

| Council name | COTSWOLD DISTRICT COUNCIL |
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| Name and date of Committee | COUNCIL - 23 SEPTEMBER 2020 |
| Report Number | AGENDA ITEM 12 |
| Subject | COTSWOLD DISTRICT COUNCIL RESPONSES TO TWO NATIONAL CONSULTATIONS: 1. WHITE PAPER: PLANNING FOR THE FUTURE 2. CHANGES TO THE CURRENT PLANNING SYSTEM |
| Wards affected | ALL |
| Accountable member | Cllr. Rachel Coxcoon - Cabinet Member for Planning Policy, Climate Change and Energy Email: Rachel.coxcoon@cotswold.gov.uk |
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| Summary/Purpose | The Government is consulting on two documents which, if implemented as proposed, will radically reform the current planning system. In doing so, the way in which Cotswold District Council plans for new development and determines planning applications will also be changed significantly. This report summarises Cotswold District Council's response to both consultations and considers the implications for the Council if the consultation proposals become law and national planning policy. The full consultation responses are provided in Annexes A and B. |
| Annexes | ANNEX A: COTSWOLD DISTRICT COUNCIL RESPONSE TO PLANNING FOR THE FUTURE WHITE PAPER CONSULTATION ANNEX B: COTSWOLD DISTRICT COUNCIL RESPONSE TO CHANGES TO THE CURRENT PLANNING SYSTEM CONSULTATION |
| Recommendation/s | That Council approves the proposed responses to the Planning for the Future White Paper and Changes to the current planning system consultations |
| Corporate priorities | Responding to the challenges presented by the climate change emergency Delivering good quality social rented homes Presenting a Local Plan which is green to the core |
| Key Decision | NO |
| Exempt | NO |

Consultees/ Consultation

Consultation between Cotswold District Council officers, including:

- Forward Planning
- Development Management
- Heritage & Design
- Housing Strategy / Affordable Housing
- Climate Change Manager
- Economic Development Lead
- Community Partnership Officer
- Senior Management Team

Further consultation and input from various equivalent officers at Forest of Dean District Council and West Oxfordshire District Council.

2. BACKGROUND

- 2.1. The Government is consulting on two documents which, if implemented as proposed, will radically reform the current planning system. This would change the way that Cotswold District Council plans for new development and determines planning applications.
- 2.2. The two consultations are:
 - White Paper: Planning for the future (MHCLG, August 2020)¹ this consultation closes at 11:45pm on 29 October 2020; and
 - Changes to the current planning system (MHCLG, August 2020)² this consultation closes at 11:45pm on 1 October 2020.
- 2.3. The Planning for the future White Paper consultation aims to reform, streamline and modernise the planning process, bring a new focus to design and sustainability, improve the system of developer contributions to infrastructure, and ensure more land is available for development where it is needed.
- 2.4. The Changes to the current planning system consultation aims to improve the effectiveness of the current planning system. Its four main proposals are:
 - changes to the standard method for assessing local housing need;
 - securing of First Homes through developer contributions in the short term pending the transition to a new system;
 - supporting small and medium-sized builders by temporarily lifting the small sites threshold below which developers do not need to contribute to affordable housing;
 - extending the current Permission in Principle to major development.
- 2.5. This report summarises Cotswold District Council's response to the two consultations and considers the implications for the Council and its priorities. The full responses to the specific questions raised in the two consultations are provided in Annexes A and B.
- 2.6. There are significant issues discussed within both consultations where consultation questions are not asked. For example, Proposals 15, 16, 17 and 18 cover changes to national policies on how the planning system can most effectively play a role in mitigating and adapting to climate change and maximising environmental benefits; the assessment of environmental impacts and the enhancement opportunities for valuable and important habitats; energy efficiency standards for buildings to help deliver our net-zero target by 2050; and conserving and enhancing our historic buildings.
- 2.7. The White Paper consultation web page enables attachments to be submitted alongside responses. This report will therefore be attached to the Council's consultation response to enable the Council to respond to important issues where specific consultation questions are not asked.

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 $\frac{https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/90764}{7/MHCLG-Planning-Consultation.pdf}$

3. MAIN POINTS

- 3.1. Whilst some proposals within both consultations could potentially have a beneficial impact on the planning system, there are significant concerns about various proposals within both consultations. A summary of the main specific proposals is provided later on, but consideration is first given to the broader issues.
- 3.2. In a general sense, the Government makes plainly clear its dissatisfaction with the current planning system. They want to cut 'red tape' and complexity; speed up the planning process, both Local Plan production and decisions on planning applications; and replace discretion with a more rules based system.
- 3.3. Boris Johnson's Foreword to the White Paper sets out the crux of the Government's proposals:
 - "Designed and built in 1947 it [the planning system] has, like any building of that age, been patched up here and there over the decades... The whole thing is beginning to crumble and the time has come to do what too many have for too long lacked the courage to do tear it down and start again".
- 3.4. The principal objective is to "Build, Build, Build" to dramatically increase housing delivery to enable the Government's 300,000 home a year national housing target to be met.
- 3.5. The White Paper aims to "rediscover the original mission and purpose of those who sought to improve our homes and streets in late Victorian and early twentieth century Britain". It points to Bath, Belgravia and Bournville as examples of how the system could work.
- 3.6. It is noteworthy, however, to first point out concerns with the very grounding principles of the proposed reform to the planning system. The successes which the Government points to were by no means the norm of their day or a common output of free market economics. They were more typically the achievements of a small handful of philanthropic individuals.
- 3.7. The Government highlights the success of the measures it has already introduced, which have boosted housing delivery from the 187,000 homes a year currently identified in adopted Local Plans to 241,000 last year. Yet the recently introduced deregulated planning policies that have largely achieved this, such as new permitted development rights for office and warehouse conversions to housing, are regarded as creating the very slum-like conditions, health issues, and the lack of social housing which the planning system was set up to resolve³. The inadequacy of the cramped living conditions, lack of access to services, and poor access to green space were all too apparent in these newly built and converted developments during the Covid-19 lockdown.
- 3.8. The consultation proposals level various criticisms at the current planning system, which are countered by the ambitions of the Government's proposals. For example, the Government wants to actively encourage sustainable, beautiful, safe and useful development rather than obstructing it; give people a greater say over what gets built in their community; cut red tape, but not standards; re-establish powerful links between

 $^{3}\,\underline{\text{https://blog.shelter.org.uk/2020/06/permitting-shop-to-housing-conversions-just-more-permitted-slumbuilding/}$

identity and place, between our unmatchable architectural heritage and the future, between community and purpose; and to actively address the challenges of climate change.

