LONDON BOROUGH OF WANDSWORTH

Changes to the current planning system Consultation Response

Submitted on 1 October 2020 online and via email to:

 $\underline{Technical Planning Consultation@communities.gov.uk}$

About You

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Are yo	our views expressed on this	Organisation: London Borough of Wandsworth
consu	Itation your own personal views or an	Assistant Director of Environment & Community
	Il response from an organisation you	Services (Planning and Transport)
repres	sent?	
What region of England are you located in?		London – London Borough of Wandsworth
(Select one)		
	North East	
	North West	
	Yorkshire and The Humber East Midlands	
	West Midlands	
	East of England	
X	London	
	South East	
	South West	
	Don't know/ Prefer not to say	
	I/We operate nationwide	
	If another country (please specify):	

The standard method for assessing housing numbers in strategic plans

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	Wandsworth Borough Council commends the government's ambitions for increasing the delivery of new homes. However, we have reservations about the proposed Standard Method. With reference to this question and the appropriate baseline, we consider that the use of two different baselines as a starting point for the calculation is likely to cause ambiguity and confusion at the outset. The suggestion that the highest of the two should form the basis for the calculation appears to 'cherry pick' whatever outcomes deliver the highest figure.
10-year period?	In our opinion, bringing a percentage of existing housing stock into the equation of the Standard Method appears to be a non-evidence based measure to ensure that authorities' baseline
□ Yes	figure for housing isn't unduly low as a result of household projections.
⊠ No	We are also concerned that the notion of an alternative baseline
□ Not Sure Please provide supporting statement	would suggest that the household projections are insufficient to be relied upon. The consultation states at paragraph 20 that introducing the alternative baseline based on housing stock offers 'stability and predictability which has been absent when solely relying on household projections' and then goes on to say that household projections are 'still the most robust estimates of future trends'. This is a contradiction that government should address in its final guidance on the Standard Method, because if housing projects are still the most robust, then government should reconsider introducing an alternative baseline. Whilst housing stock might give an insight into the current land-/townscape, household projections are based on trends and modelling, taking into account a whole variety of factors. If the government is inclined to continue using housing stock as a baseline, we would recommend combining the two into a single baseline rather than having one or the other and having to select the higher of the two.
Q2. In the stock element of the baseline, do you agree	It can be seen from the consultation document that a percentage of 0.5% is suggested because this represents 'a basic
that 0.5% of existing stock for the standard method is	level of increase in all areas without putting a disproportionate emphasis on existing stock levels'. However, this assumption is
appropriate? If not, please	too vague and not empirically justified to be used to inform a
explain why.	local authority's housing need figure. Not all areas in the country experience similar levels of growth compared to existing stock.
□ Yes	In Wandsworth, average historical delivery rates over the last
⊠ No	ten years are approximately 1.2% per year compared to existing stock. This significantly differs from the proposed 0.5% but it is a reflection of the Council's success in negotiating and working
□ Not Sure	with developers and landowners to grant a substantial number
Please provide supporting	of planning permissions in the last few years for sustainable
statement	· · · · · · · · · · · · · · · · · · ·

development, which overall delivered a significant number of homes that the borough and London as whole needs.

Therefore, whilst it is acknowledged that relying on household projections alone is not ideal, we disagree that the inclusion in the baseline of 0.5% of existing stock levels would offer 'stability and predictability'. The figure appears arbitrary and perhaps to some extent reverse engineered to deliver a number nationally that is consistent with the government commitment to plan for the delivery of 300,000 new homes a year, i.e. the existing Standard Method has yielded around 270,000 homes per annum, and new proposed Standard Method would result in 337,000, thereby increasing the likelihood that the government's target of 300,000 would be delivered.

Overall, we are concerned that the approach of targeting more homes into areas where they are least affordable results in concentrating growth in the South East of England. As indicated in the letter of direction from the Secretary of State to the Mayor of London dated 13 March 2020, without a fundamental change in the way the Mayor and wider South East partners collaborate in addressing housing need across the wider area, the delivery of some 93,000 homes per annum in London will be unrealistic, given the long-term delivery rates in the capital are approximately 30-40,000 per annum. Wandsworth has played a significant role in delivering new homes, but it is already evident that even with the duty to cooperate, the current need for London of around 56,000 homes per annum under the current Standard Method is not being delivered under the current Mayor. It is also important to highlight that the London Plan's target (Intend to Publish version, 2019), which takes account of existing constraints and other policy and environmental issues in the borough, is some 44,000 homes fewer than the unrealistic 93,000 generated under the proposed Standard Method (this is an increase of 92%).

If London only has capacity for around 56,000 homes — on average — per annum to 2029, it is unclear where the government will envisage some extra 44,000 units per annum to be built unless there is a requirement for full cooperation of the Mayor with the wider South East partners or a levelling up envisaged which allows the Northern Powerhouse to continue to deliver the higher figures currently anticipated and above the standard method approach set out in the consultation. Such a significant jump in need will require an entirely different approach to planning in London, and it will not be possible to accommodate such a jump by simply finding some extra sites; land is a finite resource.

