

HOMES FOR THE SOUTH WEST

Planning for the Future Consultation
Ministry of Housing, Communities and Local Government
3rd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

27 October 2020

Dear Sir/Madam,

Planning For The Future

I write as Chair of Homes for The South West, a group of 11 of the largest housing associations in South West England, in response to the Government's Planning For The Future white paper.

We wholeheartedly support Prime Minister Boris Johnson's stated objective to give *"the people of this country the homes we need in the places we want to live at prices we can afford"*.

We also warmly welcome Secretary of State Robert Jenrick's ambition to create *"a significantly simpler, faster and more predictable system... where all pay a fair share of the costs of infrastructure and the affordable housing existing communities require and where permissions are more swiftly turned into homes."*

Homes for the South West have 22,000 new homes in the pipeline by 2025, and we are ready to invest £2bn in new housing. With the right frameworks and support from government we could do even more; we estimate that an additional £1bn of funding would help us to deliver an extra 20,000 new affordable homes in the South West. This submission is offered in the

HOMES FOR THE SOUTH WEST

spirit of collaboration and pragmatism; we voice support for the proposals we think will help us to build more and offer constructive feedback on the suggestions we think may hinder us.

While some matters highlighted in our response are not strictly within the scope of this white paper, I have mentioned issues from other recent government consultations where they are overlapping or relevant. We have also grouped questions together in themes where it makes sense to do so.

We have included a series of case studies at the end of this document which help to illustrate some of the points made below.

Planning for development

We strongly support a more streamlined approach and a quicker decision-making process, using transparent and enforceable criteria known in advance. (Q5)

We also welcome the proposals for a more professional decision-making process, with a focus on shaping, influencing and supporting development (Q6) as well as a more consistent digital, map-based Local Plan & planning system. (Q11).

We are positive about democratic engagement, supported by accessible local plans, meaningful consultation and retention of neighbourhood plans (Q11-13) as well as earlier public/community engagement in plan-making, avoiding public objection at application stage (Q5 & 13) and the creation of Local Plans which don't repeat national policy (Q6).

Similarly, a standard housing methodology that is informed by objective criteria such as housing need, local area affordability and affordability gaps would be helpful – we strongly support factoring affordability into the standard assessment, as this will be particularly important in the South West where many areas have very high salary to house price ratios (Q8). There is widespread acceptance that more homes must be built and the ambition to do this needs to be reinforced by setting the right targets.

We agree that digitalisation can help to make the system truly accessible and revolutionise public involvement in planning (Q11), particularly in opening up the decision-making process to traditionally under-represented communities.

HOMES FOR THE SOUTH WEST

Our suggestions for what would further support improvements to the planning system include creating a clear role for elected Mayors in strategic planning and strategic sites (say over 1,000 homes) especially if the duty to co-operate is no longer in force (Q7 and 9).

We would also like to see a hard-wired connection between Local Plans and Infrastructure Levy priorities, in particular affordable housing provision (Q6, Q21-25) to ensure that democratically created plans have the financial means to ensure delivery.

Encouraging mixed tenure developments would help to increase build-out rates (Q14) - something which housing associations are perfectly positioned to deliver because of our cross-tenure approach - as would streamlining the discharge of conditions through better resourcing of planning teams and statutory consultees (Q11).

There are also some potential barriers to housing delivery in this section, and we'd welcome more clarity on the Government's approach to these particular issues.

For instance, we believe the public would like to be assured that a standard method for determining housing supply needs is objective and does not simply replace local political considerations with national ones. (Q8) Best practice in consultation could involve considering how to explain local housing need, using practical examples from the community.

The removal of the five-year housing land supply requirement, and reliance on a housing delivery test, could result in under-supply in Local Authorities which aren't performing. The housing delivery test has a delayed impact and even with 'reserve' sites identified in a Plan, new supply will take 2-3 years to come on stream – therefore a Local Plan should accurately reflect land supply and delivery. Decades of under-delivery have resulted in demand out-stripping supply which has impacted affordability. (Q6)

The removal of the 'duty to cooperate' may cause difficulty for some Local Authorities within the South West who cannot achieve their required number of new homes – but this should not delay the publication of Local Plans. (Q7)

During any transition period, Local Authorities must maintain 'business as usual' while reforms are brought forward (Q5-13). Regarding the proposal for Local Plans to be brought forward within 30 months, we agree this is needed but would like to understand how it will be enforced and how capacity within local planning departments can be improved and increased to help deliver this objective. (Q12)

HOMES FOR THE SOUTH WEST

Planning for beautiful and sustainable places

We are strongly in favour of the proposals to encourage quality and sustainability in the built environment. We believe that's what we already do as Housing Associations; we are place-shapers, neighbourhood anchors working with local people, and long-term asset holders (Q17-20). We support measures which seek to deliver the ambitions of the 'Building Better,

Building Beautiful' report, and in fact the Homes for The South West publication 'Building The Homes The South West Needs' is explicit in seeing this as the way forward. (Q17-20)

We agree with the proposal to realign Homes England's objectives to give design more emphasis (Q19), and support the improvement of local design codes, with each area having a local Chief Officer for design and place-making. (Q17 & 18)

Prioritising good design in decisions around the disposal of public land would also support this objective.

