

## **Affordable Housing**

### ***Q1. Do you have any comments or suggestions about the proposal to amend the definition of affordable housing in national planning policy to include a wider range of low cost home ownership options?***

Yes. The Borough Council does not support the proposal to extend the definition of affordable housing to include “starter homes”, on the basis that this form of housing will not meet the need for genuinely affordable homes.

For the purposes of clarity the Borough Council would like to state that it does not believe that “starter homes” constitute a form of affordable housing. The increased provision of starter homes will not help to meet affordable housing need. The Borough Council considers starter homes to be a “discounted open market sale” product. National planning policy has justifiably and consistently not included this type of product as a form of affordable housing. The government has not presented any evidence to demonstrate that this position has changed. Consequently, it would be unsound to expand the definition of affordable housing to include a product that does not meet affordable need.

The Borough Council also highlights that this form of housing will not remain as affordable housing in perpetuity and will only be available to those able to secure finance. Critically for the Borough Council this is not housing that will be available to families on our housing register. Consequently, it will not help reduce our clearly identified need.

The majority of applicants to the Borough Council’s Housing Needs Register need, and can only afford, rented accommodation. Evidence contained within our emerging Strategic Housing Market Assessment (SHMA) demonstrates an overwhelming need for social rented accommodation. Our SHMA clearly shows that there is limited latent demand for additional low cost home ownership housing options within our housing market area. Starter Homes will be suitable only for those able to secure mortgage finance. For the majority of applicants to our Housing Needs Register, who are, or who have a recent history of homelessness; accessing home ownership is beyond their reach.

The inclusion of starter homes within the definition of affordable housing could reduce the amount of genuinely affordable units being built in the Borough. Starter homes are likely to be a more attractive option for a developer to include in their scheme over social rented units on the basis that they will neither attract a developer contribution towards (genuine) affordable housing nor be liable for the Community Infrastructure Levy (CIL). In terms of the latter issue, the exemption of starter homes from CIL will make it very difficult for local planning authorities and their partners to deliver necessary community infrastructure – as the funding gap widens. This could have a perverse impact on development viability, as charging authorities seek to narrow the funding gap on liable developments. The government has not

presented any evidence to demonstrate that these factors have been fully considered.

Due to the overall property value limit, and the high cost of properties locally, we believe that Starter Homes will only deliver small flats. This will be at the expense of affordable family sized accommodation, which is where our local need is most acute.

The Borough Council believes that nationally there is a role for cheaper market housing but that this should not be at the expense of genuine affordable housing. The emphasis must be upon the market delivering cheaper housing. This could be achieved by negotiating realistic purchase prices for development land with landowners. The industry could also reduce development costs by opening the gates on delivery (IE not land-banking sites).

***Q2. Do you have any views on the implications of the proposed change to the definition of affordable housing on people with protected characteristics as defined in the Equalities Act 2010? What evidence do you have on this matter?***

In terms of equality impacts, the Borough Council has significant concerns in relation to the proposed age limit of 40 years. The government has not presented any evidence to demonstrate why this arbitrary age limit has been introduced. The Borough Council suggests that starter homes should be available to all ages, subject to the party's ability to secure financing. We would highlight that there is plenty of up-to-date evidence of people seeking to enter the housing market during their mid to late 30's and beyond. We believe that it is about a person's journey up the housing ladder. Consequently their age is irrelevant and we see no reason for restrictions.

As stated in our response to Q1, starter homes will not meet the housing needs of people on our housing register. Consequently, the proposal will not be available to a wide range of people with protected characteristics as defined in the Equalities Act 2010. As we have stated above, starter homes will undoubtedly meet a need for cheaper housing. However, that need could be delivered by the developer – by acting more competitively and efficiently; as a free market economy requires.

### **Increasing Residential Density around Commuter Hubs**

***Q3. Do you agree with the Government's definition of commuter hub? If not, what changes do you consider are required?***

Yes; broadly speaking the Borough Council agrees with the proposed definition. However, we do question the need for a national definition as we are already meeting this objective through our existing policy/ strategy. We would like to highlight the policies contained within our Core Strategy (May

2007); Plan E Epsom Town Centre Area Action Plan (April 2011); and the Development Management Policies Document (September 2015). The policies contained within these documents already seek to meet this objective. On that basis a national policy on commuter hubs may serve as unnecessary duplication. The sequential approach to development is a key part of national planning policy and has been for nearly twenty years.

On that basis we suggest that it may be better to allow Local Planning Authorities to consider this for themselves – and therefore allow the approach to be tested for soundness through the plan-making process. Commuter hubs do not have infinite capacity for growth. Consequently, unmanaged growth permitted through a blanket national policy could ultimately deliver unsustainable growth patterns that may not be supported by the infrastructure that is intended to serve them.

