

PLANNING FOR THE RIGHT HOMES IN THE RIGHT PLACES

A response by the Campaign to Protect Rural England to the Department for Communities and Local Government consultation on the Planning for the Right Homes in the Right Places.

This CPRE submission consultation has been compiled following extensive consultation with our network of 43 branches and 8 regional groups around England, many of whom have first-hand experience of how the planning system operates at a local level.

November 2017

Summary and overarching statement

It is difficult to perceive some of the positive proposals in this consultation - and there are many - because the consultation paper only offers half of the story. It needs to be seen in the context of other elements of the current reforms, some, but not all, of which are expressed in the Housing White Paper. It is very difficult for ordinary people to be able to join some of these ideas up, however, as some of them - notably how communities will be able to plan for and deliver the affordable homes they actually need, and how they will be able to hold developers to account - are not yet clearly articulated, giving the impression that these are not priorities for the Government. This is a pity.

It is ordinary people that have to be convinced about the merits of the current reforms of planning, because it is they that are currently feeling the impacts of the 'tilted balance' in favour of whatever homes the development industry will profit most from, while their actual housing needs continue to be neglected. Such people take at face value the Government's political commitment to resolve the housing crisis while protecting the countryside, maintaining the Green Belt and leaving the environment in better condition than they found it. Unfortunately, the evidence demonstrates that fewer homes are being built now than in 2007, but using up nearly twice as much open land in order to do so. Similarly, CPRE's evidence demonstrates that far from maintaining Green Belt protections, Government is sitting by while councils feel under pressure to plan to release sufficient Green Belt land to provide 425,000 houses, and that over two-thirds of these will be unaffordable to the people whose pressing housing need has been used to justify the development. In addition, this week the Chancellor has suggested that it is necessary to build on the Green Belt in order to address the housing crisis, while just a few months ago, the then housing and planning minister, Gavin Barwell, explicitly told CPRE's annual lecture that this was not necessary at all.

People looked to this consultation to see how the Government's parallel commitments on housing and the environment were going to be addressed, and have been presented

with a methodology for assessing housing need that, for all its positive points with regard to reducing unnecessary debates about which methodology should be used, reads very like a top-down imposition of housing targets. These centrally calculated targets appear to put increased pressure on the highly constrained and overheating south-east, as well as some other pressurised areas across the country, while condemning some of our proudest but struggling former industrial cities to centrally-planned economic and social decline. It appears to be a measure to exacerbate the north-south divide, and to further drive a wedge between those that can and those that cannot afford to access the housing market, by concentrating new housing development in the most expensive areas. Such a strategy appears to be based on the widely discredited idea that simply building more homes will result in house prices coming down, despite the fact that no serious economist believes that it is possible to build enough homes for this to actually happen.

The focus on the calculation of a headline indication of the number of homes that should be built is emphasised to be just the “starting point”, but because there is so little clarity about what will follow this starting point, it is hard not to take the nationally-determined “local housing need” figure as anything more than a target that will need to be met at all costs, as indeed the current headline numbers that spew out of SHMA processes are taken. Hence, the inevitable conclusion is that the proposed process will continue to result in impossible local plan targets for councils, ruthlessly enforced by the Planning Inspectorate at local plan examinations and appeals, with those targets almost always unmet by delivery, leaving communities without a valid plan and vulnerable to speculative developments. There are still no proposals explaining how this unbearable situation is actually going to be overcome.

The second major part of the consultation is intended to address the problem of councils failing to work properly together on local plans, and is again in principle a positive proposal. However, the means that is proposed to achieve this - ‘statements of common ground’ - will be bottom-drawer gentlemen’s agreements between the political leaders of local planning authorities, leaving communities with as much - possibly less - say over strategic planning decisions than under the deeply unpopular regional spatial strategies. It is essential that these ‘statements’ are open to public scrutiny and subject to the benefits of sustainability appraisal and assessments under the Habitats Directive, otherwise they are likely to be derailed when it comes to individual local plan examinations.

Ultimately the proposals in this consultation look very sensible when viewed through the lens of technocratic efficiency, and especially from the perspective of the volume housebuilders, whose influence is clearly writ large on every page. But from the perspective of ordinary people, concerned about the character of their town or the state of their countryside - let alone the ability of their children to be able to afford a home of their own at some point - there is little to be impressed by.

Until there is greater clarity about how the Government expects councils to plan to meet actual housing need, and about how as much attention should be given to the other objectives of the NPPF - protection of the natural and historic environment, maintenance of the Green Belt, sustainable transport choices, etc., to say nothing of economic regeneration - as it does about delivering new homes, there is little option but to conclude that the current proposals will continue to result in yet more of the wrong houses in the wrong places.

Proposed approach to calculating housing need

Question 1(a): Do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

No.

The proposed methodology and its outcomes highlight the absurdity of the current market-driven 'predict and provide' approach to understanding and responding to what is described as housing "need", but is actually largely demand and aspiration. (See CPRE's Housing Foresight research paper *Needless demand*, <http://www.cpre.org.uk/resources/housing-and-planning/housing/item/4677-needless-demand-how-a-focus-on-need-can-help-solve-the-housing-crisis>.)

The received wisdom is that the best response to demand is to simply build more homes in the most overcrowded and expensive areas. However, the evidence shows that application of such an approach over the past 40 years has resulted in unsustainable patterns of growth and an increasing divide between the houses that are built and people's ability to afford to live in them.

In terms of merely highlighting the locations in which apparent housing demand is greatest, the proposed methodology is arguably no better or worse than any other. The online NPPG already notes that assessing requirements for housing is "not an exact science" - endless debates about which figures to use, and how to use them, generally cloud the urgent issue of addressing housing need, which is a human one, not a matter of faceless statistics. However, the outcome of the proposed methodology doesn't tell us anything we didn't already know. Demand is unachievably high in some areas where there is little opportunity for development without causing significant harm, and almost non-existent in others where there are many opportunities for development and, indeed, where houses are more affordable.

The pressing issue is not around planning to meet housing demand, which is almost infinite, but to meet actual housing need. Anything less will simply not address the housing crisis. This is a crisis of affordability and distribution of housing, not the overall quantum of homes - many observers note that there is already a nationwide balance between the housing stock and the population. Unfortunately, because the consultation gives little detail of other measures necessary to resolve the housing crisis (including some presaged in the Housing White Paper, again with little detail) the proposed methodology as it stands appears to continue the existing trope of focusing on a headline number of homes to be provided, and then handing over large areas of greenfield land to a small number of large housebuilders to build whatever types of homes are most profitable to them at a rate that allows house prices to continue to rise.

Experiences in Australia offer insight into how continuing to focus solely on the supply of land will fail to address the true nature of the housing crisis. Sydney and Melbourne are both high demand areas and successive governments at all levels have relaxed planning laws and policies to allow more housing supply in them. But completions are not keeping pace with the increased rate of planning consents and house prices continue to rise. Australian academics who have studied the issue argue that 'fixing the planning system' is unlikely to have much impact on supply, and more support is needed for the affordable rented sector (<https://theconversation.com/why-housing-supply-shouldnt-be-the-only-policy-tool-politicians-cling-to-72586>).

