

## Response: Changes to the Current Planning System Consultation

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### About the District Councils' Network

The District Councils' Network (DCN) is a cross-party member led network of 187 district councils. We are a Special Interest Group of the Local Government Association (LGA), and provide a single voice for district councils within the Local Government Association.

District councils in England deliver 86 out of 137 essential local government services to over 22 million people - 40% of the population - and cover 68% of the country by area.

District councils have a proven track record of building better lives and stronger economies in the areas that they serve. Districts protect and enhance quality of life by safeguarding our environment, promoting public health and leisure, whilst creating attractive places to live, raise families and build a stronger economy. By tackling homelessness and promoting wellbeing, district councils ensure no one gets left behind by addressing the complex needs of today whilst attempting to prevent the social problems of tomorrow.

### Response from the District Councils' Network

The DCN welcomes the opportunity to respond to the Changes to the Current Planning System consultation.

District councils have helped lead the local humanitarian response to the Covid-19 crisis, keeping the planning system going throughout and have now turned their whole place effort towards both the ongoing management of the pandemic, as well as the recovery. As planning authorities and guardians of place, district councils are not only planning for today but setting the strategy towards tomorrow - working with communities to build places and create green, resilient and inclusive growth and jobs in the years to come. Stability and certainty are needed as the industry adapts to this new normal, and the unknowns of the coming years.

With regards to the specific proposals raised in this consultation, whilst we acknowledge the current standard method has brought benefits including greater transparency and greater simplicity to the process of calculate housing need, it is simply not fit for purpose. The proposed changes do not address some of the key issues of the method, which we highlight through our detailed response, and the proposed changes do not address some of the improvements the proposals set out to achieve. The new method does not establish a better distribution of housing nor does it provide certainty or predictability. We are particularly concerned that the revised methodology will create undeliverable housing requirements for many authorities whilst at the same time lowering growth ambitions for many others particularly, as highlighted in our response, in large urban areas. Resulting in a risk to the government's levelling-up ambitions and seeing a disproportionate impact on rural rather than urban areas. The assessment of housing need should be locally determined based on sound and justified evidence. A standard approach could be an optional alternative for some local planning authorities where it reflects the local housing market and housing needs.

The DCN supports the aim of First Homes to help more people buy their own homes in their local area. We recognise that many households aspire to home ownership but are unable to do so due to issues of availability and affordability. However, we are concerned that First Homes may squeeze out other more appropriate forms of affordable home ownership and, affordable/social rented accommodation. District councils know their local economies and housing markets better than anyone and so should have flexibility in setting policies for First Homes, and affordable housing in general, so that they best reflect the characteristics of diverse local areas.

We support the provision of affordable homes through the planning system. Policies and strategies for affordable housing are set based on local assessments of need and understanding of local viability issues. We are concerned that proposals in this consultation will reduce the number of affordable homes secured through planning. We ask the government to reconsider the approach to site thresholds for affordable homes, so that local housing market needs are fully considered or at the very least any changes are minimised and strictly time limited. The government should look at other ways SME builders can be supported that is not at the expense of those in desperate need for an affordable home.

The DCN has long called for action to boost delivery rates - nine in 10 applications are approved by councils with more than a million homes given planning permission over the last decade yet to be built. To boost housing delivery, local authorities should be given powers to compel the building out of sites or bring sites forward themselves. Merely allocating/permitting more sites does not automatically mean that those houses will be built in a timely way. Greater powers for local authorities to “take over” such sites are needed, and either build out themselves or parcel out to SME developers. We would also like to see locally set planning and licencing fees enabling full cost recovery. Last year district council taxpayers subsidised planning applicants by £30 million.

We are concerned that local authorities will be expected in the short-term to implement a range of changes as a result of these proposals, but with further wide-ranging changes proposed in the Planning White Paper on the horizon. As this time certainty is required to allow plans to progress and developers to build. The White Paper and this consultation do not set out specific timeframes for implementation. We ask that clarity is given to local authorities to allow them to plan for, and respond to, these reforms.

