

**GUILDFORD BOROUGH COUNCIL RESPONSE TO:**

Ministry of Housing, Communities and Local Government; Changes to the current planning system Consultation on changes to planning policy and regulations, August 2020

**Date:** 01 October 2020

**Contact Information**

**Name:** Stuart Harrison – Planning Policy Lead

**Organisation:** Guildford Borough Council, Millmead House, Millmead, Guildford, Surrey, GU2 4BB

**Contact email address:** [stuart.harrison@guildford.gov.uk](mailto:stuart.harrison@guildford.gov.uk)

**Contact telephone number:** 01483 444512

Question	Response
<p>Q1: Do you agree that planning practice guidance should be amended to specify that the appropriate baseline for the standard method is whichever is the higher of the level of 0.5% of housing stock in each local authority area OR the latest household projections averaged over a 10-year period?</p>	<p>Yes, with the following caveats.</p> <p>Household projections are trend based and therefore not necessarily indicative of future need. If past house building has been low in the past, then an over reliance on household projections without any additional adjustment risks perpetuating a level of suppressed household formation that may have occurred in the past due to a lack of suitable housing. This runs the risk of either underestimating the housing need that should be provided for or displacing the need to other potentially less suitable areas.</p> <p>Equally household projections may inflate future need. Household projections are trend based and therefore for authorities that have delivered significant growth in recent years this figure may be significant. This may act as a disincentive to delivering homes particularly if, even in spite of the significant development that has been experienced, the affordability of an area has not improved (see further comments below). This may therefore act as a disincentive to councils delivering necessary growth as it may inflate the baseline considerably when compared against the alternative base line that is simply aligned to existing housing stock. LPA's should not be penalised for delivering homes particularly when there are limited mechanisms by which councils can enforce delivery rates which would be necessary to drive down house prices. Currently developers will only build homes at a rate which guarantees them the returns they consider necessary. This leaves LPAs in a situation whereby they need to identify significant areas of land to meet needs but still run the risk of not being able to demonstrate sufficient delivery to meet the HDT or 5 year supply requirements, or indeed deliver the improvements to affordability necessary to bring down one's number in the future.</p> <p>The use of housing stock as an alternative baseline measurement would enable a transparent and easy to understand methodology that does not require complex additional modelling which would need to be subject to</p>

Question	Response
	additional scrutiny and potential consequential delays in the plan-making process. It also enables a more proportionate distribution of housing across the country when compared to existing patterns of development. From the analysis given this would align with the Government's ambition of 300,000 homes per year.
Q2: In the stock element of the baseline, do you agree that 0.5% of existing stock for the standard method is appropriate? If not, please explain why.	No response
Q3: Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method's baseline is appropriate? If not, please explain why.	Yes. Where people work and whether they can afford to live in that area is more indicative of an area's affordability than an analysis of whether those that live in the area can afford to buy in the area (i.e. a house price to residence-based earnings ratio) as residents may work elsewhere, for example in London, where the wages are higher. The objective should be to improve affordability for workers in an area to buy in that area thereby addressing those on lower wages who currently need to live elsewhere and commute into the area. Enabling people to live where they work would reduce the need for significant commuting and enable more sustainable forms of travel.
Q4: Do you agree that incorporating an adjustment for the change of affordability over 10 years is a positive way to look at whether affordability has improved? If not, please explain why.	Adjusting the figure twice for affordability seems arbitrary and simply a means of yielding a greater figure that aligns more closely with the 300,000 homes ambition. It penalises councils twice for something that is beyond their means to control given they cannot control the rate of delivery of homes (see Q1). Given the objective of 300,000 dpa, we consider that there should be greater emphasis on the capacity of councils to accommodate growth given their constraints together with a strategic view as to the national distribution of homes when considered alongside infrastructure investment, and economic and social objectives. Following COVID, working from home has increased and is likely to continue to do so. With commuting pressures significantly reduced there is likely to be a shift associated with where people choose to live – to one that is based more on personal preference and/or price. In such a case, the need for homes may not necessarily be in those areas which suffer from affordability issues as people are likely to move to areas which are more affordable but can still meet their work requirements (such as access to fast broadband).
Q5: Do you agree that affordability is given an appropriate weighting	See response to question 4

