

Appendix 2

Southend Council response to Changes to the Current Planning System consultation paper

Proposal	Southend Council Response
<p>Changes to the Standard Method (for calculating housing need)</p> <p>¹ Based on the current Standard Methodology https://www.gov.uk/guidance/housing-and-economic-need</p>	<p>The overall implication of the new methodology is that the housing need figure for Southend will rise to 1,324 compared with the current figure of 1,178 dwellings per annum.¹ Whilst the inclusion of existing housing stock into the calculation will have a minimal impact (as the 10 year household projection figure average is around 50% higher than the housing stock calculation and it is this higher figure will be used), the removal of the 40% affordability cap will definitely impact Southend (which currently has a 60% figure). The proposed introduction of an additional average affordability assessment will also add to Southend's adjusted figure (increasing the housing requirement).</p> <p>Furthermore, using workplace median house price rather than the much lower residential median house price figure also makes a material difference to the housing requirement for Southend.</p> <p>Paragraph 5 of the consultation indicates that the revised standard approach will establish a "need" figure but that this isn't binding at this stage. The proposal in the Planning White Paper suggests that under the new planning system the housing figure will be binding, but will also take into account how physical and policy constraints such as Green Belt and flooding could be included in setting a binding housing figure for plan-making areas. Given the constraints within Southend borough, this could theoretically reduce the housing requirement. However, if the Government's aspiration to deliver 300k homes is to be met, especially in areas with poor affordability like Southend, any adjustment to take account of local constraints may still lead to a challenging housing requirement being set in future.</p> <p>Overall, the proposed methodology, by focussing on affordability, further increases housing</p>

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	methodology figures. Southend is physically unable to meet existing or proposed housing figures because of the physical limitations and the impacts on infrastructure and character.
First Homes - for sale for people with local links with a reduced purchase price in perpetuity of at least 30% below open market rate but could be 40-50%. They would automatically replace existing affordable market housing such as shared ownership.	<p>Affordable housing calculations will need reconsideration to factor in First Homes. There is a potential that the number of affordable/social rent units could be reduced which is a significant concern in a Borough where this is a significant element of need. This could also have implications on CIL receipts.</p> <p>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. This may therefore be additional burdens placed on the Local Authority to ensure this happens.</p>
Supporting Small and Medium Enterprises (SME)	<p>Given the number of smaller schemes in Southend the proposed temporary removal of section 106 contributions for affordable housing on sites of up to 40 or 50 dwellings (rather than the current threshold of under 10) could have a significant short term impact on Southend which needs further consideration. A significant reduction in the amount of affordable housing that could be delivered in Southend would be very concerning given the priority the Council places on providing sufficient affordable homes for local people.</p> <p>The White Paper recognises that this initiative could result in a drop in affordable housing of 7-14% if using 40 home threshold or 10-20% if the 50 home threshold was selected. Given the nature of development sites coming forward in Southend, very few of which are above 40 or 50 dwellings in size, these potential reductions in affordable home delivery could be considered conservative. Effectively, the delivery of new affordable provision from market development could become minimal for the period of this new incentive, which is of</p>

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	<p>considerable concern.</p> <p>There is a danger of larger sites being split by developers into blocks of 40 to 50 to avoid paying contributions; the White Paper indicates the Government is looking to address this.</p>
Extend Permission in Principle (PIP) by the end of the year	<p>The proposed change could create more certainty for developers, but the potential for land banking of permissions appears to remain, as is the case with the present system. Incentives (or sanctions) are necessary to encourage developers to build out permitted schemes. This is a stated priority of the Government but the White Paper is light on how this could be achieved.</p> <p>The proposal presents the opportunity for quite large-scale schemes to be speeded through the system with a lower degree of public scrutiny.</p> <p>There has only been one PIP application in Southend to date and this was refused. A reduced 5 week decision period (down from 8 weeks) but with lower fees has implications for income and demand on staff resources if the proposal was widely taken up. It could also have challenges for statutory agencies and the general public in responding to what could be quite large schemes and there is a potential “democratic deficit” for member engagement. In particular this would significantly reduce the opportunity to present to planning committee very large projects with potentially major impacts on the town.</p>