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## Government Planning Consultations:

- **Changes to the Current Planning System**
  - **Planning for the Future White Paper**
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### Overview

On the 6<sup>th</sup> August 2020, the government published a consultation document 'Changes to the Current Planning System' and a planning white paper 'Planning for the Future'. Both consultations propose radical changes to the planning system, in the short and longer term.

The purpose of this report is to provide a summary of the key issues raised by the consultations, with regard to SSDC planning functions and impacts of the proposed changes to the planning system upon South Somerset's communities.

### Changes to the Current Planning System

#### Response due by 1 October 2020

The Government has proposed a series of short term measures to improve the effectiveness of the current planning system that will have an impact on emerging local plans and development projects.

The 4 main proposals are:

- changes to the **standard method** for assessing local housing need
- securing **First Homes** through developer contributions in the short term until the transition to a new system
- supporting small and medium-sized builders by temporarily **lifting the small sites threshold** below which developers do not need to contribute to affordable housing
- **extending the current Permission in Principle** to major development

The consultation states the intention of introducing these measures in the autumn through a Written Ministerial Statement.

#### STANDARD METHOD:

- The Government has reviewed the **standard method** for assessing local housing need, which as well as being a proposal to change guidance in the short term has relevance to proposals for land supply reforms set out in Planning



for the Future white paper. The revised standard method takes into account levels of existing housing stock versus projected housing need, and changes in affordability over time when calculating housing need. It is estimated that 141 councils (excluding London boroughs) will see more than 25% change in their targets. Nationally the new standard method would result in a housing need figure of 337,000.

### KEY IMPLICATIONS FOR SSDC:

The new standard method produces a figure of 612 dwellings per year (12,240 dwellings over the Local Plan Review 20-year period) for South Somerset. This is opposed to 685 dwellings per year calculated using the current standard method (13,700 dwellings) or the 725 dwellings per year currently identified in the adopted Local Plan.

Recent completions data (2014/15 – 2018-19) demonstrates that the average rate of delivery across South Somerset was 641 dwellings per year. The new standard method reflects the district's current rate of housing delivery.

The new standard method has resulted in large increases to housing requirements for neighbouring authorities as the Government has proposed to remove the current cap on rises in councils' housing need identified by the new standard method. This may result in approaches to their neighbouring districts (including South Somerset) to accommodate a proportion of their growth.

### FIRST HOMES:

- +The Government proposes to set aside 25% of affordable housing for provision as First Homes sold at a discount to market price for first time buyers, including key workers, through developer contributions in the short term until the transition to a new system. It is proposed that First Homes would have a minimum discount of 30% on open market value (in perpetuity) and the option for Local Planning Authorities to increase the discount to 40-50% based on local evidence. First Homes will be subject to a price cap of £250,00 and will be exempt from CIL as affordable housing is now.
- First Homes exception sites are proposed to replace the entry level exception sites in the NPPF, with some flexibility to deliver a small proportion of other types of affordable housing where there is an identified need. It is proposed that First Homes exception sites are brought forward outside the Local Plan and would be exempt in designated rural areas where delivery will be through the rural exception site process.

### KEY IMPLICATIONS FOR SSDC:

Our current approach allows for 20% of the onsite affordable homes to be intermediate housing, which would effectively be replaced by the proposed 25% for First Homes, with the remaining percentage (80% under the Local Plan, or 75% under Government proposals) delivered for social rented



homes. The Strategic Housing Market Assessment (SHMA) evidence published in 2016 states that only 11% are able to afford intermediate housing.

It is generally a policy decision to determine how much of the additional needs for affordable home ownership should be provided; informed by a whole plan viability assessment. Whether the proposed level of First Homes is an acceptable approach is currently unknown as viability is untested in the local context and further analysis would need to be undertaken to ascertain if a greater discount is required. A blanket requirement of 25% of affordable housing to be First Homes may lead to viability issues and implications for lower proportions of social and affordable rented homes being delivered.

South Somerset has no designated rural areas under section 157 of the 1985 Housing Act (apart from areas within AONBs) and therefore the proposal for First Homes exception sites would apply across the district, potentially removing the ability for rural exception sites to come forward, as landowners are more likely to choose to sell their land for First Homes Exception Sites, as these are likely to command a higher land value. This could result in fewer affordable homes being delivered to address the needs of local communities.

