

# Epsom Civic Society

formerly Epsom Protection Society

shaping the future, safeguarding the past

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## To Whom It May Concern

### Government Consultation: Changes to the Current Planning System – Responses from Epsom Civic Society

#### THE STANDARD METHOD FOR ASSESSING HOUSING NUMBERS IN STRATEGIC PLANS

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?

**Response:** The baseline impact of different approaches is relatively minor for Epsom and Ewell. The main issue is the impact of the 'affordability adjustment' (see response to q3 below). The Government should publish the impact of the proposed revised standard method on all authorities in England and show the extent to which it inflates the housing need figures, by authority, above the 10 year household projections.

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.

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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.

**Response:** The adjustment for affordability has the effect of inflating housing need in areas that are already under pressure to accommodate additional building and currently failing to meet housing build targets. The only way to meet these targets, in areas such as Epsom and Ewell, is to seriously impact the character and sustainability of these areas.

Simultaneously, the adjustment means that areas of the country which have had lower economic growth will continue to be given less priority by developers – instead developers will continue to focus on London and



South East. The prospect of more deprived areas levelling up (as desired by central government) is reduced if the focus of house building is on the already popular areas.

Many areas need more good-quality affordable housing. However, there are several reasons why the approach outlined in the consultation will not deliver it.

a) The adjustment does not increase the affordable housing built. In Epsom and Ewell there is a preponderance of expensive housing being built and proposed, with builders giving reasons why they should not build any affordable housing. The evidence is that the proposed formula will just cause the further building of more expensive properties. Instead, the affordability formula needs to be applied in such a way that it directly forces more affordable housing to be built.

b) The formula assumes that the solution to address affordability is to increase the supply of properties. There are good economic arguments that house prices are more directly affected by the availability of cheap finance. In Epsom and Ewell there has been a vast increase in housing over the past 10 – 15 years with the redevelopment of the hospital sites, and yet affordability has deteriorated in that time.

c) There is no incentive for councils to increase affordability. All the measures refer to historical data and there is no indication that the measures will be reassessed going forward.

It would be better to force a greater proportion of houses that are built to be affordable/First Homes, rather than increase the requirement to build more houses.

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.

**Response:** This adjustment just further inflates the effect on areas already struggling to accommodate housing growth. It does not make housing any more affordable in an area as the housing prices are driven by a range of historical and locational including regional factors, not just the quantity of current local supply.

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

**Response:** In the case of Epsom and Ewell BC, the affordability adjustment factor increases the housing need figure by almost four times - and creates an unachievable pressure for house building. Only by undermining the attractiveness of the borough through increased housing density and increased height of buildings, and encroaching on green belt land, can building to reach such inflated housing figures be achieved. A similar position is confronting many other local authorities in South East England.

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:

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?

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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? If not, please explain why. Are there particular circumstances which need to be catered for?

Please see question 35 for any comments relating to the Public Sector Equality Duty and the standard method.

## DELIVERING 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)

**Response:** In principle we prefer Option 1 as this would continue the primacy of the local plan policy. However, in the wider context of this question (and this consultation) we consider the proposed approach **reduces scope of local decision making** over mix of housing tenure in a local area and is overly 'top-down' when local government has a better idea of how this will work. In Epsom and Ewell, most planning permissions are for sites up to 20 units. There is a high risk that First Homes will impact adversely on the viability of developments and consequently upon their ability to deliver affordable housing in line with local policy. Locally there is a disconnect between priority housing need and the ability to put down a deposit. **We have the following questions:** 1. By forcing the first 25% as First Homes, what happens to those unable to afford to buy? 2. By allowing developers to make 25% offsite contributions instead – what does 'offsite' mean in this context ie elsewhere in the borough or outside the borough? Regarding the 75%, while we prefer Option 1, how will this approach ensure that the proportion of social housing built will match local need for social housing. We note that given the state of progress locally with a revised local plan, the borough would be facing a significant time lag in the delivery of much needed affordable and social housing (see response to Q13).

With regards to **current exemptions** from delivery of affordable home ownership products:

Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to this First Homes requirement?

**Response:** Approach to exemptions should maximise local discretion to reflect local circumstances.

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

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

**Response:** Approach to exemptions should maximise local discretion to reflect local circumstances.

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

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

**Response:** Yes, we support flexibility for local authorities over the level of discount since a 30% discount in an area such as Epsom and Ewell is unlikely to make the homes affordable to those in need given the disparity between house prices and average earnings. However, if varying the discount level can only be done through a local plan, this means that pending its adoption a large number of affordable homes will be available at only a 30% discount and will not meet the identified housing needs of the borough and will in effect make home ownership cheaper for those who are able to achieve this by their own means anyway.

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?

**Response:** While we have concerns about the impact of First Homes on the viability of developments (see response to Q8), we also have concerns that this proposal may be a route to allowing an ever growing proportion of new builds to be at full market prices. The already weak role for local decision making is further diluted.

