

COUNCIL RESPONSE TO GOVERNMENT CONSULTATION ON CHANGES TO THE CURRENT PLANNING SYSTEM

SEPTEMBER 2020

**Changes to the Current Planning System Consultation
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF**

Sent by email to technicalplanningconsultation@communities.gov.uk

Consultation on Changes to the Current Planning System

Thank you for the opportunity to respond to the consultation on changes to the current planning system.

Changes to the standard method for assessing housing numbers

Haringey is located within Greater London and is subject to the Mayor of London's statutory spatial development strategy ("the London Plan"). The London Plan assesses housing need for the capital as a whole and then apportions targets based on the capacity of the 32 boroughs to accommodate new homes. In view of the fact this approach to housing need was found sound at examination in 2019, the Council seeks assurances that London boroughs should continue to plan for housing on the basis of the London Plan and also that the Government will continue to permit alternative approaches to assessing housing need, where justified. This will provide certainty for communities, developers and Councils in London, and allow us to continue our ambitious progress on our New Local Plan with a clear housing target

Delivering First Homes

In May 2020 the Council responded to the Government's consultation on the design and delivery of First Homes setting out strong opposition to the proposed scheme.

We note the Government's response to the consultation published on 6 August 2020. This has not satisfactorily taken account of our concerns (shared by many other respondents) that First Homes will have a detrimental effect on the delivery of other affordable housing tenures, particularly low-cost rented homes.

The Council opposes the Government's proposed approach of setting out in policy that a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. This is a blunt and 'one size fits all' approach to delivering so-called 'affordable housing' which is not appropriate for the varying circumstances of each local authority. Local authorities are best placed to plan for new affordable housing in their areas to best meet local need.

Haringey has one of the highest poverty rates in London, with more than a third of people living in poverty including in-work poverty, and 29% of workers not earning the London Living

Wage of £10.75. This poverty is concentrated in the east of the borough, which has some of the most deprived areas of the country. One fifth of Haringey residents rent from the local authority or housing association with over a third privately renting.

The scheme prioritises state subsidy for 'affordable housing' for home ownership products which will be out of reach for those most in need, rather than prioritising council and social rent products which better meet the needs of local people. The proposed 'First Homes' should not be part of the national definition of 'affordable housing'.

Temporarily raising affordable housing threshold to support small and medium-sized developers

The Council opposes the Government's proposal to temporarily raise the affordable housing threshold from 10 homes to either 40 or 50 homes. The major effect of this will be to considerably reduce the delivery of much needed affordable housing, including the delivery of proposed 'First Homes' The Government has estimated that the proposal would reduce affordable housing delivery by between 7% and 20%. We consider that this is an underestimate. Since 2016 22% of affordable housing approved in Haringey has been on schemes of 10-49 units.

The Government indicates that the proposal is designed to support SMEs in the medium term during economic recovery from Covid-19 by reducing the burden of contributions for more sites for a time-limited period but has not presented any evidence to indicate that the proposal would support this (nor speed up housing delivery). The Council considers that the proposal could potentially have the opposite effect, and, in any event, the potential benefits are significantly outweighed by major reductions in the delivery of much needed affordable homes.

Extension of Permission in Principle consent regime

The Council does not support major development being allowed through the new route of 'Permission in Principle' (PIP) consents rather than the normal planning permission route. The expansion of PIP to cover 150 dwellings or 5 hectares would mean PIP could be sought on larger, more significant and more complex sites which are not suitable for determination via this route (absent of key technical information).

Please find the Council's responses to the individual questions on the following pages. Whilst the Council opposes the proposals put forward by the Government, we would wish to highlight our commitment to the delivery of housing and can demonstrate a strong track record of working constructively with partners to bring forward high-quality homes in a timely manner.

Please contact Bryce Tudball, Planning Policy Team Manager, should you require further information or clarification.

