

## **Planning for the Future**

**A response to the public consultation by Mid Sussex Labour Party**

## Background and Summary

Mid Sussex Constituency is centred on the three towns of Burgess Hill, East Grinstead, and Haywards Heath with considerable tracts of rural land surrounding. The total population represented is estimated to be over 151, 000 of whom 85, 000 were registered to vote as of December 2019 and the Labour Party has over 1000 full and affiliated members. Our views are therefore representative of a significant proportion of the population.

There has been considerable development allowed in the constituency in recent years and Mid Sussex District Council has a plan for over 870 dwellings to be provided each year until 2031. Until recently economic growth has been sustained with significant numbers of new entrants to the local housing market moving in from London and inner suburbs, and high employment levels fostered by our proximity to Gatwick Airport.

In such a mixed community there has always been a tension between the needs of economic growth and the strong desire of many residents to maintain rural and preserved characteristics of the landscape. The existing National Planning Policy Framework has not always worked smoothly in resolving these tensions and has often been seen as a blunt instrument for over-riding resident's wishes to the benefit of developers and still failed to deliver sufficient social housing. However, it has usually provided some opportunity for democratic input into the planning process through local controls and consultations to the tiers of local Government. This has helped to ease some of the tension and has ensured that residents have some say in the planning of their environment.

In considering the effects of the proposals we have therefore been mindful of the need to maintain and improve on democratic involvement in the process for residents, of the current and future economic and social trends that determine the character of our population, and the overall affordability of the housing market and whether the proposed changes will make it easier or worse for individuals to gain access. A further consideration is of course quality of build and design standards

In view of this background the focus of our response is on issues, rather than process points questions guide us into. Overall we feel that the proposals reflect a desire for centralisation that is at odds with the widely differing needs of communities on social and economic grounds. We are concerned that the emphasis on data rather than documentation removes context from the planning process. We do not believe that these proposals enhance democracy but instead will remove the possibility of objection and debate and deny a voice to many who are less technologically adept. We consider that true social housing, conducted either by a council itself with appropriate access to funding or by housing associations using rent formulas that reflect true earnings rather than by exposure to an overheated market represent the best way to achieve social balance and to retain the skills and hopes of younger people. We also feel that there is little here to check the tendency of developers to inflate profit margins by delayed delivery and poorer quality. It is a missed opportunity for true reform and will represent a step backwards into a “them and us” society if implemented.

## **Democratic involvement in Planning**

The consultation document proposes to “streamline the planning process with more democracy taking place more effectively at the plan-making stage”. And it develops this by stating that Local Plans should be “simplified” by focusing on identifying land under the three categories of Development, Renewal and Protected, with the assumption that land in the Developed category would automatically be given outline approval. The time saved on local consultation over planning proposals is presented as a virtue. We believe this effectively deprives both local government and residents an effective democratic voice. Existing Local Plans have been built on painstaking processes of consultation over a period of years and they make a projection for sustainable housing development over a defined period. However they are realistic and recognise that they are subjective to economic and social changes and they set out principles of policy that underpin the assumptions made. That is the first step in democratising the planning process.

The second step is when a formal application is made and there is an important democratic check that Local Authority councillors, elected by the voting public, scrutinise those applications against the background of how closely the application adheres to the policy principles and whether there are contextual issues that materially affect the desirability of the proposed development. To insist, as the White Paper does, that Local Plans should “set clear rules” and follow design codes is to introduce an entirely process-driven structure that removes from councillors the ability to reflect the wishes of their electors. In effect, once the local “rules” are set – and it is unclear how much and how effective public consultation on this will take place – there will be no accountability for planning officers or for councillors, and no expression of the voices of ordinary people, however much proposed developments may affect their lives.

Furthermore the proposals that both Local Plans and the actual decision-making process should take place using advanced digitised techniques and being driven by data rather than documents is presented as an end in itself. While technology can and should assist decision-making, to insist on the plans only being accessible to those possessing significant IT skills is to ignore the serious effects of digital exclusion in society. It has been estimated that by 2025 7.9 million people will still lack digital skills. And documents convey context, rather than mere data flows. Furthermore the exclusion of many elderly residents from this process, those least likely to have digital skills and access, may well be in breach of the Public Sector Equality Duty and its effects certainly should be measured in Impact Assessment.

## **Economic and social trends**

Proposal 4 of the document seeks to establish a standard method for “establishing housing requirement figures which ensures enough land is released in the areas where affordability is worst, to stop land supply being a barrier to enough homes being built”. It requires Local Plans to identify areas meeting development needs not just for residential housing but also businesses and community facilities over at least a 10-year period. Effectively this is an algorithmic approach to identifying land

supply figures with little flexibility other than to choose greater or lesser density, use of brownfield and infill.

The timing of this proposal could not be worse, especially in Mid Sussex. Land Supply figures have been predicated on assumptions of growth based on proximity to London, to Gatwick and to other places for commuting access. There have been considerable tensions over siting of new developments in order to support a local economy where 44% of workers commute out of the area, where the proximity to Gatwick Airport is a strong attraction for both business development and residential accommodation, and where a significant number of smaller business are in the finance and service industries sector.

COVID has had a devastating effect on each of those drivers. The effects of the closedown this year have already undermined the value to individuals and businesses of setting a premium on wages so that employees can commute to work at a cost of more than £3000 a year. Instead the trend for equipping workers with IT support to enable them to work from home is here to stay. There are enormous social benefits for many to working from home in terms of work/life balance, and benefits to productivity for employers. What will follow will inevitably be revaluation of salaries for formerly London-based workers, and increased demand for leisure and cultural facilities in the towns. The former will have an effect on the affordability and desirability of the location for many; the latter will put pressure on local authorities to review their priorities and sources of funding for amenities.

