

Appendix 1 – Response to MHCLG consultation: ‘Changes to the current planning system’ (August 2020)

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?

The latest household projections.

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.

Yes

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.

No. Maidstone Borough Council feels that this is an inappropriate metric as it does not consider the impacts of those who live in Maidstone, but commute to work in London (a higher wage area) and so bring back higher wages and skew the figures.

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.

No. That the new standard methodology fails to consider the rental market, which makes up a considerable component of the housing market. In Maidstone, house price to earnings may be high, but we appear to have been swamped by recent spate of office to resi conversions resulting in cheap rental properties with poor standards. This needs to be recognised.

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

No. Maidstone Borough Council feels that too much weighting is given to the affordability ratio and that other external factors should be inputted. It is felt to be too blunt a tool that does not necessarily reflect the nature of the situation and does not correctly bring about the desired solution. For an area to become affordable its economic performance needs to also be raised through creating better and higher paid local jobs. However, the Government’s focus appears to be on a drive for deliver of housing at the detriment of this area. This is seen in other changes to the planning system, such as the permitted development rights changes allowing office to residential conversion rather than support being given to LPAs to upgrade or improve office stock to raise the wages of local jobs to help improve affordability.

Do you agree that authorities should be planning having regard to their revised standard method need figure, from the publication date of the revised guidance, with the exception of:

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?

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?

No. Maidstone Borough Council does not agree to both the propositions outline in questions 6 and 7. It is felt that the transitional arrangements do not provide enough time for LPAs to plan for the new standard methodology figure. In the case of Maidstone Borough Council who are at Reg.18 consultation of its Local Plan Review and have been a good authority with an adopted Local Plan in the context of the NPPF the proposed increase would cause there to be the need to revisit parts of its evidence base before it could get to a regulation 19 consultation and so delay its plan making process. This in turn would mean that the authority's review timetable would slip causing it to not meet the 5 year review timetable outlined in the NPPF and potentially lead to not having an up to date plan in place and face planning by appeal for not fault of its own.

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) All affordable housing should be delivered onsite and then 30% first homes sold at 50% market value and the remaining 70% to be affordable or social rented housing also to be delivered on site.

With regards to current exemptions from delivery of affordable home ownership products:

Q9: Should the existing exemptions from the requirement for affordable home ownership products (e.g. for build to rent) also apply to apply to this First Homes requirement?

Build to rent, self-build and permitted development changes (i.e. office to residential conversions) should not be treated as a substitute for affordable housing.

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

Yes – please see answer to question 9.

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

No – please see answer to question 9.

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

No as it is not dealing with the main issue of the lack of social rent accommodation (this is where the greatest need is).

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

Yes, it is felt appropriate that the Council will have discretion to amend the level of discount upward to 50% as long as it is evidenced.

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?

The Council is concerned with this approach as it would be detrimental to the level of affordable housing tenure required in the Borough. A high proportion of Maidstone Borough's need is for rented accommodation (67%) therefore any need that goes to Starter Homes would be detracting from that need.

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

No as this will remove much needed affordable housing from the market perpetuating the existing system further.

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

Yes

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

(see question 18 for comments on level of threshold)

Maidstone Borough Council is supportive of the need to help the development industry to weather the economic circumstances created from the Covid-19 pandemic but is concerned that this will be at the detriment of the affordable housing sector. A Key aim of the Council's Strategic Plan 2019-2045 is to reduce homelessness. One way to do this is through greater provision of affordable

housing and any change to the threshold that would result in a reduction of the provision of this tenure would have a negative impact on that aim. Why does not Homes England provide a grant to top up the affordable price to allow for it delivery.

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

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

Maidstone Borough Council has concerns as to the as to the threshold of 40 or 50 units because a large proportion of its housing is delivered on sites of these scales and below. In 2019/20 a total of 841 housing units were delivered on sites of 50 units or less out of a total delivery of 1,304 (64%).

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

No. There is too great a jump and the provision of zero is unhelpful for the delivery of affordable housing. Many of our Local Plan allocations are below the 40 / 50 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?

See answer to question 17

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

No. See Q19 response.

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

No. They are too high.

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

The proposal does give a significant boost to SMEs but at the expense of affordable housing delivery. The Government should provide tax breaks for SMEs rather than solely rely on the planning system.

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

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.

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?

Q24 - 26. Permissions in Principle have a low take up rate because they do not offer the developer a great deal. Development Management is primarily concerned with technical detail whereas existing local plans clearly set out where development should and should not go in principle. This will have a detrimental impact on town centres in particular with more and more residential and less and less other uses resulting in much less vibrancy and vitality.

Q27: Should there be an additional height parameter for Permission in Principle? Please provide comments in support of your views.

Yes, based on the local context.

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.

Both (iii)

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

No comment

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

No comment

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.

Yes, however this should be time limited like any other application to retain the primacy of the Local Plan.

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.

The benefits and limitations.

Q33: What costs and benefits do you envisage the proposed scheme would cause? Where you have identified drawbacks, how might these be overcome?

See response to Q24 - 26.

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

Maidstone Borough Council thinks that the proposal is unlikely to be used due to other existing measures that already cover the principle of development, such as Local Plan allocations and development brief/masterplans (SPDs). Plus the Council has only had three applications of this nature since PiP was introduced.

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?

No

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?