

Annex 1: Changes to the current planning system – Consultation on changes to planning policy and regulations

Set Questions	SUGGESTED T&M RESPONSE
Revising the standard methodology for calculating housing need	
<p>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?</p>	<p>No comment. The introduction of a proportion of the housing stock to the baseline figure is aimed at areas where household growth is projected to be static or low resulting in a correspondingly low baseline. This would have no impact on Tonbridge and Malling because household projections are the higher figure (579 compared to 272).</p> <p>It could be argued that if an area is expected to have low household growth, why should the housing need target be increased in this way? The Government believes that household projections alone are not an accurate measure of housing need and may not take into account other factors such as concealed households (for example, grown up children living with parents for longer because they cannot access housing of their own due to lack of supply or affordability).</p>
<p>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.</p>	<p>Not necessarily. There doesn't seem to be any rationale for setting the stock element of the baseline at 0.5%. The consultation document notes that 1% of the total housing stock in England was delivered last year, but there is no explanation why this is not being applied.</p> <p>If the baseline element were to be raised to 1%, this could provide a greater proportion of the Government's target of 300,000 new homes annually and the methodology could then be adjusted to reduce pressure on those areas with undeliverable levels of need.</p>
<p>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.</p>	<p>No. Using the median earnings figure does not take into account joint income families or other sources of funding (e.g. parental support). This has the effect of generating a larger gap/bigger ratio when set against median house price.</p>

<p>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.</p>	<p>Yes. Using 10 years has the advantage of taking into consideration economic cycles (i.e. recessions and periods of accelerated growth).</p>
<p>Q5: Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.</p>	<p>No. While affordability is a key issue for Tonbridge and Malling and in many parts of London and South East, the application of the proposed weighting to the standard method generates such significant uplifts in the housing need figure, that they become undeliverable.</p> <p>The Council's response when the Standard Methodology was first proposed in 2018 raised the concern that the higher need figures generated would be difficult to sustain year on year over a plan period.</p> <p>The proposed revisions, including the removal of the 40% cap, would have the effect of increasing the numbers even further.</p> <p>The methodology is based on the premise that increasing the supply of housing by this extent will lower the price, but in reality that will never be achieved while the vast majority of the housing that is delivered is by the private sector. Developers and their investors will not build at rates that will significantly erode their profit margins.</p> <p>Equally, the methodology does not take into account the influence of the London Housing market on house prices in the wider South East.</p>
<p>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:</p>	
<p>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?</p>	<p>In normal circumstances, this would seem to be a reasonable transitional period (the Tonbridge and Malling Local Plan was submitted within 6 months of the close of the Regulation 19 consultation). However, with the current restrictions in place due Covid-19 some Local Authorities will struggle to meet this deadline, failure to do so would require revising the housing need calculations, site allocations etc.</p>

	As Tonbridge and Malling is at the Examination stage of Plan Making, these changes will not apply to the current Local Plan, but will be applied at the first review.
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?	See Answer to Q6 – under the current restrictions this might be a challenging timescale for some, leading to further delays in plan making.
If not, please explain why. Are there particular circumstances which need to be catered for?	See answer to Q6 above.
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)	<p>The Government is not inviting comments on its First Homes policy and requirement as this was the subject of an earlier consultation, instead the question assumes that New Homes <u>will</u> replace 25% of other affordable housing products and is only seeking a view on how to reapportion the remaining 75% of the affordable housing requirement.</p> <p>For the adopted affordable housing policy CP17 and the emerging policy LP39 in the Local Plan, this would replace the 30% intermediate housing requirement with 25% First Homes, leaving 5% for other intermediate housing products such as shared ownership.</p> <p>Option 1 broadly adjusts the remainder to reflect the proportions in the adopted policy, while Option 2 invites the Local Authority to renegotiate the tenure mix with the developer on a case by case basis. The Government prefers Option1 as Option 2 could lead to further delays in implementation.</p> <p>Since the 70% for social rented (in the case of the adopted CP17) or 70% capped at Local Housing Allowance in LP39 are the products most likely to be needed for those unable to access market housing, any</p>

	<p>renegotiation leading to a reduction of these products to facilitate more intermediate housing units would have the effect of reducing the most affordable products. Therefore, there seems little point in favouring Option 2.</p> <p>However, First Homes, while an improvement on the previous Starter Homes initiative, will not be affordable for many local residents. The median house price in Tonbridge and Malling in September 2019 was £350,000. Taking into account the Government’s default 30% market reduction for a ‘First Home’ product would reduce this to £245,000. To obtain a mortgage based on 4 times annual earnings would require a salary of £61,250. This compares to median gross workplace based earnings for T&M in Sept 2019 of £29,697.</p> <p>While First Homes would be initially reserved for local people, if the homes are not taken up within 3 months they can then be offered to any first time buyer in England.</p> <p>This could have the effect of encouraging first time buyers from London, or other parts of the south east where salaries are higher to take up these homes, while at the same time reducing the ability of the Local Authority to meet local needs for affordable housing.</p>
<p>With regards to current exemptions from delivery of affordable home ownership products:</p>	
<p>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?</p>	<p>Paragraph 64 of the NPPF states that at least 10% of dwellings on major housing sites should be for affordable home ownership, but there are some exemptions for schemes that are exclusively build to rent, specialist accommodation, self-build, in cases where the scheme is exclusively for affordable housing or exception sites.</p> <p>The question is whether these exemptions should also apply in respect of the First Homes requirement.</p>

