

APPENDIX 1

Consultation Response - Changes to the current planning system

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 London Borough of Hillingdon supports the intention of this revised approach to reduce volatility and to boost housing need numbers in areas with low household projections, in order to maximise the contribution to the Government's 300,000 homebuilding target. However the Council does have significant concerns about the use of the affordability factor proposed as a second stage of the new approach which is picked up in response to later questions.

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.

The Council is supportive of the rationale set out in the consultation document.

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.

The Council believes that the workplace-based ratios may not be the best measure as they assume that people would always want to live where they work. There are many more factors that determine where someone would want to live. Residence-based earnings ratios may be more useful than workplace-based or a blend of the two to take account of choice and affordability.

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.

The London Borough of Hillingdon agrees that affordability should be taken into account as higher prices can indicate a mismatch between stock and demand, but they can also indicate a lack of available land, general inflation and other constraints on supply (environmental constraints and local infrastructure) which should also be factored in to place a suitable cap on numbers.

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

When the baseline number is adjusted to account for affordability the resultant housing needs figure is an unrealistic one which focuses housing needs in London and the South where land is most constrained. The London Borough of Hillingdon's housing needs figure becomes unrealistically high based on past rates of delivery. This is further emphasised by the need figure for Hillingdon representing a doubling of the housing capacity identified through the forthcoming London Plan.

It is important to have an accurate housing needs assessment and to try to meet this need within the borough where possible, however housing requirements for local authorities must be realistic. The numbers yielded from the standard method should be adjusted at a national level to take account of existing densities and a reasonable uplift in delivery based on past trends as an indication of overall capacity. Figures should then be further adjusted to take account of other constraints, such as availability of developable land and local infrastructure. Some of these options are considered in the 'Planning for the Future White Paper', which states housing requirements would take account of need, land capacity, constraints and other 'policy-on' factors.

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?

The London Borough of Hillingdon has no specific comments to make on this question.

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?

The London Borough of Hillingdon has no specific comments to make on this question.

Q8: The Government is proposing policy compliant planning applications will deliver a minimum of 25% of onsite affordable housing as First Homes, and a minimum of 25% of offsite contributions towards First Homes where

appropriate. Which do you think is the most appropriate option for the remaining 75% of affordable housing secured through developer contributions? Please provide reasons and / or evidence for your views (if possible):

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

The London Borough of Hillingdon supports (i) which is to prioritise First Homes as replacements for other intermediate products only. This would allow the Council to continue to deliver low-cost rented tenures at the ratio identified in the Local Plan and in line with the Council's greatest local need.

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?

The Council agrees that other types of homes such as student housing, homes for the elderly, co-living spaces, etc should be exempt from the requirement to provide First Homes, however the usual affordable housing requirements should remain.

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

The London Borough of Hillingdon has no specific comments to make on this question.

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

The London Borough of Hillingdon has no specific comments to make on this question.

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

The London Borough of Hillingdon supports the recommended approach.

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

There is currently no evidence on the impact that the 30% minimum discount offered on First Homes will have on the delivery of other affordable housing tenures. Requiring 25% of affordable homes to be First Homes at a 30% discount needs to be viability tested in the context of all other Local Plan requirements, as would be expected with the introduction of any affordable housing policy. If First Homes are to be delivered without compromising the delivery of other affordable tenures for which there is a local need, there needs to be a degree of flexibility in terms of the proportion of homes that need to be First Homes, as there is with all affordable housing arrangements. This is particularly important until overall viability can be re-tested at the plan-making stage.

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 London Borough of Hillingdon has no specific comments to make on this question.

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

The London Borough of Hillingdon has no specific comments to make on this question.

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

The London Borough of Hillingdon has no specific comments to make on this question.