What this new approach will really need is resources. We would like to see Local Authorities adequately equipped to enforce design codes effectively. Without this, there's a risk of fast-track inappropriate development which takes advantage of Local Authorities not having the skills or resources to challenge (Q17,18 and 20). In addition, public involvement in the codes would help, given the importance of high-quality design to community acceptance.

Similarly, the 'Building Better, Building Beautiful' report influences the proposals, but its ambitions for Local Authorities to become centres of excellence requires significant investment and commitment. (Q17)

Design Codes must be realistic and not make development unviable or stifle delivery which could reduce affordable housing (Q17-18). An assessment of this should be made when the Codes are produced.

Planning for infrastructure and connected places

We support the proposal to introduce an Infrastructure Levy in principle, as a simpler, more transparent and value-based system (Q22), so long as the levy is used to support the Local Plan's affordable housing requirements. We also welcome the extension of the levy to include change-of-use and permitted development (Q23) and agree that charging the

HOMES FOR THE SOUTH WEST

Infrastructure Levy payment at the end of the development could support developer's cashflow (Q22).

To support delivery of homes, we'd like to see flexibility for Local Authorities to determine mechanisms for delivering affordable housing 'in kind', 'right to purchase' or grant (Q25) particularly where this will help accelerate delivery and support SME developer cashflows.

As implied by our caveat, we do have concerns about some elements of the proposed new system, and would like more clarity; in our view, maintaining current S106 levels of affordable housing provision through the Infrastructure Levy must be a minimum starting point –

affordable housing should be ring-fenced to prevent provision being eroded. Carbon-neutral affordable homes, schools, infrastructure and healthcare will require funding and expecting a levy to deliver everything is unrealistic (Q24-25).

A national single rate could present problems for lower value areas and may therefore limit the resources available for good quality affordable housing in some parts of the country.

While we can see how the delivery of affordable housing at the end of a project could support developers (see above), it may limit the ability of Housing Associations to influence mix and design on a scheme (Q22) and, during the transition period, could essentially halt the delivery of all affordable housing for several years.

Whilst we understand the intention of increasing the affordable housing threshold was to support the SME sector, we are very concerned that the unintended consequence will be the loss of around 20% of all new affordable housing across the country. A significant proportion of homes and affordable homes in the South West are delivered on these small/medium sites as very few large sites are available (Q24).

We would welcome confirmation that new affordable homes will be exempt from the Infrastructure Levy. (Q22). We also seek clarity on the principles of First Homes being designated as affordable housing and as part of the Infrastructure Levy cash offset. If the proportion of First Homes is prescribed centrally – as currently proposed – this appears to undermine the principle that local people shape local plans and priorities, as well as taking a significant proportion of the Infrastructure Levy contribution and therefore potentially resulting in significantly fewer more traditional affordable homes being delivered and potentially slower build out or absorption rates. (Q24). There may well be a place for a 'First

HOMES FOR THE SOUTH WEST

Homes' product in parts of the country, but the quantum and locations should be the subject of Local Plan consultation.

In summary, there are many things to approve of in the proposals, and we're in agreement that an improved approach to the planning application process, quality and beauty in design, and the provision of infrastructure including affordable housing will be beneficial.

In the spirit of working in partnership with government, we have commented honestly where we believe proposed changes may have the effect of inhibiting rather than encouraging the delivery of new homes. Where we have raised concerns, we would welcome more information, or consideration of the issues we've raised about potential unforeseen consequences.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'V. da Cunha', written in a cursive style.

