

Changes to the current planning system

Summary

We are seeking views on changes to planning policy and regulations.

This consultation closes at

11:45pm on 1 October 2020

The standard method for assessing housing numbers in strategic plans

Step 1 Setting the baseline – providing stability and certainty by incorporating a blend of household projections and stock

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?

- A baseline of 0.5% of housing stock ensures that existing towns and cities will continue to grow and utilise their existing infrastructure effectively and this is a good balance to accommodate emerging need for growth. However some areas such as East Hampshire have serious constraints on the supply of building land as 57% of its area is within the South Downs National Park. The future formula must take into account National Parks, and split areas such as East Hants should be regarded as 2 separate areas (inside and outside the NP) when allocating housing numbers.

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.

- See Q1

Step 2 Adjusting for market signals – maintaining price signals using the current affordability ratio and the change in affordability over the last 10 years

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.

- The balance between house prices and average earnings needs to be looked at over a "travel to work" region as a large portion of the UK workforce has, for over 100 years, commuted across local authority boundaries and is happy to continue to do so. Looking at how the affordability ratio has changed over (say) the last 10 years is a better measure of

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housing shortage than the absolute affordability ratio. Affordability has been given too much weight in the government's proposals. More weight should revert to the baseline numbers.

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.

- Yes, see Q3

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

- No see Q3.

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?

- The proposed timescale for completing new Local Plans that are currently under development is completely unrealistic. Existing Local Plans should be allowed to complete and should guide development until a new system is in place.

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?

- Please see response to question 6.

Delivering First Homes

The Government's proposed approach Setting developer contributions for First Homes

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)

- The first option (i) is most appropriate. There remains a massive need for rented accommodation in East Hampshire with c.1400 applicants registered to Hampshire Home Choice. We need to ensure that we still provide a minimum of 70% rented housing on large sites, which allows us to meet our Local Plan policies, and replace intermediate housing with First Homes.

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- Developer - First homes are intended to be delivered by the developer, rather than an RP. This will impact cash flow as RP's currently pay up to 80% of the market value for shared ownership homes. This is guaranteed income for the developer that they can use to part fund the build. Having to sell First Homes at 70% means they will not receive any revenue until the homes are built, resulting in additional risk. They will also incur additional costs for marketing and legal, sales fees etc.
- RP – This will impact RP's as their business model revolves around selling s/o homes. If 25% of the units are first homes, this will more or less wipe out any other intermediate housing on a site if EHDC seek a 70% rented / 30% intermediate mix. This will lead to low offers for wholly rented schemes which will further impact the developer's cash flow to deliver the scheme, which may then lead to viability issues during the build.

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 apply to this First Homes requirement?

- There is an acute housing need for people who are not first home buyers. Too much emphasis on first homes reduces labour mobility and makes it very difficult for families that need to move home early in their careers.

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

- No

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

- No

Local plans and transitional arrangements

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

- Yes

Level of discount - housing service views?

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

- Yes

Exception sites and rural exception sites - housing service views?

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?

- First Homes are by their very nature more viable than traditional affordable housing and therefore enabling market housing is inappropriate. This will only drive up landowner's expectations.

Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework? 24

- The current threshold of 1ha is still extremely large and its removal could see some exceptionally large exception sites in rural areas that are not justified.

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

- EHDC support First Homes exception sites in designated rural areas, however, it should be noted that none of East Hampshire (outside the South Downs National Park) is designated as a rural area. It is considered that those areas designated as 'rural' in the Housing Act 1985 should be reviewed and further areas considered under any proposals to better reflect the designation.

Supporting small and medium-sized developers

The Government's proposed approach

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)

- The driver of economic recovery is supported. However, there is still a clear need for affordable housing and a balance needs to be sought. Even though time limited, this could have significant implications in areas where housing delivery is reliant on smaller sites.
- Those that currently have planning permission could also come back in to remove the existing policy compliant affordable housing provision where otherwise they would be delivered with affordable housing.
- The existing system provides for the necessary flexibility because if a proposal is not viable, through viability evidence the affordable housing provision can be negotiated. This is the most flexible approach to achieve a balance between affordable housing provision that is needed and supporting small and medium sized businesses.
- It will be important to ensure as part of any change, developers are not able to bring larger sites forward in a piecemeal fashion to avoid providing affordable housing.
- It will be necessary to ensure that the threshold change only applies to SME's.

(see question 18 for comments on level of threshold)

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

- Based on local evidence the most appropriate threshold for East Hampshire is 10.

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

1. If the number of homes is altered, it is logical to alter the site size threshold to align with it.

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

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- Further thought should be given to the impacts this will have on the provision of affordable housing. This could exacerbate local issues. For example, in more rural authorities with higher house prices, there is generally a higher need for affordable housing and with housing allocations consisting of many smaller sites as these are of a more appropriate scale in rural areas, many rural villages would therefore miss out on much needed affordable housing provision over an 18 month period. Suitable site options in some of these areas can be limited which will result in a lack of affordable housing in these locations for the longer term.