There is wide recognition, including in the Government's own Housing White Paper, that radical change is needed to fix the broken housing market, especially the ways in which land is traded and the need to get a wider diversity of players - notably the public sector - building the homes that are actually needed. Unfortunately precious little

substantive action appears to have been taken to address these issues, and the underlying thrust of the current proposals continues to be to take discretion away from local people, and to take a punitive approach to councils and communities when the construction industry fails to deliver the homes that the communities need.

This needs to change. To deliver more of “the right homes in the right places”, communities must be empowered to demand the homes they need where they want them to be built, and landowners, developers and homebuilders need to be brought into line when they fail to respond to communities’ democratically-expressed and evidence-based requirements.

It must be remembered that the housing market does not function in the straightforward supply-and-demand way that markets for other commodities do: simply increasing supply will not drive down prices. The reasons for this are well documented elsewhere, but ultimately the housebuilding industry does not operate to that model: instead it fixes a price and then supplies demand at that price, or higher if possible.

Our members and local CPRE charities have identified innumerable issues with the demographics that inform the calculation of household projections, with the formulae used for calculating the market signals uplift, and with the approach taken to capping the increase over previous methodologies (some of which are detailed in response to other questions). Any of these issues could be applied to a revised methodology, but would still not address the fundamental problem, which is less around the validity of the particular methodology proposed, but more importantly, what society chooses to do with its outcome.

We would argue that more attention needs to be paid to the mechanisms, largely overlooked in this consultation, to identify actual local needs for housing and get those homes delivered in a sustainable way, rather than focusing unnecessarily on quantifying a headline figure for housing demand. Nonetheless, we do consider that there are some issues with the proposed methodology that should be given further consideration.

- We have a number of concerns regarding the ONS calculation of household growth projections (“step 1”), highlighted through our research into the current SHMA methodology by the demographer Piers Elias (this research will be passed separately to DCLG officials). We consider there should be an opportunity to examine this aspect of the methodology through ONS separately from this consultation. Nonetheless, CPRE does welcome the extension of the demographic baseline to 10 years.
- We have concerns about the market signals uplift (“step 2”). We note that the relationship between incomes and house prices is being employed as a proxy indicator of housing demand. This only makes sense if one is happy to accept that demand for housing is the main factor influencing house prices, which is debatable, and that the people most in need of housing in any area have an impact on the price houses sell for, which is also debatable. In fact, house prices in any area are determined by those individuals that have the most spending power and so have the most choice in the housing market. The houses that most housebuilders would choose to build if left to their own devices (as they generally are in the current system) will be those that individuals with the most spending power can afford. In many parts of the country, especially in rural areas, the difference between house prices and incomes are large not because there is a large demand for homes, but because the homes that are available are large and desirable to people with the most choice in the housing market, while local incomes are very small. Raising housing targets in such areas, and following the current situation of basically allowing developers to build the homes they want to build, will result in more homes being built that

are large and expensive, further increasing the gap between average house prices and average wages, and thereby increasing the market signals uplift - and so on - all the while failing to address the needs of people actually living in the area.

- While we welcome the idea in principle, the cap on the increase (“step 3”) may also result in some perverse outcomes, chief of which is that by being expressed as a percentage above *existing planned growth rates* it entrenches those rates, however unsustainable or undeliverable they may be (whether too ambitious or too timid). As is typical of many existing and proposed interventions in calculating housing numbers (such as the existing market signals uplift and the Housing White Paper para A.78 proposal to require an additional uplift to ‘fix’ housing land supply estimates), the cap is arbitrary and takes no account of opportunities for or constraints upon development in the areas concerned. Additionally the cap only applies to the outcome of this stage of assessing local housing need, and individual authorities remain free to adjust the figure upwards through their local plans, calling the whole idea of the cap into question.

CPRE does agree wholeheartedly with the premise upon which this proposal has been made. The existing system is too complex and too open to interpretation and challenge, and has been responsible for far too much prevarication in the preparation of much-needed local plans. The development industry works to deliberately delay plan adoption as long as they can in order to maximise the opportunity to abuse the so-called ‘presumption in favour of sustainable development’ to gain planning consents for speculative developments. All opportunities for such gaming of the system need swiftly to be ended.

As the consultation paper says, the existing approach “creates lengthy bureaucratic arguments, often behind closed doors, and isolates local communities” (p.4). We would argue that it was also too open to influence by unaccountable bodies such as LEAs, whose growth aspirations could become embedded in SHMAs prior to the opportunity for scrutiny by public examination or sustainability appraisal, leading to a situation where communities and local people felt as disengaged from planning their areas as they had been under the top-down targets imposed by regional planning bodies. The new approach offers the opportunity for all of the discussion regarding the scale of future growth for a place into the arena of a local plan examination, where the issues can at least be debated openly (although there is a risk that strategic decisions could be made outside of public scrutiny through the current proposals for ‘statements of common ground’ - see our response to questions 7-9).

The consultation paper stresses (in the Secretary of State’s Foreword) that the proposed methodology should be seen as a “starting point” that “will give communities greater control” (p.4). Our assessment of the rest of the paper, and the lack of an emphasised commitment to delivery of NPPF goals other than housebuilding, is that these are hollow words.

For the methodology to have meaning and support, national planning policy needs to stress:

- That the outcome of the methodology only provides an approximate indicator of the distribution and intensity of a combination of the need and demand for housing.
- This outcome should be mapped onto assessments of the opportunities for and constraints upon development, at national, city-regional and local scales.
- The combination of need/demand, opportunity and constraint should be fed into the National Industrial Strategy, and other strategies, e.g. for major infrastructure, in order to plan to redistribute economic growth away from

expensive areas with high constraints and towards more affordable areas with high opportunities such as suitable brownfield sites as well as a local desire for regeneration.

- Individual outputs for local authority or housing market areas should clearly and explicitly never be applied as a target (or “baseline”) to be met, even in the absence of an up-to-date local plan, apart from in the circumstances outlined in our response to question 5(a)).
- Any growth above ‘natural growth’ in one area must, demographically speaking, be balanced with population decline in another area. The current proposals frequently allow for places to plan to exceed their local housing need assessment without discussion of the knock-on effects for other areas: this needs to be addressed.
- The resulting rational and locally-determined housing requirements should be tested against the capacity and willingness of the construction industry to deliver. Targets should not be set in excess of this capacity.
- In any area, development to meet genuine housing need should be prioritised over demand and aspirations for growth.

Question 1(b): How can information on local housing need be made more transparent?

CPRE welcomes the desire to improve transparency in relation to housing need and make it easier for the public to access and understand what the stated housing requirements for their area actually are.

