

# CIH submission to DCLG consultation: Planning for the right homes in the right places



## **About CIH**

Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals and their organisations with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: [www.cih.org](http://www.cih.org)

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Housing needs assessment consultation response (answers by online survey)

*Q1a) do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?*

Yes in principle

CIH agrees with the principle of a standardised approach to assessing local housing needs, where it provides consistency, a robust framework, and streamlines/ speeds up the development of the local plan. When the proposal was raised in the housing white paper, CIH surveyed its members and found that 83 per cent were in favour of a standardised approach.

The detail of the approach is critical to deliver not only the number of homes needed but the right mix of size, type and price. The three steps proposed will produce a baseline figure on housing need for the local authority area. More work is needed to disaggregate that figure into detail on the mix of homes. Relying solely on a single figure at the local authority level will miss the housing needs of rural communities, where the total number of homes needed may be low, but still important for the ongoing sustainability of local services and communities.

So the approach needs to be further developed to support local planning authorities to identify needs for different population groups including older and disabled people, and the gaps in house size, type, tenures and price points across the locality (market sale and rent, shared ownership and affordable and social rented homes) to address the full range of needs. The difficulty of this is acknowledged in the paper (question 10a), and CIH has responded with more detail to that question.

Government can help local planning authorities (LPAs) by providing data at sub-local/ neighbourhood level, and an approved methodology or guidance, where they need to supplement the approach with more detailed evidence/ surveys on specific needs and measures of affordability. This would support the underpinning principle of a standardised approach which could be relied upon to meet the test of soundness that government seeks, and to give assurance at the examination stage that plans following the standardised approach meet that test (as proposed in question 3).

Incorporating economic plans and aspirations

In planning for local areas, LPAs and partners require flexibility to develop a strategic vision for their locality, and to be able to take forward aspirations for future economic growth and development.

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This is acknowledged in the proposal that LPAs should be able to set a higher baseline figure than achieved by the standardised approach, and factor in the ambitions of economic plans/ Local Economic Partnership strategies. However, these strategies do not always address impacts for housing development and, where this is identified, the evidence is not the same as required at examination of local plans.

This could be addressed in two ways: for government to give a steer to LPAs on the evidence it would consider robust, and to update planning guidance to ensure that planning inspectors take economic growth aspirations into account, on balance of probabilities, when examining the local plan and LPAs' ambitions both for overall figures and affordable housing requirements.

Government should consider how it can further support LPAs to make effective connections between housing needs figures and broader sub-regional/ regional economic development strategies, and at a national level to coordinate and monitor the overall impact of economic development and housing delivery.

*Q2) do you agree with the proposal that an assessment of local housing need should be able to be relied upon for a period of two years from the date a plan is submitted?*

Yes

This is a reasonable timeframe.

*Q3) do you agree that we should amend national planning policy so that a sound plan should identify local housing needs using a clear and justified method?*

Yes

With the caveat that, as above in response to question 1, the needs analysis must not simply result in a single figure without appropriate understanding and identification of the detail of that need – according to population groups, incomes, geographies etc.

*Q4) do you agree with our approach in circumstances when plan makers deviate from the proposed method, including the level of scrutiny we expect from the Planning Inspectors?*

Yes in relation to the proposal that higher figures can be identified to align with economic plans and aspirations (again with a stronger steer from government on how LPAs can best achieve that as detailed in response to question 1).

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In relation to National Parks, government has recognised that the lack of disaggregated information and alignment with local authority boundaries means the standardised approach developed in the paper cannot be applied.

The suggestion in the paper that these LPAs continue to develop housing needs figures locally having regard to the best available information on household changes and income levels, potentially leaves them exposed to challenge. We believe that government should provide guidance for these authorities on the methodology they should use and the data/ evidence it considers robust and adequate to meet the planned new requirement that a sound plan should identify housing need with a clear and justified method.

*Q5 a) do you agree that the Secretary of State should have discretion to defer the period for using the baseline for some local planning authorities? If so, how best could this be achieved, what minimum requirements should be in place before the Secretary of State may exercise this discretion, and for how long should such deferral be permitted?*

Potentially yes, in areas where there is a clear, agreed approach across local authorities to assessing needs with land supply identified which is connected to strong, evidenced plans for economic growth. We would suggest that such plans would already need to be fairly advanced, and with defensible and realistic evidence of ongoing cooperation to set and achieve shared goals.

*Q5b) do you consider that authorities that have an adopted joint local plan, or which are covered by an adopted spatial development strategy, should be able to assess their five year land supply and/or be measured for the purposes of the Housing Delivery Test, across the area as a whole?*

Yes

It would seem appropriate that, where local planning authorities are working well on a joint adopted plan, they should be able to set the geography on which they assess their five year land supply and be measured for the Housing Delivery Test. This would support and incentivise authorities seeking to take the wider strategic plan approach.

## **Statement of common ground**

*Q7a) do you agree with the proposed administrative arrangements for preparing the statement of common ground?*

Yes

This approach seems reasonable, although it should be made clear how often/ when it should be reviewed (perhaps set annually).

