

Representations submitted to:
TechnicalPlanningConsultation@communities.gov.uk

Dear Sirs

Changes to the Current Planning System Consultation. Pendle Borough Council Response

Introduction and Summary

This representation has been prepared by the Borough of Pendle Council (the Council) in response to the Government's proposed changes to the planning system.

The consultation relates to four proposed amendments to the planning system which aim to secure the delivery of an increased amount of new homes of the right type in the right places. Proposals also aim to support the recovery of the English Economy through the construction sector following the effects of COVID-19 pandemic.

The proposed reforms include:

- Changes to the methodology used to define local housing need to increase national delivery.
- Introduction of First Homes into the definition of affordable housing to support first time buyers.
- A temporary increase the national threshold for the requirement of affordable housing to support small and medium scale builders.
- A broadening in the scale of development which could be brought forward using Planning in Principle (PiP) to reduce the amount of time required to secure planning permission.

The consultation runs in parallel to much more radical forms proposed through the Planning for the Future White Paper. The Council has made representations to this White Paper separately.

The Council's principle concern with proposed reforms is the implication this has for plan making, decision taking, and resources. The persistent changes made to the planning system undertaken by successive Governments, and in particular more recently, has significantly complicated and prolonged the planning system, devaluing its trust, legitimacy, and transparency for many of its users. The reforms create additional burdens for local planning authorities challenging already strained resources and often undermining the democratic process whereby a plan or strategy has been devised locally. The reforms will also, at least in some areas, necessitate a delay in plan making whilst plans are reviewed to respond to

outlined measures, and as such, are counter-productive for the Government's aims in securing up-to-date Local Plans nationally as soon as possible.

Setting the above aside, the Council has mixed views on proposed reforms themselves. The amendments to the standard method are welcomed, with the proposed approach providing a much more stable platform to determine the starting point for housing requirements than the current method. The key problem with the Standard Method remains however that it applies a blanket approach to assessing housing need across the country and is therefore inflexible and non-responsive to local issues. As a minimum, stronger guidance is needed in PPG which enables an alternative or additional issues to be considered which may be applied where justified by local conditions.

For First Homes, it must be recognised by the Government that this is a centrally defined objective and has not been assessed locally. The requirement for local planning authorities to secure this type of housing provision through new development should not come at the cost of other types of affordable housing needs where there is evidence of a pressing need locally.

The Council objects to proposals to temporarily increase the national threshold for the requirement of affordable housing to 40-50 dwellings. This amendment to national policy would significantly decrease the amount of affordable housing delivered within the Borough making the high requirement for affordable housing even harder to achieve. The proposal to remove the threshold outlined in the NPPF is not supported.

The Council is concerned by proposals to enable major development to adopt Planning in Principle as a route to securing planning consent. The proposals outlined will significantly reduce the transparency of the development management process where it is need. There is a need to consider technical details when dealing with major forms of development to determine whether they are acceptable. The proposal has resourcing and financial consequences for local planning authorities which have not been fully considered or understood by the Government. The proposal will not cut down the time required for a major scheme to come forward given the requirement for the technical details of proposals to be examined at a later stage in any event. The Government should not proceed with this proposal.

