

(For Democratic Services use)

Decision Number: 29 (2019/21)

Portfolio Holder Executive Decision Statement

The Local Authority (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012

Subject: MHCLG Changes to the current planning system consultation response

Details of Decision taken

To approve the response to the Changes to the current planning system consultation

Reason for Decision

To respond to the MHCLG consultation on Changes to the current planning system

All Documents considered:

Changes to the current planning system consultation document:
<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

Details of any alternative options considered and rejected by the Member when making the Decision:

None

Financial implications

No financial implications are envisaged by responding to this consultation

Legal Implications and Risk Assessment Statement


No legal implications are envisaged by responding to this consultation.

Equality Impacts (Consideration of impacts under the Public Sector Equality Duty)

When completed a copy of this record must be sent to the Democratic Services Section by e-mail and a signed copy by internal mail

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The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.	
Local Member (s), other Portfolio Holders and Chief Officer/Head of Service Consulted Deputy Chief Executive and Chief Officer – Planning & Regulatory Services – Richard Morris Development & Conservation Portfolio Holder – Councillor Thornton Leader of the Council – Councillor Fleming Other Cabinet Members: Councillor McArthur Councillor Dickins Councillor Dyball Councillor Maskell Councillor Hunter	
Details of any conflicts of interest a) declared by any executive member who is consulted by the Decision Taker b) and any details of dispensations granted by the Chief Executive in respect of any declared conflict	
Decision taken by:	Leader of the Council - Councillor Peter Fleming
Signed by Portfolio Holder	
Date of Decision	30.09.20
Record made by:	
Date of record:	30.09.20

When completed a copy of this record must be sent to the Democratic Services Section by e-mail and a signed copy by internal mail

The Rt Hon Robert Jenrick MP

Ministry of Housing, Communities and Local
Government

By email only

Ask for: Planning Policy
Email: planning.policy@sevenoaks.gov.uk
My Ref:
Your Ref:
Date: 24 09 2020

Dear Secretary of State,

CHANGES TO THE CURRENT PLANNING SYSTEM CONSULTATION - SEVENOAKS DISTRICT COUNCIL RESPONSE

We have reviewed the consultation material and set out our response to the proposals below:

1. Changes to the standard method for assessing housing need in strategic plans

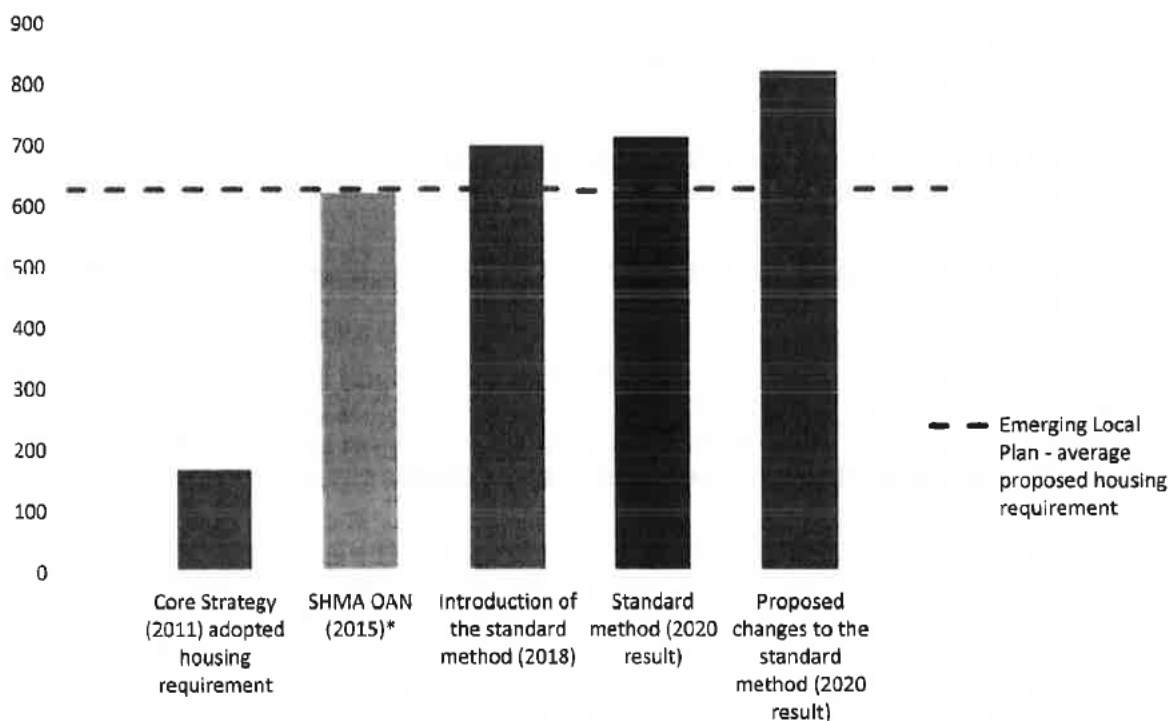
Q1: Do you agree that planning practice guidance should be amended to specify that the appropriate baseline for the standard method is whichever is the higher of the level of 0.5% of housing stock in each local authority area OR the latest household projections averaged over a 10-year period?

