

**Changes to the Current Planning System August 2020**

**West Lancashire Borough Council Consultation Response (October 2020)**

Standard Method

*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?*

Yes – the household projections can be a flawed basis for setting a housing requirement for the future, because they merely roll forward what has happened with household growth in the past. That past household growth may have been unusually low or unusually high because of a variety of reasons (e.g. recession, economic boom, specific local planning policy) and so would set an inappropriate housing requirement going forward. As such, a better approach would be to use existing housing stock as the sole starting point of the standard method calculation.

Utilising the existing housing stock level as a basis would be an appropriate alternative basis, as it is reasonable to consider that an area should grow broadly in proportion to its existing housing stock levels. However, the proposals in the Planning for the Future White Paper and this consultation on the standard methodology are not clear what would happen where a local authority simply hasn't got sufficient available and suitable sites for development to meet its housing requirement. This scenario may happen more when using existing housing stock as a basis, as the larger, more densely populated cities would inevitably have the highest housing requirements, but may not have sufficient available land to meet those higher requirements, and so how would this housing need be met?

*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.*

Yes

*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.*

Yes, although this inevitably puts more pressure on places like London and South-East, where arguably there is insufficient land to meet those higher requirements. This then reinforces the north-south divide in England, and so the standard

methodology should also factor in the need to overcome the north-south divide and re-distribute growth more equally across the country.

*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

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

Yes, but it shouldn't be the only factor, as per the Council's answer to 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?*

Yes

*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?*

Yes

### 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 Council supports option (i). The Council does not see the need to specifically prioritise one tenure over another in such a blanket policy manner. It should be up to the Local Authority to determine, based on local housing need analysis, which type of affordable housing tenures are required and then, within that tenure mix, to determine which particular affordable housing products are appropriate.

If the First Homes proposal turns into working policy, then this Council would wish to see any remaining affordable housing tenures still also delivered in line with local plan policy.

As a further point, if First Homes is introduced as proposed, then such homes should be delivered in accordance with the National Described Space Standards, irrespective of whether a local plan policy has set out space standards as part of its policy. In essence, if the First Homes policy is being introduced as a government "requirement", then it follows that the government should be keen to ensure that its own space standards are being delivered in order to improve the quality of the housing offer.

The Council assumes that there has been no change to the operation of First Homes as set out in the First Homes consultation of February 2020, namely, that Sellers of First Homes will be required to sell at the same level of discount to market price that applied at the initial purchase, and to another eligible First Homes purchaser, where it is demonstrated that those households cannot ordinarily afford to buy open market housing. The Council is supportive of an approach that ensures that First Homes are available in perpetuity.

*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?*

Yes – the existing exemption for build to rent schemes to provide home ownership products as part of the housing offer on site should remain. It makes for a cleaner approach and such an approach will assist with the overall management of the site, as opposed to a site being spilt between a build to rent landlord and other parties.

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

No comments to be provided.

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

Exemptions should apply on sites where extreme viability issues impact the site and the delivery of a policy compliant affordable housing offer can only be realistically achieved by virtue of Homes England grant (whether for rent, shared ownership or rent to buy) in the form of additionality being achieved on a site.

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

Broadly agree, but would suggest that local plans and neighbourhood plans that are submitted for Examination within 12 months as opposed to 6 months of this new policy being enacted should not need to reflect the First Homes policy requirements, given how such a late change in a proposed Local Plan can be difficult after a Pre-Submission version of a Local Plan has been published for representation.

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

Yes, but would also point out that it may be necessary to vary the discount across different property types provided using First Homes on a site by site basis if affordability / household income data suggests such an approach is appropriate to address issues of affordable housing need.

*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?*

No. Where viability is an issue, then other Homes England funded tenures should be considered in order to maximise the use of the site in terms of ensuring that all properties on the site are used to meet affordable housing need. To allow cross subsidy from market housing may inadvertently raise landowners' expectations in terms of a potential increased capital receipt from the land value.

