

DCLG consultation October 2017 'Planning for the right homes in the right places'

DCLG seeks views on changes to national policy to help local planning authorities and communities plan for and deliver the homes they need, including:

- a) our proposed approach to a standard method for calculating local housing need, including transitional arrangements;
- b) improving how authorities work together in planning to meet housing and other requirements across boundaries, through the preparation of a statement of common ground;
- c) how the new approach to calculating housing need can help authorities plan for the needs of particular groups and support neighbourhood planning;
- d) proposals for improving the use of section 106 agreements, by making the use of viability assessments simpler, quicker and more transparent; and
- e) seeking further views on how we can build out homes more quickly.

Response by London Forum of Amenity and Civic Societies

Proposed approach to calculating the local housing need

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 method would not result in the right homes of the right type in the right places.

Although the approach could be useful for local planning authorities outside London, there must be recognition that where there are tightly-bounded urban areas they will need to export unmet need following negotiations on cross-boundary co-operation.

Both for and within London, this can be at best indicative, at worst otiose.

GLA's assessment of need contains not only household projections, but policy decisions on the need for affordable housing of different types and on meeting the backlog, as well as consideration of the types and sizes of housing and the needs of specific groups, which the DCLG figures do not include.

Ultimately, all that matters are the targets - the annual minimum net additional number of homes, which in London represents the reconciliation of need and capacity. This is what the London Plan and London borough local plans do.

In addition to the GLA's SHMAA, for which the London Forum is a consultee, most London Borough's produce a SHMA for their borough or jointly with a group of boroughs, which provides further information that indicates local needs reflecting their local mix of households and the need for housing of different types and sizes. A London-wide OAN figure and the borough-level figures can be no more than indicative and do not add much value to the process of reaching the borough-level annual monitoring targets - which is the real bottom line.

The proposed approach to assessing local housing need is flawed because it assumes that the delivery of more market homes will lower prices and it does not focus sufficiently on the need to plan for homes to rent of various types for those in each income band locally.

The title of the document - 'Planning for the Right Homes in the Right Places' - is not related to the content of the consultation. There is nothing in the document that relates to getting the right homes in the right places. It does not assist in identifying the most appropriate locations for new housing, nor does it deal with the type of housing nor, other than in passing, with the special needs of specific groups.

Para 50 of the NPPF needs expansion as well as the NPG. The issue of the "right location" is major omission from the NPPF and the NPG. We can only hope that this will be rectified in the proposed changes to the NPPF due by the end of this year.

Rather than increase the "process" content of the NPPF, most of the material in this consultation should be in the NPG, whilst adding a paragraph or two of policy on what may be the "right place" to introduce some policy content on the issue of the location and pattern of urban development and the issue of creating places not just housing estates.

In short, apart from the title, three references in the Ministerial Foreword, two references in the opening paragraphs and one relating to infrastructure (para 127), there are no references to getting housing in the right places in this document. In any other sphere this would amount to misselling.

London Forum considers that the proposed standardised approach provides little additional value to either the London Plan or London borough Local Plans and proposes that London should not be required to adopt the national template. Nevertheless, this approach may have merit in most of England outside London, although towns and cities which are tightly bounded and surrounded by Green Belt may have similar policy and physical constraints to developing and limited brownfield sites.

The consultation document states that "The new approach proposed will give local communities greater control so they can make informed decisions about exactly where much-needed new homes should be built." There is nothing in the approach that would make that a satisfactory outcome.

This document, therefore, is deeply disappointing, because:

- it does not do what it 'says on the tin' - it is not about getting the right homes in the right places, there is nothing about what constitutes the "right places" - the most sustainable locations and patterns of urban development - and there is almost nothing about housing type and housing for specific needs;
- it is all about process - a short paragraph in the NPPF would be quite sufficient with a proposed "how to do it guide" in a separate document or the NPG; and
- the one-size-fits-all approach, which might be appropriate to most of the rest of England, would be inappropriate in Greater London. There is no acknowledgement that the Greater London Authority, through the London Plan, and London boroughs through their Local Plans, are much more advanced in their consideration of planning for objectively-assessed need (OAN). Through the London Plan SHMA, and, more importantly following the London Plan SHLAA, it identifies minimum 10-year targets and annual monitoring targets for London boroughs after reconciling need and capacity at borough level.
- there is no reference in the document to the types of affordable homes for which LPAs should plan for their type, tenure and cost. Only in paragraph 114 do the words appear "different types of affordable housing" but that is not amplified. Each type of affordable housing from social housing to shared equity homes should be defined and LPAs required to plan for each type. There should be proper identification by the process of the need for social housing and for homes to rent at prices affordable by those on low incomes and those on the Living Wage.
- the Government still seems to focus too much on delivering homes to buy which is becoming impossible for most people in London who have not inherited family wealth.
- it fails to show that the proposed process for identifying housing need would result in the support of local people for its achievement, which is a stated aim of the proposed local housing need process.
- there seems to be an assumption in the process that more homes (which will be unaffordable) are needed in area where homes are too expensive (on the basis of house prices compared with incomes).
- The proposed process would lead to targets for more unaffordable homes in areas that are the most expensive now.

