

Response of Mendip District Council Changes to the Current Planning system: August 2020

Introduction

This schedule lists the Responses submitted by Mendip District Council to the consultation with responses agreed in consultation with the Portfolio Holder for Local Plans. The schedule includes a number of technical responses in relation to affordable housing (marked **) which have been jointly agreed by the Somerset Housing Enablers Group.

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 stock figure is intended to provide a re-balancing of urban and rural areas and does not achieve this, The Council does not object to the use of household projections as an input to the standard method but they need to be sense checked at a local level.

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 - A higher proportion should be considered to rebalance the distribution towards urban areas and the north of England. A method that results in undeliverable targets is counter productive,

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 – The approach and justification of the standard method remains flawed. The use of this statistic as an affordability indicator and the uplift applied and does not address the crisis of housing affordability. In locations such as the southwest where wages have been lower than the national average over a long period, there is even less logic to the approach of the standard method.

Response of Mendip District Council

Changes to the Current Planning system: August 2020

The standard method remains a deeply flawed and unsuitable approach to addressing the complexity of housing need or local circumstances. Its output creates undeliverable targets and there is no evidence that the approach has any impact on improving local affordability.

Q4: Do you agree that incorporating an adjustment for the change of affordability over 10 years is a positive way to look at whether affordability has improved? If not, please explain why.

No – This additional measure simply drives unrealistic target figures for many authorities, Revisions to the formula were intended to address imbalances across the country from lower housing targets in urban areas and the ‘gap’ between household projections and the 300,000 a year target. This consultation paper gives limited justification for the revised formula or refers to evidence or testing of options. As with the original standard method, it remains driven by top down government pledges on targets to drive up housebuilding and represents a simplistic and flawed approach to tackling housing affordability through the ‘over-provision’ of land for development.

There remains no clear evidence that the private market will build homes to address affordability. The consultation paper should be placing more emphasis on the role of public sector housebuilding in recovery measures and addressing affordability.

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

No - The revisions to the formula do not achieve the aim to balance housing targets to urban areas. Instead, the formula appears to rely on direct disproportionate increases to rural areas – especially those which are not protected by Green Belt. The impacts appear designed to accelerate the pressure on development in the countryside and will not therefore deliver suitable or sustainable development.

The affordability changes substantially increase the LHN for Mendip and many other rural areas and removing a cap which limited uplift to no more than 40% of the Local Plan figure. This figure is both excessive and disproportionate in comparison with national household projections over the next decade of 490 homes a year and long term delivery rates in Mendip of 455 homes a year. **The revised standard method for LHN produces a figure of 1060 homes a year for Mendip, a 154% rise from the adopted Local Plan** The formula also produces strikingly different results in neighbouring authorities.

Response of Mendip District Council Changes to the Current Planning system: August 2020

The revisions to the standard method are envisaged as a short term 'fix' as the White Paper proposes to drop the five year supply test and LHN as part of its wider planning reforms. LHN would be replaced with a MHCLG-led set of binding housebuilding targets for LPAs, but this would factor in local constraints/opportunities.

A doubling of the 'starting point figure' for the replacement local plan would imply an unprecedented scale of planning for housebuilding in Mendip roughly equating to an additional town the size of Frome over the plan period.

Once in force, the new LHN number would dramatically reduce the council's five year supply position. While planning applications will continue to be assessed on a case by case basis against harms and benefits, the change would likely embolden the position of landowners and developers to submit speculative development, irrespective of their sustainability. The revised LHN effectively nullifies the council's approach of identifying land in its Local Plan Part II to regain a five year supply and provide certainty for its communities. This also has implications for Neighbourhood Plans which allocate homes where there is some protection from speculative development where the LPA can show a 3 year supply. The revised LHN will set an 'undeliverable' benchmark for the national Local Housing Delivery Test.

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?

See question 7

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 - The proposed changes to the standard method introduce more uncertainty for planning authorities and communities, particularly with the simultaneous publication of the white paper. More consideration is needed whether the standard method should be introduced at this time. It would be better to undertake early consultation on new mechanism for distributing

Response of Mendip District Council Changes to the Current Planning system: August 2020

housing growth as described in the white paper. The suggested provisions are supported in terms of plans which are either close to submission or already have had significant public consultation and engagement.

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)**

Of the options detailed above, ii) would be the preferred approach and to negotiate between a local authority and developer** Our greatest need is for social rent and the First Homes proposal, will reduce the capacity to deliver truly affordable housing.

Mendip welcomes the principle of requiring affordable housing and that the Local Planning Authority can increase the affordability discount - on whatever tenure - to up to 50%. However the authority must be able to determine the mix of types of affordability.

