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Housing

What you need to know about the proposed changes to the current planning system



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On 6 August 2020, the government published two packages of proposals to reform the planning system in England. The [White Paper: Planning for the Future](#) seeks views on proposals to reform and overhaul the planning system. [Changes to the current planning system](#) presents shorter-term proposals intended to improve the effectiveness of the current system. This WYNTK relates to the 'Changes to the current planning system' consultation document only. CIH's member-only WYNTK on Planning for the Future can be found [here](#).

What is being proposed?

The consultation document sets out four main proposals which relate to:

- **Securing First Homes through developer contributions in the short-term.** The government consulted on its [First Homes proposals](#) in February 2020. CIH's consultation response can be found [here](#). The government has published [a summary of consultation responses](#) and its response and is now seeking views on the details of the proposed changes to the current planning system. These include a minimum of 25 per cent of all affordable housing units secured through developer contributions to be First Homes (primarily but not exclusively through on-site delivery). For the remaining affordable housing contribution, it proposes two options:
 - o where local authorities have an affordable homes policy this should be followed, ensuring that First Homes take priority, replacing other low cost affordable homes products, with the remaining rented homes to be delivered in the same ratio as in the policy
 - o a negotiated agreement between the council and developer.

It will introduce a First Homes exception sites policy to replace the existing entry-level exception sites policy. Updated guidance for rural exception sites will be published in due course.

- **Temporarily lifting the small sites threshold** below which developers do not need to contribute to affordable housing from 10 up to 40 or 50 units, and increasing the size threshold from 0.5 hectares to a yet undecided site size (scaled up " at the same proportion as the increase in the number of homes threshold"). This will be for 18 months initially, to kickstart economic recovery, support SME developers, and the impact will be monitored.
- **Changes to the standard method for assessing local housing need** which will be used as the basis for plans created prior to the changes outlined in 'Planning for the Future' being introduced. Government has calculated that the new method will deliver a national total of 337,000 homes a year.

The baseline will be whichever is the higher number of either: 0.5 per cent of existing stock in the local authority, or the latest projected average annual household growth over a 10 year period. The new method also puts greater emphasis on the uplift for affordability, calculated by using the current affordability ratio (median housing price: median earnings) adjusted to reflect the change in affordability over the last ten years. In order to deliver the required increase in numbers, the cap which exists under the current approach will be removed.

- **Extending Permission in Principle (PiP)** to major developments (with the exception of Environmental Impact Assessment [EIA] development and development requiring appropriate assessment) with no cap on the amount of commercial floorspace within a given scheme providing housing still occupies the majority of the floorspace.

What does CIH think?

CIH supports the ambition to increase the delivery and supply of good quality homes of all kinds that assess the real needs of local communities. We need a planning system that ensures we have the right kinds of homes, in the right places and at the right prices - particularly homes at social rents. Research by Heriot Watt University revealed a huge unmet need for affordable homes, including social homes to rent, even before the current pandemic and its potential impact for employment and wage security. It [demonstrated](#) the need for 145,000 affordable homes of which 90,000 are needed in England at social rent.

We are therefore concerned about the potential impact the government's proposed changes to the current planning system could have on the provision of much needed genuinely affordable housing tenures to be delivered through the planning system. For example, in rural areas, raising the threshold to 10 homes has led to a reduction in what some rural areas would otherwise have required, for example: 275-350 affordable homes across 16 local authorities (according to results from an [RSN survey](#)).

Join our member opinion panel

CIH will be seeking members' views as we prepare our response to a range of government consultations, including the planning white paper and proposed changes to planning policy and regulation. Why not join our member opinion panel and make sure your views help shape our responses to government proposals? You can sign up [here](#).