



PORTFOLIO HOLDER DECISION NOTICE

INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR THE BUILT ENVIRONMENT

CONSULTATION RESPONSE TO THE PROPOSED CHANGES TO NATIONAL PLANNING POLICY PUBLISHED BY DCLG.

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Chief Operating Officer, the Chief Executive and the Chief Finance Officer are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

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SUMMARY

On 7 December 2015, the Planning Directorate in the Department for Communities and Local Government, published for consultation a number of proposed changes to the planning system, covering the following topics:-

1. Broadening the definition of affordable housing, to expand the range of low cost housing opportunities (paragraphs 6-12);
2. Increasing the density of development around commuter hubs, to make more efficient use of land in suitable locations (paragraphs 13-18);
3. Supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing agreed in Local Plans (paragraphs 19-33);
4. Supporting delivery of starter homes (paragraphs 34-54); and
5. Transitional arrangements (paragraphs 55-58).

The consultation period was originally set to close on Monday 25 January, this has however since been extended and now closes on Monday 22 February 2016.

The consultation paper is presented as a series of questions, following an explanation as to what changes are being sought and what's intended to be achieved through the implementation of the changes. The following therefore, summarises the changes proposed for those matters of interest for planning in the Winchester District. The Council's proposed response is set out at Appendix A, which has been compiled following consultation and discussion with specialists across the organization and includes the questions being asked by DCLG followed by the Council's response which is expressed either as an objection or a comment.

DECISION

That the objections and comments contained within Appendix A are presented to DCLG by the deadline of Monday 22 February 2016 and authority be delegated to the Head of Strategic Planning, in consultation with the Portfolio Holder for the Built Environment, to agree any final changes in response to this notice.

REASON FOR THE DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

It is recommended that the focus for the response from Winchester City Council will cover the following matters:

- Changes to the definition of affordable housing
- Increasing the density of development around commuter hubs
- Delivery of housing through various sources – small sites; new settlements; starters homes and local plans
- Transitional arrangements and impact on local plan preparation

It is also the intention to raise the point that the constant amendment of planning definitions and interpretation runs counter to the Government's aspirations to simplify and speed up the planning system. Every amendment has implications at a local level, with the need to commission further specialist advice and evidence and undertake additional consultation, all of which have to fit into the Councils' constitutional arrangements and place additional burdens on Councils in terms of time and resources. Whilst, it is acknowledged that plans should be up-to-date and relevant, the emphasis should be on generating a route for both plan and decision making that is proportionate to the situation and locality. Additionally, the changes and uncertainty are unhelpful and disruptive to housebuilders and others in the development industry, resulting in housebuilding being delayed and hindered rather than being encouraged.

The response to be forwarded to DCLG is set out at Appendix A.

The Appendix sets out in detail the Council's response, to a number of the matters raised through the proposed changes, in particular those issues that will have the

greatest impact for the District. Local Plan Part 1 was adopted in March 2013 and was one of the first local plans to be found sound post introduction of the NPPF, these changes have implications for both LPP1 and LPP2, recently published.

Summary of those matters of interest for planning in the Winchester District:

Changes to the definition of affordable housing

Summary of proposed changes

Existing provision in the NPPF (March 2012) requires local planning authorities to plan proactively to meet all housing needs in their area, including market and affordable housing. The current definition of affordable housing (set out in Annex 2 to the NPPF) includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.

The government considers that the existing definition limits the current availability of home ownership options for households whose needs are not met by the market and propose to change the definition to cover a fuller range of products that can support home ownership. It is intended that the revised definition will support present and future innovation by housing providers in meeting the needs of a wide range of households and will continue to include a range of affordable products for rent and for ownership, but without being unnecessarily constrained by the parameters of existing products which the Government consider stifle innovation.

This would include products that are similar to low cost market housing or intermediate rent, such as discount market sales or innovative rent to buy housing. Some of these products may not be subject to 'in perpetuity' restrictions or have recycled subsidy. It is also intended to make clearer in policy the requirement to plan for the housing needs of those who aspire to home ownership alongside those whose needs are best met through rented homes, subject as now to the overall viability of individual sites.

The government is of the view that by widening the definition it will allow local authorities to extend its range of provision in addressing local housing needs, which also includes allowing local planning authorities to secure starter homes as part of the negotiations on development sites.

The Housing and Planning Bill is also introducing a statutory duty on local authorities to promote the delivery of starter homes, and a requirement for a proportion of starter homes to be delivered on all suitable reasonably-sized housing developments. There is to be a separate consultation on the level at which this requirement should be set. The Bill defines starter homes as new dwellings for first time buyers under 40, sold at a discount of at least 20% of market value and at less than the price cap of £250,000 (or £450,000 in London). Support is available through the Help to buy ISA to help purchasers save for a deposit.

Increasing residential density around commuter hubs

Summary of proposed changes

Paragraph 47 of the NPPF enables local planning authorities to set appropriate density levels for new housing development either as a target or for density levels to be considered on a site-by-site basis to reflect local context.