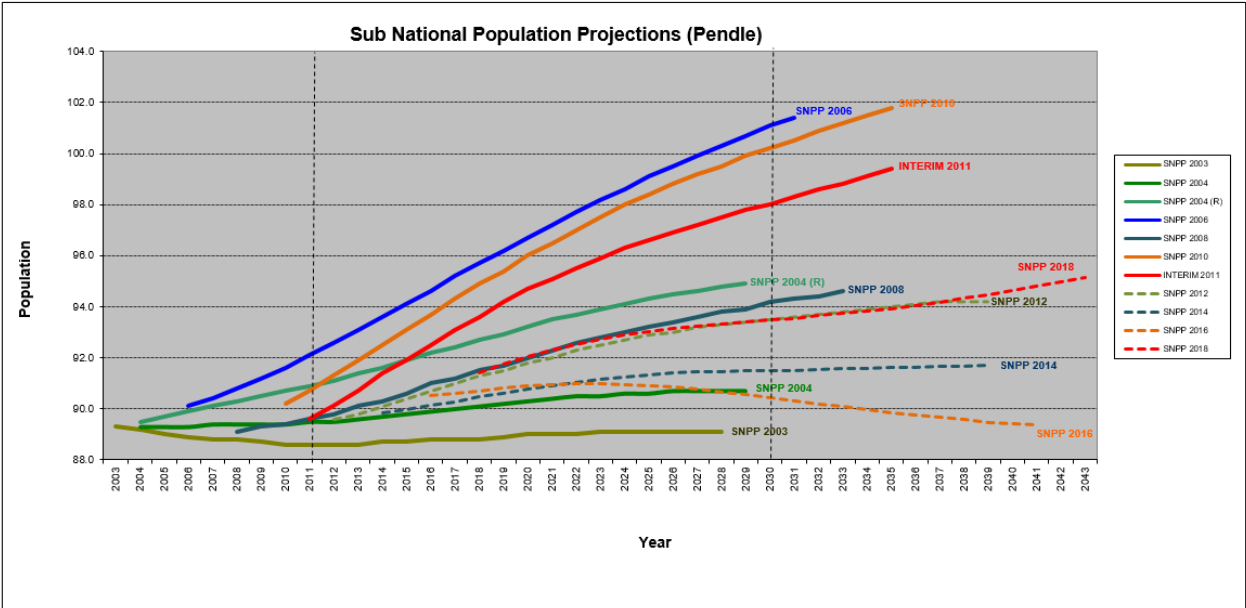
Standard Method

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?

The Council welcome the Government's decision to amend the standard methodology to include a housing stock based approach for assessing housing need. It will also continue to use population data. This approach will assist local planning authorities in plan making, as well as communities and the development industry, by offering stability and certainty to the baseline number of new homes which are needed over a plan period.

Population forecasting is however problematic. The Council constantly witnesses significant swings in population forecasts. This is illustrated in figure 1 below. Population forecasts provide a rollercoaster in terms of numbers to be planned for and in effect the Council must radically change housing figures on a 2 year rolling basis. This makes plan making challenging and complex especially when a number of household projections can issued during the plan preparation process; often adding to delay of this process where this change represents a significant departure from planned supply.

Figure 1: Comparison of Population Projections for Pendle 2003-2018



There needs to be better consistency in modelling. One way of assisting in this is to alter the forecasting trend period to how it used to be by looking over a 30-year and not a 10-year period. It needs to be remembered that over the last 10 years there have been major economic problems and low demand areas have had household changes which have been significantly reduced in comparison to other areas. Having a 10 year period will continue to building imbalances between low demand and higher demand areas thus affecting national housing distribution based on a 10-year trend.

A stock based approach allows for a benchmarked position to be established given that the amount of stock in the Borough is unlikely to change significantly during plan preparation stage. This can therefore give confidence to all parties involved in plan making, enhancing the efficiency and effectiveness of this process, and reducing the cost of plan preparation to local authorities and tax payers.

The Council however consider that the Government should provide further clarification to its intended wording for the revised standard method in terms of the period over which needs are to be assessed. Presently the proposed wording could lead to a misinterpretation as to how the 10-year period is applied. Reading the guidance as calendar years, a starting point of 2020 would end in 2029. To avoid a different and potentially reduced level of housing need being assessed (and connected unnecessary delay), the guidance should make clear that the 10-year period applies from the baseline position, meaning that where 2020 forms the baseline position, 2021 would form the first year, 2022 the second, and so on. The same concern is applicable for the 10-year period considered for changes in affordability set out in Step 2. The other element of this is the guidance that will accompany the changes. There is currently a disparity in the NPPF and the NPPG in terms of the guidance on additional factors that can be taken into account in reaching a housing number. The NPPF, which should contain policy in fact does not whereas the NPPG does make some reference. Clarity should be given on whether Councils can take the new figure and not be challenged on it at EIP.