As referred to in our answer to 1(a), the housing ‘need’ that the consultation is addressing is, in effect, market demand. Only by having a clearer definition of “housing need” will planning actually be oriented to help assuage the affordable housing crisis. And on the basis of a clear definition - data required to understand the depth of housing need and the extent to which it is being met, will flow more logically.

The current definition in the NPPF conflates “need” and “demand”, which should be more clearly distinguished, thus providing clarity for Local Authorities and enabling need to be met as a priority, thereby addressing the actual housing crisis.

While the new method outlined in this consultation is welcome in that it does make OAN more transparent, by the same token, it is important that there is also transparency concerning what the relevant local planning authority plans to add to their allocated OAN figure by way of economic growth aspiration. Too often in the past, this information has been based on analysis provided to local planning authorities on behalf of a relevant Local Enterprise Partnership (LEP). CPRE would argue that analysis provided by any external bodies, consulted by local planning authorities in determining their housing target, should be made publicly accessible. It is vital that such analysis is made public so that it can be properly interrogated.

Information on the claimed housing requirement should be made more transparent by bringing in local communities, parish councils and environmental and amenity groups to the working parties and meetings at which (at present) the planning authority meets developers only, and or the relevant local LEP. (If LEPs are to continue to have current levels of influence it is essential that they are made more accountable, and be subject to duties and responsibilities commensurate with their influence and their control of public funds, including a sustainable development duty and freedom of information.)

Government should act as a central reference point. Standard data pertaining to issues of housing need and supply, including build-rates and levels of land supply should be provided by all local planning authorities, as an obligatory requirement, to DCLG to

make public. Local planning authorities should, in turn, be required to make prominent reference on their respective websites to a central Government data portal containing relevant information across all local planning authorities. Data requirements could include: that pertaining to issues of housing need and supply, including build-rates and levels of land supply. The current approach with authorities publishing this information 'somewhere' on their website makes comprehension challenging.

In terms of monitoring, local planning authorities' Annual Monitoring Reports should clearly evaluate progress towards achieving local plan requirements and targets. This should include information about overall housing numbers, as well as the type and tenure of new homes. In order to provide comparison between local authorities, both gross and net need and building figures should be used.

The brownfield registers are a good step in providing transparent data on available land. However, this could go a step further in providing an accessible means of finding out all brownfield and previously developed land, similar to the National Land Use Database. DCLG could support this further by collating data, for example information held in Annual Monitoring reports, publishing them as national datasets and making more use of data.gov.uk as a repository for local authority data.

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.

Plans should be able to rely on their figures for the full five year period proposed as the minimum time between plan reviews.

The nature of the proposed methodology emphasises that assessments of need are not exact, and it would be best to recognise this in giving communities the greatest possible context of certainty in which to prepare their plans and only revisit the assessment when the plan comes to be reviewed.

The process taken to develop, publish, consult upon and examine a local plan is lengthy. Local Planning Authorities need to have certainty that their plans will be given full weight in decision-making and a two year period is not long enough. Analysis by Planning Resource has shown the huge impact that new data releases could have on Need figures (<http://www.planningresource.co.uk/article/1445478/data-blog-why-standard-housing-need-method-means-plan-makers-bumpy-ride>). These swings in data could result in housing requirements being declared out of date shortly, at times less than a year, after the plan is adopted. Local authorities should be able to rely on figures between local plan reviews.

In this context regard should be had to CPRE's response to Q1 of the Housing White Paper. Local Plans provide an important opportunity to set expectations over the medium term: not every policy or proposal within a local plan needs to be, or should be, reviewed every five years such as policies that guide the design and character of new developments. In particular Green Belt policies should have a longer shelf-life.

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?

No.

This question has caused rather a lot of head-scratching as it appears to be motherhood-and-apple-pie. In principle, of course the NPPF should be updated to require that, to be found sound, a local plan should use a clear and justified method to identify local housing need, and that application of the approved standard method (see also our other concerns) should be deemed sufficient to meet this test.

However, our agreement here is tempered by our concerns about the potential for deviation from the approved standard method (see question 4). In effect, there is no need to use an alternative method to calculate need, because the approved standard method is only intended to be a “starting point”. Local authorities are free, through their local plans, to set housing requirements higher or lower than this starting point in response to local circumstances, including growth aspirations and the existence of planning constraints.

What is the justification for allowing alternative means of reaching this starting point? This simply undermines the benefits of the proposed standard methodology in terms of proscribing the current prevarication over local housing needs assessment methodologies for no conceivable purpose.

It would be more appropriate if the NPPF was amended so that a sound plan must be seen to use a clear and justified method to translate the “local housing need” figure arrived at through the standard methodology into sustainable and deliverable local plan housing requirements.

To be considered sound, such a method would need to be open to public scrutiny and sustainability appraisal, and involve the consideration of opportunities and constraints across an area larger than just the single local authority (and possibly larger than a housing market area, where there are policy or environmental constraints), including the capacity of the construction industry to deliver.

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?

No.

We are not convinced that there is any justification for councils to use an alternative method to assess “local housing need”, apart from in the specific cases of National Parks, the Broads and Urban Development Corporations (although there is a case for Government and the ONS to take steps to address the lack of available data that seems to justify this).

The deviation loophole could simply encourage certain interests to lobby councils to use a different methodology to assess need, thereby leading to the same prevarications and delays that introducing the standard methodology was meant to avoid.

If the assessment of “local housing need” arrived at by the proposed standard methodology is indeed meant only to be the “starting point”, and the assessment can be revised up or down through a local plan examination in setting actual local plan housing requirements, then there is no conceivable justification for undermining the simplicity of the standard methodology, other than to reintroduce delays into the plan-making process.

If any deviation is to be allowed, then policy should be clear that the alternative methodology should be proposed by the relevant planning authority, and that no third

party should be permitted to challenge a planning authority's decision to use the standard methodology under any circumstances. If debates over the alternative methodology look likely to result in significant debate in an examination, Inspectors should be empowered to make an early decision to recommend that the planning authority reverts to the standard methodology.

It is absolutely unacceptable for there to be an automatic presumption, as set out in para 46, that any methodology, however ludicrously formulated, which results in a higher assessment of need than the standard methodology should automatically be considered sound. This suggestion again undermines the fundamental principle at the heart of this consultation that the outcome of the methodology should only be seen as the "starting point".

Ultimately, it would be far better to simply remove the potential for deviation (apart from in NPs, UDCs, etc., until the data gaps are addressed) and continue to allow for locally-led upward or downward revisions of the "local housing need" figure through local plan examinations in response to aspirations, opportunities and constraints.

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?

No.

There is a missing step in this question, in that there is no opportunity to comment on the principle of the local housing need methodology output being used as a "baseline" for assessing five year housing land supply. While CPRE agrees with the principle of incentivising local plan production, and recognises that the so-called presumption in favour of sustainable development is a useful, if blunt, tool contributing to that incentivisation, we consider that it is disingenuous for government policy to put the enforcement of national priorities for the protection of landscapes, the environment, etc. at risk, just because a local authority has not been able to finalise a local plan.