The government sees that there are significant benefits to encouraging development around new and existing commuter hubs - reducing travel distances by private transport, making effective use of private and public sector land in sustainable locations, and helping to secure the wider regeneration and growth of the local area. The changes proposed support higher density housing development around commuter hubs to help meet a range of housing needs including those of young first-time buyers.

The changes would expect local planning authorities, in both plan-making and in taking planning decisions, to require higher density development around commuter hubs wherever feasible. It is proposed that a commuter hub is defined as:

- a) a public transport interchange (rail, tube or tram) where people can board or alight to continue their journey by other public transport (including buses), walking or cycling; and
- b) a place that has, or could have in the future, a frequent service to that stop. A frequent service to be defined as running at least every 15 minutes during normal commuting hours.

It is not intended to introduce a minimum density requirement, as these should be decided locally and setting a minimum density would be unnecessarily prescriptive, and could fail to take account of local character and increase the risk of lower quality development. To aid the understanding of the potential impact of this change the consultation paper includes the following assessment:

The number of additional homes that can be delivered depends on both the density and the definition of commuter hubs. To provide an assessment of impact, we have considered all major train stations in built up areas with a population greater than 25,000. Where stations were within 0.5 miles of one another they were combined into a single transport hub. This gives around 680 potential transport hubs in England. We estimate that in 2013/14 34,000 homes were built within 0.5 miles of a transport hub at an average density of 34 dwellings per hectare. If the average density at which these homes were built was increased to 40 dwellings per hectare, this could deliver an additional 6,000 homes within the same land area.

Supporting new settlements, development on brownfield land and small sites, and delivery of housing agreed in Local Plans

Supporting New Settlements

Summary of proposed changes

Paragraph 52 of the NPPF recognises that local planning authorities may plan for the supply of new homes through larger scale developments such as new settlements or urban extensions. It is proposed to strengthen national planning policy to provide a more supportive approach for new settlements, within locally led plans. In doing so local planning authorities should work proactively with developers coming forward with proposals for new settlements in their area

Supporting housing development on brownfield land and small sites

Brownfield Land

Summary of proposed changes

The NPPF states that planning should encourage the effective use of land by re-using brownfield sites provided they are not of high environmental value, and that local councils can set locally appropriate targets for using brownfield land. The Housing and Planning Bill, will include a requirement for LPAs to publish and maintain up-to-date registers of brownfield sites suitable for housing, with the registers being a key vehicle for granting permission in principle for new homes on suitable brownfield sites.

It is also proposed to make it clearer in national policy that substantial weight should be given to the benefits of using brownfield land for housing (in effect, a form of 'presumption' in favour of brownfield land), unless there are overriding conflicts with the Local Plan or the NPPF which cannot be mitigated.

Small sites of less than 10 units whether in rural or urban locations play an important role in helping to meet local housing need, and the majority of these sites are on brownfield land. Building new homes on small sites, can also deliver a range of economic and social benefits, including:

- providing opportunities for small and medium-sized companies to enter the development market, helping to promote competition and quality in the house-building market;
- increasing build out rates in local areas;
- creating local jobs and sustaining local growth, particularly in rural areas; and
- making effective use of developable land.

Small Sites

Summary of proposed changes

Most Local Plans include clear policies supporting small windfall sites, but there continue to be concerns about the challenges and uncertainty associated with identifying small sites. It is proposed to apply the approach above for brownfield land to other small sites, provided they are within existing settlement boundaries and well-designed to promote or reinforce local distinctiveness.

In addition, development on small sites immediately adjacent to settlement boundaries should be carefully considered and supported if they are sustainable. The government is also seeking views on how the proposed policy change to support small sites could impact on the calculation of local planning authorities' five-year land supply, and any clarification that may be needed on this point.

Local Plans often adopt a criteria-based approach for small sites, should national planning policy make clear that local planning authorities develop clear, positive Local Plan policies against which to assess windfall applications for small sites. This plan-led approach would increase transparency and create greater certainty for developers on whether these sites will come forward for development.

Ensuring housing is delivered on land allocated in plans

Summary of proposed changes

There is a significant shortfall between the number of homes that need to be built to keep up with housing requirements and the net additions to the housing stock. One approach the Government is looking to take forward is to amend national planning policy to ensure action is taken where there is a significant shortfall between the homes provided for in Local Plans and the houses being built. The proposal, announced in the Autumn Statement 2015, is to introduce a housing delivery test. This will involve comparing the number of homes that local planning authorities set out to deliver in their Local Plan against the net additions in housing supply in a local planning authority area.

Understanding and identifying under-delivery relies on accurate and timely information prepared and made publicly available. The department publishes National Statistics on net supply of new homes by local authorities every year. This could provide the benchmark against which delivery rates are assessed. However, the Government would welcome views on the baseline against which local housing delivery should be assessed. Existing options include data in Authority Monitoring Reports against Local Plan targets; or proposed housing trajectories. One approach could be to express significant under-delivery as a percentage below expected delivery. We envisage the assessment being made over a two-year period so that it is not distorted by short-term fluctuations.

