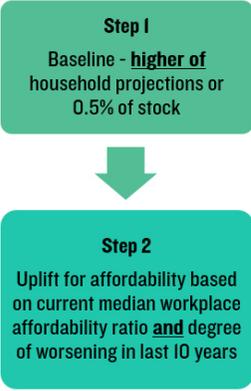


Changes to the current planning system – summary of proposals and possible implications

Summary of proposal	Possible implications
The standard methodology for assessing housing numbers in strategic plans	
<p>New method to ensure delivery of 300,000 homes per year (140,000 more than in Local Plans currently).</p> <p>Achieve a better distribution of homes where homes are identified in more high-demand areas and in emerging demand areas across the country (such as the Northern Powerhouse).</p> <p>Application of the most up to date data. The size of existing housing stock and affordability over the past 10 years are now to be considered</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Current method</p>  <pre> graph TD S1[Step 1 Baseline - household projections] --> S2[Step 2 Uplift for affordability based on current median workplace affordability ratio] S2 --> S3[Step 3 Cap (if needed) based on age of local plan] </pre> </div> <div style="text-align: center;"> <p>Proposed method</p>  <pre> graph TD S1[Step 1 Baseline - higher of household projections or 0.5% of stock] --> S2[Step 2 Uplift for affordability based on current median workplace affordability ratio and degree of worsening in last 10 years] </pre> </div> </div>	<p>Using existing stock in the calculation is proposed to “ensure that all areas, as a minimum, are contributing a share of the national total, proportionate to the size of their current housing market.” However, this approach assumes that areas can continue to grow at a rate proportionate to their existing stock – this may not always be possible, particularly in areas constrained by topography, national parks etc. This is a concern.</p> <p>However, unlike the White Paper proposals, this approach would still enable local authorities to seek to deliver lower housing numbers through local plans where justified.¹ The methodology provides the starting point for setting plan requirements. The current NPPF requires the local housing need to be met as a minimum unless policies in the NPPF provides “a strong reason” to restrict growth or if the adverse impacts of doing so would “significantly and demonstrably outweigh the benefits”, when assessed against the policies in the NPPF taken as a whole.</p> <p>Consideration of the affordability of housing over a 10 year period is likely to provide a better indication of the issue and allow the housing need to reflect whether affordability is worsening or improving. However, this approach is predicated on the view that increasing housing supply will improve affordability. There is little evidence of this locally.</p> <p>The removal of the cap in the increase of housing required is a significant concern as this previously avoided the risk to significant increases in the local housing need.</p> <p>The estimated impact of the new methodology is set out below.</p>

¹ The White Paper would take the housing need calculated using the new standard methodology and then factor in constraints to set a binding requirement.

The Government is concerned that the current method provides “volatile” results and projects forward past trends which may reflect under-provision. The consideration of existing stock is considered to help address these issues.

“Using stock will ensure that all areas, as a minimum, are contributing a share of the national total, proportionate to the size of their current housing market”

Transitional arrangements are proposed to take account of the impact on local plans that are being prepared. Councils that have plans at the formal publication stage have 6 months to submit to the SoS using the current figures. Plans close to the publication stage have 3 months to publish and then 6 months to submit from the date that the new methodology is introduced.

Local Plan requirement	Average delivery (last 3 years)	Current standard method	New standard method
350	405	263	420

The new methodology would increase the housing requirement in High Peak by 70 homes per year when compared to the Local Plan and 157 homes per year in comparison to the current standard method. Please note that the Local Plan housing requirement is based on the 2012 NPPF and so pre-dates the current standard method. The next Local Plan review will need to take which ever methodology for assessing housing requirements is in place at the time.

Unless the Council is able to make the case for a lower housing requirement, the new methodology will increase the risk that otherwise unsuitable sites will need to be released for housing.

In the shorter term, the new methodology will increase the risk that the Council will fail the annual Housing Delivery Test in the future. The test measures the average delivery of housing over the past 3 years against the housing required. To date the test has been passed in High Peak. However, when the housing requirement as set out in the Local Plan is more than 5 years old, unless the plan has been reviewed and considered to be up to date, the standard method local housing need figure would apply². If the Council delivers less than 75% of the requirement, its housing policies will be considered out of date and the “tilted balance” will apply when determining applications.

It is considered that the transitional arrangements should be expanded to apply to the Housing Delivery Test as well as local plan preparation. As it

² The High Peak Local Plan was adopted in April 2016 and will cross this threshold on 15 April 2021.