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

Over the last few years most of Hillingdon's affordable housing delivery has come from larger developments (over 40 homes), however a significant proportion has also come from smaller schemes. Over the last few years 24% of the affordable homes delivered in Hillingdon came from development schemes of less than 40 units. Were this pattern to continue over the next few years, the potential loss of affordable housing locally in Hillingdon could be greater than the 7-14% the Government has predicted. Council's already struggle to achieve affordable housing targets and

raising the threshold is likely to have a significant effect on affordable housing delivery in many areas across England.

It has been stated that this change will be for an initial 18 month period during which the effects will be monitored. It is therefore not certain that this threshold will be temporary. The Government should ensure that this change is only temporary.

Given how high the new proposed minimum threshold is, it is unclear how the Government will ensure that this policy change will aid primarily SMEs, as there are likely to be several larger housebuilders who would benefit from this and who may not necessarily require any financial assistance.

Q18: What is the appropriate level of small sites threshold? i) Up to 40 homes ii) Up to 50 homes iii) Other (please specify)

The existing level of 10 units is considered appropriate as most sites in Hillingdon are able to viably deliver an element of affordable housing at the existing threshold.

Please consider the above answer to question 17.

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

Hillingdon would support the retention of the borough's existing site threshold recently tested through its Local Plan examination, as we have concerns that the delivery of affordable housing will be reduced as a result of the proposed change. The Council believes that flexibility in the application of existing policies allows for matters of viability and deliverability to be adequately taken in account.

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

If the raised threshold is implemented, it is the Council's view that it should not be extended beyond the 18 month period. Furthermore, if during the 18 month period it is found that this policy change is having a limited impact in aiding economic recovery, the Government should seek to lower the threshold.

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

It is agreed that there should be safeguards in place to ensure sites are not brought forward in phases to avoid affordable housing contributions. Were the raised threshold to be implemented, the Council would welcome planning guidance on how

local planning authorities can secure contributions for affordable housing where it is apparent that a site larger than 40 or 50 homes is being brought forward artificially in smaller stages.

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

The London Borough of Hillingdon has no specific comments to make on this question.

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

The London Borough of Hillingdon believes that its Local Plan already supports SME builders to deliver new homes through a mixed economy of housing developers and that further changes are not required to national planning policies at this stage.

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

The London Borough of Hillingdon does not believe it is necessary to remove the restrictions on major development. We believe that the option already exists for developers to seek guidance on the principle of such developments through the seeking of pre-application advice from the local planning authority. This process has the benefit of establishing a relationship between the developer and the planning authority to bring forward acceptable schemes on a wide variety of sites. This process also offers the opportunity to discuss a wider set of matters such as materials, design, height and transport impacts. It is therefore unclear whether this measure would contribute significantly to bringing more sites forward more quickly, or simply provide another option for landowners seeking to value their sites without the intention of developing them.

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.

The Council believes the government should consider limiting the amount of commercial development where such uses would otherwise be directed to town centres or industrial locations to ensure that the functions of such areas cannot be undermined. A threshold of 1,000 sqm could be appropriate based on the

assumption that a development over this size would qualify as a major development in its own right without any housing development.

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?

The Council would be supportive of ensuring that the administrative burden on local planning authorities is not increased through the provision of additional requirements.

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

The Council recognises the need to determine the appropriate height of a development at an early stage to ensure that it is compatible with the character of the site and the surrounding areas. However, it would be difficult to identify appropriate heights without a significant amount of additional detail similar to that required through the outline planning application process. Given that the outline planning application process remains an option for developers, it is considered that this existing route may be a more appropriate one for those developers wishing to engage on design issues. It is therefore the Council's view that the PiP process should continue to focus specifically on the land use principles of a development.

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.**

Number ii) - subject to a general requirement to publicise the application.

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

The Council would welcome a fee structure which reflects the level of work involved in assessing a PiP.

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

Please see answer to Q29.

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.

The Council is supportive of this measure and would already place such sites on Part 2 of its register were any PiPs granted within the borough.

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 London Borough of Hillingdon believes that guidance on the matters which can be agreed through the PiP process would be of benefit to applicants and local planning authorities.

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

Please see answer to question 24.

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

Please see answer to question 24.