



PLANNING COMMITTEE

7th January 2016

REPORT OF THE HEAD OF REGENERATION AND DEVELOPMENT

Consultation on proposed changes to national planning policy

1. PURPOSE OF REPORT

To advise Committee of the implications of proposed changes to the National Planning Policy Framework (NPPF) set out in a Government consultation, in order to agree a Committee response to be sent to the Department for Communities and Local Government (DCLG) and shared with relevant interested parties.

Note:

This Report has been prepared at short notice as the consultation was launched on 7th December, with a deadline of 25th January 2016 and the CLG Parliamentary Select Committee announced an urgent inquiry with a request for evidence by 11th January. On 22nd December DCLG announced that the consultation has been extended until 22nd February. The CLG Select Committee might set a new timetable in the New Year. If there is a further need or opportunity for further discussion and comment a further report might be brought to Planning Committee on 4th February.

2. RECOMMENDATIONS

- i) That Planning Committee instructs officers to submit the comments set out in this report, and detailed responses to the consultation questions based on these comments, to the DCLG as the Council's response to the consultation document.
- ii) That Planning Committee agrees that the Head of Regeneration and Development share this report and consultation response with the borough's MPs, the Black Country Local Enterprise Partnership (LEP), other West Midlands Metropolitan Councils, the Local Government Association, the Association of Directors of Environment, Economy, Planning & Transport and others concerned with the regeneration of the borough, to help advocate that potentially damaging proposals should be avoided and/or mitigated.

- iii) That Planning Committee agrees that the consultation response, plus available supporting evidence, be submitted to the CLG Select Committee inquiry into the consultation.

3. FINANCIAL IMPLICATIONS

None arising directly from this report.

The proposed changes to national planning policy will have financial impacts on local planning authorities but without a detailed evaluation it will not be possible to quantify what the financial impacts on the Council's planning service might be. However, it is likely that the proposals would lead to increased administrative burdens on the authority - in respect of proposals such as for planning permission in principle and the requirements to consider and provide for starter homes - without additional revenue being generated to cover such burdens.

Some of the proposals in the consultation, notably Starter Homes, could have wider impacts on the borough through the loss of employment land and job opportunities, impacting on the economy of Walsall as a whole. Such impacts would have consequences in terms of business rate receipts. On the other hand, the measures are intended to promote housebuilding, which is meant to provide more Council Tax and is supported by Government through the New Homes Bonus.

The proposed changes also include potential performance measures, so that an authority will be likely to receive some credit if it has an up-to-date Local Plan to meet projected development needs, whilst there could be sanctions if insufficient housing is 'delivered' in an authority's area. Such measures are likely to have financial implications.

4. POLICY IMPLICATIONS

The Council's corporate plan priorities include supporting businesses and helping people into work, improving health and well-being, and creating safe, sustainable and inclusive communities. The Council's development plans, including the Black Country Core Strategy (BCCS), support these priorities in a regeneration strategy that seeks to provide and maintain supplies of employment land and premises, a supply of land for housing, and investment in town, district and local centres, all supported by necessary infrastructure whilst protecting the environment. In the view of officers the proposed changes to National Planning Policy conflict with local priorities and policies. Particular examples are as follows:

- a) Some of the proposed changes look to encourage homes in commercial and industrial areas. The results of this would be likely to be the loss of viable businesses, higher costs for businesses, displacement of businesses and an inability to promote the redevelopment of existing industrial areas for modern economic uses. This could lead to job losses and unemployment locally. The regeneration strategy of the Black Country Core Strategy would then be undermined. Decentralisation of economic activity and as a result increased decentralisation of the population could lead to growing pressure on the Green Belt.