Wandsworth Council constantly outperforms many other boroughs in terms of granting permissions for new homes and delivering new homes; however, we are concerned that London as a whole will just not be able to meet this proposed new data,

particularly as there does not seem to be any other measures proposed, such as strategic Green Belt review in the Outer London boroughs and authorities in the wider South East. We therefore strongly urge government to consider carefully the implications of the proposed Method as it demonstrates the flaw in the process when looking at London in particular, where the highest prices are in the areas with the greatest shortages of sites and where there are also major constraints to development and redevelopment, not just physical limitations and constraints such as Metropolitan Open Land, but also the constraints due to infrastructure capacities. Wandsworth Council has a track record in delivering significant new homes per annum and we are committed to deliver more new housing, including as part of the Council's own housebuilding and regeneration programme as well as working with other public and private sector landowners and Registered Providers in the borough. However, the overall new figure of 3,059 per annum for this borough is highly unlikely to be deliverable, sustainable or indeed supported by residents. We therefore think that government will need to consider very carefully how the standard method should be applied to ensure the government's aim of 300,000 homes per annum will not continue to be beyond reach, leading to punitive measures under the Housing Delivery Test and unsuitable development in unsustainable locations. The proposed new Method appears to be intrinsically linked to Q3. Do you agree that using the workplace-based median affordability, which also becomes evident in this question. It is house price to median understood that the proposed Method reflects the affordability earnings ratio from the most of houses in an area, whereby the least affordable areas will recent year for which data is have a higher 'ratio' figure. available to adjust the Therefore, the proposals show that in authorities, especially in standard method's baseline is London and wider South East, where affordability is a key appropriate? If not, please problem, the Standard Method results in a greater housing requirement because the high 'ratio' that is used to calculate the explain why. 'adjustment factor' and which is then applied to the baseline data inflates the housing need figure significantly. Yes Based on the new Method's calculation, for LB Wandsworth, the \times No baseline will use the household growth figure of 787 per annum, with an adjustment factor of 3.89, therefore multiplying the Not Sure average growth almost 4 times, making the overall figure 3,059 Please provide supporting homes per annum. This is substantially more than the figure of statement 2,537 dwellings per annum under the current Method. In addition, it is entirely at odds in the context of household projections that are demonstrating for LB Wandsworth a dramatic fall in the 2016 and 2018 household projections of over 19,000 households by 2039, when comparing the 2018 and 2014

household projections. With the proposed removal of the cap

that applies to the current Method, the resulting number for the London Borough of Wandsworth becomes unrealistic. We are concerned that the new formula attempts to combine demographics in the form of population projections with economics. When looking in more detail at the proposed new Method, it becomes clear that the government appears to look at increasing housing delivery to affect affordability levels, and that the environmental and physical constraints of an area are not taken into account in what is a very mathematical calculation without regard for the need for a Local Authority to consult on plans and to ensure those plans balance priorities and as far as possible take account of resident views. It is not explained in the consultation document why the workplace-based ratio is more appropriate than the residencebased ratio. In addition, the ratio considers only house prices, which means that rental affordability and non-market housing provision is not included in the affordability measure. Wandsworth Council does not disagree that a dialogue is required to understand how housing delivery can be increased. However, this requires an assessment of land and indeed building availability, including opportunities to repurpose and regenerate, which can be best undertaken at a local level. The Government also has the challenge of encouraging and indeed potentially requiring that development opportunities are brought forward (including on public sector land). For London and the south east there is also the requirement to consider supply and demand on a regional and pan regional basis which this approach fails to do. In turn affordability can be assisted by the delivery of affordable housing and in turn Government investment in such housing. In London such investment often flows to areas with lower land values and more opportunity to develop. However, what the London Mayor has solely failed to provide is access to the social housing built in these areas to Boroughs with equally high demand for such housing. Q4. Do you agree that We disagree with this proposal. The new Method goes further incorporating an adjustment than the current one, and now proposes an adjustment based on for the change of affordability how much worse an area's affordability has got in the last 10 over 10 years is a positive way years. Whilst currently the figure is adjusted by a single ratio, the new Method includes the ratio for the current year and the to look at whether affordability has improved? If difference in the ratio over 10 years. The consultation document not, please explain why. does not make it clear why this change is proposed, other than inflating the numbers. Yes

In the current system it is only the level of affordable housing which can flex depending on scheme viability. The consequence

of that is often a reduced provision of affordable homes in order

 \times

No

☐ Not Sure Please provide supporting statement	to ensure that development continues to come forward. The fact the system works in that way means year on year the number of affordable homes which are required continues to increase and the gap between need and provision widens.
	In the example of the London Borough of Wandsworth, the figure adjusts the factor as follows: existing factor under the current Method is 1.9; and it is 3.89 in the revised new formula. This demonstrates that the new proposed formula seems to have been created to manipulate numbers to result in inflated numbers.
	The new formula and Method undoubtedly disproportionally affects the South East and London in particular, where a lot of areas are constrained by Green Belt / Metropolitan Open Land or already developed land. Moreover, we are concerned that this will not achieve the results in 'levelling up' of prosperity across the UK as the standard method underestimates demand for housing in growing Northern cities and uses an algorithm that results in high levels of growth in London and the wider South East, regardless of whether there is the capacity to deliver this.
	We are also concerned because there is no longer a cap to level off any unreasonable uplift that may be created by the adjustment factor. The cap which is currently in place equates as 40% above the projections or plan requirement, depending on the age of plan. The logic for removing this cap is not clear because government previously said that the cap was needed to ensure numbers were 'deliverable', whereas now it says that applying the cap is 'not compatible' with the step-change that is needed to hit the target of 300,000 homes per annum. Coupled with the change in the method around affordability, many parts of the South East and London are seeing substantial increases in numbers, which are simply not going to be deliverable.
Q5. Do you agree that affordability is given an appropriate weighting within the standard method? If not, please explain why.	Affordability is worsening in many parts of the country, especially in London and the South East, particularly in the last 10 years. The renewed and increased emphasis on affordability in the proposed new Standard Method is significantly impacting numbers.
☐ Yes ☑ No ☐ Not Sure Please provide supporting statement	However, we disagree with the government notion that homes should be built in high demand areas, without consideration to local conditions and circumstances, as this does not assist in the government's aim of 'levelling up' prosperity across the country or in achieving and promoting quality and indeed sustainable development. We are therefore concerned that the new method goes further than the current one, and as set out in responses to questions elsewhere within our response, we are concerned about the fact that the adjustment is proposed to be based on how much worse an area's affordability has got in the last 10
	years. This undoubtedly disproportionally affects the South East

and London in particular. As stated elsewhere in the Council's response, the new Standard Method and the arrival at the new need figures do not consider any environmental or physical constraints.