We wish to work with government to identify and find solutions to the elements of the current planning system where there is room for improvement, to ensure the current planning system is efficient and effective.

Our full response to the questions is set out below.

## **The standard method for assessing housing numbers in strategic plans**

**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?**

The existing housing stock in a local authority area is not an indicator of future household growth or housing need, and it is considered this is an imperfect measure for future housing needs. The use of housing stock as a measure may also lead to a perverse incentive to not deliver housing so that housing stock growth is restricted in future calculations of need.

Household projections reinforce past trends. Where housing delivery has been particularly strong, household projections will reflect this and similarly where housing delivery has been weakest, household projections will be suppressed. Using household projections as a baseline for assessing housing need simply locks in past trends, and areas which have seen past growth will be locked into future growth with no real consideration of the 'need' for additional housing. In addition, as has been demonstrated with the 2014, 2016 and 2018 - based household projections, there is significant volatility in outcomes at local authority level with a resultant impact on housing need assessed through the standard method. Such volatility will continue if there is no refinement to the process, or unless local circumstances can be taken into account to establish a locally derived need figure.

The standard method as a whole, does not take account of any strategy for future growth at a local, regional or national level other than an ambition to boost housing delivery to 300,000 + homes per year. That figure is in itself a housebuilding target and not an assessment of need. The lack of clarity over housing need at a national level plays through to uncertainty at a local level.

The method does not necessarily direct housing growth to areas of economic growth and infrastructure investment (for example the large urban areas benefitting from HS2), or areas which are best able to deliver higher levels of growth. Linked to this the method makes no account of the interplay between housing and jobs. The separation of consideration of both issues together will lead to homes being provided in the wrong place, far from employment opportunities and centres, and lead to increased unsustainable commuting.

The consultation paper states that one of the aims of the revised methodology is to remove volatility in housing need calculations and increase stability and predictability. However, for many authorities there is significant change between housing need based on the current method and that proposed under the new method. Our analysis shows that over a third (around 120) of local planning authorities would see housing need increase by over 50%, whilst around 50 authorities would see over 100% increase. Such a change can hardly be described as stable or predictable, and will hamper long term planning and plan production.

The new method also shows a shift of housing need from large urban authorities to smaller/rural districts. As an example, Leicester, Manchester, Milton Keynes and Southampton amongst others all show significant falls in housing need based on the new

method. Analysis<sup>1</sup> by the Local Government Association shows that housing need will rise by around 20% in the large urban authorities under the new method, and by almost 60% in the most rural authorities in England. It is difficult to support a method which, with no real justification, directs housing growth away from urban areas to rural areas, and which does not reflect the government aim of densifying urban areas, supporting brownfield-first development and levelling up.

It is acknowledged that these changes themselves are only anticipated to be temporary, in advance of further major changes proposed through the Planning for the Future White Paper. Greater certainty and stability are needed to allow the planning system to work, not further rounds of revision to national policy.

Whilst we acknowledge the merits of a standard approach to assessing housing need, the existing and proposed standard method do not provide an adequate assessment of housing need across the range of diverse areas in England. The 'one size fits all' approach of the standard method is not fit for purpose. As an example, the standard method fails to take account of National Parks Local Planning Authorities where evidence on household growth, dwelling stock, affordability etc is provided at local authority level and not for within the boundaries of the National Parks. Therefore, the data used for the standard method calculations for these areas does not accurately reflect the local housing market of the park areas. This is a particular concern, as house prices are generally higher and less affordable in National Parks than surrounding areas, and they tend to have proportionally more second homes. Further consideration should be given to how the approach to housing need works for areas where Local Authority and Local Planning Authority boundaries do not coincide. This is just one example where the method fails to consider local circumstances.