- b) The creation of housing in industrial and other commercial areas would be likely to lead to poor levels of amenity and conflicts between uses, which would impact negatively on future residents as well as on businesses.
- c) Some of the proposed changes might be in conflict with the emerging local plans for Walsall. The Site Allocation Document looks to provide a portfolio of land to meet the current and future needs of industry. The Starter Homes proposal could undermine this supply by encouraging housing on employment sites.
- d) The proposal to introduce a Housing Delivery Test may mean that Walsall comes under pressure to release more sites for housing if our brownfield sites are seen as taking too long to deliver. This could result in the release of employment land we need and/or the release of Green Belt sites. This would significantly undermine our current and emerging Local Plan, which protects the Green Belt whilst ensuring there is sufficient land to meet both housing and employment land needs elsewhere.

5. LEGAL IMPLICATIONS

None arising directly from this report.

Most of the proposed changes reflect the emerging provisions of the Housing and Planning Bill, which is currently being considered by Parliament. The Bill is to give legal status to various concepts, notably 'Starter Homes', providing for a register of brownfield sites and for 'planning permission in principle'. The proposed changes to the NPPF seek to translate these ideas into policies and to promote the provision of Starter Homes, as well as custom / self-build and other housing, and to make it easier to get planning permission. The changes include proposals for transitional arrangements as – if taken forward – the proposals have to be taken into account in the Council's plan-making and development management decisions.

6. EQUALITY

None arising directly from this report.

The Government's proposals appear likely to have adverse impacts in terms of the future of industrial activities and the creation of poor living conditions. Besides risking increasing unemployment, they would seem most likely to fall on the less well-off in society.

In principle, measures that might make it easier for people to enter into owner-occupation are to be supported. However, the potential impact on the availability of affordable homes also needs to be considered in the context of the Government's move from funding rented social housing towards owner-occupation. The consequences of this may be that those who could not afford an affordable Starter Home would also be less able to find a property to rent. It is possible therefore, that those who are in most need of affordable living accommodation are at real risk of being adversely affected.

7. ENVIRONMENTAL IMPACT

None arising directly from this report.

The proposals to promote housing in industrial areas may have impacts on the amenity of future residents and on neighbours of nearby businesses.

Whilst proposals such as for Starter Homes appear aimed at increasing development on brownfield land, if the economic regeneration of the inner areas of the borough was undermined then pressure for development in the Green Belt could actually be increased.

The proposals include a weakening of Green Belt policy, in terms of 'openness', where Starter Homes are proposed. This would seem likely to result in some visual impacts.

The potential weakening of Green Belt policy, including also with a proposal for new settlements, and the proposed introduction of a 'Housing Delivery Test' could mean that the Green Belt is released for housing development and result in a less sustainable development pattern overall. As much of the market perceives that greenfield sites are easier to develop, it might also divert investment interest away from Walsall's brownfield sites so that some significant, and possibly contaminated sites, could be left undeveloped.

8. WARD(S) AFFECTED

All.

9. CONSULTEES

Officers from Housing Strategy have provided input into the proposed responses and other officers from Regeneration & Development Service have also been involved in the preparation of this report.

10. CONTACT OFFICERS

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11. BACKGROUND PAPERS

National Planning Policy: Consultation on Proposed Changes (07.12.15)
<https://www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes>

Equalities statement: consultation on proposed changes to National Planning Policy (07.12.15)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482890/Equalities_statement_NPPF_fin.pdf

Planning and Housing Bill 2015-16 (13.10.15)
<http://services.parliament.uk/bills/2015-16/housingandplanning.html>

Housing and Planning Bill Impact Assessment (19.10.15)
<http://services.parliament.uk/bills/2015-/housingandplanning/documents.html>

Simon Tranter

Head of Regeneration and Development

Report Detail

1. The Government consultation seeks views on proposed changes to the National Planning Policy Framework. It covers the following areas:

Section 1: Broadening the definition of affordable housing, to expand the range of low cost housing opportunities;

Section 2: Increasing the density of development around commuter hubs, to make more efficient use of land in suitable locations;

Section 3: Supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing agreed in Local Plans;

Section 4: Supporting delivery of starter homes; and

Section 5: Transitional arrangements.

