

# Scope of the consultation

Topic of this consultation:	This consultation seeks views on a range of proposed changes to the current planning system including: <ul style="list-style-type: none"> <li>• changes to the standard method for assessing local housing need</li> <li>• securing of First Homes through developer contributions</li> <li>• temporarily lifting the small sites threshold</li> <li>• extending the current Permission in Principle to major development</li> </ul>
Scope of this consultation:	The Ministry of Housing, Communities and Local Government is consulting on changes to planning policy and legislation.
Geographical scope:	These proposals relate to England only.
Impact Assessment:	N/A

## Basic Information

To:	This consultation is open to everyone. We are keen to hear from a wide range of interested parties from across the public and private sectors, as well as from the general public.
Body/bodies responsible for the consultation:	Ministry of Housing, Communities and Local Government
Duration:	This consultation will last for 8 weeks from 06 August 2020 and will close at 23.45 on Thursday 1 <sup>st</sup> October 2020.
Enquiries:	For any enquiries about the consultation please contact:  <a href="mailto:TechnicalPlanningConsultation@communities.gov.uk">TechnicalPlanningConsultation@communities.gov.uk</a>
How to respond:	You may respond by going to our website:  <a href="http://www.gov.uk/government/consultations/changes-to-the-current-planning-system">www.gov.uk/government/consultations/changes-to-the-current-planning-system</a>  Alternatively you can email your response to the questions in this consultation to:  <a href="mailto:TechnicalPlanningConsultation@communities.gov.uk">TechnicalPlanningConsultation@communities.gov.uk</a>  If you are responding in writing, please make it clear which questions you are responding to.

Written responses should be sent to:  
Changes to the current planning system consultation  
Ministry of Housing, Communities and Local Government,  
3rd Floor, South East Fry Building  
2 Marsham Street  
LONDON  
SW1P 4DF

When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include:

- your name: Roger Ranson,
- your position Planning Policy Manager, and
- the name of organisation Rutland County Council.

## Summary

The Government consultation 'changes to the current planning system', proposes a number of changes to the planning system, that if implemented would have significant implications.

Rutland County Council disagrees with the assertion that the planning system is the fundamental block to delivering housing. This focus is misplaced in both this consultation and the separate 'Planning for the Future' white paper which proposes wide reforms. It is settled in national legislation and policy that the planning system must be genuinely plan-led; each plan is examined against four criteria for soundness and will be tested for 'deliverability'. Therefore, the basis of each adopted plan must be sound.

Proactive and positive local authorities have shown that high quality developments of a strategic scale can be planned for, funded and delivered alongside substantial infrastructure investment under the current system.

The primary focus of our response is as set out below:

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

The outcome of the amended standard method makes no sense when applied to the County the size of Rutland:

- Household projections are too highly volatile at the local authority level to be one of only two factors which drive any standard method calculation without sense check and qualification. Year on year calculations using the current standard method or proposed standard methods give huge variations form year to year.
- In many cases household growth in the 2018-based projections are at odds with all past projections.
- Similarly, affordability does not respond proportionate to the scale of housebuilding making it unsuitable to be used as one of only two factors which drive any standard method calculation.
- We request that government scrap the approach of a standard method and instead introduce an alternative approach which takes into account a range of factors to establish a robust housing requirement in consultation and engagement with local authorities. Factors should include infrastructure investment, environmental impacts, proportionality and deprivation. Household projections and affordability should not be applied without judgement being exercised. The outcome should remain in place for a period of time, and not be amended on an annual basis to enable a genuinely plan-led system.

### Delivering First Homes

- The delivery of First Homes at the expense of affordable housing will reduce housing options for those households in greatest need.
- We request that any requirement introduced by government should be in addition to other affordable housing provision, with the mix of affordable housing tenures left to local authorities to decide based on their local needs and circumstances.

### Supporting small and medium-sized developers

- The delivery of affordable housing is not inhibiting small and medium developers, with development plan policies having been found sound by a government appointed Inspector. There is little evidence of a material change in land values, the cost of materials, house sales prices or borrowing costs.
- We request that the government look at other means to support developers than the extremely blunt tool of the planning system which is based on the merits of the development and an assessment of impacts, not the identity of the applicant.
- We believe what is being proposed will inevitably lead to development being undertaken in lots of less than fifty homes to avoid any obligation for affordable housing.
- Indeed, we would request that there should be no exception to the obligation to provide for affordable housing.

