

Agenda Item No: 16
Report To: **CABINET**
Date of Meeting: 9th November 2017



Report Title: 'Planning for the right homes in the right places' – response to DCLG consultation
Report Author & Job Title: Simon Cole (Head of Planning Policy)
Portfolio Holder: Cllr. Clokie
Portfolio Holder for: Planning & Development

Summary:	This report sets out the Council's proposed response to the current consultation document from the Department of Communities & Local Government entitled 'Planning for the right homes in the right places'.
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Key Decision: NO

Significantly Affected Wards: All

Recommendations: **The Cabinet is recommended to:-**

- I. Endorse the proposed responses to the consultation questions set out in the Appendix to this report.**

Policy Overview: The potential effects of some of the proposed changes to national planning policy and guidance set out in the consultation document could have significant impacts on future planning policy in the borough.

Financial Implications: There are no direct financial implications.

Legal Implications: There are no direct legal implications

Equalities Impact Assessment: Not Required because this is a response to a Government consultation document

Other Material Implications: None

Exempt from Publication: **NO**

Background Papers: None

Contact:

Simon.cole@ashford.gov.uk – Tel: (01233) 330642

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Introduction and Background

1. DCLG are now consulting on a number intended changes to planning policy and legislation, most of which were first implied through the Housing White Paper published in February this year. The general thrust of the consultation reinforces the view from Government that there is currently a national housing shortage, largely caused by a 'broken' planning system, which needs to be rectified.
2. Amongst a range of measures proposed, the consultation paper establishes a new methodology to simplify how local authority areas calculate their Objectively Assessed Housing Need (OAN). It is claimed that doing so will allow the process to be consistent and transparent whilst also ensure that sufficient land is released for housing in the future to meet projected household growth and to help tackle the affordability of housing in this country, particularly where market demand is at its highest.
3. For the first time since the revocation of the regional plans in 2013, indicative housing targets have been published centrally for each local authority area using the methodology now being proposed. In general, this has resulted in significant increase to annual housing supply that should be being planned for by local authorities, particularly in the South East, where house prices and market demand is higher.

Current Position

4. The consultation document covers several issues and the key ones described in this report are :-
 - A new methodology for calculation Objectively Assessed Housing need (OAN)
 - Statements of Common Ground to demonstrate compliance with the 'Duty to Co-operate'
 - Planning for a mix of housing needs
 - Neighbourhood planning
 - Viability assessment

a) A new methodology for calculating OAN
5. The central component of the consultation paper is the desire from Government to simplify the way in which Objectively Assessed Housing Need (OAN) is calculated. The proposed new methodology is based on three key principles in that it is simple and transparent to understand, uses publically available data and is realistic by reflecting the actual need for homes in each area, taking into account the affordability of homes, in addition to merely household formation assumptions.

6. The new methodology is based on three main components. The first is that projections for household growth should be the demographic baseline for every local authority area and this baseline should be the annual average household growth over a 10 year period. These projected household projections should be directly derived from the Office for National Statistics household projections.
7. The second component of the methodology is to require that the baseline household figure (as per above) is adjusted to take account of an appropriate level of market signals. Doing so will ensure that housing levels in an area reflect the 'actual housing need' in that it ensures that household formations are not suppressed through a lack of supply and that housing supply is adequate to cater for people who want to live in an area but can't because of too few houses.
8. Accordingly, the consultation paper sets out that affordability ratios produced by the Office for National Statistics should be used as a means of adjusting the baseline household figure. These ratios compare median house prices (all properties sold in a local authority area) to median earnings (based on full-time earnings for those working in a local authority area) for the most recent year. Where the ratio exceeds 4, a 0.25% increase in annual housing need is required for every percentage point above 4.
9. The third step of the new methodology relates to a cap on the housing increases applied in districts according to the status of the Local Plan in each area. The cap is set at 40% above adopted annual Local Plan target figures if Plans have been adopted in the last 5 years, or if adopted Plans are older, then 40% above either the annual housing target or the projected household growth whichever is the higher.
10. The conclusion of the application of these three components directly inform what any OAN figure should be for local authorities and should form the basis for Local Plan preparation, unless there are compelling planning reasons not to use this approach (not defined in the consultation).