2. A copy of the consultation document can be viewed at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes. The consultation document poses a number of questions and the Government originally asked for responses by the 25th January 2016, but has now extended the deadline to 22nd February.
3. It has been a cause for concern that the consultation was originally to last from 7th December 2015 to 25th January 2016, encompassing the festive holiday period. This effectively limited the timescale making it more difficult for local authorities to consider the proposals and prepare an appropriate response, given the relevant committee timetables. This is all the more concerning given the extremely important proposals that will have an (in our view very damaging) impact on housing and regeneration. Local authorities would rightly be censured for organising a consultation on important planning-related issues between these dates.
4. We also consider that the questions do not reflect the importance of the issues involved. There are no question about the impact that these proposed changes would have, and indeed no economic impact assessment of the proposals. The proposed changes also need to be considered together as a change to the overall approach to affordable housing, industrial land and Green Belt release.
5. Furthermore we consider that it is questionable as to whether the Government should have embarked on the consultation before the discussions around proposed amendments to the Housing and Planning Bill have been concluded. This is unless the proper consideration of the implementation of the proposals through the NPPF would be able to inform Parliament's consideration of the Bill.
6. The advice for Planning Committee in this report focuses on the implications for Walsall and highlights areas of particular concern. It is important to state that Walsall is an authority where the housing trajectory from the Black Country Core Strategy is being met, there is a housing land supply for about 7 years and the

council is planning to allocate sufficient land to more than meet its target to 2026 and there is positive joint working with the other Black Country authorities and the Black Country LEP to support housing delivery. Issues and problems relate to the strength of the local economy and the need for urban regeneration to be able to support the local housing market.

7. It is proposed that a detailed response on the questions will be submitted to the Government providing evidence to support the arguments made in this document. This approach is necessary because of the original deadline for the consultation, and appears still to be necessary if a submission is to be made to the CLG Select Committee inquiry into the proposed changes – and if the concerns set out here are to be shared with interested parties (such as other authorities and the Black Country LEP) in a meaningful way. However, now that the Government's deadline has been extended to 22nd February it would be possible to report back to Planning Committee on 4th February if that is necessary.

Section 1: Affordable Housing

This part of the consultation focuses on proposal to **broaden the definition of affordable housing (Q1)**, so that Starter Homes, defined as homes for sale to first time buyers with a 20% discount to the market value, would count as affordable housing for which s106 contributions could be sought. It could be argued that the broadening of the definition will have little impact in Walsall, as so few affordable units are achieved through non grant funded S106 anyway. The 20% discount is meant to be funded out of the saving made by developers who would not have to make other section 106 contributions. Viability considerations mean that developments in Walsall are frequently excused from such contributions.

The governments own Equality Assessment claims that between 1.4 to 1.8 Starter Homes could be delivered for the cost of 1 affordable rented home (p.12). The Equality Assessment also states that the Starter Homes it refers to will be additional homes to those that would have been secured through current planning policy (p.6). It could be suggested then that the promotion of Starter Homes will benefit areas such as Walsall in terms of numbers as financial viability would normally prevent the provision of affordable housing through planning gain. In addition, there are some areas in the west of the borough where there are high concentrations of social and affordable rent, and starter homes could provide an affordable home ownership alternative. The issue however, remains that income levels are low in that area of Walsall, and it is still potentially more practical for would be buyers to access the cheaper 'second hand' market. It may be that the Starter Home product is more popular in the more affluent areas in the east of the borough where house prices are higher.

