Glossary

Delete all definitions of affordability set as proportion of market rent or market sale values and replace by definitions related to household incomes.

Affordable housing

“A) Social Rent. Rent and service charge should be no greater than 30% of average household incomes (net of benefits) for the lowest quartile of household incomes.

B) Other affordable rent. Replace affordability definition (20% below market rent) by no greater than 30% of median household incomes for the second lowest quartile household incomes (net of benefits).

C) Discounted market sale. Total monthly housing costs to be no greater than 40% of median household incomes (on the basis that 10% is related to acquisition of an asset).

D) Other affordable routes to Home Ownership. Total monthly housing costs to be no greater than 40% of median household incomes (on the basis that 10% is related to acquisition of an asset).

(Rents for specific properties and housing costs for discounted market sale and other forms of affordable home ownership will however take into account the size of the specific property).”

Annex B Standardised Inputs in Viability Assessment.

These points were made at the MHCLG round table on viability on 20th February 2026

Growth Testing

We question MHCLG assumption that developers factor anticipated value growth into viability assessments. Value increases post planning consent are best covered by viability reviews at various stages of development, including start on site; completion of phases, final completion.

Developer Returns (questions 202-207)

Any assumptions as to benchmarks for developer profit should be based on profit on development cost, not profit as proportion of development value. Appropriate level will vary between sites depending on factors including developer risk and extent of public subsidy to social rented and other sub-market housing available.

Benchmark land values (Questions 208-212)

Valuation Office should publish LA level data on land values for specific land uses (This series had been stopped after 2017). MHCLG said this was under consideration.

LPAs should monitor land values for specific sites. These should be based on Existing Use value for specific site, discounting any allowance for value uplift generated by any housing land use allocation in a local plan , development brief or extent planning consent. Local Planning authorities should have power to CPO appropriate housing sites (with or without planning consent) on this basis. We also support the Planning Officer Society's proposal for LPA to issue a Compulsory Sale Order on such sites (where LPA unable to pursue a CPO).

LPAs should monitor all cost and value data in appraisals in their area to inform use of local benchmarks.

Alternative Use Values should only be considered relevant where an alternative use is actually deliverable.

General point on context and purpose of viability assessments

We would also make the broader point that viability assessments should not be primarily about testing whether developers could afford schemes which were not policy compliant in terms of social rented output and output of other sub-market housing in terms of Local Plan targets (and consequently justifying non-compliance), but should seek to assess where public subsidy was necessary and justified to achieve full policy compliance, as LPAs should focus on ensuring full compliance with all policies set out in both national guidance and the local plan for all developments prior to granting planning consent.

Note: The Highbury Group on Housing Delivery comprises an independent group of specialists from the public, private and independent sectors with a membership drawn from housing, planning and related professions; it offers advice and makes representations to Government and other agencies on a variety of subjects, with the aim of maintaining and increasing the output of housing, including high quality affordable housing. The views and recommendations of the Highbury Group as set out in this and other papers are ones reached collectively through debate and reflect the balance of member views. They do not necessarily represent those of all individual members or of their employer organisations. The group's core membership and previous statements and research presentations are on the group's website:

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