The application of a constraint-blind baseline for assessing five year housing land supply would conflict with the Government's commitments to delivering more new homes while protecting the countryside, maintaining the Green Belt, and leaving the environment in a better state than that in which they found it.

In effect, the proposal highlights the current problems with the NPPF five year land supply policies, whereby developers can challenge elements of the supply as being undeliverable and therefore render housing supply policies out of date. CPRE believes that these policies need substantial revision to make the land supply requirement less onerous.

A nationally-generated figure should only be used in cases where a local authority does not have a post-2006 local plan and has made no attempt to publish one since the NPPF came into force. In that context, if the "baseline" approach is to be utilised where the local plan is absent or out of date, CPRE considers there may be several approaches that could be employed, possibly in combination:

- An approach similar to that floated for National Park Authorities and others in question 5(c), i.e. based on the most recently adopted housing requirement or

the housing requirement in an emerging plan, provided the plan has been through examination.

- A reasonable means of taking account of the existence of constraints in reducing the raw baseline figure.
- Applying the raw baseline figure, but with clear guidance that applications will not be considered favourably where they cause harm to any “footnote 9” policy interests, or other constraints not determined through local plan processes.

(See also our response to Housing White Paper question 3(b).)

With all of the above in mind, CPRE does agree with the principle of the Secretary of State having discretion to give local authorities additional time to get plans in place before applying the “baseline”. The time allowed for this should take into account the relative risk of harm to national environmental and policy constraints, and should err on the side of the option that offers better protection for these national interests that the Government has committed to protect, while enabling the delivery of new homes that do not result in harm.

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?

Yes.

CPRE agrees with this proposal, subject to our comments on question 5(a) above.

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.

As mentioned in our response to 5(a) above, the fundamental flaws with the Government’s proposed method mean that most local authorities will not be able to use it in practice, and so all local authorities should be able use a local plan housing requirement (as distinct from an assessed need figure) provided it has either been adopted since 2006 or a draft examined since the NPPF came into force.

Question 6: Do you agree with the proposed transitional arrangements for introducing the standard approach for calculating local housing need?

No.

It is useful to have these guidelines with regard to how councils at different stages of plan preparation would be expected to respond to the introduction of the new system. It needs to be recognised that councils will always have the option of withdrawing their current plan if they consider that using the new methodology might result in a more sustainable or deliverable plan. Hence CPRE supports the principle of having the transition guidelines, but has concerns about some details.

Some of the timescales suggested in the proposal will be too short. This is a period of intense change for local authorities, who are working with depleted resources and demoralised staff. The 31 March 2018 deadline could result in a 'rush to the finish' for some authorities, to the detriment of the quality of their plans, especially given the current timescales for consulting on and finalising the revised NPPF. (While it is recognised that this deadline would be mitigated should the NPPF be published later, this does not give authorities and communities time to digest the full implications of the new NPPF when it is eventually published.)

In particular the current timescales only really account for authorities having the opportunity to update their housing numbers, and do not allow for the opportunity to revise other aspects of their evidence base, much of which depend on an understanding of the housing numbers and the impacts of those levels of growth. Such impacts will be felt particularly in areas where there is a multiplicity of local plans being prepared to different timescales by neighbouring authorities, often sharing elements of their evidence base. This may be illustrated with reference to the Leeds city region:

It is worth looking at the five LPAs in Leeds City Region to illustrate the potential complexity of transitional arrangements. The current status of the five plans is:

- Leeds - adopted Core Strategy, Site Allocations DPD Examination delayed due to CLG formula producing big drop in housing figure.
- Bradford - adopted Core Strategy, Site Allocations DPD pre-draft, likely to be disrupted by big drop in housing figure.
- Kirklees - Local Plan at Examination, new formula produces minimal change - implications for Duty to Cooperate?
- Calderdale - Initial Draft Local Plan recently consulted on, CLG formula gives big drop in housing figure. Could knock out main strategic development sites?
- Wakefield - adopted LDF post 2012, no plans to review, but CLG formula gives big drop - may prompt an earlier review?

Overall housing figure for Leeds City Region drops by 25-30% - implications for Economic Strategy? Should the LPAs all accept the lower figures, or press ahead with the higher ones? What happens if one or more LPAs acts unilaterally?

Careful consideration also needs to be given to the relationship between these transitional arrangements and the proposal to only 'fix' the local assessment for two years (question 2). The apparent robustness of these guidelines would be entirely negated if the outcome of the policy to fix assessments was not similarly robust.

Statement of common ground

Question 7(a): Do you agree with the proposed administrative arrangements for preparing the statement of common ground?

No.

CPRE supports some elements of this proposal but believes that further work is needed.

CPRE supports measures that encourage councils to work together across a broader area to identify constraints on and opportunities for development that can enable housing needs to be met in good locations without unnecessary harm to the countryside. They should also enable local planning authorities to plan effectively across boundaries for a

wide range of issues including the natural and built environment, to develop high quality places, to respond to climate change and broader environmental capacity issues.

Local authorities should be encouraged to go further than the proposed Statement and make use of existing powers to develop Joint Local Planning documents or sub-regional plans. This would be the best way to ensure that the approach is more accountable, transparent and participatory.

A Statement could have particular benefits for a number of issues such as a strategic approach to guiding development towards suitable brownfield sites and reducing the effect of double counting where households aspire to two places at once.

However, there are a number of important issues that must be addressed or clarified in order to ensure that the process is open and effective.

Statements of Common Ground must be prepared in an accountable, transparent and consultative way. At present, strategic issues, such as housing growth and distribution, are assessed and often decided upon, without public engagement, through LEAs and loose affiliations of councils. In Warwickshire, for example, a bottom-drawer 'memorandum of understanding' between the local authorities has led to issues in individual local plan examinations. In Hampshire and the Isle of Wight, PUSH (Partnership for Urban South Hampshire) - a business partnership - has generated housing need figures which have been accepted as correct in planning appeals, despite the figures not having been consulted upon or subject to SEA.

CPRE recommends that there should be opportunities for public engagement and formal consultation on the Statements with statutory Local Plan consultees such as parish councils and other neighbourhood planning bodies. Without such provision we would not support the use of these Statements to set the overall number or distribution of new housing; this is best done in any case through the development plan process.

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?

Statements should apply directly to Mayors including those without strategic plan-making powers - mayors without strategic plan-making powers can still be influential on strategic issues.

However, there is a need to address potential conflict arising between the housing requirements of individual local planning authorities and housing requirements developed by the mayor/strategic framework. This is in addition to the conflict, mentioned in our response to question 7a, between local authorities that fall outside of the Combined Authority, but are effected by decisions made by it. For example, meeting Birmingham's unmet housing need.

