This is the response of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to the MHLG August 2020 Consultation on changes to planning policy and regulations entitled “ Changes to the current planning system”.

Our answers are provided below inline with the questions posed.

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: We disagree with the proposed amendments to the standard method and in fact to the existing standard method as well. The existing standard method was introduced in haste only 18 months ago and then modified, with even more haste, only 8 months ago. Here we are again with another knee-jerk temporary response to the problems with this approach.

Experts, such as Lichfields, agree that this approach will push up house prices still further, ensure the wrong houses are built in the wrong places and, worse of all, drive internal migration. The only supporters of this approach appear to be the housebuilders, their food chain (estate agents et al) and free-marketeers, such as the IEA, who want no housing policy whatsoever. This proposed policy seems little different to that proposed by Savills (a clear case of conflict of interest) – designed so more houses can be built where they can sell them for the most money.

Basing housing targets on anything other than real need, the latest ONS backed household growth projections, can only unlawfully discriminate against various subgroups. Analysis of the proposed policy has shown wide discrepancy of result within regions and even within local areas – a sure sign that the policy is wrong.

The policy changes proposed now will exacerbate these problems by layering in an imposed internal migration formula. People will have to move away from their friends and family, and probably even their employment, to find a new home. The proposed new baseline could easily mean some areas will only be providing half the homes its household projections suggest while others will have to provide at least double. In our case treble the number required will be mandated precipitating further unwelcome and socially disruptive inward internal migration notwithstanding the area’s inability to furnish the requisite infrastructure.

By failing to take notice of affordability (by ignoring capital contributions) this method distorts targets, by a full 180 degrees. It promotes growth where the country needs growth the least (to where housebuilders want to build for obvious reasons) rather than in deprived areas that need investment the most. Taking account of housing stock is only sensible if correlated with household data – e.g. areas where stock exceeds households cannot need any more houses.  
  
The claim that building more houses will reduce house prices is equally fallacious. The complete opposite will be the result – second home buyers et al pay the going rate. The only way to produce ‘affordable’ houses is to build ‘affordable’ houses. Why, however, would anyone build a house at market cost that they will be compelled to sell below market value a few years later? Councils don’t for this reason. Scrapping right to buy all the schemes offering discounts is the first step back to a sensible affordable housing policy.

Dramatic changes in our country are happening but this policy pays no attention to them. Deindustrialisation has been driving internal migration away from some areas. Today our high streets are in decline in the face of Internet shopping. Tomorrow offices will be needed far less, change being accelerated by the Covid realisation that remote working is the future and commuting the past. Instead of a policy to drive investment into these areas, we have a policy to accelerate migration away from them.

Far from a policy of levelling up the UK, this is a policy to level it down. This whole policy needs to be urgently rethought.

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: Taking account of stock, rather than surplus or deficit of stock compared to households, is manifestly illogical and discriminatory. Planning more dwellings where there is already a surplus of dwellings over households is nonsense. Equally not meeting the needs where household projections exceed dwellings is also nonsense.

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: Earnings alone is manifestly the wrong measure. By ignoring equity and/or capital this fails to measure affordability. For example, an area with a high proportion of retired people, almost by definition, will have low income (pensions) and high house prices (equity). Is saving up for a deposit now a crime?

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: This adjustment is not based on affordability or how this has changed over time. In our area real incomes have gone down while real house prices have gone up, and yet houses are more and more affordable (i.e. they sell). This is due to the inevitable effects of an ageing and/or wealthier population. More established families have more equity, etc. More bonuses or capital lump sums are available from selling businesses etc. You cannot measure affordability on income alone. Affordability can only be evidenced by the houses that are built being sold. If we mean ‘available low-cost homes’ then say so and set the standard for low cost – e.g. the price that the lower quartile of houses were sold for in the last year. Stop saying affordable when you mean the best place to build homes at a profit.

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

A5: As affordability is not measured at all by this method, obviously it is given an inappropriate weighting.

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: Rushing local plans is always mistaken. To do so In the teeth of the councils coping with the effects of Covid would be very wrong. To do so before properly assessing the effects on demand of Covid, and dare I add Brexit, would be criminal.

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?

A7: Rushing local plans is always mistaken. To do so In the teeth of the councils coping with the effects of Covid would be very wrong. To do so before properly assessing the effects on demand of Covid, and dare I add Brexit, would be criminal.

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: The mechanisms for delivering affordable homes through developer contributions have failed. Councils spend money managing their affordable home funds every year and as few are ever built the funds are soon dissipated. The loopholes are many (‘it’s a care home’ (wink wink), ‘not profitable enough’, ‘can’t build those it will reduce the marketability of the others’, et al), developers have ruthlessly exploited them all and thus even fewer affordable homes than ever are being built. As presently defined first homes is just another loophole to allow the level of contributions to be reduced even further.

That having been said getting more first homes built is a laudable aim. Let’s define first homes by sale price (lower quartile). Let’s make councils have plans and policies that will result in the delivery of their SHMAs – not just in total houses but in their subdivisions by both tenure and size – and now sale price (for first homes).

