

Agreed at WHPC meeting 15th Sep 2020 item 20/274

West Hill Parish Council's response to the Proposed Changes to the Current Planning System Consultation

There is one huge fallacy in the Government's thinking on housing provision – that the limiting factor is the number of sites with planning permission. In fact, by various estimates there are up to 1 million sites with planning permission that have not been built out – enough to meet the Government's target for the whole of this Parliament. The real cause of the bottleneck, as described in the Letwin review¹, commissioned by the Government, is much more to do with the building industry (particularly large building companies) limiting build-out rates in order to maintain high house prices. This is not a simple supply & demand situation. Further deregulation is not the answer to the problem.

Implementing the recommendations of the Letwin Review would be a far more effective method on increasing housing supply in areas of need. The recommendations include creating new powers for Local Planning Authorities. Devolving powers to a local level is a far more democratic process than the top-down prescriptive approach outlined in the White Paper.

Main points for consultation:

- Changes to the standard method of assessing local housing need
- securing of First Homes through developer contributions
- temporarily lifting the small sites threshold to up to 40-50 units, as economy recovers from the impact of Covid-19
- extending the current Permission in Principle to major development, so landowners/developers have a fast route to secure the principle of development

Assessing local housing need

There is merit in having an agreed method of assessing housing need – without it there are very lengthy arguments about the housing target during the Examination in Public for the Local Plan – as happened for the East Devon Local Plan (EDLP).

The current standard method is based on ONS (2014) household projections. These are projections, based on past trends, **not forecasts**. Therefore in areas where household growth has been suppressed in the past, the formula will underestimate the need for housing in the future (e.g. Northern Powerhouse areas). Conversely, in areas like East Devon where there has been significant housing built in the last few years, projecting this trend forwards creates a higher figure which becomes the baseline for calculating housing “need”.

Therefore using ONS projections does not reflect the true need for housing in an area – it is merely projecting forward past trends. East Devon District Council (EDDC) have calculated that using the

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752124/Letwin_review_web_version.pdf

new methodology, the housing requirement for East Devon would be **1,614 houses / year**, an increase of 67% above current levels.

This is a huge increase in housing target, and quite unrealistic and invalid. There is no evidence to support this number of houses being needed, and serious doubt that enough building land could be found, and doubt that developers would wish to build this number of houses. With 2/3 of the District being within an AONB, potential sites for development are very limited.

Consultation questions:

Question 1 Do you agree that planning practice guidance should be amended to specify that the appropriate baseline for the standard method is whichever is the higher of the level of 0.5% of housing stock in each local authority area OR the latest household projections averaged over a 10-year period?

Proposed Answer: No. The formula is flawed, and sets an unrealistically high target for East Devon, largely because of high housing delivery in recent years.

Question 2 In the stock element of the baseline, do you agree that 0.5% of existing stock for the standard method is appropriate? If not, please explain why.

Proposed Answer: No. The 0.5% level is not evidence based.

Question 3 Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method's baseline is appropriate? If not, please explain why.

Proposed Answer: No The simple supply and demand argument does not work for house prices – increasing supply does not necessarily reduce the price. Other interventions to make housing more affordable could have far more impact. The huge increase in housing in East Devon would mean massive in-migration is needed and is simply not credible.

Question 4 – 7: Not answered.

Delivering First Homes

This concerns various technical matters regarding provision of affordable homes & First Homes (30% discount off market value). These are not relevant to WHPC.

Questions 8 – 16: Not answered.

Supporting small and medium-sized developers

Question 17: Do you agree with the proposed approach to raise the small sites threshold for a time limited period?

Proposed Answer: No There is a real need for affordable housing and any raising of threshold could adversely affect this. A more rigorous viability assessment could be used instead.

Question 18: What is the appropriate level of small sites threshold? i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)

Proposed Answer: There is no evidence in support of any of these options.

Questions 19-23: Not answered

Extension of the Permission in Principle consent regime

Permission in Principle is designed to separate decision making on 'in principle' issues addressing land use, location, and scale of development from matters of technical detail, such as the design of buildings, tenure mix, transport and environmental matters. The aim is to give up-front certainty that the fundamental principles of development are acceptable before developers need to work up detailed plans and commission technical studies.

In reality, this is not all that different to the current Outline Permission and Reserved Matters – but the duplication of systems will cause confusion. EDDC has never had an application for Permission in Principle (currently applicable to development of up to 10 dwellings).

Question 24 Do you agree that the new Permission in Principle should remove the restriction on major development?

Proposed Answer: The proposed changes appear to offer no significant improvement on the current system of Outline Permission.

Questions 25: No answer

Question 26 Do you agree with our proposal that information requirements for Permission in Principle by application for major development should broadly remain unchanged? If you disagree, what changes would you suggest and why?

Proposed Answer: No. The information requirements for permission in principle for major housing developments are woefully inadequate and would not allow for a sound and informed decision on any proposals to be made.

Questions 27-35: No answer

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