- 1.1 The government is proposing to make changes to the existing standard method for assessing housing need, which will be used as the basis for plans created prior to the changes outlined in the Planning for the Future White Paper. The reasons given for amending the standard method includes; using more recent data, better distribution of homes (particularly in the North), provide stability in the method and to be consistent with the governments ambition to build 300,000 homes. From the outset Sevenoaks District Council (SDC) have been concerned with the standard method housing need figure and we have significant concerns regarding the proposed changes.
- 1.2 Sevenoaks District is exceptionally constrained with 93% Green Belt, 60% AONB and 41 Conservation Areas across many of the District's settlements. The proportions of land in each local authority area constrained by Green Belt, National Park, an AONB or an SSSI were published in September 2017 by MHCLG in conjunction with a Housing Need consultation. This data shows that Sevenoaks District is the tied top most constrained Local Authority with 94% of the land covered by these constraints. In the notes for this data it is stated this "...provides an indication of land that is not generally available for

development, to illustrate the point in the consultation document that not all authorities will be able to meet their need in full within their own area.”

- 1.3 SDC cannot currently meet the housing need in full and will certainly not be able to meet the increased need under the proposed changes to the standard method. These new proposals would result in an increase of 15% to 820 units per annum above the existing standard method figure.
- 1.4 Figure 1 below sets out the continuously increasing housing need for the District.

Figure 1 - Sevenoaks Housing Need/Requirement Numbers Compared to Emerging Local Plan proposed housing requirement



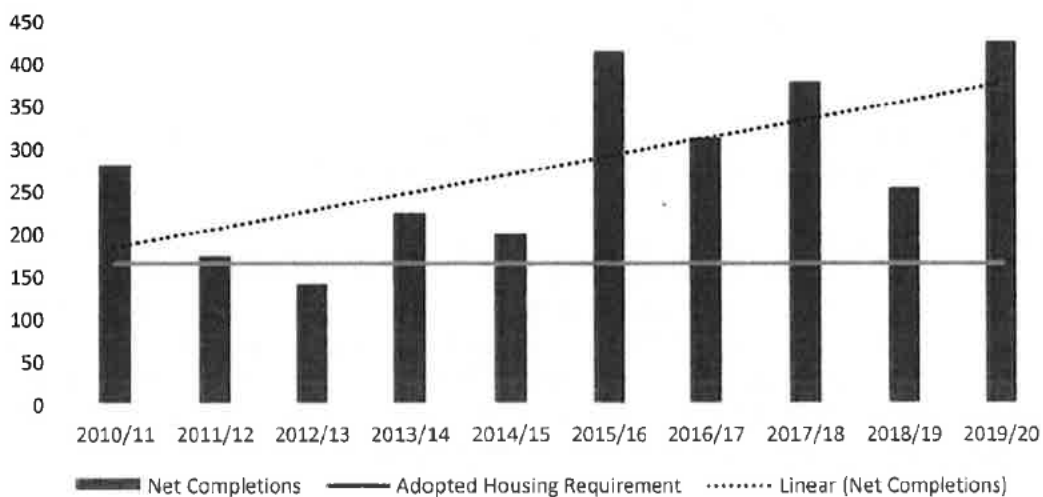
*Strategic Housing Market Assessment (2015) Objectively Assessed Need