Mayors can play a role in ensuring that the process of developing a Statement is accountable and transparent.

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?

Yes.

See response to 7(b).

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?

No.

In addition to comments raised in our response to Question 7(a):

The current timescales are likely to be unrealistic for many. For example Shropshire council borders 11 different local authorities.

Statements should go beyond the distribution of housing numbers. They should clearly identify infrastructure implications including the natural environment, transport, health and education. This will support an open strategic approach.

Question 9(a): Do you agree with the proposal to amend the tests of soundness to include that:

i) plans should be prepared based on a strategy informed by agreements over the wider area; and

ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?

Yes.

CPRE agrees with this proposal subject to our comments in question 7(a) in addition to the comments below.

We support the principle of amending the test for soundness to include clear a strategy for and evidence of cooperation between local authorities including the sentiments raised in paragraph 85 of the consultation paper.

However, local Planning Authorities are likely to be at different stages in the development of their local plans. This is likely to increase conflict and make reaching agreement over the distribution of housing numbers particularly difficult. It should not fall to local authorities who are last to adopt their plan to pick up any shortfall.

We recommend that joint core strategies and sub-regional plans are more strongly encouraged as a means to overcome these issues, in particular in cases where Statements of Common Ground are not being produced. This can be done by making better use of existing legislation although the decision to align plan-making timetables or undertake joint local planning should be undertaken locally, for example Northamptonshire has two Joint Core Spatial Strategies adopted for the county. Another example, with Bromsgrove and Redditch illustrates the benefits of sharing office space as one means to enabling better cooperation.

Question 9(b): Do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

Yes.

CPRE supports the principle of aligning the new test of soundness alongside the introduction of the Statement of Common Ground; however, please see CPRE's response to Question 8 on the need to ensure that these timescales are realistic.

As noted in CPRE's response to Question 7a, SoCG should include strategic issues beyond that of housing numbers alone. Paragraph 87 goes some way in recognising this; however, a number of strategic infrastructure issues will often be far broader than the local authorities included in SoCG. Therefore, SoCG should not be the only evidence submitted to illustrate effective cooperation, and often other local authorities may need to be included.

Planning for a mix of housing needs

Question 10(a): Do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?

CPRE's major criticism of the proposals in this consultation around the new methodology for estimating housing need/demand is that while the government recognise that the methodology is a "starting point", it is hard to appreciate the value of that "starting point" without a very clear understanding of how that assessment is intended to be used in practice. The fundamental issue with the housing crisis is one of the homes that get built being either unaffordable or the wrong type (or both) for many (if not most) of the households whose housing need was used to justify development in the first place. We made a similar point in response to the Housing White Paper question 3a.

It is surely not rocket science to simply count the households that are currently in housing need in an area and commission someone to build the homes that those people need. SHMAs currently add all kinds of unnecessary complexity on top of that simple concept in order to be able to forecast housing demand and aspiration above the most pressing needs. The current NPPF approach is to prioritise meeting demand and aspiration and hope that trickle-down through section 106 agreements addresses households in need. This approach has patently not been sufficient to address the housing crisis - and indeed exacerbates the differences between available homes and ability to afford to live in them - and needs to end.

It is also vital that, where genuine housing need has been identified, local planning authorities are provided with the tools necessary to actually ensure developers meet the identified needs. An area's housing needs should be clearly built into the local plan and developers putting forward applications should demonstrate how their proposed projects meet identified needs. Under the current SHMA system, the split between affordable homes, social housing and shared ownership is calculated as part of the SHMA. It should be very easy to incorporate it into all Local Plans, but whether they are actually delivered or not is an entirely different matter.

There are various methods through which local planning authorities could seek to ensure that bespoke housing needs are being met, for example through a local planning authority-wide housing needs survey. Such approaches used to be much more commonly taken up by local planning authorities, and they provide a helpful source of primary data that can be used in addition to secondary data sources. Local and neighbourhood planning bodies will already have various mechanisms at their disposal to guide their understanding of the housing needs of particular groups in their area and some degree of local flexibility in how they identify streamlined housing needs evidence

requirements should be permitted. For example, Councils may have good links with local homelessness charities and thus benefit from their intelligence. Information on the needs of the private rented sector can be gained from local letting agents, as another example.

Another point is that local authorities will have a record of those waiting for social housing, though that group is not factored in as part of 'housing need'.

CPRE is particularly concerned about the impact of national housing and planning policies on rural communities and the affordability and suitability of new homes in rural areas. It is not entirely clear to us how both the Housing White Paper and the current consultation have been 'rural-proofed', and the following section makes suggestions as to how this could be addressed. These measures are also being considered by our colleagues at Action with Rural Communities in Rural England (ACRE) and the Rural Coalition, and we would commend any response submitted by those organisations to you.

- Information on house prices, rents and levels of sales of different types of housing in rural communities is collected and analysed to provide a 'staircase' to illustrate where there are gaps in the housing market.
- That data is collected on the supply of and demand for affordable housing, including:
 - the quantity and percentage of the rural communities affordable housing, broken down between rent and affordable home ownership tenures
 - the number of lets and re-lets a year over a three year period
 - the length of time those with a housing need and looking for a house in their community have to wait before being housed
- This would be greatly assisted by requiring that local authorities re-instate a lower band in their Choice Based Lettings to allow those living in unsuitable or very short term private rented housing to register. This would respond to the fact that the lack of affordable housing in rural areas has meant that many of those with the need for this tenure have had to be housed in private rented housing which can be low quality, only available for a short time and can be expensive.
- The absence of data on local incomes means that calculating the affordability ratio has to use Annual Survey of Hours and Earnings data. For rural areas it is essential that this is work-placed data because incomes earned in rural areas are lower than those earned in urban areas.
- Given the lack of lower priced market housing and low locally earned incomes lower quartile as well as median affordability ratios should be calculated for rural communities.
- Supplementing, but not in place of this strategic level analysis, local planning authorities should be encouraged to commission local housing needs surveys using the standardized approach that has been adopted by Rural Housing Enablers.

Question 10(b): Do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?

CPRE neither agrees nor disagrees.

While we are as concerned as anyone about provision of housing suitable for 'older people' it is not clear why 'older people' needs a definition in planning policy. Planning policy should cater for any person, regardless of age, who might require "accessible,

adaptable general needs housing” or have “support or care needs” or who might aspire to “downsize”.

The current definition of ‘older people’, contained in the NPPF, is very broad. But what is more important than the exact wording used is that the definition is better reflected in determining planning decisions in a manner that is sustainable and recognises the bespoke needs of older people. Our branches have alerted us to inappropriate bungalow schemes being accepted by local planning authorities, despite the projects falling outside of development limits, and there being no clear understanding that the bungalows so constructed would necessarily be occupied by ‘older people’.