Question	Response
<p>within the standard method? If not, please explain why.</p>	
<p>Do you agree that authorities should be planning having regard to their revised standard method need figure, from the publication date of the revised guidance, with the exception of:</p> <p>Q6: Authorities which are already at the second stage of the strategic plan consultation process (Regulation 19), which should be given 6 months to submit their plan to the Planning Inspectorate for examination?</p>	<p>No response</p>
<p>Q7: Authorities close to publishing their second stage consultation (Regulation 19), which should be given 3 months from the publication date of the revised guidance to publish their Regulation 19 plan, and a further 6 months to submit their plan to the Planning Inspectorate?</p> <p>If not, please explain why. Are there particular circumstances which need to be catered for?</p>	<p>No response</p>
<p>Q8: The Government is proposing policy compliant planning applications will deliver a minimum of 25% of onsite affordable housing as First Homes, and a minimum of 25% of offsite contributions towards First Homes where appropriate. Which do you think is the most appropriate option for the remaining 75% of affordable housing secured through developer contributions? Please provide reasons and / or evidence for your views (if possible):</p> <p>i) Prioritising the replacement of affordable home ownership tenures, and delivering rental tenures in the ratio set out in the local plan policy.</p>	<p>Option i) is preferred. This would be in line with the tenure mix reflection in the Council's Local Plan and would maintain clarity with regard to this expectation.</p>

Question	Response
ii) Negotiation between a local authority and developer. iii) Other (please specify)	
With regards to current exemptions from delivery of affordable home ownership products: Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to apply to this First Homes requirement?	<p>It is understood that the proposal is to exempt the categories of development listed in paragraph 64 (a) to (d) of the NPPF from providing a 25% First Homes contribution. This appears reasonable as these categories are considered special or exceptional cases and the justification for the inclusion of these provisions in the NPPF relating to the requirement of 10% homes to be in affordable ownership, would apply equally when considering a potential First Homes requirement.</p> <p>It appears, however, if proposals are taken forward (as per para 64 of the consultation) that the exemption for entry-level exception sites (NPPF para 64d) would need to be amended.</p>
Q10: Are any existing exemptions not required? If not, please set out which exemptions and why.	<p>See response to Q9 regarding entry-level exemption sites. Outside of this particular exemption, it is considered these existing exemptions are appropriate. The Council consider that the first homes policy should not apply to rural exception sites. Provision of Affordable/Social Rented homes should be provided in line with the Local Plan (Policy H3) and be responsive to local rural housing needs conducted at a Parish level. (see response to Question 16).</p>
Q11: Are any other exemptions needed? If so, please provide reasons and /or evidence for your views.	<p>None identified.</p>
Q12: Do you agree with the proposed approach to transitional arrangements set out above?	<p>The Council agrees with the proposed approach in relation to the transitional arrangements (albeit with reservations about the impact on delivery of affordable housing to meet the needs of lower income households who are not first-time buyers – see our response to Q13). Six months seems like a reasonable transitional period for local and neighbourhood plan policies that have yet to be submitted for examination to take account of the proposals, however Guildford Borough Council’s adopted policy for affordable housing is flexible enough in any case to allow for the replacement of home ownership tenures without the need for a review of our Local Plan, whilst emerging neighbourhood plans in the borough should be unaffected by the proposals as they do not contain policies that set out local neighbourhood wide approaches to tenure mix in new developments.</p>

Question	Response
	<p>The Council also agrees with the intention to allow local authorities the flexibility to accept alternative tenure mixes where significant work has already been undertaken to progress a planning application.</p>
<p>Q13: Do you agree with the proposed approach to different levels of discount?</p>	<p>The Council agrees with this proposed approach – as we stated in our response to the Government’s consultation on First Homes in February this year, allowing local authorities the discretion to increase the discount on market housing costs for First Homes to 40% or 50% where their evidence indicates viability for a larger discount would assist authorities in areas such as Surrey which have relatively high house price to income ratios to provide housing that is more likely to be genuinely affordable for local residents, or at least for first time buyers. In many cases the cost of first homes would remain beyond the reach of many prospective buyers. To illustrate, the average price for a home in Guildford was £537,447 in September 2019[1]. The cost of a property at this price with a 30% discount would be £376,213, which is still very expensive to be classed as affordable.</p> <p>It is acknowledged that the applied market discount (proposed as 30%) will also reduce the deposit that would have been required in the case of purchasing a First Home by a commensurate percentage. However, the Council considers that further support should also be considered to reduce the burden of the scale of deposit (despite the market discount) required to purchase this form of housing.</p> <p>The impact of the requirement (referred to in paragraph 60) for 25% of units to be for first-time buyers combined with the NPPF paragraph 64 requirement for at least 10% of homes to be available for affordable home ownership will reduce the future availability of shared ownership homes to other households on lower incomes if proportions of affordable rented properties are also to be met. The Council’s Local Plan: strategy and sites 2015 – 2034 (Policy H2) requires developers in Guildford borough to provide at least 70% of affordable homes in any scheme to be for affordable rent. This policy is in accordance with the Council’s Housing Strategy 2015 – 2020 and based on existing supply and local market demand, and, therefore, viability. However, we recognise there is a balance to be achieved regarding meeting demand from first-time buyers.</p>