### RAISING THE SMALL SITES THRESHOLD

- Temporarily raising the small sites threshold below which developers do not need to contribute to affordable housing (currently fewer than 10 dwellings), to up to 40 or 50 units to support SME builders as the economy recovers from the impact of Covid-19. It is proposed that this would be for a time limited period of 18 months and set out measures to avoid adverse effects whereby developers attempt to bring forward larger sites in phasings of 40 or 50 dwellings. It is proposed to maintain the current threshold of five units or fewer in designated rural areas.

#### KEY IMPLICATIONS FOR SSDC

Concern raised regarding the amount of affordable housing that would be lost by raising the threshold for affordable housing provision to 40 or 50 dwellings.

Potential for an influx of proposals over an 18-month period, and schemes currently in the system that fall within these proposed thresholds being withdrawn and resubmitted for determination. Developers of schemes close to the 40/50 unit threshold will be minded to increase the proportion of larger dwellings in order to minimise exposure to affordable housing requirements.

South Somerset has no designated rural areas under section 157 of the 1985 Housing Act (apart from areas within AONBs) and therefore a lower threshold for affordable housing of five units or fewer has not been set. The proposed approach to raise thresholds would therefore apply across the district, and



have implications for affordable housing delivery, particularly in the Rural Settlements.

### PERMISSION IN PRINCIPLE

- Extending the current Permission in Principle (PiP) to major development so landowners and developers now have a fast route to secure the principle of development for housing on sites without having to work up detailed plans first. PiP by application will not in practice be a route to permission for large sites capable of delivering more than 150 dwellings or more than 5 hectares due to the threshold for EIA Regulations (unless a screening opinion has been obtained which concluded the proposals was not EIA development).
- PiP is not a planning permission and requires subsequent technical details consent to gain permission. Therefore, PiP for large sites is best described as the opportunity to put forward a site to achieve some certainty and add value. PiP must be housing led and can include commercial development. The Government is proposing various measures relating to consultation, publicity and fee structure.

### KEY IMPLICATIONS FOR SSDC

- Short time scales for determination of PiPs (5 weeks) puts pressure on the Council to deal with these applications that open the door for potentially-significant developments in the district
- Implications for decision making and planning fees

## The Future of Planning – White Paper

**Response due by 29 October 2020**

The Government has announced “radical reforms” to the planning system in England which it frames as an outdated blockage to the development we need to “build back better” from the economic impacts of COVID-19.

The Government states that their proposals will simultaneously streamline planning processes whilst driving up standards and ensuring people have a meaningful say over development proposals. The key matters raised by the white paper are as follows:

1. Local plans would be simplified and focus on identifying three categories of land – **"growth areas"** that are suitable for substantial development; **"renewal areas"** that are suitable for development; and **"protected areas"**. In “growth areas”, outline approval would be automatically granted for forms and types of development specified in the plan like new settlements, urban extensions and redevelopment of former industrial sites. Development in “renewal areas” would cover existing built areas where smaller scale development is appropriate and could include the gentle densification of residential areas, development in town centres, and small sites in and around villages. There would be a "statutory presumption in favour of development" specified in the plan. Protected areas, including conservation areas and Areas of Outstanding Natural Beauty (AONBs), would still be subject to more stringent development controls and full planning applications would be required for new schemes.

Key issues for SSDC:

- zonal planning will remove democratic accountability and ability to negotiate outcomes
- further evidence will be required to adequately and effectively zone growth areas

2. Local plans should be subject to a single and simplified statutory "sustainable development" test, replacing the existing "tests of soundness" and sustainability appraisals. This new test would consider whether the plan contributes to achieving sustainable development in accordance with policy issued by the secretary of state. The test would continue to satisfy the requirements of UK and international law and could also become less prescriptive about the need to demonstrate deliverability.

Key issues for SSDC:

- No detail on the robustness of the test and how it would work in practice

3. Instead of general policies for development, local plans would be required to set out site- and area-specific requirements for development, alongside locally-produced design codes. The National Planning Policy Framework (NPPF) would become the primary source of policies for development management.