### Extension of the Permission in Principle consent regime

- The consideration of major developments through the Permission in Principle (PiP) regime is not suitable as the minimal information requirements will rarely be enough to provide certainty and allow permission to be granted.
- An approach of upfront detailed pre-application discussion, and engagement with the community, followed by a planning application works well and delivers planning permissions (not delivery as this is down to the developer) whilst minimising risk for applicants at the earliest stage.

The proposed planning reforms promote increases in land supply to meet national supply aspirations, with the current plan led supply being 187,000 dpa the current 5 year supply requirement and housing delivery test does not align with the increase being brought forward by the government and will just lead to the short term removal of a plan led system. The White Paper proposes to remove the requirement of the five year housing land supply, this should be brought forward as part of the planning reforms and as part of transitional arrangements to ensure that plan led development can be maintained in the short term prior to revised housing requirements.

**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?***

There are two particular difficulties with the standard method:

1. The way the inputs are used; and
2. Their robustness to inform housing need and distribution.

But there is an overriding difficulty with the formula in that it by definition puts new homes where there has been recent development and it compounds that issue with an affordability argument that makes no sense at all. The affordability argument assumes that if the obligation on the local authority is to increase consents that will result in increased delivery which will consequently result in reduced prices. This very flawed argument has no basis in either empirical or logical fact. The development industry is correctly motivated by optimising the benefit for its shareholders or owners and will not reduce margins by lowering prices and overdelivering rather it will manage

supply to keep prices to the highest level conceivable.

There are significant reasons to be sceptical about the suitability of the household projections, particularly when applied to a Unitary authority the size of Rutland.

The above leads to real and substantial questions as to the suitability of the standard method's approach.

It is notable that the consultation document raises no question on whether the outcome of the proposed amendment to the standard method makes sense.

Whilst housing stock statistics are factual and based on a count, they cannot be said to be representative of housing need. Sole reference to the housing stock acts to simply reinforce the distribution of housing in line with the existing pattern of development and the availability of land at a particular point in time.

There are also significant issues with using household projections. Similarly, to stock, the sole reference to projections acts to reinforce recent trends which will have been influenced by past decisions. They do not represent housing need and they do not ask the central question of where housing should be directed.

Whilst projections are a useful tool at the national scale, they are highly volatile at the level of individual local authorities – such as Rutland - where they are highly influenced by single inputs and short-term trends.

One of the reasons for volatility at an individual local authority level in the 2018-based household projections, is the application of a revised methodology to consider migration.

This considers only two years of data, heightening the influence of short-term trends. The ONS publication 'Methodology used to produce the 2018-based subnational population projections for England' itself recognised this issue stating:  
*"There is a chance that using only two years of data will create unusual averages for local authorities experiencing abnormal migration patterns over this short period."*

Housebuilding clearly has an impact on migration. Put simply, more housing enables faster migration, whereas fewer houses act to slow migration. In summary, neither housing stock statistics and household projections provide, either in themselves or together, a robust starting point from which to consider the future need and distribution of housing.

We request that government scrap the approach of a standard method and instead introduce an alternative approach which takes into account a range of factors to establish a robust housing requirement in consultation and engagement with local authorities. Factors should include demography and affordability but also other factors such as infrastructure investment, environmental impacts, deprivation and proportionality. Household projections and affordability should not be applied without judgement being exercised. The outcome should remain in place for a period of time, and not be amended on an annual basis to enable a genuinely plan-led system.

If the Standard method is still to be used, then we would suggest that an average 15 year period should be used, which allows a longer term view to be taken. This would provide a rounded figure of 180 dwellings per annum (dpa) for Rutland, which shows substantial growth over the rounded 130dpa of the current standard method and is in excess of the Objectively Assessed Need of 160dpa.

**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, please see above

**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. In Rutland this would produce a figure of 307dpa for Rutland. This is not sustainable or deliverable in such a small rural County and is more than double the figure from the current standard method figure of 130dpa (rounded). The Council has prepared a new Local Plan which is due to be submitted by the end of the year. The plan has been developed on the basis of a standard methodology requirement of 130 dpa, however we have applied a 25% buffer to this base requirement to reflect the more detailed evidence from our SHMA. Finding sufficient land to allocate which is sustainably located and contributes to developing sustainable places has been challenging.