Victor da Cunha
Chair
Homes for The South West

HOMES FOR THE SOUTH WEST

Appendix 1

Case Study: Keinton Mandeville, South Somerset District Council

Housing Association: Stonewater

- Developed in Partnership with Stonewater Housing Association and Galion Homes (Lakeview) Ltd, an SME based in the South West focussing on Community and Sustainability.
- Delivering a total of 42 new homes, of which Stonewater have taken handover of 15 affordable homes secured under a S106. Of these 5 are Shared Ownership and 10 are Social Rented homes.
- Delivering a mix of homes and a diverse community with a range of homes at different price points, which is particularly important in rural communities in the South West.
- The focus on beauty and quality on this site was not only based on the outward appearance, which is high quality and meets the local character of the village, but also on space and environmental standards which include electric car charging points to 5 of the homes.
- The homes are all built from local natural stone, with lots of open space and features for wildlife including nature ponds for slow worms and amphibians.



HOMES FOR THE SOUTH WEST

Appendix 2

Case Study: Palstone Meadow in the South Hams, Devon

Housing Association: Westward Housing

- 14 homes in Westward's affordable rent development Palstone Meadow, in rural South Brent, were let to tenants in local housing need through Section 106 on a site of 28 homes in total.
- Cavanna Homes developed these high-quality homes for local people as a mixture of flats and two and three-bedroom properties.
- The parish is in South Hams district which in 2017 had the highest average house prices in Devon at £336,784, a ratio of house prices to income of x14.3. They are inside Dartmoor National Park so were 50% affordable. There were 60 people on the waiting list in need of affordable homes in South Brent but this rises to around 1,900 in South Hams as a whole.
- Housing enabling officer at South Hams District Council, Cassandra Harrison, said that with scores of people on the housing waiting list, new affordable homes are vital for the area. "This is an area of high housing need. Average house prices are high while average wages are low, so affordability is a real problem. These 14 homes will be of real benefit to the local community," she said.
- South Brent Parish Councillor Glyn Richards said: "There is a huge demand for affordable housing in the parish. I am surprised at how spacious they are as they are a good size with two double bedrooms."



HOMES FOR THE SOUTH WEST

Appendix 3

Case Study: Mulberry Park, Bath

Housing Association: Curo

- Mulberry Park is a development of 700 new homes in Bath. The city has high average house price to income ratios and it's a challenge for many local residents to afford a home in the area
- Mulberry Park has been wholly developed by housing association Curo. The scheme will deliver 30% affordable homes as a mix of social rent and shared ownership. The remaining 70% are available for open market sale, with profits being used to cross-subsidise the affordable housing provision. 320 homes are already occupied with the remainder being delivered by 2026.
- High quality design in construction and placemaking have been at the forefront of this scheme. Curo has spent £10m on a new community building, The Hub, which has since been shortlisted for a RIBA architecture award and has won a RICS award in the 'Community Benefit' category. The first four Passivhaus-certified energy efficient homes in B&NES have recently been occupied on the site.

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HOMES FOR THE SOUTH WEST



- In contrast with private housebuilders, housing associations remain involved and invested in new communities after construction work is completed. At Mulberry Park, Curo retains ownership of the affordable rented homes and continues to manage the Community Hub. The concept of long-term stewardship is highlighted in the Building Better Building Beautiful report as a

crucial element in creating vibrant, sustainable places, and housing associations already understand this stewardship role well.

- Curo paid more than £50m to purchase the site from the MOD in 2013. This was a major investment for the organisation and means a significant proportion of available funds are locked into this site for more than ten years. Had the land sale been approached by government in a different way, where cash revenues were not the only priority, a higher proportion of affordable housing could have been delivered and the government could have benefitted from the uplift of the land value over time.

HOMES FOR THE SOUTH WEST

Appendix 4

Case study: Derham Close, Creech St Michael, Taunton

Housing Association: Abri

Our customer was living in Creech St Michael as an owner-occupier, with two dependent children. After their marriage had broken down, the owner moved in with their mother along with their two children and had no other affordable housing alternative apart from Abri's Shared Ownership offering. From the sale of their property, they came out with enough equity to buy a share in a new home, but not enough to be able to buy outright. Accessing Shared Ownership in this location meant the children remained in their schools and continued with the

stability of living in the same area. At the time, the owner was a key worker at the hospital.



Case Study: St James Close, Broadway, Ilminster

Housing Association: Abri

A customer was introduced to Shared Ownership as an affordable housing product, as a result of a multi-disciplinary meeting carried out by Abri, focused on supporting them to leave a very violent and abusive relationship. The customer was not aware of Shared Ownership and didn't realise they could access the scheme to remain in their preferred location. Abri's Community Safety team made the referral for Sales to make contact and explain the scheme.

This resulted in the customer being able to leave, with the support of agencies involved, meaning they could secure a safe, affordable home for them and their children whilst retaining their homeowner status. The customer was otherwise facing accommodation in a women's refuge and having to leave their local area to secure social housing.