

The Consultation on Changes to the Current Planning System: Planning Policy and Regulations

Kings Chambers Planning Podcast



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Briefing Note

Kings Chambers Planning Podcast on the Consultation on Changes to the Current Planning System: Planning Policy and Regulations

*This episode of the Kings Chambers Planning Podcast is hosted by **Constanze Bell**, Planning Barrister at Kings Chambers.*

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The Changes to the Current Planning System Consultation

The Changes to the Current Planning System Consultation, released this month, sets out proposals for measures to improve the effectiveness of the current system.

The four main proposals in the consultation are:

- I. changes to the standard method for assessing local housing need;
- II. securing of First Homes;
- III. temporarily lifting the small sites threshold to support SME builders;
- IV. extending Permission in Principle to major development.

The Podcast looks at each proposal in turn taking listeners on a 'whistle-stop tour' through the proposed changes.

The Standard Method

The consultation proposes a revised standard method for calculating local housing need which will be used as the basis for plans created prior to any changes outlined in Planning for the Future being introduced.

A new element will be introduced into the standard method, a percentage of existing housing stock levels, which will take into account the number of homes that are already in an area. Household projections will be retained as part of the new blended approach which takes account of stock.

An affordability adjustment will be introduced that takes into account changes over time, in addition to the existing approach of considering absolute affordability. Where affordability improves, this will be reflected by lower need for housing being identified. The consultation also proposes removing the cap which artificially suppresses the level of housing identified.

Key Points/ Questions:

What happens to development management decision taking in the interim?

The transitional provisions mean that there is the potential for Local Authorities to be working to four different methods for calculating their housing requirement.

Will this system prompt Local Authorities to produce local plans quicker? Or, in some cases, could there be a perverse incentive for Local Authorities to wait?

Will there be a backlog of plans waiting for examination?

How will this affect Local Authorities who are preparing local plans?

What does this mean for the delivery of new homes?

Should we be aiming for a higher national figure?

Is this going to produce a simpler system?

Is the Affordability Adjustment a good idea? What role does the adjustment play in meeting the housing requirement?

Is this approach 'southern-centric'? Is there a lack of ambition for the north of England?

Delivering First Homes

The Government consulted on its First Homes proposals in February 2020. This included consultation around both the design of the First Homes scheme and changes to the planning system to support its delivery. The Government response to this consultation has been published and this consultation and is now seeking views on the detail of the proposed changes to the current planning system.

The consultation proposes that a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. This will be a national threshold, set out in planning policy. Initially these affordable housing units will be secured through section 106 planning obligations but eventually they would be secured through the Infrastructure Levy (see *Planning For the Future*, Pillar Three).

Key Points:

Is this a real change or a 'tinker' to the system?

Is the First Homes initiative an improvement on the Starter Homes initiative?

Who will this help?

What does this mean for build to rent schemes?

Is this approach sufficiently flexible?

Supporting Small & Medium- Sized Developers

SME builders have been declining in the long term and were hit hard by the last recession. There were 16% more builder and developer insolvencies in 2019 than in 2018, the vast majority of which were SMEs. They are now under further pressure due to Covid-19.

The consultation proposes raising the small sites threshold to up to either 40 or 50 new homes through changes to national planning policy. This will be for an initial 18-month period whilst the impact of the raised threshold is monitored. The consultation proposes scaling up the site size threshold for affordable housing contributions at the same proportion as the increase in number of homes threshold.

The Government's aim is to reduce the burden of contributions on SMEs for more sites for a time-limited period during economic recovery from Covid-19.

Key Points:

Are SMEs being supported in their right way?

What will the effect of raising the threshold be?

Will larger scale developers become more interested in smaller sites making the environment more challenging for SMEs?
How should plan-makers address the temporary uplift in the threshold?
If this policy works in bringing SMEs to the market: why limit it, why make it temporary?

Extension of Planning Permission in Principle

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. It also ensures that the principle of development only needs to be established once.

The consultation proposes removing the restriction on Permission in Principle for major development to expand the current Permission in Principle framework for housing-led development. The proposal imposes no limit for commercial development space provided that housing occupies the majority of the floorspace in the overall Permission in Principle scheme.

Key Points:

Is Permission in Principle the same as outline planning permission?
How attractive is Permission in Principle to developers? Will these changes make it more attractive?
Is outline planning permission the more attractive route notwithstanding these changes?
The proposed turnaround is 28 days – is that realistic?
Is the Permission in Principle route to planning permission cheaper, quicker and easier?
How can a decision taker determine if the scale of a major development seeking Permission in Principle is acceptable?
Will this approach realise deliverable schemes?

Constanze Bell

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