To strengthen the incentive for delivery on consented sites, the Government intends to propose to amend planning policy to make clear that where significant under-delivery is identified over a sustained period, action needs to be taken to address this and seeks views on what steps should be taken in these circumstances. This could be to identify additional sustainable sites, in sustainable locations, well served by infrastructure, and with clear prospects for delivery which could be specifically set out as part of any future planning consent. A range of sites may be appropriate, which could include new settlements. In such instances local planning authorities may need to consider whether a review or partial review of their plans are needed, or whether such settlements can be delivered through additional development plan documents – such as Area Action Plans. Such an approach would present an opportunity for local planning authorities, working with developers and their local communities, to undertake rapid and targeted policy reviews, including appropriate consultation, so that additional land in sustainable locations can come forward.

Supporting delivery of starter homes

In March 2015, Planning Practice Guidance was amended to allow for an exception site planning policy to release land specifically for starter homes. This allows applicants to bring forward proposals on unviable or underused commercial or industrial brownfield land not currently identified in the Local Plan for housing.

Unviable and underused commercial and employment land

Paragraph 22 of the NPPF is to be amended to make clear that unviable or underused employment land (including retail, leisure and institutional uses) should be released to strengthen the presumption in favour of Starter Home developments unless there is significant and compelling evidence to justify why such land should be retained for employment use. As a minimum, this would include an up-to-date needs assessment and significant additional evidence of market demand. Consideration should also be given to trends in land values for commercial and employment uses, against land values for other uses including residential.

The government is seeking advice on what evidence would justify the retention of employment and commercial land. LPAs should be able to adopt a policy with a clear limit on the length of time (such as 3 years) that commercial or employment land should be protected if unused and there is not significant and compelling evidence of market interest of it coming forward within a 2 year timeframe.

Together these proposals will widen the scope of the current exception site policy for starter homes to incorporate other forms of unviable or underused brownfield land, such as land which was previously in use for retail, leisure and non-residential institutional uses (such as former health and educational sites). This will provide clarity about the scope of the exception site policy for applicants and local planning authorities, and release more land for starter homes.

The current exception site policy states that a planning application for a Starter Home development on an exception site should be approved unless the local

planning authority can demonstrate that there are overriding conflicts with the NPPF that cannot be mitigated. The interpretation of this policy has created uncertainty for applicants seeking to bring forward the first Starter Home applications, it is intended to amend the exception site policy to make it clearer that planning applications can only be rejected if there are overriding design, infrastructure and local environmental (such as flood risk) considerations that cannot be mitigated.

Encouraging starter homes within mixed use commercial developments

Is there potential to encourage a greater proportion of housing in general and starter homes in particular within mixed use commercial developments across the country, for example new town centre developments or existing town centre regeneration.

Encouraging starter homes in rural areas

The use of rural exception sites is an established means for supporting sensitive housing growth where it is locally supported and meeting local needs. Starter homes can provide a valuable source of housing for rural areas and, if classified as affordable housing, they can be delivered through the existing rural exception site policy.

It is proposed that starter homes on rural exception sites should be subject to the same minimum time limits on resale (5 years) as other starter homes to ensure local people are able to maximise the value of the home and secure a long term place in the local housing market. The Government also proposes that local planning authorities would, exceptionally, have the flexibility to require a local connection test. This would reflect the particular needs of some rural areas where local connections are important and access to the housing market for working people can be difficult and would be consistent with existing policy on rural exception sites.

Transitional arrangements

Summary of Proposed Changes

A change in the definition of affordable housing in national policy will require local authorities to consider their Local Plan policies in the context of relevant evidence. A new policy may be required as a result, and this will entail a partial review of the Local Plan. The Planning Inspectorate has introduced a fast-track process for carrying out partial reviews of Local Plans which is intended to help local planning authorities make changes to their policies more easily. A transitional period is to be introduced for the amended affordable housing definition so that local planning authorities can consider making amendments to their local policies, it is suggested that a period of six to twelve months should be sufficient.

The Housing and Planning Bill is introducing a statutory duty on local authorities to promote the delivery of starter homes, and a requirement for a proportion of starter homes to be delivered on all suitable reasonably-sized housing developments. The Government's paper states that 'having examined the likely impact on plans that

have already been adopted and plans that are in preparation, there is not a strong justification for transitional arrangements’.

Planning reforms since 2010 have placed Local Plans at the heart of the planning system. The Productivity Plan and subsequent Written Ministerial Statement made clear the commitment to ensuring that local planning authorities produce a Local Plan by early 2017. These changes should not slow down the preparation of existing Local Plans, or for Local Plans in the examination process to be revisited.