The assessment of housing need should be locally determined based on sound and justified evidence. There may be scope for the new standard method to be optional for local planning authorities where the method is locally determined to be suitable and reflect local housing conditions.

**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.**

The consultation paper does not reasonably justify this figure over any other and the use of any standard set figure will be more appropriate in some areas than others. If it is decided that a baseline of 0.5% should be included in a revised standard method we would want to be able to see the justification for this and a commitment from government that the approach is monitored and kept under review, along with the other inputs into the method, so that the performance of the method can be assessed and scrutinised

It also raises issues around, for example, areas where a significant proportion of the existing stock is holiday/second homes, or vacant homes, as again this does not equate to actual housing need. We would like to see how these considerations have been taken into account. To emphasise once again we do not consider existing housing stock is a satisfactory baseline measure of future housing needs.

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<sup>1</sup> <https://www.planningresource.co.uk/article/1694463/new-housing-need-method-jeopardises-ambition-level-up-country-says-lga>

**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.**

There are a range of issues which impact on house prices and affordability such as the availability of mortgages and the wider economic landscape. Housing supply is only one aspect of this complexity. However, it is acknowledged that there is some link between housing supply and demand and affordability and using the workplace median house prices to median earnings is a locally specific way of linking demand and affordability. The consultation paper does not explain or justify why workplace-based earnings is favoured over residence-based earnings. For some major commuting areas (London & the SE especially) there will be some significant differences between these two approaches, and the reasoning behind this should be made clear.

A potential perverse impact of using this measure could be that if supply is artificially limited in currently more affordable areas through the method this will lead to longer term affordability issues in those areas as a result of potential 'under supply'.

**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.**

Incorporating an adjustment for affordability over the past 10 years allows for a longer-term consideration of changing affordability. However, as noted above, planning and housebuilding is only one element of the complexities of the house price market. There are other factors along with housing supply that impact on house prices and affordability which are not within the power of local authorities to control such as the construction labour market, materials prices, mortgage markets and continuation (or otherwise) of Help-to-Buy for example.

This additional adjustment factor could have the impact of pushing some LPAs housing needs beyond what they are able to provide through either sustainable release of land supply or market delivery, and could worsen 5 year land supply positions, allowing for more speculative unplanned development through appeals - which brings additional impacts on infrastructure which aren't always correctly mitigated through planning obligations.

The approach also does not recognise that in some lower value areas there may be limited competition between (in particular) volume housebuilders. In these areas especially a rapid ramping up of housing delivery by the private sector is highly unlikely. It may be that a greater role for registered housing providers and LPAs as housebuilders is the only way the government's house building ambitions can be delivered.

We also ask that councils be given greater powers to help boost housing delivery through for example, an effective and efficient compulsory purchase process to drive forward stalled sites and the imposition of financial penalties where development hasn't progressed within agreed timescales. This could include charging developers the equivalent of council tax on units if they have not been completed within certain timescales.

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

Housing supply, to an extent, influences affordability rather than the other way around and therefore affordability should be considered. However, whether increasing numbers through the additional affordability ratios in the adjustment factor is the best way to address this is to be determined. As mentioned in our response to Q4, by pushing housing numbers higher (which will be the case in the majority of local authority areas) to decrease demand is a reasonable concept in principle but some authorities may struggle to meet the housing numbers expected, thereby seeing speculative unplanned development being granted an appeal.

Also, planning for higher numbers is only one element of getting housing delivered and the consultation paper recognises this by stating that there are many houses that have been granted yet have not been built. Latest figures show that 2,564,600 units have been granted planning permission by councils since 2009/10 while only 1,530,680 have been completed. By increasing local housing needs across the country, how are LPAs expected to ensure they are delivered with developers controlling their own market and by extension, overall affordability. Also, how does the Government expect the supply chain to keep up with the overall increased housing numbers across the country?

