

# **Changes to the current planning system**

## *Consultation on changes to planning policy and regulations*

**Response of the City of Durham Trust (Final1)**

### **Introduction**

The City of Durham Trust is a long established organisation dedicated to maintaining the City of Durham as an internationally acknowledged historic Cathedral City rich with historical assets and contained in a green setting. The Trust welcomes contemporary development providing it is of high quality and sensitive design that does not degrade the distinctive qualities of the City and its assets.

Durham is a small city and its development issues are probably very different to many other urban areas. Its key problem is the expansion of the University and student accommodation. The incremental nature of this has largely avoided strategic planning where impact would be minimised and a more mixed tenure and economic base maintained. There are two students during term time to every one long term resident in the city itself. For the entire urban area of Durham City the current total population can be reasonably estimated in round terms as 54,500 now, comprising around 35,000 year-long residents and 19,500 students

Other impacts are from public sector Headquarters and hospital provision. A substantial in-town development sector has brought with it discordant development impinging on the scale and setting of key heritage assets.

Its housing issues are therefore not addressed in the proposed changes, the problem the consultation paper seeks to tackle is not our City's. There has been recent larger scale expansion outside of the historic core but this has principally been 'executive' housing providing no answer for Durham residents' real needs. The Trust's view is that the new County Durham Plan nearing approval is too great an erosion of the green belt to provide more houses than needed and of the wrong type. The current housing needs assessment method helped support this. Addressing need requires greater detailed understanding of local variations and much greater flexibility in tackling types of housing and the ways people pay for it. Innovation is still found more in public sector partnered, led or influenced developments. Resourcing is hampering this and leading, as is the case for County Durham, to an undue focus on the wrong sort of development in response to economic disadvantage.

The Trust has its frustrations with the planning system and its local implementation but these proposed changes and those with the accompanying Planning for the Future White Paper do not address any of them.

The Trust supports the City of Durham Parish Council's introductory response as follows:

### **What is reducing housing delivery?**

Responses so far to the accompanying White Paper on 'Planning for the Future' demonstrate that it is not the planning system that is the obstacle to achieving the Government's target of at least 300,000 new dwellings per year:

- There are one million un-built new dwellings with planning permission
- 90% of planning applications are approved each year
- Developers store planning permissions (a) as quotable assets and (b) to prevent supply outstripping demand and causing prices to fall
- The last time 300,000 dwellings were built in a year was 1969-1970; 135,000 of these were built by local authorities for rent

It is finance, not planning, that is the blockage, notably:

- insufficient funding for local authorities to build at least 100,000 new social dwellings per year
- ten years of austerity reducing household incomes and ability to move up the housing ladder
- insufficient funding for first-time buyers, and
- excessive profit levels for developers

And The Trust adds:

- the fixation on house purchase as the only solution; unfortunately many see this as the only option for them, mostly because alternatives are hard to find.

We wish to support the City of Durham Parish Council's comments on four paragraphs of the consultation text.

### **Land Supply and Shortage of Finance**

**Paragraph 9:** *"However, identifying sufficient land so that the market is not prevented from delivering the homes that are needed is vitally important to prevent the under-delivery of the past from continuing to happen."*

We read this as implying that under-delivery of the past was a consequence of an insufficiency of land identified for housing development. There may well have been local insufficiencies but there is no doubting that the greatest reasons were financial; indeed, **paragraph 46** says exactly that: *"Although polling shows that 87% of people would prefer*

*to own a home given a free choice, high prices, high deposits and difficulty accessing mortgage finance still mean that far too many people are denied this opportunity.” We agree with that assessment and fundamentally disagree with the earlier quote from **Paragraph 9.***

### **Household Projections**

**Paragraph 21:** *“However, household projections, which are based on freely and publicly accessible data available at a local authority level, are still the most robust estimates of future growth trends. Projections have been used for decades in the planning system as a basis for future housing land requirements due to their simple and relatable concept of linking housing growth to the population.”*

This is a very telling statement, with which we agree. How many new dwellings will be needed in future has everything to do with projected population changes and household formation rates, and nothing to do with how many dwellings there are already.