***Q4. Do you have any further suggestions for proposals to support higher density development around commuter hubs through the planning system?***

Yes – see above comments. We believe that this proposal would be more effectively delivered through the local plan process, where sequentially appropriate locations can be identified and supported through evidence.

***Q5. Do you agree that the Government should not introduce a minimum level of residential densities in national policy for areas around commuter hubs? If not, why not?***

Yes – see above comments. We believe that this proposal would be more effectively delivered through the local plan process.

**Supporting new settlements, development on brownfield land and small sites, and delivery of housing agreed in Local Plans**

***Q6. Do you consider that national planning policy should provide greater policy support for new settlements in meeting development needs? If not, why not?***

Yes – there is an urgent requirement for a national strategy that identifies new settlements and the associated strategic infrastructure necessary to support their delivery and function.

The Duty to Co-operate process has failed to advance new settlements and this whole area of the strategic planning process needs urgent revision. National government, working closely with local planning authorities and Local Enterprise Partnerships provides the best mechanism for the identification and delivery of new settlements in appropriate and sustainable locations.

Such an approach would provide far greater certainty than that currently available to local planning authorities and the development industry.

***Q7. Do you consider that it would be beneficial to strengthen policy on development of brownfield land for housing? If not, why not and are there any unintended impacts that we should take into account?***

No this proposal is unnecessary. There is already a presumption in favour of sustainable development built into national planning policy. The redevelopment of previously developed urban land will in most cases constitute sustainable development.

Equally, national planning policy already provides sufficient and clear guidance on the redevelopment of previously developed land located in the Green Belt. The Borough Council strongly believe that previously developed land located in the Green Belt should not be considered in the same way as that located within existing urban areas. Intensification of development on previously development land located in the Green Belt will have a harmful impact on openness of the surrounding Green Belt. If such previously developed sites are a genuinely sustainable location for future growth then it is better that they come forward through the local plan process. This will allow such sites to be fully assessed within the wider context of a strategic Green Belt review.

***Q8. Do you consider that it would be beneficial to strengthen policy on development of small sites for housing? If not, why not? How could the change impact on the calculation of the local planning authorities' five-year land supply?***

No this proposal would amount to unnecessary duplication. Existing national planning policy provides sufficient guidance on this matter. There is already a presumption in favour of development that would allow small sites for housing to be considered through the planning process, whether local policies specifically address this matter or not.

There is a fundamental problem with the above approach. Namely, that it is impossible to determine when small and windfall sites will come forward for development. Our own experiences in Strategic Housing Land Availability Assessment (SHLAA) preparation illustrate that it is very difficult to demonstrate the availability and deliverability of such sites. Consequently attempting to calculate their impact on five-year supply is impossible.

If the government proceeds with this proposal then it must ensure that the guidance on housing land supply monitoring process is clear (unambiguous), reasonable and smart in terms of outputs. Those local planning authorities that meet the requirements of this process should be financially rewarded – in the same way that the production of SHLAAs was rewarded through the Housing & Planning Delivery Grant.

**Q9. Do you agree with the Government proposal to define a small site as a site of less than 10 units? If not, what other definition do you consider is appropriate, and why?**

Yes, it would be useful to formalise the definition of small sites and major sites. The Borough Council and indeed most local planning authorities already use this definition for monitoring purposes. We strongly recommend that the boundary between Major and Minor sites should be consistent with the PS1/ PS2 performance measure definition.

**Q10. Do you consider that national planning policy should set out that local planning authorities should put in place a specific positive local policy for assessing applications for development on small sites not allocated in the Local Plan?**

No – this would not be necessary in Epsom & Ewell’s case. Our existing Core Strategy Policy CS8 supports the principal of residential development within the existing urban area (the remainder of the Borough is Green Belt). This approach has been successful – as demonstrated by our Annual Monitoring Report data on windfall sites coming forward.

We have Development Management Policies that address unallocated sites (and how their development potential should be assessed – for example in terms of design, density and infrastructure). These policies are appropriate for Epsom & Ewell but may not be appropriate or necessary in other locations. It should be for Local Planning Authorities to take this approach where it is merited.

There is also an argument that existing national policy already guides local planning authorities down this path. In that respect the proposal would amount to duplication, which national planning policy advises against.

**Q11. We would welcome your views on how best to implement the housing delivery test, and in particular:**

**• What do you consider should be the baseline against which to monitor delivery of new housing?**

The Borough Council believes that the Local Plan Annual Monitoring Report process remains the best tool in assessing the performance of housing delivery across the local plan period.

We believe that expressing significant under delivery as a percentage below expected delivery is a crude method as there are many other external factors that influence delivery that are completely out of a local planning authority’s control.