- 1.5 The local housing need for the District continues to increase beyond what can reasonably be planned for in an area with significant constraints and a sensitive landscape. The increasing pressure to rapidly build new homes also risks stretching the existing infrastructure to breaking point and could put road networks, services and facilities beyond capacity resulting in undesirable and unfit places for people to live.
- 1.6 The proposed revisions to the standard method still do not clearly describe how land constraints and capacity should be factored in when determining the housing requirement for an area beyond a statement that “the resultant housing need is the level of need that authorities should be planning to

release land for, according to their specific circumstances”. In order achieve sustainable places for people to live, housing must be accompanied by the required infrastructure, facilities, services and resources. Clear guidance, on the consideration of constraints and specific circumstances when determining housing requirement, should be set out.

- 1.7 Despite the constrained nature and specific circumstances of the District, including those that cannot be altered through the local plan process such as AONB and heritage assets, the number of houses delivered in the District has continuously far exceeded the adopted housing requirement and shows a trend of increasing in the last five years (see Figure 2). This reflects our response to the need for additional housing, primarily through densification of developments and making the most efficient use of land whilst balancing design considerations and impact on the character of settlements.

Figure 2 - Net completions since adoption of the Core Strategy against the adopted housing requirement



- 1.8 Over the last 5 years we have delivered on average 357 dwellings per annum, this is 216% of our housing requirement of 165 dwelling per annum. On the other hand, this is only 44% of the proposed annual housing need of 820 dwellings per annum.
- 1.9 The emerging Local Plan (currently subject to Judicial Review proceedings) provides for even more housing. The housing supply set out in the emerging Local Plan would be an average of 625 dwelling per annum, 175% of our average completions over the past 5 years. However, this is still below the current standard method figure despite increased densification, maximising the potential of urban areas, efficient reuse of brownfield land and proposals to release 221 hectares of land from Green Belt for housing and mixed-use site allocations under exceptional circumstances. We have done all we reasonably can to deliver the right homes in the right places supported by

infrastructure and conserving and enhancing the character and sensitive landscape of the district.

- 1.10 Unfortunately, the emerging Local Plan has been stalled and is currently subject to Judicial Review proceedings. Permission was granted for the Judicial Review proceeding to go ahead on all grounds and the hearings took place early in September; we await the outcome. At the time the examination halted, the Proposed Submission Version of the Plan proposed almost 9,500 dwellings in the District until 2035. This is approximately 3 times the number of dwellings set out in the adopted Core Strategy (2011). This delay has severely reduced our ability to increase housing in the District, however, we are committed to adopting a Local Plan which provides housing in the right places and protects the Green Belt and AONB.
- 1.11 The consultation proposes to remove Step 3 of the standard method calculation to cap housing need. The capping of housing need was introduced “to help ensure the minimum local housing need figure... is as deliverable as possible” (PPG Paragraph: 007 Reference ID: 2a-007-20190220). It is unclear why this position has changed and we fundamentally do not agree with what is proposed.

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.

- 1.12 It should be recognised that land constraints are not the only factor hindering our ability to meet the prescribed housing need. The settlements in the District are relatively small. Sevenoaks is the main town in the District with a population of just over 29,000; Swanley is the next largest settlement with a much lower population at just over 16,000. The capacity of the existing settlements is limited, with already stretched infrastructure, services and facilities and limited land available for development.
- 1.13 Using existing housing stock as a baseline would allow existing settlements to grow more sustainably and proportionately. This would also avoid the situation where the current calculation penalises areas of the country with high unaffordability and allow for appropriate growth in areas at a level that can be supported by services and facilities in existing settlements.

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.

- 1.14 No. The District is a desirable place to live due to its location, proximity and transport links to London, heritage assets and high quality natural environment. These factors all have an impact on affordability. In addition to access to money & borrowing has significant impact on affordability as well as matters of demand and supply.
- 1.15 Furthermore, the District is highly constrained with little available land for new development and therefore high land values. It is found that areas with

significant constraints have correspondingly high affordability ratios as shown in Table 1. The affordability ratios of Local Authorities, outside of London, which are the top most constrained are particularly high. There is a conflict in using affordability ratios in the calculation without consideration of land constraints and settlement capacity.

