

**Paper prepared by: Councillor Anne Newson, 3<sup>rd</sup> September 2020**

**Burwash Parish Council response to the request from NALC for comments on the following government consultation document:**

**Changes to the Current Planning System**

**This document covers:**

1. changes to the standard method for assessing local housing need
2. securing of First Homes through developer contributions
3. temporarily lifting the small sites threshold
4. extending the current Permission in Principle to major development

Proposal 1 seeks to introduce a new method for assessing local housing need by tying it to the government's 'aspirational' housebuilding target of 1,000,000 new houses over three years (337,000 p.a.). It starts with the traditional method whereby local authorities assess housing needs and then adds in a non-scientific figure i.e. one that is not based on defined need, population trends and migration figures. The final figure is identified and then the 'gap' appears to be represented by the missing number.

It will result in a huge increase on the current targets which cannot currently be met by Rother, let alone Burwash. We have submitted a Neighbourhood Plan that has a target of 52 houses to be built by 2028 and we cannot allocate any sites as demonstrated a) by site applications that have been refused, even on Appeal and b) though the Call for Sites in our proposed Neighbourhood Plan.

At the same time as we are trying to seek a reduction in that target, central government is looking to increase targets and make them enforceable and also more easily facilitated by proposed changes to the planning process.

The paper claims to be committed to clarity, simplicity and transparency for local communities but, in essence, the numbers are already decided by central government and the new proposals are more complex and less transparent than before. The figure of 1m is described as a political aspiration rather than a transparent meeting of actual needs and is based on statements such as: "The Government has heard powerful representations that the current formula estimates demand...." We have concerns that the powerful representations include the building lobby.

The reports from Savills and Litchfields, on which the authors of the report base many of their arguments for this massively increased target, point out that there is a need for more than 100,000 social rent homes p.a. to cope with housing affordability, but we do not see any indication that this is likely to be addressed. Litchfields also concludes that 'household projections are not a prediction of how many houses are needed'. It also notes that the government proposals remove regional planning input. These reports are only a footnote to the consultation paper, but they are worth reading.

There is no reference at all to the current practice by builders of land-banking, which is understood to represent more than 800,000 homes for which planning

consent has been granted, but where developers have opted not to take the sites forward, nor of empty or under-occupied homes, nor of the estimated 1 million brownfield sites available for redevelopment. There is also no confirmation as to whether these new homes are freely available for investment purposes or as second-homes.

**“This reform will ensure that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year”.** This effectively dresses the new standard method up as a mechanism to deliver a number predetermined by the government.

One simple reform which is not included is to remove the guaranteed minimum 20% return on gross build value for the builder. If that is not achieved, then a Viability Report which is entirely impenetrable can be produced to remove any requirement for affordable housing.

Below are suggested answers to the questions in the report:

## QUESTIONS

Q1: Do you agree that planning practice guidance should be amended to specify that the appropriate baseline for the standard method is whichever is the higher of the level of 0.5% of housing stock in each local authority area OR the latest household projections averaged over a 10-year period?

**No.** To set a central government figure based on political aspirations to achieve 1,000,000 new homes by the next parliament and then attempt to justify these by non-scientific measurements whereby the answer comes to 1,000,000 is neither clear, transparent nor honest. It removes all local planning input. The beneficiaries are primarily the building industry who are traditionally guaranteed a 20% return on gross build value and continue to land-bank until values and returns reach sufficiently high levels. Building on green fields is cheaper and more profitable and the risk remains that these are the sites that will be targeted.

Q2: In the stock element of the baseline, do you agree that 0.5% of existing stock for the standard method is appropriate? If not, please explain why.

**No.** This question seems irrelevant if the higher figure of housing projections is the one that is intended to be used. It does, however, seem to be a much more relevant assessment than an ‘out of the air’ upper figure.

Q3: Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method’s baseline is appropriate? If not, please explain why.

**No.** This is based on the report’s assertion that high house prices are a function of imbalance between supply and demand. This is ludicrous. The single largest contributing factor to high house prices, as confirmed by the Bank of England, is the historically low interest rates and availability of credit.

Q4: Do you agree that incorporating an adjustment for the change of affordability over 10 years is a positive way to look at whether affordability has improved? If not, please explain why.

