

LOCAL PLAN SUB COMMITTEE - 27 AUGUST 2020

PART I – NOT DELEGATED

7. CHANGES TO THE CURRENT PLANNING SYSTEM – MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT (MHCLG) CONSULTATION (DCES)

1 Summary

1.1 To provide the Local Plan Sub Committee with a summary of the main changes proposed in MHCLG's (Ministry of Housing, Communities & Local Government) document 'Changes to the current planning system' relating to changes to planning policy and regulations. This is a separate consultation document to the Planning for the Future White Paper¹ which was also published for consultation on 6 August 2000.

2 Details

2.1 This consultation sets out proposals for short term measures that are to accompany the proposals for a fundamental reform of the planning system as set out in the Planning for the Future White Paper.

2.2 The four main proposals are summarised in the bullet points below with more detail in the remainder of this report:

- changes to the standard method for assessing local housing need, which as well as being a proposal to change guidance in the short term has relevance to proposals for land supply reforms set out in Planning for the Future;
- securing First Homes (a new affordable home sold at a discount to market price) through developer contributions in the short term until the transition to a new system.
- temporarily raising the threshold for affordable housing contributions to up to 40 or 50 units.
- extending the current Permission in Principle (PiP) to major development to enable a fast route to secure the principle of development for housing on sites without having to work up detailed plans first.

2.3 **Standard Method for Assessing Local Housing Need.**

2.4 The consultation proposes to introduce a percentage of existing housing stock levels (0.5%) to be introduced into the calculation together with an affordability adjustment.

2.5 The proposed standard method results in an annual target of 588 dwellings as opposed to 624 dwellings.

2.6 Transitional Arrangements

2.7 From the publication date of the revised guidance (likely to be published shortly after the consultation), authorities which are already at the second stage of the strategic

¹ <https://www.gov.uk/government/consultations/planning-for-the-future>

plan consultation process (Regulation 19) are given 6 months to submit their plan to the Planning Inspectorate for examination.

2.8 Authorities close to publishing their second stage consultation (Regulation 19) 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.

2.9 **First Homes**

2.10 First Homes will be a new affordable home ownership product that will be sold at a discount of at least 30%. Local authorities will have discretion to increase the discount to 40% or 50%. This would need to be evidenced in the local plan making process.

2.11 Where discounts of more than 30% are applied to First Homes, the requirement for a minimum of 25% of unit's onsite to be First Homes will remain in place (see paragraph 2.13).

2.12 The properties will be sold to local people who wish to remain in the community where they live or work but are unable to purchase a home at normal market prices. They will be prioritised for first-time buyers, serving members of the armed forces and key workers. The discount will be passed on to future buyers when First Homes are resold.

2.13 The Government intends to set out in policy that a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. This will be a national threshold, set out in planning policy.

2.14 Initially these will be secured through section 106 planning obligations but, under proposed reforms, these would subsequently be secured through the Infrastructure Levy (see the Planning for the Future white paper).

2.15 For the remaining 75% of onsite affordable housing secured through developer contributions, two broad options have been proposed:

- Option 1: The Council's affordable housing tenure mix should be followed, however First Homes would still deliver a minimum of 25% of the affordable housing products, prioritizing the replacement of other affordable home-ownership products first.
- Option 2: A local authority and developer can negotiate the tenure mix for the remaining 75% of units.

2.16 First Homes will be exempt from CIL and/or the Infrastructure Levy that is being proposed to replace S106 and CIL in the Planning for the Future White Paper.

2.17 A First Homes exception sites policy will be introduced. These are small sites brought forward outside the local plan to deliver affordable housing. Under the amended policy, we will specify that the affordable homes delivered should be First Homes for local, first-time buyers.

2.18 There will be the flexibility in the policy to allow a small proportion of other affordable homes to be delivered on these sites where there is significant identified local need as well as a small proportion of market homes where this would be necessary to ensure the viability of the site overall.