Yours faithfully

Councillor Kirsten Hearn
Cabinet Member for Climate Change & Sustainability

Changes to the current planning system: Consultation on changes to planning policy and regulations

Standard methodology for assessing housing numbers in strategic plans	
<p>Q1: Do you agree that planning practice guidance should be amended to specify that the appropriate baseline for the standard method is <i>whichever is the higher of</i> the level of 0.5% of housing stock in each local authority area OR the latest household projections averaged over a 10-year period?</p>	<p>The Council does not agree that either approach is a suitable baseline for assessing local housing need in Haringey.</p> <p>Haringey is located within Greater London and is subject to the Mayor of London's statutory spatial development strategy ("the London Plan"). The Mayor's draft new London Plan was subject to examination in 2019. The Inspectors issued their report and recommendations on 8 October 2019 concluding that, subject to limited changes, it provides an appropriate basis for the strategic planning of Greater London. The Mayor considered the Inspectors' recommendations and, on the 9th December 2019, issued to the Secretary of State his Intend to Publish London Plan.</p> <p>The Intend to Publish London Plan sets out a need for 66,000 additional homes per year in London from 2016 to 2041. This is not based on the Government's standard methodology rather it is based on the findings of the 2017 London Strategic Housing Market Assessment (SHMA). The Inspectors noted that the SHMA does not follow the guidance in the PPG on assessing objectively assessed need. However, they noted that establishing future need for housing is not an exact science and the PPG acknowledges that no single approach will provide a definitive answer. The Inspectors concluded in para 133 of their report that the need for 66,000 additional homes per year identified by the SHMA is justified and has been properly calculated for market and affordable housing having regard to national policy and guidance.</p> <p>The Intend to Publish London Plan 2019 sets ten-year targets for net housing completions that each London borough should plan for using a capacity-based methodology. For the purposes of the London Plan, London is considered as a single housing market area. The supporting text of the London Plan sets out the advantage of planning strategically in that it allows London to focus development in the most sustainable locations, allowing all of London's land use needs to be planned for with an understanding of how best to deliver them across the capital. Because of London's ability to plan strategically, boroughs are not required to carry out their own housing</p>

	<p>needs assessment but must plan for, and seek to deliver, the housing targets in the London Plan.</p> <p>The Council notes the proposed changes to the standard method for assessing housing numbers. These would result in a huge jump in London's housing need to a minimum of 93,000 homes per annum (versus 66,000 per annum in the Intend to Publish London Plan 2019). The proposed new standard method would produce an annual requirement for Haringey of 2,786 homes compared to 2,103 under the current standard method and the 1,592 capacity-based target in the Intend to Publish London Plan 2019. Such an increase is highly unlikely to be deliverable in the borough. In view of the fact the Mayor of London's approach was found sound at examination in 2019, the Council seeks assurances that London boroughs should continue to plan for housing on the basis of the London Plan and also that Government will continue to permit alternative approaches to assessing housing need, where justified.</p> <p>This will provide certainty for communities, developers and Councils in London, and allow us to continue our ambitious progress on our New Local Plan with a clear housing target.</p>
<p>Q2: In the stock element of the baseline, do you agree that 0.5% of existing stock for the standard method is appropriate? If not, please explain why.</p>	<p>See answer to Q1</p>
<p>Q3: Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method's baseline is appropriate? If not, please explain why.</p>	<p>See answer to Q1</p>
<p>Q4: Do you agree that incorporating an adjustment for the change of affordability over 10 years is a positive way to look at whether affordability has improved? If not, please explain why.</p>	<p>See answer to Q1</p>
<p>Q5: Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.</p>	<p>See answer to Q1</p>
<p>Q6: Authorities which are already at the second stage of the strategic plan consultation process (Regulation 19),</p>	<p>N/A</p>

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which should be given 6 months to submit their plan to the Planning Inspectorate for examination?	
Q7: Authorities close to publishing their second stage consultation (Regulation 19), which should be given 3 months from the publication date of the revised guidance to publish their Regulation 19 plan, and a further 6 months to submit their plan to the Planning Inspectorate? If not, please explain why. Are there particular circumstances which need to be catered for?	N/A
Delivering First Homes	

