

6<sup>th</sup> November 2017

Report of	Assistant Director Policy & Corporate	Author	Karen Syrett ☎ 01206 506477
Title	Planning for the Right Homes in the Right Places: consultation proposals		
Wards affected	Not applicable		

**This report concerns the publication of a consultation document which sets out a number of proposals to reform the planning system to increase the supply of new homes and ‘increase local authority capacity to manage growth.’**

## 1. Decision(s) Required

- 1.1 Members are asked to consider the content of the Consultation Paper and agree a response to be submitted to the Department of Communities and Local Government.
- 1.2 The agreed response will be signed off by the Portfolio Holder for Business and Culture prior to submission in accordance with the Scheme of Delegation.

## 2. Reasons for Decision(s)

- 2.1 The consultation provides an opportunity for the Council to comment on emerging national policy. There are significant implications for the Council if implemented, not least the uplift in housing need targets.

## 3. Alternative Options

- 3.1 Not to respond to the consultation.

## 4. Supporting Information

- 4.1 Earlier this year the Government published ‘Fixing our Broken Housing Market’ (the Housing White Paper). This set out proposals to tackle the housing crisis and reforms to planning to help achieve these objectives. The White Paper also said there would be further consultation on specific issues and in mid-September, the government set out its proposals to address housing need. There are nine key elements to the current consultation which are summarised below. Those with more significance for Colchester are then dealt with in more detail;

1. The consultation document sets out the government’s proposals to simplify the process for assessing local housing need using a standard methodology. The new methodology would use household growth projections as the baseline for local housing need, before adding a multiplier for less affordable areas (defined as those in which house prices are more than four times average earnings). The proposed model also includes a cap designed to limit the level of any increase. The proposed formula would mean that local housing need figures would rise by an average of 35 per cent in more than 150 local authority areas. In Colchester the annual housing target would rise from 920 units to 1095 – an increase of 19.02%.

2. The consultation proposes that the new standardised method would apply "immediately" from 31 March 2018 where plans are more than five years old, or if new plans have not been submitted to the secretary of state on or before that date. If a local plan is submitted before this date, or is at examination, then authorities can continue with their current approach. Plans adopted in the last five years should use the standardised method when next reviewing or updating the plan. It is intended to submit the Colchester Local Plan later this month so the current figure of 920 units a year would apply if this submission date is achieved.
3. The consultation document sets out the government's ambition to publish a revised National Planning Policy Framework (NPPF) in Spring 2018. "This will ensure that we not only plan for the right homes in the right places, but that we turn existing and future planning permissions quickly into homes through reforms such as the Housing Delivery Test," the document says.
4. There is a move to strengthen cross-boundary planning and Councils will have to produce a "statement of common ground" with neighbouring authorities within 12 months of the publication of the government's changes to the NPPF in order to "improve how local authorities work together to meet housing and other needs across boundaries". According to the document, the government intends to set out in the revised NPPF "that all local planning authorities should produce a statement of common ground" which should set out the cross-boundary matters, including the housing need for the area, distribution and proposals for meeting any shortfalls".
5. The consultation contains proposals intended to make viability assessments "simpler, quicker and more transparent", using a standardised methodology. National policy will change to make clear that applications that meet viability requirements set out in local planning policies "should be assumed to be viable". The document says that the government proposes to make clear in the NPPF 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".
6. Councils with up-to-date local plans could be expected to provide neighbourhood planning groups with a housing need figure for their plan areas, while councils without an up-to-date local plan could use a "simple formula-based approach" to supply such a figure, the consultation document proposes. It proposes to make clear in planning guidance that authorities may provide specific housing need data for neighbourhood plan areas "by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so". It adds that, where a local plan is out-of-date, the government is to set out in guidance "a simple formula-based approach which apportions the overall housing need figure for the relevant local authority area/s, based on the latest figures calculated under the new standard approach ... to the neighbourhood planning area". In Colchester a similar approach has already been used to agree housing numbers for neighbourhood plans in a number of areas.
7. The consultation says that the government intends to bring forward regulations to enable authorities to increase planning application fees by 20% "at the earliest opportunity". The consultation also seeks views on the "most appropriate criteria" to be applied to enable a proposed additional 20% planning fee increase for authorities who are delivering the homes their communities need. This proposal restates the commitment made in the White Paper which was due to be introduced in July 2017 but subsequently postponed.
8. The government proposes to amend national planning policy so that local planning authorities "should set out in their plans how they will monitor, report on and publicise funding secured through section 106 agreements, ..." According to the consultation, while there is a requirement to record each section 106 agreement on the planning register, there is no legal requirement for local planning authorities to publish summary data from those agreements, or to monitor and report on whether these benefits have been received and spent.

9. The government published alongside the consultation a document listing areas of greatest housing need. The publication of the document follows a commitment in the February housing white paper to register the ownership of all publicly held land in the areas of greatest housing need by 2020, with the rest to follow by 2025. The consultation document says: "This information can be taken into account alongside other considerations, including land constraints, to assist plan makers in finding sites suitable for housing development." Colchester is not listed but Tendring and Maldon are.

#### 4.2 Assessing Housing Need

The Government are seeking to simplify the process for assessing housing need. The proposals envisage a three-stage calculation, which uses the official projections of household growth for a local authority as a baseline (provided by the Office for National Statistics). The most recent official projections should be used, with the household growth calculated for the period over which the plan is being made. The Government proposes that the demographic baseline should be the annual average household growth over a 10 year period. Given the Government's expectation that plans are reviewed every five years, using average household growth over this period will ensure effective planning over the preparation and duration of the plan. Household projections should therefore be regarded as the minimum local housing need figure.

