

## MID SUFFOLK DISTRICT COUNCIL

<b>TO:</b> Council	<b>REPORT NUMBER:</b> <b>MC/20/7</b>
<b>FROM:</b> Councillor Burn - Cabinet Member for Planning	<b>DATE OF MEETING:</b> 24 September 2020
<b>OFFICER:</b> Tom Barker – Assistant Director – Sustainable Communities	<b>KEY DECISION REF NO.</b> N/A

### CHANGES TO THE CURRENT PLANNING SYSTEM CONSULTATION

#### 1. PURPOSE OF REPORT

- 1.1 To respond to a Government consultation on changes to planning policy and regulations entitled '*Changes to the current planning system*', published in August 2020. This eight-week consultation closes on Thursday 1<sup>st</sup> October 2020.
- 1.2 This consultation is in addition to the consultation on the '*White Paper: Planning for the Future*', which closes on Thursday 29<sup>th</sup> October 2020. The '*Planning for the Future*' consultation sets out plans to undertake fundamental reform of the planning system and explains this would be accompanied by shorter-term measures, which is the subject of the '*Changes to the current planning system*' consultation.
- 1.3 The consultation is seeking views on four main proposals:
  - changes to the standard method for assessing local housing need;
  - securing of First Homes, sold at a discount to market price for first time buyers, through developer contributions;
  - temporarily lifting the small sites threshold below which developers do not need to contribute to affordable housing, to up to 40 or 50 units; and
  - extending the current Permission in Principle to major development.

#### 2. OPTIONS CONSIDERED

- 2.1 To respond to the consultation with the responses as set out in appendix b.
- 2.2 To respond to the consultation with proposed amendments to the responses set out in Appendix B.
- 2.3 To not respond to the consultation.

#### 3. RECOMMENDATIONS

- 3.1 To respond to the '*Changes to the Planning System*' consultation.

3.2	That the Assistant Director for Sustainable Communities in collaboration with the Cabinet Members for Planning consider any proposed amendments to the suggested response and be authorised to make amendments before submitting a response to the Government.
<b>REASON FOR DECISION</b>	
To respond effectively to the ' <i>Changes to the Planning System</i> ' consultation by 1 <sup>st</sup> October 2020.	

#### 4. KEY INFORMATION

##### Introduction

- 4.1 The Government's '*Changes to the Planning System*' consultation contains four main proposals as outlined in paragraph 1.3 of this report. There are 35 consultation questions.

##### The standard method for assessing local housing need

- 4.2 The standard method was first implemented in 2018 through the revised National Planning Policy Framework (NPPF). This consultation proposes a revised standard method for calculating local housing need which will be used as the basis for plans created prior to any changes outlined in *Planning for the Future* being introduced. However, transitional arrangements are proposed for those local planning authorities who have a local plan at an advanced stage when any revised standard method is introduced through revised guidance as an update to the Planning Practice Guidance.
- 4.3 The Government has aspirations to create a housing market capable of delivering 300,000 homes a year, and that the standard method needs to be sufficient to ensure this can be met. However, in order to meet this aspiration, many local authorities would see their local housing need figure substantially increase including in both Babergh and Mid Suffolk Districts. This is as a result of the proposed revised standard method and the proposed removal of a cap that currently limits the increase an individual local authority could face.
- 4.4 The current standard method sets the baseline using a 10-year average of the 2014-based national household growth projections and adjusts the outcome from the baseline using the most recent workplace-based median house price to median earnings ratio as an affordability ratio for the area.
- 4.5 In the proposed standard method, a new element into the baseline is introduced, which is 0.5% of existing housing stock levels. However, it is proposed to use whichever is higher, this housing stock figure or a 10-year average of the latest household growth projections. In the case of both Babergh and Mid Suffolk District Councils, the latter is higher.
- 4.6 To calculate the adjustment factor for affordability, it is proposed to also incorporate how affordability has changed over the previous ten years of published data and multiple this by 0.25. This amendment coupled with the removal of a cap results in a substantial increase in the local housing need.

### Delivering First Homes

- 4.7 First Homes are proposed by the Government as homes for first-time buyers with at least a 30% discount against market value.
- 4.8 There is an intention to set out in national policy a requirement that a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. Initially this would be secured through section 106 planning obligations. However, under the proposed planning reforms, this would subsequently be secured through the Infrastructure Levy.
- 4.9 There is a concern that a specific requirement for First Homes would have an impact on the supply of more traditional affordable home tenures including shared ownership, affordable rent and social rent. The current requirement set out in the National Planning Policy Framework for 10% of the overall housing delivery on a site to be for affordable home ownership products has not jeopardised the delivery of rented homes. However, if this percentage was increased it would erode the amount of rented affordable properties that could be delivered in the Districts.
- 4.10 Again, there are transitional arrangements proposed where local plans and neighbourhood plans submitted for Examination within six months of the new policy being enacted, would not need to reflect the First Homes policy requirements.
- 4.11 The level of discount likely to be required in order for these products to be affordable would be 50% discount against market value.