<p>Q8: The Government is proposing policy compliant planning applications will deliver a minimum of 25% of onsite affordable housing as First Homes, and a minimum of 25% of offsite contributions towards First Homes where appropriate. Which do you think is the most appropriate option for the remaining 75% of affordable housing secured through developer contributions? Please provide reasons and / or evidence for your views (if possible):</p> <p>i) Prioritising the replacement of affordable home ownership tenures, and delivering rental tenures in the ratio set out in the local plan policy.</p> <p>ii) Negotiation between a local authority and developer.</p> <p>iii) Other (please specify)</p>	<p>The Council opposes the Government's proposed approach of setting out in policy that a minimum of 25 per cent of all affordable housing units secured through developer contributions should be First Homes. This is a blunt and 'one size fits all' approach to delivering so-called 'affordable housing' which is not appropriate for the varying circumstances of each local authority. Local authorities are best placed to plan for new affordable housing in their areas to best meet local need.</p> <p>The scheme prioritises state subsidy for 'affordable housing' for home ownership products which will be out of reach for those most in need, rather than prioritising council and social rent products which better meet the needs of local people.</p> <p>The Council considers that Option 1 would be most appropriate option for the remaining 75% of affordable housing secured through developer contributions. Haringey's adopted Local Plan 2017 requires an affordable housing tenure mix of 60% affordable rent (including social rent) and 40% intermediate (including affordable home ownership) (with the tenure mix is reversed in Tottenham). Option 1 would enable the Council to continue to secure 60% of total affordable units as affordable rent (including social rent). These tenures represent the greatest need in the borough. Under Option 1 62.5% of intermediate affordable homes secured would be First Homes. This would be detrimental to the overall tenure mix as the Council has other preferences for intermediate housing within this allowance such as for London Living Rent, Discounted Market Rent, Affordable Private Rent and Shared Ownership / Equity. Discounted Market Sale such as First Homes and Rent to buy are not a priority for the Council to meet local needs. This is set out in the Council's revised Appendix C (March 2019) to its Housing Strategy.</p>
<p>Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to this First Homes requirement?</p>	<p>Yes. The Council considers that the affordable housing requirements set out in Policy H11 of the Intend to Publish London Plan should continue to apply to build to rent schemes. The policy sets out that the affordable housing offer can be solely Discounted Market Rent (DMR) at a genuinely affordable rent, preferably London Living Rent level. DMR homes must be secured in perpetuity.</p>

Q10: Are any existing exemptions not required? If not, please set out which exemptions and why.	Yes. The Government needs to consider how this fits with policies on delivering affordable housing for older people's housing developments and purpose-built student accommodation.
Q11: Are any other exemptions needed? If so, please provide reasons and /or evidence for your views.	Yes. It is important that estate regeneration schemes, Council-led housing schemes and other affordable housing led developments are exempt from needing to provide First Homes.
Q12: Do you agree with the proposed approach to transitional arrangements set out above?	Yes. The Council agrees that where significant work has already been undertaken to progress a planning application, including where there has been significant pre-engagement with a local authority on the basis of a different tenure mix of affordable housing, the local authority should have flexibility to accept alternative tenure mixes.
Q13: Do you agree with the proposed approach to different levels of discount?	No. The Council does not agree that a simple discount on home ownership products provides affordable housing for those in need. A 30%, 40% or 50% is still not enough of a discount to make the housing affordable for many residents Affordable council and social rent products are required to meet the needs of those who are not in a position to buy at market price or with a discount.
Q14: Do you agree with the approach of allowing a small proportion of market housing on First Homes exception sites, in order to ensure site viability?	N/A
Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework?	N/A
Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?	N/A
Affordable housing threshold	
Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?	<p>The Council opposes the Government's proposal to temporarily raise the affordable housing threshold from 10 homes to either 40 or 50 homes. The major effect of this will be to considerably reduce the delivery of much needed affordable housing. The Government has estimated that the proposal would reduce affordable housing delivery by between 7% and 20%. We consider that this is an underestimate. Since 2016 22% of affordable housing approved in Haringey has been on schemes of 10-49 units.</p> <p>The Government indicates that the proposal is designed to support SMEs in the medium term during economic recovery from Covid-19 by reducing the burden of contributions for more sites for a time-limited period. This would presumably be to keep SME developers in</p>

business and to encourage them to get on with delivery of housing without delay. The Government has presented no evidence to indicate that the proposal would support either of these aims.

