



# Response to consultation on changes to the current planning system – September 2020

## About Cheshire Community Action

Cheshire Community Action (CCA) is the leading charity supporting rural communities to improve places and services in Cheshire and Warrington. It is a membership body representing 167 Parish and Town Councils, and community organisations. It is the preferred local provider of neighbourhood planning consultancy having supported 70% of the sub-region's 97 neighbourhood plan groups.

It hosts the Cheshire and Warrington community-led housing hub, Cheshire Community Homes, which is the local arm of the national community-led housing alliance of organisations promoting and supporting community-led housing in the UK, [Community Led Homes](#).

CCA is also a member of the [ACRE](#) Network, England's largest rural network and, the [National Community Land Trust Network](#) (NCLTN), the official charity supporting Community Land Trusts (CLTs) in England and Wales.

## Response to relevant questions:

### *The standard method for assessing housing numbers in strategic plans – transition for neighbourhood plans*

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?**

No. We are concerned that the consultation paper gives no consideration of how the housing numbers will be cascaded to neighbourhood plans or what period of time neighbourhood plan groups will have to respond to any change in housing numbers that affect their plan. These documents are prepared with considerable voluntary effort averaging 2,800 volunteer hours per neighbourhood plan<sup>1</sup> with several rounds of consultations on policies. For many, making any amendments quickly will be difficult. Without a clear process and adequate time for neighbourhood plans to update their policies, there is a risk that many adopted neighbourhood plans will not be updated at all as many voluntary-run groups that produce them will not have the ability to meet such short timescales.

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<sup>1</sup> Based on CCA's 2018 survey of NP Groups in Cheshire West & Chester, and Cheshire East. Average taken from 28 group responses.

Therefore, we would propose that the position for neighbourhood plans is clarified and allows a longer period of time in which to respond to the revised housing need figures produced through the new methodology. One option might be to allow 2 years, which under paragraph 17 of the NPPF, is the period of time before a review of a neighbourhood plan is required to withstand any developments being proposed under Presumption in Favour of Sustainable development.

**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?**

We would propose that the position for neighbourhood plans is clarified and a longer period of time is allowed in which they can respond to revised housing need figures produced through the new methodology. On average neighbourhood plans in Cheshire have taken 3.8 years to produce<sup>2</sup>. Therefore, we would recommend allowing at least 2 years, which under paragraph 17 of the NPPF, is the period of time before a review of a neighbourhood plan is required to withstand any developments being proposed under Presumption in Favour of Sustainable development.

### **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?**

- 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)**

Option ii) - The tenure mix of the remaining 75% should be negotiated between a local authority and developer.

The tenure split for the remaining 75% should be determined in negotiation with the local authority and should be based as far as possible on evidence of local need. We recognise the Government's ambition for an ownership society. However, it is vital that the ambition to deliver First Homes does not squeeze out affordable rented housing if that is what is needed in that area. This is particularly the case in rural areas where the overwhelming need is frequently for affordable rented homes.

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

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<sup>2</sup> Based on CCA's 2018 survey of NP Groups in Cheshire West & Chester, and Cheshire East. Average taken from 28 group responses.

In part, although neighbourhood planning groups will struggle to make this transition to update their policies to reflect the new First Homes policy. Their preparation and revision requires significant input from community volunteers and in consequence changes will take longer to make than 6 months from enactment. These changes would be relatively significant; under the current procedures this would require a neighbourhood plan group to re-do most of the neighbourhood plan process including further community engagement to explain and help communities understand and persuade them to support the changes.

Therefore, we would propose that a longer time period is given for neighbourhood plans to make the transition to conformity with national policy for First Homes. One option would be to adopt the timescale that is used in the NPPF paragraph 14 that states that policies in Neighbourhood Plan made within the last two years will have precedence in planning applications where otherwise the Presumption in Favour of Sustainable Development would apply.

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

Yes. We do agree that the First Homes exception site policy should not apply in designated rural areas. However, we are very concerned that First Homes Exception Sites will seriously damage the supply of rural exception sites in non-designated areas, and with it, the ability to meet a broad range of housing needs. Landowners will choose to sell their land for First Homes Exception Sites, which are likely to command a higher land value than rural exception sites. They will also cause confusion and destroy the emphasis on community engagement. Thereby removing the opportunity provided by rural exception sites to deliver a mix of affordable homes that meet specific community needs, often including discounted market sale in perpetuity, which has been a particularly popular tenure on recently developed rural exception sites in Cheshire West & Chester.

A significant proportion of CLTs also develop on rural exception sites. We understand that the Government's definition of designated rural areas are those designated under Section 157 of the 1985 Housing Act. This will exclude 70% of parishes with a population of 3,000 or less. This will significantly limit the supply of sites for CLTs many of which depend on rural exception sites for development.

We therefore strongly support the request from ACRE and its partners in their letter to the Rt Hon Robert Jenrick MP on 18 August 2020 for the Government to replace the definition of designated rural areas from those areas listed under S157 regulations to all parishes with a population of 3,000 or less and all parishes in National Parks and Areas of Outstanding Natural Beauty (AONBs).

#### **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? (see question 18 for comments on level of threshold)**

No. We fully support the ambition to support the delivery of housebuilding by SME builders and ensure there is not any further decline in the SME sector as the economy recovers from

the impact of Covid-19. However, we do not agree with the proposed approach to raise the small sites threshold, even for a time-limited period.

Raising the threshold that triggers affordable housing contributions from 10 to 40-50 dwellings will reduce the supply of rural affordable homes. This is because in many rural communities, residential developments tend to be smaller than 10 dwellings. The consultation document proposes an exemption to this rule in designated rural areas based on the S157 1985 Housing Act definition, however this measure will be largely ineffective because it will not apply to 70% of smaller rural communities.

This applies to both small rural affordable housing developments and Community Land Trusts (CLTs), which tend to develop affordable homes for local people on small sites. The requirement to build on-site affordable housing reduces the land price and thereby makes it possible for Housing Associations to deliver affordable homes by purchasing units from SME builders thereby guaranteeing them an income, as well as enabling CLTs to compete with developers for these sites. Removing the requirement to provide on-site affordable housing will increase the land price and make it considerably harder for Housing Associations to deliver affordable rural homes and for CLTs to compete with developers that will be able to offer a higher price for a site than a CLT. In addition, some CLTs deliver the S106 contribution of a private development. The availability of such opportunities will be cut off by increasing the threshold.

Therefore, we support the request sent from ACRE and its partners to Rt Hon Robert Jenrick MP on 18 August to replace the definition of designated rural areas from those areas listed under S157 regulations to all parishes with a population of 3,000 or less and all parishes in National Parks and Areas of Outstanding Natural Beauty (AONBs).

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

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

iii) Other - none. We do not agree with raising the small sites threshold and urge that the threshold is kept as it is as otherwise it will cut off the supply of sites for small rural affordable housing schemes and CLTs.