### Small sites planning policy

- 4.12 To support small and medium-sized developers the consultation is proposing to raise the small sites threshold for affordable housing contributions to up to either 40 or 50 new homes, for an initial period of 18 months. There is also the proposal to scale up the site size threshold at the same proportion as the increase in the number of homes threshold, that is from 0.5 hectares to either 2 hectares or 2.5 hectares.
- 4.13 Smaller sites delivering between 10 to 50 dwellings are an important proportion of the housing land supply for the Districts. Raising the threshold would have a significant impact on the delivery of affordable housing. It would also impact on those wishing to access the housing ladder by purchasing low cost homes such as shared ownership. Furthermore, it would result in a less-balanced housing mix in communities.
- 4.14 There are other ways and the principal opportunities to support small and medium-sized developers lie outside the planning system and within the financing arrangements which underpin many private developments.
- 4.15 If this approach is followed, it could be introduced through a Ministerial Statement in the Autumn.

### Extension of the Permission in Principle consent regime

- 4.16 Permission in Principle was introduced in 2017 as a faster way to secure planning permission for housing development, through suitable sites being identified on registers of brownfield land. Permission in Principle by application was introduced in 2018 for minor development (e.g. sites of less than 10 dwellings).

4.17 The Permission in Principle consent route has two stages:

- 1) Establishing whether a site is suitable in principle for development. The grant of Permission in Principle is for five years and no planning conditions can be attached to it.
- 2) Technical Details Consent is when the detailed development proposals are assessed, and conditions can be attached.

Granting Permission in Principle and Technical Details Consent equates to full planning permission.

4.18 The proposal is to remove the restriction in the current Permission in Principle Regulations on major development, which is opposed. Permission in Principle by application can include non-residential uses, however housing must occupy the majority of the site and the non-residential uses must be compatible with housing. Currently commercial development is limited to 1,000 square metres with a maximum size capped at one hectare. The proposal is to not set a limit for commercial development space, which again is opposed.

4.19 It is proposed to amend the publicity requirements for Permission in Principle by application on large sites, so they are subject to publicity beyond a site notice and website publication. However, it is felt that the Government should introduce a single national standard through specific regulation and associated guidance to require prior notice of the intention to apply for a Permission in Principle to be undertaken in a prescribed format in advance for a fixed period.

4.20 It is also proposed to lower fees for Permission in Principle by application.

4.21 The Councils currently have a Brownfield Land Register, albeit Part 1. It is proposed to automatically record all Permission in Principle consents that are on brownfield land in Part 2 of the Brownfield Land Register.

4.22 It is felt that the Permission in Principle consent regime will not be well used given the very limited number of Permission in Principle applications current received by the Councils.

## **5. LINKS TO CORPORATE PLAN**

5.1 The Corporate Plan identifies strategic priorities, which include the environment, economy, housing, wellbeing, our customers and our communities.

5.2 This Government consultation affects these strategic priorities through its proposals.

## **6. FINANCIAL IMPLICATIONS**

6.1 There are no financial implications to responding to the consultation.

## **7. LEGAL IMPLICATIONS**

7.1 There is no legal requirement to respond to this consultation.

## 8. RISK MANAGEMENT

8.1 This report is most closely linked with the Council's Corporate / Significant Business Risk:

- No. 1 – We may not have a sufficient, appropriate supply of land available in the right locations.
- No. 2 – We may be unable to meet the Government's Housing Delivery Test.
- No. 7 – We may not be able to help communities become more sustainable.

Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Not submitting a response to the consultation would mean the Council lose the opportunity to help shape the proposed changes to the Planning system.	Unlikely (2)	Noticeable (2), would not be consistent with other local authorities.	Engagement with Councillors through a cross Council, cross party roundtable discussion.

## 9. CONSULTATIONS

9.1 A cross-party meeting was held with Councillors from both Babergh and Mid Suffolk District Councils to discuss the consultation and proposed responses.

## 10. EQUALITY ANALYSIS

10.1 An Equality Impact Assessment (EIA) not required as this is a response to a Government consultation.

10.2 However, question 35 does ask if there are any direct or indirect impacts on people who share characteristics protected under the Public Sector Equality Duty. The proposed response considers there are direct and indirect adverse impacts upon our communities because of their rurality which could impact upon people with protected characteristics.

## 11. ENVIRONMENTAL IMPLICATIONS

11.1 Through responding to the consultation, the impact on the environment might be mitigated if the proposals contained within the consultation are amended in line with the joint response from Babergh and Mid Suffolk District Councils.

## 12. APPENDICES

Title	Location
(a) <i>Changes to the current planning system</i> , Ministry of Housing, Communities & Local Government (August 2020)	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907215/200805_Changes_to_the_current_planning_system_FINAL_version.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907215/200805_Changes_to_the_current_planning_system_FINAL_version.pdf</a>
(b) Proposed responses to the consultation questions.	Attached

## 13. BACKGROUND DOCUMENTS

- 13.1 *White Paper: Planning for the Future*, Ministry of Housing, Communities and Local Government (August 2020)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/907956/Planning\\_for\\_the\\_Future\\_web\\_accessible\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907956/Planning_for_the_Future_web_accessible_version.pdf)

- 13.2 *First Homes: Summary of responses to the consultation and the Government's response*, Ministry of Housing, Communities and Local Government (August 2020)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/907214/200728\\_PUBLICATION\\_Govt\\_response\\_FH\\_condoc\\_v4.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907214/200728_PUBLICATION_Govt_response_FH_condoc_v4.pdf)

- 13.3 *Independent Review of Build Out*, Rt Hon Sir Oliver Letwin MP (October 2018)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/752124/Letwin\\_review\\_web\\_version.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752124/Letwin_review_web_version.pdf)

## 14. REPORT AUTHORS

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