

Committee(s) Planning and Transportation Committee	Dated: 21/01/2025
Subject: National Planning Policy Framework (NPPF), December 2024 update	Public report: For information
This proposal: - delivers Corporate Plan 2024-29 outcomes	All
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
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Summary

On 12 December 2024, the government introduced an updated National Planning Policy Framework (NPPF). This is effective immediately for planning decisions, with the implications for plan-making dependent on the stage of development of local plans. While the most notable changes address housing and the Green Belt, other revisions are particularly relevant to the City Corporation's planning function. These changes include a new prioritisation of economic growth and clean energy, cross-boundary co-operation and infrastructure planning.

Recommendation(s)

Members are asked to:

- Note the changes to the National Planning Policy Framework (2024)

Main Report

Background

1. On 12 December 2024 the government published a new version of the National Planning Policy Framework (NPPF). This replaces the December 2023 version. The most significant changes relate to housing and the Green Belt. This report sets out the main changes to the NPPF, highlighting the changes which are of most relevance to the City Corporation.
2. This new version is valid immediately to be applied to the determination of planning applications. Although the development plan remains the statutory basis for the determination of planning applications, the policies within the new NPPF are a material consideration.

Economic Growth

3. The NPPF gives greater emphasis to economic growth and clean energy, in particular meeting the needs of the modern economy. Paragraph 87 introduces a new requirement for planning decisions to recognise and address the specific locational requirements of different sectors. This also means making provision for the 'expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience'. The City Plan aligns with this approach through promoting economic growth and the expansion of key economic sectors.
4. Paragraph 164 highlights the importance of the benefits of renewable and low carbon energy generation, giving significant weight to proposals that contribute to a net zero future. Paragraph 161 now specifically mentions the need to transition to net zero by 2050. The City Plan 2040 aligns with the City Corporation's Climate Action Strategy, aiming for a net zero Square Mile by 2040 and addressing climate impacts such as overheating, water scarcity, and storm and flood risk. Other additions include specific reference to sustainable drainage systems (Paragraph 164) and expectations that development should comply with development plan policies on decentralised energy, and to take account of design issues to minimise energy consumption (Paragraph 166).
5. Paragraph 109 introduces a new vision-led approach to transport solutions and paragraph 115 has been updated to emphasise the prioritisation of sustainable transport modes.

Housing delivery

6. The majority of changes to the NPPF focus on boosting housing delivery to meet the Government's target of 1.5 million homes over the next five years. Changes reverse the December 2023 version, now requiring local planning authorities to

meet their identified housing needs in full. The City Plan 2040 outlines how these needs will be met, so this change is not significant for the City Corporation. Although changes to housing need calculations and delivery sanctions are important, their impact will be limited in the City due to lower housing targets and limited capacity as a business and financial centre.

7. In London, housing targets are determined by the London Plan (2021) rather than the standard method. The London Plan's housing policies will be considered up-to-date until at least March 2026, by which time the City Plan will be adopted. Therefore, the City Plan target will remain at 146 units per annum (up to 2028/29), rather than the 170 units per annum calculated by the standard method (Paragraph 60). The new London Plan will seek to apportion the total London-wide need of approximately 88,000 units per annum based on each local planning authority's housing capacity, although further work to determine the capital's overall capacity for meeting this need is yet to be completed. Although initial targets will be indicated in late 2025, the City's constrained housing capacity suggests that the new target for the Square Mile will remain similar to the current level. If required, any minor review of the City Plan to reflect updated London Plan housing requirements would come forward following the adoption of the new London Plan.
8. Paragraph 78 of the NPPF requires strategic policies to include a housing trajectory. Amendments now specify that this trajectory should include an 'appropriate' buffer of either 5% or 20%. Previously, a 20% buffer was required for persistent under-delivery against the Housing Delivery Test (HDT). Now, this 20% buffer also applies if the plan is out of date and the existing requirement is below 80% of the Objectively Assessed Need (OAN). Since the City Plan will be examined under the 2023 NPPF, no buffer is needed as the latest HDT (2023) results show 206% delivery of the requirement over the past three years.
9. As the new London Plan approaches publication (anticipated 2027), future housing trajectories will need to demonstrate delivery against the new targets plus a 5% buffer. Given the likely stability of the housing target and the anticipated pipeline of permissions, this should be achievable. Therefore, the 20% buffer is unlikely to apply.