### **Affordability Adjustment**

**Paragraph 22:** *“The Government also proposes to introduce an affordability adjustment that takes into account changes over time, in addition to the existing approach of considering absolute affordability. This will increase the overall emphasis on affordability in the formula and ensure that the revised standard method is more responsive to changing local circumstances, so that homes are planned for where they are least affordable. For example, where affordability improves, this will be reflected by lower need for housing being identified. The Government also proposes to remove the cap which artificially suppresses the level of housing identified.”*

There is a heroic assumption in this paragraph that building more dwellings will lower prices. Our experience here in Durham is that land has been released and many hundreds of houses have been built but nearly all are in the so-called ‘Executive Housing’ bracket and are totally unaffordable to people on modest incomes. Durham University, Durham County Council and the University Hospital of North Durham are major employers in Durham City but their junior staff have no hope of being able to afford to buy a house in the city and have to commute from the villages beyond. Indeed, the Independent Inspector who has completed his examination of the County Durham Plan considers in his Final Report of 17 September 2020 the matter he had posed of whether increasing the quantity of land for housing development beyond the agreed Local Housing Need figure could be justified in order to help meet the annual rate of affordable housing predicted as needed. He concludes that the County Council is right to not do so, for several reasons including that market demand would not take up the additional allocations and so would fail to deliver the additional affordable houses. We contend that inflating the estimated need beyond projected population and household numbers would simply enable house-builders to pick off the easiest and most profitable sites and leave many communities with empty sites.

## The Questions

**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?***

*No, we do not agree. This change is being driven by a politically set target rather than a needs led, locally based analysis. For instance, simply applying a calculation as a percentage of the existing stock is especially crude and takes no account of actual local need that isn't reflected in the existing housing stock. Enabling different tenure systems, cooperative housing and more flexible housing types can respond better to local need than simple target figures that are responding to political pressure.*

*The overall driver for promoting this change is a failure to deliver 300,000 houses p.a. but this is a multi-factor problem not simply caused by either the planning process or the standard method of calculating housing need. Does land banking have a role for instance?*

**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.**

*No – this is simply a centrally determined figure and local needs can vary.*

**Q3: Do you agree that using the workplace-based median house price to median earnings ratio from the most recent year for which data is available to adjust the standard method's baseline is appropriate? If not, please explain why.**

*No, we do not agree. Using the workplace based median house price to median earnings ratio is wrong for at least two reasons:*

*For Durham City, a satellite to the Tyne Wear conurbation as well as County focus in its own right, people also work in the larger employment centres and commuting creates a range of employment possibilities for some.*

*Using house prices and household income are much more variable as a consequence of mobile professionals earning more and resident out of their work area. As noted Durham County is economically challenged, the City less so, and incomes may not relate to its local situation because of skewed household earnings from elsewhere. The number of people earning in a household can also skew results. Many people not able to afford their own house may well have needs capable of being met by more imaginative forms of housing provision, tenancy and ownership.*

*In addition the use of a centralised tech-based algorithm process seems unlikely to unlock the true needs of our City. The formula is highly complex and is extremely difficult to provide a consultation response to – it requires specialist knowledge.*

**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.**

*We think the method is suspect and neither reflects housing need nor unlocks creation of affordable housing. Therefore we do not agree.*

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

*See answer to Q3 above.*

**(Q6 and Q7): Do you agree that authorities should be planning having regard to their revised standard method need figure, from the publication date of the revised guidance, with the exception of:**

**Q6: Authorities which are already at the second stage of the strategic plan consultation process (Regulation 19), which should be given 6 months to submit their plan to the Planning Inspectorate for examination?**

*As we think the new method fails properly to respond to local circumstances we think meeting this has in-built difficulty. As issued for consultation the requirement may be a challenging timescale for some Planning Authorities.*

**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?**

*Again, we think the new method fails properly to respond to local circumstances we think meeting this has in-built difficulty. As issued for consultation the requirement may be a challenging timescale for some Planning Authorities.*

**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)**

*While we are bound to support any move to increase supply of affordable housing, we believe that solely concentrating on house purchase is far too restrictive. It is a problem nationally where this is seen as the only way forward. With imagination, a drive in enablement and much better local public resourcing, a greater response could be achieved. Greater flexibility would open up small/medium developments currently not possible under current home ownership methods. A mixed approach to types of housing, ownership and forms of tenancy would open up affordable provision rather than concentrating on house purchase – a decreasing possibility for many.*

*We have much to learn form other European countries.*

**(Q9,10,11) 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?**

*As Durham City suffers enormously from buy to rent for student provision locking out other sectors of society, the answer has to be qualified. Creating more scope for non-local, buy to rent owners lets money escape out of the local economy and may well simply feed the student market. This should be prevented. Genuine build to rent with adequate protection against onward sub letting could be acceptable. The other exemptions would be reasonable.*