If RCC were to meet this increased requirement of 307dpa, development would have to be delivered predominantly on greenfield, agricultural land on the edge of settlements across the County, as there is very little brownfield land within the county. This approach would also exacerbate issues of rural accessibility where households are heavily reliant on the private car to access services and employment opportunities.

We disagree with:

1. The use of median affordability; and
2. The suitability of workplace-based earnings.
3. The concept of affordability

A median average is the 'middle' figure. That is, if all house sales in a year were put in order of price, the median would be the one halfway through.

Affordability is more suitably considered by reference to lower quartile house prices and earnings. This reflects affordability for those who are most likely to have difficulty accessing the housing market. In addition, HM Land Registry data shows that lower quartile house prices are less impacted by the inflationary effect of new house sales on average prices.

We consider there is a strong case for considering lower-quartile affordability instead of median affordability.

Workplace-based earnings are based on where a job is registered, not where the employee lives. Consideration of earnings where an employee lives is known as residence-based earnings. Turning to earnings data, there are clear grounds for considering residence-based earnings to be more relevant to issues of affordability than workplace-based earnings. Put simply, workplace-based earnings fail to recognise the changing nature of employment and the geographical and functional links between places. In Rutland 60% of residents work outside the County.

There has been a clear upward trend in more flexible working patterns such as working from home either fully or partly. This has increased exponentially during Covid-19 and can be

expected to continue. This makes considering earnings by where a job is registered (workplace-based) even less relevant, to where it is actually carried out (residence-based). In addition, workplace-based earnings are not capable of taking into account the geographical and functional relationship between places such as sustainable transport links.

It is notable that the consultation document states that the government has given consideration of the relevant merits of workplace-based and residence-based earnings statistics, and concludes that the former is most appropriate, but provides no explanation on how the government reached their conclusion.

**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.**

It is right to look at affordability and how it has changed, but a simple multiplier is a very blunt instrument when the overall figure produced is not sustainable and may be more than the market can bear. A cap must be imposed in order that overall housing requirement for areas such as Rutland is reduced to a deliverable and sustainable level. The 40% figure produced by the current standard method is considered appropriate and should be retained. This would produce a challenging, but more achievable figure of 180dpa (rounded) for Rutland.

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

No. The Affordability Ratio would inflate a household growth-based figure in Rutland of around 190dpa to 307dpa. This would then feed into future household projections as the number of homes increases. When the proposed standard method is then used again in the future, the affordability adjustment will have been absorbed into the past household growth trends. However, the Affordability Ratio would then be applied on top of this, leading to double-counting. This could lead to a steep increase perpetuated over the course of many years. This is not sustainable.

The proposed standard method sets housing numbers higher than before, partly to address potential future non-delivery of some dwellings. However, the part of the figure which relates to future non-delivery should be deducted from the overall target and used in part for reserve sites.

There are two particular difficulties with the weight given to affordability in the standard method:

1. That affordability does not respond proportionately to the scale of house building; and
2. The double adjustment for affordability within the formula.

Both the existing and the proposed standard method utilise affordability as the sole factor to adjust the baseline input to calculate the minimum number of homes required to be planned for by each local authority. Put simply, the government's logic is that building a greater number of homes improves affordability, and that building fewer homes makes it worse. This logic is however demonstrably flawed.

It is clear from HM Land Registry data that greater levels of house building have not acted to stabilise or reduce house prices. Data shows no material variation between local authorities that have just met their housing requirements compared to local authorities that have under-delivered or others that have significantly exceeded it. Whilst house building will have some impact, it is clear

that house prices and affordability are influenced by a range of factors (as indicated above in respect of developers business strategies to manage house prices and profit margins).

It is also clear from HM Land Registry data that the scale and price of new houses has in fact driven up the median average house price. It is a widely accepted fact that a market premium is placed on the price of new homes when compared to the equivalent older house. Substantially greater levels of building can materially inflate the median house prices, and therefore result in a headline of worsening affordability.

**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?**

No. This should be a longer period of time such as 9 months. This needs to take account of the fact that teams are still remote-working and that a second wave of Covid-19 may still occur.

**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?**

No.