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We believe a joined up and strategic approach across strategic housing market areas is necessary to plan effectively to meet housing need and connect with ambitions for economic growth. This should happen at the earliest stage in plan development, and LPAs should be incentivised to take a proactive and positive approach, looking at what is needed and can be achieved together at the strategic housing market level (and as called for more broadly by RTPI on their approach to strategic planning).

*Q7b) how do you consider a statement of common ground should be implemented in areas where there is a Mayor with strategic plan-making powers?*

CIH agrees that the process should not be duplicated but mayors with strategic plan making powers should be involved in the development of common ground and may in some areas be best placed to initiate it / lead on work to underpin it.

*Q7c) how do you consider a statement of common ground should be implemented in areas where there is a Mayor without strategic plan-making powers?*

To be involved and engaged as a key strategic partner and stakeholder.

*Q8) do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?*

These seem appropriate

*Q9a) do you agree with the proposal to amend the tests of soundness to include that:*

*i) plans should be prepared based on a strategy informed by agreements over the wider area; and*

*ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?*

Yes

Government should consider how it can further incentivise LPAs to address areas of significant challenge as early as possible in the process of developing the statement of common ground, and to take a positive and proactive strategic approach to the issues arising across strategic housing market areas.

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## **Planning for a mix of housing need**

*Q10a) do you have any suggestions on how to streamline the process for identifying the housing need for individual groups and what evidence could be used to help plan to meet the needs of particular groups?*

As we outlined in response to question 1a, we believe that the standardised approach has to include more work on helping LPAs to disaggregate the baseline figure to get the right mix of homes. This should include making available data at sub-local/ neighbourhood level, including in respect of economic growth, and more guidance on the approaches LPAs should take when developing additional research.

In CIH's recent publication, [Building Bridges: a guide to better partnership working between local authorities and housing associations.](#), we proposed a new local Housing Affordability Framework to be developed by local authorities and housing association partners locally or sub-regionally, to identify the required mix of tenure/ housing types and costs (see pp 131-133).

Although not explicitly intended to identify new housing requirements, there is scope for it to support the strategic housing market assessment. Such an approach could also be a way to involve housing associations in viability assessments (question 15).

*Q10b) do you agree that the current definition of older people within the National Planning Policy Framework is still fit-for-purpose?*

No

As a minimum, there should be an additional requirement to consider the needs of people over 85, given the current and future growth in projected numbers of households of this age. As a population, we are currently ageing without a corresponding increase in healthy life expectancy, and the increased numbers of older age groups are potentially where plans need to be made for more homes built to Building Regulations M 4 (2) (accessible, adaptable dwellings) or for more supported housing models that can provide increased support and care on site as and when such needs may develop.

## **Neighbourhood planning**

*Q11a) should a local plan set out the housing need for designated neighbourhood planning areas and parished areas within the area?*

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This should not be used to set an inflexible target, but providing a figure for the neighbourhood forum would be helpful as a starting point for discussion with the community, and to illustrate the level of housing need identified in the area. Many rural areas have clear housing need and the ambition to grow to sustain communities, services and facilities, and there should be flexibility to allow for this.

*Q11b) do you agree with the proposal for a formula-based approach to apportion housing need to neighbourhood plan bodies in circumstances where the local plan cannot be relied on as a basis for calculating housing need?*

No

This would perpetuate restrictions on growth for many small rural areas, and would not address the higher affordability pressures that these areas face (where use of work-place based lower quartile house price to lower quartile earnings would better reflect the affordability issues). Any approach needs to allow flexibility where areas have ambitions to grow.

## **Proposed approach to viability assessments**

*Q12) do you agree that local plans should identify the infrastructure and affordable housing needed, how these will be funded and the contributions developers will be expected to make?*

Yes

The requirements for infrastructure and affordable housing should be identified. CIH has argued that LPAs should have more flexibility to set thresholds for s106 contributions, in particular the minimum number of units at which contributions can be required (rather than the nationally set level of 10 units and above), which is a particular issue for rural communities. This flexibility could be linked to reporting on how they have delivered against these requirements (question 17c).

*Q14) do you agree that where policy requirements have been tested for their viability, the issue should not usually need to be tested again at the planning application stage?*

Yes

*Q15) how can Government ensure that infrastructure providers, including housing associations, are engaged throughout the process, including in circumstances where a viability assessment may be required?*

LPAs should look at local structures that already exist to engage with housing associations, community land trusts, and other providers, to this process. In response to question 10a, CIH explored the potential for Local Housing Affordability Frameworks to support broader decision

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making around housing; potentially such frameworks, if developed, would provide more opportunity for input into viability testing.

Demonstrating how their comments and experience of costs have been taken into account could be included in the test of soundness of the local plan.

*Q17a) do you agree that local planning authorities should set out in plans how they will monitor and report on planning agreements to help ensure that communities can easily understand what infrastructure and affordable housing has been secured and delivered through developer contributions?*

Yes

*Q17b) what factors should we take into account in preparing guidance on a standard approach to monitoring and reporting planning obligations?*

Government could support LPAs to develop consistent, digitally-based solutions to provide easily accessible and understandable reporting.