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.

The Council agrees with the Government’s proposal for 0.5% increase to housing stock to apply for the stock based approach. In Pendle the level of increase would provide a realistic baseline of housing need, were demographic needs to fall below this. A higher level than 0.5% of existing housing stock would, in



the Council's view, start to double count the adjustment made in Step 2 of the calculation which is responsive to affordability.

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.

The Council supports the use of median house price and earnings ratio in the standard method as the basis for assessing affordability district wide. An alternative approach of using average figures would likely be skewed by extreme values providing for an unrealistic and unfair assessment of affordability. The limitation of this applied measure however is the lack of response made to variations seen within local housing markets and how this can be subsequently addressed in setting the housing requirement should the housing need figure be low.

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

The Council considers that there is justification for examining and taking into account changes in affordability that have taken place within an authority over time and for this to have an impact on the adjustment made to the baseline figure. The approach outlined within the consultation paper should provide for a more effective and proportionate response to market signals especially in areas which are showing a significant worsening or improvement in affordability even if on a national basis affordability issues may be more limited.

The Council again agree that a 10-year period for this comparison forms an appropriate length of time over which the change in affordability should be assessed. A 10-year period is likely to encompass a full economic cycle in which house prices may have experienced both increases and decreases relative to wages in response to economic conditions. A shorter period than 10 years risks ignoring periods of decline or growth in house prices because of wider prevailing economic conditions, and as such would fail to reflect the true operation of the housing market and house price inflation.

It is however apparent that affordability figures can change fairly significantly from one year to another which can sway the adjustment applied to the starting point depending on the starting and end point used. To reduce the impact this could have on the baseline figure, and increase the stability and therefore certainty of the assessment of housing need, the Council consider that the methodology should be adjusted to take a 3-year rolling average of affordability recorded for that authority.

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

In the case of Pendle, it is questionable whether the affordability adjustment is responsive to local housing need or provides the most appropriate adjustment to be made. Whilst on a national basis affordability in the Borough may seem less pressing, the figures presented in Table 5c for the Borough as a whole masks significant variation in value which is experienced within the Borough, with high values and property prices experienced in rural areas and much lower housing prices in the urban area. It also masks the unaffordability of housing for the Borough's most deprived communities with access to market housing not achievable for too many of the Borough's households¹.

The adjustment made in response to observed rates of affordability in the Borough under the proposed standard method would add 11 homes per annum onto the baseline need. Representing just 5% increase

¹ The 2019 Pendle Housing Need Assessment (Lichfields) identifies an affordable housing need of between 187 to 250 dwellings per year. This represents between 88% and 117% of the Local Housing Need for Pendle as assessed through proposed revisions to the Standard Method.

on the baseline position, an increase of 11 homes per annum is not considered adequate to respond to issues of affordability experienced at a sub district level level, nor will it significantly address the affordability problems experienced by disadvantaged groups when the extent of this housing need is taken into account.

The SM proposed also does not account for economic development aspirations in different places. We have commented as well that the NPPF and NPPF are inadequate in advice on how these aspirations are to be considered in looking at an overall housing number. The SM is therefore only of limited use in defining a minimum number in the absence of adequate guidance on how to deal with other factors.

The Council do not believe that there is a one size fits all approach in assessing housing need and as a result scope needs to be provided within the guidance for some level of local variation. Whilst the Council does not advocate a return to objectively assessed needs, the NPPF/NPPG should be revised to either enable further adjustments to be made to the standard method figure as proposed in this consultation to allow local authorities to deal with local housing and economic issues should they wish which are evidently not addressed either demographic needs and adjustments for affordability.