In response to this question specifically, the Council does not agree that affordability has been given the appropriate weighting. The Council is of the view that the cap within the existing method should be retained.

Based on the proposed Standard Method, the calculated need for Wandsworth borough is 3,059 homes per annum. Of this figure, 787 is derived from projected household growth. The application of the affordability adjustment factor represents 2,272 dwellings per annum. This clearly demonstrates that the weighting towards affordability is disproportionate.

The government should carefully consider any potential unintended consequences, such as in relation to how this proposal might change land values and ultimately the book values for developers. If the proposed Method were to be implemented, greater competition for land, particularly within the context of London, will lead to rises in land values and ultimately it will be dependent on the housebuilders being prepared to develop and deliver this scale of housing. This could have the opposite effect to enabling SME housebuilders greater access to the market or greater diversification in the market as recommended in the Letwin Review report.

Therefore, this Council is of the view that there also need to be measures proposed to get housebuilders to build out their permissions across the country in order to meet the 300,000 new homes target and to make it easier for public landowners to bring sites forward for development. We note that the parallel consultation on the Planning White Paper (i.e. Planning for the Future) does not propose any measures to address this particular issue. Setting high targets on its own will not help to deliver the homes that the country needs; it simply adds to the number of consents. It should be noted that in the last decade, Local Planning Authorities have granted permissions for over 2.5 million homes, and over 1.5 million have been built. In the last year alone, 371,000 permissions for homes have been granted, and 241,000 delivered. In London alone, there are approximately 300,000 unimplemented units at present. There needs to be more levers to encourage sites to be brought forward and to encourage higher build out rates, which could be through delivering more products on one site where the development lends itself to that approach. One approach would be to further consider the report on the "Independent Review of Build Out" (2018) by Rt Hon Sir Oliver Letwin which makes recommendations on how to close the significant gap between the number of housing completions and the amount of land allocated or permissioned on large sites in areas of high housing

demand. In addition, the July 2020 Housing Delivery Recovery report of London's Housing Delivery Taskforce contains some proposals worthy of further consideration.

The figure of 3,059 homes per annum under the new Standard Method for LB Wandsworth represents a significant increase to that of the current Standard Method (i.e. 2,537). Wandsworth Council has always been at the forefront for delivery of housing, and we are proud of our performance and achievements on delivering the new homes the country needs. However, the revised new Method sets some authorities up to fail despite their best efforts to increase housing delivery. Ultimately, this will do nothing to improve affordability or resident support for sustainable development as it arguably penalises authorities that just cannot achieve what are unreasonable targets.

The Council therefore recommends that government carefully considers its proposals affordability is not a one dimensional problem and it is not one that Planning alone can address and resolve; a more sophisticated and joined up approach is needed to deal with the country's affordability issues.

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? If not, please explain why. Are there particular circumstances which need to be catered for?

☐ Yes

■ No.

☐ Not Sure
Please provide supporting
statement

The Council is concerned with the introduction of this significant step-change that is resulting in unrealistic and undeliverable housing numbers for London in particular.

In addition, it needs to be made clear that within the context of London, where the London Plan sets out housing targets for each London Borough, based on need and constraints, any revised guidance published as part of a PPG would not 'trump' the London Plan.

Overall, the proposed Standard Method, which will generate a figure for local housing need, taking account of existing stock levels, household projections and affordability, does not take into account at all the environmental, policy and physical constraints that exist in boroughs and which would be used to work from the Objectively Assessed Housing Need through to a housing target which is appropriate in a Local Plan and can be delivered.

As an example, in Wandsworth, the borough's housing target is derived by the London Plan, with a current target of 1,812, rising to 2,537 under the current Standard Method. The London Plan figures are capacity-based rather than needs-based. Wandsworth is an exceptional borough in delivering significant numbers of new homes, and this is demonstrated in our past delivery rate of 2,165 homes per annum. However, in contrast, the proposed Standard Method generates a figure of 3,059. This is substantially higher and whilst we are a Borough that consistently delivers above the London Plan target, which is a realistic one taking account of existing constraints, we are concerned that the proposed Standard Method is unrealistic and

not deliverable. As a minimum any such figure should be predicated on Councils revisiting potential capacity and there being put in process a mechanism for each Council to agree or seek to negotiate the figure proposed by Government. Given the rigour of the local plan examination process it would seem appropriate that London authorities maintain the figure established in the Intend to Publish London Plan. With respect to the transitional arrangements, as the proposed Standard Method is inappropriate for most London boroughs, the questions on transitional arrangement are somewhat academic. We are currently in an exceptional situation as a result of the coronavirus pandemic, which has put significant pressures on local authorities' budgets and resources. Whilst all attempts are being made to progress with plan-making as much as possible, we have experienced delays to our Local Plan timetable as a result of internal or external partner organisations or agencies being unavailable or indeed on furlough (e.g. see TfL), and additionally some professional consultancies that are supporting authorities in drawing up the evidence base, such as on housing need, were also impacted by the pandemic. It has not only affected resources but also day to day working arrangements and how we are engaging with our communities. Moreover, the pandemic is having significant impacts on the wider economy, which is affecting several evidence base studies that support the development of existing plans and indeed consideration of future regeneration and development capacity. Do you agree that authorities See response to Q6 above. should be planning having It is not thought that in the current circumstances, the proposed regard to their revised transitional period is sufficient. standard method need figure, from the publication date of the revised guidance, with the exception of: 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? Yes

⊠ No	
□ Not Su	ıre
Please provide	
statement	

Delivering First Homes

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): Please provide supporting statement

Wandsworth Council supports the intention behind the First Homes initiative, which is to help many more local people buy their first home. In turn we would anticipate that such initiatives would have a positive effect in increasing mobility between sectors and tenures.