**If not, please explain why. Are there particular circumstances which need to be catered for?**

This should be a longer period of time such as 12 months. This needs to take account of the fact that teams are still remote-working and that a second wave of Covid-19 may still occur. The consultation document makes no reference to whether the changed method is to be applied with immediate effect to calculations of the deliverable housing land supply (i.e. the five year housing land supply) and associated impacts on whether adopted development plan policy is up-to-date and the presumption in favour of sustainable development.

It is clear the implications of the amended standard method for many local authorities would be to move them from a position of being able to demonstrate a deliverable housing land supply, to one where they cannot. If we are to retain a genuinely plan-led system, changes which have such significant implications for residents should not occur over night and be instead subject to suitable transitional arrangements where local authorities have opportunity to put plans in place through democratic processes.

**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.**

Negotiation between the local authority and the developer would be the Council's preferred approach, as the emerging local plan does not include fixed targets in policy for the different types of affordable housing provision. There needs to be a market for the development of First Homes through commuted sums from developers for what may be a very small number of dwellings that have to be provided off-site. This could be through a co-ordinated approach through the development industry, or registered providers being encouraged by Homes England. Advice to local authorities re State Aid would also be useful.

The introduction of this new form of tenure should, if anything, be in addition to currently secured levels of affordable housing provision rather than in place of as proposed. Whilst we recognise First Homes will potentially meet the housing needs of a sector of our residents, requiring a minimum of 25% of any affordable housing provision to be met through First Homes will have the impact of reducing the housing options for those households in greatest need. It is our view that it should be for local authorities to determine the affordable housing tenure expectations that best meet the needs in their local areas. It is at local level that assessments of needs have been carried out, which should inform these expectations.

However, if the above 25% policy is enacted then our view is that the decision on the affordable housing tenure mix for the remaining 75% should sit with the local authority in line with the principle outlined above.

We are concerned with the proposal that national policy specify that 25% of off-site financial contributions should be spent on First Homes. This goes further than existing policy on affordable home ownership, which contains no such explicit requirement. Priorities are best assessed by the local authority.

This would mean that with the First Home Contribution and the Parish Council contribution (where a Neighbourhood Plan is in made), only 50% of developer contributions would be for much needed infrastructure.

**iii) Other (please specify)**

**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.

We agree that all the existing exemptions from the requirement for affordable home ownership

products should apply to any First Homes requirement and that no further exemptions are needed

**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.**

The exemption from Levy payment should be a matter for local determination by planning authorities.

No additional exemptions are required, as long as the wording “unless this would ... significantly prejudice the ability to meet the identified affordable housing needs of specific groups” (paragraph 64) is retained. Loss of this wording would unacceptably limit local flexibility, and may result in the need for further exemptions to be established

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

In principle we agree that there should be transitional arrangements that give local authorities the option but not requirement to review the tenure mix of any schemes where advice had already been given on the mix required to meet local needs. If the local authority decides that the previous requested tenure mix remains appropriate for the scheme then it should be progressed under those terms, reducing any risk of delays in delivery.

If the First Homes 25% requirement is introduced, then we would also agree that a transitional period is required to enable local authorities to review and amend the tenure ratios set out in their existing Local Plans.

We believe that the transitional arrangements should apply for local plans submitted within 9 months of the changes being enacted

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

Yes.

We agree that there should be local discretion on the level of discount from market price at which First Homes are sold – up to 50% in areas of high property prices and where there are significant challenges around affordability.

Whilst we recognise that a 30% discount off market price will open up the opportunity to a number of our residents, we feel that the high local property prices will still mean that First Homes remain unaffordable for the vast majority of households in housing need.

**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, we would agree with the option of providing a genuinely small proportion of market housing, in exceptional circumstances, to ensure the overall viability of the site. It should be for the applicant to demonstrate why this is necessary on a case-by-case basis, and based on viability considerations only.

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

No, this could lead to applications for very large entry level exception sites on the edges of towns and larger settlements. This would not help to create sustainable mixed and balanced communities. For example in Rutland it could result in applications for sites of two hundred or more dwellings for the 'main' small market town of Oakham. It could also mean that large sites, which could have been allocated and built out in later local plans, are brought forward prematurely and be unable to meet a wide range of needs.

The removal of a threshold limit could allow for substantial developments to come forward without any reference to most local plan policy, since exception sites are only required to reference policy in the NPPF or local design policies. This could significantly undermine the adopted local plan and the plan-led approach to development set out in national legislation and guidance.