As already discussed in the Housing and Planning Bill report which went to committee 7th December, a prime concern is that it is not proposed to retain affordability in perpetuity. It is currently proposed that the 20% discount will only apply to sales of starter homes that take place within 5 years of construction. This has the potential to distort the housing market, as people could buy these units purely to achieve a profit after 5 years when the discount retention/clawback falls away. This is of particular significance when weighing up potential benefits (potential additional housing) against the negative impacts in terms of possible

losses of employment land. The consultation document states in paragraph 8 that 'in perpetuity' restrictions limit *"the current availability of home ownership options for households whose needs are not met by the market"* but it is questionable what evidence the Government has to support this argument and whether the potential effects on those whose needs are not met by the market have been fully considered.

The consultation document enforces the requirement *"to plan for the housing needs of those who aspire to home ownership alongside those whose needs are best met through rented homes"* (paragraph 9). The document then states that *"this includes allowing LPAs to secure starter homes..."* (paragraph 10). Both these statements suggest local authority have some choice and that affordable rented can still be part of the equation. It is officer's view that local authorities should have the power to choose how best to meet needs and that this should not be removed through the changes to National Planning Policy and the Housing and Planning Bill. The consultation document begins by stating (paragraph 6) that *"National planning policy requires local planning authorities to plan proactively to meet all housing needs in the area, including market and affordable housing"*.

Whilst this does not directly relate to the question posed by the Government in this consultation which is purely around the definition, it is officer's view that the issue of the continuing to be able to provide a range of affordable housing models should be raised in response to the question. The Government's justification for widening the definition is to provide the range of affordable homes to meet needs, so it is crucial that it then doesn't prevent local authorities from doing this through changes that restrict the range of affordable housing models actually being delivered.

The next question asks about the implications of the proposed **change to the definition of affordable housing on people with protected characteristics (Q2)**. The Government's Equality Assessment suggests that there could be an 'age' impact on over 40s, as Starter Homes clearly preclude this group (p.11). Walsall like most areas has an ageing population and there is a cohort of over 55s already in social and affordable rented stock, in many cases under occupying family homes, and if suitable affordable housing options were on offer, could release these homes for families and also help to reduce current occupants housing costs. Starter Homes and other affordable home ownership options are unlikely to help with this issue. Whg, who have a significant proportion of tenants over 55, are addressing this in a variety of ways including a newbuild programme of affordable rent Over 55s Wellbeing schemes. The proposed changes to the definition will do nothing to help these developments, and indeed they may be adversely affected by the broader changes to Local Housing Allowance cap and shift in government funding away from such provision and towards Starter Homes.

Perhaps most worryingly, is the prospect - yet to be confirmed - of a shift of most or the entire remaining HCA grant funding, from affordable rent to shared ownership. Shared ownership is not a product that works particularly well in Walsall, and numbers achieved are likely to be low, and cause further geographic divide, as it only tends to be deliverable in the East of the Borough. The Government needs to be made aware that if it hadn't been for the extremely successful affordable rent house building programme over recent years, not only would housing need not have been met, Walsall's housing completions would have been significantly lower (with consequences that would have included the ability to secure less funding, e.g. through New Homes Bonus).

Some of these concerns are more attributable to the Housing and Planning Bill, but it appears likely that Starter Homes would replace in part or full, the ability to seek affordable rent units. The answer to the question around the impact of broadening the definition of affordable housing therefore needs to be considered not in isolation but as part of a sweep of changes that are being proposed by the Government. The broader issue is the clear removal of support for affordable rent homes, and refocus on home ownership. The question about the impact of the broader definition of affordable housing on people with protected characteristics therefore, fails to ask the real question; what are the implications of the Government's proposals, to increase home ownership, for people with protected characteristics?

Section 2: Increasing residential density around commuter hubs

The second part of the consultation proposes **increasing residential density around commuter hubs**. The Government has proposed that a commuter hub is defined as:

- a) a public transport interchange (rail, tube or tram) where people can board or alight to continue their journey by other public transport (including buses), walking or cycling; and
- b) a place that has, or could have in the future, a frequent service to that stop. We envisage defining a frequent service as running at least every 15 minutes during normal commuting hours.