RESOURCE IMPLICATIONS:

Changes to planning policy can have significant resource implications through the need to commission specialist technical reports and for further consultation which can be time intensive. The proposals subject of this paper are matters to be reflected in local plans, so it will be the Council’s strategic planning team, that will need to carry forward the policy changes required. However, the Council’s new homes team is also a key player through both the delivery of affordable housing and advising on development proposals that are required to secure affordable provision. This team also leads on the identification and delivery of rural affordable housing via exception sites. The proposals also refer to the reuse of unviable commercial land for residential purposes, therefore the Council’s economic development team will be involved.

These proposed changes could be fundamental to the planning system and there could be significant consequences if they are agreed, such as the need to review the Local Plan, with the need for the Council as a whole to understand the implications.

CONSULTATION UNDERTAKEN ON THE DECISION

Consultation with the Portfolio Holder for Built Environment, Housing Services and Local Economy and discussion with specialist officers within WCC

FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE

n/a

DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED

none.

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

None.

Approved by: (signature)

Date of Decision: 29.02.16

Councillor Mike Read – Portfolio Holder for Built Environment

Appendix – Response of Winchester City Council to Consultation on proposed changes to National Planning Policy .

Response of Winchester City Council to Consultation on proposed changes to National Planning Policy .

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Consultation questions followed by Winchester City Council's response:

General Comment on overall approach :

The constant amendment of planning definitions and interpretation runs counter to the Government's aspirations to simplify and speed up the planning system. Every amendment has implications at a local level, with the need to commission further specialist advice and evidence and undertake additional consultation, all of which have to fit into the Councils' constitutional arrangements and place additional burdens on Councils in terms of time and resources. Whilst, it is acknowledged that plans should be up-to-date and relevant, the emphasis should be on generating a route for both plan and decision making that is proportionate to the situation and locality. Additionally, the changes and uncertainty are unhelpful and disruptive to housebuilders and others in the development industry, resulting in housebuilding being delayed and hindered rather than being encouraged.

Q1. Do you have any comments or suggestions about the proposal to amend the definition of affordable housing in national planning policy to include a wider range of low cost homes?

Object to this change for the following reasons:

Both Local Plan Part 1 and Local Plan Part 2 include the following definition of affordable housing :-

Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Affordable housing should:

Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.

Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

WCC has evidence that starter homes will not meet affordable housing needs in the District due to high house prices.

NPPF currently defines (Annex 2 Glossary) affordable housing with reference to eligible persons whose needs are not met by the market, where eligibility is linked to local incomes and local house prices.

Winchester has commissioned research to specifically examine the potential impact of these changes given local house prices in relation to earnings. Initial findings suggest that Starter homes will only be affordable to those who are unable to purchase on the open market if they are priced below lower quartile property prices, which are currently £250,000. Priced at £250,000, these homes will compete with lower quartile open market homes. Taking into account that there is typically a 20% uplift for new homes, starter homes will essentially be the same price point as lower quartile second hand properties in the Winchester District. As starter homes will therefore be competing with lower quartile open market housing, these will not therefore meet the needs of eligible households who cannot access market housing.

In additional this research is also demonstrating that taking data on earnings of residents within Winchester, Starter Homes would only be available to households where two people worked full time and earned lower quartile to average earnings (if they were priced near to £250,000). Winchester's Strategic Housing Market Assessment in 2007 states that the income of newly forming households, who are mostly under 40 and would be the market for starter homes, having lower incomes than established households.

The following illustrates incomes required to afford different tenures in Winchester District (2 bed and/or Lowest Quartile Property):

Extract From WCC Affordability Study December 2015

Income Required to Afford Different Tenures in Winchester (2 bed and/or Lowest Quartile Property)

Social Rent (2 bed)	Affordable Rent (2 bed)	Market Rent (Lowest Quartile 2 bed)	Shared Ownership (2 bed)	Starter Homes (LQ property)	Market ownership (LQ property)
£18,600	£27,800	£29,400	£31,600	£64,000	£64,000

- Average Income £32,000 (P/T £31,000)

- Lower Quartile Income £25,000 (P/T £15,000)

With an affordability ratio of 12.5:1, and affordable rent levels above lower quartile incomes, the table illustrates the relative affordability of different housing products. Of particular note is the relative affordability of two low cost ownership products - shared ownership and starter homes. This is a consequence of high local values and underlines why it is important that solutions that take account of local housing markets rather than a notional and generic national housing market.

There is a real risk of losing other products if the affordable housing definition is weighted towards starter homes, rather than focusing on objectively assessed housing need and allowing for local solutions to be initiated in response. .

Winchester City Council also strongly objects to the deletion of 'in perpetuity' in the affordable housing definition. Affordable homes available in perpetuity does not hamper the desire to build and, especially in rural areas, brings support to affordable housing development, by bringing forward new affordable housing which otherwise would not have been built. The removal of 'in perpetuity' means affordable homes will be lost and will not be replaced.