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

Yes.

**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?**

(See question 18 for comments on level of threshold). No. This would have a significantly adverse effect on the delivery of affordable housing. For the five years between 2015-20, 51% of the affordable housing delivered through section 106 agreements in Rutland were on sites of 50 homes or less. As there were no sites of between 41 and 50 dwellings, the same percentage applies for the 40 homes threshold.

Of the sites allocated for housing in our new Local Plan only 6 out of 18 sites would qualify for affordable housing, and of these 6 only 1 is not located in the main town or the proposed Garden Community – the proposed change to the threshold would therefore reduce the council's ability to deliver affordable homes, particularly within villages where there is a known need for affordable housing. The NPPF requires Local Plans to make provision for at least 10% of the housing requirement on small housing allocations of less than 1 ha this combined with a increase in the site threshold as proposed would result in an overall reduction of affordable housing supply via allocated site in Rutland of 11%.

Introduction of a higher threshold for a limited time will result in developers prioritising development of sites under the affordable housing threshold during the temporary period. This will affect delivery homes on larger sites and could therefore have a significant effect on housing

delivery and five year housing supply across the country.

There is also a likelihood that large developers, seeking to avoid an affordable housing contribution will acquire sites under the threshold. There is also a risk that sites will be artificially split; whilst policy will try to combat this, it can be difficult in practice unless it is blatant.

We strongly adhere to the principle that national policy should not prevent local authorities from seeking contributions to affordable housing for any size of site if it can be justified by evidence. The move to reduce the potential supply of affordable housing is not justified by the current economic position, where provision will continue to be viable and deliverable. .

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

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

10 dwellings as currently prescribed. The use of higher thresholds would distort the market and restrict the delivery of both market and affordable housing.

We object to the proposal to raise the threshold at which contributions to affordable housing can be sought. We strongly adhere to the principle that national policy should not prevent local authorities from seeking contributions to affordable housing for any size of site if it can be justified by evidence.

A mechanism would be required to ensure that the subsidiary companies or putting a development site into lots of less than fifty could not abuse any thresholds in policy. The practice of subsidiary companies is commonly used for single development sites or developments within specific areas.

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

No. There is no guarantee the sites would actually be built out by smaller builders. Volume builders may acquire smaller sites to avoid affordable housing obligations for larger sites. The changes to planning policy to counteract the splitting of sites would have a limited impact as, in practice, sites can have complex ownerships and planning histories and it can sometimes be difficult to prove that a small site is part of a larger one. There is also a risk that smaller currently approved sites with an affordable housing requirement may be delayed whilst the developer seeks a modified design without the affordable housing requirement.

If a site size threshold is to be introduced alongside a threshold of number of dwellings, it should be made clear that it only applies where the dwelling number threshold is not already exceeded. It is not clear from the consultation document that this would be the case, but this is the way that the current 'major' development threshold is applied.

**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 do not agree to the change in principle. It is also not clear what the 18 months applies to.

If it is the grant of consent (which is generally just after the s106 is signed), an applicant could dig a trench etc. to make a material commencement and then sit on the site for, say, ten years and still get the benefit of the affordable housing waiver. Also if it is on consent it is unlikely that the change would have any real impact on economic recovery for at least 18- 24 months because of the lead in times for planning, pre-commencement and site preparation process.

If the waiver applies to sites which already have planning consent and where development has commenced or is about to commence it could have a more immediate impact on economic recovery – however there would need to be some process involved in amending S106 and or planning conditions which will have resource implications for the planning authority and in such circumstances it would significantly impact on the affordable housing supply pipeline.

However, if it is to be introduced for a time limited period of 18 months, it should come with a clear presumption that the threshold will expire automatically after 18 months unless there are clear recovery-related reasons for extending it. Such an extension should be subject to further consultation and clearly based on relevant evidence. Ideally, the criteria for considering whether it should be extended should be available at the point that the initial threshold is introduced.

There is certainly a perception that changes to the planning system are not always based on relevant evidence, as the recent expansion of permitted development rights on the same day as publication of a report highlighting the poor accommodation created by such rights demonstrates. It would therefore be very welcome if changes to the system could be linked more effectively to the evidence justifying those changes – as is expected of local authorities in plan-making.