- 3.9. Drilling down into the detail of the consultation proposals, however, or the lack of detail, all too often finds these ambitions to be unsubstantiated soundbites. There is a general misunderstanding that sustainability is not just about environmental issues; it is also about social and economic issues. The focus is very much on delivering 300,000 homes a year and the lack of awareness of other significant issues is tantamount to focusing only on the visible 10% of an iceberg and being ignorant of the bigger mass that sits beneath the surface.
- 3.10. Instead of being at the forefront of the White Paper and a golden thread that runs throughout all proposals, climate change and ecological improvement issues are relegated down the list to Proposals 15-18. There are no consultation questions on the issues. There are no proposals that identify how creating healthy communities will be achieved, despite Covid-19 demonstrating the importance of active lifestyles, active travel, safe, inclusive and compact settlements, and access to green space. There are many other similar omissions such as this which this report will come on to explain.
- 3.11. The Government's ambition to speed up the planning process is understandable. The country is facing the deepest economic crisis in living memory. Increasing housing delivery would provide a temporary economic stimulus, as the construction industry provides jobs, albeit temporary jobs while the construction takes place, and the sale of homes provides stamp duty.
- 3.12. Whilst the planning process is heavily criticised, no such criticism is levelled at the development industry. The Local Government Association highlights that up to a million more houses have been granted planning permission than have been built over the past decade. While housebuilders require a pipeline of sites with permission to build on, this figure suggests that attempts to resolve housing shortages by making more land available for development is missing the point. In fact, it may distract from other more important factors, including the structure and practices of the housebuilding industry, and the ways land and property markets work.
- 3.13. But the planning process and the time it takes are necessary for good reasons. It checks development to ensure that the environment is protected, so that strong and sustainable communities are formed, and so that economic growth is delivered. Planning maximises opportunities from the precious and limited land resources that we have available. It also helps to deliver quality developments that will stand the test of time.
- 3.14. As with project management exercises, the delivery of developments hinges on three things: speed, quality and cost. The laser-like focus on speed over quality and cost is likely to result in poorer quality of developments, less sustainable communities, increased harm to the environment, possible (and yet to be quantified) additional plan making costs and missed opportunities.
- 3.15. Before diving into the specific aspects of the consultation proposals, it is finally important to note the detrimental impact of the Government's proposals on the democratic process. Under the rules based system and to speed up the process, communities would not be consulted at the planning application stage. They would only be consulted in the Local Plan production stage within a defined 6-month period.

Furthermore, no explanation is provided as to how complex issues will be dealt with, such as biodiversity surveys that often take longer than 6 month to complete.

- 3.16. The Government's proposals represent a shift from devolved local decision making to something akin to a licensing process based on nationally prescribed rules. This undermines a locally democratic and accountable planning system. "As well as using technologies that engage more people, we need to devise technologies that engage people more meaningfully and create opportunities for citizens to shape proposals. The more involved citizens are, the more likely they are to accept neighborhood change, and the more effective (and efficient) our planning system can be."
- 3.17. It is also noteworthy that despite the proposals attempting to create a black and white rules based system, planning is necessary to bring fair and balanced judgements. Planning is rarely black and white. It is a nuanced activity. It is also not a 'one size fits all cookie cutter style' activity that can be replicated across the country.
- 3.18. Cotswold District Council is willing to work with the Government to help improve the planning system. Indeed, the consultation responses provided in Annexes A and B provide many constructive suggestions. But there are fundamental concerns to various aspects of the consultation proposals, which in the opinion of officers must be totally reconsidered.

Summary of Planning for the future White Paper and Changes to the current planning system consultation proposals, including implications for Cotswold District Council

• There would be a **nationally set target of 300,000 homes per annum** across England. According to the White Paper, adopted Local Plans, where they are in place, currently provide for 187,000 homes per year. Changes to the rules already introduced by the Government elevated delivery to 241,000 homes in 2018-19.

Summary of CDC Response

No evidence has been used to formulate the 300,000 a year national housing target. Consequently, it is not known whether 300,000 homes a year are actually needed.

The only time in the last hundred years when the private sector has achieved the levels of housebuilding the government now wants to see was in the 1930s. Then, sprawling ribbon development created a public backlash that led to the foundation of the conservation movement and the introduction of more comprehensive planning controls.

The foremost reason for the 300,000 home a year target is to increase the affordability of housing. Yet it is estimated that meeting the government's target would reduce prices by as little as $0.8\%^5$: considerably less than rates of increase over recent decades and an immaterial decrease in terms of being able to afford a house.

The White Paper does not take action on the true causal reasons of why housing

⁵ <u>Tackling the UK Housing Crisis: Is Supply the Answer?</u> (Ian Mulheirn, UK Collaborative Centre for Housing Evidence, August 2019) https://housingevidence.ac.uk/wp-content/uploads/2019/08/20190820b-CaCHE-Housing-Supply-FINAL.pdf

⁴ The Wrong Answers To The Wrong Questions (A report by an independent group of planning academics, August 2020)

has become so unaffordable, which are discussed later, so will be unlikely to deliver its objective. Furthermore, there is strong evidence to suggest that the 300,000 target will fall a long way short of being delivered.

A revised standard method for assessment of housing need

Summary of CDC Response

Cotswold District's housing requirement is currently an average of 420 homes a year over a 20-year period. The current standard method would increase the requirement to 490 homes a year from 2023 or the point when the updated Local Plan is adopted. The proposed standard method would increase the requirement to 1,209 homes a year (or 12,090 homes for the proposed 10-year plan period).

Once the policy comes into effect, the transitional arrangements and the stage that the Cotswold Local Plan is currently at would mean the District would have to start planning for the increased housing need with immediate effect. The new Local Plan must be adopted within 30 months.

To put this in context, the increased housing need would require a 50% increase to Cotswold District's entire housing stock within 20 years. In terms of scale and by way of providing a visual representation of this figure, this is equivalent to building another Cirencester and its immediate environs or delivering an entire Chesterton strategic site every two years.