Winchester City Council has not found that the existing definition stifles innovation and has been able to deliver a range of products, such as Discount Market Sale and Rent to Buy, which encourage home ownership, within the current definition of affordable housing, these products have also been able to deliver in perpetuity affordable housing.

Recent local examples include :

1. North Whiteley, this is a Major Development Area which has outline planning permission for 3,500 homes, subject to the completion of a s106 agreement. The development also includes schools, community facilities, open space and significant infrastructure. Alongside affordable rent, shared ownership and off site provision, an in perpetuity Discount Market Sale product has been proposed, which will be marketed in the same way as shared ownership homes and subject to the same affordability test that Winchester impose on shared ownership homes to ensure that the majority of applicants on the Help to Buy register can afford them.
2. The former Police Headquarters, Winchester - a city centre site in an area of high housing need. The current planning application proposes a proportion of rent to buy properties, alongside affordable rent, targeted at downsizers and shared ownership. The Rent to Buy and Shared Ownership could be dual marketed to ensure that the products are meeting local need.
3. Clewers Lane, Waltham Chase, the developer together with their registered provider partner are providing a range of tenures, including affordable rented homes, shared ownership, discounted market and open market in response to suggestions which came from consultation with the local community.

These examples illustrate that the definition of affordable housing does not need to change to include a wider range of low cost homes. These also illustrate that local authorities are able to work with developers to create innovative products within the current definition. Local determination is important for Winchester City Council to produce housing strategies and development plans that meet local, objectively assessed housing needs.

Q2. Do you have any views on the implications of the proposed change to the definition of affordable housing on people with protected characteristics as defined in the Equalities Act 2010? What evidence do you have on this matter?

Object to this change for the following reasons:

By referring to an age restriction this limits the product, the relevance of age 40 will vary across the Country. In Winchester District, for instance, population projections indicate that, proportionally, there will be a greater increase in the size of older age groups compared to younger adults. It would be more appropriate to determine other eligibility criteria that reflects individuals circumstances. Age is a protected characteristic and housing an aging population/ providing downsizer accommodation is important to many local communities, especially in rural areas where there is a limited stock of smaller accommodation. Local flexibility is required to ensure that the right homes are in the right places to reflect needs.

The majority of the Winchester District is rural. The Equalities Statement says that the proposals have not been rurally proofed and indeed do not take account of how rural affordable housing is delivered in rural areas. Not only will Starter homes not boost supply in these areas, it is likely to reduce affordable housing in these areas, as community support is often based on homes being available in perpetuity (DPA designation restrict shared ownership staircasing offers reassurance to communities).

By not rural proofing this major change to national planning policy shows a complete lack of understanding and the consequences of non urban issues.

The Equality Statement acknowledges that the main aim of starter homes is to release more land for starter home development and therefore concludes that these would be additional homes which would not directly impact on other types of housing. If however starter homes are included in the definition of affordable housing then they would impact on other types of housing and this would significantly increase the effect on Protected Groups.

The Equality Statement expects that increased development should benefit all groups of people, and uses an example that this could reduce demand for rental properties and reduce the pressure on rent. However the counter argument would be that with less affordable rent properties being built, because Starter Homes are a

form of affordable housing, more applicants for affordable rent properties will be forced to use the private sector and may require benefits to support this rent.

In Winchester, approximately 110 new affordable homes are completed each financial year. Up to 100% of these are on s106 sites. Around 25% of lettings are for new affordable homes through s106 sites. In making judgements on the supply of new homes from S106 obligations the Equalities Statement places undue emphasis on grant funded development. Most affordable rented homes are grant free and built without public subsidy and affordable housing on S106 sites make a significant contribution to housing supply. The reduction in tenures available for people unable to buy will therefore have a significant impact in Winchester.

The Equalities Statement notes that some groups may be disadvantaged. The slowdown of supply of affordable products will have an impact on homelessness and housing need.

The Equalities Statement does not look at family make up. It notes that women may be disadvantaged but does not note that single parent households are more likely to be headed by women than men.

The Equalities Statement suggests that because the same proportion of households aspiring to buy (but unable to) with dependent children is similar to the proportion of households currently entering affordable housing with dependent children, that children are unlikely to be adversely affected. However evidence on house prices and incomes in Winchester show that only households able to buy on the open market would be helped by Starter Homes and therefore this would have a significant impact on dependent children. Given the Equalities Statement conclusion that women may be less likely to benefit from Starter Homes, insufficient account (under the *Age Protected Group*) has been taken of the impact the proposal is likely to have on children.

The statement considers aspiring homeowners will be benefiting from Starter Homes, but in Winchester Starter Homes will not be affordable if lower quartile market properties are already out of reach.

These matters are explored further under Q17.

Q3. Do you agree with the Government's definition of commuter hub? If not, what changes do you consider are required?

Object to this change for the following reason:

The definitions presented suit an urban environment, there are many rural railway stations that whilst acting as a transport hub are not necessarily appropriate for either large scale or high density development. The definition should include reference to the locality of the station and its appropriateness for higher density development.

