

Appendix 1

Mid Devon District Council's response to the Government's consultation on changes to the current planning system August 2020

Consultation Questions

Question	Response
<i>Standard method for assessing housing numbers in strategic plans</i>	
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?	<p>No.</p> <p>The basis for 0.5% of housing stock has no bearing on future housing need, this only reflects what has been built in the past. Household projections should have a holistic approach to encompass other factors such as potential aspirations for job growth or regeneration, migration, local affordability of housing, partnership working with others to ensure this reflects local housing need. An approach which locates growth where growth has previously occurred is fundamentally flawed.</p> <p>The outcome of the proposed amendment to the Standard Method will be to increase the annual minimum housing need figure for Mid Devon by 74% from the current Standard Method calculation of 367 to 641. This is effectively a top down figure that has no bearing on the capacity of the district to accommodate this level of growth and it has not been tested in terms of in terms of suitable and available land supply, topographical, landscape and other constraints, including flood risk, nature conservation, heritage and the predominantly rural and poor accessibility of much of the district. There has been no assessment of what infrastructure may be needed to support this uplifted figure and how this may be funded. There has been no assessment of how the uplifted housing number will be supported through growth in the economy, which is currently impacted by Covid-19 and in a fragile state, and with uncertainties that may follow Brexit. It is unclear how whether the development industry has the capacity to deliver uplifted housing numbers across nearly every local authority area in Devon and beyond, in terms of workforce and materials. The construction of new homes will also be limited by the rate of market absorption and that developers may choose to restrict supply to maintain property prices and levels of profit, notwithstanding the amount of land allocated. There should be provisions to ensure developers build out permissions. It is not sustainable to continue to require Local Authorities to allocate additional sites and grant permissions if builders are not building out their sites.</p>

Question	Response
Q2 – In the stock element of the baseline, do you agree that 0.5% of existing stock for the standard method is appropriate? If not, please explain why.	No. 0.5% is an arbitrary number that is not based on evidence to understand about future housing need.
Q3: Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method's baseline is appropriate? If not, please explain why.	No. This approach is too simplistic and doesn't take into account the affordability of property in the rental sectors or other factors. There is no evidence which demonstrates that the adjustment in housing numbers to adjust the baseline will lead to more affordable homes relative to the local area. The figure used for median earnings should be based on jobs available within a Local Authority area to reflect local wages, and should not be skewed (which may be the case where residents commute outside a Local Authority area for higher salaried employment).
Q4: Do you agree that incorporating an adjustment for the change of affordability over 10 years is a positive way to look at whether affordability has improved? If not, please explain why.	No, this approach is too simplistic and doesn't take into account the affordability of property in the rental sectors or other factors. There is no evidence which demonstrates that the adjustment in housing numbers to adjust the baseline will lead to more affordable homes relative to the local area.
Q5: Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.	The inclusion of affordability in the calculations is appropriate however we do not agree with the weighting. As proposed it is used in isolation without being sense checked for robustness, reasonableness or other factors and used on its own can lead to unrealistic housing figures that do not reflect local need or the ability of an area to take growth with consideration of constraints to the area.
Do you agree that authorities should be planning having regard to their revised standard method need figure,	This relates to Q6 and Q7. No. We do not agree.

Question	Response
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 (Reg 19), which should be given 6 months to submit their plan to the Planning Inspectorate for examination?	The consultation materials only refer to transitional arrangements for authorities whose local plan is already in production and has reached one of the Regulation 19 consultation stages. Further transitional arrangements should be made in relation to the application of the housing delivery test so that authorities that have seen an increase in their standard method need figure are not penalised at least in the short term for not meeting a need figure that they had no prior knowledge and no ability to plan for. Similarly measures should be taken with regard to the calculation of 5 year housing land supply where the relevant local plan is out of date so that the calculation is not immediately against the new standard method figures.
Q7: Authorities close to publishing their second stage consultation (reg 19) which should be given 3 months from the publication date of the revised guidance to publish their Reg 19 plan, and a further 6 months to submit their plan to the Planning Inspectorate?	The consultation materials only refer to transitional arrangements for authorities whose local plan is already in production and has reached one of the Regulation 19 consultation stages. Further transitional arrangements should be made in relation to the application of the housing delivery test so that authorities that have seen an increase in their standard method need figure are not penalised at least in the short term for not meeting a need figure that they had no prior knowledge and no ability to plan for. Similarly measures should be taken with regard to the calculation of 5 year housing land supply where the relevant local plan is out of date so that the calculation is not immediately against the new standard method figures.
If not, please explain why. Are there particular circumstances which need to be catered for?	The consultation materials only refer to transitional arrangements for authorities whose local plan is already in production and has reached one of the Regulation 19 consultation stages. Further transitional arrangements should be made in relation to the application of the housing delivery test so that authorities that have seen an increase in their standard method need figure are not penalised at least in the short term for not meeting a need figure that they had no prior knowledge and no ability to plan for. Similarly measures should be taken with regard to the calculation of 5 year housing land supply where the relevant local plan is out of date so that the calculation is not immediately against the new standard method figures.
<i>Delivering First Homes</i>	