CPRE does recognise the pressing housing needs that older people present and the importance of meeting these, especially in terms of social care needs. It could be argued that care homes should be treated as a distinct category and every area in the country should make provision for them. A balance needs to be struck, however, between providing such accommodation in places, such as villages, where people have a lifelong connection, and the creation of new concentrations of elderly people in locations to which visitors and care workers can only travel by means of a private car.

Neighbourhood Planning

Question 11(a): Should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?

Yes.

We agree that it would be helpful for neighbourhood planning if local plans were produced in such a way as to give indicative housing figures for smaller areas within their districts. We do not believe that it is either necessary or desirable for LPAs to dictate precise numbers for each possible neighbourhood plan area to be met as targets in those areas. A well-managed and collaborative approach between LPAs and neighbourhood plan areas could enable a sustainable distribution of development to be identified progressively and iteratively on a plan-monitor-manage basis.

A critical factor in this will be a recognition that where neighbourhoods have positively planned for housing delivery, they should be given some certainty that their plans should stand for a reasonable time when local plans are reviewed. In other words, there should be a firm presumption in local plan preparation that the local plan policies and proposals relating to an area that is subject to a made or well-advanced neighbourhood plan should in effect follow the content of the neighbourhood plan, ideally for the time that the neighbourhood plan is in force, unless doing so would result in a local plan that was unsustainable or undeliverable. If it was not possible to maintain the thrust of the existing neighbourhood plan under the new local plan, then there should be a managed transition period in which the LPA provides full support for the neighbourhood to review its plan.

The current situation in Peterborough has been cited as a useful case study with lessons both positive and negative:

- Peterborough City Council allocates growth as a percentage to various areas in the authority area. The new Local Plan suggests growth of 5% in its rural areas, with smaller villages getting less and local centres getting more, which is generally acceptable to residents as they can see the logic behind it.
- Unfortunately allocations of sites do not always follow this principle; e.g., there are 8 villages classified as ‘medium’ under the Settlement Hierarchy Study, but

4 have no allocations. (2 have no further allocations but still have 79 houses with outstanding permission.) Wittering has a new allocation of 190 houses, but Helpston, which has already increased in size by 44% since 2001, has a 34 houses allocation outstanding and a new allocation of 60 houses. The people of Helpston do not think this is fair. None of these villages have made Neighbourhood Plans.

Any housing allocation figure applied to neighbourhood areas should be taken as an indicative figure and never applied as a target to be met either in neighbourhood plan examinations or individual decisions on planning applications.

Question 11(b): Do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?

No.

The proposal contained in para 99 is of serious concern since it would appear to enforce an arbitrary additional housing target, which takes no account of opportunities or constraints, on communities (“neighbourhood plan areas”) that are already planning constructively for their areas. It is crucial that the government get their heads around the idea that just because a district council/local planning authority have failed to maintain an up-to-date local plan (which itself may be outside that authority’s control) then all individual communities in that district should be punished as a result. Communities that have taken steps constructively to plan for the needs of their areas should always be rewarded with greater certainty and control over development whatever the status of the district local plan.

Any housing allocation figure applied to neighbourhood areas (whether by LPAs or by the formulaic approach outlined in para 99) should be taken as an indicative figure and never applied as a target to be met either in neighbourhood plan examinations or individual decisions on planning applications.

Proposed approach to Viability Assessment

[The following text submitted at the beginning of the response to question 12.]

This overall section of the paper is the most welcome from CPRE’s perspective. However, there is a wider problem with the lack of provision of affordable social rented housing, which has seen particularly high levels of disinvestment in recent years. CPRE research (summarised at <http://www.cpre.org.uk/magazine/opinion/item/4674-where-has-our-affordable-housing-gone>) has highlighted the recent failure of rural planning authorities, guided by Government policy, to both allocate sufficient land for affordable housing, and to deliver affordable housing even on the insufficient land that has been identified. A more transparent approach to viability could help address the latter problem; but without a bigger investment programme there is little scope for local authorities to be able to set sufficiently strong affordable housing policies.

The increased weight given to developers’ viability assessments has allowed developers to reduce or entirely drop affordable homes from new developments, substituted by more profitable market housing. Viability assessments often contradict and undermine planning policy commitments to providing affordable housing that developers indicated they could meet when originally promoting the site for development. Often, key parts of

these assessments are not published, preventing the public from questioning the assumptions lying behind them. Such assessments often result in the renegotiation of planning agreements to provide fewer affordable homes, yet agreements are currently the main vehicle by which rural affordable homes are provided.

A fundamental aspect of the success of this approach will be in reining back landowners' expectations of the development value of their land, which in recent years have become ridiculously optimistic. This is particularly true for brownfield sites.

Where a landowner has profited from a site's use for commercial purposes over a number of decades, and the site can only be used for an alternative (or indeed any) purpose after investment in the removal of existing buildings and remediation of soils, etc., then the land in effect has zero current use value. It is criminal for landowners to expect further high profits from the redevelopment of such sites, especially if public funds are necessary in order to make the site shovel-ready. It should be the landowner's responsibility to make the site viable for development if they wish to profit from it, or to hand it over to the local authority or a public development corporation, possibly with the option of a clawback where opportunities allow.

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.

CPRE agrees with this proposal and there are already likely to be examples of good practice in existing local plans, for example in Essex.

We doubt, however, that it will be possible in many cases to be able to predict funding and contribution levels for developments throughout the 15-year life of a plan. Much of this is due to the lack of predictability in local government funding which is decided on an annual basis, although recent moves to a five-year methodology may help increase certainty in future. Uncertainty is also caused by both the five-year political cycle of general elections, and the economic cycle as it affects developers.

Increased scope for local authorities to borrow would help make local plan policies more deliverable. Local authorities could identify affordable housing need as currently, and then use viability testing to calculate how much public funding would be needed to meet this need through both sites they control and as a proportion of private developments, where the developer is unable to cover the requirement from land value. The Government could then allow extra borrowing based on these identified requirements.

This activity is best focused on sites within the local authority's identified immediate five-year land supply. Elsewhere, CPRE recommends changes to national planning policy which would make the supply requirement, and in turn identifying the necessary supporting infrastructure, a less onerous task. (See response to question 5(a) above.)

Question 13: In reviewing guidance on testing plans and policies for viability, what amendments could be made to improve current practice?

CPRE and a number of other organisations, particularly the Town and Country Planning Association, have been unsupportive of Local Plan viability testing in the past, as we believe that viability as a concept is given too much weight in the NPPF generally. We also have doubts about whether viability testing can be applied to sites earmarked for development more than five years into the future - see response to question 12 above.

However, we would support the introduction of a transparent and trusted approach for measuring viability in plan-making. Such an approach needs to be designed to achieve the outcome of increasing the provision of affordable housing that meets local needs. This may often need to be reinforced by new public investment, and in rural areas there is a particular need for social housing or housing for sale at well below average market prices. Such public investment should be reinforced by a reasonable level of contribution by the private sector in normal market conditions. The viability measurements are likely to need regular updating but Government guidance should clearly identify the relevant components (such as construction costs) and supporting data should be drawn from authoritative, impartial and publicly available sources.