Key issues for SSDC:

- Agree that approaches to protecting biodiversity and heritage should be nationally set with scope to include policies in Local Plans to reflect locally evidenced priorities.
- Legislation would need to change the status of the NPPF beyond a 'material consideration'.
- Would significantly reduce the scope of Neighbourhood Plans

4. The legal Duty to Cooperate, which requires local planning authorities to continuously and effectively engage with neighbours on strategic issues such as housing need, would be removed. Further consideration will be given to the way in which strategic cross-boundary issues, such as major infrastructure or strategic sites, can be adequately planned for, including the scale at which plans are best prepared in areas with significant strategic challenges.

Key issues for SSDC:

- Agree that a better mechanism is needed to replace the Duty to Cooperate
- Question the scale of strategic planning envisaged by the white paper

5. The Government is considering scrapping the five-year housing land supply requirement. The white paper's proposed approach should ensure that enough land is planned for, and with sufficient certainty about its availability for development (e.g. reserve sites), to avoid a continuing requirement to be able to demonstrate a five-year supply of land. However, it is proposed that the housing delivery test and the presumption in favour of sustainable development are retained as part of the new system.

- Agree with the removal of the five year land supply

6. Councils and the Planning Inspectorate would be required through legislation to meet a statutory timetable of no more than 30 months for plan preparation with sanctions for those who fail to do so. The white paper states that the average time taken from plan publication to adoption rose from an average of 450 days in 2009 to 815 days in 2019. A schedule of timed stages is suggested in the white paper which allows approximately 18 months to produce a plan followed by 6 weeks of formal consultation, 9 months for the examination and a further 6 weeks to finalise the plan and associated mapping. An alternative proposal is to remove the examination stage entirely and use a process of self-assessment, with PINS auditing a certain number each year.

Key issues for SSDC:

- Timescales are unrealistic and unproven
- Fewer community engagement opportunities

7. Local plans would need to be visual and map-based, standardised, based on the latest digital technology and supported by a new standard template. The planning process would be increasingly digitised, moving from a process based



on documents to a process driven by data. Local authorities would be helped to use digital tools to support a new civic engagement process for local plans and decision-making.

Key issues for SSDC:

- The approach would be consistent with the general principles set out in our Digital Strategy
- Clarity required in relation to the financial and technical resources needed to support this approach
- We will need to ensure those without digital access at home are able to view the information at our customer access points and provide training to the Connect Team so they can assist customers

8. Under a proposed new “fast-track for beauty”, proposals for high-quality developments that reflect local character and preferences would benefit from automatic permission. New development would be expected to create a “net gain” to the appearance of areas. Design codes, which would be expected to be prepared locally, would be made more binding on planning decisions. A new body would be established to support the delivery of design codes across the country and each local planning authority would be required to have a chief officer for design and place-making.

Key issues for SSDC:

- Time and resource implications to produce design codes alongside Local Plans to guide development in growth and renewal areas
- Design codes could be numerous to address the diversity of built character across the district

9. The standard housing need method would be changed so that the requirement would be binding on local planning authorities who would have to deliver it through their local plans. The new method would be a means of distributing the national housebuilding target of 300,000 new homes annually. The requirement would be focused on areas where affordability pressure is highest and on brownfield land. It would also have regard to the size of existing urban settlements in an area and the extent of land constraints such as green belt, AONBs, and areas of flood risk (this may lead to a discount being applied).

Key issues for SSDC:

- Agree with new standard method
- Question how the Government will take constraints into account
- Clarity needed on how any discount applied to housing numbers will be distributed

10. A new ‘single infrastructure levy’ is proposed to replace the existing developer contributions system of section 106 agreements and the community infrastructure levy (CIL). The new levy is intended to be a nationally-set, flat rate charge and would be based on the final value (or likely sales value) of a development. The intention is for the new levy to raise more revenue than under





the current system of developer contributions, and deliver at least as much affordable housing, and on-site affordable housing, as at present. Suggestion to ring-fence a proportion of the levy for affordable housing.

Key issues for SSDC:

- Support in principle but further detail required regarding: rate setting, thresholds to be applied, local authority borrowing against the levy to secure infrastructure and affordable housing on site
- Potential implications for affordable housing delivery

11. The new levy could be used to capture a greater proportion of the land value uplift that occurs through the grant of planning permission, and use this to enhance infrastructure delivery.