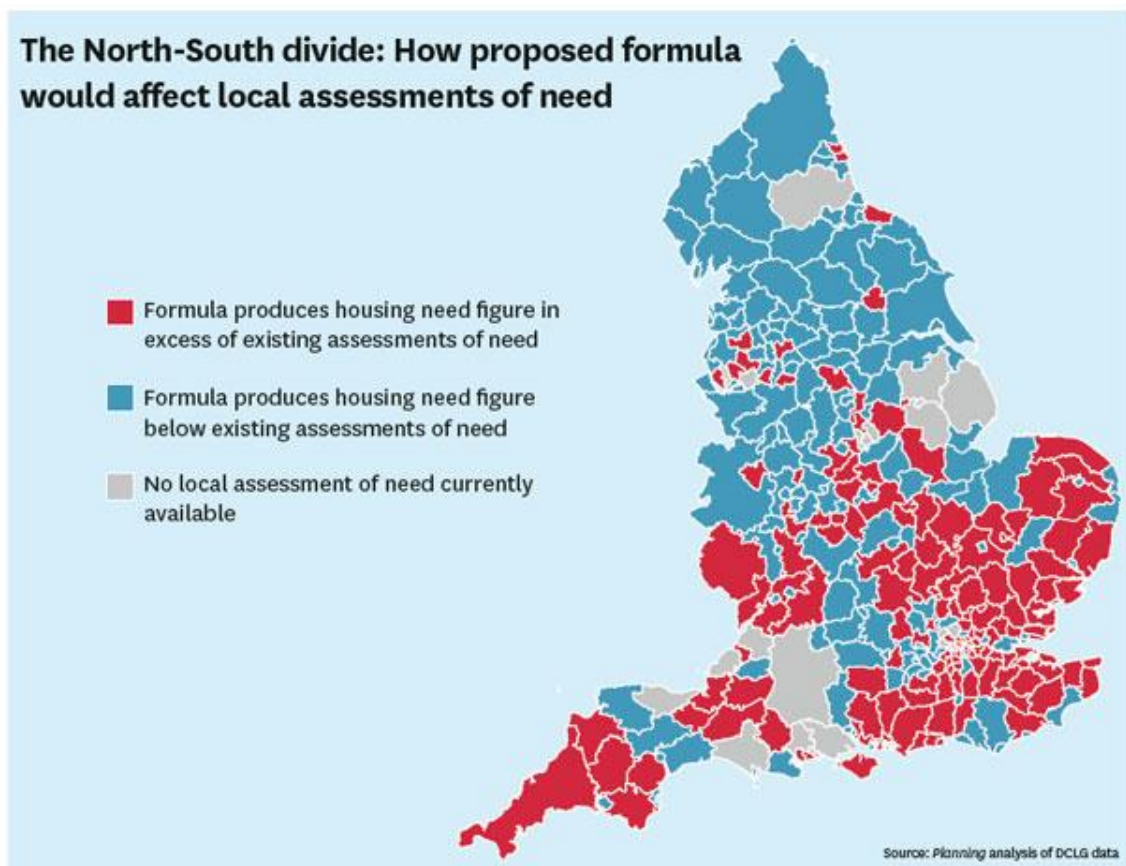
- 4.3 That figure is then adjusted according to local housing affordability. It is considered that median affordability ratios, published by the Office for National Statistics (ONS) at a local authority level, provide the best basis for adjusting household projections. The affordability ratios compare median house prices (based on all houses sold on the open market in a given year in a local authority) to median earnings (based on full-time earnings for those working in the LA area). It is proposed that as the next step in the standard method, plan makers should use the workplace-based median house price to median earnings ratio from the most recent year for which data is available.
- 4.4 As the Housing White Paper noted, England needs net additions in the region of 225,000 to 275,000 units per year. To get a total housing need close to this figure, the modelling proposes that each 1 per cent increase in the ratio of house prices to earnings above four results in a quarter of a per cent increase in need above projected household growth. The Government considers that this will achieve the overall level of delivery that most external commentators believe is needed, while ensuring it is delivered in the places where affordability is worst. The overall housing need figure is therefore as follows:

$$\text{Local Housing Need} = (1 + \text{adjustment factor}) \times \text{projected household growth}$$

- 4.5 The following examples are provided for an area with a projected household growth of 100 a year. It would have an annual need of:
- 100 if average house prices were four times local average earnings
  - 125 if average houses prices were eight times local average earnings
  - 150 if average house prices were twelve times local average earnings.
- 4.6 The third stage is a cap, limiting increases in objectively assessed need (OAN) according to the current status of the local plan in each authority as follows:
- a) for those authorities that have adopted their local plan in the last five years, the new annual local housing need figure should be capped at 40 per cent above the annual requirement figure currently set out in their local plan; or
  - b) for those authorities that do not have an up-to-date local plan (i.e. one that was adopted over five years ago), it is proposed that the new annual local housing need figure should be capped at 40 per cent above whichever is higher of the projected household growth for their area over the plan period (using ONS household

projections), or the annual housing requirement figure currently set out in their local plan.