Question	Response
<p>Q14: Do you agree with the approach of allowing a small proportion of market housing on First Homes exception sites, in order to ensure site viability?</p>	<p>With regard to the proposal to allow a small proportion of market housing on First Homes exception sites, this may support delivery of a larger number of these types of site, however any proportion of market housing would need to be carefully considered and subject to clear evidence and strict policy controls. Should the NPPF / national policy be amended, it would be important to establish these controls. Furthermore, the Council considers that there should be flexibility to enable the delivery of other forms of affordable housing provision as part of a mix of tenures, including affordable rent, on exception sites based on local need.</p>
<p>Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework?</p>	<p>The Council considers removal of the site size threshold for entry level exception sites at paragraph 33 of the NPPF could have beneficial outcomes by giving local authorities greater scope to determine the suitability of schemes in cases that may exceed the current threshold, yet are otherwise in accordance with Local Plan policies and address demand for homes for first-time buyers. If the threshold is removed altogether, then it would be appropriate in our view to introduce a reference somewhere within the NPPF to indicate that exception sites should be 'small sites' as indicated in paragraph 64 of the consultation document, as this is not mentioned anywhere else within the NPPF other than by the existence of the size threshold in footnote 33. Our concern is that if the size of entry level sites is left entirely to local discretion and/or precedent, without sufficient clarity on what is regarded as a small site (or 'proportionate in size to the existing settlement' as per the consultation), then this could be a fertile ground for challenge. Developers may seek to justify schemes that are significantly larger on the basis that paragraph 71 of the NPPF states that local planning authorities should support their development unless need for them is already being met within the local authority area.</p>
<p>Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?</p>	<p>The Council agrees that, if implemented, this policy should not apply in designated rural areas. The rural exception homes policy as per the Council's Local Plan provides for affordable homes which are responsive to evidenced local rural housing needs, which may include affordable rent. It is agreed that the First Homes exception sites policy should not over-ride these provisions.</p>
<p>For each of these questions, please provide reasons and / or evidence for your views (if possible):</p>	<p>No. The Council's approach to seeking affordable housing contributions from small sites aligns with the current national approach regarding thresholds. Whilst GBC acknowledge the importance of SMEs to the delivery of homes and the challenging circumstances associated with</p>

Question	Response
<p>Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?</p> <p>(see question 18 for comments on level of threshold)</p>	<p>the economic recovery from Covid-19, there are certain concerns with the approach proposed (raising the small sites threshold).</p> <p>GBC agree that it is likely to result in the delivery of fewer affordable homes overall. This may be exacerbated by unintended consequences such as:</p> <ul style="list-style-type: none"> <li>• sites being brought forward sooner in order to take advantage of this temporary measure, meaning they will never deliver the affordable homes that our Local Plan policy requires. Whilst earlier delivery has shorter-term advantages, this should not be at the risk of affordable housing provision.</li> <li>• submission of planning applications that seek to ‘artificially’ reduce delivery numbers to fall below the proposed threshold. This would need to be addressed as is intimated in the white paper. (we recognise that the Government consultation has also identified this as a concern at paragraph 81).</li> </ul> <p>The Council anticipates delivery of a total of around 300 homes from sites likely to yield fewer than 50 units by 2024. This includes sites allocated for a total of approx. 160 homes (excluding schemes with current planning permission), plus an approximate potential for a further 120 to 150 homes on windfall sites. For the 18-month period during which the small sites threshold will be temporarily lifted, these sites would be exempt from the requirement to provide affordable housing should a planning application be submitted, which could result in the potential loss of approx. 120 affordable homes that would likely have been built. However whilst this proposed measure may enable these sites to come forward quicker by reducing the amount of and need for negotiation over developers’ contributions, it may not necessarily be required to support SMEs as stated in paragraph 79 of the consultation document, as most site typologies in the borough have already been demonstrated to be viable through supporting evidence for our recently adopted Local Plan.</p> <p>Furthermore, as is the case for several other authorities, GBC already has a level of flexibility built into its Local Plan which allows for economic viability to be considered in relation to affordable housing provision. In these generally exceptional cases, the options exist to vary to tenure mix of affordable housing, size, and/or types to be provided and/or reducing the overall number of homes.</p>