1.16 Table 1 - Affordability Ratios of Neighbouring Local Authorities and Top Most Constrained Local Authorities

Area	Affordability Ratio	Proportion of Local Authority land area covered by Green Belt, National Parks, Areas of Outstanding Natural Beauty or Sites of Special Scientific Interest
Tandridge*	14.98	94%
Epping Forest*	13.68	94%
Sevenoaks*	13.12	94%
Tunbridge Wells	12.48	75%
Tonbridge & Malling	11.79	77%
Wealden	11.55	65%
Dartford	9.23	56%
Gravesham	8.62	78%

* indicates the tied top three most constrained Local Authorities in England

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.

1.17 We do not agree with how affordability is currently considered in the standard method.

Q5: Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.

1.18 No. Affordability is affected by more than just supply and demand. It is a complex amalgamation of issues including land availability and social and economic factors.

1.19 The standard method has provided a formula that redistributes uplift in housing need across the country, which appears to penalise areas of the country with high average house prices. While affordability of housing is a factor in determining local housing requirements, there are other factors that should be considered such as land values and gross development values (GDVs). The focus from these calculations appear to only relate to home ownership and ignores rental market needs and needs for affordable homes.

Q6: Authorities which are already at the second stage of the strategic plan consultation process (Regulation 19), which should be given 6 months to submit their plan to the Planning Inspectorate for examination?

1.20 Local Authorities which have a well-established Local Plan should be given the opportunity to submit for examination under the current standard method housing need.

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?

1.21 See response to question 6 above.

2. Securing First Homes

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):

- i) Prioritising the replacement of affordable home ownership tenures, and delivering rental tenures in the ratio set out in the local plan policy.**
- ii) Negotiation between a local authority and developer.**
- iii) Other (please specify)**

2.1 We appreciate the intention of First Homes, however, there are concerns as to whether they would actually be affordable and how they would relate to other affordable housing tenures. For example, it is not yet clear if First Homes would be more affordable, or a preferred option for first time buyers, than shared-ownership which they would replace in affordable housing tenure mix. Based on the District's median resident income we may have to seek First Homes to be discounted by more than 30% through adoption of an amended policy through the Local Plan process or Local Plan review. This then may allow First Homes to be a competitive affordable housing option.

2.2 The provision of a specific percentage of affordable homes to be First Homes is too rigid. The District has many Wards with differing needs and it is important that people get the right type of home in the right place. A blanket percentage does not reflect reality, local circumstances and local needs. We have recently adopted a 5 year schedule of rural housing needs surveys to be carried out across the District and we have a District wide Local Housing

Needs Survey (2017). This evidence should form the basis of affordable housing needs and tenure mix.

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?

2.3 Yes.

Q10: Are any existing exemptions not required? If not, please set out which exemptions and why

2.4 The existing exemptions should remain.

Q11: Are any other exemptions needed? If so, please provide reasons and /or evidence for your views.

2.5 No. It should always be assumed that affordable housing will be provided as often as possible to go towards meeting the local need.

Q12: Do you agree with the proposed approach to transitional arrangements set out above?

2.6 The transitional approach should remain flexible to prevent sites coming forward being stalled or deterred.

Q13: Do you agree with the proposed approach to different levels of discount?

2.7 As stated in the response to Question 8 we may have to seek a level of discount higher than 30%. National guidance should set out the necessary evidence requirements in order to support a higher level of discount so that local policies, where they are required, can be put in place in a timely manner.

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?

2.8 Local evidence should provide when a small number of market homes are required in order to ensure viability.

Q15: Do you agree with the removal of the site size threshold set out in the National Planning Policy Framework?

2.9 The opportunity to set a threshold should be made locally.

Q16: Do you agree that the First Homes exception sites policy should not apply in designated rural areas?