In particular, developers should be expected to publish their own viability assumptions for proposed sites so that they can be consulted on with the public before a plan is examined.

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.

CPRE agrees that testing at the planning application stage should usually be avoided. There is however a danger that a Local Plan viability assessment could become out of date if, for example, a site is not brought forward for a number of years after the adoption of a plan, which would allow the developer to submit a new assessment that was more favourable to their interests.

CPRE recommends that (i) viability assessments should be required for planning applications only where necessary and following key principles of transparency and standard benchmarking (see our response to questions 13 and 16); (ii) the Government introduces the measures proposed in the Housing White Paper to get development sites built out more quickly. There should also be safeguards to prevent developers from using a viability assessment to alter the type of housing provided (for example from social rented to shared ownership), in cases where their preferences would run counter to locally identified need.

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?

CPRE believes that tighter legislative requirements will be needed for local authority publicity around these cases, so that relevant bodies such as the ones mentioned in the question are made fully aware of when they can influence proposed viability tests (at Local Plan stage) or assessments (at planning application stage). We would also recommend that there should be agreement on the level of investment needed before a draft site allocation is made.

On a semantic point, we do not support the wording of this question which attempts to conflate affordable housing with infrastructure, which is ominous in the context of wider moves to apply the NSIP regime to large-scale housing developments, and is of concern to us as a means to sidestep local discretion over planning for housing. The proper development of places must include the provision of affordable housing and infrastructure, of course, along with market housing, commercial premises, retail, leisure, open space, etc. In a sense you could argue that everything that is built could be seen as infrastructure, including private homes (infrastructure for living in), as well as “green” and “blue” infrastructure. It is not helpful to lump all these things together, though. In the sense of this question, infrastructure providers and housing associations are being examined together because they are potential beneficiaries of CIL or section 106 payments etc, but housing associations are not infrastructure providers. The supporting text to the question talks of “housing associations and infrastructure providers” (my emphasis), and it is important always to consider these as functionally discrete.

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?

CPRE welcomes the proposals to introduce more definitive guidance on how to do viability assessments. The factors that we think need particular attention are:

- Standard methodology, especially covering the approach as to how land value can be benchmarked. As with Local Plan viability testing, Government guidance should clearly identify the relevant components (such as construction costs) and supporting data should be drawn from authoritative, impartial and publicly available sources. This is important to achieving a fair and realistic assessment of how much money a developer is able to provide for planning obligations. We would commend the ‘Existing Use Value plus Premium’ approach advocated in the 2017 Supplementary Planning Document (https://www.london.gov.uk/sites/default/files/ah_viability_spg_20170816.pdf) issued by the Mayor of London. The approach used in London already appears to be achieving results in increasing the average proportion of affordable housing in new developments.
- Transparency - we would urge the Government to explicitly state that all information submitted as part of, and in support of a viability assessment process, should be made public.

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.

CPRE agrees with the proposal for more consistent reporting on the benefits expected from planning obligations they have negotiated. Initial research that we have done suggests that very few local authorities provide clear reports on their use of, and the money gained from, planning agreements. One of the few examples of good practice in this regard that we have seen is Carlisle City Council, which publishes specific, clear and comprehensive reports on progress made with planning obligations in its area. The reports can be viewed at <http://www.carlisle.gov.uk/planning-policy/Evidence-Base/Annual-Monitoring-Reports>.

Question 17(b): What factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?

CPRE recommends that particular attention should be given to showing:

- The summarised requirements of the planning obligations;
- Progress in achieving the outcomes (such as construction of affordable homes) for which the obligation in question is intended to achieve; and
- when signed obligations are being or have been renegotiated, and what the outcome of renegotiations are.

Planning obligations in force should all be more accessible online than in most cases they currently are. The reporting and monitoring of obligations should also be readily accessible. The main difficulty at present for parish councils, local environmental groups, and residents is finding obligations in the local planning authority's documentation and being able to study them.

Commitments in the Housing White Paper and elsewhere to the Secretary of State issuing data standards for the publication of information on housing and planning are welcome in this regard, but so far there has been little indication of what the nature of such standards is likely to be. We look forward to further engagement on this issue.

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?

CPRE recommends the publication of progress updates to all interested parties at regular (possibly annual) intervals until such time as the development is complete. This should be at the developer's expense as many already carry out such activity voluntarily in any case. The update should monitor under or over provision and setting out how the developer and local authority can work together to deliver the Local Plan's requirement for the site.

Planning Fees

Question 18(a): Do you agree that a further 20 per cent fee increase should be applied to those local planning authorities who are delivering the homes their communities need? What should be the criteria to measure this?

No.

We agree that it is essential that LPA planning departments are given the resources necessary to properly fulfil their functions. This is to the benefit of both the development industry and the communities that the councils serve.

Increasing planning fees is an obvious and easy means by which to achieve this - at least in relation to the processing of planning applications. It should be noted that planning fees do not at the moment fully cover the costs of processing applications; furthermore the increasing emphasis on permitted development rights with prior approval procedures, for which fees are not payable, puts greater strain on planning departments without any opportunity to increase income. Increasing fees would still leave other

functions such as plan making and enforcement short of funds and appears to prioritise planning application processing (so called development management) over other functions. Therefore, the proposals do not go far enough to address the lack of staff and expertise to ensure a robust and effective planning process.

The consultation suggests that planning fees should only be increased where councils “are delivering the homes their communities need”. We are concerned with this criterion for a number of reasons:

- It is based on the idea that the only deliverable of the planning application process is new homes. The planning system is about much more than this and a range of strategic economic, social and environmental issues should be used to measure local authority outcomes.
- It is based on the idea that councils themselves deliver homes, and are fully empowered to ensure that development actually happens, which is false. Councils can only make land available for development through local plan allocations (over which they have considerable control) and planning permissions (which can only be granted if an application is made); beyond this, councils are not empowered or resourced sufficiently to make development happen.
- It is holding councils to account of a need figure, and not figures developed through the local plan process. Local authorities that set a housing requirement lower than their need figure in order to protect their environment, *in line with national planning policy and Government commitments to do so*, should not have a financial penalty for doing so - indeed, they should be rewarded for this.
- Therefore, if this criterion is to be used it should be based on councils having allocated or granted permission for sufficient sites to meet their housing requirements or their need as determined by the standard methodology whichever is lower so as not to penalise “ambitious” local authorities.
- The outcome of the proposal would be that the councils that are failing to provide sites to deliver homes, which are arguably the councils that most need more resources, do not get the resources they need. The New Homes Bonus and Community Infrastructure Levy are already ways in which local authorities can capitalise on houses being built in their area.
- Additionally, councils may be tempted to grant permission for the wrong developments in the wrong places, in order to be able to increase their fees. Linking financial reward to planning permissions is never a good idea and the fees should instead help to incentivise an effective decision-making process in the interest of the whole community and implementing the whole of the NPPF.
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Question 18(b): Do you think there are more appropriate circumstances when a local planning authority should be able to charge the further 20 per cent? If so, do you have views on how these circumstances could work in practice?