Q4. Do you have any further suggestions for proposals to support higher density development around commuter hubs through the planning system?

Object to this change for the following reasons:

These proposed changes are not required, in both local plans and decision making, there is a requirement to guide development to sustainable locations and promote the effective use of land and this is embedded in the NPPF. Consequently, local plans typically promote higher density developments in town centres and around transport hubs and likewise development proposals also follow these principles.

The government's assessment is flawed in that commuter hubs are predominantly in existing commercial use areas with ancillary residential development, therefore existing densities do not tend to be as low as 34dph.

Q5. Do you agree that the Government should not introduce a minimum level of residential densities in national policy for areas around commuter hubs? If not, why not?

Comment :

Existing densities around commuter hubs are typically higher than those quoted in the assessment. For example, in Winchester in the town centre for SHLAA purposes it is assumed densities of 75 dph can be achieved and within 100m of the town centre this remains at 50 dph. These figures are substantially higher than the Government's estimations and a figure should not be prescribed as this would hinder consideration of innovative high density schemes.

Q6. Do you consider that national planning policy should provide greater policy support for new settlements in meeting development needs? If not, why not?

Object to this change for the following reason:

NPPF para 52 provides sufficient guidance and it is for the local authority through plan preparation to determine the best strategy that suits their development needs based on local evidence and community requirements. The plan-making process requires all reasonable alternatives to be assessed, so new settlements will already be considered where they are a sustainable option, following an assessment of needs. To include within national policy guidance a pre-determined development strategy is not appropriate and unnecessary.

Q7. Do you consider that it would be beneficial to strengthen policy on development of brownfield land for housing? If not, why not and are there any unintended impacts that we should take into account?

Object to this change for the following reason:

This is not necessary, local plans (LPP1 Policy DS1), already include the need to prioritise the use of previously developed land in accordance with existing guidance and include reference to appropriate development in sustainable locations. In Winchester Town the housing requirement is 400 new homes, 2000 through a strategic allocation and the remaining 2000 through small sites mainly on brownfield land. To introduce more procedural changes and extending the range of consents possible will make the planning system more complex and potentially create further delays in site being delivered.

Q8. Do you consider that it would be beneficial to strengthen policy on development of small sites for housing? If not, why not? How could the change impact on the calculation of local planning authorities' five-year land supply?

Object to this change for the following reason:

To allow the development of small sites on the edge of settlements would run counter to the existing development principles of defining a settlement boundary in the first place and contrary to a plan led approach. These boundaries are defined following extensive assessment of the development needs of the locality and the requirement to identify further land for development. They are also subject to sustainability appraisal and Habitat Regulations Assessment. Communities value their settlement boundaries as it provides certainty and indeed protection from indiscriminate development. To make a change at national level to allow development on small sites immediately adjacent to settlement boundaries, would potentially open the flood gates and result in a fundamental weakening of the concept of settlement boundaries – this will effectively create a rolling settlement boundary and a lack of certainty for all involved in the development process. Furthermore, this change would increase hope value/land values; decrease the likelihood that housing will be provided; high risk of coalescence; loss of settlement identity etc.

In Winchester District, innovation is already occurring on small sites adjacent to settlement policy boundaries to meet local housing need, where there is a justified case supported by local evidence, this change is therefore not required.

With regard to the impact on land availability, if more positive policies are introduced with the aim of increasing the 16% of completions already on small sites, it would be beneficial to have a standard allowance for small sites i.e 20%. If this were specified as a standard allowance for inclusion in land supply calculations, it would enable efficiencies over the existing system of having to provide extensive evidence to justify including windfall in 5 year supply calculations.

Q9. Do you agree with the Government proposal to define a small site as a site of less than 10 units? If not, what other definition do you consider is appropriate, and why?

Comment :

In Winchester the Annual Monitoring Report uses a definition of over 10 for a large site. However, a site-size threshold of 5 for the SHLAA, below which sites are not be surveyed. This reflects the fact that many of sites developed in Winchester District are small and a lower threshold allows for more to be included in any assessment process. This allows for a more realistic assumption to be made about the contribution of 'windfall sites' to housing delivery.

Q10. Do you consider that national planning policy should set out that local planning authorities should put in place a specific positive local policy for assessing applications for development on small sites not allocated in the Local Plan?

Object to this change for the following reason:

There is no need for national planning policy to specify how local authorities should assess applications for development on small sites not allocated in the local plan. There is already be a presumption in favour of developing sites (small or large) within settlement boundaries and the exercise of assessing future supply is already undertaken through the SHLAA process, whereby a SHLAA allowance is included in the local plan for those sites that fall within defined boundaries and parameters. It would be unwise for a relaxation of this approach as it would lead to indiscriminate development outside of the local plan process.

Both at national and local level there is a presumption in favour of development regardless of the size of site, therefore further guidance is not required.