Transitional arrangements

11. The Government are clear in their support for the new methodology being advocated in this paper as the means on which to base future Local Plans and for the determination of 5 year housing land supply positions.
12. The consultation paper sets out that the new methodology above will apply after the end of March 2018 through forthcoming amendments to the NPPF and associated national planning practice guidance.
13. If a Local Plan is published but not yet submitted, as is the case for Ashford, the consultation does give a clear steer that the current OAN methodology (i.e. the assessments which led to the housing requirement figure in the emerging Local Plan) can still apply as long as the Local Plan is submitted prior to the end of March 2018. If this route is taken, the housing needs assessment part of the Local Plan would remain valid for 2 years from the submission date of the Plan. Therefore, if the Local Plan is submitted in

December 2017, its housing numbers would remain valid until December 2019. After this time, the consultation document implies that the Council will need to have identified additional housing supply to meet the housing requirements generated by the new OAN methodology

b) Statements of Common Ground

14. The consultation document identifies three issues with the Duty to Co-operate as it operates at the moment:-
 - A lack of transparency or certainty in the early stages of plan making about how effectively authorities are working together;
 - Co-operation is only tested towards the end of the plan-making process at the examination at which point it is too late to remedy any failures and plans typically have to be withdrawn; and,
 - Planning authorities are not legally required to reach agreement on issues.
15. In response to this, the document sets out a plan for more effective joint working where planning issues go beyond individual authorities, through a “Statement of Common Ground” setting out how they intend to work together to meet housing needs that cut across authority boundaries.
16. The intention is to set out in the NPPF that all planning authorities should produce a ‘statement of common ground’ over the housing market area or other agreed area where justified. The agreed housing market area should be used as the basis for the geographical area over which to develop statements of common ground.
17. The authorities in the agreed geographical area will be the primary authorities – authorities should only be signatories to those issues covered in the statement of common ground in which they have an interest – eg KCC will need to be a signatory for transport issues.
18. Authorities should have a statement of common ground in place within 12 months following the publication of a revised NPPF but authorities are expected to have an outline statement in place within six months following publication of the revised Framework. The Statement should be reviewed, and if necessary up-dated, when primary authorities each reach certain key milestones in the plan-making process. Co-operation will continue to be tested by virtue of the statutory of the statutory duty to co-operate when a plan is submitted for examination.
19. Alongside this, the tests of soundness for Local Plans are proposed to be amended to include that plans should be prepared based on a strategy informed by agreements over the wider area and plans should be based on effective joint working on cross boundary strategic priorities, which are evidenced in the statement of common ground. However, these new tests will not be applied until 12 months after the revision to the NPPF.

c) Mix of Housing Needs

20. The consultation document proposes that plan-makers should disaggregate total housing need to needs for specific types and forms of housing with the

government to up-date guidance on this but it is expected to be more detailed in addressing specific needs.

d) Neighbourhood Planning

21. The consultation document raises the issue of whether local communities preparing Neighbourhood Plans should have a housing figure provided to enable them to plan for in their areas. It is proposed that national guidance will be amended to enable LPAs to provide a housing target figure for bodies preparing NPs which can be based on a settlement strategy and allocations if the Local Plan is up to date. However, if Local Plans are 'out of date' and cannot be relied on as the basis for allocating housing figures, the consultation proposes that national guidance will set out a formula-based approach which apportions the overall housing need of the district based on the new OAN methodology. This formula would simply relate to the percentage of the district population within the NP area and apply this percentage to the district housing need figure.

e) Viability assessment

22. The guidance indicates that in plan-making, LPAs will need to set out types and thresholds for affordable housing contributions, infrastructure requirements and how these are to be delivered including expectations from developers. The NPPF is to be amended to make clear that if viability is tested at Plan-making, there should be no need to revisit viability issues at planning application stage and national policy is to be amended to require LPAs to set out in their plans how they will monitor, report and publicise funding secured through S106 and how it is spent.
23. There are additional sections of the consultation document where DCLG seeks views on the potential criteria for enabling additional planning application fee increases and ideas to ensure that build out rates on development schemes are increased and these are addressed in the proposed responses in the Appendix.