Finally, as the method provides a local authority wide figure, the affordability adjustment (and method overall) fails to take account of local variations of affordability. This will be a particular issue in large authorities and/or those with a mix of rural and urban locations which see quite a wide variation in house prices between different towns and villages. This could mean that the overall baseline need is increased due to the affordability adjustment even though there is a wide variation of house prices and affordability across an authority.

**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?**

**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?**

Consistency and certainty are essential to allow local planning authorities to bring their local plans forward. Constant changes to national policy and guidance can mean local authorities undertaking additional work to respond to those changes and existing work becoming redundant. Therefore, transitional arrangements should consider the individual circumstances of local authorities given that authorities will be at different stages of plan

review. Sufficient flexibility and notice periods should be key considerations. Transitional arrangements should be designed to allow those authorities with advancing plans to bring them forward, and allow for new guidance to be brought in for plans early in the process that are able to adapt to the changing guidance without wasting time and resources on defunct work/evidence.

Q6 - For those authorities that have used the standard method, have commissioned further evidence to establish that their proposed housing figure meets the needs of the local area, and have been out for consultation, six months is seen as the absolute minimum time frame to enable the LPA to continue with their local plan and secure their housing figure without having to waste time and money repeating the process.

Clarity has to be given that if found sound, the housing numbers in those plans that have been adopted during the transitional arrangement will (subject to Housing Delivery Test results) be able to rely on their newly adopted figure for five years post adoption of the plan, to avoid attempts by developers and landowners to rapidly try to 'unpick' the adopted Local Plan figures to secure more consents on unallocated sites.

Q7 – As above to the answer to question 6, authorities will have undertaken a significant amount of plan preparation based on an established housing need figure, including commissioning evidence studies at an expense to the authority. It would seem reasonable to give a sufficient period of time to allow those authorities to bring those plans forward. The democratic process of plan approval (which may have been impacted and continue to be impacted by Covid-19) and which can take a number of months should also be considered. Therefore, particularly given the uncertainty about when revised guidance will be in force, a period of longer than 3 months to publish a Regulation 19 plan should be given. A minimum of at least 6 months would seem more reasonable to balance a desire to introduce the new guidance, and to bring forward sound plans, and to do so whilst being mindful at the expense and time authorities will have already gone through to bring plans to an advanced stage in plan production.

## **Delivering 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)**

It is considered option (i) is the most appropriate option. The affordable housing tenure mix set down in local planning policy reflects local needs and is intended to provide the appropriate balance of tenures to meet that need. First Homes is a homeownership product

and should therefore replace other homeownership products within the overall tenure mix. The proportion of affordable rents and/or social rented units should be unaffected.

However, the requirement for a flat rate minimum percentage of 25% of affordable units on site to be First Homes does raise the risk of other cheaper home ownership products (e.g. shared ownership) being squeezed off developments. In high value areas, this may mean that the pool of people who could afford to buy the units will be more limited than would be the case if there was a wider mix of home ownership products available on site (e.g. a mix of shared ownership and First Homes units).

In addition, the sale of affordable housing units to registered providers tends to happen early in the development process and also 'en bloc', providing early valuable cashflow for developers and also the early delivery of housing. First Homes, effectively being market homes, are subject to the wider local market conditions and will normally be sold one at time rather than in a block.

It would be more appropriate for the local planning authority to determine the appropriate percentage of First Homes on the site in order to reflect local household income levels and market value. This would ensure, where appropriate, that other affordable home ownership tenures are also delivered on site if these will be more affordable to local households. This is particularly pertinent with the proposed introduction of a minimum shared ownership acquisition of 10% (reduced from 25%) in the Affordable Homes Programme which will reduce entry level costs for this tenure and make it cheaper than First Homes in many locations. To address the potential loss of other forms of affordable housing as a result of this proposal, additional affordable homes should be secured through the Affordable Homes Programme.

To summarise, within the overall percentage of affordable home ownership that the authority is seeking on site it should have the flexibility to determine what product (or mix of products) best meet that need locally.