Q11. We would welcome your views on how best to implement the housing delivery test, and in particular

- **What do you consider should be the baseline against which to monitor delivery of new housing?**
- **What should constitute significant under-delivery, and over what time period?**
- **What steps should be taken in response to significant under-delivery?**
- **How do you see this approach working when the housing policies in the Local Plan are not up-to-date?**

Object to this change for the following reason:

Local Authorities are already required to undertake regular monitoring of their housing supply and delivery rates through the preparation of the Annual Monitoring Report, to include a 5 year land supply calculation and a housing trajectory to demonstrate delivery rates. There is no need for an additional burden to demonstrate compliance with a housing delivery test, unless it is intended to replace (rather than add to) existing requirements. Substantial amounts of time are taken up in both S78 Appeals when considering housing proposals on unallocated sites and during the local plan examination, to allow for a forensic examination of supply including delivery rates.

It would be more beneficial for monitoring, instead of being backward looking in respect of past delivery rates, to look forward to assess whether the development strategy and sites allocated to deliver this are likely to be met. The economic recession and associated reduction in housebuilding which is affected by other matters outside the control of the LPA can impact on build out rates and should be taken into account. Consequently, this means that most authorities will appear, through no fault of their own, to be under-delivering, whereas the test should be whether the local plan will deliver both its development strategy and sites allocated.

The proposals suggest that new settlements could be a solution to under supply. This is a very simplistic view, and erroneously assumes that to identify and allocate a new settlement is a quick process. New settlements take many years to plan and bring to even the start of development and the right route for this is through the local plan process. Therefore, a worst case scenario is that a significant under supply could trigger a local plan review to promote a new settlement, which will not provide a short or medium term solution (thus exacerbating the original shortfall). Notwithstanding this, the local plan is the most appropriate route rather than simply attempting to retrofit a large site/new settlement into an agreed development strategy. To require this outside the local plan process runs counter to the need to have a comprehensive evidence base; understanding of the infrastructure requirements; sustainability appraisal and to comply with the Duty to Co-operate, as such a large scale scheme will inevitably have wider impacts.

Q12. What would be the impact of a housing delivery test on development activity?

Comment

Question whether a housing delivery test would be instead of a 5 year land supply or in addition to? Constant monitoring and data collation will not deliver more homes, the test should be whether the sites identified in the local plan are deliverable, rather than looking backwards at past delivery, and this is already covered in existing guidance with the need for viability testing at both local plan and site level.

Q13. What evidence would you suggest could be used to justify retention of land for commercial or similar use? Should there be a fixed time limit on land retention for commercial use?

Object to this change for the following reason:

If this element is to be retained then it is essential that there is reference to 'existing' underused sites, otherwise these principles will be able to be applied to new build and allocations of land. Also is it the intention this just applies to land or is it also buildings?

In Winchester there is a difficult problem regarding employment land: there is clear demand for more space, especially B1, in Winchester city centre, for medium sized businesses. However, the current stock of B1 accommodation, is of poor quality and of the wrong size and shape. The proposals in this document would put that existing property at risk of converting to housing land, without resolving how modern business premises could be provided (and retained for employment use). Indeed via the changes introduced by the Government in 2012/13 to allow changes of use from B1a to residential, the Council has dealt with a number of prior approval cases which has resulted in the loss of 8000 sq metres of office floorspace for 130 residential units. Once this floorspace is converted to other uses, in particular residential, it will not be replaced having a detrimental impact on the overall supply and for the local area to be able to offer a range of size and type of premises as required by national planning policy (NPPF para 17; 21; 160 – 161 etc).

Instead what is required are incentives for landlords to refurbish, reconfigure and in places, rebuild existing B1 accommodation to suit the evolving needs of the Winchester business community.

In the rural areas, there is a need for small, often affordable, commercial space including B1 and B2. However, the proposals could result in such existing properties being marketed at inflated prices, deemed irrelevant when there is little interest, then changed to housing. Instead, methods to increase the affordability of such units need to be developed, to allow new businesses to start, and small businesses to thrive as the foundation to the wider economy.

The onus should be on the landowner to evidence why the commercial building is no longer viable in its current state, and why it would continue to be unviable if the property were invested in to make it more relevant to the businesses needs in the area. The presumption should be in favour of maintaining commercial use. The evidence base should be a record of marketing efforts, feedback from interested parties, and a cost-benefit analysis of investment in the property whilst maintaining a commercial use class.

Q14. Do you consider that the starter homes exception site policy should be extended to unviable or underused retail, leisure and non-residential institutional brownfield land?

Object to this change for the following reason:

It should not be applied to community / social facilities (some of which may be classed as leisure) as the financial incentives to do away with these important uses would be overwhelming. The use of starter homes on non-viable or underused retail uses should be limited to those that fall outside designated town centres, to ensure town centre locations are retained for retail and other town centre opportunities in accordance with the sequential approach set out in the NPPF.