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

*The existing exemptions for specialist housing provision, self build and affordable housing should remain. These are already more likely to provide flexible and useful provision.*

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

*Exempting small developments of ten or less units could be an exemption. This is providing that artificially re-parcelling larger developments for avoidance is prevented. This could be an unforeseen result of the envisaged Planning for the Future changes.*

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

*Given that the County Durham Plan (local Plan) and City of Durham Parish Council Neighbourhood Plan are about to be approved and not be affected, then this seems reasonable. As the changes are counterproductive others may be adversely affected.*

*The fear is that the substantial hard work and discussion involved in the production of the City of Durham Neighbourhood Plan and in responding to the County Durham Plan process will be wasted. This has often been by volunteers and properly represents local democracy in action.*

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

*The levels might be reasonable for some but in disadvantaged areas they may not be enough. Discounted dwellings should remain as discounted dwellings and so provide a long-term public benefit repeated for those dependent on subsidised housing.*

**Community Infrastructure Levy**

**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?**

*No, the affordable sector is already underprovided for. Reducing supply of First Homes for any reason would further decrease provision.*

*The tremendous effort put into Local and Neighbourhood Plans must not be undermined by the principle of 'Exception Sites' for whatever reason*

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

*No, the size restriction is valuable.*

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

*Flexibility for rural exemption sites should be retained, avoiding non-local sale and opening up offers of mixed tenancy/co-ownership among other options.*

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

*We support the principle of assisting small building firms but great care should be taken to maximise the range and flexibility of housing provided.*

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

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

*A threshold of 40 homes would be our upper limit as most potential development sites within the urban framework of Durham City are likely to be under that size and we do need affordable and first homes. The time limit is essential.*

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

*Yes, re-parcelling sites to avoid public benefit should be prevented.*

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

*Yes.*

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

*Yes.*

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

*Yes, local authorities should be allowed to set a lower threshold down to 5 units.*

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

*The Government should free up some government-owned land and enable the delivery of quality homes for rent or other flexible alternatives, where families need them, close to services. These could be delivered by smaller companies, who cannot compete in the current speculative trading of building land in many areas.*

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

*Yes, given that what is proposed is a stripped down application for outline planning permission. The converse of requiring very limited information is that the Local Planning Authority may very well decline to give a Permission in Principle because the site and its location may raise issues that cannot be glossed over.*

*We are also concerned that the Local Plan process backing up site allocation can be very broad brush and from experience locally not all key issues are fully addressed at that stage. Providing that the detail of the development remains open to local authority and public scrutiny and safeguards, then it might work.*

*It would be very concerning if other types of major development other than for housing were included and escaped scrutiny of detail and the possibility of refusal because of negative impacts revealed in assessing that detail.*

**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.**

*No need to set a limit as the Permission in Principle route requires that housing must occupy the majority of the overall scheme and that non-housing development should be compatible with the proposed residential 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?**

*Yes, we agree.*

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

*Yes. The height of any buildings above three storeys should be stated so that high buildings can be accepted or refused appropriately.*

**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.**

*We support option (iii). Not everyone has adequate access to a computer or the internet and local papers still perform a useful function.*

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

*Given the funding resource restrictions on Local Authorities there should be no loss of fees. The proposed fee structure sets lower fees as an incentive to developers to come forward with schemes and any further negative impact on Local Authority staffing levels should be avoided.*

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

*They should be kept at the equivalent of current levels to avoid reducing funding for Local Authorities and also reflect true costs for administration if higher.*

**Q31: Do you agree that any brownfield site that is granted Permission in Principle through the application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why.**

*Yes.*

**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.**

*There is already a Guidance Permission in Principle, published 28 July 2017 and last updated 15 March 2019 and it is felt that this is, at the present time, sufficient for purpose.*

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

*The benefit would be greater certainty for developers to investigate possible housing development sites, which should lead to more houses being built. The downside could be less public involvement and more work pressures for Local Planning Authorities. So much more than the bare minimum notice is needed for the public and other potentially affected parties and setting the fee structure such that it actually does meet the additional costs to the Authority.*

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

*We cannot offer a reasoned answer. However, some failures to develop approved sites must lie with developers.*

**Q35: In light of the proposals set out in this consultation, are there any direct or indirect impacts in terms of eliminating unlawful discrimination, advancing equality of opportunity and fostering good relations on people who share characteristics protected under the Public Sector Equality Duty?**

*It offers little change especially for those affected by being unable to either find a home under an affordable tenure system or afford the purchase of one.*