The principle of encouraging the efficient use of land and increasing housing densities in sustainable locations is welcome. However, given this definition we do not consider there to be any locations within Walsall where this would apply other than in Walsall Town Centre where higher density housing is already encouraged. Officers do not necessarily consider that the **definition of a commuter hub** needs to be changed (**Q3**). We would stress however, that there is a need for high quality family housing and that pressure on increased density may mean that a range of housing to meet all needs is not delivered. Any changes to National Planning Policy should allow for flexibility, and the promotion of high quality housing to meet the needs of all the community should be emphasised over simply increased density (**Q4 and Q5**).

Section 3: Supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing agreed in Local Plans

The third part of the consultation document discusses various proposed changes with the aim of increasing housing delivery. The first question asks if national planning policy should provide **greater policy support for new settlements in meeting development needs (Q6)**. Officers do not necessarily consider this idea on its own to be harmful but when in conjunction with the other proposals in the Housing and Planning Plan and this consultation, it does in our view have the potential for detrimental impact. If as suggested Starter Homes will be promoted on 'underused and unviable' employment land this has the potential to undermine our employment land meaning that inner urban areas become less attractive as jobs are lost. This in turn places pressure to release land in the Green Belt.

Furthermore if the 'housing delivery test' is to be implemented as proposed later on in the consultation document (see below) there is a potential risk that Walsall's brownfield sites could be considered as not delivering quickly enough and the borough could come under pressure to allocate additional sites - which may well have to take the form of new settlements in the Green Belt. There is a need for further consideration by the Government of the impact of all the proposals within this consultation of Green Belt release.

The second question asks about **strengthen policy on development of brownfield land for housing (Q7)** through a register of brownfield sites with the proposal that sites on this register and / or allocated in Local Plans should be granted permission 'in principle'. The proposal, set out in the Housing and Planning Bill, of granting permission in principle for new homes on 'suitable' brownfield sites is supportable on the basis that it would support the work already started by the Site Allocation Document (SAD) which looks to allocate suitable brownfield sites for housing. If the proposal is to support such work to identify what would be 'suitable sites for housing, the impacts of the proposal might be limited as far as Walsall is concerned. The Council has no problem identifying a sufficient amount of what it considers to be suitable sites. As referred to above there is more than 5 years' supply of housing land at present and the SAD is proposing to allocate more than enough sites to meet projected needs to 2026. Almost all of this is or would be on brownfield sites. The issue is making sites deliverable by overcoming barriers such as land contamination and unrealistic aspirations for land values. Furthermore Walsall has a number of sites that are 'considered for release' from industry if suitable alternative sites could be found to meet industries needs, including for the relocation of viable businesses. Without further support on such delivery issues in the Black Country the brownfield register is unlikely to achieve the housing growth anticipated by the Government.

Much depends on the definition of what is a brownfield site that is 'suitable' for housing. If the Government continues to pursue the definition used in the Housing and Planning Bill that 'underused and unviable' industrial and commercial sites should be suitable for Starter Homes it is possible the Council would come under pressure to register sites that are needed for industry. The Government's intention to strengthen the weight towards brownfield land for housing is welcomed but we feel that there should also be reference in this section of the National Planning Policy along the lines of *"unless it is identified by local authorities as needed to meet industrial land requirements"*. Otherwise it is possible that land owners will see this change to National Planning Policy along with the Housing and Planning Bill as a way to promote employment sites for housing, leading to a lack of sites for industry, the introduction of housing into industrial areas and existing industry being forced out.