On a final point the drive for First Homes through this consultation is somewhat at odds with other proposals in the paper which are setting out measures to reduce the provision of affordable housing overall.

**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.**

It would seem reasonable that the existing exemptions (as set down in Paragraph 64 of the NPPF) should apply to First Homes as well.

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

For the reasons explained in our response to Q6 and 7 a more reasonable transition period should be set out. We recommend a period of 12 months (6 months to allow for Regulation 19 consultation and then 6 months to subsequently submit a plan).

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

It is considered that the local authority should have the option to seek a higher discount than 30% to reflect local circumstances. However, the proposal that First Homes should be funded from Section 106 contributions and/or the proposed new infrastructure levy means that many authorities are likely to be reluctant to set higher discounts as this will require greater subsidy that diverts funding from other competing demands (i.e. other tenures of affordable housing).

**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?**

Yes – a degree of flexibility is needed here. However, there would need to be clear guidance of what constitutes a “small” proportion (with a maximum percentage set for the level of market housing on site), and how a developer would be required to clearly evidence that it was not otherwise viable to deliver the entry level scheme – through, for example, the submission of viability assessments to demonstrate this. Otherwise, there is a danger that some developers will push to maximise the number of market homes on site in order to increase their returns.

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

No. Simply saying that a site should be proportionate in size to the existing settlement is vague and too open to interpretation and challenge. Having a site size threshold gives clarity to all parties, and also helps guard against ‘stalking-horse’ type proposals for larger sites, where the main aim is to secure market housing on a site that would not normally be allowed.

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

Yes, this is supported. However, we recommend the rural area designations are reviewed to ensure they are up to date. It is not always obvious what differentiates one such area from a neighbouring district which is not so designated.

## Supporting small and medium-sized developers

### Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?

No. Local authorities are expected to support the delivery of affordable housing to ensure the needs of all residents are met, including those who cannot afford to rent or buy in the open housing market. Affordable housing thresholds are based on sound local evidence - to respond to local affordable needs and development viability. A nationally set approach cannot reflect local housing markets.

The consultation paper reports that it would expect to see a reduction of between 7% to 14% in affordable housing delivery if the threshold was increased to 40 and 10% to 20% if it's increased to 50. This is a somewhat flawed analysis as it fails to take account of schemes being postponed to wait the proposed changes, potential schemes in the 40/50/60 range which will be revisited to ensure they are planned under the threshold, and also existing permissions that would be below the new threshold which will be renegotiated to remove the current affordable housing requirements. Therefore, the reduction in affordable housing will be greater than that set out in the consultation. The impact would also not be uniform across the country and the paper does not provide any detail of the localised impacts of this reduction.

For example, Hinckley and Bosworth Borough Council would expect to lose out on around 30% of the total affordable homes that would normally expect to be secured if the threshold was raised to 50.

Whilst in South Cambridgeshire 1,360 houses currently have permission on sites of 40 or fewer houses. 40% of these would normally be expected to be affordable, so should the threshold change, given such a large number of dwellings are provided on smaller sites in the district there is real concern there will be a significant fall in future affordable home provision.

For most authorities, small sites play a key role in securing much needed local affordable housing under Section 106 agreements. The proposed increase in site thresholds would have a disproportionate effect on these areas and significantly reduce affordable housing delivery (including the First Homes scheme). This would have knock-on impacts on housing waiting list times and homelessness in these areas, with homeless households facing longer periods in temporary accommodation due to the reduction in affordable housing coming forward.

There would also be a wider impact on land-led affordable housing schemes being delivered by registered providers and local authorities. Increasing the site thresholds will, in turn, increase the price of the sites concerned as there is no longer an affordable housing requirement attached to any development. Therefore, social housing providers are more likely to find themselves priced out of acquiring small to medium size sites and this will reduce their ability to deliver new affordable housing developments (particularly in locations where there is a focus on small scale infill developments or small edge of settlement sites).