Under the proposals, Wandsworth Council's existing policy requirement for a tenure split of 40% intermediate would become 25% First Homes and 15% intermediate tenures, plus 60% for London Affordable Rent/Social Rent.

This would mean that affordable housing calculations would need to be reconsidered to factor in First Homes. First Homes could be accommodated within our planning policies albeit this raises particular challenges in terms of continuing to achieve affordability of intermediate housing to meet identified local needs and also accommodating other intermediate products such as intermediate rent and London Living Rent, which we believe does have a place in meeting local demands including that arising for key workers.

We are also not sure whether government has considered the likely implications on Community Infrastructure Levy receipts.

As Wandsworth Council submitted in the consultation on First Homes earlier this year, it is supportive of the First Homes product in terms of providing opportunities for first time buyers to gain access to low cost affordable housing. To this end the Council has already given planning permission and a scheme has been completed in the borough by Pocket Living and the Council is also delivering similar type products on its own Council led developments.

However, the Council does have concerns on a one size fits all implementation of First Homes, particularly in a borough with high house prices such as Wandsworth.

To this end, we have conducted a comprehensive analysis of shared ownership sales in Wandsworth in 2019/20 to estimate house prices for different types of properties. There were 112 sales that had the following OMV and average household incomes:

1 bed OMV - £ 464,592 average household income £ 48,672

2 bed OMV - £ 685,163 average household income £ 62,947

To compare First Homes affordability against the above open market values, we have used the GLA's modelling which requires no more than 40% of net household income to be expended on household costs (mortgage rent and service charges) and net

being 70% of gross income. To note the Council's has adopted policy on affordability of low-cost home ownership which requires 50% of all intermediate housing to be affordable as follows: £ 48,500 for a 1 bed and £ 58,500 for a 2 bed. The modelling would look as follows:

1 bed OMV - £ 464,592

First Homes Discount @ 30% = OMV £ 325,214 - 10% deposit = £ 32,521 Mortgage Required = £ 292,693

Mortgage Cost at 4.5% interest on 25-year repayment mortgage = £ 1,645 pcm + £ 125 pcm service charges) + housing costs of £ 1,770 pcm.

A household income of £ 48,500 would have £ 1,132 pcm to expend on housing costs. To afford the above housing costs would require a household income of £ 75,857 per annum

2 bed OMV - £ 685,163

First Homes Discount @ 30% = OMV £ 479,614
- 10% deposit = £ 47,961

Mortgage Required = £ 431,635

Mortgage Cost at 4.5% interest on 25-year repayment mortgage = £ 2,426 pcm + £ 125 pcm service charges + housing costs of £ 2,551 pcm.

A household income of £ 58,500 would have £ 1,365 pcm to expend on housing costs. To afford the above housing costs would require a household income of £ 109,329 per annum

(Whilst clearly mortgage repayment rates are lower currently than 4.5%, we use this figure for modelling to allow for interest rate fluctuations during the lifetime of the mortgage.)

We are sure this is an unintended consequence of these proposals noting that as a product Wandsworth Council is and has been supportive of reduced equity and discounted market sale arrangements given their simplicity and the opportunity it gives for full ownership. However, there is little doubt that a household income of £ 75,857 or £109,329 exceeds the capabilities of most first time buyers and key workers by a substantial margin which would mean Wandsworth Council would need to use "planning gain" to secure higher discounts to make First Homes affordable unless there is some form of grant subsidy to support the delivery of First Homes in higher value areas which is the approach that Wandsworth Council would support.

However, if this approach was taken in boroughs such as Wandsworth the planning gain required to achieve such significant discounts would merely reduce overall levels of affordable housing delivered including intermediate and affordable rent. In this respect Wandsworth Council is one of the few Councils in the country to maintain a low-cost homeownership listing. This is a listing of some 5,000 households living or working in the Borough who aspire to own their home. Of these 5,000 households the First Homes product would if offered without adjustment only be affordable to 10-20 households at most. This is not a selling point or a starting point for a product which, we believe is intended and should be reaching much further down the income bandings to its target audience (e.g. first time buyers on average incomes wanting to purchase).

The challenge therefore for the Government and Councils such as Wandsworth is how to deliver products such as First Homes in sufficient quantity to affect values and reduce demand whilst demonstrably maintaining levels of affordability for local residents. This would indicate that a national approach mandating a fixed percentage would not be the best solution to ensuring that Council's across the country continue to support increased access to home ownership. A key factor we believe will be public subsidy support as was provided for the highly successful Help to Buy scheme.

In addition, the consultation document does not make it clear whether this requirement will apply only to C3 residential uses, including Build to Rent, or also to other schemes such as for extra care, retirement living, co-living. We strongly encourage the government to provide clear guidance on this because a pure Build to Rent scheme or co-living scheme would not be able to provide First Homes with the Council clearly looking to maximise the delivery of affordable intermediate rent on site given the local benefit. In addition, the consultation is silent on the point that the developer could make a viability argument to reduce the on-site affordable housing and/or payment in lieu and a consequence may be that the only affordable housing to be delivered on site would be First Homes.

Overall, we support the introduction of First Homes, but price points and discounts must be a matter for local discretion with where appropriate supply being supported through grant subsidy. Additionally, sufficient provision should be made to ensure that other forms of affordable housing can be delivered in quantum including forms of intermediate rent.

