

## **Planning**

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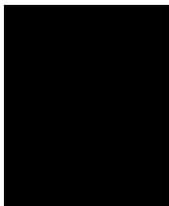
Dear Sir or Madam,

### **Changes to the Current Planning System – Consultation on changes to planning policy and regulations**

Thank you for the invitation to comment on the above consultation document. We have reviewed the consultation document and attach our responses to the questions to this letter.

Please keep us informed of any further consultation documents and do not hesitate to contact us if you wish to discuss any matters relevant to South Oxfordshire District Council (SODC) that arise as you progress with the reforms.

Yours Sincerely,



Juliet Evans

Senior Planning Policy Officer

## **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?***

No, the Council does not agree that planning practice guidance should be amended as set out in the consultation. The Council consider that Local Authorities should determine the appropriate baseline for projecting housing growth in their areas. This is an effective and more sustainable way of making sure that the housing need is met and will help to deliver what is required for the local area.

We agree there is a need to plan for housing to support clean green economic growth but we consider that the standard method is too inflexible and simplistic as a tool for determining housing numbers and that a more nuanced approach is required.

We consider that using the latest household projections averaged over a 10-year period unfairly penalises those local authorities that have been delivering growth. For example, if an authority has been delivering a high level of housing over recent years then the household projections will take this into account and provide higher household projections going forward. Conversely, authorities that have delivered a lower level of housing are therefore likely to have a lower requirement and a lower household projection. As the ONS state, "Household projections are not forecasts and do not take into account policy or development aims that have not yet had an impact on observed trends. It should also be noted that future demographic behaviour is inherently uncertain, meaning that any set of projections will almost inevitably be proved wrong, to some extent, when treated as a forecast or prediction of future numbers of households"<sup>1</sup>. Additionally, household projections do not take into account constraints and whether the projection is feasible. Therefore, we do not consider household projections to be an appropriate or sufficiently accurate source on which to base the standard method, without further regard to other factors that have a role in determining housing need.

As an example, where the proposed approach does not work, the delivery of a large settlement such as a Garden Village or Town could provide a high number of homes in an authority over 5 years, but would the same authority then be expected to provide a similarly sized settlement in the next 10 year period? We would hope not. This approach could potentially deter local authorities from supporting proposals for new garden communities.

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<sup>1</sup> Methodology used to produce household projections for England: 2018-based, Available from <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/methodologyusedtoproducehouseholdprojectionsforengland2018based>

**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.**

Please see comments above – the Council considers that local authorities should establish the local need. Incorporating the housing stock will not give a clear indication of what is required or why.

**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.**

This is a reasonable approach and we agree with the proposal put forward in paragraph 32 that the workplace-based ratio (used in the current standard method) is considered most appropriate.

However, it is not clear how the impact of COVID will be factored into this, as recent reports in the media suggest that there could be significant impact on earnings as a result of the pandemic and its impact on the economy.

**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.**

The Council considers that affordability is affected by several factors and that there is no evidence to support the view implied within the consultation that providing more homes will improve affordability. In fact, the Letwin Report<sup>2</sup> on Build Out Rates takes this issue into account and concludes that housebuilders will not build out at a rate that reduces house prices, as this contradicts the pricing assumptions built into the housebuilders business model.

The provision of more homes is unlikely to drive down affordability in our District, due to the proximity to London, Oxford and other nearby economic centres. Adjusting the housing need calculation on this basis potentially puts unreasonable additional pressure on rural authorities like ours to deliver more homes.

In the longer term, providing more homes within our rural districts could have a detrimental impact on the rural environment that attracts people to move to these areas in the first place.

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

The Council considers that affordability is given too much weight within the standard method. As set out in our response to question 4, providing more homes within our rural Districts will not drive down affordability in an area that is highly desirable.

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<sup>2</sup> Independent Review of Build Out Rates- Draft Analysis, Available from [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/718878/Build\\_Out\\_Review\\_Draft\\_Analysis.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718878/Build_Out_Review_Draft_Analysis.pdf)

Housing requirements should include a cap on the ratio to allow for the physical limits on what can be delivered within a rural location. The Oxford Green Belt and the AONBs within our district limit the potential to deliver new development and continuous housing growth will adversely impact on the rural environment that currently attracts people to our district.

***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?***

The Council is not at this stage with our Local Plans and therefore have no comment on Q6 and Q7.

### **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)***

We acknowledge that the First Homes initiative has an important role to play in helping first time buyers step on to the housing ladder. However, in our response to the First Homes consultation, we expressed concerns that the First Homes initiative shouldn't be prioritised at the expense of the rented sector, and those households most at need, particularly in our district. With the introduction of a compulsory requirement that states 25% of affordable housing must be First Homes, we are concerned that this could potentially restrict the provision of new affordable housing (particularly social rented housing) supply for those in greatest need, for example those on low income in rural areas where more rented accommodation is required.

Additionally, we also consider that it will likely displace other affordable tenures, especially social rent, and detract from the ability of the Council to meet the needs of the lowest income and deprived households. Regarding the most appropriate option for the remaining 75% of affordable housing, we consider option one (i) to be preferred. This is because it is most appropriate for local authorities to set this within Local Plans considering both the local housing market and local housing need.