- 4.7 Using the proposed methodology results in an increase in the annual housing target for Colchester Borough from 920 per year to 1095 – an increase of 19.02%. The table and map attached as Appendix 1 set out some local comparators. In total, 156 authorities will see an increase in their OAN.
- 4.8 Unveiling the proposals, Sajid Javid, Secretary of State for Communities and Local Government, said that the proposed formula would deliver an "honest, open, consistent approach to assessing local housing need". But the proposed formula has an enormous impact on the numbers for many authorities, particularly in expensive areas of London and the South East. Several London and Home Counties authorities will see their OAN figures rise by 40 per cent, and the increase would be a lot greater if it was not for the cap. The average increase for authorities experiencing an uplift will be 35 per cent. Meanwhile, authorities in some deprived areas face big falls in OAN - with Barrow-in-Furness having, for example, a predicted need that would fall from 133 homes per year to zero.
- 4.9 The changes are showing a clear north-south divide as the diagram below illustrates. The formula's impact on assessed need will be most drastic in London. It raises the capital's assessed need from the 49,000 in the current London Plan to 72,000. But the London Plan's capacity numbers are constrained by availability of sites to 42,000 anyway, suggesting a significant uplift here is unrealistic without a relaxation of green belt policy that both the government and London's mayor oppose. The implications of such an uplift could therefore spread out from the capital.



#### 4.10 Implementation

Local planning authorities, when calculating their local housing need, should always use the most up-to-date data available. The household projections are updated every two years in the summer (the latest set were published in July 2016 and based on 2014 data),

and the house price to earnings ratios are published annually in March. This means that the local housing need figure will not remain static throughout the plan preparation process.

- 4.11 It is being proposed that local planning authorities should be able to rely on the evidence used to justify their local housing need for a period of two years from the date on which they submit their plan. During this period it will mean that the local housing need assessment is not rendered out of date if changes to the household projections or affordability ratios are published while the plan is being examined. However, what is not clear is what happens after the two year period if the national projections change. Will the local plan be considered up to date regardless of changes for a period of 5 years from adoption or will local authorities still be subject to speculative proposals made on the basis of a lack of supply when considered against a revised household projection or affordability ratio?
- 4.12 What is clear, is that Colchester should proceed to submit its new Local Plan with a housing need figure of 920 units a year. Any delay to submission could result in a higher target being required and additional sites needing to be identified. The consultation proposes that the new formula applies to all plans submitted after 31 March 2018.
- 4.13 The expectation is that local planning authorities will adopt the proposed method when assessing housing need. It is recognised however, there may be compelling circumstances not to adopt the proposed approach. These will need to be properly justified, and will be subject to examination. Support will be given in principle to authorities proposing higher targets based on economic justification. However, there will be very limited grounds for adopting an alternative method which results in a lower need. The reasons for doing so will be tested rigorously by the Planning Inspector through examination of the plan. The Council needs to make clear in its response that any new methodology should take account of previous housebuilding rates and that it should not be penalised for maintaining housing delivery over recent years when others have failed to do so.
- 4.14 Statement of Common Ground

The Government do not believe that the Duty to co-operate is working and the Housing White Paper set out a plan for more effective joint working where planning issues go beyond individual authorities through a statement of common ground, setting out how they intend to work together to meet housing needs that cut across authority boundaries.

- 4.15 The duty to co-operate, introduced through the Localism Act 2011, requires local planning authorities and certain public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of plan preparation in the context of strategic cross-boundary matters. Such matters include planning for housing need across a housing market area or developing integrated infrastructure. Compliance with the duty is tested at the examination of the development plan.
- 4.16 To support more effective joint working where planning issues need to be addressed by more than one local planning authority, it is intended to set out in the National Planning Policy Framework that all local planning authorities should produce a statement of common ground. The objectives of the policy are to encourage all local planning authorities, regardless of their stage in plan-making, to co-operate effectively and seek agreement on strategic cross-boundary issues, and help local planning authorities demonstrate evidence of co-operation.
- 4.17 To meet these objectives, it is proposed that every local planning authority produce a statement of common ground over the housing market area or other agreed geographical

area where justified and appropriate. It is proposed that the statement will set out the cross-boundary matters, including the housing need for the area, distribution and proposals for meeting any shortfalls. In setting out the strategic cross-boundary issues, the statement will record where agreement has, and has not been reached.

- 4.18 It is proposed that all local planning authorities should have a statement of common ground in place within twelve months following the publication of the revised National Planning Policy Framework. However, in order to ensure greater certainty at an early stage of the process, it will be expected that local planning authorities have an outline statement in place within six months following publication of the revised Framework. The statement of common ground should be regularly updated throughout the plan-making process. The expectation is that as a minimum the statement should be reviewed, and if necessary updated, when authorities reach certain key regulatory milestones in the plan-making process.
- 4.19 The statement of common ground provides a vehicle to set out where strategic cross-boundary infrastructure is required to unlock more land for housing. Where there are strategic cross-boundary infrastructures matters, local planning authorities will be expected to set out how they intend to resolve them and show that they have agreement with the relevant bodies. It is proposed therefore that the statement of common ground, once in place, should be submitted as supplementary evidence of effective co-operation between authorities when applying for strategic infrastructure investment.

4.20 Planning for a Mix of Housing Needs

It is important that local planning authorities do not just plan for the right number of homes, but also the different size, type, tenure and range of housing that is required in their area. The identification of such need is currently often carried out as part of the strategic housing market assessment. However, the proposed new approach for assessing local housing need, will require updates to existing planning guidance on how to plan for different types of homes and this will be published alongside a revised National Planning Policy Framework. No details are provided.