There may be some mileage in exploring viability scenarios further. For example, is a site not viable because of landowners' expectation of land value or is a site not viable because of site abnormalities attributed to the site itself, e.g. peat or other matters that are raising build costs such as the need for the housing to look a certain way to satisfy a planning requirement. Notwithstanding our comment above that no market housing should be provided, perhaps whether the approach is acceptable or not could be linked to the "nature" of the viability scenario being presented.

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

Yes. However, NPPF paragraph 71(b) should also be clarified in relation to where such a policy stands in relation to Green Belt policy. In a borough like West Lancashire, which is over 90% Green Belt, the Green Belt boundary is drawn tightly around existing settlements, and so, in West Lancashire, the requirement for First Homes exception sites to be "adjacent to existing settlements" would involve development on Green Belt. If exception sites are to be allowed in the Green Belt (which paragraph 71(b) does not do so due to footnote 34), a site size threshold would be required to ensure a proliferation of exception sites were not sought resulting in an over-delivery of housing at the expense of the Green Belt. If they are not to be allowed in Green Belt, then a borough like West Lancashire could not allow the development of exception sites across most of the borough or on the edge of its most sustainable settlements.

The Council is also unsure how this exception sites policy would fit with the proposals for a zonal planning system in the Planning for the Future White Paper. If an area is zoned for growth or renewal, any housing development would be permitted, meaning that exception sites could only come forward in areas zoned for protection from development. Many protection zones will be protected because of a protected characteristic that is covered by footnote 34, and so exception sites could not be brought forward.

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

Yes – this would include on the edge of small villages inset into the Green Belt, as well as those "washed over" by the Green Belt.

### Supporting SME Developers / Small Sites Policy

*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?*

No – While the Council supports SME developers and the promotion of smaller development sites, the experience in West Lancashire does not suggest that such developments have any difficulty in delivering affordable housing or contributing towards infrastructure. Furthermore, cumulatively, such sites and developments do add to the burden on infrastructure and form a substantial part of the housing land supply in West Lancashire, so it is only appropriate that they continue to provide affordable housing and contribute towards infrastructure.

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

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

iii) Other – do not change the threshold, as there is no need at this time.

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

See answer to Q17

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

See answer to Q17

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

See answer to Q17

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

Yes – it is essential that the lower threshold is maintained for rural areas such as West Lancashire so that it can be applied if necessary to deliver affordable housing 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?*

No further comments.

#### Permission in Principle

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

No, because dealing with such applications still requires a certain level of information, which currently is lacking upon submission of a PiP. The work involved in assessing such applications is still great when matters such as drainage, ecology, highways, etc. are to be considered.

*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.*

This would depend on the detail of how any new zoning system would work. For example, a growth area may be zoned as such because the local planning authority sees it as an area for predominantly housing growth or as an area for predominantly commercial development, but both could benefit from PiP. In the latter, no limit should be set on commercial development, but in the former a limit would be necessary. As such, it would be more appropriate to allow local planning authorities to set any limit on commercial in design codes for specific growth or renewal areas as they prepare a new-style zonal Local Plan.

Also, having no limit on commercial floorspace may have significant negative impacts on town centres or have other wider implications and it would be difficult to assess this through PiP if there was no limit on commercial development.

*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?*

Timescales are extremely tight dealing with a major PIP in 5 weeks and full consultation for only 14 days. The public perception would be that planning permission is just being rushed through. This is especially the case given that the significant impact that highways, drainage etc. can have on a development need to be considered fully at PiP stage.

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

Yes, as this is a critical element to assessing a development and its impact.

*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.*

ii) - The current publicity arrangements are outdated (as experienced in the current pandemic) and we consider the best means of publicity would be advertising on the Council's website and through social media.

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

Agree there should be a banded fee but that the fee rate proposed is too low and does not cover costs of the local planning authority considering the application.

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

More equivalent to existing fees for an outline planning application.

*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.*

Yes

*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.*

Some form of guidance akin to the Permitted Development Technical Guidance would be helpful.

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

No comments

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

Use of PIP has been minimal, and it is unlikely that the new proposals will increase use significantly.

*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?*

No comments