Question	Response
<p>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)?</p> <ul style="list-style-type: none"> 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 LA and developer iii. Other 	<p>Of the three options, option (i) would be a preferred approach to align rental tenures with identified local need.</p> <p>Placing a requirement of 25% of affordable housing as First Homes will reduce the amount of affordable housing coming forward for rent including social rent. This will impact on the Council's corporate Plan where there is an objective to bring forward rented, particularly affordable social rented property which reflects the local need in this area. The requirement of 25% First Homes seems to ignore where schemes are viable with a higher proportion of other forms of affordable housing which reflects the local need. It is unclear whether First Homes replaces flexibility for custom and self-build which may be an alternative form of affordable housing. The discounted prices for First Homes may still be unaffordable to local people who in an area which has low wages and a low wage economy.</p> <p>It is unclear how First Homes will work – how will people prove that it is their first home? What type of houses will these be and how many bedrooms will they have? There is a need for a clear definition.</p> <p>Prioritising First Homes over other affordable housing types ignores the fact that there is significant need in Mid Devon for rented accommodation that is affordable, including social rented properties. Policy should be evidence based and reflect assessed local need and affordability. The economy is in a fragile state due to the impact of the Covid-19 pandemic and which is likely to be compounded by Brexit. More rented properties are likely to be needed where households are unable to secure mortgages in an insecure job market.</p> <p>The imposition of First Homes will impact on the ability of communities to have more control in what is planned locally through the preparation of Neighbourhood Plans.</p>
<p>With regards to current exemptions from delivery of affordable home ownership products:</p> <p>Q9: Should the existing exemptions from the requirement for affordable</p>	<p>It would appear logical for the sake of consistency to maintain exemption for First Homes.</p>

Question	Response
home ownership (e.g. 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.	No
Q11: Are any other exemptions needed? If so, please provide reasons and/or evidence for your views.	No
Q12: Do you agree with the proposed approach to transitional arrangements set out above?	We agree with the proposed transitional arrangements however there should be clarity over planning applications received where transitional arrangements have occurred.
Q13: Do you agree with the proposed approach to different levels of discount?	We agree with the level of flexibility over the level 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?	Yes, provided that the need to maintain viability through the inclusion of market housing is proven.
Q15: Do you agree with the removal of the site size threshold set out in the NPPF?	Local Plans should provide site size threshold based on the evidence when preparing the Plan.
Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?	Yes, we allow for affordable housing in rural exception sites on an exceptional basis where there is an identified need and there is already flexibility for some market housing to maintain the viability of schemes. Where there is an identified need this would add some flexibility to include a proportion of first homes.

Question	Response
<i>Supporting small and medium-sized developers</i>	
Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?	<p>Do not agree.</p> <p>This may result in a significant reduction in affordable housing coming through the planning process. A significant number of planning proposals are under threshold in any event it is unclear how this would support small and medium-sized developers.</p>
<p>Q18: What is the appropriate level of small sites threshold?</p> <ul style="list-style-type: none"> i. Up to 40 homes ii. Up to 50 homes iii. Other (please specify) 	<p>Other.</p> <p>It is considered that a maximum threshold of 15/20 homes would be more appropriate and more likely to support SME developers given that 40/50 is a significant site in the Mid Devon context and which are more likely to be in the control of national volume house builders.</p> <p>Small and medium developers are more likely to be in control of much smaller sites in the district and would not benefit from the increased threshold. There is a need for smaller sites to deliver affordable housing which account for a significant number of planning proposals coming through the process.</p> <p>Should the threshold be raised, the removal of the requirement for affordable housing should be looked at on a case by case basis through viability assessment, taking into consideration the impact of Covid-19 (which is the justification made by the Government for seeking to raise the threshold). The consultation document states the threshold will be changed for an initial 18 month period. This suggests it be open to extension, which would bring a longer period with reduced affordable housing being secured.</p>
Q19: Do you agree with the proposed approach to the site size threshold?	<p>No.</p> <p>The site size threshold should be set by the Local Planning Authority which reflects local circumstances.</p>
Q20: Do you agree with linking the time-limited period to economic	<p>No.</p>