- 2.19 This policy will not apply in designated rural areas, where delivery will be through the rural exception sites policy.
- 2.20 Transitional arrangements:
- 2.21 Local plans and neighbourhood plans that are submitted for Examination within 6 months of this new policy being enacted will not need to reflect the First Homes policy requirements.
- 2.22 Where significant work has already been undertaken to progress a planning application, including where there has been significant pre-engagement with a local authority on the basis of a different tenure mix of affordable housing, the local authority should have flexibility to accept alternative tenure mixes.
- 2.23 **Threshold for Affordable Housing Contributions**
- 2.24 The threshold for affordable housing contributions could be raised to 40 or 50 homes, initially for 18 months.
- 2.25 In designated rural areas, local planning authorities can set a lower threshold of five units or fewer in their plans.
- 2.26 Following the consultation, a decision will be taken on whether to proceed with this approach. If it is taken forward, this could be through the introduction of a Written Ministerial Statement in the autumn.
- 2.27 **Extension of the Permission in Principle consent regime**
- 2.28 Permission in Principle (PiP) was introduced in 2017 for suitable sites on the Brownfield Land Register (see paragraph 2.38), and extended for small site applications in 2018.
- 2.29 PiP has two stages:
- “Permission in Principle” establishes whether a site is suitable in-principle for development. This grant of Permission in Principle is for five years and no planning conditions can be attached to it
 - “technical details consent” is when the detailed development proposals are assessed, and conditions can be attached
- 2.30 A grant of Permission in Principle plus a grant of technical details consent together equates to full planning permission.
- 2.31 The Government proposes to remove the restriction in the current Permission in Principle regulations on major development.
- 2.32 The existing restrictions in the Permission in Principle Regulations relating to EIA and Habitats requirements will remain, reflecting the fact that Permission in Principle is granted on the basis of limited technical information and there is not sufficient environmental information for these requirements to be accurately assessed at the point of decision.
- 2.33 This means Permission in Principle by application will not in practice be a route to permission for large sites capable of delivering more than 150 dwellings or more than 5 hectares (the EIA Regulations 2017 Schedule 2 threshold for urban development).

- 2.34 PiP by application may include other uses such as retail, offices, or community spaces. However, housing must occupy the majority of the overall scheme. Additionally, non-housing development should be compatible with the proposed residential development.
- 2.35 PiP for major developments will work the same way as for minor developments. This includes the 5-week determination period and the 14-day period for consultation with the public and statutory consultees.
- 2.36 The developer will be required to provide the minimum and maximum net number of dwellings, and a map or plan of the site. The government is considering including a maximum height threshold (number of storeys), however there is a concern that this may complicate the process.
- 2.37 The government is also considering amending the publicity requirements for PiP applications, for example through the use of social media, due to the shorter timescale.
- 2.38 The government is also considering reducing fees to incentivise PiP applications.
- 2.39 The current fee for Permission in Principle by application for minor development is £402 per 0.1 hectare (capped at a maximum of 1 hectare), which is to cover the costs incurred in processing the application, as well as the costs of undertaking consultation and assessment against local and national policy.
- 2.40 The Government are keen to promote Permission in Principle by application as a more streamlined and cheaper alternative to outline permission and are considering the following options:
- a) retaining the current fee structure based on a flat fee per 0.1 hectare but with a lower fee
 - b) adopting a site-size criterion, with a charging scheme based on the actual number of dwellings (NB. this is not considered practical because the exact number of housing units in the proposed scheme will not be known until the applicant submits the technical details consent application); and
 - c) our preferred option of a simplified banded fee structure, with a fixed fee per 0.1 hectare in each band, and maximum fee cap based on the following site sizes:
 - less than 1 hectare (= £x fee per 0.1 hectare)
 - between 1 to 2.5 hectares (= £y fee per 0.1 hectare)
 - more than 2.5 hectares, capped at a maximum (= £z fee per 0.1 hectare, capped)
- 2.41 They are of the opinion that lower fees are reasonable because a local planning authority only needs to make a decision on the principle of the development, not on the technical details of the development like a normal planning application.
- 2.42 Brownfield Land Registers and Permission in Principle
- 2.43 LPAs are required to publish and maintain a Brownfield Land Register, which provides information on brownfield land that is suitable for housing. Brownfield Land Registers are divided into two parts. Part 1 contains a list of brownfield sites that are considered appropriate for residential development; and Part 2 consists of sites which

have been taken forward from Part 1 of the register and granted automatic Permission in Principle by the local planning authority (following consultation). The Council does not currently have any sites on Part 2 of the register.

- 2.44 Individual Permission in Principle applications granted by local planning authorities from sites that were contained in Part 1 of the Brownfield Land Register must now also be included in Part 2 of the Register.
- 2.45 The consultation deadline is 1 October 2020 and officers will prepare a response to be signed off by the Lead Member for the Local Plan, the Lead Member for Development Management and the Director of Community & Environmental Services.
- 2.46 The consultation can be viewed at the following link:
<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

3 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications

- 3.1 None specific.

4 Recommendation

- 4.1 That the Local Plan Sub Committee note the contents of this report and raise any matters of concern for inclusion in the response to the consultation.

Report prepared by: Claire May, Head of Planning Policy & Projects

Background Papers

Planning for the Future White Paper 6 August 2020

<https://www.gov.uk/government/consultations/planning-for-the-future>

Changes to the current planning system 6 August 2020

<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

APPENDICES

Appendix 1 Summary of Planning for the Future White Paper