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Response by Sandford-on-Thames Parish Council to the MHCLG Consultation Paper 'Changes to the current planning system August 2020'

Opening comment on the consultation paper

On Page 8.6 the paper addresses the aspiration of the government to deliver 300,000 homes annually, one million homes in this parliament, but it neither notes nor offers a solution to the problem of the approximately one million permissions for homes already granted by local government planning that are not yet built out by developers. This was 500,000 only 4 years ago, a fourfold increase in only four years whilst the Government has continued to chide local democratic organisations for not building enough houses. Addressing this 'land banking with planning permission' practised by developers would be a far quicker and far easier way to meet this perceived need.

Responses to the Specific Questions in the Consultation Document

Question 1

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?

Q1 Response: No.

The LGA has stated that:

'Algorithms and formulas can never be a substitute for local knowledge and decision-making by the councils and communities who know their areas best.'

This is a statement with which we agree.

Question 2

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.

Q2 Response: No

The proposed new standard method abandons an evidence-based approach to determining housing need. It simply manipulates different baselines until it gets to the required target of 300,000 houses a year. The Government says it wants housebuilding to support the levelling up of the UK economy, but this methodology pushes the highest rates of growth to where existing demand is highest.

The LGA have commented:

“The LGA cited Brighton and Hove, which will be expected to deliver a 287% increase in housing while Dover will have to increase housing by 294% and Tunbridge Wells by 184%.b

Proposed targets for the north-east are 28% lower than existing delivery, 8% lower in the north-west and 6% lower in Yorkshire and Humberside.”

The proposed approach to tackling affordability relies on private sector housebuilders to build so many additional homes that the price of their products falls, even though this is self-evidently incompatible with their business model. Urban authorities, who are likely to have more brownfield land, are also more likely to see their housing number reduced. Meanwhile, predominantly rural authorities, which will tend to have more environmental constraints, are more likely to see their numbers go up. This will lead to highly contested Local Plans, as well as to an overall pattern of development that works against the Government’s declared aims to protect the countryside and prioritise brownfield re-use.

Questions 3 - 5

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.

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.

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

Qs 3 -5 Response: No

Targeting more homes in general into areas where they are least affordable will not improve the situation because:

- Housebuilders won’t build at a rate that brings down their own profits;
- Increasing supply in high-demand areas can often fuel further demand so prices do not fall;
- Only increasing the availability of genuinely affordable housing will help households who could not otherwise afford to live in an area.

The only possible way to address need and affordability in areas of high demand is by specifically prioritising and enabling truly affordable homes. Increasing the overall housing requirement will have exactly the opposite effect to what is needed.

Questions 6 - 7

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?

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?

Qs 6 - 7 Response: No

The proposed transitional arrangements appear unrealistic. Rather than trying to artificially accelerate new Local Plans and the adoption of new requirements, it would be better to enable Local Planning Authorities to focus on securing the build-out of existing permissions, and on bringing more urban brownfield sites into the

land supply. The allowance of three months is insufficient for a local authority to provide a 'sound' plan. These allowances should therefore be for 6 months and 6 months.

Question 8

Q8: The Government is proposing policy compliant planning applications that 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)*

Q8 Response: None of the above

There is a difficulty in answering this question as the terminology used is confusing. Whilst First homes are discounted homes for qualifying buyers, the so called 'affordable housing' has, until now, referred to Housing sold or rented at 80% of market value. Depending on the definition used the answer will be different.

At Page 19, point 49, the suggestion that offsite supply or financial provision could be justified is too vague in terms of the decision process. A situation where developers build high priced, large houses without a mix of households and house types is both poor social planning and a contributing factor to the resulting ghettoization of some developments.

Questions 9 - 11

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?

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.

Qs 9 - 11 Responses: There are too many exemptions already

Q9 Response: For 'First Homes' to have any impact at all on homelessness and inadequate accommodation being used then the exemptions currently enjoyed by developers, often negotiated on a site by site basis, need to be eradicated. Too often developers benefit from a 'affordable homes requirement' holiday resulting in insufficient provision for low cost housing compared to demand. The continued mixing in this paper of the terms 'First Homes' and 'Affordable Housing' is unhelpful.

Q 10 Response: The use of any exemptions is to be avoided; developers should produce a suitable mix including the First Homes provision.

Q 11 Response: See the answer to Q10.

Questions 12 - 15

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

Qs 12-15 Response: No

Q 15 Response: The site size threshold has been systematically abused by developers with the tacit approval of some local authorities. Rather than removing it this rule needs to be strengthened if these policies are to have any credibility.

Question 16

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

Q16 Response: No

By requiring these to prioritise First Homes rather than genuinely affordable homes, the proposals significantly undermine the long-established use of exception sites to provide for small affordable housing developments, the supposed continuation of existing arrangements for rural areas are not properly explained and do not appear thought through, and there is a high risk that rural communities will suffer as a result.

The proposals also significantly weaken the incentive for landowners in rural areas to act as benefactors, providing land for affordable homes at low cost. The 'hope value' of land will be elevated by the prospect of market housing, and the landowner therefore has a reason to hold on to the land until such time as they can secure full market value for what would previously only have been considered as an exception site.

Questions 17 - 18

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)

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

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

Q17 Response: No

Q18 (iii) Response: Zero

Questions 19 - 21

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?

Qs 19- 21 Response: No

The proposals imply that reducing the delivery of affordable housing is a fair price to pay in the short term for boosting the number of homes built by SME developers. This runs directly counter to the need to prioritise affordable tenures. There is good reason to believe that the proposal will fail on its own terms – landowners are likely to use the change to increase the prices they charge for development land, with little or none of the supposed cost reductions being passed on to SME builders.

Question 22

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

Q22 Response: No

Question 23

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

Q23 Response: No comment

Questions 24 - 26

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

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?

Qs 24-26 Response: No

The LGA and the House of Commons have both commented critically on the PiP plans, criticism with which we agree.

...The Government's planning reforms extending permitted development for changes of use, vertical extensions and demolition of vacant buildings have also come under fire from the House of Lords.

Lord German, a member of the committee scrutinising the legislation, said: 'While we acknowledge that the Government's intention is to encourage economic growth and address housing shortages, concerns have been raised that these changes could result in low-quality housing and reduce the ability of local authorities to shape the character of their high streets.'

Question 27

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

Q27 Response: Yes

Question 28

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.

Q28: (iii) Response:

The only route to Permission in Principle (PiP) should come through future Local Plans and Neighbourhood Plans. It is only through the rigorous checks and balances of plan-making processes – including consultation, examination and sustainability/strategic environmental appraisals – that there is any hope of achieving the level of understanding of a site that would maximise the robustness of PiP. This is the only way that adequate consultation with communities and statutory consultees can be achieved.

Question 29 - 30

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

Q29 Response: No comment

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

Q30 Response: No comment

Question 31

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.

Q31 Response: Yes

The Government should commit to the retention of brownfield land registers. These registers are now beginning to fulfil their role in getting local authorities to more proactively identify brownfield land capacity and thereby reduce pressure for the unnecessary development of greenfield sites.

Questions 32 - 35

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.

Q32 Response: No comment.

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

Q33 Response: No comment

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

Q34 Response: No comment

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?

Q35 Response: No comment

Hilda Bailey
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