Question	Response
	<p>The approach proposed in the consultation is considered a somewhat blunt instrument, which would result in no affordable homes being delivered for schemes below the proposed raised threshold (permitted during the time period envisaged). The existing GBC Local Plan provisions at least allow for the possibility that there would still be an affordable housing contribution, even though this may not be in the anticipated form or at the anticipated level if the justification and viability assessment is accepted.</p> <p>The proposal also appears to assume that viability issues are evenly spread across the Country. Whilst there are clearly common challenges faced, it is considered that in areas where viability is less constrained, this proposal may result in windfalls to developers.</p>
<p>Q18: What is the appropriate level of small sites threshold?</p> <p>i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)</p>	<p>iii) Other - Local authorities should be allowed the flexibility to retain the current small sites threshold as per the NPPF or where sufficiently justified to adjust the small sites threshold within their affordable housing policies at their discretion taking account of whether development schemes would be genuinely unviable with full affordable housing provision.</p> <p>The supporting evidence for Guildford Borough's Local Plan which was adopted last year assessed the viability for smaller sites of 11 or more homes (6 or more homes in rural areas) and found that most sites above the current size threshold were viable with 40% affordable housing at that level of delivery. Raising the threshold at which affordable housing is required to 40 or 50 homes for all sites would therefore hold the prospect for potentially unjustified windfalls in relation to these smaller sites (particularly as the policy option exists to increase their viability by means of variation to tenure mix or number of affordable homes, as indicated in our response to Q17).</p> <p>The outcome of being unable to secure affordable housing from these sites would be detrimental for boroughs such as Guildford, which has both a pressing shortage of and high demand for affordable housing, and a house price to income ratio significantly above national and regional average (The lower quartile workplace earnings to lower quartile house price in Guildford was 12.92 in 2019, which was 83% above the ratio for England and Wales (7.06) and 24% above the ratio for the South East (10.46)). Furthermore, long waiting lists for social rented family homes exist, which may deter households from registering for Council Housing.</p> <p>A more flexible option as proposed above could therefore have a more favourable longer-term outcome for affordable</p>



Question	Response
	housing delivery in Guildford and other boroughs with affordability problems, without creating economic barriers to housing development.
Q19: Do you agree with the proposed approach to the site size threshold?	<p>No – The Council considers that the site size threshold for affordable housing contribution liability on new developments should either be retained as per the NPPF, or local authorities should be granted the discretion to determine for themselves, taking account of whether a particular scheme would be unviable with a full Local Plan policy compliant affordable housing contribution.</p> <p>This approach would help to ensure that affordable housing delivery is not undermined in areas such as Guildford with high house prices and affordability issues, without necessarily compromising scheme viability. Refer also to responses to Questions 17) and 18).</p>
Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?	<p>Whilst the Council recognises the challenging circumstances associated with achieving economic recovery from Covid-19, there are certain concerns with the proposed approach of temporarily raising the site size threshold to 40 or 50 homes in order to speed up delivery of housing on smaller sites. In short, our concerns over this are the same as those set out in our responses to Q17 and Q18 in relation to the proposed approach to temporarily raising the small sites threshold (minimum unit threshold). This includes the potential for unintended consequences.</p> <p>Despite the Council’s position, should this policy approach be adopted by the Government, the Council agree that it should be time limited. However, it is considered that there should be provision for this position to be reviewed (not just monitored as is proposed) during the 18 months period. It is not yet clear how quickly the wider economy may recover, and it is possible that increasing thresholds for an 18-month period from some point in the future may be unjustified in light of economic circumstances during that period.</p>
Q21: Do you agree with the proposed approach to minimising threshold effects?	Yes, we agree with this intended approach. As we indicated in our response to Q17, the Council is concerned about the adverse impacts of ‘threshold avoidance’ by housing developers as this could have a much greater impact on affordable housing delivery than for smaller sites; although we are equally concerned about the reduction in affordable housing that would result from increasing the small sites and site size thresholds from current NPPF levels.

