



Changes to the current planning system consultation  
Ministry of Housing, Communities and Local Government  
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1 October 2020

Dear Sir / Madam,

The Cotswolds Conservation Board ('the Board') welcomes the opportunity to respond to the consultation on 'Changes to the Current Planning System'.

The Board's response focuses, primarily, on the implications of the proposed planning reforms for the Cotswolds Area of Outstanding Natural Beauty (AONB) and for the AONB family as a whole – landscapes whose distinctive character and natural beauty are so outstanding that it is in the nation's interest to safeguard them.<sup>1</sup>

The Board recognises that AONBs should not be preserved in aspic and that they should be living, working landscapes with thriving communities. However, the development that is required to achieve these aspirations should be delivered in a way that is compatible with – and positively contributes to – the statutory purpose of conserving and enhancing the natural beauty of AONBs.

It is important to note that 'relevant authorities', including Ministers of the Crown and government departments, have a statutory duty to have regard to this purpose *'in exercising or performing any functions in relation to, or so as to affect, land in an area of outstanding natural beauty'*.<sup>2</sup> As such, the potential impact of the Government's proposed planning reforms on AONBs should be an essential consideration.

The Board is concerned that the scope of the specific consultation questions is quite narrow. As such, we consider that they do not adequately address the over-arching implications of the proposed planning reforms, particularly with regards to potential impacts of the proposed reforms on AONBs and on the Cotswolds AONB in particular. In order to address these over-arching implications, the Board's response is set out in terms of key concerns and recommendations, as outlined below.

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<sup>1</sup> Defra (2019). *Areas of Outstanding Natural Beauty: technical support scheme (England) 2017 – 2019*. ([Link](#)).

<sup>2</sup> Section 85 of the Countryside and Rights of Way Act 2000. ([Link](#)).

#### **Cotswolds Conservation Board**

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The Cotswolds National Landscape is a designated Area of Outstanding Natural Beauty (AONB), managed and looked after by the Cotswolds Conservation Board.

[cotswoldsaonb.org.uk](http://cotswoldsaonb.org.uk)

Chairman:  
**Brendan McCarthy**

Vice Chair:  
**Rebecca Charley**

These key concerns and recommendations are grouped around the four topic areas of the consultation document:

1. The new Standard Method.
2. First Homes.
3. Small Sites Threshold.
4. Permission in Principle.

Further information on the implications of the proposed reforms for the Cotswolds AONB, including details of the increased level of housing that the new Standard Method would set for each of the local authorities that overlap with the AONB, is provided in Annex 1 and 2, below.

## **KEY CONCERNS**

### **Over-arching concerns**

The ‘build, build, build’ focus of the proposed planning reforms, outlined in the ‘Changes to the Current Planning System’ consultation, clearly prioritises economic objectives over social and environmental objectives, such as addressing the climate and nature emergencies. As such, the reforms risk undermining the purpose of the planning system, which is to contribute to the achievement of sustainable development.

Despite the Government’s assertions that Areas of Outstanding Natural Beauty (AONBs) will be protected,<sup>3</sup> there is a significant risk that the proposed reforms would, in fact, undermine the purpose of AONB designation and lead to the erosion of the special qualities and natural beauty of these nationally important landscapes, especially in southern England where the demand for new housing is highest.

Even if national policies relating to AONBs aren’t explicitly weakened, the over-riding pressure to build more and more houses within local authority areas that overlap with AONBs would inevitably result in adverse impacts on AONBs and their settings.

### **New Standard Method**

The proposed new Standard Method would potentially result in up to a three-fold increase in the number of new homes built per year for the local authority areas that overlap with the Cotswolds AONB (and with other AONBs, particularly in southern England), compared to current Local Plan requirements. The over-riding pressure to meet, or even exceed, the new housing need figure would inevitably result in significant amounts of housing being built in the AONB(s), regardless of the extent to which such constraints are supposed to be taken into account when determining housing requirements and when making decisions on applications for new housing.

The new Standard Method would potentially also undermine the level of protection afforded to AONBs in the National Planning Policy Framework (NPPF), in particular: (i) the great weight that should be given to conserving and enhancing landscape and scenic beauty in AONBs; and (ii) the

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<sup>3</sup> <https://www.telegraph.co.uk/politics/2020/08/01/radical-necessary-reforms-planning-system-will-get-britain-building/>

presumption that planning permission should be refused for major development in AONBs. This is because the higher housing need figures for most of the local authority areas that overlap with the Cotswolds AONB would make it easier for developers to demonstrate the need for the development, that exceptional circumstances apply and that their proposals would be in the public interest.

The way in which affordability is factored into the Standard Method disproportionately increases the identified housing need in local authority areas that overlap with the Cotswolds AONB (and other AONBs, particularly in southern England). It does this without actually addressing the need for genuinely affordable housing for those people with a local connection who are most in need of it. As such, rather than helping to protect AONBs and meet the needs of AONB communities, the proposed reforms actually encourage more housing to be built in local authority areas that overlap with AONBs than in local authority areas that do not have this overlap.

As housing data is not currently compiled, assessed or calculated at an AONB-wide level, this makes it very difficult to: (i) obtain an accurate overview of the scale of development being proposed and / or permitted across the whole of the AONB area; and / or (ii) identify and plan for housing needs / requirements at an AONB-wide level. As such, the Government's focus on identifying and addressing housing need at an individual local authority level potentially hides the true scale of the resulting housing delivery across the whole AONB. This is a particularly significant issue for an AONB such as the Cotswolds, which overlaps with 11 different districts / boroughs / unitary authorities.