	<p>stands, it would appear that the higher housing requirement would in effect apply retrospectively as the test measures housing growth over the past 3 years. It is not reasonable to measure performance against a new benchmark that did not exist at the time. A more sensible approach would be to only begin to apply the new housing requirement from the year that it is introduced.</p>
<p>Delivering First Homes and supporting small/medium developers</p>	
<p>A minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes³. This will be a national threshold.</p> <p>On site delivery unless an off-site financial contribution in lieu and be justified</p> <p>Initially secured through S106, but in the future through the new Infrastructure Levy as set out in the White Paper.</p> <p>Planning application should seek to capture the same amount of value as would be captured under the local authority's up-to-date published policy. For any remaining affordable housing that is viable (and required) under local policy after provision for First Homes, there are 2 options:</p> <ol style="list-style-type: none"> 1. Follow local policy 2. Negotiate a tenure mix for remaining 75% of units <p>First Homes exception sites policy to be introduced to allow small sites outside of the local plan to be brought forward.</p> <p>A higher discount from the market rate of the standard First Homes requirement (30%) can be set by councils if evidenced through local plans (40-50%).</p>	<p>This would reduce the amount of traditional affordable rent or shared ownership homes delivered through registered providers. This runs counter to the identified housing needs identified in the SHMA and Local Plan (30% social rent, 50% affordable rent and 20% intermediate housing)</p> <p>Potentially this could mean we would no longer be able to deliver any shared ownership housing through planning gain. The government are prioritising home ownership over the traditional types of affordable housing such as rent and shared ownership which generally meets the needs of lower income or benefit dependent households.</p> <p>The potential for the local plan to set an even higher discount than the standard First Homes rate (30%) may further undermine the viability of development to support the wider affordable housing needs of the SHMA.</p> <p>Increasing the site threshold to 40 or 50 dwellings would significantly reduce the number of sites where an affordable housing contribution would be taken, even if only for a temporary period. This would impact considerably on the delivery of affordable housing in some of our rural communities where larger sites would be unacceptable.</p>

³ First Homes will be homes sold with at least a 30% discount to local first time buyers, key workers and the armed forces (serving or retired). The discount would be passed on to future buyers.

Transitional arrangements for the introduction of First Homes are proposed. The tenure mix for local plans policies may need to be reviewed. If this is the case, this will need to be done as part of a local plan review. However, the need should be reduced by prioritising the replacement of home-ownership tenures with First Homes. Recognition will also be given to developers who have made significant progress in seeking agreement on the affordable housing mix of emerging schemes.

Increased thresholds for affordable housing contributions to a minimum of 40 or 50 dwellings for an initial period of 18 months to allow the impact of the change to be monitored.

Extension of the Permission in Principle consent regime

Permission in Principle (PiP) was introduced in 2017 to establish a faster means of approving the principle of development on brownfield sites or for schemes of less than 10 homes. A 2nd “technical details” consent is required prior to development.

The separate proposals in the White paper seek to establish PiP for large sites identified in the Local Plans for growth. However, as shorter term measures, the following changes are proposed under the current planning system.

The regulations would be amended to allow PiP to be granted for major developments to help reduce up front costs for small/medium sized developers looking to develop schemes of 10 to 150 homes (less than 5ha). Development which requires EiA or which are likely to have a significant effect on a site protected by the Conservation of Species and Habitats Regulations 2017 would not be eligible for PiP.

PiP would also be an option to approve other uses such as retail, office

There has been little interest in PiP to date. Increasing the thresholds may encourage further applications through PiP but it is questionable whether this approval process makes any meaningful difference to supporting growth.

A 14 day consultation period for major developments does not seem sufficient and may result in vital feedback from statutory consultees not being available within the 5 week determination period.

Furthermore, it is questionable whether sufficient information will be provided in support of PiP applications for major developments which are more likely to have complex issues to resolve. There is a risk that the impacts of major schemes are missed at the PiP stage which may lead to a higher proportion of refusals at the technical details consent stage as the full implications of development become apparent. This would not give the developers the certainty that the Government seeks to achieve.

In this regard, the suggestion that maximum building heights could be set

space or community uses provided that it is compatible with housing and that housing is the predominant use. The current 1000m² (or 1ha) threshold for commercial development would be removed.

5-week determination period and the 14-day period for consultation with the public and statutory consultees.

As currently, only the following information is required to be submitted with a PiP application. This would also apply to major development:

a description of the proposed development,

- the proposed minimum and maximum number of dwellings,
- the amount of any non-residential development,
- the size of the site in hectares, and
- a brief description of any supporting information that is accompanying the application.

Views are sought on whether building height should be agreed at the PiP stage.

Amended the publicity requirements for PiP applications on large sites so that they are subject to publicity beyond just a site notice and website publication. Flexibility to use social media to publicize applications (as is currently the case on a temporary basis) is mooted.

at the PiP stage is welcome but the extent of control at this point should go further.

Greater publicity for PiP applications for major developments will be essential in order to enable communities to engage. Wider use of publicity methods such as social media is a welcome proposal alongside the use of wider methods.