Question 1(b)

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

If the purpose is to establish the number of homes - i.e. primary residences - that will be needed over the plan period (10 or 15 years?), then both the "need" figure and the delivery figure will have to explicitly exclude second homes and investment properties that will not be occupied throughout the year.

Even though it might be thought that this is only likely to affect coastal and rural areas, such as Cornwall and various National Parks, this is of major concern in Inner/Central London, where such developments have "used up" valuable sites, but have produced too few units many of which have been large. The opportunity cost - how many more homes to meet objectively-assessed need for a homes for people who need to live in London - means that these sites are "wasted" since they fail to meet this need. Despite that, these buildings are counted in terms of housing delivery.

There is need for greater clarity and transparency in terms of whether second homes and investment properties, which are neither let nor occupied for most of the year, should be counted as part of OAN or in terms of housing delivery. This should help local planning authorities focus on the most effective use of their sites for delivering homes for Londoners (or, in coastal/rural areas, for ensuring that homes for local people are the first priority).

Para 50 of the NPPF specifies that LPAs should:

- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand
- actively encourage local planning authorities to provide greater choice and diversity in housing delivery.

These requirements need to amplified in guidance, so that they are more transparent to everyone, including the housing department of the authority, housebuilders and to the local community. A local assessment of housing need must be clear about the types of homes required, including each type of affordable homes, and should be used to shape delivery.

This should be reinforced by:

- Site Allocations, Area Action Plans or Local Development Orders in Local Plans to ensure planning permission is granted only for the homes needed in each area.
- Policy/guidance on housing tenure mix
- Guidance on housing types - flats, terraced housing, etc.
- Guidance on the size mix for new housing and conversions
- Policy on the amount/mix of special needs housing, including lifetime homes, wheelchair access, care homes, homes for older people to able to move to encourage down-sizing and student housing
- Policies for where tall buildings are and are not appropriate

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?

YES

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

See answer to Question 1(b) above. It should be acknowledged that Greater London has the capability and capacity to do this and that it can and should undertake its own assessment of objectively assessed need (SHMA).

The types and mix of needed homes must be clear.

Paragraph 43 refers to publicly-held land but it ought to pledge to make it available at current land value, not aspirational value.

The Housing Infrastructure Fund will be important for unlocking potential for more homes in some Councils (paragraph 46). However, it is not clear how that fund will be accessed by London boroughs.

Transport improvements could be as important as social infrastructure.

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

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?

Not sure.

In London, the GLA's method of assessing housing need is accepted by the Government as conforming to the new methodology (paragraph 33). The London Plan policies form the housing part of the Core Strategy for every London borough, therefore by accepting their target towards London's housing delivery, they are 'up to date' and the Housing Delivery Test should not apply. The Mayor will take suitable action on any deviation from targets identified in the Annual Monitoring Report.

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 -

This is not applicable to London - see our response to 5(a)

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?

NO

This is not applicable to London - see our response to 5(a)

Question 6

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

Not sure

No transitional arrangements are required for London as the GLA methodology is accepted by DCLG and forms the basis of targets for each borough.

Statement of Common Ground

Question 7(a)

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

YES

Outer London boroughs may not be able to achieve a meaningful statement of common ground with Councils around the GLA region. That part of the 'Statement' should be negotiated and documented by the Mayor in conjunction with those boroughs.

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?

The GLA Mayor's Statement should confirm that common ground agreements exist between London's boroughs for homes and infrastructure. It should document also what common ground agreements have been reached by the GLA and by outer London boroughs with the local authorities around the GLA region or beyond.

Question 7(c)

do you consider there to be a role for directly elected Mayors without strategic plan-making powers, in the production of a 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?

YES

The timescales are appropriate but the statements of common ground should include not just housing agreements but arrangements for shared social infrastructure and transport developments.

Paragraph 86 proposes Government intervention where statements of common ground are not being produced or maintained. That could be helpful for outer London boroughs but the GLA Mayor should be involved in any review and action.

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?

YES

However, the plans should cover infrastructure, transport and where appropriate, economic development, which can remove constraints on housebuilding and also influence job creation.

Question 9(b)

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

YES

That is why London Forum proposes that the statements of common ground should cover infrastructure needs and agreements on them so that there is a documented and agreed basis for making bids for strategic infrastructure investment.

Planning for a mix of housing needs**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 income levels of groups of people in various areas within local authorities should be used to determine the required numbers of social homes and of other types of homes to rent at levels that suit the mean income groups.

The Right-to-Buy scheme should be scrapped so that existing social homes are not reduced continually in number. Many of the flats in London bought under the scheme become part of the private rented sector with problems of overcrowding and exploitation of tenants.