There are three main reasons for the increased housing need:

- the household projections only factor in migration patterns from the previous two years. Cotswold District has delivered exceptionally high levels of housing during this period, so the household projections are artificially high.
- the standard method doubles down on affordability as an adjustment factor. Cotswold District has extremely poor affordability of housing, which is reflected in an increased housing need.
- a cap, which previously prevented the housing need from increasing significantly, would be removed.

If the goal is truly to improve the affordability of housing, then other issues need to be addressed, including:

- land banking (i.e. land being used as a financial asset to increase share prices rather than to deliver housing) and developers purposefully 'drip-feeding' new homes into the market to inflate house prices;
- wages not keeping pace with house prices;
- not enough social housing being built;
- government initiatives that artificially inflate house prices⁶;
- low interest rates and the increased ability of people being able to get a mortgage have both fueled an increase in house prices⁷; and

⁶ How much help is Help to Buy? (Shelter, 2015); Financial Times (June, 2019) https://www.ftadviser.com/mortgages/2019/06/14/govt-exposed-to-significant-risk-through-help-to-buy/?page=2

How does the housing market affect the economy? (Bank of England, September 2020) https://www.bankofengland.co.uk/knowledgebank/how-does-the-housing-market-affect-the-economy

 second home ownership and buy to let have removed housing from the market that could otherwise be made available to first home owners, and the resulting increased demand within a reduced pool of housing stock inflates house prices and worsens affordability.

• A new standard method for setting 'binding' housing requirements for local authorities

The standard method for assessing the minimum housing need is currently used as the starting point for determining housing requirements. Setting a housing requirement differs from the housing need, as further issues are taken into consideration, such as whether the overall housing requirement should increase to deliver more affordable housing or whether constraints mean that a lower housing requirement is necessary. The proposed standard method for housing requirements would replace this process with a data driven formula, removing debate of local circumstances and planning judgement from this process in order to speed up the production of Local Plans.

Summary of CDC Response

While the Council recognises that the process of setting housing requirement figures could be improved, it is vitally important that the process retains the ability to make balanced judgements that take account of both national and locally designated constraints. The constraints in each local authority area are different and require a balanced and nuanced consideration that cannot be undertaken through application of a one size fits all standard formula.

The reform represents a much deeper introduction of 'computational urbanism' that reveals a narrow and highly technocratic view of planning. Evidence shows that such an approach 'strips out the complexities of place'. Fundamentally, the approach divorces spatial decision-making from political accountability, "government *through* technology quickly becomes government *by* technology".⁸

The standard method for assessing housing need identifies an unconstrained national housing need of 337,000 homes, which the government says has sufficient headroom to deliver the 300,000 national housing target should some sites not come forward. If constraints are factored in, however, it will significantly reduce the ability to deliver the national housing target. We are concerned that delivering over 1,200 homes annually in Cotswold District is unrealistic. As a Council, we simply cannot force housebuilders to build new homes and they will not build more homes than they can sell.

A good case study is that of the 2,350 dwelling Chesterton strategic site in Cirencester. When considering the deliverability of the strategic site, the Inspector of the Cotswold District Local Plan Examination reasoned that:

"although the local housing market is strong, it is of limited size. Whilst the number of completions in recent years has been largely determined by the availability of sites with planning permission, the average annual build rate in Cirencester over the last five years has been under 150 dwellings. So sustaining an average of around 230 per year for 9 years would represent a significant increase (over 50%)

⁸ The Wrong Answers To The Wrong Questions (A report by an independent group of planning academics, August 2020)

in market activity in the town."9

The Inspector considered the build rates of the country's most highly delivering strategic sites, which averaged at about 160-200 dwellings a year with competing housebuilders delivering around 35-45 homes a year.

The Inspector concluded that 1,800 dwellings could be delivered in the 10 year period between between 2021-31 (an average of around 180 dwellings a year), which assumed that four housebuilders would build out the site.

"This would represent an average delivery rate slightly above that achieved on strategic sites elsewhere in the country. This is justified by the strength of the local housing market and the fact that a high quality scheme that includes infrastructure provision and 30% affordable housing has been assessed as viable. It allows for periods when there may be four housebuilders each delivering a total of 50-60 market and affordable homes per year, other times when there would be fewer operators and/or lower outputs, and the possibility of specialist accommodation being provided on parts of the site."

Cirencester is by far Cotswold District's largest town and has the largest housing market. The Local Plan inspector was concerned about whether Cirencester's housing market could accommodate 230 homes a year. Even if 230 homes a year could be delivered in the town, this would still leave nearly 1,000 homes a year to deliver elsewhere to meet the revised housing need.

Over 80% of Cotswold District is within the AONB and large parts of the area outside the AONB have further significant constraints. Only a small part of the District is less constrained and would be potentially suitable for growth. This focussed area will have a more limited housing market.

To put this in context, the whole of Cotswold District delivered an average of 578 homes a year between 2011-2019. The Local Plan was adopted in 2018 with 13 years remaining of the plan period, and a supply of sites comprising 2,870 dwellings worth of deliverable planning permissions; 1,800 dwellings at the Chesterton strategic site; 577 dwellings of other land allocations; and a windfall supply of 1,191 dwellings for the remainder of the plan period (6,438 dwellings in total). This is a not an inconsiderable amount of available land and there has been nothing to stop these sites from coming forward immediately. There are no planning policies that require phased or delayed developments. Yet housing completions in the District dropped to 312 in 2019/20. Land availability and planning policies have clearly not resulted in the drop in housing completions. There are much broader issues within the development industry, such as the delivery of infrastructure, the dominance of national developers, land being used as a finance asset and the availability of finance. However, the White Paper does little to address these concerns.

Despite this, the implications of the White Paper are that the District would need to triple its housing requirement, more than double its annual delivery rate, and do so in a more focussed area with a smaller local housing market.

There are other issues, such as the availability of skills, labour, materials, the effects of Brexit and Covid-19, to name but a few, which could add further

⁹ Para 176 of the Report on the Examination of the Cotswold District Local Plan 2011-2031 (PINS, 5 June 2018, File Ref: PINS/F1610/429/2)

¹⁰ Para 178 of the Report on the Examination of the Cotswold District Local Plan 2011-2031 (PINS, 5 June 2018, File Ref: PINS/F1610/429/2)

uncertainty. Whatever these may be, the reality is that the delivery of 1,209 homes a year in Cotswold District is vastly unrealistic.