Question	Response
recovery and raising the threshold for an initial period of 18 months?	There is no evidence to suggest that raising the threshold will support small and medium sized enterprises in Mid Devon whereas the affordability issue and housing need persists. If it is decided to pursue the raising of the threshold any amendment to the initial period should be treated with extreme caution given the impact on local housing affordability.
Q21: Do you agree with the proposed approach to minimising threshold effects?	No. Without advice/guidance published, it is not possible to understand what the proposed approach is to minimising threshold effects. There is a need to prevent the risk of sub-division of large sites to fall below the threshold and avoid providing affordable housing.
Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?	Yes. Rural areas have very different characteristics and needs to the urban areas so the proposed approach makes sense.
Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?	Set a national threshold for custom and self-build in new development which will help provide opportunities for SME's to have access to larger sites. Work with Homes England to provide further opportunities for custom and self-build on land/projects that they are involved with. Provide fiscal / financial support to SMEs through amending VAT, tax, and national insurance for employees.
<i>Extension of Permission in Principle consent regime</i>	
Q24: Do you agree that the new PIP should remove the restriction on major development?	No. The Council does not agree that the new Permission in Principle should remove the restriction on major development. Major development is likely to have a greater impact on the surrounding area and therefore should remain subject to a more rigorous consenting regime. Larger sites may more likely be affected by issues that need to be identified early on and sorted out before detailed stage. The development industry may use Permission in Principle as a cheaper route for land banking and choose not to bring the land forward for development for 5 years.
Q25: Should the new PIP for major development set any limit on the amount of commercial development (providing housing still occupies the majority of the floorspace of the	As residential would remain for the majority of the floorspace of the overall scheme this in effect would set a limit and therefore a formalised limit would not be necessary.

Question	Response
overall scheme)? Please provide any comments in support of your views.	
Q26: Do you agree with our proposal that information requirements for PIP by application for major development should broadly remain unchanged? If you disagree, what changes would you suggest and why?	<p>No.</p> <p>The information requirements for Permission in Principle for major housing developments are inadequate to make a sound judgment on site and provide an accurate decision on proposals made, for example, issues with placing pressure on existing services, needing new infrastructure to support it, or absolute constraints to development.</p> <p>If it is considered that Permission in Principle for major development will be pursued and that information requirements would broadly remain unchanged, this should come into force in line with changes as set out in the White Paper such the reform to the Local Plan system which advocates the inclusion of Permission in Principle as part of the planning system.</p>
Q27: Should there be an additional height parameter for PIP? Please provide comments in support of your views.	<p>Yes.</p> <p>If it is considered that Permission in Principle for major development will be pursued then additional information should be sought including the additional height parameter requirement.</p>
<p>Q28: Do you agree that publicity arrangements for PIP by application should be extended for large developments? If so, should LPAs be:</p> <ul style="list-style-type: none"> 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 	<p>Clarity should be provided in-line with changes as set out in the White Paper such as the reform to the Local Plan system in which Permission in Principle would apply to renewal areas. For Permission in Principle in large developments which don't fall within the parameters of the proposed changes reform to the Local Plan should include publicity arrangements. LPAs should be required to publish in (iii) both newspaper and digitally to reach all areas of society to achieve maximum publicity to enable people to engage effectively. It is considered that publicity arrangements should also continue include site notices, which is consistent with other application processes and ensures those living near the site and those without access to digital technologies are informed.</p>

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If you disagree, please state your reasons.	
Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?	No, concern there will be a cost deficit which not reflect the cost of delivering the planning department to process such applications along with the requirements of the future planning reform.
Q30: What level of flat fee do you consider appropriate and why?	Flat fee should represent the cost of processing the application.
Q31: Do you agree that any brownfield site that is granted PIP through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.	Yes – agree, this should become part of the annual monitoring process.
Q32: What guidance would help support applicants and LPA's to make decisions about PIP? Where possible, please set out any areas of guidance you consider are currently lacking and would assist stakeholders.	Land owners and developers see little benefit in gaining Permission in Principle instead of Outline given the lack of detail provided by Permission in Principle and certainty over key matters such as transport matters.
Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?	Where Permission in Principle comes forward in tandem with the new Local Plan reform there are benefits to the scheme. Outside the scope of the automatic Permission in Principle in the Local Plan reform the proposed scheme would add to the administrative burden of Local Planning Authorities, with the proposed fee structure not meeting the cost of delivering the service. To overcome this, the fee structure should reflect the cost of determining planning applications. Also given the lack of detail provided by Permission in Principle over key matters this could either cause a lack in take up of Permission in Principle or inappropriately determining the Permission in Principle given the lack of detail provided for an application of this type. To overcome this, Permission in Principle could be

Question	Response
	used in the provision of Local Plans as part of the new reform but in other cases outline permission would be considered.
Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.	The take up will be limited until the Local Plan reform measures come forward. Currently there has been limited take up of Permission in Principle in our Local Authority area.
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?	Not sure. Where Local Plan policy counts the provision of Gypsy and Traveller pitches towards affordable housing provision, it is unclear whether the imposition of 25% First Homes would impact on the provision of these pitches. There is a need for clarity on this matter from the Government so that any impact on the Gypsy and Traveller community is avoided.