In addition, the measure is being promoted as helping SME developers. However, there is no evidence put forward to indicate that developer contributions prevent these developers from bringing sites forward or that SME developers will come forward to acquire sites if the threshold is raised. Furthermore, there are no measures that would prevent large scale volume housebuilders simply buying up these sites.

Affordable housing can also help SME builders with early cashflow in that often it is sold early on in development and 'en bloc' to registered providers. The inclusion of affordable housing in schemes, particularly where the proposals are contentious, can help 'sell' the scheme to local residents and reduce opposition. This proposal may therefore increase opposition to development and actually hinder housing delivery.

Whilst we do not support this proposal should it be considered appropriate, we ask that the option of it being limited to brownfield sites only be considered as this is where cost pressures often tend to be higher.

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

**i) Up to 40 homes**

**ii) Up to 50 homes**

**iii) Other (please specify)**

As discussed in response to Q17 we do not consider this to be a rational or evidenced policy change and so the threshold should remain locally set based on assessments of need and viability. However should it be considered that the threshold must increase, 20 units would be more preferable than the higher thresholds offered in the consultation.

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

See response to Q18 above

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

Given our concerns over the loss of affordable housing and lack of evidence that the proposal will actually help SME developers bring sites forward, the change to the threshold should be for a limited period only. 18 months should be the maximum period with no extensions. Demands on affordable housing tend to be higher in times of recession so the impact on delivery of affordable homes should be as minimal as possible.

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

Under the current system applicants already seek to bring sites forward (in a variety of contrived ways) under the threshold levels. If the threshold levels are increased there is potentially more scope to attempt to circumvent the system by splitting sites or reducing site capacities.

We would welcome further measures that would seek to limit the ability of applicants to seek to circumvent the thresholds. For example, the sub-division of a single field into a number of

components of size 39-49 dwellings and a series of apparently unconnected applications on those sites should trigger concerns.

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

This threshold should remain.

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

SMEs could benefit from schemes such as grant funding/government finance/preferential loans and delayed tax payments or other tax incentives. This would help upfront finance and ongoing cashflow which could incentivise SMEs to develop sites and deliver housing, including affordable housing.

**Extension of the Permission in Principle consent regime**

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

We do not necessarily disagree, although there are limited advantages unless consideration is given to the decision-making process and appeal routes. A two-step process for major development will not speed up final consent or subsequently the delivery of housing. The principle of development can often be the quickest issue for the LPA to conclude - particularly where brownfield or within the urban area, and these principles are established already by local plan policies. Where they are not established it is often where sites are outside of the urban area where most major sites are located. It is not clear how an LPA could establish the principle of major housing development that is contrary to policy without technical detail to balance harm against benefits as the harm/benefits can not be established. Would this lead to a large percentage of greenfield major PiPs being refused as by default they are not acceptable in principle?

Notwithstanding that, the principle of development is often the politically sensitive issue that prevents permissions gaining consent via Planning Committee. Therefore, PiP for major development will only be quicker if the appeals process for PiP major schemes is fast tracked. As this then becomes a two step process, planning principle on appeal and then technical approval on appeal, this could actually be a slower process unless changes are also proposed to the handling of PiP appeals both at stage 1 and 2 (both could require inquiry or consideration to the appropriateness of PiP decisions via written representations).

The acceptability of principle can be established through pre-application. Although not formalised, the views of the LPA are established with the technical issues then worked on. Compulsory pre-application on major schemes with monitored timescales would achieve more than PiP on major schemes as it would remove the two-step appeal concern. An alternative would be to run stage 1 and 2 in parallel, stage 2 (technical) is often more time consuming than establishing principle. Therefore, they could be decided separately but in parallel, although stage 2 could not be issued before stage 1.