	<p><u>Comment:</u> The approach in the NPPF should be consistently applied, unless and until the NPPF is revised or replaced by the planning reforms in the White Paper.</p>
<p>Q10: Are any existing exemptions not required? If not, please set out which exemptions and why.</p>	<p>See answer to Q9.</p>
<p>Q11: Are any other exemptions needed? If so, please provide reasons and /or evidence for your views.</p>	<p>See answer to Q9.</p>
<p>Local plans and transitional arrangements</p>	
<p>Q12: Do you agree with the proposed approach to transitional arrangements set out above?</p>	<p>See answer to Q6.</p>
<p>Level of discount</p>	
<p>Q13: Do you agree with the proposed approach to different levels of discount?</p>	<p>The First Homes minimum discount from the market value will be 30%, but there is some discretion for Local Authorities to set this higher at 40 or 50%, if this can be supported by evidence that there is a need for the higher discount and that the schemes would be viable.</p> <p><u>Comment:</u> Given the concerns expressed in response to Q8, this additional flexibility should be retained.</p>
<p>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?</p>	<p>The Government proposes to introduce a new exceptions site policy for First Homes. Sites could include other forms of affordable housing if a need is identified and also some market housing to ensure viability.</p> <p><u>Comment:</u> It is unclear why this policy is felt necessary given the concerns expressed in the response to Q8.</p>
<p>Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework?</p>	<p>The size threshold of no more than 1 hectare or 5% of the existing settlement for entry level exception sites set out in the NPPF is proposed to be removed for this new policy.</p>

	<u>Comment:</u> The thresholds should be retained. Larger sites should be brought through the Local Plan process.
Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?	Yes.
Small Sites Planning Policy	
For each of these questions, please provide reasons and / or evidence for your views (if possible):	
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)	<p>No. While recognising that the proposed measures would undoubtedly assist small and medium scale builders recover from the impacts of the Covid restrictions, this would be contrary to the messages on affordability used to justify the revisions to the standard methodology and the introduction of the First Homes initiative.</p> <p>Although proposed to be time limited to 18 months, this could have significant implications for the delivery of affordable homes and other infrastructure.</p> <p>If as a result of this policy housing affordability declined over the 18 month period Tonbridge and Malling could be looking at an even higher housing need figure when applying the standardised methodology.</p>
Q18: What is the appropriate level of small sites threshold? i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)	See response to Q17.
Q19: Do you agree with the proposed approach to the site size threshold?	See response to Q17.
Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?	See response to Q17.
Q21: Do you agree with the proposed approach to minimising threshold effects?	Yes, but only if these measures are to be introduced.

	(This would prevent the breaking up larger sites to just under the threshold to avoid the developer contributions)
Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?	Yes. (The proposal is to keep the existing thresholds in rural area)
Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?	Some form of Government sponsored, short term financial assistance would be preferable to sacrificing affordable housing and infrastructure contributions.
Extending Permission in Principle to major sites	
Q24: Do you agree that the new Permission in Principle should remove the restriction on major development?	No. The nature of major developments are such that this regime does not allow for sufficient assessment of the various issues that could arise particularly when considering the impacts connected to up to 150 units. In any event, PiP is not a planning permission and the subsequent technical details consent may not necessarily be easily achieved particularly when dealing with major developments. As such, rather than speed up meaningful decision making, these would be best thought of as buying the opportunity to put forward a site allocation to achieve some certainty and add value and allow SMEs to better seek to de-risk sites in order to obtain funding, rather than being a sleek, cost-effective two stage process
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.	Yes, in order to take a view on land uses proposed in a holistic manner
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?	Yes.
Q27: Should there be an additional height parameter for Permission in Principle? Please provide comments in support of your views.	No. Whilst this would provide greater clarity to the applicant and Local Planning Authority about the scale of housing development that is acceptable for the site, it would add to the complexity of the

	determination of the application. In addition, it would start to bring design issues into the PiP process as well as result in a need to identify zones within a site with differing height parameters, effectively diluting the original aims and objectives of the PiP process itself. To do so would result in the process being far more akin to that available via the outline planning permission route.
<p>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:</p> <p>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.</p>	<p>Disagree. Publication in newspapers incurs an additional financial and resource cost to Local Planning Authorities and also results in a delay to timescales which are already limited in these cases. Broader publication of such applications would unfairly raise the expectations of local communities in seeking to influence the outcomes of these decisions in a manner that would be frustrating and confusing.</p> <p>No mention is made of introducing neighbour notification, notwithstanding the very significant increase in the scale of development that can be granted in PiP</p>
<p>Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?</p>	<p>Yes.</p>
<p>Q30: What level of flat fee do you consider appropriate, and why?</p>	<p>No comment other than to highlight that whilst the Permission in Principle regime allows for a streamlined process for developers, it still places a resourcing burden upon Local Planning Authorities to administer, publicise and assess/determine these submissions. It is therefore crucial that the fee schedule suitably recognises this.</p>
<p>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.</p>	<p>Yes.</p>
<p>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.</p>	<p>It is misguided to assume that the lack of uptake in obtaining Permissions in Principle is derived from a lack of knowledge or understanding of how these work. Notwithstanding this, any guidance should be focused on local communities so that they can properly understand the limitations of the process for their purposes i.e.: making representations on material planning considerations</p>

<p>Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?</p>	<p>Drawbacks include potential resourcing implications for Local Planning Authorities, confusion amongst local communities about how they can influence development</p>
<p>Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.</p>	<p>Unlikely. Since the provisions were introduced, Tonbridge and Malling Borough Council have received only one such submission and that was for a scheme of up to 3 dwellings on a small portion of land in a rural location. Developers promoting larger schemes will likely want the assurance of knowing at an earlier stage in the process what limitations and conditions would be required.</p>
<p>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?</p>	<p>No.</p>