A similar situation will almost certainly exist in other local authority areas, both urban and rural. For example Lichfield's, referenced by the Government as a key contributor to its proposals for the revised housing need figures, say that the 300,000 home a year target is unlikely to be deliverable¹¹ - they highlight the 93,532 annual housing need for London as looking unrealistic, given long term delivery rates in the capital have been only 30-40,000 per annum.

- A new zonal planning system with interactive map-based Local Plans for a minimum 10-year period. There would be three types of zone:
 - **Growth areas**: suitable for substantial development, and where outline approval for development would be automatically secured for forms and types of development specified in the Plan.
 - **Renewal areas**: suitable for some development, such as gentle densification.
 - **Protected areas**: where development is restricted.

Summary of CDC Response

Granting outline permission is not a simple process, particularly when providing for over 12,000 homes for a 10-year period in an authority as constrained as Cotswold District.

To agree that a development is acceptable in principle a wide range of material planning considerations must be taken into account and satisfactorily resolved. These may include drainage, access, highway safety, viability, affordable housing provision, infrastructure provision (not just highways infrastructure), the contribution of a development towards climate change and ecological improvements, to name a few.

Much of this would normally be assimilated and paid for by applicants and assessed at the planning application stage. The White Paper proposes to shift this burden onto local authorities, which would have associated time and resource implications.

The Government wishes to provide "lite" local plans that are significantly shorter in length and detail. It is unclear how the detail or evidence will be provided to allow "permission in principle" that can adequately mitigate the impacts of growth, which is a risk. The proposal that plans should be prepared within a statutory 30-month timescale will further exacerbate the level of risk.

The consultation proposals also make no mention of the importance of nature within Growth and Renewal areas. Zonal planning also doesn't conform to nature's boundaries. Nature goes where it wants to go.

AONBs are cited as one of the few named examples of constrained land that would form part of 'Protected' areas, although there is no detail about other types of land constraint that would be included. It is therefore difficult to comment on the robustness of this initiative. The White Paper makes clear, however, that Protected areas would not stop development altogether in these areas. They would instead have 'more stringent controls on development'. These controls might be similar to

¹¹ How many homes? The new Standard Method (Lichfields, August 2020) https://lichfields.uk/grow-renew-protect-planning-for-the-future/how-many-homes-the-new-standard-method/

the current planning controls in areas such as AONBs, although further detail is needed to confirm this.

• Local Plans to be produced within a statutory 30-month timeframe with sanctions for those who fail to do so. They would be significantly shorter in length, and limited to no more than setting out site- or area-specific parameters and opportunities. Although not specified within the White Paper, it is assumed that design codes / guides would also need to be produced within the same timescale, as they would need to accompany the Local Plan in order to set out how sites should be designed and delivered.

Summary of CDC Response

It is the officers' opinion that speeding up Local Plan production to under 30 months will cause reduced quality plans, poorer quality developments, missed opportunities, and harm to the environment. Furthermore, the White Paper's zoning proposals, which effectively grant outline planning permission in Growth areas, would require significantly more evidence at the Local Plan production stage to justify the allocation of developments than is currently required. This would transfer significant costs normally paid for by the development industry onto local government. This comes at the end of a period when planning has been underfunded for over a decade.

No detail is provided on what the sanctions will be for authorities that fail to deliver Local Plans within 30 months.

The government's reason for placing emphasis on time appears largely to be based on the misconception that the plan preparation process is slowing down the delivery of housing. There is no recognition in the White Paper that the costs of the proposed statutory timescale for local plan preparation may be significant if it involves the telescoping and intensification of work, and that LPAs may need financial support to discharge this new duty.

In addition, there may be good reasons why it takes longer than 30 months for a site to be brought forward in a Local Plan. For example, if a proposed land allocation is objected to by Natural England on the basis of the site potentially being an important habitat, it may be that the species in question can only be accurately monitored at a certain time of the year.

Equally important, extensive engagement would also be required at the plan making stage to ensure communities are able to voice their concerns and share local information with the Council. It is very unlikely that credible, meaningful and iterative consultations could be achieved within 30 months.

Increased small sites threshold for affordable housing exemption

To assist small and medium sized developers through the pandemic, for an initial 18-month period the threshold at which affordable housing would be sought would be increased to 40 or 50 new homes.

Summary of CDC Response

This policy is not needed. Existing affordable housing thresholds do not prevent sites from coming forward. Sites where viability is an issue can already progress

with a lower affordable housing threshold.

The proposed policy measure is also counterintuitive. The delivery of affordable housing is critical to improving affordability within the housing market. Substituting the delivery of affordable housing with market housing will have the net effect of making the housing market less affordable.

This initiative will redirect the money that is needed to deliver affordable housing into the pockets of shareholders.

A blanket increase of the affordable housing threshold to 40 or 50 units would significantly reduce affordable housing delivery across the country and for a much longer period than 18 months. Owners of sites with planning permission that have an affordable housing contribution would likely reapply for planning permission to attain the affordable housing exemption. Sites that are expected to provide affordable housing in, for example, the next 5 to 10 years would be incentivised to be brought forward sooner in order to capitalise on the reduced financial burden of not having to provide affordable housing, thus impacting on the delivery of affordable housing long after the proposed 18-month period.

Sites of between 10 and 40/50 dwellings deliver significant amounts of affordable housing. Last year 43% of the affordable housing delivered in Cotswold District was on sites of 50 units or less. The proposed change jeopardises the Council's strategy for meeting affordable housing needs in Cotswold District through its Local Plan.

As a rural district of which 80% is situated in the Cotswolds Area of Outstanding Natural Beauty, sites of less than 50 units are the backbone of sustainable delivery, and consequently affordable housing delivery. The proposed change will make it extremely difficult for the Council to achieve both its own objectives as well as the underlying ethos and objectives of the NPPF of creating mixed and balanced communities, supporting a prosperous rural economy and ensuring that local communities remain sustainable.