4.21 Neighbourhood Planning

The Housing White Paper proposed to amend national policy so that local planning authorities are expected to provide neighbourhood planning groups with a housing need figure, where this is needed to allow progress to be made with neighbourhood planning. The Government propose to make clear in planning guidance that authorities may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so (including situations where an emerging local plan is close to adoption). Where this happens, it is not expected that the resulting housing figure will have to be tested during the neighbourhood plan's production, as it will be derived from the strategy in the local plan and must be in general conformity with its strategic priorities.

- 4.22 Where the local plan is out-of-date and cannot be relied on as a basis for allocating housing figures, the Government are proposing to set out in guidance a simple formula-based approach which apportions the overall housing need figure for the relevant local authority area, based on the latest figures calculated under the new standard approach (once, and assuming, it is introduced), to the neighbourhood planning area. The proposed formula is simply to take the population of the neighbourhood planning area and calculate what percentage it is of the overall population in the local planning authority area. The housing need figure in the neighbourhood planning area would then be that percentage of the local planning authority's housing need.

#### 4.23 Viability Assessment

The Government highlight in the paper that viability considerations can be lengthy, complex and often viewed with suspicion. To ensure there is a robust basis for assessing viability at the plan-making stage – and to lessen the need for this to be revisited when planning applications come forward – it is proposed to amend national planning policy to set out additional expectations for plans.

4.24 Local planning authorities should set out the types and thresholds for affordable housing contributions required; the infrastructure needed to deliver the plan; and expectations for how these will be funded and the contributions developers will be expected to make. This would make clear how the key strategic priorities that need to be planned for are to be delivered. Until the detail is known it is difficult to see what actual changes are proposed. The Council already sets out affordable housing policy and infrastructure requirements and is expected to have a robust evidence base to substantiate this. Policies in the Local plan also include information on contributions expected from developers.

4.25 In cases where viability assessment is still needed in the course of determining planning applications, the consultation paper proposes that the process must become more open, transparent and easily understood. A standard methodology is proposed but no details are provided; instead DCLG are seeking evidence and views.

#### 4.26 Prematurity

As a further way of encouraging local authorities to get plans in place, the Government intend to set out the circumstances when a planning application may be refused on the grounds of prematurity in the National Planning Policy Framework, rather than in guidance (where they are currently). The prematurity guidance is designed to prevent emerging plans, where they are at an advanced stage of production, from being undermined by proposals that are allowed before the plan can be finalised. This would help provide stability and certainty in situations where confidence in the plan-making process might otherwise be weakened.

#### 4.27 Benefits

There are clearly some benefits associated with the proposals and in principle a simple approach to calculating housing need should be welcomed. This is likely to result in financial savings on evidence base as the simple methodology uses data sets that are in the public domain. The concern is whether the methodology is too simplistic.

4.28 Providing the methodology is adhered to by Planning Inspectors at both planning appeals and local plan examinations, there should also be time and cost savings from a reduction in lengthy and complex arguments about the Objectively Assessed Need.

4.29 Another benefit is the proposal to make viability assessments simpler and more transparent.

4.30 The council should also welcome the revisions to guidance/policy on prematurity. However, success will rely on implementation by planning inspectors.

#### 4.31 Commentary

A range of industry experts have commented on the consultation and some of their thoughts are set out below;

1. Roger Hephher, director of consultancy Hephher Grincell, said this might drive authorities to consider garden villages or towns. "Many authorities are otherwise going to struggle to find the additional land, and will become vulnerable on appeal," he said.
2. Catriona Riddell, strategic planning specialist at the Planning Officers Society, which represents senior local authority planning officers, said: "There are definitely planners at authorities out there with a 40 per cent increase that have their head in their hands. They can't even meet the current estimated need...The more the numbers go up, the more there's going to be a backlash. The idea that if you simply increase housing numbers in an area it becomes more affordable is rubbish."
3. Matthew Spry, senior director at consultancy Lichfields, said: "Previously the system allowed government to be one step removed from the process of creating the housing number. Now the government's fingerprints will be all over the number."
4. Mark Sitch, senior partner at consultancy Barton Willmore, said the formula is too crude and needs to take into account employment growth. "It's got so simplified it perhaps undermines the original intention. There is a question whether politically it can be delivered."
5. The District Council Network comments that "To deliver additional housing growth, district councils must be given greater fiscal freedom and incentives to truly unlock their potential. We continue to call on government to ensure that the New Homes Bonus incentivises all housing growth by removing the baseline threshold, unlocking planning permissions that are not being delivered, increasing the time available to spend Right to Buy receipts, allowing Districts to retain 100 per cent of Right to Buy receipts to build new homes and to lift the borrowing cap for the Housing Revenue Account.  
"The DCN has long called for an increase in planning permission fees and we therefore welcome the Government's recommitment to increasing planning fees by 20 per cent, which must now be agreed by Parliament at the earliest opportunity. We also welcome the potential for a further 20 per cent increase going forward."

## **5. Proposals**

- 5.1 A series of questions are set out in the Consultation Paper which are reproduced in Appendix 2. A draft response to each is included, informed by a discussion which took place at the Cabinet meeting on 11<sup>th</sup> October. Members are asked to consider the draft response and suggest revisions if appropriate.
- 5.2 The final Council response will form the basis of a Portfolio Holder Report in line with the Council's Scheme of Delegation.

