

The CDRA's answers to White Paper consultation:

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?

A1: No.

Neither the existing nor proposed standard method have the correct baseline or calculation method. They both make it more complex and challengeable than it needs to be.

There should be a single assessment of the household numbers and growth as calculated by the ONS at the date the Local Plan development scheme is published, and starting from the actual housing stock figure. This is based in statistical logic and verifiable fact. It can be secured from challenge by legislating for the date to be the start of the scheme. This secures both the ONS base and the stock base for any one Authority regardless of interim variations. The figures can be reviewed with the Local Plan each five years along with performance. Housing mix must also be assessed for any new figures.

This will not involve Local Authorities in the extra cost which seems to be driving the change.

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.

A2: No.

The 0.5% housing stock approach is a fudged guess which seeks to solve a problem that does not need to exist if the actual figures described in A1 are used.

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.

A3: No.

By adopting the actual base and growth figures from ONS as described in the answer to Q1 & 2 this is unnecessary.

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.

A4: No.

The concept of affordability being an indication of supply and demand imbalance is a flawed oversimplification. It is a negative way of looking at judging the provision of the right housing in the right place at the right pace. The market in our area is not based on demand. Developers build what the market demands and market absorption largely decides the pace as identified by the Letwin Build

Out Study. Variation of housing type can improve the pace of delivery to some extent on a Borough wide basis but forcing the market to do so in specific areas through a Local Plan only works if fresh land is identified or former commercial land is available in the form of large sites and the economic and environmental opportunities and growth require it. Forcing specific types of homes into existing established residential areas disrupts both the community and the market. The intervention suggested is completely blind to the economic and demographic dynamics of that Borough's community and actual or planned economic growth characteristics and needs. Housing mix has been ignored in this numbers game.

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

A5: No.

Affordability is a flawed, oversimplified and erroneous approach to the issue of housing requirement as identified in A4 above. It has no place in this assessment. 'Affordable to whom?' is the question. If there is a constant demand and successful sales of properties in an area then they are affordable. Socially engineered solutions to housing supply are not an attractive solution in Great Britain.

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?

A6: It is important that Local Plans are completed as soon as they can be but the Government has delayed so many by constantly changing the housing targets the time period should be set when the targets are clear. Each Authority will be in a different state of change given the new figures proposed by this White Paper. It is therefore for each to make their own representations.

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:

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?

A7: Given the change to numbers proposed by this White paper 3 months is too short. Elmbridge's targets were 225pa in 2011, 474 in 2016, 623 in 2019 and this new method throws up 774 in 2020/21. One could argue that had they produced a Plan quicker the problem would be less but that does not apply to the answer to this question. Previous public consultation on the new Local Plan and its evidence base need to be reassessed and properly consulted. Authorities in this position should be allowed the opportunity to firstly challenge the figures and then assess the impact of them before Regulation 19 publication. Covid-19 has also introduced a whole new set of potential change across the wider Local Plan.

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)

A8: First homes should be prioritised. Fixed percentages are unlikely to help deliver either affordable or market homes. Equally subsidy, unrepresentative viability tests and manipulated exempt Use Classes such as C2 care homes are unhelpful. The provisions of 'Planning for the Future' which offers up the possibility of Local Authorities managing CIL contributions from developers that include for affordable housing and infrastructure backed up by an accelerated CPO process for the necessary land may be a step towards greater certainty. Placing the duty and obligation firmly with the Local Authority is the most efficient route to delivery particularly as we move to larger Unitary Authorities. Build out and management of the properties can still fall to Housing Associations. Basically, Local Authorities should be able to choose the percentage splits beyond for First Home priority.

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?

A9: Exemptions should not be allowed from a clear set of simple finance and delivery rules as noted above. They can never be water tight enough to avoid manipulation.

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

A10: There should be no exemptions. See A9 above.

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

A11: No. See A9 above.

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

A12: A period of transition is necessary and a maximum of 6 months seems reasonable to move to the simplified system outlined in A8.

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

A13: This is where a local affordability test is relevant. There should be greater discounts in areas of high unaffordability.

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?

A14: No.

First Homes could be mixed in with the market homes as a 'tenure blind' approach agreed at the planning permission stage or they should be delivered on their exception sites.

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

A15: No, it still serves its purpose.

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

A16: Yes

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)

A17: No this should be dependent on the Local Authority. The existing rules in Elmbridge should apply otherwise in high value areas such as Elmbridge, where there are many small windfall sites which contribute significantly to housing numbers, very few if any affordable houses or contributions will be delivered. The rules are detailed in Core Strategy CS21.

