

MHCLG Planning Reform Working Paper: Reforming Site Thresholds

1. Would a medium-sized site threshold help reduce barriers and accelerate delivery for SMEs, if linked to the proposed changes to regulatory requirements set out in the working paper?

- Yes
- No
- Don't know

Please provide further information

We agree with the proposal to create a medium-sized site threshold. The current binary system lacks gradation and offers only limited concessions for smaller sites. As the consultation points out, this disproportionately disadvantages SMEs which are likely to lack the planning resources and expertise of volume housebuilders. Alongside Government's other reforms (including streamlined planning and eased Biodiversity Net Gain requirements for small sites), the creation of a new site-size category should enable SMEs to deliver a larger share of new housing and diversify the housebuilding market.

While there is a clear policy rationale for facilitating SME delivery, we also believe a package of reforms is needed to accelerate delivery across *all* site sizes. In our view, top priorities should include:

- Increasing resourcing for local authorities to ensure timely decisions
- Reducing the number of development plan documents
- Standardising s106 agreements (see our response to question six)
- Imposing rules on the use of conditions and obligations.

2. Should the threshold be 10–49 units, or could other size ranges provide a better balance of simplicity and impact?

10 to 49 homes is a reasonable threshold and should allow relief for the majority of SMEs.

3. Should the medium threshold apply to commercial and other non-residential development and how should mixed uses be reflected?

The medium threshold should apply to mixed use schemes involving all types of residential accommodation to maximise its beneficial impact on SMEs.

4. *If the medium-sized site threshold were introduced, should the exemption from paying the proposed Building Safety Levy for fewer than 10 dwellings be extended to align with medium-sized development sites?*

- Yes
- No
- Don't know

Please provide further information

Yes, exempting medium-sized sites from the Building Safety Levy would provide an additional incentive for SMEs to develop a wider range of sites. It would also align with Government's ambition to reduce the dominance of large-scale developers in certain areas as set out in the Speeding Up Build Out Planning Reform Working Paper.

5. *Area and/or unit threshold: Should there be solely area-based size thresholds (ha) given the different contexts and densities, particularly for very small, small and medium-sized sites? Or would it be more appropriate to also specify a unit size threshold?*

We recommend the thresholds are based on area only. The proposed system combines home and hectare thresholds with area ultimately taking precedence. This could unintentionally discourage developers from bringing forward denser-than-normal schemes on very small, small, or medium-sized sites. For instance, a development featuring 50 homes on a 0.9ha site would be considered as a major development with all the additional planning requirements that entails. This could inadvertently undermine Government's brownfield first ambitions given brownfield land tends to be built out at a higher density. A purely area-based size threshold would allow developers to better adapt density to context and provide a higher degree of certainty about expected planning requirements.

6. *Are the proposed streamlining options the right ones for government to consider?*

We welcome the streamlining proposals outlined in section two, particularly those on BNG, minimising validation requirements and s106 negotiations.

With regard to validation, we believe Government should introduce a requirement for local authorities to request additional information from developers where a document is requested by a statutory consultee. This would help avoid schemes being refused due to a lack of information, particularly those submitted by SMEs since they may not be as familiar with the validation requirements and assessment process as larger scale developers.

As per our answer to question one, we believe s106 agreements should be standardised to increase certainty for all involved in the process. Standardisation would also make it

more straightforward for housing associations to acquire new sites and units secured through s106 agreements. For example, some local authorities include clauses stating that viability reviews (where required) do not apply where sites are being delivered by housing associations. This exemption could be standardised for all s106 agreements to ensure housing associations can purchase sites without the need for Deeds of Variation (DoV) to the s106 agreement. Reducing the need for DoVs would accelerate housebuilding as the DoV process is often very slow and can impact on either the delivery, completion or occupation of new units.

We also believe developers of small and medium-sized sites should be exempted from requirements to confirm their schemes have been connected to services, have been provided with sufficient access and have reached practical completion. We believe these requirements are unnecessary, especially given Government's push towards partnership working in the Speeding Up Build Out Planning Reform Working Paper.