The types of affordable homes that the Government should accept are necessary for London, and probably some other cities, have been defined in the London Mayors document 'Homes for Londoners' of November 2016. It specifies a London Affordable Home and the rent levels that should apply.

It describes a more expensive London Living Rent home at two-thirds of the median market rent. The Mayor published benchmark London Living Rent levels for every neighbourhood in the capital.

The Government's housing need process must support the identification in London and other appropriate locations of the need for these types of affordable homes. More urgently, due to a

backlog arising from under-supply in the last seven years, it must make provision for high quantities of social homes at lower rent levels than the Affordable and Living Rent types.

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

Neighbourhood Planning

Question 11(a)

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

YES

Paragraph 97 states this would apply to the London Plan and that does set out a housing figure for each borough. The borough determines the opportunity for each area by SHLAA and Site Allocations.

Neighbourhood Plans for determining housing need would not be applicable in London. There would need to be over 2,000 such plans to cover the key community areas in the capital. The effort and timescale to produce those would be too great. See our response to Q1(b) for London Local Plans.

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

Not applicable to London. See our response to 5(a) and 11(a).

Proposed approach to Viability Assessment

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

That should include definition of how the funding secured will be spent and what contribution in addition to CIL is required to make any complex site or development type sustainable.

Question 13

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

London Forum believes that methods of testing viability assessments have been well developed by the LB Islington and City of Westminster local authorities in London. Best practice guidance for other boroughs has been developed and promulgated and training sessions held for planning staff. Viability experts from boroughs and from external agencies have been drawn into a Viability Assessment team by the GLA and are being deployed to help boroughs to deal with developers' viability claims.

The Mayor has called in housing schemes with less than 35% affordable homes and has been successful in negotiating increases and has set a future target of 50% affordable. He has defined a 'London Living Wage' type of home to rent for those on low incomes and is securing increased volumes of such housing.

The Mayor is also using the funds made available by the Government for affordable homes in London and will have experience on targeting contributions to housing schemes that could yield more affordable homes.

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

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?

In London the engagement of such providers should be coordinated by the Mayor's office or in ways that the GLA publishes as best practice and on best suppliers.

Other parts of England will be different except that a similar approach could be taken by metro Mayors, including the methods outlined in our response to question 13.

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?

London Forum supports the use of such guidance and recommends that the content of it should be compiled with the viability team in the GLA Mayor's office. They have been developing methods of assessing viability and should have proposals on the way the assessments should be compiled and presented by developers and then analysed.

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

The plans should indicate how the LPA will report the use of CIL contributions, including the percentage of such receipts that are expected to be spent in accordance with the priorities of the community in the vicinity of a development, in accordance with the Localism Act.

Question 17(b)

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

That they are clear to local communities and that their benefits are specified and tracked.

The local planning authority should publicise to communities the S.106 it intends to secure with a permission, the content of the final legal agreement for an approved development and the income received at each point of fund triggering, including for the reviews at periods covered by 'overage' agreements for any improved profits for the developer with time.

There should be coverage of those matters in the LPA's Annual Monitoring Report.

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

Planning fees

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?

London Forum welcomes the opportunity for increased planning fees due to the complexity of many developments being proposed to London boroughs by developers, particularly in the capital's Opportunity Areas, Areas of Intensification and of Regeneration and Renewal.

The ability of LPA officers to work with communities, as in paragraph 120, is essential for any required modifications and acceptance by local people of new development.

A previous Secretary of State, Greg Clark, expressed the view that the management of development should not be a cost on the Council Taxpayer. In many London boroughs, particularly those with extensive conservation areas and many listed buildings, a 20% increase in fees will not relieve the local Council Taxpayer by much. A good example of a one-size-fits-all action only relieving some local planning authorities - DCLG should have a better assessment of the impact of this policy change.

A 40% increase on current application fees could deter or delay some applications and it would be important for a LPA to vary its fees according to circumstances in some areas.

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?

YES

Higher fees should be applied to complex applications, for which one of the measurements could be the number of pages of associated supporting documents and schedules that contain the minimum required content. Other requirement for a fee increase would be any unusually large legal agreements to cover many S.106 contributions, additional research or monitoring and enforcement that the LPA has to do to deal with the application or work in securing agreement of statutory consultees or other stakeholders on applications.

In London that might include the extra work a borough would have to do to liaise with the Mayor's office on the Stage 1 and Stage 2 reports on any application that has to be referred to him.

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?

Apply to individual authorities only

LPAs that can demonstrate that their costs for processing planning applications exceed the fee income should apply to DCLG to implement the 40% fee increase but that is likely to be for certain types or location or types of proposed development.

Question 18(d)

are there any other issues we should consider in developing a framework for this additional fee increase?

Yes, consideration of the extra work needed to be done by local authorities in dealing with applications that are in, or affecting, conservation areas, MOL and Green Belt or affecting the setting of listed buildings and World Heritage Sites or requiring archaeological surveys and assessments.

No 'other issues' were suggested in this response, compiled by Peter Eversden and Michael Bach