Getting councils and housing associations to invest their own money in affordable homes requires having a category of these that are exempt from right-to-buy. Councils will not waste their money on subsidising house sales albeit a year or two later. If first homes are to be a success, they should be exempt from right-to-buy.

Theses rules must be effect not only after a future local plan is adopted for that local plan but also given effect in individual planning applications both thereafter and ‘as this local plan emerges’.

As far as ‘the other 75%’ is concerned under no circumstances leave this to council discretion or negotiation. Councils always lose. Make the number a hard and fast plan determined number with no loopholes.

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: There should be no exemptions, for affordable homes or as these are introduced first homes. The exemption for class C2 dwellings must also be removed. It is all too easy to qualify for an exemption by building what is alleged to be a care home even when the individual leases are being sold for many 100s of thousands of pounds and the only care needed is a regular trip to the onsite restaurant.

Financial contributions rather than actual homes for developments above one dwelling should all be scrapped. All developments should provide their rounded-up share of affordable homes and/or first homes as these are introduced. For example in an area where a quarter of the dwellings needed need to be affordable a quarter of the homes developed should be contributed as the affordable home contribution. Where it is a half, half, etc.

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

A10: There should be no exemptions, for affordable homes or as these are introduced first homes, save for single home developments. The exemption for class C2 dwellings must also be removed. It is all too easy to qualify for an exemption by building what is alleged to be a care home even when the individual leases are being sold for many 100s of thousands of pounds and the only care needed is a regular trip to the onsite restaurant.

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

A12: There should be no exemptions, for affordable homes or as these are introduced first homes, save for single home developments. The exemption for class C2 dwellings must also be removed. It is all too easy to qualify for an exemption by building what is alleged to be a care home even when the individual leases are being sold for many 100s of thousands of pounds and the only care needed is a regular trip to the onsite restaurant.

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

A12: A requirement that at least 25% of all homes built to be first homes can simply be an additional layer on top of the various tenure and size mixes in the present plans and plans in preparation. Any new assessment of need undertaken can include an assessment of first home need and this requirement level can then replace the 25% when the plan or its next 5-year review submitted.

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

A13: All such discounts have only served to drive up house prices. They have only helped developers who mark up list prices as a result. Little of this money has found its way into sustainably lower house prices. Accordingly, no discounts for first homes should be offered. All the other discount schemes should also be scrapped. Any tax-payers money saved should be channelled into the councils’ building affordable homes in such a way as these are not subject to right-to-buy (i.e. so they are not bad investments).

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. This market housing loophole will just be another way that affordable (and now also first) homes are never built. No loopholes.

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

A15: Yes and No. More than one house to be built should mean affordable/first homes are due. The number required per site should be the percentage of the development rounded up to the nearest unit. If this is only two houses and one is needed then so be it.

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

A16: No loopholes – especially in rural areas this must be two homes.

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 loopholes – make the threshold two homes.

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: No loopholes – i.e. two homes.

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

A19: No loopholes – two homes.

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 loopholes – two homes.

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

A21: No loopholes – two homes.

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

A22: No loopholes – two homes.

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 loopholes. All housebuilders are SME’s and if not they or their directors will soon make subsidiaries or new companies per house being built. No loopholes.

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

A24: Yes but all permissions in principle, if granted, should restrict subsequent actual permissions to strictly follow the outline permission granted without scope for any modification of the numbers of units, mix, etc.

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: No need.

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: Agree.

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

A28: No need for a limit on the application – but once approved in principle this should be a maximum with no room for slight adjustments.

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: All developments exceeding one unit should be publicised in newspapers, notices and letters to all landowners within 500 metres of the development site.

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

A29: No. The application fee for permission in principle should simply be the £4000 per hectare rounded up to the nearest pound. The cap is unnecessary and unfair. Large developments can and should pay their share.

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

A30: The application fee for permission in principle should simply be the £4000 per hectare rounded up to the nearest pound. The cap is unnecessary and unfair. Large developments can and should pay their share.

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. Not enough details are included in permissions in principle and inevitable change thereafter means granting automatic approval thereafter cannot be right.

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: Permission in principle should only be granted regarding such details as are approved. These should be judged as far as is reasonably possible as a normal application would be judged. Subsequent actual applications should only judge other aspects and any changes in design or circumstances since the in-principle decision was granted.

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

A33: Very few such applications will be brought forward in our area so no real effect.

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

A34: As little as possible. They are very happy with the existing system and will use 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? 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: As set out above the proposed (and we say the existing) standard method is discriminatory, inhibits opportunity and exacerbates bad relations between people who share characteristics and are protected under the Public Sector Equality Duty. The adjustment formula in the standard method based on the ratio of two statistics purporting to reflect affordability but instead simply penalising areas with equity saved in their houses (rather than elsewhere) is the main culprit. Basing housing targets on anything other than up to date household projections is another.