Implications and Risk Assessment

24. For Ashford Borough, the proposed new methodology for assessing housing need would result in an increased housing requirement of 989 dwellings per annum which is a rate about 20% above that currently envisaged in the emerging draft Local Plan to 2030. This is due to the relatively high level of house prices in the borough compared to median earnings which creates a multiplier effect on the ONS household projections which also underpin the Strategic Housing market assessment based methodology used to inform the emerging Local Plan.
25. This clearly has potential implications for development in the borough in the longer term as more land for housing development will need to be allocated by the Council to achieve a sound Local Plan. However, the progress of the emerging Local Plan to 2030 means that the Council can take advantage of the transitional arrangements described in para. 13 above and utilise the existing evidence base on housing need that supports the Local Plan by submitting the Plan for examination before the end of March 2018.

26. Nevertheless, the consequences of the proposed methodology change for this borough and all of our neighbouring districts (except Shepway) is of a significant future increase in housing requirements in the area which will provide a major challenge in the years ahead.
27. Other elements of the consultation document also raise some potential significant procedural issues for Plan making in particular and these are covered in the proposed responses to the consultation in the Appendix.

Equalities Impact Assessment

28. There is no EIA associated with this report.

Consultation Planned or Undertaken

29. The Local Plan & Planning Policy Task Group has discussed the key issues raised by the consultation paper and are scheduled to meet again on the 3rd November to consider the proposed responses to the consultation set out in the Appendix to this report.
30. At the meeting on the 5th October, the Task Group also agreed to continue with the timely submission of the emerging Local Plan to 2030 so that it may proceed under the transitional arrangements referred to above. The 'submission' version of the Local Plan is scheduled to be considered at Cabinet (and then Full Council) in December with actual submission of the Plan to the Planning inspectorate to occur as soon as possible thereafter.

Next Steps in Process

31. As the consultation closes on the 9th November, it is proposed that officers will have formally submitted the proposed responses to the consultation set out in the Appendix in advance of the cabinet meeting to ensure DCLG receives the Council's views in time. Cabinet Members are to be specifically invited to the Local Plan and Planning Task Group meeting on the 3rd November to shape the final responses.

Conclusion

32. Although only embodied within a consultation document for now, the potential implications of the government's proposals for development in the borough are very significant. By basing their policy on what are, in effect, fairly crude measures of affordability, the Government has signalled that only basic market forces of supply and demand will be used to address the 'national housing shortage'. Unsurprisingly, the vast majority of districts in the southern half of England have seen their OAN figures increase as a consequence with the majority of districts in the North seeing the opposite.
33. Regrettably, the approach also seems predicated on a misplaced assumption that an ever increasing supply of land identified for housing will, of itself, generate a step change in the volume of house construction in the country

with the result that house prices will reduce significantly. There is, of course, no evidence that this would happen and no new measures are proposed in the consultation document to make it more likely.

34. The consultation response provides the Council with the opportunity to identify both the specific concerns over the proposed changes and the more general concern that about the wider approach that addresses only the supply of additional land rather than delivery on that land will not fulfil the government's objectives of increasing the supply of housing on the ground.

Portfolio Holder's Views

35. I endorse the proposed responses to the consultation document and would emphasise the urgent need for the government to introduce clear obligations on developers with planning permissions to require them to build out their schemes as soon as possible. Without such obligations, including the potential for suitable penalties if not met, the government's aim of increasing the delivery of housing on the ground will be frustrated and local communities will be faced with added pressure for more housing on unsuitable sites.

Contact and Email

36. Simon Cole (Head of Planning Policy) 01233 330642 & simon.cole@ashford.gov.uk

APPENDIX 1

The consultation paper can be viewed by following this link:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/644955/Planning_for_Homes_consultation_document.pdf

The DCLG consultation contains a list of consultation questions and these provide the template for the proposed responses set out below.

Question 1(a)

Do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

No. The methodology is based on what are, in effect, fairly crude measures of affordability. The Government has signalled that only basic market forces of supply and demand will be used to address the 'national housing shortage'. Unsurprisingly, the vast majority of districts in the southern half of England have seen their OAN figures increase as a consequence with the majority of districts in the North seeing the opposite. The Council is not convinced that a methodology that implies an outcome that seeks house prices falling substantially in large parts of the country is, in itself, either a practical or necessarily desirable outcome – certainly not for existing owner-occupiers. A methodology that seeks stability in the housing market is surely more desirable.