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

- There does need to be a clear mechanism for LPA's to be able to prevent piecemeal development of larger sites to avoid affordable housing contribution.

Affordable housing in rural areas

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

- This approach would seem reasonable, however, the areas designated as rural should be reviewed as there are few areas that benefit from this and the legislation appears somewhat dated.

Supporting SMEs

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

- Changing the way the Community Infrastructure Levy operates as is suggested in the recent White Paper so that the levy is due on completion of dwellings rather than commencement. This would help small and medium sized businesses with managing cash flow.

Extension of the Permission in Principle consent regime

Extending Permission in Principle to cover major development DM views?

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

- This could in theory boost housing delivery in a slightly shorter timeframe.
- However, it risks further detaching the public from their involvement in the planning system. Major housings schemes, as opposed to small schemes, have the potential to radically alter local environments and highlight infrastructure pressures. Allowing major schemes to benefit from this regime could be seen by the public as 'planning via the back door' with limited consultation involvement and a lack of public debate on development that would shape their local environment.
- The public already heavily criticise the lack of influence they have on their environment and so the regime would be perceived as a further undemocratic step towards poorer community cohesion and social inclusion.
- Overall, there seems to be little benefit to extending the Permission in Principle regime (see also the response to Q26) and significant risks to local engagement in the planning system. The current restriction on major development should therefore remain in place.

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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.

- Environmental and infrastructure impacts need to be assessed before approval is given for large developments. It is not clear how concerns such as flood risks, both within and around the site under development, will be handled under this process.

Information requirements

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?

- If the Government wants landowners to make use of the regime, information requirements would need to be kept to a minimum for major development. Anything more would be akin to an outline application. However, by not allowing LPAs to assess in principle significant matters such as flooding, access etc until the technical submission stage, there is a concern that it dilutes the weight of the PiP regime and makes the first stage almost meaningless in planning terms. Developers will be aware of this, reducing the likelihood that the PiP system would be frequently used to obtain consent. Indeed, for larger sites, the list of information requirements to cover the subsequent technical details consent is likely to be extensive, more so than if an outline permission had been secured. It is therefore highly questionable whether there would be any overall saving in time or money from extending PiP, regardless of whether or not the information requirements are changed for major development. The overall requirements for ensuring sustainable development do not vary, but remain those identified in the development plan and the NPPF.

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

- Yes, to provide a framework that more adequately respects the local environment. East Hampshire District includes the South Downs National Park and other areas of valued landscape. Heights are an important consideration in the local area in relation to important views, topography, and landscape. There is also a strong argument for adding other design parameters, akin to those established through “plot passports”, rather than singling out building height as the only metric of interest. Nevertheless, by establishing such parameters, the regime would move closer to outline planning permission and would require additional design-related work on the part of the developers.

Publicity arrangements

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.

- Both

Revised fee structure to incentive Permission in Principle by application

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, lowering the fees to make the regime more attractive to landowners would then not allow LPAs to cover their costs. Despite the Government saying “lower fees are reasonable because a local planning authority only needs to make a decision on the principle of the development”, the reality is that any decision requires adequate time for the considerations to be made by a planning officer.

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

- Somewhere in between the current and proposed

Brownfield Land Registers and Permission in Principle

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.

- It would seem to be plausible if the regime is to be taken up, but the LPA needs to have the ability and resources available to adequately scrutinise applications before they have deemed permission in principle in Part 2.

Additional guidance to support implementation

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.

- Greater awareness is required together with transparency for the public, otherwise the regime would be seen by the public as a fait accompli.

Regulatory Impact Assessment

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

- Less income for struggling LPAs would result if the reduced fee is adopted. As it seems principle planning considerations would only be assessed at the technical submission stage, the benefits of having a scheme on the brownfield register would be hollow and meaningless. The real assessment in principle and in detail would have to follow, so the main benefit of the regime would be a slightly higher land value for the landowner to sell on once it's on the brownfield register.

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

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- Landowners would use the regime to try to increase the land value to sell on to a developer, but the developer will know the limited benefit of the first stage of PIPs. The developer would still have to face the full assessment by the LPA at the technical submission stage which it seems would also include an assessment of the constraints of the site/principle of development.
- In summary, landowners may use it, but it adds little benefit over the outline/reserved matters process.

Public Sector Equality Duty

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?

- The proposed standard methodology is specifically regarding C3 Use Class. This fails to acknowledge the housing needs of other groups within communities such as Gypsies, Travellers, and Travelling Showpeople. This consultation combined with the content of the recent White Paper results in a very unclear picture of how LPAs are to assess the needs of all groups within a community and then plan to meet those needs. With a growing local G&T community within East Hampshire we seek clarity on this matter.