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

No. The changes to planning policy to counteract the splitting of sites would have a limited effect as, in practice, sites can have complex ownerships and planning histories and it can sometimes be difficult to prove that a small site is part of a larger one. There is also a risk that smaller approved sites with an affordable housing requirement may be delayed whilst the developer seeks a modified design without the affordable housing requirement.

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

Yes.

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

Stop tinkering with planning system and UCO. Constant changes to the planning system add confusion and in many cases present contradictions between successive changes which in turn undermine local planning policy.

Developers will need support in understanding the proposed new style local plans and the new style of approvals as well as the changes to UCO and Prior Notification process. The planning system should not be the only, or the main, means to support SME builders. The government has many means at its disposal to support specific sectors and groups of businesses, particularly the tax system. The use of the planning system is an extremely blunt tool given that it is based on the merits of the proposal not the identity of the applicant

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

No. An Outline or Full application is needed to ensure that there is sufficient detail and evidence and to properly consult the local community. Information is also required to ensure that the site is deliverable before it is granted PiP. Major development sites often involve complex on and off site constraints which need to be addressed. The PiP process does not allow for this and significantly restricts the ability of the local community to engage with both the proposed development through PiP and importantly the design and appearance of the development once PiP is granted.

Conditions can be imposed on Outline and Full consents, along with section 106 agreements where appropriate, which help to control and guide the final form of development and establish development viability and feasibility.

There is an increased emphasis in planning policy and guidance on community engagement in development and planning decisions this is particularly important for major development proposals which are likely to have an impact on a larger number of people and organisations. The PiP process allows very little time to engage effectively with the community and even less time to use that engagement constructively in the determination of an application.

**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.**

See answer to Q24 above. We do not consider the PiP route appropriate for any form of major development. Where commercial development forms part of a proposal there are even more issues which would need to be considered in advance of determining an application, therefore mixed use proposals are considered even less suitable for PiP. The suitability of sites that are 'housing led' but with larger amounts of commercial floorspace need to go through an Outline or Reserved Matters process that takes into account residential amenity.

**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?**

No. The use of PiP for larger sites and extensive mixed use is not appropriate, as key assessments regarding transport, noise, archaeology, ecology, affordable housing etc. may be necessary to establish the principle. Five weeks is insufficient time to allow for consultation with the local community and for the LPA to consider the outcome of that consultation it is also not sufficient time to consider issues arising from evidence and consultee responses. Major development should be tested through an Outline or Full application process.

The minimal information submitted at PiP stage will very rarely be sufficient to establish the principle of the location, land use and amount of development. Larger scale developments are more likely to have impacts beyond the immediate locality of the site which will require testing, underlines why it does not make sense to extend PiP to major developments. If the amount of information to be submitted at PiP stage were to be extended, the 5-week timescale would not be

sufficient to assess it, particularly for major development, as demonstrated by the timescales for determination of major and EIA impacted planning applications. Additionally, the existing 2-week period for consultation is also likely to be insufficient.

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

Whilst we do not agree with the expansion of Permission in Principle, we do believe that a parameter would be beneficial. But how is this chosen and shouldn't it depend on the circumstances and location of an individual proposal.

The issue of height illustrates the difficulties with using the PiP process. Height is often a key factor in the consideration of the principle of development in established built-up areas. Height is also a key determinate of the amount of development that can be achieved on a site. Sensitivities of height include impacts on the historic environments, townscape and landscape, air traffic impacts, climate (including energy efficiency) and daylight. For many sites, the principle of the development cannot be divorced from consideration of height. Therefore, on the face of it, height should indeed be considered at PiP stage rather than Technical Details.

However, if height is to be included at a PiP stage for which the five-week timescale is unchanged, this causes an issue in that it is unlikely to be practicable to deal with height in this timescale. This is because acceptable height is likely to depend on daylight and sunlight assessments and potentially wind effects, as well as on assessment of impacts on any nearby heritage assets and local townscape, and will also be subject to considerable representations during public consultation which would expect to be informed by those assessments. Without these assessments at PiP stage, it is unlikely to be possible to determine that a certain height is acceptable in principle.