The Council questions the government commitment to its 'First Homes' proposal to require a percentage of discounted 'for sale' affordable housing. This lacks an evidence base, favouring ownership over renting. It would take away local control and unacceptably centralise decision-making on affordable housing priorities without regard for local need.

Response of Mendip District Council Changes to the Current Planning system: August 2020

Areas with the greatest housing shortages and the highest prices are in dire need of affordable rented housing, especially social housing and many local authorities are committed to responding to this need. Making a compulsory quota for sale, not affordable rent, will directly impact the ability of local authorities and housing associations to deliver much-needed homes for people.

We welcome the requirement for first homes to be affordable in perpetuity. However the ability for banks to remove that requirement where a home is repossessed in order to protect their investment should not be allowed

In principle, we support the implied (though not explicit) requirement in the proposal for affordable homes to be delivered on-site but this should be strengthened to require that they are 'tenure blind' i.e. affordable homes are mixed with standard ones. Creating ghettos of "affordable housing" segregated at the edges of housing developments, or "poor doors" directly contravenes the stated aim of "happier, more rooted communities."

Different sites will bring different challenges and/or opportunities. There must be the ability to take into account scheme specific parameters and discuss the relevant tenure for each specific location in response to local housing need evidence and local community knowledge.

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?

Councils should retain the ability to negotiate the best mix and tenure types to meet local need and this should not be prescribed nationally. We would not want to see affordable housing lost through lack of demand for First Homes. Rented affordable housing remains our top priority, particularly social rent. The whole affordable housing tenure mix should reflect the identified local housing need and flexibility should be given at a local level. The flexibility will reduce the risk of reduced demand for First Homes and mitigate market risk for the developer **.

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

We support the list of exemptions. No changes proposed **

**Response of Mendip District Council
Changes to the Current Planning system: August 2020**

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

The whole affordable housing tenure mix should reflect the identified local housing need and flexibility should be given at a local level **.

Local plans and transitional arrangements

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

Yes - Where significant negotiation regarding tenure mix on planning applications has already taken place, it would be difficult to include First Homes in the tenure mix and therefore we appreciate having the flexibility to omit this tenure at this stage, in the planning process **

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

Yes - we agree with the discretion that Local Authorities have the discretion to increase the discount to 40% or 50% evidenced by Local Plan making process and/or locally evidenced housing need and incomes **

Exception Sites

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, there should be the option to include market housing where this is necessary to ensure viability, but this should be within land values of a rural exception site and in line with Local Plan policies that set the minimum First Homes requirement as part of the First Homes Exception site.

Response of Mendip District Council
Changes to the Current Planning system: August 2020

All Exception sites should be informed through local evidenced housing need and demand specific to the local area. NPPF already allows for an element of cross subsidy to bring forward financially viable Exception sites. The Local Plan making process should incorporate the local definition and requirement for Exception sites.

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

Yes - however the constraints outlined in Section 71 part a) and b) in the NPPF should remain. The removal of footnote 33 is acceptable as Entry Level Exception sites should be negotiated taking into considering site specific considerations and the size of the site reflect the community requirements. Any amendments should not result in a disproportionate delivery of First Homes. **Identified local need should be considered first and foremost **.**

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

Yes - Measures to protect rural exception sites are supported and are essential. SHEG - We welcome the rural area exemption however the use of S157 of the 1985 Housing Act to define these areas only provides partial coverage of our rural parishes. We would ask this this exemption is intended to cover all smaller rural communities with populations of 3,000 or fewer, to reflect the need to meet the specific needs of the local community. We request that designated rural areas is clearly defined as 'All parishes with a population of 3,000 or fewer and all parishes in National Parks and AONBs.' to reflect the changing dynamics within communities and not rely on historic agreements **.

Supporting small and medium-sized developers

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

Response of Mendip District Council

Changes to the Current Planning system: August 2020

No - The thresholds should remain unchanged and other support measures should remain in place rather than removing the delivery of affordable homes when they are most required **.

The Council considers these changes would significantly undermine the ability to secure affordable housing and especially for social rent which are primarily delivered through the planning system. Most of the local need is for social rented homes which would be further impacted by the First Homes approach. The First Homes proposal is less affordable than the existing Affordable Home Ownership products. If Affordable Housing provision is reduced, this is highly likely to impact negatively on women, people with a disability and people from BAME communities, all of whom are over-represented in needing Affordable Housing.

Windfall housing sites of between 10 and 50 units in Mendip are less prevalent than some areas. The Council's experience is that a relatively small group of developers operate in Mendip on this size of scheme as it is too small for the major housebuilders. It is questionable whether this measure will increase supply as smaller housebuilders do not have the capacity to build out more schemes. Often this scale of scheme is funded through off-plan sales with a limited number of houses built each year, irrespective of viability.