We also believe that focussing upon a 2 year period is a too narrow time frame. An example of this is where a large site (IE an urban extension) has frontloaded delivery early in the plan period. Under those circumstances housing delivery will appear skewed over the proposed two year period. A longer monitoring period, say over five years would provide an opportunity for delivery statistics to equalise and take account of some of the external factors effecting delivery (IE the fluctuation of the wider economic climate).

**• *What should constitute significant under-delivery, and over what time period?***

The Borough Council suggests that 30% under-provision could be used as an indicator of ‘significant under-delivery’. However, we would urge caution in applying this indicator where there was demonstrable evidence of external mitigating factors; for example, during those periods when the prevailing financial climate has an adverse impact upon the house-building industry’s ability to deliver new housing.

The Borough Council considers that the time period for assessing under-delivery needs to be significantly longer than two years.

**• *What steps do you think should be taken in response to significant under-delivery?***

It depends upon what the root causes of under-delivery are. There could be numerous reasons why local planning authorities’ under-deliver, for example:

- Miscalculating development viability and the economic cycles. Currently, national planning policy provides no advice on the impact of economic cycles upon housing delivery – yet it is very clear that recent recessions have had (and are continuing to have) a profound impact upon housing delivery. On that basis it appears prudent for Local Plan housing targets to take some account of fluctuating national/ global economic conditions. To not do so, and to penalise under-delivery (on such grounds) would appear perverse and unreasonable.
- The ability of the development industry to physically meet local targets.

As stated above, it would be unreasonable to take sanctions against local planning authorities where under-delivery is demonstrably due to factors outside of their control. We believe that the focus should be placed upon those local planning authorities that have consistently failed to produce an up-to-date local plan. We strongly believe that the government should work supportively with local planning authorities, rather than apply crude sanctions in all cases.

A more productive solution is to provide local planning authorities with the necessary tools to incentivise growth on allocated sites and at appropriate sustainable locations. These could include low cost/ low risk compulsory

purchase powers and low-cost finance that would enable the local planning authority to intervene in the physical development process.

**• How do you see this approach working when the housing policies in the Local Plan are not up-to-date?**

This is a difficult question for us to respond to as we don't have any recent experience of out-of-date local plan policies. The Borough Council has invested in maintaining an up-to-date and sound Local Plan, associated evidence base and Infrastructure Delivery Plan. We believe that these are essential in securing sustainable development across Epsom & Ewell. We believe that national planning policy by itself cannot guarantee the delivery of genuinely sustainable development.

**Q12. What would be the impact of a housing delivery test on development activity?**

The Borough Council considers that the impact of a new housing delivery test could be variable depending on the reasons for the delay in delivery. In circumstances where a local planning authority has failed to identify a housing target or sufficient supply of land, then it would be reasonable for them to be held accountable. As stated above, it would be unreasonable to take sanctions against local planning authorities where under-delivery is demonstrably due to factors outside of their control.

**Supporting delivery of starter homes**

**Unviable and underused commercial and employment land**

**Q13. What evidence would you suggest could be used to justify retention of land for commercial or similar use? Should there be a fixed time limit on land retention for commercial use?**

A key tenant of national planning policy is securing sustainable development patterns. We believe that this requires a balanced mixture of residential and commercial land uses. Our Local Plan already seeks to meet this objective. A key component of this approach is ensuring that development takes place in the right location. We believe that the continued application of the sequential approach will help to achieve this objective. In that respect, the sequential approach provides a good starting position of any assessment of employment land and sites.

The Borough Council has considerable experience in collating and monitoring data relating to the continued suitability and viability of employment land. This evidence has been used to inform the preparation and production of our Local Plan; the determination of planning applications; and the introduction of other measures, including the serving of Article 4 Directions. This evidence can be

found on the Borough Council's website at [the following link](#)<sup>1</sup>. It includes up-to-date assessments of retail and employment land, viability testing and monitoring of occupancy and vacancy rates. Our evidence includes inputs from commercial land agents, independent property experts and the business community.

In those circumstances where commercial property has been shown to be genuinely surplus to requirements, or no longer fit for purpose we have taken a flexible approach to its redevelopment. Where appropriate we have sought to redevelop such sites for a mix of commercial and residential uses.

We believe that an arbitrary fixed time limit for retention would be inappropriate, as such an approach would not be able to reflect changes in the economic climate, or sectoral shift (IE from manufacturing based economies to service sector based activity). A sound approach would be to ensure local plans and their supporting evidence remains up-to-date and takes full account of medium-term market signals.

***Q14. Do you consider that the starter homes exception site policy should be extended to unviable or underused retail, leisure and non-residential institutional brownfield land?***

Yes, the Borough Council supports this approach in principle. However, proposals for starter homes on such sites must be determined on their individual merits. Specifically, such proposals must robustly demonstrate that the site is genuinely surplus to the market (in the medium-term) and no longer fit-for-purpose. Such an assessment should also incorporate the sequential approach and provide an overview of alternative sources of deliverable and developable commercial/ leisure land supply.