The next three questions discuss proposals which aim to increase the role of smaller housing sites in meeting housing needs. The first question asks if it **would be beneficial to strengthen policy on development of small sites for housing (Q8)**. Small sites make a substantial contribution to housing land supply in Walsall and the Council's officers already maintain a list of such sites as part of general monitoring of housing sites and planning permissions. Such sites might be suitable for small and medium builders, or for custom or self-builders, however there has been a lack of expressions of interest in small sites owned by the Council. As such officers consider the **definition of small sites** as a site of less than 10 units

as practical **(Q9)** and we are in general support of having specific **positive local policy for assessing applications for development on small scale sites not allocated in the local plan (Q10)**. Such a policy should be able to address important local issues, such as the need for and relationships with other uses (including industry), air and water and ground contamination and ground stability.

An allowance for the **potential supply from small sites** is already included in the calculation of Walsall's five-year land supply **(Q8)**.

The final proposed changes in this section look to address the gap between the amount of homes planned for in Local Plans and the number of houses actually being built through the introduction of a housing delivery test. The first question looks at **how best to implement the housing delivery test (Q11)**.

The second question asks **what would be the impact of a housing delivery test on development activity (Q12)**. Whilst we welcome the Government's attention of the delivery of housing sites with permission, the proposed measures do not seem to recognise that local authorities generally do not themselves deliver new-build housing. As a result the Government is treating a symptom rather than the cause of under-delivery and the measures proposed are considered likely to have considerable negative impacts. Walsall is one of a very limited number of authorities in the West Midlands that has actually been meeting its housing trajectory over the recent years. Much of this is the result of pro-active engagement with housing associations and the Homes and Communities Agency to deliver major housing sites on brownfield land. There is a risk that delivery could slow down especially as financial support and resources in Local Authorities are reduced. The poor performance of the wider economy means that many residents are in low paid insecure employment and struggle to afford housing.

The constraints that currently prevent the development of Green Belt and greenfield sites currently have the effect of encouraging developers to look at brownfield sites that would otherwise be ignored. Also as Walsall has a joint core strategy, there may be pressure to find more sites if other authorities are failing to meet their housing targets. Such a risk is only likely to be increased with the emerging discussions around meeting Birmingham's housing needs. This proposal could therefore result in pressure to release Green Belt for housing development. If this happens there is a question over how places like Walsall would ever develop its Brownfield sites. There are several large brownfield sites such as the former Caparo works and Goscote Copper Works, and many smaller sites, that without a strong policy approach encouraging brownfield first are likely to remain undeveloped forever.

Section 4: Supporting delivery of starter homes

This part of the consultation document discusses the changes proposed to National Planning Policy to support the delivery of Starter Homes. Officers have already provided a report on the Housing and Bill with specific focus on the impact of Starter Homes. The first question within the current consultation asks **what evidence could be used to justify the retention of land for commercial use and if there should be a fixed time limit on land retention, such as 3 years (Q13)**. It is the strong view of officers that the main evidence to decide the future of employment land should be set out in periodic Employment Land Reviews (ELRs). These

should be prepared as part of the evidence base supporting the Local Plans. They need to identify a sufficient portfolio of land and to enable the market to function and meet demand. But crucially they need to consider demand for land as well as the land supply in a systematic way, including demand that is unmet (in order to meet the NPPF provision that all objectively identified needs should be met) and the need to support existing firms. The ELR would also identify land for retention; land that could be released to other uses, including housing; and land for new employment land opportunities as necessary.

The proposal of a fixed time limit is of particular concern. The economic cycle of industrial land varies and extends over a longer period than is commonly appreciated. The investment in the JLR car plant at the I54 site, which was vacant for some time before it was taken up, would in all likelihood not have happened had the proposed changes to the NPPF been in operation. Incidentally this is likely to lead to 5,000 new jobs at its full extent (not to mention those in the supply chain) and much needed increased exports. In Walsall, our records show that there is on average a 15 year gap between an industrial site becoming vacant and it being taken up. Almost no sites (aside from actual redevelopments *in situ*) are vacant for only a two or three year period. It should also be noted that the range is open-ended, with some sites being vacant for 33 years or more. One long standing contaminated site, Anglesey Bridge, was developed in 2011 by Castings, an auto component manufacturer. The Government has produced no evidence to back up its proposal only to retain employment land for the suggested three year period. The proposal would eliminate suitable employment land where there is longer term interest simply because it is available for more than three years. Besides being damaging, this proposal is also illogical. Authorities' Local Plans are generally encouraged to plan for 15 years ahead, especially in terms of housing supply, but the ability to ensure that housing growth can be supported by economic development potential is being undermined. It is therefore possible that this proposal will undermined the delivery of other Government policies such as Enterprise Zones.