 First Homes to become a new type of affordable housing (minimum 30% of market price) to support first time buyers with at least 25% of affordable homes being secured as first homes

Initially the first homes would be secured through S106 planning obligations but, as stated in the White Paper, these will be potentially abolished and so they would subsequently be secured through the newly reformed Infrastructure Levy. One option includes First Homes replacing other affordable home ownership products.

Summary of CDC Response

There are concerns that the proposed minimum percentage of First Homes would preclude the Council from being able to deliver other forms of affordable homeownership housing, in particular shared ownership and social rented housing. No consideration appears to have been given to the impact of the First Homes policy on viability and site deliverability. This may require local authorities to reduce their overall affordable housing provision to accommodate the delivery of First Homes.

• Five year land supply potentially removed

In the current system the combination of the five-year housing land supply requirement, the Housing Delivery Test and the presumption in favour of sustainable development act as a check to ensure that enough land comes into the system. The proposed approach would aim to ensure that enough land is planned for, and with sufficient certainty about its availability for development, to avoid a continuing requirement to be able to demonstrate a five-year supply of land. However, having enough land supply in the system does not guarantee that it will be delivered, and so the Government proposes to maintain the Housing Delivery Test and the presumption in favour of sustainable development as part of the new system.

An alternative option is provided where the calculation of how much land to include in each category is left to local decision, but with a clear stipulation in policy that this should be sufficient to address the development needs of each area (so far as possible subject to recognised constraints), taking into account market signals indicating the degree to which existing needs are not being met. As now, a standard method could be retained to underpin this approach in relation to housing; and it would be possible to make changes to the current approach that ensure that meeting minimum need is given greater weight to make sure sufficient land comes forward. However, the government does not think that this approach would carry the same benefits of clarity and simplicity as our preferred option, and would also require additional safeguards to ensure that adequate land remains available, especially once the assessment of housing need has been translated into housing requirements. In this option, the Government would, therefore, propose to retain a five-year housing land supply requirement.

Summary of CDC Response

The White Paper specifies that Growth areas would effectively have outline planning permission. Renewal areas would effectively have a presumption in favour of sustainable development. The implications of not having a five year housing land supply or failing the Housing Delivery Test can only mean that land within Protected areas, such as AONBs, would be subject to the presumption in favour of sustainable development. This is a real concern and completely undermines the value of the Protected area designation.

Duty to Cooperate removed

Summary of CDC Response

The Duty to Cooperate, a stop gap that was introduced to fill the strategic planning void left by the abolition of Regional Strategies, would be abolished. The White Paper does not put forward an alternative. There is much uncertainty about how strategic planning issues, such as infrastructure provision and nature conservation, will be managed.

Cotswold District is heavily constrained but would be required to deliver over 12,000 homes in a 10-year period. It may not be possible to accommodate this level of growth and it may be necessary for surrounding areas to assist by taking some of the requirement. If there is no formal strategic-level planning in place it is difficult to see how this will be satisfactorily resolved if the housing requirement is to be delivered.

• Development management policies would be nationalised with a faster and more certain emphasis on decisions

Summary of CDC Response

The proposals are a move towards planning effectively becoming more of a licensing activity, rather than a decision making process. However, there is a necessary element of subjective judgement when determining planning

applications. Whilst the White Paper aims to reduce this through zoning, issues such as design and impacts on neighbouring properties will continue to be subjective, even when the principle of development has been established. Design codes and pattern books would instead be used and there would be community consultation on creating these documents, but even with those in place, the ability to build with no further checks beyond the original zoning is a huge concern and is an erosion of the democratic process.

Centralising development management policies would no doubt speed up the planning process but at the expense of removing local policies that respond to local issues. This approach also challenges the added value and worth of Neighbourhood Development Plans, which are principally focussed on developing local development management policies.

Extension of the current Permission in Principle (PIP) regime to include major development

This measure is proposed to be introduced as a means of supporting economic recovery and making it easier to secure the principle of development on a site before more costly detailed design is undertaken.

Some restrictions will remain (such as those relating to Environmental Impact Assessment (EIA) and Habitats Regulations Assessment (HRA)). PiP will not be suitable for sites capable of delivering over 150 dwellings or more than 5 hectares. For commercial development, the consultation proposes to remove the 1,000 sq m limit for commercial development floorspace.

Summary of CDC Response

Environmental issues are far more widespread than just the ones that need EIA or HRA. Environmental issues could be such that they prevent a development from coming forward and should not be left until after Permission in Principle has been granted. Far from speeding up the process, some sites could achieve PIP but then be unable to progress further as other environmental issues are not able to be mitigated, thus creating a class of un-implementable sites.

Automatic rebate of planning application fees if appeals are successful

Summary of CDC Response

This would likely hinder the planning authority from refusing schemes, even if they are entirely merited as being unacceptable. It is likely to promote a 'no win no fee' industry, with almost no risk to the applicant to challenge the process. The current system is equitable and costs can be awarded to the applicant or the local planning authority based on a well-established set of rules.

• Engagement at the plan making stage, rather than in planning applications

The proposals would limit the public consultation process to two rounds of consultation on local plans and no public consultation on planning applications, to remove 'delay' from the process.

Summary of CDC Response

This represents a significant degradation of the democratic process. People will be less able to have their say about developments in their area. Planning issues are

often more relevant and concerning to people when the detail is known about a proposal. Providing feedback on a design guide or a Local Plan is unlikely to generate the same level of feedback as a development that a person can see will affect them.

What the Government calls a 'delay' is actually necessary checking and oversight to ensure that developments are designed and built to the required standards and that the opportunities are maximised.

This proposal should be seen in the wider context of the government's devolution White Paper, expected in the autumn months, which seeks to alter the geography of local planning authorities. It is yet to be understood whether this proposal and the prospect of larger local planning authorities will impact local community engagement in the planning process.

• A single statutory 'sustainable development' test to replace the existing Local Plan tests of soundness

Summary of CDC Response

Preparing a local plan is a project. All projects are governed by one of three key drivers: cost, quality and time. The need to ensure that a local plan is sound and legally compliant, and that it has been thoroughly assessed in terms of its sustainability, is part of a process to ensure that the plan meets certain predetermined quality standards. In the case of local plans the project drivers of cost and time are subordinate to that of quality.