***Q15. Do you support the proposal to strengthen the starter homes exception site policy? If not, why not?***

No we do not support this proposal on the basis of our response to Q14. The proposal would degrade the local planning authorities' ability to secure balanced sustainable growth. We believe that in its current form the proposal has the potential to lead to highly unsustainable homogenised patterns of growth. As with other proposals, we suggest that the application of an exception site policy should be left to the local plan process rather than introduced unilaterally through national planning policy.

**Encouraging starter homes within mixed use commercial developments**

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<sup>1</sup> <http://www.epsom-ewell.gov.uk/NR/exeres/D09D197C-1654-460C-BA87-98D2079AADD4.frameless.htm?NRMODE=Published>



***Q16: Should starter homes form a significant element of any housing component within mixed use developments and converted unlet commercial units?***

No we do not believe that starter homes should form a significant element of any housing component within mixed-use and commercial conversion developments. Please refer to our response to Q1 for the reasons why this proposal is inappropriate and unsustainable.

**Encouraging starter homes in rural areas**

***Q17. Should rural exception sites be used to deliver starter homes in rural areas? If so, should local planning authorities have the flexibility to require local connection tests?***

We have no comments on this question.

***Q18. Are there any other policy approaches to delivering starter homes in rural areas that you would support?***

We have no comments on this question.

**Enabling communities to identify opportunities for starter homes**

***Q19. Should local communities have the opportunity to allocate sites for small scale Starter Home developments in their Green Belt through neighbourhood plans?***

No, we do not support this proposal. As with other proposals, we believe that this approach towards securing growth is best addressed through the Local Plan process as part of a strategic site allocations process. The processes involved in assessing and bringing forward deliverable and developable housing site allocations are challenging. We suggest that this is beyond the scope of a neighbourhood plan, which by its very nature is not strategic. The government has not presented any evidence to demonstrate that this proposed approach is deliverable.

**Brownfield land in the Green Belt**

***Q20. Should planning policy be amended to allow redevelopment of brownfield sites for starter homes through a more flexible approach to assessing the impact on openness?***

No, we do not support this proposal. Our detailed position is set out in our responses to Q1 and Q7 for the reasons why this proposal is inappropriate and unsustainable.

We believe that national planning policy already provides sufficient and clear guidance to allow the redevelopment of previously developed land located in the Green Belt where it demonstrably secures sustainable development. The Borough Council strongly believes that proposals for the redevelopment of such sites should be fully assessed and determined by the Local Planning Authority. Our own experiences, involving the comprehensive redevelopment of five significant former healthcare facilities, demonstrate that a more flexible approach at the national policy level is unnecessary.

***Q21. We would welcome your views on our proposed transitional arrangements.***

The proposed transitional arrangements would be onerous for Epsom & Ewell, given the very limited resources available to the Planning Policy Team.

***Q22. What are your views on the assumptions and data sources set out in this document to estimate the impact of the proposed changes? Is there any other evidence which you think we need to consider?***

The Borough Council considers this to be the most important question in the whole consultation exercise. This is because the evidence and data sources are critical in not only supporting and demonstrating the soundness of the government's proposals but also in illustrating how successful the proposals could be in achieving the stated objectives. In that respect the quality of the supporting data and assumptions is disappointing. We believe that it would have been reasonable for the proposals to be supported by the following data:

- The number of starter homes that could be delivered over the next fifteen – twenty years. A comprehensive projection could have broken this figure down further on the basis of delivery on previously developed land; conversions; and Green Belt Sites.
- The scale of reduction in people on local housing needs registers.
- The scale of reduction in people being housed in temporary accommodation. We suggest that this is an essential projection required to support these proposals.
- The impact of starter home delivery upon affordable housing delivery – namely, identification of the shortfall in new affordable housing delivery.
- The potential impact of starter home delivery upon infrastructure funding – namely, as assessment of the shortfall on CIL monies.
- The scale of previously developed land located in Green Belt that could come forward for redevelopment as starter homes.
- The scale of commercial floorspace likely to be lost to starter homes.
- The potential impact of the loss of viable and occupied commercial floorspace on the national economy. Specifically in respect of loss of job opportunities and displacement of employment to less sustainable locations.

- An estimation of the cost to local communities in preparing sound site allocations for new starter homes in the Green Belt. Inclusive of evidence base production, preparation of sustainability appraisal reports and examination.
- A robust assessment of the capacity within local planning authorities to absorb the additional work generated by the proposals – into the medium to long-term.

***Q23. Have you any other views on the implications of our proposed changes to national planning policy on people with protected characteristics as defined in the Equalities Act 2010? What evidence do you have on this matter?***

The Borough Council has no further comments on this issue – see responses to previous questions above.