Although not explicit in this consultation if it becomes a burden on Local Authorities to justify the retention of land for commercial use the amended National Planning Policy needs to make it clear that this is in the context of deliverability and not as previously suggested in the Housing and Planning Bill and Autumn Statement 'underused and unviable' land.

The second question **(Q14)** focuses on **extending Starter Homes to 'unviable or underused retail, leisure and non-residential institution brownfield land'**. As with industrial premises officers consider the wording 'unviable' and 'underused' to be dangerous and that need for such uses need to be considered. As such the wording should be changed to undeliverable. Furthermore if the Government wants to support town centres the proposal should only apply to sites outside of established centres. Many development opportunities within town centres like Walsall take years to deliver. For example a recent development in Walsall for a cinema which is due to open early 2016 was granted permission in 2013 but the site actually had outline consent granted in 2006 for a mixed use development including leisure uses which took years to attract a end user. The regeneration or even prevention of decline would be seriously undermined by Starter Homes being promoted in centres where town centre uses should be given the priority.

The next question **(Q15)** then asks do you support the **proposal to strengthen the**

Starter Homes Exception Site Policy so that planning applications can only be rejected if there are overriding design, infrastructure and local environmental considerations that cannot be mitigated. It is officer's views that the proposal should not be strengthened and that there is a need to amend the exception site policy for all types of sites to undeliverable not 'underused and unviable'. National Planning Policy around Starter Homes should also include a statement that planning applications can be rejected where the impact on the Local Plan is considered significant. These changes are needed to mitigate the potential impacts of the proposal, particularly on employment land.

Otherwise, the impact of these proposals would be extremely adverse to a town that largely earns its living from industry. Walsall is currently struggling to supply demand for industrial land. The indicators are showing a consistent reduction of supply, with a gap having emerged in relation to demand. The proposals would effectively shut down most of the remaining vacant industrial land supply, which needs more than two or three years protection before it comes forward. Since housing values are persistently higher than industrial values, the proposals would simply incentivise landowners to promote housing, or revalue their land as notionally housing purely for speculative purposes, stopping industrial investment and indeed pushing out industry that is currently protected through the development plan in favour of housing. Owners would simply keep land vacant and pretend there has been no interest in it, or even run down existing industry, promote dereliction and then argue that this means that housing is the only viable option. Virtually all of Walsall's vacant industrial land supply would be affected, even that in the middle of industrial estates, and precisely in the places that are in demand for industry. The Government has not produced any safeguards associated with these proposals to stop this extremely damaging situation developing.

The consultation document then focuses on **mixed use commercial developments** being suitable for Starter Homes (**Q16**). Whilst officers agree that bringing homes into centres bring footfall and can help drive regeneration there is a need to prioritise town centre uses first to ensure our centres are able to maintain their key function as commercial hubs. Starter Homes should therefore only be part of mixed use and the priority should be on maximising the commercial uses on site. The Government has already made a separate announcement that it will make permanent the permitted development rights that enable offices to be converted to housing without a need for planning permission and has also proposed to extend this to allow for the demolition of office buildings. Thus, commercial premises in centres are already under risk from conversion to housing. In this context we agree with the position in the consultation document that states that when Starter Homes are being promoted as part of commercial developments containing unlet commercial units there needs to be clear evidence that the unit has remained unlet for a reasonable period or that there is little likelihood of the unit being let for commercial use. We would welcome this forming part of the policy and that guidance is published around the type of evidence needed by applicants to support such an argument. We would also suggest that the *reasonable* time period is left up for Council's to determine as different areas throughout the Country have different delivery timescales.