***With regards to current exemptions from delivery of affordable home ownership products:***

***Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to apply to this First Homes requirement?***

Yes, the Council thinks it should apply as they are similar initiatives in terms of the discounted prices and the aim is at first time buyers. We also consider that self and custom build properties as well as community led housing should be exempt.

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

All the exemptions should be applied as both first homes and starter homes are similar products.

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

No, the Council considers that there are sufficient exemptions.

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

The Council agrees that transitional arrangements are required and what is set out is logical. However, a longer period than 6 months for development plans would be required for the transition period, the Council considers that at least a year should be allowed for.

For applications that are already in the planning process we would suggest this threshold should be 15% or lower, so that we can retain another tenure i.e. shared ownership whilst also providing First Homes.

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

No, we consider that it should remain at 30%. This Council is within an expensive housing market area so we may lose part of our affordable housing on sites if we have a lower threshold.

***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, the Council agrees that some market housing should be introduced on the first homes exception sites to ensure viability and to enable sites to be brought forward. In addition to this, it will also allow any resident who lives in the rural area access to new homes which they can afford on the open market without government assistance but have been unable to do so due to lack of development in that area.

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

No, the Council thinks the threshold should be maintained at the present level. This is because if it isn't maintained on rural exception sites we will see larger numbers of houses coming forward in rural villages which may have consequences for both the rural environment and infrastructure.

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

Yes, it should not apply in these designated rural areas as these sites are usually affordable homes proposals for local people. These areas do not lend themselves geographically to large developments because of their size and location. Where small developments are identified to meet the need it is important that these homes are built where they are needed in the right location to meet that need.

**Supporting small and medium-sized developers**

***For each of these questions, please provide reasons and / or evidence for your views (if possible):***

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

No, we disagree with the proposed approach. The loss of affordable housing would outweigh the benefits. The previous rise to the existing site size threshold of ten or more was supposed to be temporary. It is already causing the loss of affordable housing provision in our rural area. It has allowed small private developers to build expensive housing that are unaffordable for the average resident and those on low incomes. Raising the threshold higher would exacerbate the problem and would be hard to reverse back in future: we do not consider that temporary measure would be temporary.

**Q18: What is the appropriate level of small sites threshold? i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)**

We consider that the Local Plan is the most appropriate location for setting the small sites threshold. The amount of affordable housing that can be secured on sites will vary significantly across England.

Our Council's policy is set out below. This detailed policy example provides flexibility for those SMEs that might experience challenges with ensuring that a site is viable. A revised threshold of 40 or 50 homes would achieve fewer affordable homes being delivered in our area where affordability is already an issue for those who need access to the housing market.

The emerging South Oxfordshire Local Plan 2035 contains Policy H9 on affordable housing:

*'The Council will seek affordable housing contributions in accordance with the criteria set out below:*

- *40% affordable housing on all sites with a net gain of 10 or more dwellings (Use Class C3) where the site has an area of 0.5 hectares or more.*
- *For proposals of less than 10 homes in the AONB, this will be sought as a financial contribution.*
- *On sites adjacent to Oxford City: 50% affordable housing on all sites with a net gain of 10 or where the site has an area of 0.5 hectares or more*

*Proposals where affordable housing is required should have regard to the following:*

- i) In circumstances where it can be adequately demonstrated that the level of affordable housing being sought would be unviable, alternative tenure mixes and levels of affordable housing provision, may be considered;*
- ii) In cases where the 40% calculation provides a part dwelling, a financial contribution will be sought equivalent to that part residential unit;*
- iii) The Council will expect a tenure mix of 40% affordable rented, 35% social rented and 25% other affordable routes to home ownership with the exception of Berinsfield (see specific tenure considerations in Policy STRAT10i);.*
- iv) With the exception of part dwellings, the affordable housing should be provided on site and the affordable housing should be mixed with the market housing;*
- v) The affordable housing should meet required standards and should be of a size and type which meets the requirements of those in housing need;*
- vi) Affordable housing should be indistinguishable in appearance from market housing on site and distributed evenly across the site, with these units being clustered in groups of no more than 15 homes;*
- vii) To prevent the artificial subdivision of sites with the same landowner, where land is subdivided to create separate development schemes that cumulatively meet the thresholds of this policy, the Council will consider the site as a whole and will seek affordable housing on each part. The Council will also consider the site as a whole where a developer seeks to amalgamate adjacent sites*

*with the same landowner into a single development thereby meeting the threshold.'*

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

No, we do not agree with the proposed approach to the site size threshold. As set out above, affordable housing policy should be set at the local level. In areas where we have unaffordable housing, the provision of affordable housing is crucial. As this reflects local circumstances this should be set out in local development plan policies.

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

No, we are concerned that firstly the 18 month period will result in the loss of a number opportunities to deliver much needed affordable housing in our district; all the most appropriate sites will be developed with no affordable housing. Also once introduced, there is also likely to be an adverse reaction from the development industry if it were re-introduced at the end of the 18 month period. The Council strongly suggests that this requirement is set locally with local engagement.