We believe that demonstrating local benefit is key to making local development acceptable and that accommodation that is perceived to be affordable only to the few will work against

	Wandsworth Council's housing ambitions both as a planning authority, enabler and developer.
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 (eg. for build to rent) also apply to	Currently Build to Rent developments are exempt from other homeownership products. The Council would consider that Build to Rent is a bespoke product that is better provided as a single tenure with a mixture of market and discounted rent for housing management and service charge reasons. Given BTR is already exempt from providing other forms of market sale affordable products, we would not see why First Homes would be an exception to this.
this First Homes requirement? Yes	
□ No□ Not SurePlease provide supporting statement	
With regards to current exemptions from delivery of affordable home ownership products:	See response to Q9 above.
Q10: Are any existing exemptions not required? If not, please set out which exemptions and why.	
□ Yes	
⊠ No	
☐ Not Sure Please provide supporting statement	
With regards to current exemptions from delivery of affordable home ownership products: Q11: Are any other exemptions needed? If so, please provide reasons and	The Council would recommend that schemes providing specialised supported housing, such as schemes for specific vulnerable groups e.g. learning difficulties, mental health and the elderly, were also exempt. The Council does not see First Homes as a product that would be appropriate for these types of schemes given the client groups and the purpose of such schemes.
/or evidence for your views: X Yes	
□ No	

☐ Not Sure Please provide supporting statement	
Q12. Do you agree with the proposed approach to transitional arrangements set out above?	This will clearly impact on some planning applications pending at present and those at pre-application stage. The Council considers that the proposed transitional period of 6 months is likely to lead to confusion and uncertainty for developers and providers, particularly around which Local Plan policies apply or
□ Yes	not.
No Not sure Please provide supporting statement	At this stage we do not really know what impact First Homes would have on developments until the overall planning reforms as set out in the parallel consultation on Planning for the Future are in place, what levels of discount would be required to First Homes to make them affordable in each borough, and consequently what the impact on First Homes top slicing would have on the delivery of other affordable tenures.
	Therefore, this Council recommends a longer transitional period of up to a year. During the year, boroughs could undertake a level of modelling to measure the actual impact and develop plans for how we would see First Homes being introduced in the borough.
Q13. Do you agree with the proposed approach to different levels of discount? Yes	Councils and local planning authorities will need to understand the level of discount required to make First Homes affordable to each borough's circumstances. We would also need to understand whether public subsidy, sat at the same current rates for other forms of intermediate housing will be available.
□ No Not Sure Please provide supporting statement	It is unclear how future sales of First Homes will be monitored to ensure that these properties continue to be made available to local people at the reduced rate. Wandsworth Council is fully committed to ensuring that lower cost forms of housing are prioritised for local residents and workers. Indeed, Wandsworth already has a template for managing resales of shared ownership through financially supporting a Homeownership Team. Prioritising and tracking First Homes and resales (at discount) however provides a different level of challenges, logistics and risks.
	An approach to resolving this would be to require sales of First Homes to Registered Providers who are used to, and have the infrastructure to, manage low-cost homeownership homes and prioritise resales. However, Wandsworth Council believes this is too restrictive and a more straightforward approach would be to set out within leases and on title as required provisions firstly for discount sale in perpetuity. There may also be an opportunity to have some form of options call (similar to RTB buy backs that must be offered to the Council) that requires the occupier to offer a property for a Council nominee and/or designated organisation. This would certainly be an approach Wandsworth

Supporting small and medium-sized developers

Q17. Do you agree with the proposed approach to raise the small sites threshold for a time-limited period?	Our analysis for Wandsworth borough shows that for the last 3 years, 10% of all affordable housing secured or 125 out of 1,237 units has been secured on developments of less than 50 units.
□ Yes	Whilst we acknowledge the intentions by the government to help SME builders, our view is that raising the threshold may lead to a reduction in affordable housing which could be unwarranted if other approaches were taken to support the SME sector – which is
⊠ No	the intention of this proposal.
□ Not Sure Please provide supporting statement	The government's impact assessment of these proposals should make clear who a SME builder is when refining the proposals, and whether the SME builders have been engaged and that they can confirm this will assist them. An option may be to seek to increase the threshold from 10 to 20-30. We believe that such an approach may better encourage and indeed capture and incentivise what might be characterised as the smaller local builder rather than sites (40-50 units), which in some higher value boroughs may attract larger property developers who can see the potential attraction for bidding for sites which elsewhere may be considered small.
	It should also be noted that generally viability can be considered at the planning application stage and should a financial contribution and/or the provision of on-site affordable housing not be viable, then through the demonstration of viability evidence / financial assessments the local planning authority can accept a lower contribution to affordable housing. Indeed, it has been the practice in Wandsworth over the last 2-3 years to seek commuted sums in order to encourage development and on the basis that smaller sites do not lend themselves to onsite provision. Perhaps therefore an alternative might be considered with the threshold lifted to 20-30 units net increase.
Q18. What is the appropriate level of small sites	As above stated in the response to Question 17, Wandsworth Council would wish consideration to be given the following:
threshold? ☐ i) Up to 40 homes ☐ ii) Up to 50 homes ☐ iii) Other (please specify): Please provide supporting statement	 Some regionality in determining revisions to thresholds relative to need; A threshold set at 20-30, which for London better targets sale of sites to what our local residents would perceive as SME more local builders and property developers between 20-50 options to either pay a set commuted sum to support affordable delivery elsewhere or a portion of onsite delivery of First Homes.
Q19. Do you agree with the proposed approach to the site size threshold?	The consultation document states in relation to the site size threshold that "For example, for a threshold of up to 40 units we would expect to see a reduction of between 7% and 14% of section 106 affordable housing delivery over a single year,
□ Yes	