Questions 17 and 18 discuss rural exception sites, which are not considered relevant for Walsall.

The following question (**Q19**) discusses whether **local communities should have**

the opportunity to allocate sites for small scale Starter Homes developments in their Green Belt through neighbourhood plans. This is a somewhat difficult question to answer as Walsall is yet to have much demand from communities wishing to produce neighbourhood plans and it could be argued that the area's most likely to be motivated to do as such, would be with the aim of protecting the Green Belt rather than identifying sites for development. Furthermore as Walsall is currently meeting its housing trajectory and can identify through the emerging Site Allocation Document land to meet Walsall's housing needs there is little justification at the moment for Green Belt release to meet "*local community needs*" meaning any proposal would in officers view fail to meet the tests of inappropriate development in the Green Belt. However, as with all the proposals in this consultation there is a need to consider this proposal in combination with the other proposals. It may be that Housing Delivery Test could result in local communities feeling under pressure from Green Belt releases they have little control over and consider taking more control themselves through Neighbourhood Plans.

The final section under Starter Homes covers Brownfield land in the Green Belt. Here the Government are proposing to change policy to support the regeneration of **previously developed brownfield sites in the Green Belt by allowing them to be developed as Starter Homes (Q20).** This includes weakening the wording protecting the openness of the Green Belt in favour of working such as "*sensitively designed*" redevelopment and that development will not be considered inappropriate where any harm to openness is not substantial. Officers have concerns about this proposed change to Green Belt policy as it will result in land owners and developers having significantly more scope for development in the Green Belt with less control on the impact on openness. Such potentially adverse impacts might claim justification in terms of affordable housing, where in reality in 5 years' time a cash windfall could be made from housing in what many consider to be more desirable locations. This creates the obvious risk that the values of Starter Homes rise after this initial time period, and indeed that they could be boosted from the outset because of the prospect of an increase in sale price in the future.

The proposed wording of the changes to Green Belt policy are particularly vague. Given the potential for legal challenge by developer, it is essential that the Government carries out a further consultation about the final wording of any revised policy.

The Starter Homes proposal appears to be seen by some as helping to deliver housing whilst 'saving' the Green Belt. However, in an area like Walsall it is the availability of industrial jobs that helps to retain the population in the inner areas. Without jobs then it is likely that the attraction of the inner areas as places to live could actually decrease and decentralisation could increase leading to more pressure on the Green Belt. This issue along with the proposed changes to the Green Belt policy could be a real threat to the future of Walsall's Green Belt.

Section 5: Transitional Arrangements

The Government is proposing to **introduce a "*transitional period*" to enable a review of local plans to incorporate the changes to affordable housing definition (Q21).** The consultation suggests a time period of six to twelve months. It is not proposed there should be any similar arrangement to allow for a review of local plans to incorporate the other changes within this consultation.

It is the view of officer's that the suggested timescale may not be sufficient especially given the complexity of the planning system, generally and as it relates to Walsall. It is possible that we would need to review the, Black Country Core Strategy and emerging Walsall Site Allocation Document along with the Affordable Housing Supplementary Planning Document. For each of the Local Plan documents it would seem necessary to identify the realistic available options and consult on them before consulting on a draft plan. Each stage of consultation would be likely to take 9 months and then there would need to be an Examination in Public. We consider the time period should only be guidance and that individual circumstances should be taken into consideration.

We also consider that changes might need to be made to Local Plans if the other proposed changes to the NPPF were to be implemented. It is not clear what should happen in the light of the Housing Delivery Test and whether failure might require a review of the Green Belt, nor what the implications would be if Walsall could not maintain a supply of employment land. Continuing reviews would seem likely to take considerable time and resources even though such things are becoming less and less available.