Regrettably, the proposed methodology seems predicated on the misplaced assumption that an ever increasing supply of land identified for housing will, of itself, generate a step change in the volume of house construction in the country with the result that house prices will reduce significantly. There is, of course, no evidence that this would happen and no measures are proposed in the consultation document to make it more likely. Furthermore, the level of house prices are affected by a variety of factors including land values, average wages and employment levels in the area – not simply supply and demand.

The proposed methodology appears to be principally about establishing housing need for the owner-occupier market as it is based on house prices (for sale) and mortgage affordability. This does not necessarily provide an accurate picture of housing need in the round and is too prone to outside factors, such as changes to interest rates. It is unclear what the effect of the methodology on affordable housing provision and policy might be as recent SHMAs have made assessments of how much affordable housing needs to be provided as a proportion of a district's overall housing needs. The effects of building more houses to make market housing more affordable which underpins the new methodology must influence this equation in some way.

In a number of instances, the proposed OAN methodology seems flawed. For example, the reliance on median earnings and median house prices as a measure of affordability is crude, especially in locations such as Ashford where many residents work outside the borough in locations where

salaries are higher (such as London) and thus the affordability ratio is inflated, or where the rural and urban housing markets are quite different in nature but lie within a single district area.

It is accepted that there is no flawless way by which housing need can be accurately and consistently represented across the country as housing markets vary greatly. A more sophisticated methodology that takes proper account of housing affordability but which enables some flexibility to take account of local or regional market conditions would be more realistic and likely to deliver results on the ground.

Question 1(b)

How can information on local housing need be made more transparent?

This will be dependent on the eventual methodology used but on the basis that national household projections will continue to form an important element of establishing future housing need, then the Council believes there should be more transparency in how those projections are reached for individual districts and with a commentary on why they have changed from the previous set of projections (if relevant). This is particularly the case for districts that are expected to experience significant levels on in-migration from other areas, either from within the UK or abroad.

There is a risk that these projections will form the basis of challenges to levels of local housing need if they are not clearly explained or justified.

Question 2

Do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?

No. This period is too short and would result in adopted Local Plans having an unreasonably short shelf-life. The Housing White Paper indicates that Local Plans should be reviewed every five years and therefore this would be a reasonable time scale for housing figures agreed and adopted through an up to date Local Plan process to remain valid. At a Local Plan review, it would then be reasonable to expect the Local Planning Authority to recalibrate housing need in light of the prevailing data at the time and plan accordingly. The proposal as it stands would undermine the Plan-led approach that Government seeks and act as a disincentive to proper Plan-making and so a period of 5 years post adoption is proposed as a better alternative.

Question 3

Do you agree that we should amend national planning policy so that a sound plan should identify local housing needs using a clear and justified method?

Yes. The Council agrees with this proposal which would make scrutiny of the Local Plan process more straightforward for stakeholders.

Question 4

Do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from the Planning Inspectors?

Yes, in general. Where an alternative method is proposed, however, there may be some logic to the Planning Inspectorate providing a level of challenge before the Local Plan is subject to the pre-

submission representations period and submission itself. This is to minimise the potential for an inappropriately-justified methodology reaching the examination stage, with all the costs and delays that could be caused if significant further work is needed to deliver a “sound” Local Plan (suspension of the examination, compilation of new evidence, further consultation etc).

Question 5(a)

Do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?

Councils that bring forward Local Plans under the proposed transitional arrangements (see below) could currently be at a significant disadvantage in light of the proposals set out in paragraph 48 of the consultation document to utilise the new OAN methodology as the basis for calculating 5 year housing land supply from 31st March 2018. It is essential that Local Planning Authorities who are being encouraged to proceed with the submission of their Local Plans prior to the 31st March 2018 are exempt from this change. This should be made clear in any revised NPPF and should not be a discretionary element.

Question 5 (b)

Do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five-year land supply and / or be measured for the purposes of the Housing Delivery Test, across the area as a whole?

No comment.

