

# Planning Reforms etc

Steve Watson

Wessex CLT Project

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**Wessex** Community Land  
Trust Project

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# Assessments of housing need

**There is concern among local authorities about the impact of proposals to change how centrally-set housing targets are calculated.**

On 15th September, the Local Government Association published an analysis of the impact of the government's proposed changes to the formula for calculating housing need in each local authority area. **The LGA criticised the approach, which will result in significant increases in expected house building in London and the south of England and lower targets in the north of the country, for failing to take into account the levelling-up agenda**

**Impact of proposed changes to government's algorithm for housing need versus current delivery**

London	+161%
South East	+57%
East of England	+51%
South West	+39%
East Midlands	+33%
West Midlands	+25%
Yorkshire & The Humber	-6%
North West	-8%
North East	-28%

# Planning Reforms

On 30th June, Boris Johnson announced **“the most radical reforms to our planning system since the Second World War.”**

Under Project Speed, the planning system would be simplified and infrastructure put in place to support an increase in the supply of new homes on brownfield sites, making it easier for young people to get onto the housing ladder.

The Prime Minister said that the rate at which we build new homes compared unfavourably with France and Germany, because of **“newt-counting delays,”** which were **“a massive drag on the productivity and prosperity of this country.”**

# Permitted Development Rights

**A key aspect of the reforms, which has already been implemented, is an extension of Permitted Development Rights (PDRs) under which planning permission is not required for certain types of development.**

As a result of the changes, builders will not need to submit “a normal planning application to demolish and rebuild vacant and redundant residential and commercial buildings if they are rebuilt as homes.”

Although the proposals were criticised by Sir Keir Starmer and Alan Jones, the President of the Royal Institute of British Architects, a government spokesperson told *Inside Housing* that they would make it easier to develop more homes - including affordable homes - on already developed land, where redundant office blocks would be replaced with “new, well-designed homes.”

**Research commissioned by the MHCLG compared the quality of homes delivered through PDRs with those which had planning permission.**

This found that, only 22% of PDR units would meet nationally-described space standards, with many of them significantly below these standards. The report concluded: “It is the combination of very small internal space standards, a poor mix of unit types, lack of access to private amenity space/outdoor space, and inadequate natural light which can provide such a poor residential experience in some permitted development units.”

The author of the report, Dr Ben Clifford of University College, told *Inside Housing* that the government had ignored the issue of space standards because it was obsessed with overall unit numbers rather than delivering quality homes, adding that there was a lot of evidence for the impact of a lack of space on family life and mental health.

**Table 1 - Minimum gross internal floor areas and storage (m<sup>2</sup>)**

<b>Number of bedrooms(b)</b>	<b>Number of bed spaces (persons)</b>	<b>1 storey dwellings</b>	<b>2 storey dwellings</b>	<b>3 storey dwellings</b>	<b>Built-in storage</b>
1b	1p	39 (37) *			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

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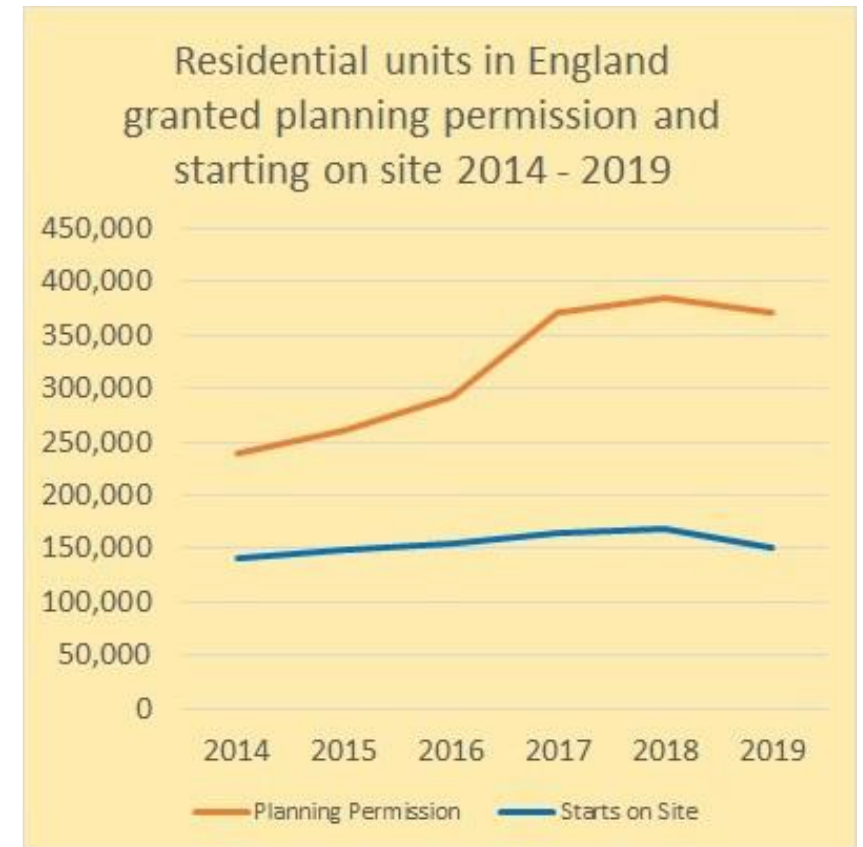
# Growth Areas

**A more fundamental reform will create designated growth areas where new housing would be granted planning permission automatically.**

Writing in the Sunday Telegraph on 1st August, Robert Jenrick promised that the new system would “[place a higher regard on quality and design than ever before.](#)”

**There is evidence that obtaining planning permission was not the primary constraint on the number of new homes being built and that therefore the government's proposed planning reforms will not achieve their objective.**

On 4th September, Shelter published research showing that 40% of homes granted planning permission between 2011 and 2019, 380,000 homes, had not yet been built, with the backlog of unbuilt homes increasing by 100,000 in the past year.



