

Planning Consultation: 'Changes to the current planning system.'

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

The Government emphasises in this document that they:

- Want to deliver the housing that people *need*.
- Want to make it easier to build homes where they are most needed (particularly first homes).

The Government also states that the new Standard Method (SM) should encourage the building of homes that their community need.

However, it is also stated that one of the objectives of the new SM is:

- To be consistent with the plan to deliver 300,000 new homes per year.

This is a political target and as the method has been devised to achieve this result, it cannot claim to be objective or indeed satisfying actual local need.

The other two objectives of the new SM are:

- Focus on delivering a more appropriate distribution of new homes
- Targeting more homes into areas where they are least affordable.

It is clear from the current press (Lichfield study, the Local Government Association and the Tory shire MPs) that it dismally fails on both counts. The results of the proposed new algorithm pushes development away from an urban setting out into suburban and rural landscapes and also underestimates the need in Northern Power House cities whilst overemphasising the requirements in the urban South, all of which are totally contrary to the stated aims.

As the eminent statistician Sir David Spiegelhalter, professor in the Statistical laboratory in Cambridge so succinctly put it "The exam fiasco showed the danger of relying on an algorithm rather than human judgement".

The sole stress regarding 'Housing Need', the 'Standard Method' and the 'Housing Delivery Test' relates exclusively to **additional** housing Stock', when for many areas (including Wirral) the real need is in large part for (i) Replacement of 'substandard' Housing Stock; (ii) Upgrading of 'substandard' Housing Stock; and (iii) Regeneration. Under the current model, 'Replacement' and 'Upgrading' of thousands of 'substandard' dwellings would not count at all towards a Local Authority's apportionment of the 300,000pa national figure.

Finally, whatever method is ultimately used, it must use the most up to date data available.

In summary projections based on the Standard Method using the latest 10 year housing projection is not appropriate and is a contrived figure to ensure the government's 300,000/ year household delivery target is achieved. It is essential not to force Green Belt release because of highly inflated numbers produced by a flawed methodology and especially given the current Climate emergency.

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

The use of the 0.5% housing stock is a contrived figure in order to ensure the government's 300,000/ year household delivery target is achieved. Such targets do not work at a local level.

The baseline for the housing need figure on Wirral using the proposed SM is based entirely on this arbitrary figure of 0.5% of housing stock with no contribution whatsoever from any prediction of household growth, as the former gives a higher number. This is clearly wrong in a peninsula with an important coastline to protect and large areas of Green Belt established to prevent the coalescence of urbanisation.

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

Whilst recognising that an affordability factor needs to be taken into account, there are flawed arguments in arriving at the method being used. These include:

- The basic premise of only one person's income being taken into account in raising finance for a mortgage. It will often be the case that couples will be applying with a joint income, thus reducing the ratio below 4.
- It seems to be assumed that because persons cannot obtain a financial package, then there must be a shortfall in housing, specifically, affordable housing. This ignores the fact that there may be many houses on the market that would suit, but they cannot buy a house due to shortfalls in securing the necessary amount for a deposit.
- The current lifting of stamp duty demonstrates that other factors play an important part in ensuring that houses are available, and having nothing to do with a shortage, but other financial constraints.

In addition, for participants in the First Time Buyers Scheme, the eligibility earning level of a household is capped at £80,000 across England and £90,000 in London. Note that here income is based on *total* household income and not an individual's income upon which the housing ratio is based. First Homes are capped at £250,000 across England and £420,000 in London.

Comparison of income level caps to house price caps suggest that non availability of affordable houses is not an issue but other factors come in to play.

Affordability ratios are very variable and subject to short term fluctuations in the market. Furthermore, the latest Covid 19 situation could have substantial impact on many aspects of life, as yet unknown to any degree - The housing market could be vulnerable when the stamp duty reductions are stopped next year and employment problems may increase substantially after the furlough scheme ends. These will affect affordability ratios in the short term to a currently unknown degree.

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

For the reasons given in Q3: this figure will be even more unreliable to predict.

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

Research has clearly shown that enough houses are being built and that building even more houses does not bring down housing prices.

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?

We do not believe any local plans should progressed using out of date household projections as these could lead to wrong forecasts of housing need being made which could cause irreparable damage (e.g. unwarranted release of Green Belt Land to satisfy a need. which in reality does not exist.

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?

We do not believe any local plans should progressed using out of date household projections as these could lead to wrong forecasts of housing need being made which could cause irreparable damage (e.g. unwarranted release of Green Belt Land to satisfy a need. which in reality does not exist.

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)**

It is important to ensure that affordable housing is of a high standard and of an extendable design. This will encourage people to remain in an area and reduce pressure to build bigger properties.

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?

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

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

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

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

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?

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

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

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?

Q18: What is the appropriate level of small sites threshold?

- i) Up to 40 homes**
- ii) Up to 50 homes**
- iii) Other (please specify)**

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

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

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

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

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

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

Whilst accepting that extending the Permission in Principle consent is a potential way forward, there needs to be considerable attention drawn to the basic requirements for such approval, otherwise the process could be exploited, particularly by the larger developers. Currently the proposed amount of information suggested is too sparse.

In the proposed consent regime it would be essential to lay down some additional requirements as well as the necessity to cover: ecological assessment, biodiversity assessment, tree survey and to fit in with the current Climate Emergency a carbon impact assessment.

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.

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?

Whilst accepting that extending the Permission in Principle consent is a potential way forward, there needs to be considerable attention drawn to the basic requirements for such approval, otherwise the process could be exploited, particularly by the larger developers. Currently the proposed amount of information suggested is too sparse.

In the proposed consent regime it would be essential to lay down some additional requirements as well as the necessity to cover: ecological assessment, biodiversity assessment, tree survey and to fit in with the current Climate Emergency a carbon impact assessment.

- Q27:** Should there be an additional height parameter for Permission in Principle? Please provide comments in support of your views.
- 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.
- Q29:** Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?
- Q30:** What level of flat fee do you consider appropriate, and why?
- 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.
- 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 stakeholder.
- Currently the proposed amount of information suggested is too sparse. Any development greater than 10 dwellings should have an ecological report at an early stage. There also should be an early assessment of Rights of Way.
- The 14 day period for consultation seems unduly short, particularly, as much of the information that the general public would anticipate would not be available. There needs to be a serious look at how consultations are notified to the public. At present, many go unnoticed, and although a newspaper advert may comply with the statutory requirement, many local newspapers are not delivered to many parts of the community. Particularly for larger developments, the Council has an electoral register which could be used as a method of informing the public, at least to the occupants of the local area in which the proposals are located.
- Q33:** What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?
- Q34:** To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.
- 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?