Question 5 (c)

Do you consider that authorities that are not able to use the new method for calculating local housing need should be able to use an existing or an emerging local plan figure for housing need for the purposes of calculating five-year land supply and to be measured for the purposes of the housing delivery test?

Yes. This is of huge importance to Local Planning Authorities seeking to properly plan for the housing needs of their areas through emerging Local Plans. This should apply to those Councils that bring submit Local Plans for examination under the proposed transitional arrangements (see below).

More broadly, the Government should review the application of the 5 year land supply guidance and methodology set out in the NPPF and associated PPG to the use of any standardised OAN methodology, particularly if that methodology is likely to result in changes to OAN calculations on a frequent basis. For example, the Government should make clear that each recalibration of OAN based on changes to household projections or changes to the affordability ratio encompasses any shortfall or over-supply in housing delivery over the previous period. Logic suggests this would be the case as it would be reflected in house prices and this would remove the contentious issue of whether councils are deemed to be persistent under suppliers or not. A simple 5% buffer, for choice and competition, above the recalibrated OAN could remain as part of the 5 year land supply calculation.

In addition, the revision of the NPPF's approach to 5 year housing land supply should end the requirement for Local Planning Authorities to release ever more land where annual housing delivery rates would exceed any realistic expectation of delivery in the local housing market. This may be considered as part of each Local Plan review as is the case now. The current means of calculating 5 year housing land supply acts as a perverse incentive to landowners and developers to restrict build out rates as this forces the release of extra land often in less sustainable locations than those assessed during the Plan making process. See also the response to Question 19 below.

Question 6

Do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?

Yes. It is reasonable for Plans that are sufficiently advanced to be able to be submitted up to the 31st March 2018 to progress on the basis of the existing guidance and methodology. It is important that guidance is updated to ensure that examinations that may be held after the 31st March (or the revision of the NPPF) are undertaken on the basis of the existing methodology being considered a sound approach.

Question 7 (a)

Do you agree with the proposed administrative arrangements for preparing the statement of common ground?

Yes. However, much greater clarity is needed to establish how this exercise relates to, or is part of, the wider legal 'Duty to Co-operate'.

Question 7 (b)

How do you consider a statement of common ground should be implemented in areas where there is a mayor with strategic plan-making powers?

No comment.

Question 7 (c)

Do you consider there to be a role for directly elected mayors without strategic plan-making powers in the production of the statement of common ground?

No comment.

Question 8

Do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?

No. The proposed timescales are too onerous if the content of the Statements of Common Ground are to be meaningful. There needs to be sufficient time available for Local authorities to establish more formalised arrangements for dialogue and discussion when none exist or are based on more informal processes at present. There should also be exemption from the timescales for those Local Authorities who will be submitting their Local Plans under the proposed transitional arrangements

as these matters will be considered at examination under the current Duty to Co-operate obligations.

More generally, the move towards more formalised processes to facilitate cross boundary strategic planning is welcomed but adequate time needs to be devoted to ensuring this is constructive. The Council suggests that an the Statement of Common Ground could be sought 12 months after the review of the NPPF or post adoption of a Local Plan, whichever is the latter and thereafter at the Plan-making milestones suggested in paragraph 81 of the consultation document.

Question 9 a)

Do you agree with the proposal to amend the tests of soundness to include that:

- i) plans should be prepared based on a strategy informed by agreements over the wider area; and**
- ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?**

It is not clear whether the creation of a test of soundness relating to agreements over a 'wider area' would amount to a de facto 'Duty to Agree' between local authorities. This would go beyond the current Duty to Cooperate requirements and would run a significant risk of causing delay to the plan-making process. It is unclear how a strategy will be agreed, and what consultation could be undertaken to inform this (particularly in circumstances where plan-making timescales are misaligned).

Clear guidance will be needed to establish what a reasonable expectation is when a Plan is examined in the event that neighbouring authorities cannot agree a strategy.

Question 9 b)

Do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

As stated in response to question 8 above, any transitional arrangements should also relate to a minimum of 12 months post adoption of a Local Plan.

Question 10 a)

Do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?

The Council supports the need to disaggregate total housing need within a Local Plan context as it can provide specific evidence that can guide policy provision. At present, this evidence is principally derived from the SHMA, so in the absence of a SHMA – as advocated by the consultation document – it is difficult to see how this evidence can be collected without seeking a similar level of detailed evidence to the SHMA, thus undermining some of the time and cost benefits that are promoted as part of the new simplified OAN methodology.