Q6/Q7 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: Authorities which are already at a 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? 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? If not, please explain why. Are there particular circumstances which need to be catered for?

The Government should ensure that any proposed reform to the standard method causes minimal effect to the plan preparation process for local planning authorities with emerging Local Plans. For some areas, the amended methodology could result in some significant changes in housing need, necessitating a revised spatial strategy and/or further evidence causing significant delay and increased cost.

To reduce the burden for local authorities and enable swift plan preparation, the Government should consider permitting Local Plans to continue to be prepared under previous guidance for assessing housing need where a Draft or Preferred Options consultation has already been or is currently being undertaken as of the date of the publication of the updated methodology. Such discretion should only be permitted at this stage of the plan preparation process where it evident there is significant difference between old and new figures.

It needs to be understood that it is the process of how Local Plans to be prepared that causes delay in delivering them not inertia from Councils. That process is directed by Government whereas Councils are seeing the brunt of the blame. The Government should not simply impose unrealistic constraints on Local Plan delivery without first changing how Local Plans are to be delivered. The timescales proposed in the consultation are simply unrealistic and show a basic lack of understanding of how long changes take to deal with the current legislative and guidance framework Councils must implement to deliver Local Plans. In addition the Government should also bear in mind the impact of local government elections and purdah on plan preparation timescales, with a more congested local government election calendar likely in 2021 due to the pausing of elections during COVID-19 (in Pendle every Councillor seat is up for re-election). It may be impossible for many local authorities to meet the timetable set out in the document for a 3-month or 6-month submission with elections taken into account and the impact these have on committee cycles.

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)**

The provision of First Homes is essentially a national policy position. It does not necessarily reflect local needs nor does it reflect the ability of individuals to be able to afford to buy the properties, even at such discounted rates. This is not therefore a policy that necessarily represents needs in a local housing market. This should be properly assessed in housing needs assessments.

Of the options presented ii is the most appropriate.

Q9: Should the existing exemptions form the requirement for affordable ownership products (e.g. for build to rent) also apply to this First Home Requirement).

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

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

The Council believe that the current exemption regime should remain in place.

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

If it is the Government's preference for shared ownership homes to replace affordable home ownership tenures then the remaining tenures secured as affordable housing should reflect local evidence. The Council's view is that local evidence of housing need should prevail in determining the mix of affordable housing provision on any site. So if the need for ownership tenures should exceed 25% of affordable need then a higher proportion of First Homes should be sought. But if evidence indicates a lower proportion of ownership tenures is need, then less than 25% of affordable delivery should be sought as First Homes.

The above approach will ensure that the affordable homes delivered over the plan period are most responsive to evidence of needs and those household whom are most in need. The desire for First Homes should not place at risk the delivery of other affordable housing tenures for which there could be a significant requirement for, given the potential urgency of this housing need for the safety, security, health and wellbeing of these occupiers. This approach will ensure that policies in Local Plans are most responsive to localised circumstances. It will also reduce the need for local planning authorities to review adopted policy for affordable housing need providing for greater certainty.

Q14: Do you agree with the approach of allowing a small proportion of housing on First Homes exception sites, in order to ensure site viability?

The purpose of exceptions sites is to deliver affordable homes. Affordability is linked to income not price of property. A 30% discounted First Home at £500,000 will not be an affordable product.

Further, the Government will need to define what is meant by the term "local" within guidance.

The Council's view is that this approach in rural areas is flawed and needs to be framed in terms of how affordable a product is to those living in rural areas rather than a blanket approach to home ownership.

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

The Council is concerned by proposals to remove the site area threshold currently outlined in national planning policy for entry level proposals in its application to First Homes. The thresholds currently applied through Footnote 33 of the 2019 NPPF ensures that proposals remain at a small scale, helping to minimise the potential effects of the development on existing infrastructure and services, the open countryside and landscape.