**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 with (ii), subject to a general requirement to publicise the application

Advertising in local newspapers is expensive and, in our experience, rarely represent value for money as a Public Notice is rarely the way the public expect to receive notification of a forthcoming development. However, otherwise, the consultation requirements for a major PiP application should mirror the consultation requirements for a major planning application

**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. PiP will take up a significant planning officer (and other technical experts) resources to deal

with these applications at speed therefore fees need to reflect this resource requirement. The PiP process also requires the LPA to provide the necessary evidence, to make the decision rather than an applicant – again this will be a significant resource implication for the LPA. We do not believe a cap should be placed on the fee structure for permission in principle.

Whilst this approach would reflect the outline application fee arrangements, a flat fee based on hectareage is highly unlikely to reflect the complexity of consideration of a proposal. A flat fee may well fall significantly short of covering the costs of assessing the application

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

We do not believe that a flat fee is appropriate and fees for permission in principle should not be reduced.

Current Permission in Principle (PiP) fees are slightly below the equivalent outline planning application fee for a similarly sized site. A similar approach to major applications may be most appropriate if PiP is to be expanded.

The fee should avoid creating a significant incentive for using a PiP route rather than outline where an outline application may well be the most appropriate approach.

It is worth noting that applicants are already abusing the outline system by submitting the vast majority of information at the outline application stage where the fee is substantially lower, rather than submitting information at the reserved matters planning stage

**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.**

We agree. This is our current practice, as any brownfield site with planning permission or PiP would be included on the brownfield land register.

**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.**

List of what evidence might be required for PiP decision and who is to provide this evidence  
It would be helpful if Permissions in Principle were available through the online system on the Planning Portal, which is not currently the case – see  
[https://www.planningportal.co.uk/info/200126/applications/61/paper\\_forms/2](https://www.planningportal.co.uk/info/200126/applications/61/paper_forms/2)  
Can only access paper forms not online forms for PiP

Guidance is not the issue.

The issue with Permission in Principle (PiP) is that the information at application stage to justify the location, land use and amount of development will be lacking for more complex or sensitive sites. Due to the minimal information required by PiP, an applicant may have to reduce the development capacity of the site to provide sufficient confidence of that impacts will be acceptable. Extending PiP to major developments will simply increase this likelihood.

National guidance will not resolve this issue, unless it expands upon the minimum requirements for submission, for instance, at least desk-based analysis of the relevant issues, which will determine

whether a site can actually be used for the proposed use (including: - flooding, ground stability, noise, smell and contamination), in which case timescales for consideration would need to be extended

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

Restricting local consultation and community engagement does not tie in with the objective of the White Paper encouraging local involvement in the process.

Additional resource capacity needed to determine applications within 5 weeks potentially at the cost of other application types . Could be overcome by increase in fee or additional grant funding support direct to LPAs to identify and allocate the brownfield sites to include on register.

Procurement (time and cost) of technical evidence to support a refusal of PiP for a site insufficient time within the process to consider consultation responses and technical evidence PiP decision being made without the necessary technical evidence to support them.

Limited ability to influence the design and quality of a development after PiP is granted.

To a large extent this depends on the level of information required, the timescales for determination and the application fee, all of which are matters that are not yet determined. Without significantly greater information requirements for major applications for Permission in Principle (PiP), it will often simply not be possible to agree to the principle of development.

A five-week timescale is insufficient to assess those information requirements for major schemes, the application fee also needs to reflect the costs of assessing this information.

In our experience, PiP rarely offers any clear advantages over a more traditional routes to development, such as outline and reserved matters, or pre-application advice followed by a full application.

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

We do not have information to answer this.

**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?**

Yes

**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?**

If the provision of First Homes were to reduce the provision of rented affordable housing, then

people with disabilities (who have disproportionately low incomes) and lone parents (who are disproportionately female) could be disadvantaged.

The impact on people with disabilities could be mitigated by a proportion of First Homes being built to the M4(2) accessibility standard. Impacts could also be mitigated by ensuring that the provision of rented affordable housing be granted more priority over First Homes should there be viability issues.

Registered Providers also use shared ownership housing to subsidise their rented housing. This could be mitigated by some registered providers delivering First Homes, which might provide alternative cross-subsidy.

There are also some households with significant capital resources (e.g. from a divorce settlement), but with low incomes, for whom shared ownership was particularly well suited. These applicants may disproportionately be female. However, some shared ownership is still likely to be provided on some sites, which would help to mitigate this.