## **6. Consultation**

- 6.1 The Government is undertaking the consultation which runs until the 9<sup>th</sup> November 2017.

## **7. Publicity Considerations**

- 7.1 The consultation is already generating publicity at a national level and it is expected it will also be of interest locally.

## **8. Standard References**

- 8.1 There are no particular references to the strategic plan or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

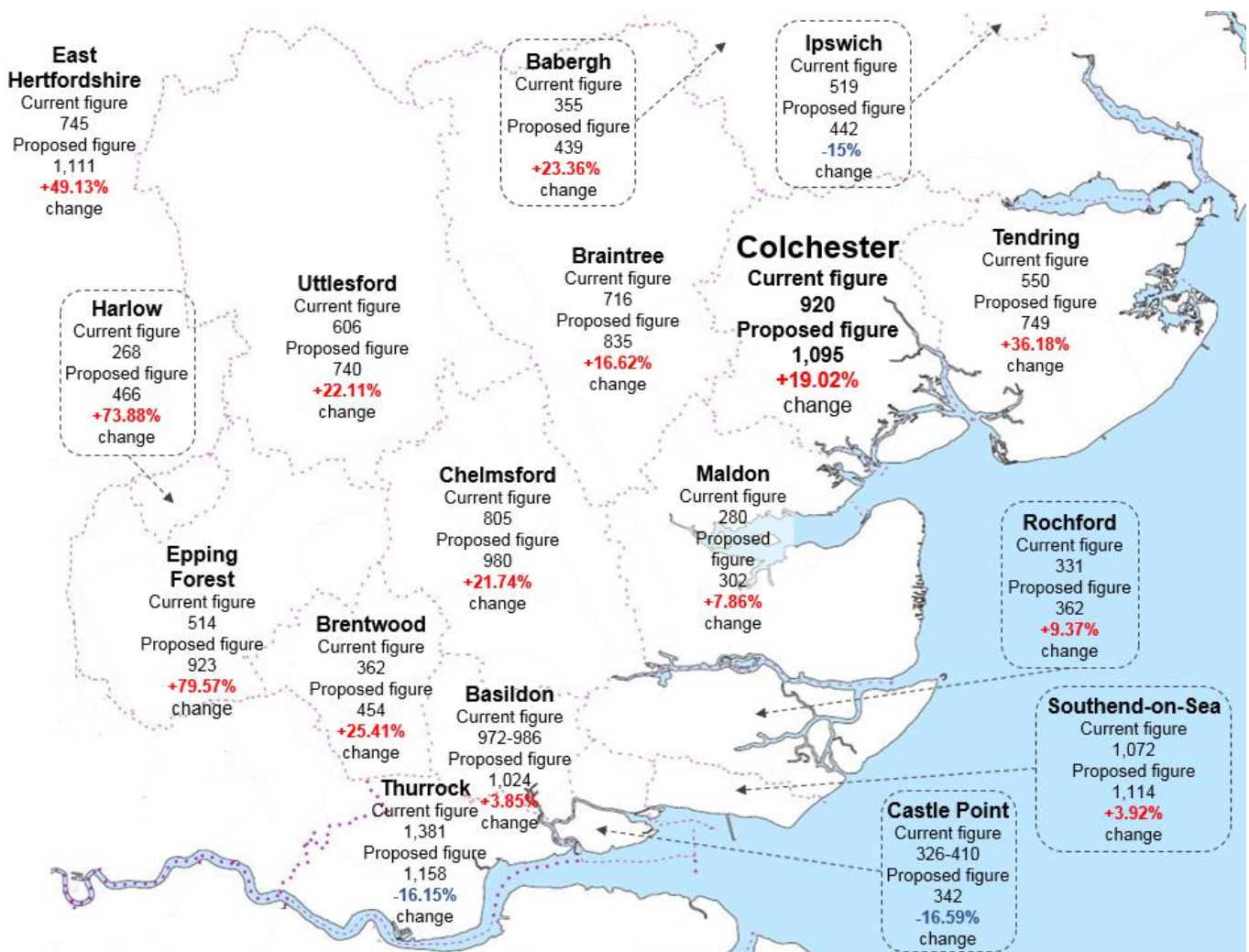
## Appendices

1. Comparison Map and Table
2. Consultation Questions

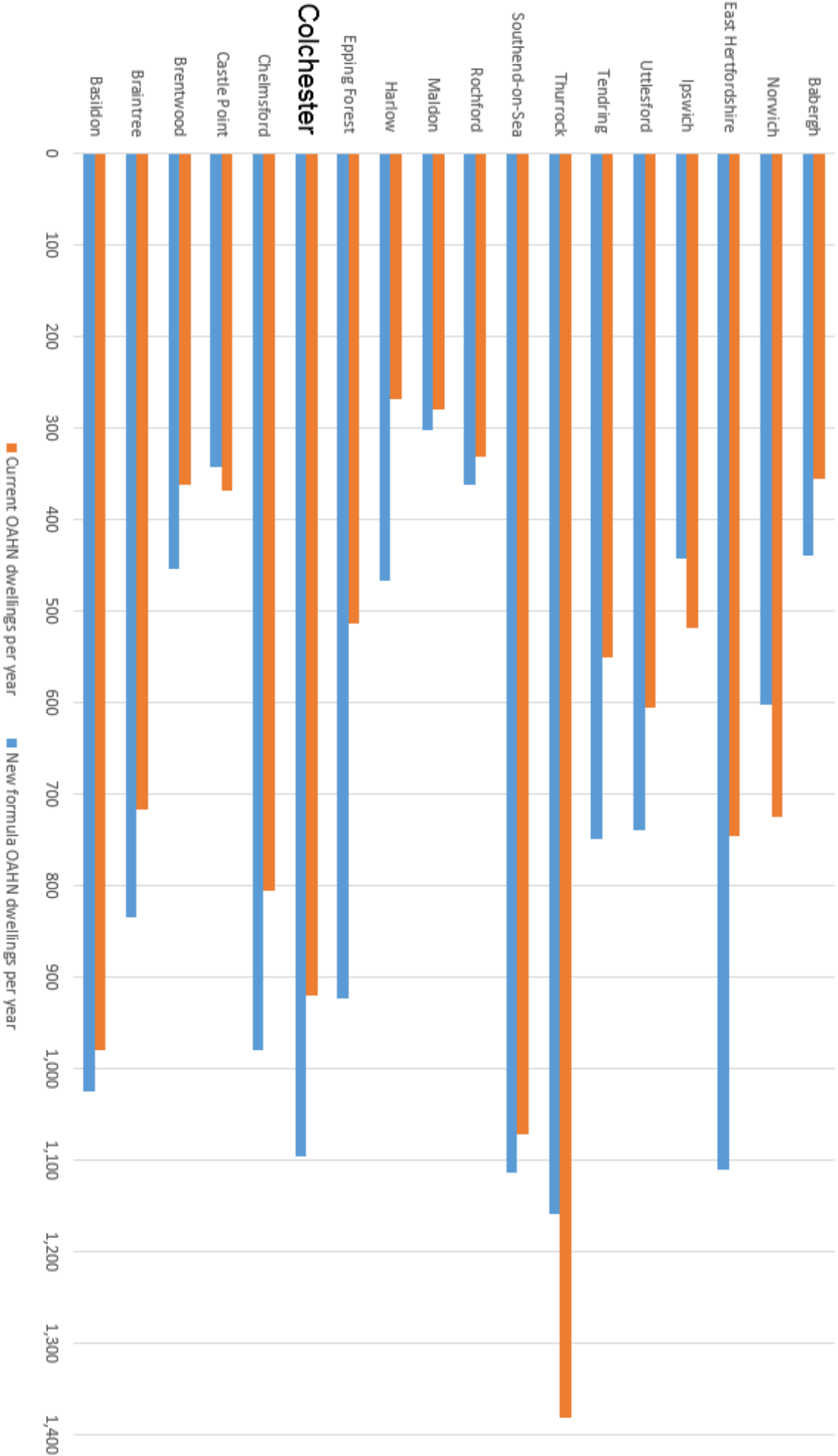
## Background Papers

1. Planning for the right homes in the right places: consultation proposals  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/644955/Planning\\_for\\_Homes\\_consultation\\_document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/644955/Planning_for_Homes_consultation_document.pdf)
2. Housing Need Consultation Data

## Appendix 1



proposed change in dwellings per year



## **Appendix 2**

### **Consultation Questions**

#### **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?**

In principle Colchester Borough Council (CBC) is supportive of a straightforward, standardised methodology for calculating objectively assessed housing need. There are however serious concerns that the methodology proposed is too simplistic and results in targets that simply cannot be met. Local authorities such as Colchester, seem to be penalised for delivering consistently high levels of housebuilding in the past. Those areas which have failed to deliver seem to be rewarded by lower targets. There is a concern that recent levels of housebuilding have affected migration – either large developments drawing in extra migrants or too few homes being built suppressing migration.

There are also concerns that a national formula may never take into account all local constraints. Where there are overriding environmental or infrastructure constraints these must be taken into account in the plan making process.

There should be a recognition that housebuilding in areas of high growth needs to be matched by infrastructure provision up front. This is likely to require forward funding by Government.