X	No	assuming overall housing delivery remained constant. For a threshold of up to 50 units, this would be between 10% and 20%".
□ Please statem	Not Sure provide supporting ent	Having carried out an analysis of the affordable housing secured during the last three financial years in Wandsworth, we know that the raising of the threshold to 40 units would have resulted in a reduction of 8% of S106 affordable housing delivery, or 33 in a single year; with a 50 unit threshold, there would have been a reduction of 10% or 42 in a single year. If this change in the threshold approach would apply to an 18-month period, assuming overall housing delivery remained constant, this would mean a reduction of 50–63 units for that period. The consultation document assumptions would align with Wandsworth's analysis. However, as our response to Question 18 makes reference we believe that there may be a better way to encourage SMEs to develop and for smaller sites to simplify contributions to affordable housing.
linking period and rais an initia	o you agree with the time-limited to economic recovery sing the threshold for al period of 18	Whilst the Council appreciates the efforts the government is trying to take on supporting economic recovery, this proposal is not going to reduce the costs for developers as it is about the price paid for the land which should be subject to adjustment taking account of local planning policies
months	Yes No Not Sure provide supporting	We note the consultation document states that SME builders have been declining in the long term, and that there were 16% more builder and developer insolvencies in 2019 than in 2018. We also commend the government's efforts in trying to help SME housebuilders; however, Planning is only a piece of a much bigger jigsaw of problems that SMEs are facing. This is also evidenced in the very recent report of the All Party Parliamentary Group for SME House Builders on ways to improve the planning system in the UK: https://www.aldermore.co.uk/media/4894/appg-sme-house-builders-planning-report.pdf
		SME builders are already benefitting from flexibility on Community Infrastructure Levy (CIL) payments. The deferred payment approach as has been implemented for CIL was a welcomed measure to help those struggling with cashflow whilst ensuring local authorities and ultimately local communities still receive contributions towards infrastructure. The proposal to increase the threshold to 40 or 50 units is entirely at odds with the approach that was taken on CIL payments as local authorities and people most in need of affordable housing will lose out and there is no ability to claw back financial contributions or indeed provide on-site affordable housing to achieve mixed and balanced communities.
	o you agree with the ed approach to	The consultation document acknowledges that there will be a "trade-off between introducing measures to increase the number of developable small sites and the importance of securing section

minimising threshold effects?	106 planning obligations to deliver affordable housing including First Homes".
☐ Yes☐ No Not Sure Please provide supporting statement	We believe there is a middle way that could be considered by Government where sites of a certain threshold deliver a fixed affordable requirement. This fixed requirement could be First Homes which we believe might also assist with cash flow if sold on to a housing association/Registered Provider for instance. The Government could also consider Councils being able to seek exemptions from the adjustment to thresholds on the basis of a high level of need for affordable housing being identified.
Q.22. Do you agree with the Government's proposed approach to setting thresholds in rural areas? Yes No Not Sure Please provide supporting statement	No comment as this Council is not a rural authority.
Q23. Are there any other ways in which the Government can support SME builders to deliver new homes during the economic recovery period? Yes No No Not sure Please provide supporting statement	There are a number of proposals contained within the report by the All Party Parliamentary Group for SME House Builders on ways to improve the planning system in the UK: https://www.aldermore.co.uk/media/4894/appg-sme-house-builders-planning-report.pdf As set out elsewhere we remain unclear as to how raising the threshold for affordable housing would assist a SME as inevitably it would still be the market that would determine who a site is sold on to. Equally, the changes are unlikely to trigger an offloading of sites to the SME sector albeit it is possible that such sites will increase in value and become unaffordable to SME contractors?
	Supporting SMEs requires various ideally proven approaches which might include providing/consolidating/supporting SMEs to secure funding to support their development activities. Such an approach is direct assistance rather than one that may or may not have a positive impact. The wider question opened by this proposal is whether such initiatives are required to support both larger and smaller developers and landowners to keep building? Wandsworth Council's view is that this is possible but as set out above this does not mean an appropriate level of affordable housing is not achieved.

Extension of the Permission in Principle consent regime

Q24. Do you agree that the new Permission in Principle should remove the restriction on major development?	The Council is of the view that, in principle, the Permission in Principle (PIP) consent regime could be available to any development at any scale, excluding or limiting EIA developments and any restrictions in relation to Habitats requirements (i.e. the Conservation of Species and Habitats Regulations 2017.
□ Yes □ No ■ Not sure	It can therefore be assumed that PIP could now be able to be applied for in relation to all major development, except development that requires EIA unless a negative screening opinion has been obtained, capped at 150 dwellings/5 hectares).
Please provide supporting statement	It is noted that the consultation document does not specify the scope of a major development, although the paper notes that, currently, "84 per cent of planning applications for residential development are for schemes of 10-150 homes, which deliver 46 per cent of new housing development each year".
	It should be noted that Brownfield Land Registers and the ability to apply for Permission in Principle consent have now been in place for a number of years (since 2017). There has been little use of this process because it does not provide sufficient surety that a site can, in fact, be successfully developed through the technical details consent process. It is not clear how PiP works where the Sequential test and the Exceptions test apply to the principle of development.
	The Council has an extensive Brownfield Land Register (Part 1) in place, the route of applying for PIP has only been used once in Wandsworth borough. Consent was approved for the Technical Details and the development has been carried out.
Q25. Should the new Permission in Principle for major development set any limit on the amount of	The Council does not consider it necessary to limit the amount of commercial development part of a PIP. However, our comments in relation to the timescales should be noted.
commercial development (providing housing still occupies the majority of the floorspace of the overall scheme)? Please provide any comments in support of your views.	In addition, it would be helpful if a definition could be provided for "housing-led" and "majority of floorspace" to avoid any confusion between developers/applicants and local planning authorities.
□ Yes	
⊠ No	
☐ Not Sure Please provide supporting statement	