It is not considered that the delivery of affordable housing itself would cause an SME builder to go insolvent. National policy already includes provisions to mitigate affordable housing requirements where they can be demonstrated to be unviable. Furthermore, affordable housing can also be an important tool for controlling risk within housing schemes with the sale of affordable units to a registered provider in bulk providing certainty and income important to scheme cash flow.

The Government's suggested increase in threshold to either 40 or 50 units appears to be completely arbitrary. It does not take account of local viability which in Haringey's case is strong for schemes of greater than 10 units. In any event, as already mentioned, national policy already includes provisions to mitigate affordable housing requirements where there are demonstrable reasons why the delivery of the target level of affordable housing is not viable.

An obvious consequence of the proposal is that the price of land for small sites will go up significantly. The reduction in the affordable housing burdens related to the development will cause the residual price of small sites to rise, logically to a point where it completely offsets the reduction. The increase in the threshold would therefore only be positive for builders sitting on a bank of small sites which they own outright and without overage agreements. It is understood these account for only a small proportion of SME builders. It may actually be detrimental to the greater proportion of SME builders as the value of sites is likely to rise considerably.

Increasing the affordable housing threshold could in fact have unintended consequences for delivery of small sites. The proposal does not encourage builders with consented land to bring it forward as expeditiously as possible (this consultation will already have delayed many schemes as they wait for potential changes to the threshold). Where schemes between the current threshold and the new increased threshold have an extant consent which includes an element of affordable housing it is likely a new consent will be sought based on no affordable housing. This

	<p>will further delay delivery and result in a reduction in affordable housing delivery. This is, of course, without regard to whether the original scheme was viable or not.</p> <p>The threshold may also serve to disincentivise developers to make the most efficient use of land (i.e. by bringing forward developments artificially just below the threshold rather than seeking to maximise density) and thus generating less housing delivery overall.</p>
<p>Q18: What is the appropriate level of small sites threshold?</p> <p>i Up to 40 homes</p> <p>ii Up to 50 homes</p> <p>iii Other (please specify)</p>	No, see answer to Q17
<p>Q19: Do you agree with the proposed approach to the site size threshold?</p>	No, see answer to Q17
<p>Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?</p>	No, see answer to Q17
<p>Q21: Do you agree with the proposed approach to minimising threshold effects?</p>	The Council does not support the proposed change to raise the small-sites threshold for a time-limited period. However, in the event that the threshold is changed the Government should provide updated guidance to ensure that threshold effects are minimised.
<p>Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?</p>	N/A
<p>Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?</p>	The Government should support SME builders by grant funding to bring forward low cost rent affordable housing. This would assist with development viability, improve cash flow, control risk, speed up delivery and will also help deliver an additional supply of affordable homes for which there is an overwhelming need.
<p>Permission in Principle</p>	
<p>Q24: Do you agree that the new Permission in Principle should remove the restriction on major development?</p>	The Council opposes major development being allowed through the new route of 'Permission in Principle' (PIP) consents rather than the normal planning permission route. The expansion of PIP to cover 150 dwellings or 5 hectares would mean Permission in Principle could be sought on larger, more significant and more complex sites which are not suitable for determination via this route (absent of key technical information). PIP also does not provide a suitable mechanism for assessing cumulative impacts of development. If PIP is granted on multiple major schemes within