Removing this threshold, and relying only on proposals to be 'proportionate' in size to the settlement as a guide for determining the scale of development permitted, opens the policy up to a broader interpretation and abuse, giving rise to greater uncertainty as to the scale of development which might come forward speculatively through this policy. Significant growth through this policy, which may well occur at larger settlements, could undermine planned and committed development, and place undue pressure on services and infrastructure. The weakening in wording could see more applications being determined via the appeals process if refused at a local level. For these reasons, the 1 hectare site threshold combined with percentage growth limitations as outlined in Footnote 33 must therefore remain.

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

Where sufficiently justified by local evidence of need, First Homes may be acceptable as part of rural exception sites enabled through the Local Plan, provided that other tenures are also delivered on site. Such approach may aid viability and reduce the need for market home delivery. The Council agrees that Paragraph 71 of the NPPF should only apply to sustainable settlements given the degree of growth permitted through the policy which would be otherwise unsuitable and unsustainable in the rural parts of the Borough, and undermine the spatial strategy.

Affordable Housing Threshold

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

The delivery of Affordable Housing is a challenge in Pendle where viability, especially in urban areas, is low. Often the delivery of any affordable housing is not achievable without harming deliverability or securing outside funding. As a result for these parts of the Borough, the proposal set out in the consultation paper for increasing the threshold to 40-50 dwellings is unlikely to have much effect.

The Council is however concerned about the impacts of this proposal on areas outside of these areas and the significant adverse effects caused on affordable housing delivery, and as a result urges the Government to reconsider its proposals. The Council therefore objects to Questions 18-24.

Permission in Principle

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

The Council objects to this proposed. Major developments require up front analysis on their potential impacts and infrastructure needs. The way PiP works this is bypassed and approval could and will result in poorly planned development.

Applications supported by good evidence are not slowed down through the planning process. The community and the local planning authority should have the ability to consider what can be developed for developments at the larger scale. The PiP process takes this away and offers little accountability.

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)?

The Council do not agree that major development that could potentially have significant impacts on an area should be allowed to come forward in such a broad brush way of simply giving details of the size and description of development. That is no way to consider the impact of development is too simplistic a way to deal with planning applications.

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?

No. There needs to be better in initial consideration of matters such as infrastructure provision if this is to be proceeded with. Also matters such as flood risk are fundamental to the acceptability of a scheme. We find it difficult to understand how for example a development that could have unacceptable access and flood risks could be granted permission in principle when it would be totally unacceptable. This is not the way to deal with major developments.

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.

If the process is to be extended publicity should reflect current arrangements.

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

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

The cost implications to overall Local Authority funding has not been assessed. This is a fundamental issue that could see major revenue reductions for Local planning authorities.

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?

The Council agrees.

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 current lacking and would assist stakeholders.

The process is straightforward and if it is to be implemented requires little guidance.

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

The benefits to an applicant are little different to a pre-application inquiry which would support or object to a scheme in principle. What it will do is give the impression that a development is acceptable whereas major schemes are often complex and should be planned out in more detail out the outset.

The major drawback is the technical details stage. This is not as robust as the overall consideration of an application though the current planning process. From a Local Authority perspective the cause for delay in dealing with application is normally inadequate basic supporting information. This will not alter with an extended PiP process.

There is also public expectation that that will be involved in the planning process. The PiP process is effectively a light touch one and the public will feel disenfranchised about the whole planning process.

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

The use of PiP so far has been limited for minor developments. It is not clear how developers will use it for major schemes. What developers inform us they want is certainty. Having a PiP approval does not benefit them that as they are bereft of technical details which the developer will have to do anyway. In many ways it slows there process down as the technical details wait to a later stage of the process.

Concluding Comments

It is hoped that the Government seriously takes on board the comments made within this representation before implementing proposed changes to the planning system, and the Council would be willing to engage further with comments made.

Yours sincerely,

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Pendle Borough Council