Local Plans need to look forward at least 15 years from the date of adoption, but the consultation document makes no mention of how housing need should be considered for years 11+.

The methodology results in a north-south divide and this Council wonders what message this sends out. Billions of pounds are being invested in the Northern Powerhouse but will the investment in the economy and infrastructure be justified if household growth declines?

#### **Question 1(b)**

**How can information on local housing need be made more transparent?**

This information should be published by the Government annually on a national basis, at the same date each year, in a similar format to the 'housing needs consultation data table' which was published alongside the Government's current consultation. This certainty would allow all involved in the consideration of housing needs numbers to understand when the updated numbers will be published each year, and plan accordingly.

Information should be visual as well as numeric; the use of interactive maps would aid accessibility, rather than a spreadsheet only approach. The use of visual indicators will also show how local authorities are meeting their identified local housing need year on year.

Local planning authorities already publish annual Authority Monitoring Reports, for which there could be a nationally consistent approach to provide information on local housing need.

#### **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?**

No. The Council considers that it is very important that this point is "fixed" at an earlier stage in the plan-making process. Otherwise there is the danger that, if updated needs information is published shortly prior to the submission date, many councils will fear a challenge to the housing needs numbers if they press on with the "old" numbers. Councils should be able to "freeze" the

basic OAN number once they have published the Regulation 18 consultation. This would aid in reducing the time period between Regulation 18 to Regulation 19 consultation, and subsequent submission, examination and adoption.