	<p>an area then there is an increased risk of such issues not being addressed.</p> <p>This consent route would exist in parallel to the existing 'conventional' planning permission route and would be confusing for communities and make it more difficult for them to understand how they can influence the changes in their area. The Government's proposals are not clear on the roles of elected members and Planning Committees in this new consent route. The democratic functioning of the planning system must not be bypassed.</p>
<p>Q25: Should the new Permission in Principle for major development set any limit on the amount of commercial development (providing housing still occupies the majority of the floorspace of the overall scheme)? Please provide any comments in support of your views.</p>	<p>Yes. While the Council agrees that non-housing development that is compatible and well-integrated into residential development can help to create sustainable neighbourhoods, it is important that most new commercial development is directed to appropriate locations such as town centres, employment areas and industrial estates. The current limit for Permission in Principle for commercial development is 1,000sqm or 1 hectare which is more appropriate.</p>
<p>Q26: Do you agree with our proposal that information requirements for Permission in Principle by application for major development should broadly remain unchanged? If you disagree, what changes would you suggest and why?</p>	<p>The Council does not support major development being allowed through the new route of 'Permission in Principle' (PIP) consents rather than the normal planning permission route. The expansion of PIP to cover 150 dwellings or 5 hectares would mean Permission in Principle could be sought on larger, more significant and more complex sites which are not suitable for determination via this route (absent of key technical information).</p> <p>If the Government does remove the restriction on major development it will be necessary to extend the information requirements. There would need to be some mechanism for taking account of cumulative impacts. It is a concern that PIP does not properly consider health impacts.</p> <p>It will also be necessary to increase the 14-day period for consultation with the public and statutory consultees and the 5-week determination period which is not desirable or achievable for larger and more complex sites.</p> <p>It is considered that these types of consents would effectively become outline planning permission under another guise.</p>
<p>Q27: Should there be an additional height parameter for Permission in</p>	<p>No, there should not be an additional height parameter for Permission in Principle. This is not appropriate to assess or determine in the</p>

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<p>Principle? Please provide comments in support of your views.</p>	<p>absence of detailed plans. This means that height would still need to be an issue considered in detail at Technical Details Consent stage.</p>
<p>Q28: Do you agree that publicity arrangements for Permission in Principle by application should be extended for large developments? If so, should local planning authorities be:</p> <p>i) required to publish a notice in a local newspaper? ii) subject to a general requirement to publicise the application or iii) both? iv) disagree If you disagree, please state your reasons.</p>	<p>The Council agrees that that local communities should have the opportunity to make representations on major development that might affect them. If the Government does remove the restriction on major development, it will be necessary to amend the publicity requirements for Permission in Principle by application. It will also be necessary to increase the 14-day period for consultation with the public and statutory consultees to give local communities an appropriate opportunity to respond. This, in turn, will require an increase to the current 5-week determination period. In general, the Council does not consider publication of notices in a local newspaper is an effective method of publicity.</p>
<p>Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?</p>	<p>No. The Government should set fees based on evidence of the cost of processing such Permission in Principle applications to ensure the costs are fully covered by the applicant.</p>
<p>Q30: What level of flat fee do you consider appropriate, and why?</p>	<p>N/A</p>
<p>Q31: Do you agree that any brownfield site that is granted Permission in Principle through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.</p>	<p>Yes</p>
<p>Q32: What guidance would help support applicants and local planning authorities to make decisions about Permission in Principle? Where possible, please set out any areas of guidance you consider are currently lacking and would assist stakeholders.</p>	<p>While land use and location are appropriate for determination on an in-principle basis through Permission in Principle, it is not considered that scale of development is. This requires detailed consideration and assessment of design, plans and technical information and is not appropriate for the Permission in Principle route. The Government should clarify how local planning authorities are expected to make decisions about scale of development where key planning considerations such as heritage assets need to be taken account of (note: there is also a legal requirement to do this).</p>
<p>Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?</p>	<p>N/A</p>
<p>Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.</p>	<p>N/A</p>

Equalities	
<p>Q35: In light of the proposals set out in this consultation, are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty?</p> <p>If so, please specify the proposal and explain the impact. If there is an impact – are there any actions which the department could take to mitigate that impact?</p>	<p>The Government's proposals for First Homes and raising the affordable housing threshold are likely to have negative impacts on protected groups as they will reduce the supply of affordable housing which meets genuine local needs.</p> <p>The Government's focus should be on boosting the supply of affordable housing which meets genuine local needs.</p> <p>The Government's proposals for expanding Permission in Principle will make it harder for communities to engage in the planning system, particularly those that may be in protected groups.</p> <p>Low quality developments consented through PIP have potential to give rise to health impacts, which may disproportionately affect people with protected characteristics.</p>