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

**Response:** No – the threshold should remain and should only be exceeded where there is an identified local need for First Homes that can only be met through a larger site.

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

**Response:** Yes.

#### SUPPORTING SMALL AND MEDIUM-SIZED DEVELOPERS

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)

**Response:** If multiple developments take place within an area, by separate SME developers, each just under the proposed threshold (eg 39 or 49 houses under a 40 or 50 house threshold), then this will create significant pressure on existing infrastructure. Due to the lack of developer contributions, the local authority will be unable to fund expansions in infrastructure to cope with the increased demand. People moving into the new homes and those already in the surrounding area will be adversely impacted (by lack of traffic capacity, insufficient school places, insufficient health service capacity etc).

Q18: What is the appropriate level of small sites threshold? i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)

**Response:** The existing 10 house threshold creates infrastructure funding issues where multiple sites of 9 houses are developed in a local area. Increases above 10 house threshold will just create further, magnified infrastructure funding difficulties and should be resisted.

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

**Response:** See answers to q 17 and 18.

Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?

**Response:** Should not be introduced so time period not relevant. If it were introduced: the proposal indicates the time limit would apply when the planning application is lodged or approved. This would result in a flood of applications within the time limit, but no guarantee of when building would start or complete.

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

**Response:** Approach proposed to stop developers using phasing of larger sites to exploit minimum site thresholds to avoid developer contributions is necessary but not sufficient. Needs to be more specific proposals as to how this abuse of the system can be prevented. The issue of multiple 'just below the threshold' developments by separate SME builders in an area also needs to be addressed (see also response to q17 above).

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

**Response:** Yes

Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?

**Response:** Government could allow local authorities to borrow (at near zero interest rates) to fund building of council housing using local SME builders.

#### EXTENSION OF THE PERMISSION IN PRINCIPLE CONSENT REGIME

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

**Response:** No. There has been limited Permission in Principle take-up to date. Extending this little-used and apparently poorly understood procedure cannot be said to be 'simplifying and streamlining' the planning process. The use of the outline planning permission with reserved matters approval is better understood and more widely adopted. How does the proposed extension of Permission in Principle to major developments impact on residents' ability to object/comment on proposed developments? Proposals for major schemes should require much more information upfront eg as regards traffic impacts, height, design, sustainability issues.

a) Items not currently covered by Permission in Principle, such as tenure mix and transport, are much more important for large sites than small ones. The main aim should be to increase affordable housing and First Homes, and it should be possible to specify requirements for these when granting Permission in Principle.

b) SMEs are unlikely to be developing sites of 150 homes. There is no need to increase the restriction in development size to support SMEs. Extending Permission in Principle would be far more likely to favour large developers.

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.

**Response:** If de facto 49% limit on commercial development, (as housing must make up the majority of the development ie 51%) doesn't this further limit scope for local democratic decision making to reflect local circumstances?

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?

**Response: No. Major schemes need more information upfront, eg as regards traffic impacts, height, design, sustainability issues. What is the relation of 'Permission in Principle by application for major development' to growth and renewal zones/areas under Planning for the Future proposals?**

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

**Response: Yes. Maximum height and density parameters should definitely be included in the information provided for a permission in principle application. To omit this critical information would significantly undermine the ability to make relevant local decisions and for residents to retain a reasonable degree of influence over the extent and scale of developments in their area.**

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 you disagree, please state your reasons.

**Response: Extend publicity arrangements ie iii) both via local newspaper and general requirement to publicise the application.**

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

**Response: a) We should not lose sight of some of the overall objectives, namely to increase affordable housing/First Homes, and to expedite the building process.**

**b) To meet this objective therefore the proposal should be to significantly increase fees as the proportion of affordable houses/ First Homes reduces.**

**c) It is also unfair to put all responsibility for delays in construction on the local authority and local residents. Currently there are very short timescales for processing requests and for consultation, but little responsibility on the builders to build in a timely manner. Indeed, there are statistics to suggest that many planning consents have already been granted but not built. It would therefore be appropriate to also charge a significant additional fee for each month (after a low threshold) that elapses after permission is granted and before the next milestone is reached (e.g. from Permission in Principle being granted to Technical Details being provided, and from Technical Details consent being granted to development completing).**

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

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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.

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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.

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

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

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#### PUBLIC SECTOR EQUALITY DUTY

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?

**Response: Unclear what the proposals do to encourage material improvement in extent of social housing (eg more social housing would benefit people with disabilities who tend to have lower incomes than average).**

**In particular the formula for calculating housing need incentivises house building in South East and therefore works against stated government aim of 'levelling up' areas and people left behind in terms of economic prosperity. Those left behind economically likely to disproportionately reflect several of the groups with protected characteristics (e.g. age, disability, race, single parents in relation to pregnancy and maternity).**

Yours faithfully,

Margaret Hollins

Chair, Epsom Civic Society