The pandemic effect on Gatwick long term cannot be overstated. Mid Sussex is a significant part of the Gatwick Diamond, the area of economic activity directly influenced by the airport infrastructure. It has been calculated that each job created by Gatwick creates at least £60, 000 of economic value to the Diamond, through wages, spending and travel patterns. Unemployment in Mid Sussex in recent years has been amongst the lowest in the country at around 2% of working age people. Since the pandemic it has been estimated that a minimum of 6000 jobs have been lost already or under risk of redundancy, and this excludes the key sectors of retail and hospitality. There will inevitably be a massive surge in unemployment figures, especially amongst the younger age ranges. In turn that will

have a huge impact on the economic assumptions of planning. Over 23 % of the local population rent either from private landlords or social landlords including councils. There will be severe economic pressure through unpaid rents, particularly in private rentals where build to rent has been a key driver.

Finally the considerable local reliance on financial and service support industries will, as with commuting trends, be strongly affected by the projected switch to homeworking as a choice equally attractive to employers and the workforce. Developments in business areas that called for large floorspace for call centre operations will need to be re-evaluated and existing premises may soon become unused, putting pressure once more on local authorities through both reduced rateable income and the call for regeneration.

Events such as this make a 10-year plan an unrealistic proposal.

## **Affordability and Access**

We are concerned that this document refers to “Affordable” housing 49 times without once attempting to define affordability and without reference to rented social housing as a desirable tenure option. As we have stated already in this submission, a very significant part of the existing housing tenure in Mid Sussex is made up of privately rented and socially rented homes. Prior to COVID the housing market locally has boomed: the average house price is assessed at over £373,000, whilst flats average over £245, 000. However weekly gross earnings for full-time workers are below the national average at £548. Mortgage costs are beyond the aspirations of almost all first-time buyers.

Private rentals are also at premium rates, around £1200 per month for two-bedroomed houses or flats. Private renters usually work to a formula of requiring evidence of gross earnings 30 times the cost of rental. The example quoted would require evidence of earnings of at least £36, 000 per year – about £8, 000 more than the average gross earnings. It follows that a single wage earner household has no chance of renting privately or meeting mortgage commitments.

If affordable housing is defined as previously in Annex Two to the National Planning Policy Framework as “at least 20% below local market rents (including service charges where applicable)” then typical monthly costs for dwellings of this kind would be £1000 for rent plus around £150 for Council Tax - £1150. That figure is still greater than average earnings. It follows that only a genuine grant-assisted social housing rental scheme can meet the needs and aspirations of a growing sector of the population.

Against this background it is disturbing to read of the parallel consultation proposing the introduction on a “temporary” basis of the lifting of the small sites threshold under which developers do not need to deliver any “affordable” housing to up to 40 or 50 units. This would inevitably be a charter for developers always to opt for smaller development sites to maximise profits, further contributing to the housing market inflationary bubble. It would also have the effect of driving away younger people from the area, reducing the skills base, and creating social distortions within the community.

The proposals for replacing Section 106 funding with a newly designed and standardised Community Infrastructure levy would also work against the ambition to make housing truly affordable. On site delivery, as the document states will require the local authority to take on a greater proportion of the risk of development than by using S106 contributions to fund delivery. The proposed counter-measure, of allowing the planning authority to return the units back to the developer at market prices if the market falls is likely to be attractive neither to the developer, concerned for their own profit margins, nor to a local authority whose Council Tax income is threatened by a falling market.

## **Quality of build and design standards**

The consultation document makes much of the proposals for design guides and an emphasis on quality and beauty but there are almost no checks proposed to ensure that developers meet these standards. Good design is always a difficult thing to define, with many different interpretations

available according to factors such as personal taste, social policies, environmental awareness, and cost will always be a limiting constraint.

There are inherent problems in reconciling these into a system of local consensus and incorporation into planning as recommended. In an area where rural villages have been identified as being part of a designated development zone there would have to be significant granularity to accommodate traditional building styles and newer, energy friendly designs. The understandable wish to preserve historic characteristics is likely to provoke tensions where developments have already taken place employing a different design ethic and will do little to foster social harmony. Instead it is highly likely that the outcome will be to exacerbate social divisions: a “wrong side of the tracks” attitude.

Environmentally we are extremely disappointed that the consultation document is not proposing net-zero as an immediate objective, but only by 2050. We believe that homes built from 2025 onwards should not be restricted to a reduction of 75-80% lower CO2 emissions but should commit to net-zero as an early objective.

It is also disappointing to see that build quality in “affordable” homes is reduced to the status of a negotiating ploy in the use of receipts from the new Community Infrastructure Levy. In our view local plans should specify minimum standards of build quality for all housing and planning permission should be withheld if decent room-sizes, intelligent and environmentally friendly design, use of high-quality and safe materials are not met.

## **Conclusions**

In responding to this consultation Mid Sussex Labour has been mindful of the many shortcomings of the current NPPF and the need to rebalance the equation of the needs of people rather than the wishes of developers. In particular we believe that genuinely affordable social housing as a tenure choice is not only economically viable in our area, by significantly reducing the long-term cost of Local Housing Allowance payments to those struggling to afford private rental costs while saving for a

mortgage, but it provides the basis for a stable society where planning standards can be both high and uniform.

We do not believe the proposals in the document under review meet any of those requirements.

Instead there is an extremely high risk that developers will use the relaxation of the small sites cap and the new proposals for Community Infrastructure level to game the system still more. The introduction of the proposed zonal system will lead to more deprivation of green belt land and greater tensions in society about new build. And the increased digitisation of the process will make local planning even more remote from the ordinary person.