Yes.

CPRE branches have come up with a variety of options that could be further explored to connect a fee uplift to delivering favourable outcomes in the planning system:

- Affordable housing: Not meeting affordable housing targets: proposals that seek to meet or exceed affordable housing proposals could go through a “fast track” approach, which does not require councils to scrutinise viability assessments and therefore be eligible for a smaller fee.
- Speculative development: Site allocations will have already undergone a number of checks before being included in the local plan or neighbourhood plans.

Speculative developments on the other hand may require more work from the council, therefore an increase in fee could help cover local authority costs whilst also supporting the delivery of the local plan.

- **Faster development:** For example, additional fees for development that does not commence within the timeframes set that leads to more work for planning departments.

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?

This question requires the respondent to have agreed on criteria in Questions 18 a and b and we reserve our final response on this on the outcome to those proposals.

CPRE analysis [1] comparing both the old and new need assessment figures shows a huge shortfall in delivery: this amounts to an average of 285 homes per year per local authority every year over the past five years compared to the old assessments of housing need. This rises to over 360 homes per year per local authority every year with the new need assessment.

This suggests that the current proposal is unlikely to lead to any plan increase if applied nationally once all local planning authorities meet it. However, all local authorities should be given the same opportunities to raise funds through increased planning fees.

[1] Compares DCLG Live table 122 with the current and indicative assessments of need provided with the consultation documents. The annual average delivery over the past 5 years is 153,000 homes; the annual current local assessment of need is 233,000 and the annual indicative need assessment figure is 266,000.

Question 18(d): Are there any other issues we should consider in developing a framework for this additional fee increase?

Further work is needed to establish whether a fee increase will help planning teams obtain the resources and staff they need to deliver an efficient planning process and to ensure that the opportunity supports those that need it most.

The fees obtained as a result of any increase in planning fees must be ring-fenced within planning departments to enable these teams to deliver a more effective service.

DCLG should also consider possible exceptions to planning fee increases, for example in relation to low workload householder applications or proposals that are providing affordable homes through rural exception sites.

Other issues

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?

How the whole process could work

Putting more of an emphasis back onto plan-led development in which communities are genuinely in control and reducing opportunities for developers to sidestep proper planning processes by speculative applications and game the ‘presumptions’ and ‘tilted balances’ of the system through to their pecuniary advantage would help to restore trust in the system and reduce the antagonism that is often responsible for planning delays.

There should be a greater emphasis throughout the system on the development sites that are identified in local plans, neighbourhood plans and brownfield registers forming the basis for the understanding of housing land supply in any area.

When such sites are identified this should be accompanied by as realistic an expectation of the timing and rate of build-out as can be established at the time, including phasing of large sites into different phases of the plan period, with the most certain sites naturally being those that would contribute to the first 5 years. Attention would then be paid to firming up the details of other sites in time for the next plan review.

At the point of full/detailed/technical details consent being granted, expectations of build-out rates should be formalised into a contract. There would be penalties for the LPA if they held up paperwork unnecessarily. Penalties for the developer failing to deliver (unless there are legitimate circumstances) as quickly as anticipated could include:

- A tax on all unimplemented units.
- Unimplemented parts of the site being transferred to the local authority, housing associations, or local SME, custom or self-builders.
- “Use it or lose it” measures, where planning permission or allocation is revoked if a development is not started, but only where the outcome of the measure would not result in a new site needing to be identified.

If, with all of the above in place, the pipeline for housing delivery in a local authority area falls below the target for 5-year supply, the priority should be to progress development activity on the sites already identified in local plans, neighbourhood plans and brownfield registers, including increasing the yield of homes on some of these sites where appropriate. Such activity should not, however, result in a reduction in standards essential for the proper planning of the area, including affordable housing contributions or necessary infrastructure. Identifying new sites should be a last resort, only undertaken through a fast-track review of site allocations. There should never be a case for large-scale sites to be pursued speculatively, most particularly in footnote 9 policy areas. The only exception to this would be on urban and peri-urban brownfield sites not previously identified in the register (more remote brownfield sites may have impacts on infrastructure needs that may be more problematic).

CPRE considers that the key test for housing land supply should relate to whether pressing housing needs are being met, rather than targets based on casual market demand and economic growth aspirations.

A miscellany of thoughts on increasing housing supply, and rate of supply, while reducing harmful impacts on the countryside and the wider environment

- Reward developers who meet targets for providing affordable and zero carbon homes, for example with lower application fees.
- More actions that result in building at sensibly higher densities (where ‘sensible’ means taking a design approach similar to e.g. ‘Create Streets’); this could include reducing the focus on so-called ‘garden villages’ where these are defined with reference to there being ‘houses with gardens’ - the nation has a surplus of houses with gardens, and not enough high quality apartments. Consideration should be given to ideas such as ‘London YIMBY’ and John Penrose

MP's 'Build Up Not Out', which aim to incentivise and facilitate provision of more smaller homes in urban and suburban areas, although there are some concerns about the details of these imaginative and radical schemes.

- Make regulations easier for larger homes in towns to be converted to high quality apartments.
- Give VAT relief on redevelopment/regeneration.
- Take steps to make better use of the existing housing stock, including stimulating local economies where there are pockets of empty homes and addressing the factors that make down-sizing unattractively expensive.
- Even greater powers and resources for local authorities to provide housing direct or through housing associations, especially affordable housing to rent, and preferably free from 'right to buy', unless safeguards are provided that all homes sold will be replaced, and that those safeguards are actually applied. Public sector bodies with surplus land should be disincentivised from 'releasing' land for housing (which, as was shown by last year's *Despatches* programme on Channel 4, means 'selling land to the highest bidder even though housing might never be built on it'), but instead directly commissioning housing on those sites, always including a significant proportion of affordable housing.
- Introducing and facilitating land value capture mechanisms.
- Addressing the Land and Compensation Act 1961 or otherwise supporting local authorities to assemble particularly brownfield sites for regeneration purposes.
- Do not add additional 'buffers' and 'uplifts' to local housing need calculations or local plan housing requirements in order for councils to secure 'benefits' such as fixing 5-year supply calculations or increased planning fees. These uplifts are arbitrary (taking no account of opportunities and constraints) and simply make already challenging targets for housing delivery even harder to meet, and hence increase the risk of local plan failure and other penalties, with no actual likelihood of increased delivery.
- Stop all loopholes that enable developers to game the system. It is of course reasonable for the development industry to make a profit - and they do appear to be making very healthy profits at the moment - however, it is not acceptable for excessive profits to be made while the homes that are acutely needed are not being provided and while unnecessary harm is being inflicted on communities, the countryside and the wider environment.

CPRE

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