Starter Homes could be one component of housing delivery on non-rural exception sites. However, the tenure mix should be determined locally, taking into account housing need, development economics and existing land values.

Q15. Do you support the proposal to strengthen the starter homes exception site policy? If not, why not?

Object to this change for the following reason:

See response to question 1; 14, 17/18

Q16: Should starter homes form a significant element of any housing component within mixed use developments and converted unlet commercial units?

Object to this change for the following reason:

See response to question 13, 14.

Consultation Q17. Should rural exception sites be used to deliver starter homes in rural areas? If so, should local planning authorities have the flexibility to require local connection tests?

Consultation Q18. Are there any other policy approaches to delivering starter homes in rural areas that you would support?

Object to this change for the following reason:

It is considered that proposals will reduce housing supply on rural exception sites. Rural exception policies are just that: an exception to the normally restrictive policy controls in rural areas. This allows for small scale schemes that contribute to local affordable housing requirements to be identified and brought forward with community support. The fact that they supply housing for local people on the housing waiting list rather than general housing requirements, serves a dual purpose to not only offer specific accommodation to address local housing needs but also is more likely to received favourable local support. To widen the definition will undermine the spirit of this policy approach. If the Government is minded to pursue this approach then, as a minimum, local connection criteria are essential, otherwise there will be no distinction between this and general housing. It is likely this will weaken local support and landowners will be less willing to come forward. It may also increase the value that landowners expect to receive for such land, potentially making development unviable, especially for other forms of affordable housing.

Existing guidance allows for other tenures to be provided to ensure that a scheme is viable and in Winchester District Local Plan Part 1 Policy CP4, specifically refers to *“in exceptional circumstances a modest element of other tenures may be allowed on the most suitable identified sites in order to enable a development to proceed, providing no less that 70% of the homes proposed meet priority local affordable*

housing needs". It should not be presumed that starter homes will meet local affordable housing needs as, particularly in high value areas such as Winchester, this is unlikely to be the case.

It is important that the driver for rural exception sites is the local, affordable housing need. Rural communities are suffering because local people cannot afford to stay in their village/ there is unsuitable housing. This includes both first time buyers and older residents wishing to downsize but wishing to stay in their rural community which may provide vital social and emotional support. The importance of local connection and understanding rural living is paramount. The lack of in perpetuity arrangements for starter homes and the incentives to sell after five years goes works against the rural exception site aim. In addition, without any 'in perpetuity' arrangements, the homes will only benefit the first occupiers so will not provide long term affordable housing for the parish

The current policy has enabled innovative local solutions to meet housing needs, which is not restricted to a particular sector of the market as is the case with starter homes. Winchester City Council is also a member of the HARA partnership. HARA has been very successful in using rural exception site policies to provide homes in rural areas which are targeted at the specific housing needs of the local community and will remain so in perpetuity.

Q21. We would welcome your views on our proposed transitional arrangements.

Comment :

From experience, any changes to national planning policy can have a negative direct impact on the ability to prepare local plans quickly and efficiently. Local Plan preparation occurs over several years with extensive research, technical evidence and community participation, it is also subject to procedures and regulations that are mandatory. To introduce major changes such as those proposed through this consultation can only delay local plan preparation, with the need to gather revised evidence and re-consult.

These changes are fundamental and if implemented will change the requirements to be expressed in local plans.

This could result in the need for a partial review of LPP1, only recently adopted. Such a requirement could open up the issue of the level of overall housing provision to be made. If this course of action were deemed necessary, then instead of providing certainty through a plan led system – a key requirement of the Government's proposals, it will introduce further uncertainty with the need to re-examine the approved development strategy and means of delivery, through the allocation of strategic sites in LPP1 and other sites in LPP2.

This approach demonstrates a naïve understanding of the complexities of local planning, and the ability to deliver the right amount of development in the right locations takes time and effort, not to mention significant resources. Whilst the consultation suggests a transition period of 6-12 months will provide sufficient timeframe for these changes to be made, this is hugely optimistic given the above issues that will potentially be raised. Revisiting overall housing provision would introduce further uncertainty and delay, so working against housing delivery rather than encouraging it. Local plan reviews require significant resources to address, with revised housing projections and the need to explore a revised development strategy; these elements will run contrary to the Government's intention to have plans in place swiftly and by extension to support a plan led system.

With regard to the preparation of LPP2, the Council intends to submit this in March 2016, to commence the examination process. This consultation paper does not give any indication as to when these changes will be implemented, but given the emphasis on house building it could be sooner rather than later. In any event, this is likely to have implications for LPP2 as, during the examination, it is highly likely that the appointed planning inspector will seek the authority's views on these matters and will probably seek some reassurance that the policies and proposals are flexible enough to deal with any pending changes. This could result in a delay in the examination itself or require post examination modifications to be prepared and consulted on prior to the inspector presenting the final report. Of greater concern is that these proposed changes are likely to create unnecessary delay to the local plan process which will generate uncertainty to both the development industry and local communities.