**The government has refuted criticisms that the plans would weaken local decision making, reduce environmental protections, or benefit London and the South East at the expense of the rest of the country.**

In a speech at the Chartered Institute of Housing's Virtual Housing Festival on 7th September, Christopher Pincher argued that communities would have their say on setting the local plan, "rather than reacting to individual applications too late in the process," while the reforms would result in all new streets being lined with trees and homes being built "where the economy says they are needed most."

# Section 106

**For the moment, Section 106 remains an important source of new affordable homes.**

In 2018/19 affordable housing contributions made up 67% of total developer contributions, unchanged from 2016/17.

**However, the government is consulting on proposals to replace both Section 106, which it describes as “complex, protracted and unclear,” and the Community Infrastructure Levy with a new Infrastructure Levy.** According to the government’s planning white paper, published on 6th August, this Levy would be paid by the developer on a fixed proportion of the value of the scheme.

According to the government, the reforms will aim to deliver “at least as much - if not more - on-site affordable housing as at present” and will capture “a greater share of the uplift in land value that comes with development.” The consultation asks whether funding for affordable housing should be ring-fenced.

**Also in the consultation document is a proposal to increase the threshold for the number of homes on a site before affordable housing is required from 10 units to 40 or 50.**

Although it could lead to a reduction in the number of affordable homes delivered through Section 106 of between 7% and 20%, this was justified on the basis of providing additional support for small and medium-sized builders.

**In response, commentators from the affordable housing sector expressed their concern about the impact of the reforms on the delivery of affordable housing through Section 106 agreements.**

Melanie Rees of the CIH called on the government to provide “real reassurance that there won’t be a negative impact on homes for genuinely affordable rent as a result of this,” while Kate Henderson of the National Housing Federation pointed out that Section 106 agreements were currently responsible for about half of all new affordable housing.

**Chart 3: Affordable Housing completions by funding, England, 2018-19**



\* Through funding provided by Homes England or the GLA or other funding, such as reserves, loans or in the case of Local Authorities, through Right to Buy receipts.



# Bishops Caundle Community Land Trust



# First Homes

**The government is introducing First Homes, a new product that will be sold to first-time buyers at a 30% discount, with the discount remaining in perpetuity. There are concerns that the product will be unaffordable to people on moderate incomes, especially in high-value areas.**

Research by the GLA found that a household income of at least £76,000 would be required to purchase a First Home, which would be within reach of only 2% of households in the capital. Speaking at Digital Housing Week on 24th June, Tom Copley of the Greater London Authority called for the policy to be scrapped, on the basis that it would be inaccessible to the “vast majority of Londoners.”

**However, On 30th June, the government announced that a pilot of 1,500 First Homes would be included in the 2021/26 Affordable Homes Programme. The new product is expected to cannibalise a proportion of the affordable housing currently delivered through planning gain.**

In its response to the consultation, published on 6th August, the government said that a minimum of 25% of all affordable housing contributions through Section 106 should be First Homes. In a separate document, it set out proposals that this should, in the first instance, replace other affordable home ownership products, including shared ownership.

# Exception sites and rural exception sites

**The Government intends to introduce a First Homes exception sites policy, to replace the existing entry-level exception sites policy.** Formerly known as 'entry-level exception sites' these are small sites brought forward outside the local plan to deliver affordable housing. Under the amended policy, the Government will now specify that the affordable homes delivered should be First Homes for local, first-time buyers. There will be the flexibility in the policy to allow a small proportion of other affordable homes to be delivered on these sites where there is significant identified local need as well as a small proportion of market homes where this would be necessary to ensure the viability of the site overall.

**The Government also intends to remove the National Planning Policy Framework threshold on site size that currently applies for entry-level exception sites** (i.e. that they should not be larger than one hectare in size or exceed 5% of the size of the existing settlement) but retain the requirement that First Homes exception sites should be proportionate in size to the existing settlement.

# Lyme Regis Community Land Trust



**This policy will not apply in designated rural areas, where delivery will continue to be through the rural exception sites policy.** The intention is to protect the important role that rural exception sites play in delivering affordable homes in rural areas, with rural exception sites being retained as a vehicle for delivering affordable housing in designated rural areas.

However, the Government recognises that this delivery mechanism is currently underused in many cases and says that it will update planning guidance in due course.

# Right to Shared Ownership

**Where the landlord or freeholder of affordable rented homes is a Community Land Trust, they will be exempt from the new Right to Shared Ownership (RtSO).** In other words, rented homes funded through public subsidy will be exempt from the RtSO where the CLT is a Registered Provider or, as freeholder, works in partnership with a Registered Provider. The full list of exemptions from the RtSO is as follows:

- local authority homes
- homes in designated protected areas and rural exception sites
- specialist homes for older, disabled and vulnerable people
- alms houses
- homes where the landlord is a co-operative housing association
- **homes where the landlord or freeholder is a Community Land Trust**



# Neighbourhood planning and design

**The government is increasing the level of financial and technical support available for neighbourhood planning groups.**

On 10th August, the government announced that grants to individual groups in both urban and deprived areas would increase from £10,000 to £18,000. In addition, these groups would be given access to additional technical expertise, for example to develop masterplans, free of charge.

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