There may also be unintended consequences of extending PiP to major development. PiP can be a less costly and less time-consuming route to securing principle compared to outline or full permission. This may lead to applicants securing a PiP on sites to increase land values with little desire or incentive to bring those sites forward. Under the traditional route (outline/full permission) the applicant will go to the expense of undertaking a range of studies/work to ensure the site has been fully assessed to support the application. There is therefore some incentive then to bring sites forward within the time period to get a return on that investment. With PiP there is not necessarily that same incentive.

**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.**

Commercial development faces the same issues set out above with regards to establishing the principle of largescale proposals without technical details. Where major commercial development is acceptable in principle this is already set out in local plan policy. Again, it is difficult to see how largescale commercial development contrary to policy can not be established in principle without technical detail.

If major development PiP were introduced clear guidance would be required on the definition of 'majority' of floor space. For example, is 1,000sqm of residential floor space a majority over 999sqm of commercial or is the majority 51%?

**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 PiP were to be introduced, requirements should largely remain the same. There is little reason in having PiP if other matters are incrementally introduced for consideration.

Principle remains the simple part [relative to technical approval] for the LPA officer however this process does not remove the bureaucracy in decision making that delays process. Clear guidance on the scope of decision making should be published.

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

No, height is not considered a matter of principle that can be separated from the wider consideration of the merits of a proposal.

**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.**

Agree, the scope should be wider than the current PiP requirements. For major schemes iii) is the best option however the requirements for publication should be brought up to date through the use of technology in general. There is no reason why greater use of social media could not be expected and local authorities should be given flexibility in determining the most appropriate publicity arrangements based on local circumstances.

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

Local Authorities should have the ability to set fees locally to ensure the costs of administering and assessing planning applications can be recovered based on local circumstances.

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

As set out in the response to Q29 local planning authorities should be able to set their own fees. As the take up so far of permission in principle has been limited there is not enough information on costs to make a reasonable assessment of this.

**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.**

This seems a sensible approach and is supported.

**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.**

Clear guidance on the detail required to make a PiP for major development valid, and what if any additional information an LPA can request to determine such an application. The Planning Practice Guidance should set out what the limits of the application route are with regards to what central government consider matters of principle to be, what this type of application is limited to.

An Outline application that considers principle also considers matters of access, ecology, heritage etc. These are considered to be matters essential to establishing principle, which is where confusion arises. How much certainty does PiP for major development actually give to developers if access/ transport and other key considerations are not considered? It is difficult to see that developers would be any further forward using this route to consent. Does PiP actually give that much certainty to developers when the so much is left for consideration at technical consents stage.

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

As previously discussed, the principle of development is often the politically sensitive issue, meaning that if these applications are determined by Committee and refused, the appeal process could add additional cost through time and appeal preparation costs. This would also mean additional appeal costs if the technical details are also refused. This could be overcome by having no right of appeal; however, this would again not achieve the objectives of PiP for major development. Alternatively, there would need to be a fast track appeal route, and be written representations rather than hearing or appeal, for this application type. Could PiP and technical approval run alongside one another and be determined separately but at the same time?

The benefits are detailed within the text of the consultation in paragraphs 119 to 121 - formal decision on principle for low cost (if approved) giving the applicants better lending negotiation for technical approval.

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

Landowners and developers prefer the outline/planning permission route as opposed to PiP, and it is difficult to see this changing even with the measures proposed as there are no clear advantages to this approach.

However, in rare circumstances some landowners and developers may choose to use the route to formally establish principle - but the popularity of this could be dependant on the appeal options and how this is envisaged to work. Introducing another appeal level would more likely dissuade large housebuilders from using the route as it would add time to being able to actually commence development on a site.

**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 changes to the affordable housing threshold will reduce the supply of affordable housing. This will adversely impact groups which are more likely to be in need of affordable homes, limiting access to new affordable housing. The impact could be mitigated by keeping the existing threshold or by only allowing a minimal increase.

The provision of First Homes may reduce the supply of other forms of affordable homes, leading to an imbalance in the type of affordable housing being secured and that required based on local assessments of need. Again, this could adversely impact and discriminate on specific groups.