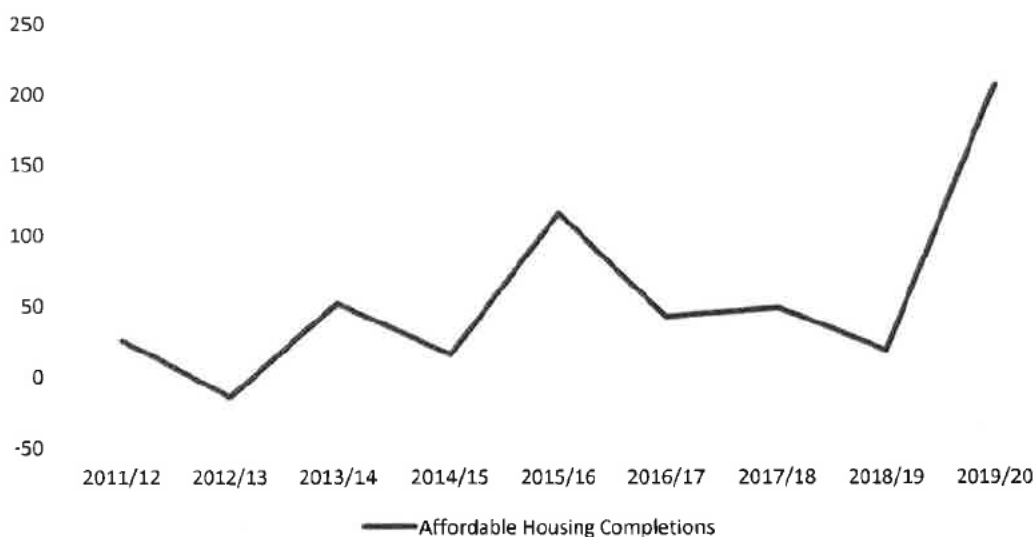
2.10 As proposed, the existing national policy for rural exceptions housing should not be changed.

3. Lifting the small sites threshold

Q17: Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?

- 3.1 We strongly disagree with the proposed approach to raise the small sites threshold. Local housing markets should determine the viability of schemes. Within Sevenoaks District it was proven through viability testing, that every additional housing unit is capable of providing an affordable housing contribution.
- 3.2 Affordability is a key issue in the District given the high house prices relative to incomes. In September 2019 the median house price in the District was £510,555, the highest in Kent by some margin, and house prices were almost 17 times median annual workplace-based earnings. This means that many people are unable to afford their own home in the District on the open market and therefore require assistance. High housing costs have led to an increase in the number of households privately renting and the out-migration of younger and economically active groups in search of cheaper housing elsewhere, including essential workers. The Strategic Housing Market Area Assessment (2015) for Sevenoaks identifies a need for 422 affordable homes per annum, which makes up a significant proportion of the Districts overall housing need. Therefore, we understand the importance of providing affordable housing in the District.
- 3.3 A significant proportion (approximately 30%) of new homes built in the District are on sites of 9 units or less. This is predominantly due to the significantly constrained nature of the district, which reduces the ability for larger sites to come forward. Previously, we had successfully sought affordable housing contributions on a sliding scale for all new housing developments since adoption of the Core Strategy. This was further supported by viability testing for CIL charging schedule. The financial contributions paid on schemes of 1-9 units play an important role in affordable housing delivery in the District. At the time the Ministerial Statement came into effect in 2014 an estimated £2.48m was due to be paid in affordable housing contributions and was then “lost”.

Figure 3 - Affordable Housing Completions



3.4 Affordable housing completions in the District do not meet the identified need of 422 per annum (see figure 3). The spike in affordable housing completions correlates with the spike in housing completions in Figure 2. This is because affordable houses are more likely to be built on larger sites and smaller sites will put forward a financial contribution. The Council has opted for establishing a wholly owned not for profit Affordable Housing Company named Quercus Housing Limited which has started to provide affordable homes in the District. In addition affordable housing contributions go towards:

- Provision of new affordable housing, through adding to on-site provision on development sites or bringing forward stand alone developments;
- Initiatives to make better use of existing stock;
- Management of need - homelessness prevention and benefit advisory services;
- Assisting those in need to access low cost home ownership; and
- Supporting the development of rural exception sites.

3.5 Without the necessary affordable housing contributions we will be unable to provide the right homes in the right places to meet our affordable housing needs.

Q18: What is the appropriate level of small sites threshold?

- i) Up to 40 homes
- ii) Up to 50 homes
- iii) Other (please specify)

3.6 There should not be a small sites threshold. Given the important role smaller sites play, and the increasing affordability pressures in the District, our ability to deliver affordable housing would be severely compromised if

affordable housing contributions on sites under 40 dwellings outside of the AONB cannot be sought. It is important that local circumstances are taken into consideration to ensure the affordable housing that is needed is planned for and delivered in the District. Therefore, we recommend that the threshold is set at the local level based on local evidence.