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

No, we disagree with this proposed approach. Setting out in planning guidance, how we can secure affordable housing where it is apparent that a larger site is available, is naive at best. There are many loopholes that landowners can use, outside the planning system, to side step requirements such as affordable housing.

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

Yes, we agree that this policy should not be amended in designated rural areas.

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

SME's can be supported by partnering with Registered Providers in the district, to undertake the development of most rural exception sites where possible. In addition, SME's can also work with Community Land Trust (CLT) as they are noted for taking on small sites. In cases where there is council owned land, the council can also work together with the SME's in bringing these sites forward as affordable housing.

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

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

We consider that the Permission in Principle (PIP) should not remove the restriction on major development. As the scope of PIP is limited to location, land use and the amount of development, it can be difficult to fully assess the impact of development through PIP when technical constraints cannot be considered. As major applications require numerous assessments to determine whether permission should be granted, we consider that PIP would not be suitable in this circumstance.

If PIP were to be introduced for major development, its limited scope would leave a great number of details to be assessed at the technical details consent stage. For a major application, a great deal of technical details are required to be assessed to ensure an informed decision is reached, including S106 obligations and infrastructure requirements. Due to limitations on the scope of PIP applications, these assessments would not have been undertaken or constraints considered, which would subsequently require extensive work to be undertaken at this late stage. Furthermore, as the initial assessment is limited, it is also very likely that during the technical details consent stage matters emerge that would identify a scheme as undeliverable. As a result of the above, we consider the purpose of PIP, which is to make obtaining planning consent quicker and more cost-effective, is hard to achieve. Therefore, the Council does not consider removing the restriction on major development to be beneficial.

***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.***

As we do not consider Permission in Principle to be suitable for major development, including commercial major development, please see our answer to question 24.

***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?***

As set out in our answer to Q24, the existing scope of PIP is limited to location, land use and the amount of development. As a result, it requires difficult judgements to be made when assessing the impact of development through PIP as technical constraints cannot be considered. As major applications require numerous assessments to determine whether permission should be granted, we consider that PIP would not be suitable in this circumstance, as the amount of further information that would be required would not meet the purpose of a PIP application. Similarly, the limited period for public and statutory engagement is not realistic, it should be at least 21 days.

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

We would support an additional height parameter for Permission in Principle, as we consider the current information requirements to be too limited. However, it will bring

in design and impact assessments, leading to greater confusion regarding what is recognised.

**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.***

If the restriction on Permission in Principle for major developments were to be lifted, we agree that publicity arrangements should be extended though social media. We strongly advise against notices in the press, which go to a limited part of the community who buy a local paper and, as there is no newspaper competition, editors can charge excessive costs to councils.

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

We accept the proposal for a banded fee structure, however we do not agree that there should be a maximum fee cap. A maximum fee cap would result in a reduction in fees received from PIP which would potentially be costly for the Council, and therefore would have little public benefit.

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

We consider the current fee for Permission in Principle of £402 per 0.1 hectare to be appropriate, as it covers the costs of undertaking consultation and assessment against local and national policy.

**Q31: Do you agree that any brownfield site that is granted Permission in Principle through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.**

Yes, although we do not publish a Part 2 of the Brownfield Register and we understand that this is the case for many local authorities as it is a discretionary requirement.

**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.**

Although further guidance and clarity on the purpose, process and benefits of PIP is welcomed, we do not consider that it will solve the inherent issues PIP presents, as set out in our answer to Q24. Additionally, further information and clarity should be

made available for the general public to access about PIPs, as in our experience it has generated considerable confusion and anxiety amongst local people and councillors.

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

We have set out a number of drawbacks in our answer to previous questions. Firstly, the limited scope of PIP would leave several key details to be assessed at the technical details consent stage, where the scheme could then be identified as undeliverable. The only way to overcome this would be to widen the information requirements for PIP to include these key assessments, although we recognise this would ultimately defeat the purpose of PIP, which is to make the initial assessment stage quicker. Therefore, we do not consider major development to be suitable for PIP. Secondly, we consider the limited period for public and statutory engagement is not realistic, however this could be overcome by extending this period to at least 21 days. Lastly, we consider the introduction of this proposed scheme would cause further confusion and anxiety amongst local people and councillors. The confusion could potentially be overcome by providing further guidance and information to the general public regarding the purpose and key benefits of PIP, however we consider the anxiety PIP causes more difficult to overcome.

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

Since PIP has been introduced, the uptake by developers in our District has been very low, and we do not consider this will rise as a result of a restriction on major development being lifted. We have had only 7 PIP applications, all of which have been withdrawn or refused, with one currently undetermined. We consider that the issues we have raised in Q24 above has an impact on the popularity of PIP, which is reflected in the low number of PIP applications received.

***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?***

Yes, as reflected in our answers to Q17 and Q8, we consider that the proposals to raise the small sites threshold for a time-limited period will result in a loss of affordable housing (Q17), and the prioritisation of First Homes could likely displace other affordable tenures (Q8), particularly social rented housing. The loss of affordable housing, and importantly social rented housing, will disproportionately impact minorities and others with protected characteristics such as those with disabilities.