Sustainable development

10. Changes to the presumption in favour of sustainable development now mean that permission should be granted for sustainable development unless there are 'strong' reasons for refusal (Paragraph 11). However, as the City Corporation is not operating within the 'presumption in favour of sustainable development' or 'tilted balance' this is of limited relevance.
11. Amendments to Chapter 12 have removed some references to 'beauty,' instead focusing on well-designed places. The National Model Design Code is now considered a primary tool for preparing local design codes, rather than the main basis for improving design (Paragraph 138). Additionally, there is greater emphasis on using suitable brownfield land within settlements to meet identified needs, with proposals for such use to be approved unless they would cause

substantial harm (Paragraph 125c). This change means that it will be more difficult to justify refusing schemes that meet a clearly identified need.

Strategic planning

12. While the plan-making section remains largely unchanged, Appendix 1 introduces transition arrangements for the examination of plans at differing stages of development. Since the City Plan has already been submitted for examination, it will be reviewed under the 2023 version. Consequently, the significant changes to housing policy mentioned earlier will not apply.
13. Changes at paragraph 24 highlight the importance of effective strategic planning and the duty to cooperate on cross-boundary strategic matters. A new paragraph 27 has been added, requiring plans to ensure a consistent approach to infrastructure planning, meeting unmet development needs, and managing cross-boundary plans or allocations appropriately. These changes are expected to lead to further strategic planning reforms, however, since London is already covered by a Spatial Development Strategy (the London Plan), significant changes in London are unlikely.
14. Paragraph 28 now requires Statements of Common Ground between strategic policy-making bodies to be prepared in line with the Planning Practice Guidance. This will impact future plan reviews and how officers collaborate with other local planning authorities and duty-to-cooperate bodies.

Green Belt

15. The new NPPF presents a significant shift in Green Belt policy, setting out how Green Belt authorities will be required to review their Green Belt boundaries if they are unable to meet their objectively assessed needs otherwise. It also introduces the term 'Grey Belt' for previously developed land in the Green Belt, and a new hierarchy for consideration of Grey Belt land for development behind other previously developed land but ahead of other land in the Green Belt. While the implications for the Square Mile are limited, increasing the availability of land for housing is expected to boost economic growth and the labour supply in London.
16. The City Corporation's response to the NPPF consultation in September 2024 highlighted some concerns in relation to the prioritisation of Grey Belt. It emphasised the need to preserve other designations and ensuring that this change does not conflict with Local Nature Recovery strategies. For example, this Grey Belt designation could lead to the future release of land near the Epping Forest Special Area of Conservation (SAC) and Site of Special Scientific Interest (SSSI). Officers will continue to work with colleagues within Natural Environment to ensure that they are aware of the changes to Green Belt policy.

Corporate & Strategic implications

17. The City Plan 2040 has been prepared to align with broader corporate objectives and strategies. The City Plan is currently being examined under the 2023 version

of the NPPF. However, a review of the new NPPF has confirmed that the overall objectives remain consistent.

Financial implications

18. None

Resource implications

19. The requirements of the new NPPF will be taken into consideration as part of officer reports on planning applications.

Legal implications

20. None

Risk implications

21. None.

Equalities implications

22. The Government conducted an equalities impact assessment of the new NPPF. There are no equalities issues raised as a result of this report.

Climate implications

23. None

Security implications

24. None

Conclusion

25. This report outlines the significant updates to the NPPF that members need to consider for future decision-making. Since the City Plan is currently under examination, the new NPPF will not be applicable at this stage of the plan-making process.

Appendices

- Appendix 1- NPPF showing tracked changes comparing 2023 and 2004 versions

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