7. Are there further changes that could and should be linked to new or existing thresholds? Are there wider changes that could be made through national planning policy that would be beneficial?

Exemptions from meeting all requirements of supplementary planning documents and local policies would be beneficial for small and medium-sized sites. This could potentially be achieved by amending the National Planning Policy Framework (NPPF) to refer to the national development management policies, or stating that small and medium-sized sites should be determined against the requirements of the NPPF only rather than locally set criteria, e.g. in a similar way to some prior approval type applications where local authorities are limited to applying the NPPF only when considering the assessment criteria.

8. Is the planning application process for small sites more challenging on brownfield land than greenfield land? If so, then what are these challenges or barriers?

Yes. This is due to the often onerous requirements relating to land contamination, employment and skills, public art and the need to market brownfield sites to demonstrate redundancy of current/past uses. Consideration should be given to:

- Reducing and standardising the need to market commercial properties for lengthy periods to demonstrate redundancy. Current policies range from 12 months to 24 months meaning developers must wait up to two years before an application can be submitted when a commercial unit is disused
- Reducing the level of scrutiny where evidence of marketing is prepared with the input of a commercial property specialist. This process currently causes delays and generates unnecessary appeals
- Removing the need for employment and skills strategies/contributions when redeveloping commercial sites under certain circumstances – for example where

marketing evidence demonstrates genuine redundancy and/or where the scheme is being delivered as 100% affordable housing

- Exempting medium size sites from provisions/contributions towards obligations such as public art and the need to meet local employment and skills requirements. Larger scale developers are better placed to meet employment and skills targets and will be delivering schemes of a sufficient size to ensure the use of some local labour and supply chain
- Standardising conditions/obligations relating to land contamination. This would provide certainty and avoid the preparation of multiple reports and discharge applications. For small or medium size brownfield schemes, a land contamination assessment prepared by a suitably qualified professional should be adequate - a condition requiring the scheme to be implemented in accordance with the assessment should suffice.

9. Are the determination periods detailed in this working paper the correct ones? Would shorter determination periods be appropriate for a particular site size once wider reforms to planning fees have been implemented - including those set out in the Planning and Infrastructure Bill.

- Yes
- **No**
- Don't know

Please provide further information

No. We recommend a shortening of determination times to six weeks for small sites and eight weeks for medium size sites. Penalties should be introduced for local authorities which fail to meet these timeframes. The threat of penalties would help speed up the determination of applications and provide greater certainty for SMEs. This is important given holding and borrowing costs when preparing applications for windfall sites.

10. What are the specific barriers SMEs face during s.106 agreements and what would be the most effective action for government to take, in line with its manifesto commitments on affordable housing?

Please see our response to question 8.

11. What are the barriers to developing very small sites as defined above and what parameters could be helpfully addressed in a design code?

Please see our responses to questions 7 and 8.

12. What types of rules set out in design codes would be most beneficial in unlocking development?

Set standards for parking, separation distances, densities, waste storage, cycle storage, etc. Standardising these requirements for small and medium size sites would provide much greater certainty and simplicity for SMEs compared to navigating the large number of development plan documents currently in place.

In our experience, supplementary planning guidance may be prepared after the adoption of a local plan. The local plan (the starting point for determining planning applications) may therefore not provide any references to the supplementary guidance. This can cause confusion for SMEs and mean wasted time/effort when preparing planning applications (compared to larger scale developers which may be more familiar with the development plan structure and the number of documents that need to be considered).

13. Are there other issues or opportunities to consider for ensuring the success of these proposals?

14. Do you anticipate any environmental impacts from these proposals that the government must consider under the Environmental Principles Policy Statement?

15. Do you have any views on the impacts of the above proposals for you, or the group or business you represent and on anyone with a relevant protected characteristic? If so, please explain who, which groups, including those with protected characteristics, or which businesses may be impacted and how. Is there anything that could be done to mitigate any impact identified?