The White Paper proposes to reduce the importance of quality, perhaps along with cost, and to promote time as the key driver. In practice, the result will likely be poorer quality across the board: poorer quality plans; poorer quality developments; and a poorer quality environment.

A digital-first approach

The White Paper puts more emphasis on data, not documents; puts forward a rules based system to make decisions, rather than people and judgement; and promotes a more interactive engagement via digital services and tools. Local Plans would be visual and map-based, standardised, based on the latest digital technology, and supported by a new standard template.

Summary of CDC Response

Making better use of digital technology is supported, particularly as some forms of consultation that are currently required are outdated and expensive. Making better use of digital technologies should not, however, prejudice people who do not have the means or skills to access those technologies. Neighbourhood planning groups may also face a skills shortage in this regard when producing plans for their areas.

There are concerns that the increasing use of digital technology and in particular computation logic that seeks to make decision making faster can only realistically be achieved by reducing some of the democratic rights that the current system allows to local communities to object. Algorithmic calculations must be open to the public so that they can be understood and challenged and ensure they do not dismiss other types of solutions and other types of knowledge about a place.

Neighbourhood Development Plans (NDP) retained

Summary of CDC Response

The future role of NDPs is unclear. Development management policies would be nationalised. It is unspecified whether NDPs would be able to designate land for Growth, Renew or Protect, although this would likely be a function of Local Plans. So the role of NDPs could conceivably be reduced to producing a design guide for their area. This would be a significant reduction of the current capabilities of a NDP. The fact that Local Planning Authorities will be required to produce these design guides in any case further brings into question the value of neighbourhood plans.

• Local design codes and guides to be prepared with community involvement by Local Planning Authorities

Summary of CDC Response

The Council is generally supportive of the increased use of design codes and guides, which have been a success in Cotswold District. The preparation of design guides and codes is time-consuming and requires considerable well-qualified and experienced staff resource. There are fears that insufficient time will be available to prepare effective design codes and guides within the new 30-month timescales for local plan preparation, particularly if robust community consultation is to be undertaken.

In terms of design, the White Paper is heavily focused on aesthetics. It is not clear whether the Council will be able to incorporate issues, such as infrastructure provision, energy provision, etc., within design codes. So it is uncertain whether Design Codes will allow the Council to control how places function or whether this will be limited to just how places look.

 A national design body to support the use of design codes and guides, and exploration of a new role for Homes England in delivering beautiful places.

Summary of CDC Response

There are already a number of national bodies, such as the Design Council, Natural England and Historic England, that play a key role in these issues. There is a risk of duplication.

Some additional general guidance on design guides and codes would be beneficial, particularly for those LPAs that do not have in-house design expertise across the full range of relevant professions.

There is also concern about what the Government means by 'beautiful places'. This phrase is used extensively throughout the White Paper but it is entirely subjective. For example, it could be argued that places derive some of their inherent beauty from how they function, not how they look, but it is unclear what Government means.

• The introduction of a 'fast track process for beauty' and NPPF changes to require all new streets to be treelined

Where proposals come forward which comply with pre-established principles of what good design looks like (informed by community preferences), the new system would make it possible to expedite development through the planning process. This would incentivise attractive and popular development, as well as helping to relieve pressure on planning authorities when assessing proposals.

Summary of CDC Response

Throughout the white paper there is an emphasis on buildings and architecture in the context of "beauty". Beauty is in the eye of the beholder and is subjective. The assessment of beauty also requires professional consideration and time. It is not something that can be rushed through the planning system.

Whilst the general idea of increased green infrastructure is supported, especially within urban areas, all new streets being treelined is again a 'one size fits all policy'. There will be genuine reasons why a treelined street would not be appropriate in some circumstances, but this policy would not provide the latitude for flexibility.

• A chief officer for design and place-making in each local authority

Summary of CDC Response

Local Authorities already have Chief Planners and part of their responsibility is to preside over the design and place making aspects of planning. This may be an opportunity to invest in more design skills, although it is unclear whether the Government intends to fund this.

• A new fixed rate Infrastructure Levy to replace S106 and Community Infrastructure Levy (CIL), based on the final value of development.

Summary of CDC Response

A unified system for financial obligations is generally supported because the current twin track system of S106 and CIL creates uncertainty and confusion. The support is subject to several points of detail that need to be clarified.

Section 106 planning obligations cover more than mere financial contributions. A system needs to remain in place to cover management plans, occupancy conditions, etc.

One of the main benefits of CIL is that it captures small developments which combined add a significant burden on infrastructure but are rarely subject to a S106 agreement. The value based threshold seems to suggest that only larger developments would be subject to the new Infrastructure Levy which would result in a significant loss of infrastructure funds for Councils which currently run CIL. Therefore we disagree with the introduction of a set threshold.

The new charge seems to be solely focussed on housing development while the current CIL regime also allows charging of other developments. The proposals remain silent on this.

There is also concern about how CIL rates will be set - if it's a new national charge then is there a risk that it will be set to accord with locations with lower viability thresholds and developers could benefit from higher profits that could otherwise contribute towards bridging the infrastructure funding gap.

Incurring the Levy at the point of occupation will require intensive monitoring from the charging authority while giving little to no benefit. Viability issues are resolved via payment plans which could be set nationally.

Increased flexibility for Local Authorities on how CIL is spent

Summary of CDC Response

There is already a bigger demand on funds to deliver infrastructure than there is money available. Therefore, money collected should be ring fenced to mitigate the impact of development. Using the levy to reduce Council Tax, which might be politically more attractive, will directly affect the sustainability credentials of future development. In the unlikely event there are funds left after the delivery of core infrastructure, it is suggested that funds be focussed on resolving historic issues and support the delivery of improved school facilities, green spaces, footpaths and cycle paths, etc.

If the Government increases local authority flexibility around spending, it will be necessary to ring-fence a sufficient amount of Levy funding for affordable housing to ensure that there is sufficient delivery to meet the affordable housing need.

Extending CIL to capture changes of use through some permitted development rights

Summary of CDC Response

Any development that creates a new dwelling should be subject to the Infrastructure Levy. A barn or office which is being converted into a dwelling should not be exempt simply because it was in active use as a barn or office. This logic should be extended to self and custom-build development. If such developments are to be promoted a discount might be in order, but they are still creating an additional burden on infrastructure and should therefore contribute their fair share.