Question	Response
Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?	Yes, we agree with this intended approach to maintain the current threshold in designated rural areas as outlined in paragraph 82 of the consultation document.
Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?	So far there is little evidence of some of the changes having a significant effect, i.e. little take up on Additional Environmental Improvements or Fast Track route for changes to construction hours. Additionally, the revisions to the Use Class Order have been confusing and as yet seeing very little evidence of change as a result. Therefore, it is suggested that greater thought should be given to regulatory changes to support recovery. It is likely that the most benefit should come from improved guidance under the nPPG as to how much weight should be afforded matters during the recovery period. This could assist with decision making during that period.
Q24: Do you agree that the new Permission in Principle should remove the restriction on major development?	The current PiP regime has had very little take up and offers little in terms of housing delivery. Guildford's experience is that it is used on sites where it is highly unlikely that permission would be granted as a 'backdoor' route. There is potential for expanding the scope of PiP, however, this should be explored along with a revision of the PiP regulations to address problems that already exist i.e. interaction with the Habitat Regulations. There is some potential for expansion to major development, but it does need to recognise the difficulties in granting PiP where the principle is linked to the level of development. One option would be to exclude land within the Green Belt from the PiP regime.
Q25: Should the new Permission in Principle for major development set any limit on the amount of commercial development (providing housing still occupies the majority of the floorspace of the overall scheme)? Please provide any comments in support of your views.	The use of the PiP regime for mixed use development would become more complex given the limited amount of information developers are required to provide. Furthermore, with mixed use scheme whether it is fundamentally acceptable will often depend on having some detail around the interaction of the uses. It may be that Regulations would need to require differing levels of details for mixed use schemes. If PiP went hand in hand with local plan site allocations some of this could be overcome as allocations policies would likely give some indication of the appropriate mix.
Q26: Do you agree with our proposal that information requirements for Permission in	No, put simply the larger the development the greater the level of information required at submission stage. Above a certain level, minimum requirements for parameter plans

Question	Response
Principle by application for major development should broadly remain unchanged? If you disagree, what changes would you suggest and why?	should be given. This could be varied if Masterplans or pre-app/PPA engagement has taken place on site.
Q27: Should there be an additional height parameter for Permission in Principle? Please provide comments in support of your views.	No, heights are likely to vary considerably depending on site location/context.
Q28: Do you agree that publicity arrangements for Permission in Principle by application should be extended for large developments? If so, should local planning authorities be: i) required to publish a notice in a local newspaper? ii) subject to a general requirement to publicise the application or iii) both? iv) disagree  If you disagree, please state your reasons.	Yes. ii) is preferred option. Press notices have little value in modern system. If the drive is toward digital systems, then press requirements should be phased out for greater use of social media platforms or online media.
Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?	Agree broadly with a banded fee structure, stepped fees based on an increase around every 0.1ha is not particularly accurate. However, fee levels need to be considered more in depth as they do NOT currently cover the cost of an application. Fees should be set to ensure applications are cost neutral to the taxpayer. Comparison with current outline application fees are not appropriate as these fees do not cover application costs. Appropriate benchmarking with Authorities should be done to set this. Experience indicates that fee level is unlikely to be the main factor in choice of applications. Certainty of decision making is most likely and if a higher fee will assist with this then it is likely to be supported by developers. The fees at the lower end need to be higher to cover actual costs.
Q30: What level of flat fee do you consider appropriate, and why?	Suggestions: 0.1 ha – 1 ha - £500 per 0.1 ha 1 ha - 2.5 ha - £5,000 plus £500 per 0.1ha thereafter 2.5 ha and above - £12,500 plus £250 per 0.1has thereafter up to a maximum £150,000  Lower end fees do not cover current process costs, fees need to be calculated appropriately. Banding should include min costs for the larger bands as this will be min cost. Once above 2.5 ha the time cost per 0.1ha does reduce. Max amount set in line with current outline permission fee.

Question	Response
<p>Q31: Do you agree that any brownfield site that is granted Permission in Principle through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.</p>	<p>No, because of limited information required the technical details could still provide a significant constraint in delivery.</p>
<p>Q32: What guidance would help support applicants and local planning authorities to make decisions about Permission in Principle? Where possible, please set out any areas of guidance you consider are currently lacking and would assist stakeholders</p>	<p>No response.</p>
<p>Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?</p>	<p>Introducing new application processes cause delays and uncertainty to all sides and diverts resources. They are often viewed by residents and Councillors as a means of removing local objections and this results in greater objection and cost to the Council in dealing with these applications.</p>
<p>Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.</p>	<p>Based on the current regime Guildford feel it is unlikely that landowners/developers would use the proposed measures. We have only received two PiP applications since inception. Both refused and dismissed at appeal.</p>
<p>Q35: In light of the proposals set out in this consultation, are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty?</p> <p>If so, please specify the proposal and explain the impact. If there is an impact – are there any actions which the department could take to mitigate that impact?</p>	<p>No response.</p>