

Consultation Response from Dorset Council: Changes to the Existing Planning System

This is Dorset Council's response to the national consultation on change to the existing planning system, published on 6 August with a consultation closing date of 1 October. It has been prepared by officers and approved by the portfolio holder for planning.

A response to the White Paper on 'Planning for the Future' (also published on 6 August but with a closing date of 29 October) will be considered by Cabinet on 6 October before being submitted.

Revisions to the standard method for calculating housing numbers

We agree that the use of current dwelling stock as a baseline for the standard method is helpful in the short term in order to reduce the extent of fluctuation in the figures. This also has the potential benefits of focusing development on the most sustainable locations, and where the need is most likely to be arising. We agree that maximising the use of existing infrastructure is sensible – provided that it has sufficient capacity. The use of the 0.5% existing stock figure also seems reasonable in terms of the resulting figures.

In the longer term however, in relation to the binding figures proposed to be set by government for all local authority areas, it is important not only that environmental constraints be taken into account in determining figures, but also that some form of strategic level planning takes place, to steer development to the most sustainable locations across local authority boundaries and ensure that choices are being made about the most appropriate distribution of future development. It is difficult to see how innovative proposals such as new towns might otherwise be allowed for (Qs 1-2).

We are concerned that too much weight is given to the 'affordability' factor in the proposed revisions to the method. In many areas of high demand, there may be significant environmental constraints which would prevent higher targets being reached. The longer term changes proposed in the White Paper indicate that environmental constraints will be taken into account in determining the future binding housing targets, which is very welcome, but in the meantime it is important not to paralyse emerging local plans by identifying targets which cannot be met. In Dorset for example, the extent of designations including green belt, AONB and internationally protected nature conservation sites means that any targets that take account of constraints are likely to be lower. It would assist progress in planning for this area if a method that took the constraints into account were devised as quickly as possible.

The reliance on the affordability factor also increases growth still further in the south east and reduces targets in many other areas of the country that have

been identified as suitable for more growth, or that could benefit from higher levels of growth – for example the figures for Cambridge and for many urban areas in the north of England are significantly reduced. There is a risk of exacerbating regional economic differences as a result.

We also disagree with the fundamental assumption behind the affordability adjustment, that greater provision will improve affordability. In many areas, the build cost of housing exceeds what those on average incomes can afford to borrow. These build costs are not significantly reduced when more homes are built, and without subsidy they cannot be reduced to the level that people can afford. Many people can only afford subsidised rented housing, and increased market housing provision will not bring home ownership within their reach. We do not agree that the planning system is the cause of delivery problems: over the last decade, 2.5 million homes have been granted permission but only 1.5 million were delivered. (Q5)

It is agreed that transitional arrangements to the revised method need to be clearly set out. In the longer term, and depending on the results of consultation on the White Paper, it would also be important to consider the transition to the system outlined in the White Paper, in particular the consideration of environmental constraints in setting the housing numbers.

First Homes

We consider the 'First Homes' proposals to be a more effective affordable home ownership product than the previous 'starter homes' proposal, but it is still out of reach of a considerable number of Dorset Council residents. It would be helpful if the level of discount could be increased above 30% in higher value areas, but it is not clear how it is intended that this be funded.

The proportions of different tenures within the remaining 75% of affordable housing should be according to the remainder of the overall tenure splits in local plans, giving priority to rented homes. The inclusion of 25% of affordable housing as First Homes means that other low cost home ownership tenures such as shared ownership are likely to be reduced, which is unfortunate as these are more accessible to those on lower incomes than the First Homes model.

We consider that existing exemptions from the requirement for affordable home ownership products (for example within build to rent schemes) should continue to apply (Q9). There should be exemptions from the requirement for the inclusion of First Homes on sites that are for 100% affordable housing, so that these could be for rented and shared ownership only if necessary (Q11).

We consider that it should be for local planning authorities to set the conditions and requirements for exception sites. We do not support the inclusion of an element of open market housing on First Homes or other exception sites in order to support viability. This largely has the effect of raising the land values. (Q14)

We support the removal of the site size threshold for exception sites, provided that sites are proportionate to the size of the settlement and are meeting an identified need. Implications on constraints such as Green Belt will however need to be taken into account in making decisions. (Q15)

We have concerns about First Homes on exception sites in high value areas, as even with the discounts these will still not be accessible to those in greatest need. We would therefore support the proposal that 'First Home exception sites' would not be allowed in designated rural areas (Q16) and that these would continue to have rural exception sites policies that allowed for a mix of rented and shared ownership tenure. But it would be preferable if exception sites outside the designated rural areas could also be for traditional affordable housing rather than First Homes, so that local authorities were able to meet identified needs for particular housing products in their areas. A simple exception site policy, with local discretion as to the appropriate affordable housing model to be applied, would be more suitable.

Site size threshold for proportions of affordable housing on development sites

We do not agree with the proposed approach of raising the threshold below which affordable housing proportions cannot be sought, from the current 10 up to 40 or 50, even for a time-limited period.

There is no evidence that the inclusion of affordable housing is slowing down development. Short term deals on land and build costs will have been made in full knowledge of local plan requirements and these should be taken into account in viability calculations. Many developments within this size range in this area are actually 100% affordable housing sites, and the inclusion of affordable housing may speed up development because of the involvement of the housing associations. Affordable housing need will be rising during the current economic circumstances, and mixed tenures help to create more balanced communities.

Many of the housing sites in this area are within the 10-40 size range and so the change would have a significant effect on affordable housing provision: in the Dorset Council area as a whole we estimate that this proposal will result in a 32% reduction in affordable housing delivery. (Q17)

While we do not agree with the proposal, if it is to go ahead then the threshold of 40 would be preferable to 50, and it should be for as short a time period as possible, in order to minimise the harmful impacts on affordable housing provision (Qs18 and 20).

We strongly support the retention of the lower threshold in rural areas, where a significant proportion of development will be on smaller sites and where affordable housing needs are considerable. (Q22)

Extension of 'permission in principle' to major sites

We are concerned about the proposal to extend permission in principle to major sites. On these larger more complex sites, matters can arise during more detailed site assessment work that may reduce a site's developable area, or in extreme cases make a site undevelopable. We recognise and support the fact that permission in principle would not apply to EIA sites or those where there were potential Habitats Regulations issues, but there are other situations where detailed technical assessment is required in order to assess whether development in principle is harmful – for example where development may have an impact on heritage assets or their settings. There needs to be a route to revoking or amending PiP in these cases where the implications of development would be significant and adverse.

PiP is intended to be a quicker and cheaper route to establishing the principle of development for a site, and the shorter decision making deadlines will place additional pressures on local planning authorities as well as reducing income from planning fees. (Q24)