Councils should also be able to rely upon an assessment of housing need for a longer period. This will ensure that there is greater certainty for all involved in the plan-making process as to the number of homes that are required. The figure should be fixed for a period of 5 years which would be consistent with the expected lifetime of the Local Plan. If the figure is subject to change earlier, many LPA's will be challenged by speculative developers who promote sites through planning applications rather than the plan making system. This can result in resources being transferred from the Local Plan to dealing with site specific appeals which has knock on effects for strategic borough wide planning and delay production of the Local Plan

### **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 although it is unclear how this proposal is any different to what is currently contained in national policy.

### **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, the Council agrees with this proposal, in particular the assumption that a higher level of growth than OAN should be assumed to be sound by an Inspector. It is also agreed that for a standard methodology to work it needs to be applied consistently and exceptions should indeed be very limited.

### **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?**

The Council welcomes the recognition afforded to local planning authorities who are collaborating on ambitious proposals for new homes and that these plans may take longer to bring forward. The intention to retain some discretion to be able to give additional time before the baseline applies where there is significant progress made on bringing forward a joint plan for housing is welcomed. The deferral should be based on the scale and complexity of development proposed and demonstration that progress is being made on the Local Plan i.e. adherence to milestones in the Local Development Scheme. In circumstances where the local planning authority is seeking to deliver large scale new settlements where lead in times are longer, significant upfront infrastructure investment is required, and new and innovative delivery mechanisms need to be explored and agreed, this complexity needs to be understood and considered in any decision by the Secretary of State.

### **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?**

This should be discretionary to ensure all local authorities are meeting their targets and maintaining an adequate supply of land. A successful council should not be penalised because another within the housing market area is not delivering. This might be particularly relevant where Councils have a joint strategic element to their plan but also a borough wide section, i.e. North Essex.

**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 comment – this applies predominantly to National Parks and Urban Development Corporations.

**Question 6**

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

Yes. This seems to strike an appropriate balance.

**Question 7(a)**

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

Yes. However, whilst Housing Market Areas (HMAs) are the logical geography over which a SofCG should be first considered, there may well be other strategic planning matters that go beyond these areas (major roads and rail links, for example), so it will be important to ensure that meaningful engagement happens with consultees in adjoining HMAs.

Paragraph 73 refers to the need for statutory consultees to engage effectively in the plan-making process. This is critically important, and it is vital that there are additional powers to require some of these, particularly health and Network Rail, to engage more effectively than has sometimes been the case hitherto.

**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?**

N/A

**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?**

N/A

**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?**

The Council agrees with the requirements for 6 months but is of the opinion that agreement on distribution of housing numbers over a wider area may take more than 12 months if new evidence is required to inform discussion and decision making.

**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?**

The Council are concerned that this proposal will add a layer of complexity to the plan making and examination process. As identified in the document, there is already a requirement to comply with the duty to co-operate which some LA's are failing. A more onerous requirement can only exacerbate the problems now faced. Delays agreeing the Statement of Common Ground could delay the plan-making process.

**Question 9(b)**

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

Yes – if implemented.

**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 Council cannot identify any way of streamlining this important area of evidence. Whilst the market can be used to determine a certain amount of housing types, other evidence is required to supplement and address harder to reach groups.

In addition to existing evidence based studies use should be made of Council housing registers which identify priority housing needs within an area. To help deliver these priority needs and to deliver additional housing growth, district councils must be given greater fiscal freedom and incentives to truly unlock their potential. Along with the District Council Network we continue to call on government to increase the time available to spend Right to Buy receipts, to allow Districts to retain 100 per cent of Right to Buy receipts to build new homes and to lift the borrowing cap for the Housing Revenue Account.

**Question 10(b)**

**Do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?**

The Council would welcome a review of the definition of older people along with a review of use classes. We would question how useful is the term "retirement age"? In welfare terms (i.e. the age at which a person can receive a state pension) the age is increasing year on year. How meaningful is it when it can cover a span of 30-40 years? Is the definition in the NPPF fit for purpose when housing for older people does not fit into traditional planning definitions (partly because of the wide spectrum of models and the use classes not being clear as to where these models fit). Distinctions between C2 and C3 are becoming increasingly blurred and this in turn impacts on CIL, S106 and affordable housing discussions and contributions. Standard definitions, a review of the use classes and policy expectations would be helpful.

**Question 11(a)**

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

Yes – some local authorities are already doing this (including Colchester Borough) but only where a Parish Council/Neighbourhood Plan Group has said they intend to allocate sites within their Neighbourhood Plan. The numbers are agreed and the Local Plan includes the figure for each parish. Policy also makes clear that if the Neighbourhood Plan does not proceed for any reason, responsibility for plan making will revert back to the LPA. In some instances broad

directions of growth are shown on Policy Maps to ensure housing delivery is not adversely impacted.

#### **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?**

Any housing need number for an emerging Neighbourhood Plan area or parish should use the most up to date evidence. If the standard methodology is introduced the approach of using this to inform Neighbourhood Plans would seem appropriate. This would then be the “starting point” for the parish’s housing need, and would form the basis for discussion and agreement between the parish and district/borough council taking into account local constraints.

#### **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. This should be current practice and is often shown in an Infrastructure Delivery Plan (IDP) supporting the Local Plan, or a schedule in the Local Plan itself showing essential infrastructure to support growth. This is current practice with Essex authorities and supported by the County Council.