The examination of market data for specific forms of housing, e.g. extra-care, age-specific, private rented could provide guidance on the levels of demand for such housing types and this could help to provide 'market signals' as to the need for such accommodation in a local area.

Question 10 b)

Do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

Yes. However, greater clarity in national guidance is required in relation to meeting housing need in use class C2 and how Local Authorities should plan for and monitor that specific requirement including the role it can play in freeing up general market housing stock to help meet wider housing needs.

Question 11 a)

Should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

Whilst this might seem desirable in theory, it is a far from straightforward issue. Many Local Plans covering non-urban areas do not necessarily make allocations on a parish boundary basis, but on a settlement basis. It is often the case that a large rural parish may only have one or, perhaps, two settlements with any level of services; allocations would more normally be made in a Local Plan on a settlement basis (consistent with a settlement hierarchy) than a parish basis. An emerging Local Plan will likely need to make allocations in most/all suitable parishes (consistent with the emerging settlement hierarchy and Sustainability Appraisal), because it may not be safe to assume a Neighbourhood Plan would necessarily come forward or continue to completion in that parish.

For this reason, requiring an emerging Local Plan to set out housing figures for neighbourhood areas and parishes would be fraught with difficulty, and would run a significant risk of causing major complications in the production of the Local Plan. At best, it could cause delays (possibly significant) as there is discussion (and potential disagreement) about appropriate levels for particular parishes; at worst, a Local Plan could run into major SA difficulties if there was serious doubt about whether the choice of sites and housing numbers was “the most appropriate” (or even “an appropriate” strategy).

Question 11 b)

Do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

No. This is a very crude and simplistic method that would inevitably result in a more dispersed pattern of housing than would otherwise be planned and seems to run contrary to the golden thread of sustainable development that runs through the NPPF. In a borough such as Ashford for example, where planned growth has focused primarily on Ashford town and its surroundings for reasons of accessibility to services, infrastructure, employment, etc, the implications of the formula-based approach would mean much greater amounts of development in the rural villages to the detriment of their inherent character.

Where there are significant areas of a district which are highly constrained, the proposed approach is even more problematic; it would not be possible for neighbourhood plans in these areas to meet their housing need, based on the ‘apportionment’ approach. This could therefore lead to a shortfall in the provision of homes across the district. The only sensible approach in this case would be for

housing numbers to be left entirely to the Local Plan to distribute, with Neighbourhood Plans indicating instead preferred locations of housing growth rather than exact numbers and locations of sites.

Question 12

Do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?

Yes. However, in order to make it work as effectively as possible, detailed longer-term engagement from various service providers will need to take place; too often, near-complete certainty of costs (say from a water and sewerage company) can often only be provided 5-8 years ahead, due to the nature of the legislative and regulatory regime. This can make it difficult for LAs to understand what some of the infrastructure costs might be, especially on larger sites or those planned to come forward later in the Plan period, raising viability concerns when some of these sites come forward later through planning applications.

Question 13

In reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

There is a need for guidance to be amended to provide greater clarity as to what level of evidence is regarded as proportionate in justifying viability. This is a potentially lengthy, costly and complex part of the plan-making process and it is not feasible to cover all potential scenarios. In particular, greater clarity around what constitutes a 'reasonable return' to landowners is critical in ensuring that artificially high land values become embedded in the viability evidence base to the detriment of the ability to deliver the necessary infrastructure needed to support new housing development.

Question 14

Do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?

Yes, in principle, although clearly the longer the time-gap between the Local Plan being adopted and sites coming forwards, the greater the chance of various costs and values changing in a way that might legitimately impact viability (construction industry costs, for example). Where there is a recently adopted Local Plan, it is agreed that the NPPF should be amended to make clear that an inability to achieve policy compliant levels of developer contributions may only be acceptable in exceptional circumstances. This should apply for at least 12 months post adoption. Guidance should also expect land values to be lower where there are known 'abnormal' costs.

The Council also believes that the principle of deferred contributions should also be embedded in national policy to provide greater flexibility and allow contributions deferred at the point of planning permission to be subsequently made where sales values have increased.