Q26. Do you agree with our The Council is concerned that the consultation document assumes proposal that information no changes will be necessary in relation to the current process set requirements for Permission out in regulations for granting PIP by application, i.e. in relation to in Principle by application for the 5-week determination period and the 14-day period for major development should consultation with the public and statutory consultees. broadly remain unchanged? If you disagree, what Whilst we acknowledge that it is desirable to get an early decision on the principle of development, the 5-week period is already changes would you suggest and why? considered challenging for 'minor' development. However, the new proposal is to extend this to major developments (subject to some limitations), and a 5-week period is entirely unsuitable for Yes determining the principle of development on major sites. We strongly encourage the government to increase the determination X No period to at least 8 weeks or ideally 10 weeks, with a 21 day statutory consultation period. This will allow for a more genuine Not Sure consultation with the local community as well as with statutory Please provide supporting consultees. Statutory consultees in particular are often under a lot statement of pressure and unable to provide comments on time. There is a risk that if the 5-week period is not increased, that PIP consents will be refused as there was insufficient time to fully consider all the matters around the principle of the development in that short timescale. In addition, we are also concerned that there is a potential "democratic deficit" for member engagement. it is almost impossible to take a PIP to Planning Committee within the 5-week determination period, and this is of particular concern in relation to major developments that may raise a number of local objections with potentially major impacts on our local area. In terms of the information requirements, we are content that these can broadly remain as they are, with the Technical Details consent stage covering the detailed development proposals. There are however several areas where additional information should be requested: "Amount of development": this is a relatively broad phrase; we are fully aware that requiring more detail at the PIP stage would add further complexity to the determination of the PIP, but if timescales for the PIP process were to be amended, then more information in relation to the "amount of development" would be "Distribution of uses": for larger scale proposals with a mix of uses and not just residential development, a plan with information to show the distribution of uses on the site should be submitted as this would help considering constraints, e.g. flood zones. "Type of development": this should ideally also be specified, such as flats / houses etc., all of which will determine the overall "amount". Q27. Should there be an If government is minded changing the timescales for the additional height parameter determination of PIP schemes, e.g. to 8 weeks or ideally 10 weeks

for Permission in Principle? Please provide comments in support of your views. Yes No	as set out in response to Q26 above, a height parameter would be welcomed. A height parameter may provide greater clarity for all about the scale of development that is acceptable for a site and is a key factor in the consideration of the principle of development in established built-up areas, particularly in urban locations. Height is also a key determinant in establishing the amount of development that can be achieved on a site.
Not sure Please provide supporting statement	We agree however also with government's analysis as set out in the consultation document that the inclusion of a maximum height parameter would add further complexity to the determination of the PIP as it starts to bring in design considerations. This borough has a significant amount of designated heritage assets; townscape elements and other sensitivities relating to height are important considerations in the majority of schemes.
	Adding further considerations, such as height, will however require time and resources. If government is not minded changing the timescales for PIP or if the fees are not commensurate to the types of schemes (with the provision of cost recovery – see responses to Q29 and Q30 below), then we wouldn't support the inclusion of a height parameter as it would not be possible to assess this in 5 weeks. In this case, local planning authorities will have to rely on guidance and Local Plan policies on acceptable heights or guidance/policies on land that is suitable for taller developments, and this would need to be assessed at the Technical Details stage, where other factors such as local context and surrounding area, impacts on neighbouring dwellings etc. can be fully considered.
	Another aspect to consider is that if a PIP sets a maximum height parameter, then it is likely that schemes will be designed to this limit without due regard to the surrounding area, context etc.
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:	The consultation document notes that local communities should have the opportunity to make representation on major development that might affect them. As stated in response to Q26 above, the timescale for determination in 5-weeks is incredibly tight, and should this not be amended, we agree that local communities need to be notified quickly about such an application.
 □ i) required to publish a notice in a local newspaper? □ ii) subject to a general requirement to publicise the application or 	The temporary regulations introduced in May 2020 around the publication of applications has been a welcomed measure. This Council would support amendments to the publicity requirements for PIP to enable similar flexibility rather than the traditional publicity requirements. As an example, publishing notices in newspapers that only get printed once a week may result in some loss of time to advertise a proposal, particularly if the consultation period is only for 2 weeks, and the determination period 5 weeks.

□ iii) both?	Since the start of the Covid-19 pandemic, the Council has also
□ Iv) disagree	embraced even further the use of social media, and we therefore
, 5	believe that many residents would prefer more digital means of
If you disagree, please state	communication rather than traditional publicity.
your reasons. Please provide	,
supporting statement	Given there could be very significant increases in the scale of
Supporting statement	development to be granted PIP, we consider that a requirement
	for a statutory site notice should be embedded in order to address
	neighbour notification; however, this will also need to be reflected
	in the proposed revisions to the fee (see response to Q29 below)
	as costs in relation to publicity requirements can easily add up; for
	example adverts in local newspapers are very expensive and not
	necessarily considered to be effective in informing those that
	could be affected by a particular development. Due to the
	currently proposed retention of the 5-week determination period,
	the requirements shouldn't be too onerous on the Council to
0.20 Da vou agree with ave	notify neighbours.
Q29. Do you agree with our	The Government is proposing to adjust the application fee regime
proposal for a banded fee structure based on a flat fee	to increase the cost saving in comparison with a traditional
	application for outline planning permission.
per hectarage, with a	The consultation document highlights that under the current fee
maximum fee cap?	structure for PIP, an application for a 1-hectare development
	would cost approximately £4,000. It notes that this appears
□ Yes	relatively expensive considered that the cost of an Outline
_	application is £4,600. The options analysed in the consultation
⊠ No	document are clearly set out.
	Wandsworth Council agrees that option b) is not practical as a fee
□ Not Sure	based on the actual number of dwellings would not be
Please provide supporting	appropriate as we will not know the exact number of units until
statement	the Technical Details consent application.
	Market that are a second and for a second se
	We note that government prefers a simplified banded fee
	structure (option c of the consultation document). Whilst this may
	appear to be the simplest option, it fails to recognise that even
	small sites of 0.2 to 0.3 hectares can raise a number of complex
	issues, such as in relation to heritage matters or flood risk, which
	could necessitate substantial liaison with statutory consultees, and
	which would affect the principle of development. Negotiations
	may also need to be held in terms of proposed land uses, their
	distribution and particularly minimum and maximum number of
	residential developments, all of which can be complex and time
	consuming, especially in built up urban locations. In addition,
	there are a range of other tasks associated with processing an
	application, such as in relation to IT processes, publicity and
	consultation requirements as well as officer resources. Coupled
	with the added complexity of only being able to assess the
	principle of a development, this Council would like to propose
	adopting a minimum fee per PIP application, such as £300, which
	would be sufficient for some applications. However, there should
	be provision for cost recovery with local planning authorities being
	able to invoice developers with proof of further costs incurred