Developers need to understand the needs and priorities of a local planning authority to enable and deliver infrastructure schemes and affordable housing. They need to be able to consider the issues and costs of the practical delivery of the proposed scheme for example access roads together with the wider community needs including schools and open space for an acceptable scheme.

Developers must be able to understand how provision will be funded and importantly their role and contribution to be able to “work up” a viable compliant scheme. Developers and Registered Providers need to understand the LPA’s preferences and priorities to be able to deliver affordable housing in terms of size and type, tenure, rent levels and special needs including elderly persons and learning difficulties.

#### **Question 13**

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

To understand and make an informed judgement relating to individual viability assessments, local planning authorities must be able to refer to costs of similar schemes to ensure reasonable assumptions are being made. Local planning authorities should also have an organised formal method of collecting and using information to apply to viability assessments.

The Planning Inspectorate should apply the delivery test at the Local Plan Examination with greater rigour to gain assurance from promoters that each site is viable and can be delivered with required infrastructure.

An agreement between the local planning authority and the site/promoters when tabled as part of the supporting evidence to the Planning Inspector should have weight once the Local Plan has been adopted, and this period should be at least 5 years from the time the Local Plan is adopted. After this time, where a difference is identified as a viability challenge this will need to be evidenced and validated at the cost of the applicant.

#### **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. Developers that acknowledge and meet the policy requirements should not be subject to viability assessment as their scheme is policy compliant. To do so incurs additional cost and time delay for both parties. However, developers must understand that permissions granted on the basis of a policy compliant scheme are not flexible and any future request to vary or alter the original Section 106 terms are unlikely to be accepted.

#### **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?**

There must be a requirement for infrastructure providers to engage in the Local Plan process. If infrastructure providers have failed to engage then they should not be permitted to object to a plan, unless there are exceptional circumstances.

A critical concern expressed by residents is health provision. Recent and continued restructuring in the NHS has meant engagement by the Council has not been continuous, or consistent. There should be a requirement that the Strategic Transformation Plans must take account and align with Local Plan growth to ensure stable and long term planning and funding for health infrastructure.

#### **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?**

Whilst the Council welcome the proposal to make viability assessments simpler and quicker, there is a concern that it could result in gaps which developers can exploit. Viability assessments are likely to contain commercially sensitive information and developers will be reluctant to share information of this nature in the public domain, which may be used by developers to reduce their contributions. In looking to update guidance, the following should be taken into account;

- Section 106 Heads of Terms and development viability (where this is likely to be a consideration) should be discussed at 'pre-application stage';
- An expectation that proposals submitted should be designed in a form that accords with Local Plan policies and associated guidance;
- Viability assessments should reflect the PPG on viability as well as any individual local planning authority guidance relating to methodology and inputs. This would usually be found in the validation checklist;
- Viability evidence must be robustly justified and appraisal assumptions benchmarked against publicly available data sources

#### **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 Council already does this. Any further requirements should be proportional.

#### **Question 17(b)**

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

Resources – time and cost against desired outcome.

**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?**

For developments over 10 dwellings, hoardings for a site should clearly include information on what contributions they have made. This should be done at the developers cost.

**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?**

‘Delivery’ needs to be defined and can be measured in a number of ways, for example either through the delivery of a sound/adopted Local Plan (setting out housing numbers) and monitoring thereafter to ensure targets are being delivered. ‘Delivery’ in respect of planning applications should mean those applications that are approved rather than delivered. Resources are required for the determination of planning applications and LPA’s should not be penalised if developers then fail to bring sites forward.

There may also be instances where timescales for the determination of planning applications and delivery of a decision is delayed through no fault of the local planning authority. The Government needs to be mindful not to penalise where delayed decision making (if defined as ‘non-delivery’) does not lie with local planning authority.

**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?**

No

**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?**

Additional fee increases should be applied individually to authorities as and when they meet the delivery criteria. If an additional fee increase is to be applied nationally once all local planning authorities meet the criteria, it could penalise those that have met the criteria some of which may have budgeted to invest additional sums into their planning service. Incentives for individual authorities should therefore be offered, thereby leaving the decision, and incentive to improved performance, with the individual authority.

**Question 18(d)**

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

Yes. Any fee increase should be ‘ring fenced’ to the planning department/service – and not necessarily just to the development management service especially if delivery criteria are also defined in plan-making.

## **Question 19**

**Having regard to the measures we have already identified in the housing White Paper, are there any other actions that could increase build out rates?**

### New Town Development Corporations

We strongly support the creation of new locally accountable New Town Development Corporations (NTDCs). To meet our housing ambitions, we realise that we need to think differently and new towns – very specifically Garden Communities with high standards of design and a focus on creating sustainable new communities – have a key role to play in North Essex.

The North Essex Garden Communities (NEGC) local authorities are already talking with Government about the details of how NTDCs will assist us. In particular, the legislation around NTDCs should:

- Place the local authorities in the position of the Secretary of State to the maximum possible degree, including decisions on the appointment of board members, the approval of overall plans and overall accountability for performance; and
- Allow for them to operate across more than one site as long as the sites are closely related in terms of the objectives and policies that would govern their development and the local authorities were willing to accept such an arrangement.

These streamlined planning procedures should also give regard to:

- sufficient resources to ensure LDOs are prepared appropriately and positive community involvement takes place;
- use of masterplans and design codes; and
- new garden towns and villages requiring infrastructure up-front therefore Government need to align their investment programmes to support the growth of new strategic settlements eg. A12, and A120 upgrades.