Local authorities will be able to borrow against the reformed CIL to forward fund infrastructure

Summary of CDC Response

Borrowing against future receipts when there is no guarantee they will be received would be unwise. Moreover, borrowing to deliver infrastructure that is under the control of a County Council in two-tier areas (highways and education for example) adds another level of risk.

Affordable housing can be used to offset the levy

Summary of CDC Response

The Council welcomes a more simplified version of S106 and CIL, which would bring affordable housing under the same umbrella as other types of developer contribution.

- 3.19. The White Paper includes a further section on '**Delivering change**'. There are no consultation questions on this, but the section can be summarised as follows:
 - A comprehensive resources and skills strategy for the planning sector. The cost of operating the planning system to be principally funded by the beneficiaries of planning gain (landowners and developers) rather than the taxpayer.

This would mean that the cost of Local Plan production, determining planning applications, undertaking enforcement and any other planning activity, would come from the same pot of money that is used to fund infrastructure and provide affordable housing. If there was insufficient money to pay for all these activities, it could mean that less affordable housing is delivered or that the Council would be unable to provide the required planning services.

- A focus on digital planning and freeing up development management resources.
- A new performance framework for Local Planning Authorities, which would seek continual improvement in the planning system. As always, how 'continuing improvement' is measured will be the key, as the framework will likely prioritise speed over quality.
- A regulatory review to identify and eliminate outdated regulations which increase costs for Local Planning Authorities.
- Strengthened planning enforcement powers and sanctions.

4. FINANCIAL IMPLICATIONS

- 4.1. The consultation proposals have wide-reaching financial implications for the Council:
 - The cost of operating the new planning system would be principally funded by the beneficiaries of planning gain – landowners and developers – rather than the national or local taxpayer. If a new approach to development contributions is implemented, a small proportion of the income would be earmarked to local planning authorities to cover their overall planning costs, including the preparation and review of Local Plans and design codes and enforcement activities.
 - Planning fees would continue to be set on a national basis and cover at least the full cost of processing the application type based on clear national benchmarking.
 - There would be greater regulation of discretionary pre-application charging to ensure it is fair and proportionate.
 - The Council would be required to complete a full Local Plan review that is consistent with the new national policy within 30 months, as opposed to the partial Local Plan update that is currently underway. The emphasis on increased speed could involve increased costs.
 - Consideration is being given to work already being undertaken on the Local Plan partial update to minimise the risk of abortive work, should the Government's consultation proposals come into effect. Similarly, not delaying the Local Plan partial update is also of paramount importance, should the consultation proposals be dropped.
 - The proposals indicate that there will be sanctions for local authorities that do not complete a nationally compliant Local Plan within 30 months. It is not yet known what these sanctions will be or whether they would have financial implications, but they may have.
 - The Government wants Local Plans to be shorter, use a standard nationally prescribed template, require less evidence to justify policies, and have

standardised nationally prescribed development management policies. These measures would reduce the cost of producing local plans. However, 'Growth' zones would effectively pre-provide outline planning permission to developments. The current system for obtaining outline planning permission requires applicants to submit supporting evidence. The proposals would shift this burden onto Local Authorities, which would increase the cost of producing local plans.

- There would be no public consultations on planning applications, which would reduce costs. However, the consultation would be shifted into Local Plans, which would also require intense periods of public engagement and this would come at a cost. This would make council budgets more difficult, requiring a huge spike in investment at each plan preparation period.
- There would be increased use of design codes and guides. The Cotswold Design Code, which is embedded within Appendix D of the adopted Cotswold District Local Plan 2011-2031, would need to be reviewed in light of any updated national policies and guidance.
- The planning reform would require a significant enhancement in digital and geospatial capability and capacity to support high-quality new digital Local Plans, digitally enabled decision-making, and more digitally enabled consultations. This would likely require investment in new IT software and training.
- In creating zones for 'Growth' and 'Renewal', the Government aims to reduce the number of planning applications. These would instead be dealt with through a 'prior approval' process. This would reduce planning application fee income. For example, planning permission for each new dwelling (up to 50 dwellings) typically costs £462, whereas a prior approval for a new dwelling costs either £96 or £206. Despite this, experience of the existing prior approval process finds that determining planning applications and prior approval schemes typically requires a similar or the same amount of specialist officer resources.
- Where applications are refused, it is proposed that applicants will be entitled to an automatic rebate of their planning application fee if they are successful at appeal.
- The White Paper aims to reduce the number of appeals. However, Cotswold District Council currently has a low appeals rate, particularly unsuccessful appeals. Automatic rebates to planning application fees if their appeal is successful may actually increase the number of appeals for Cotswold District Council, as refused applicants would be incentivised to appeal. Appeals require staff resources and often incur costs with supporting evidence or specialist advice.
- The revised standard method would increase the housing need in Cotswold District from an average of 420 homes a year to 1,209 homes a year. The White Paper explains that the housing requirement, which is different to the housing need, would likely take account of constraints, such as the Cotswolds Area of Outstanding Natural Beauty. The detail of how this will be undertaken is not provided, so the likely housing requirement is unclear. However, any upwards shift in the housing requirement may create additional funding if the Government

¹² https://ecab.planningportal.co.uk/uploads/english_application_fees.pdf

is minded to continue with a financially incentivised scheme for housing delivery, such as the continuation of the New Homes Bonus, subject to the government's continued support for the scheme.

- The proposals would remove the requirement for planning permission for changes of use from offices and some other types of employment development to dwellings. Such changes of use are generally very profitable in Cotswold District and are a considerable incentive. If businesses are displaced out of the district, it risks losing business rate income.
- Cotswold District has numerous rural employment estates and premises.
 Enabling these buildings to be converted into housing would add an increased burden on Cotswold District Council and other authorities in terms of providing services, such as waste collection and health care, to these remote locations.

5. LEGAL IMPLICATIONS

- 5.1. At this stage, there are no legal implications.
- 5.2. The White Paper will require primary legislation to take effect. No timescales have been provided for this process, although the Government has said it intends to move quickly.
- 5.3. Working backwards, and based on the assumption of the need to deliver a Local Plan within 30 months and that the Government would want plans to be in place by the next General Election, one possible scenario might be that the Government would aim to make the White Paper law by Autumn 2021.
- 5.4. Compared with the White Paper, the Changes to the current planning system consultation is a far more detailed and practical consultation paper. The changes are also likely to be introduced sooner as they are more focused on encouraging economic recovery. It is anticipated that announcements on the implementation of these measures could come soon after the consultation period has closed through to early 2021.
- 5.5. Officers will report back on the statutory implications of any changes of both consultations once they have been confirmed.