Q19: Do you agree with the proposed approach to the site size threshold?

3.7 No. There should not be a small sites threshold.

Q20: Do you agree with linking the time-limited period to economic recovery and raising the threshold for an initial period of 18 months?

3.8 No. There should not be a small sites threshold.

3.9 Whilst the reduced burden on SMEs from affordable housing contributions may help bring forward some sites in the short term, although there is no evidence to support this, it will unquestionably have a harmful effect on the level of affordable housing supply in the District. The consultation does not put forward evidence to support the apparent claim that affordable housing is a significant issue affecting housing delivery that supports a change to the threshold. It should also be noted that affordable housing contributions may not be the only factor affecting SME's ability to deliver planning permissions. It is clear, however, that should these changes come into effect the level of affordable housing provision within Sevenoaks will be irrevocably reduced further.

Q21: Do you agree with the proposed approach to minimising threshold effects?

3.10 We disagree with the proposed changes. However, if the proposals should take effect then appropriate guidance should be provided in relation to phasing of larger sites and affordable housing.

Q22: Do you agree with the Government's proposed approach to setting thresholds in rural areas?

3.11 We recognise the government's aim to continue to deliver affordable housing in Rural Areas, however, thresholds should be set at a local level to meet an evidenced need. Sevenoaks District has both urban and rural settlements, which all need affordable housing delivered via small as well as large schemes in order to meet the substantial need.

Q23: Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period?

3.12 We have many small and medium sized house builders in the District given the large proportion of small sites that are delivered. As part of work on the delivery of housing we have assessed issues that are affecting delivery in the District and measures to improve it. National policy and guidance could be

improved to provide more certainty for SMEs and potentially the introduction of financial incentives for SMEs to deliver housing.

4. Permission in Principle (PiP)

Q24: Do you agree that the new Permission in Principle should remove the restriction on major development?

4.1 Yes. SDC recognise the value of Permission in Principle (PiP) as a way of bringing forward new development. In our experience it has been underused although we are investigating how the process could be used to boost delivery within the District on suitable and sustainable sites.

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.

4.2 No. There needs to be flexibility to allow a suitable amount of commercial uses as appropriate to the wider scheme. This should be determined on a case by case basis to reflect specific local circumstances.

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?

4.3 The elements of PiP are similar to that of a site allocation in the Local Plan. Therefore, information requirements should align with what is needed for an allocation, to ensure suitable and sustainable development.

Q27: Should there be an additional height parameter for Permission in Principle?

Please provide comments in support of your views.

4.4 No. PiP, in the same way as for site allocations, establishes the principle of development for the site. Other details such as design and layout should be dealt with as a matter of technical details consent.

Q28: Do you agree that publicity arrangements for Permission in Principle by application should be extended for large developments? If so, should local planning authorities be:

i) required to publish a notice in a local newspaper?

ii) subject to a general requirement to publicise the application or

iii) both?

iv) disagree

If you disagree, please state your reasons.

4.5 Publication requirements for PiP should comply with the Development Management Procedure Order (2015 as amended).

Q29: Do you agree with our proposal for a banded fee structure based on a flat fee per hectare, with a maximum fee cap?

4.6 In all regards application fees should cover the cost of the service.

Q30: What level of flat fee do you consider appropriate, and why?

4.7 The fee should recover the cost of service.

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.

4.8 Yes. The PiP and Brownfield Land Register should have a consistent and unified approach to provide clarity.

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.

4.9 It should be made clear what considerations should be taken in account when determining an application for PiP. It is expected that the consideration would be consistent with what is required for a local plan allocation.

Q33: What costs and benefits do you envisage the proposed scheme would cause?

Where you have identified drawbacks, how might these be overcome?

4.10 We expect the costs to remain unchanged as a result of these proposals.

Q34: To what extent do you consider landowners and developers are likely to use the proposed measure? Please provide evidence where possible.

4.11 It expected to be difficult for landowners and developers to establish principle of development in an area with 93% Green Belt and 60% AONB. However, the process could be used to boost housing delivery in the District on suitable and sustainable sites.

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?

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?

4.12 No.

Kind regards,

A handwritten signature in black ink, appearing to be 'Peter Fleming', written in a cursive style.

Councillor Peter Fleming
Leader of Sevenoaks District Council