This measure would have an adverse impact on housing allocations in Local Plan Part 2 and potentially put at risk the delivery of 130 affordable housing units at policy compliant levels. This measure could also impact on landowners looking to bring forward exception sites in the short term. The raising of the threshold will also add additional confusion to which sites may or may not fall within the 'time- limited' period.

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

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

OTHER –

**Response of Mendip District Council
Changes to the Current Planning system: August 2020**

Other - This should be determined locally. The majority of sites in Somerset owing to its rural proximity are generally smaller by nature. There are ongoing scheme specific discussions with the SME builders who we continue to support and work with them to resolve viability issues as they arise **.

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

No. This inhibits the ability to deliver the local evidenced preferred affordable housing tenure. Affordable housing demand is high and continues to increase in response to Covid19 and will not be met through other future sites **.

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 need the consent to be linked to a delivery timetable. Planning applications could be approved within the 18 months but with 3 years to implement. We would want a recourse mechanism to review the affordable housing if start on site is not undertaken for example within 12 months **.

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

Yes - If this measure is to be introduced, clear guidance should be provided to resist use of phasing to avoid meeting the requirements for affordable housing provision. The Council would also support guidance to ensure implementation or delivery to avoid sites being put forward to 'bank' a permission which had higher viability. Guidance should also clarify that the exemption if applied would still allow for Councils to seek developer obligations for community infrastructure or site-specific benefits.

Affordable housing in rural areas

**Response of Mendip District Council
Changes to the Current Planning system: August 2020**

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

Yes, except the definition of Designated Rural areas need to include all settlement with a population of 3,000 or fewer. This threshold must cover all rural communities. See Question 16 and 19 response. As per Q16, welcome the rural area exemption however those areas not covered S157 1985 Housing Act should also be included by amending the definition to include 'all parishes with a population of 3,000 or fewer and all parishes in National Parks and AONB's**

Supporting SMEs

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

The Council's experience suggests that the grants and available support small builders needs more promotion

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?

No - Permission in Principle appears an unnecessary tool and appears to add complexity when the current direction is to streamline the planning system. It appears seems to add yet another layer of legislative complexity, with little advantage for developers.

There has been little developer interest in the use of Permission in Principle or actual applications in Mendip. The Council do not support its extension to major proposals as the overall timescales for consultation and determination are too constrained to assess major development. It is considered that developers and landowners would get better 'value' and certainty of development through the current pre-application process with LPAs.

**Response of Mendip District Council
Changes to the Current Planning system: August 2020**

Mendip Council remains concerned that this proposal is in conflict with the aim of the Planning white paper to focus on good design and undermines its proposals to promote a step change in community engagement. The Council has strong concerns it could further weaken local control over planning and dilute scrutiny. The application of permission in principle to major schemes appears in approach to exacerbate the problems already experienced through extension of permitted development rights.

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.

If PiP is to be extended to major schemes, a limit should be set

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?

The Council has not had sufficient interest in PiP to answer this question.

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

If PiP is to be extended to major schemes, a limit should be set.

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**

**Response of Mendip District Council
Changes to the Current Planning system: August 2020**

If you disagree, please state your reasons.

(ii) The Council do not support the extension of PiP to major proposals , but if this measure is to be introduced , a general requirement is considered sufficient and more flexible

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

The Council do not support the extension of PiP to major proposals. If banded fees are to be introduced then there needs to be a recognition that there should be an appropriate minimum threshold as all schemes involve time and resources whatever their size.

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

The Council has not had sufficient interest in PiP to answer this question

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 – this would ensure consistency on the 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.

Some general guidance with examples of the circumstances of where and how PiP has been used would be helpful as this is not clear to applicants or planning officers.

Response of Mendip District Council
Changes to the Current Planning system: August 2020

Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome? The Council has not had sufficient interest in PiP to answer this question

Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible. The Council is not able to comment as PiP for major schemes will not apply to Mendip due to the level of environmental constraints.

**Q35: In light of the proposals set out in this consultation, are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty?
If so, please specify the proposal and explain the impact. If there is an impact – are there any actions which the department could take to mitigate that impact?**

The Council are concerned that no equality impact assessment has been carried out on these proposals as a whole, other than for the First Homes proposal. Disabled people face many more barriers to adequate housing compared to the general population. BAME populations may face additional barriers due to lower average incomes and family size. The PSED includes the particular duty to have due regard to the need to take steps to meet the needs of people with disabilities where they differ from the needs of those without disabilities. It also includes the duty to have due regard to the need to tackle prejudice and promote understanding. This may be particularly relevant, for instance, to the arrangements for affordable housing Measures in the consultation document should therefore not be taken forward without a full equality impact assessment.

Response submitted 18:40pm Thursday 1st October