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

A18: From 1 unit upwards in bands as Elmbridge current Core Strategy CS21.

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

A19: No, we do not agree a one size fits all approach see A17 & 18.

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

A20: No as we do not agree the raised threshold as a one size fits all approach.

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

A21: There must be a check on splitting down larger sites to avoid affordable contributions. However, we do not agree the proposed larger thresholds. It should be 5 homes.

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

A22: Not in Elmbridge for reasons in A17 &18.

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

A23: No. In Elmbridge small developers thrive on the existing rules due to high value homes.

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

A24: No, an Outline Permission is an important check to ensure that numbers of units and mix is secured. This can be done at relatively low cost on the smaller sites which SMEs deal in.

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.

A25: It is important that the amount of each use is part of the Permission in Principle to guard against misinterpretation of the term 'housing led' which is too vague. The concept of mix of commercial and housing forming a cohesive community is not diminished in any way by this safety mechanism.

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?

A26: The existing requirements should be beefed up slightly to include a list of specific environmental control submissions that will be subsequently made.

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

A27: Yes. This would be an overarching maximum height restriction subject to the details being further subject to the normal planning policy requirements at outline or detailed application stage. It is important that developers and residents are clear on the maximum to avoid major differences leading to extra cost to all parties at the full planning application stage. It simply and effectively helps to ensure everyone knows where they stand at an early stage. In this form it is not restrictive on detailed design or on the rights of third parties.

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 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.

A28: The traditional methods should be adopted plus the social media routes to ensure all members of the community have a chance to take part in consultation. We are not yet in a position to relax this.

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

A29: This is a matter for Local Authorities but as tax payers and in order to ensure Local Authorities are properly resourced to carry out a robust appraisal we believe the fee must cover the cost of dealing with the application. The fee should not be artificially lowered to the exclusive advantage of the developer.

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

A30: This is for the Local Authority to decide based on the principles we have put forward in A29.

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.

A31: No. The review of Brownfield Registers that is to be carried out in future is welcome and until that has been done no change should take place. There is insufficient clarity on the existing registers and insufficient detail in the Permission in Principle by application to automatically make this adjustment safely.

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.

A32: Guidance is certainly required particularly with examples of the type of site and use that it can be applied to and what makes it more efficient. However, the end result should not create an 'easy' route to permission just an efficient one. In this regard the guidance should include the extra matters identified in previous answers particularly on environmental submissions and the rationale of maximum height restriction, to avoid costly misunderstandings down the line.

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

A33: It must be an efficient process not an easy one. In general, we are not sure that ultimately there will be a cost benefit unless it is very clear what the permission actually provides for and

crucially excludes. The guidance is therefore crucial to any benefit of cost or time and to avoidance of costly challenge by third parties.

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

A34: We believe that it will be used most in areas where developers have most difficulty with objectors to planning permissions. SME developers may well use it to help in this regard and larger developers will use it to add value to their land banks. It should help Local Authorities with Plan production land allocation.

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?

A35: We believe that the basic premise of the White Paper and the construct of its Algorithm may be politically led rather than openly assessed. The figures which emerge for housing numbers almost miraculously come to a little over the target figure of 300,000 set by the Government. Much of the published background by Lichfields and Savills suggests that the setting of the baseline and algorithm seems to work back from that figure rather than an open assessment. It now manifests itself as the '1 million homes in the life of this Parliament' rhetoric and 337,000 homes per annum. Given the ONS projection of a growth of 1.6million household over 10 years it is clear that the aim is to accelerate the larger proportion of that into the next 3 years. The aim to build houses faster is a laudable one but the manner of getting to it and then distributing the housing load around the country is flawed. Both this standard method variation and the previous one actively discriminates between rich and poorer Authority areas, and sets communities against each other. The new method has the unfortunate effect of discriminating against those areas where growth is needed which on the whole will not have the land released for development that they need. While affluent areas such as Elmbridge which have smaller actual and needed growth are presented with large land release requirements. It goes against the Government's desire to level up growth to areas such as Newcastle and Redcar where the housing figures are now below that which they have been delivering for the last 3 years. Using actual growth characteristics as the baseline and required economic and social investment as the adjustment parameters throws up the required and fair result. Basing it on affordability and a desire to buck the market to reduce house prices produces the opposite effect redolent of a technocratic command economy with the consequent misallocation of resources.