**No.** Affordable housing in this report only looks at the option of private housing and not social housing, the absence of which has contributed to the current housing 'crisis'.

Q5: Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.

**No.** There is limited merit here in trying to answer this question where we have already indicated that the assumptions on affordability are flawed.

Do you agree that authorities should be planning having regard to their revised standard method need figure, from the publication date of the revised guidance, with the exception of:

Q6: Authorities which are already at the second stage of the strategic plan consultation process (Regulation 19), which should be given 6 months to submit their plan to the Planning Inspectorate for examination?

**No.** We do not support the proposed revised standard method need figure as it is **not** a method.

Q7: Authorities close to publishing their second stage consultation (Regulation 19), which should be given 3 months from the publication date of the revised guidance to publish their Regulation 19 plan, and a further 6 months to submit their plan to the Planning Inspectorate?

If not, please explain why. Are there particular circumstances which need to be catered for?

**No.** These are essentially questions for RDC who is now consulting on the new Local Plan. However, we fundamentally disagree with the revised standard method and the proposals to remove decision-making on housing targets from local to central government.

Q8: The Government is proposing policy compliant planning applications will deliver a minimum of 25% of onsite affordable housing as First Homes, and a minimum of 25% of offsite contributions towards First Homes where appropriate. Which do you think is the most appropriate option for the remaining 75% of affordable housing secured through developer contributions? Please provide reasons and / or evidence for your views (if possible): i) Prioritising the replacement of affordable home ownership tenures and delivering rental tenures in the ratio set out in the local plan policy. ii) Negotiation between a local authority and developer. iii) Other (please specify).

**Other.** Until it has been made clear that government schemes such as 'First Homes' will be earmarked specifically for those genuinely in need, it is difficult to make any comments. The Help to Buy and Right to Buy schemes have been assessed by the National Audit Office and as at summer 2019 the conclusion was that more than half of the 211,000 participants in Help to Buy would have been

able to purchase without state support and 11,000 had household incomes in excess of £100,000. The NAO noted that the main beneficiaries had been the building companies. It has also trapped many buyers in negative equity with 1 in 20 in arrears and been described as 'subsidy for a housing bubble'. This also continues to expose the government to significant market risk if property values fall – which is the underlying assumption (even intention) that they will with the intention of making housing more affordable

With regards to current exemptions from delivery of affordable home ownership products:

Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to this First Homes requirement?

Please see answer to Question 8. No further comment

Q10: Are any existing exemptions not required? If not, please set out which exemptions and why.

Please see answer to Question 8. No further comment

Q11: Are any other exemptions needed? If so, please provide reasons and /or evidence for your views.

Please see answer to Question 8. No further comment

Q12: Do you agree with the proposed approach to transitional arrangements set out above?

Please see answer to Question 8. No further comment

Q13: Do you agree with the proposed approach to different levels of discount?

Please see answer to Question 8. No further comment

Q14: Do you agree with the approach of allowing a small proportion of market housing on First Homes exception sites, in order to ensure site viability?

Please see answer to Question 8. However, we would also support mixed developments with a good mix of housing types. We also would refer back to the lack of transparency in the viability process.

Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework?

**No.** For these two questions the proposal means that the affordable element does not kick in until the site has 40 houses. Although there are different proposals suggested for rural areas, in a community like Burwash this would remove the options of affordable housing which is what is needed. We would recommend sites to have a mixture of housing

Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?

**Yes.** It is good to read that the paper states a wish to protect the important rural exceptions sites in delivering affordable homes and there is mention that there will be an update in planning guidance in due course, but we do not know what that is.

For each of these questions, please provide reasons and / or evidence for your views (if possible):

Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period? (see question 18 for comments on level of threshold)

**No.** We have already seen that the small sites threshold can be overturned by Viability Reports identifying additional costs such as building on sloping sites (already know to be exactly that) so a loophole already exists.

Q18: What is the appropriate level of small sites threshold? i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)

**No comment.** We are covered under the rural section.

Q19: Do you agree with the proposed approach to the site size threshold?

**No comment.** We are covered under the rural section.

Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?