Question 15

How can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process including in circumstances where a viability assessment may be required?

The Council considers this is an important aspect of plan-making and planning for new development in general. Our experience is that the engagement of service providers, especially those outside local government, is very patchy and inconsistent and this makes it more difficult to deliver joined up development proposals and infrastructure delivery plans that enable developers and residents to understand how and when infrastructure is needed to support new development.

Local Planning Authorities may largely be engaging appropriate service providers due to the need to meet the Duty to Co-operate in Local Plan-making but similar requirements should be imposed on other service providers in drawing up their own service delivery plans. This may be through the appropriate regulatory body or more directly from the relevant Secretary of State. Alignment of infrastructure planning more generally across different sectors will assist in identifying key infrastructure requirements and phasing that will assist, for example, central Government or LEPs in assessing funding bids in the future.

Question 16

What factors should we take into account in updating guidance to encourage viability assessments to be simpler, quicker and more transparent, for example through a standardised report or summary format?

Essential to improving viability is bringing forward a non-attributable national build cost database. The RICS BCIS index is currently optional and often unpopulated by the volume builders that are most able to drive costs down through bulk buying power.

A standardised format for production of viability assessments would assist in making the process more transparent.

Question 17 (a):

Do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?

Yes, these could be set out in Authority Monitoring Reports, which must already be produced and published on councils' websites on an annual basis.

Question 17 (b)

What factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?

Each report should cover a single financial year only and contain information on all receipts and spending, plus the developments that they relate to. They will need to be clear as to which stage of the process the developments referred to are at; for many sites, this information will need to be recorded over a number of years (outline consent; reserved matters consent; when triggers requiring particular S106 payments have been met (at a certain threshold of housing completions, for example).

To avoid the process becoming an expensive and involved paper-chase for LPAs to produce, it would be sensible for a minimum threshold of development to be included, to be monitored in detail:

perhaps 50 dwellings. All other, smaller, developments, could be grouped together for simplicity's sake.

Question 17 (c)

How can local planning authorities and applicants work together to better publicise infrastructure and affordable housing secured through new development once development has commenced, or at other stages of the process?

No comment.

Question 18 a)

Do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

Whilst LPAs are a very important part of the process – allocating sites, granting consents, discharging conditions etc – housebuilders actually build most of the homes in the country. Many councils build what they can themselves, and so do housing associations, but at present the private sector is the dominant delivery partner. In these circumstances, it would be unfair to relate additional fee increases to actual delivery on the ground and potentially create an unacceptable situation where private housebuilders could have a significant influence on an authority's ability to cover its costs.

The additional fee increase could be more reasonably applied to LPAs who have an up to date Local Plan that identifies sufficient housing land to meet identified housing needs (i.e have demonstrating all they can reasonably do to meet their housing requirements).

Question 18 b)

Do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

See answer to question 18 a) above.

Question 18 c):

Should any additional fee increase be applied nationally once all local planning authorities meet the required criteria, or only to individual authorities who meet them?

It will only be an incentive if applied to individual authorities.

Question 19:

Having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?

This is a critical element of the Government's overall aspiration to increase house building rates across the country. It is fully accepted that Local Planning Authorities must play an active and full part in identifying enough suitable land for housing development within their areas and where necessary, working with their local authority neighbours to achieve that end but fundamentally private housebuilders are responsible for actually building the vast majority of housing on the ground.

As it stands, the approach to housing delivery proposed in the Housing White Paper, including the Housing Delivery Test and embodied in the 5 year housing land supply requirements in the current NPPF are geared almost solely towards local authorities having to release ever more land as a consequence of developers failing to build out permissions / allocations. Such an approach acts as a perverse incentive to developers to restrict build out and must be changed through revisions to the NPPF to create the right conditions for housing delivery on the ground.

The Council considers that there needs to be much greater control over not just the implementation of a residential planning permission but also in respect of build out including some element of financial penalty on the developer if agreed rates of construction are not achieved. This would help to provide an obvious incentive to deliver homes in a timely manner and act as a more transparent and accountable mechanism to inform assumptions around delivery rates embodied within Local Authority housing trajectories and 5 year land supply calculations.