beyond the initial fee prior to the issuing of the final decision notice, particularly for larger or more complex schemes that require significant input and negotiations with statutory consultees, such as the Environment Agency on flood risk matters. Q30. What level of flat fee The current flat fee for PIP consent is £402 for each 0.1 hectare. do you consider appropriate, Whilst we acknowledge that £402 for each 0.1 hectare could add and why? up quite substantially for larger sites, we are concerned that setting the fee too low would mean that we wouldn't be able to devote the resources to the task and prioritise PIP consent applications over others. Ideally, the costs should be based on and calculated on a site by site basis. Perhaps the initial cost could be £300 per 0.1 hectare, with further provisions to enable local planning authorities to recover their costs. See our response to Q29 above. Q31. Do you agree that any Yes. This seems to be a logical proposal as currently Part 2 brownfield site that is comprises only those sites in Part 1 that the local planning granted Permission in authority has decided that the land would be suitable for a grant Principle through the of permission in principle for residential development. application process should be included in Part 2 of the Brownfield Land Register? If you disagree, please state why. X Yes No Not Sure Please provide supporting statement Q32. What guidance would The Council would welcome guidance in relation to assessing help support applicants and potential impacts or constraints of adjoining areas or outside of a local planning authorities to site. Also, if a development receives Permission in Principle make decisions about consent, could a development be subsequently refused Technical Permission in Principle? consent due to unacceptable impacts that cannot be mitigated, Where possible, please set and which weren't assessed as part of the PIP process? Clarity out any areas of guidance regarding such matters would be welcome. you consider are currently lacking and would assist In addition, guidance as to what factors can be considered when stakeholders. deciding on a PIP application would assist both applicants and the local planning authority. A particular issue we have knowledge and experience of is in relation to the 'amount of development' in the guidance, which is a relatively broad phrase. Whilst we are fully aware that requiring more detail at the PIP stage would add further complexity to the determination of the PIP, a more detailed requirement on the 'amount of development would be helpful.

Regulatory Impact Assessment

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

Granting of Permission in Principle does not guarantee that a subsequent Technical Details application will be approved. Therefore, one of the drawbacks is that developers may have to consider additional costs in the longer term, particularly if the Technical Details stage flags up some fundamental issues with a scheme that are difficult to mitigate e.g. flooding or drainage requirements or protected species matters.

In addition, the PIP process and consent wouldn't give developers any certainty on planning obligations that may need to be delivered as part of the scheme or that might be payable in order to grant Technical Details consent.

Regulatory Impact Assessment

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

To date, Wandsworth Council had 1 application for Permission in Principle. All development in Wandsworth takes place on brownfield land and given there's been no take up of the PIP process in this borough, this would suggest that this process is not necessarily needed when redeveloping existing developed sites / brownfield land. In addition, Wandsworth borough is a highly desirable place to live with high land values and high build out rates; this would suggest that developers prefer submitting a full planning application (preceded by a pre-application) rather than go through a PIP and Technical Details process.

Public Sector Equality Duty

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?

If so, please specify the proposal and explain the impact. If there is an impact – are there any actions which the department could take to mitigate that impact?

It is not clear how the PSED has been fully considered, with no details to show the reduction in other affordable housing tenures will be 'relatively small'. As set out elsewhere in this response, the proposal will replace other affordable home-ownership products and will compete with genuinely affordable housing e.g. for London Affordable Rent/Social Rent, which will impact on our ability to meet priority local needs given there is a need for affordable housing in LB Wandsworth.

The needs of larger households should also be considered as shared ownership and indeed First Homes tend to focus on provision in higher value areas, with delivery of 1 and smaller 2-bed units. This does not necessarily support the development of family and indeed larger family households. A potential reduction in rented forms of housing, including intermediate, will reduce family offers of low-cost housing, and this potential impact should be assessed and considered.

As identified and notably those approaching the Council for urgent housing assistance are often the most vulnerable and also a significant minority will identify themselves as BAME. To characterise these will be households that will be generally on very low incomes and where social housing helps achieve a level of stability to progress. If supply of this housing reduces temporary accommodation use will increase. It is self-evident and can be evidenced that this will be the case in Wandsworth as the

changes across the piece will reduce the delivery of genuinely affordable housing.
It is difficult to understand how these matters have been fully considered particularly as these impacts will be more significant in
some boroughs and areas than others.

Final Question

Have you responded to a Government consultation before?	Yes
⊠ Yes	
□ No	