**No comment.** We are covered under the rural section.

Q21: Do you agree with the proposed approach to minimising threshold effects?

**No comment.** We are covered under the rural section.

Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?

**Yes.** We would support the continuation of a lower threshold for rural areas. We would also like to see a review of Rother District Council's current threshold of 10 to reduce to 5 which we believe would allow us to count such sites towards our housing targets.

Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?

Perhaps the larger building companies can help their fellow industry members based on their record earnings of late? It would be nice to think that the government can extend the principle of us all being in it together.

Q24: Do you agree that the new Permission in Principle should remove the restriction on major development?

**No.** Firstly, until there is a legal or other measurable definition of what constitutes 'major' development it is impossible to comment. In Burwash a development of 45 homes representing a 7% increase in the housing stock was not defined as major. Major developments are not permitted in the AONB other than for reasons of national interest but there is no agreed formula / definition.

Q25: Should the new Permission in Principle for major development set any limit on the amount of commercial development (providing housing still occupies the majority of the floorspace of the overall scheme)? Please provide any comments in support of your views.

**No comment**

Q26: Do you agree with our proposal that information requirements for Permission in Principle by application for major development should broadly remain unchanged? If you disagree, what changes would you suggest and why?

**No.** We would not support allowing PiP to become standard practice. The initial Screening Opinions we saw from RDC in the case of Denton Homes considered there to be no impact on the AONB and yet the development was refused on those very grounds at Planning Committee and the developer subsequently withdrew their appeal as they considered the protection would apply. PiP would have bypassed these considerations. PiP will rush through developments that should be properly assessed with thorough considerations to infrastructure such as sewerage and other important reports covering Environmental, Landscape Assessment and Traffic impacts. It makes no sense to submit technical details *after* planning consent is given, another example being where issues such as house design play such an important factor in the AONB. The recent housing application for 30 houses at Strand Meadow had been given outline permission but failed at the committee stage and then on Appeal due to damaging house design. Ironically, this does nothing to help the SME developer in terms of costs and time delays in obtaining approval.

Q27: Should there be an additional height parameter for Permission in Principle? Please provide comments in support of your views.

**No comment.**

Q28: Do you agree that publicity arrangements for Permission in Principle by application should be extended for large developments? If so, should local planning authorities be:

i) required to publish a notice in a local newspaper? ii) subject to a general requirement to publicise the application or iii) both? iv) disagree If you disagree, please state your reasons

**Yes.** However, there is a real danger that this will not happen, and decisions will be passed without **proper** consultation with the public. Very few people read local papers which often only are published once a week. The PiP applications are in danger of facilitating a fast-track application process which by-passes local views / opinions. Local authorities will be under increasing pressure, with this system, to progress housing applications so as to meet the government target of 1,000,000 new houses within 3 years. Corners will be cut, planning rules will be stretched or waived and the tilt away from the protections afforded to the AONB in favour of the increased and enforceable centrally imposed targets will go even further towards inappropriate housing, irreparable damage to the countryside and biodiversity, plus an increase in car and other traffic emissions.

Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?

**No comment.**

Q30: What level of flat fee do you consider appropriate, and why?

**No comment.**

Q31: Do you agree that any brownfield site that is granted Permission in Principle through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.

**No comment.**

Q32: What guidance would help support applicants and local planning authorities to make decisions about Permission in Principle? Where possible, please set out any areas of guidance you consider are currently lacking and would assist stakeholders.

[We have already expressed a view that we do not support the proposals on PiP in Q26](#)

Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?

[We do not see that there will be a cost-saving in introducing a new scheme other than cutting corners and making decisions without full consideration of the impacts on and compliance with NPPF/Core Strategy.](#)

Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.

[Burwash has an example whereby a developer was able to renege on his proposal to include affordable housing because he had not completed technical reports on the site which then resulted in additional expenditure due to the steep terrain. This could be another route for developers to find additional costs \*after\* PiP and thereby avoid affordable quotas using the Viability escape route.](#)

Q35: In light of the proposals set out in this consultation, are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty? If so, please specify the proposal and explain the impact. If there is an impact – are there any actions which the department could take to mitigate that impact

[We have no concerns to raise on this point.](#)