Key issues for SSDC:

- Support in principle - would need to be balanced against risks to development viability and thresholds are likely to be required
- Support more value being captured to address infrastructure funding gap
- Dependent on local property values

12. It is proposed that the scope of the levy could be extended to capture changes of use through permitted development rights (e.g. offices to residential). Such a move would allow these developments to better contribute to infrastructure delivery and making development acceptable to the community. However, self and custom build dwellings remain exempt from the levy.

Key issues for SSDC:

- Support in principle
- Question the continued exemption of custom and self build dwellings

13. Large building sites would be split between developers to accelerate delivery. The government proposes to revise the NPPF to make it clear that masterplans and design codes for sites prepared for substantial development should seek to include a variety of development types from different builders, which would allow more phases to come forward together.

Key issues for SSDC:

- Need to ensure that the proposed approach did not result in deficiency of infrastructure provision/contributions

14. Community consultation at the planning application stage is to be streamlined. Instead, there would be a new emphasis on engagement at the plan-making stage.

Key issues for SSDC:

- Loss of local democracy and political accountability.

15. The determination of planning applications should be faster and more certain, with firm deadlines. It is intended that the well-established time limits of eight or





13 weeks for determining an application from validation to decision should be a firm deadline – not an aspiration which can be got around through extensions of time as routinely happens now. Applications should be "shorter and more standardised". The paper proposes that there should be just one key standardised planning statement of no more than 50 pages to justify the development proposals.

**Key issues for SSDC:**

- Firm deadlines could lead to hasty decisions with adverse outcomes for local communities
- Presupposition that applications will not require subsequent amendment and evidence
- Clarification needed on the standards planning applications need to meet for validation
- Resourcing needs to match the expectations of a fast determination system
- Concern that complex proposals or those that affect sensitive sites may need additional consideration and evidence

16. Penalties for councils that fail to determine an application within the statutory time limits could involve the automatic refund of the planning fee for the application. Ministers also want to explore whether some types of applications should be deemed to have been granted planning permission if there has not been a timely determination. Where applications are refused and the decision is overturned at appeal, the paper proposes that applicants will be entitled to an automatic rebate of their planning application fee.

**Key issues for SSDC:**

- Penalising local authority financially, given the current financial pressure upon councils, will only lead to a degradation of planning departments
- Resourcing local authority planning services is problematic and the increasing pressure this could put on them could increase concerns about lack of suitable resources
- Automatic refund of planning fees will constrain democratic consideration of significant planning applications affecting communities
- Developers will use this tool as a means of holding local authorities to ransom in terms of getting planning consent

17. Fees should continue to be set nationally but cover at least the full cost of processing applications, based on clear national benchmarking. The costs of operating the planning system should be principally funded by developer contributions rather than the national or local taxpayer. The paper states that planning fees, could be used to help fund the cost of preparing local plans and enforcement activities which is now largely funded from the local planning authority's own resources.



Key issues for SSDC:

- Support in principle
- Simplified template for use of Planning Performance Agreements will increase their use and help resource timely decision making
- Question the ability for fees to help fund the cost of preparing local plans –professional technical expertise will still need to be commissioned to underpin the proposed designations (growth, renewal and protected areas)

18. The government has promised to develop a comprehensive resources and skills strategy for the planning sector to support the implementation of the proposed reforms. Proposals for improving the resourcing of planning departments will be published later this year.

- Agree and support - resourcing is an acute issue for local government

19. The paper promises a deep dive regulatory review to identify and eliminate outdated regulations which increase costs for local planning authorities, especially to the decision-making process.

Key issues for SSDC:

- Further consultation with local planning authorities should be undertaken

20. It is proposed that Councils should be subject to a new performance framework which ensures continuous improvement across all planning functions from local plans to decision-making and enforcement – and enables early intervention if problems emerge with individual authorities.

Key issues for SSDC:

- Further detail required on the structure of the framework
- Framework should only be implemented once adequate resourcing to planning departments has been deployed

## Background Papers

[Planning for the Future white paper](#) consultation

[Changes to the Current Planning System](#) consultation