6. RISK ASSESSMENT

- 6.1. Both consultation documents present significant risks. They have a general lack of detail on specific measures that would be used to address (perceived) issues. Similarly, both consultations set out proposals on various issues but do not provide questions on these subjects. They therefore do not provide an opportunity for the Council to engage with and respond to the full extent of what is proposed in the Planning for the Future White Paper or the Changes to the planning system document.
- 6.2. For this reason, as well as providing responses to the specific questions that the Government has raised, a supplementary letter has been produced so that the Council can provide feedback on the various issues that are not covered in the consultation questions (see Annex C).
- 6.3. A summary of the most significant high level potential risks are provided below:
 - a. Both consultation proposals feature little on tackling climate change or ecological emergency issues. These appear to be secondary issues, rather than a golden

thread that runs through all policies. Speed of delivery is promoted above all else, at the expense of delivering truly sustainable developments.

- b. There would be a temporary 18-month increase in the threshold for which affordable housing is required to schemes of 40 or 50 units. This would severely reduce the delivery of affordable housing in Cotswold District for long after the 18-month period. To put this in context, last year 43% of the affordable housing delivered in Cotswold District was on sites of 50 units or less. Owners of sites with planning permission that have an affordable housing contribution would likely reapply for planning permission to attain the affordable housing exemption. Sites that are expected to provide affordable housing in, for example, the next 5 to 10 years would be incentivised to be brought forward sooner in order to capitalise on the reduced financial burden of not having to provide affordable housing, thus impacting on the delivery of affordable housing long after the proposed 18-month period.
- c. The proposals would increase the housing requirement of Cotswold District from an average of 420 homes a year to an average of 1,209 homes a year. This presents a whole host of issues, not least whether this number is actually deliverable and what the implications for the Council would be if this number is not delivered, as well as the impact on the environment.
- d. The proposals seek less public engagement and democratic oversight at the planning application stage and more at the Local Plan production stage. This would be a considerable erosion of the local democratic process.
- e. If the consultation proposals are brought into effect, the Council would need to undertake a full Local Plan Update within the statutory 30 month period, as opposed to the partial Local Plan Update which is currently in progress.

The biggest risk in this respect, however, is that it is unclear whether the Council should continue to produce a partial update to its Local Plan or whether this will be wasted time and money; or whether the Council should start making preparations for a full update to the Local Plan that is more in line with what the White Paper proposals. The counter-risk is that should the Government not bring the consultation proposals into effect, the Council could find itself well behind in the original time-frame for updating the Local Plan and could find itself in a situation where the Council is no longer able to demonstrate a five year housing land supply.

To mitigate against the risk, the Forward Planning team will prioritise work currently underway in the partial Local Plan update that is unlikely to be abortive work should the consultation proposals become national policy. For example, a masterplan for Cirencester Town Centre.

At this stage it is difficult to update the Council's Local Development Scheme (a document that sets out the programme of work for preparing a local plan) until the government provides greater clarity. Officers propose contacting the Secretary of State for the Ministry of Housing, Communities and Local Government and/or the Planning Inspectorate to seek advice on the most effective way of progressing local plan making in advance of wholesale changes to the extant planning system.

7. EQUALITIES IMPACT

- 7.1. The government proposes a 'digital first' planning system. This would move away from traditional consultation and participation processes and towards a data and map-based planning system that is digitally processed.
- 7.2. Cotswold District has a well-documented digital divide, where some people cannot afford a computer or smartphone and others lack the skills to use this technology. Furthermore, not everyone wants to use digital channels. This is particularly true of social media such as Facebook and Twitter. The new digital first planning system could therefore exclude a section of the District's population from engaging with the planning process.

8. CLIMATE CHANGE AND ECOLOGICAL EMERGENCY IMPLICATIONS

- 8.1. The consultation proposals include reference to the need to mitigate and adapt to climate change. From 2025, the Government expects new homes to produce 75-80% lower CO2 emissions compared to current levels. The Government says that the homes would be 'zero carbon ready', with the ability to become fully zero carbon homes over time as the electricity grid decarbonises, without the need for further retrofitting work.
- 8.2. However, this thinking may be quite optimistic. It takes no account of the fact that by abandoning a fabric first approach, the buildings will have higher overall residual demand and therefore more planning for energy infrastructure will be needed. It also assumes a national programme of grid decarbonisation that, in and of itself, must be delivered via the planning system, through a White Paper that makes only one passing reference to the need to find sites that can accommodate renewables.
- 8.3. The consultation proposals also aim to "promote the stewardship and improvement of our precious countryside and environment, ensuring important natural assets are preserved, the development potential of brownfield land is maximised, that we support net gains for biodiversity and the wider environment and actively address the challenges of climate change". However, there is little detail setting out how this will be done so it is unclear how this aim will be delivered.
- 8.4. Despite this, the ambitions for climate change targets need to be greater if the country is to deliver on the legal requirements. Furthermore, there is little detail to explain how the issues of climate change or the national decline in ecology will be addressed. Conversely, when consideration is given to the proposals in the round, it is difficult to see how climate change and ecological issues will be addressed by cutting the checks and balances that are currently in place, or should be in place, to ensure that new developments have a positive impact on climate change and the ecological emergency.

9. ALTERNATIVE OPTIONS

9.1. Cotswold District Council could choose not to respond to one or both of the Government consultations. The Council could also choose to amend the consultation responses before they are submitted.

10. BACKGROUND PAPERS

10.1. The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- White Paper: Planning for the Future (Ministry of Housing, Communities and Local Government, August 2020)¹³
- Changes to the current planning system Consultation on changes to planning policy and regulations (Ministry of Housing, Communities and Local Government, August 2020)¹⁴
- 10.2. These documents will be available for inspection at the Council Offices at Trinity Road, Cirencester, GL7 1PX during normal office hours or via www.cotswold.gov.uk for a period of up to four years from the date of the meeting. Please contact the author of the report.

¹³