### **First Homes**

In principle, the option of First Homes is to be welcomed as part of the housing mix, especially in areas like the Cotswolds AONB where property values are particularly high, but the wages of many people working in the area's communities are relatively low. We are particularly supportive of the option to increase the discount above 30%, since it is well known that homes within AONBs command a relatively high price.

However, the mix of affordable housing products in an area should be determined in response to an assessment of local housing needs, rather than centrally, otherwise we may fail to address the needs of the most vulnerable and in-need households. The policy, as currently proposed, may also provide a variety of 'affordable' housing that is not needed in the locality. We are also concerned that First Homes that cannot be marketed to local people will instead be marketed to those without a local connection, rather than changing the tenure to address the needs of local people for whom First Homes are not an option.

The Government's proposals include the imposition of a minimum of 25% of affordable homes being provided as First Homes. However, such a target risks side-lining social rented homes, which are of critical importance to rural communities, especially in high value/high demand areas such as the Cotswolds AONB. Such a scenario would be deeply concerning.

The idea of leaving the determination of which tenures of affordable homes should be sacrificed to First Homes down to negotiation runs counter to the desire for a planning system based on more clearly defined rules, as set out in the Planning White Paper. Developers need the certainty of knowing what contributions they need to make towards affordable housing (as well as other costs) when negotiating the value of land, and this certainty is needed up-front without scope for later negotiation.

## **Small Sites Threshold**

The consultation document proposes to temporarily lift the small sites threshold, below which developers do not need to contribute to affordable housing, to up to 40 or 50 units to support SME builders as the economy recovers from the impact of Covid-19.

The Board considers that the proposed policy measure is counterintuitive. The delivery of affordable housing is critical to improving affordability within the housing market. Substituting the delivery of affordable housing with market housing will have the net effect of making the housing market less affordable.

While we recognise that developer contributions can be a proportionally greater burden on smaller developments, there remain questions as to whether this is necessarily an outcome of the small sites policy thresholds, since the residual method of land valuation suggests that the costs of development, including developer contributions, should be accounted for in the price paid for development land. Introducing a temporary change to the threshold for affordable housing provision will simply disrupt the property trading process, and will no doubt result in landowners securing a higher price for sites rather than benefiting SME developers: the risk is that still fewer affordable homes will be delivered.

Raising the site size thresholds for developer contributions may also increase the attractiveness of small-to-medium-sized sites to larger development companies, whose large-site business models would benefit from the relief from developer contribution requirements on sites between 10 and 50 units, thereby increasing competition from larger operators over the SMEs this policy would be intended to benefit.

## **Permission in Principle**

The consultation document proposes extending the current Permission in Principle (PiP) to major development in order for landowners and developers to have a fast route to secure the principle of development for housing on sites, without having to work up detailed plans first.

The problem with the proposals relating to PiP is that the whole initiative is based on a misconception that the principle of a development is not adequately conferred by a development plan allocations, a planning permission (whether outline or full) or the variety of other existing in-principle consents available in the planning system.

The principle of consent always comes with strings attached – and that must be the case (otherwise it's not really 'planning'). Those strings might be a list of criteria in a local plan policy, a development brief adopted as SPD, a list of conditions attached to an outline planning consent, an area specific design guide or code or the details of a national, local or neighbourhood development order.

With the exception of the conditions of national development orders, the strings attached to these consents are all arrived at in negotiation with the landowner/developer, often mediated by a government-appointed Inspector to ensure that conditions are not unreasonable. Those options are all available under the current planning system without the need for layering PiP over the top. Any or all of them should be sufficient for an investor to progress with a scheme that accords with those criteria, since, if a detailed planning application was submitted (or, in the case of a development order, construction simply started) and the local authority refused the proposal or took enforcement

action, the Planning Inspectorate swiftly approve any appeal and most likely award costs against the council.

The issue should not be one of enabling *'landowners and developers to have certainty that the principle of development for housing only needs to be established once in the process before developers need to get into more costly, technical matters'* (para 89) – that exact process is already in place, through development plans and outline consents. What is really at issue here is landowners and developers wanting to be able to secure a different consent from the one they have.

In a protected landscape there are almost no circumstances in which a greater level of flexibility in implementing a planning consent than is already available through the existing planning system may be seen as compatible with the principle of protecting and enhancing the character and natural beauty of the designated area (or, indeed, its setting), especially when the cumulative impacts of many such flexibilities over time are taken into account.

Of grave concern in the consultation document is the second sentence in paragraph 89 which says: *"This [establishing the principle of development once in the process] is particularly important for smaller sites which have not been allocated in local plans and where there is now, due to the rapidly changing economic circumstances, a desire by landowners to release the land for housing."* If a small site has not been identified in a local plan it could be because the site has specifically been determined through the local plan process not to be appropriate for development for a legitimate NPPF-compliant reason. Economic circumstances on their own may not be sufficient to overcome that principle, and the mere desire of the landowner to release the land is surely rather less relevant than an identified local need for the development.

Nonetheless, the landowner is perfectly able, under the current planning system, to explore the suitability of their site for development with reference to any extant criteria-based local or neighbourhood plan policies or "exceptions" policy in the NPPF, and to test that suitability with an outline planning application, if he or she can't wait a maximum of 5 years to pursue the site through a local plan review, or persuade the local community to support the development through a neighbourhood plan or community right to build order.

We are also concerned with the relationship between expanding the application of PiP and the checks and balances that are generally provided in the planning system by environmental impact assessment (EIA), in particular how flexible the PiP might be with regard to housing developments that are close to the Schedule 2 thresholds, and whether it is appropriate for a PiP application not to be subject to a cap on associated commercial development just because the proposal is "housing-led".

## **KEY RECOMMENDATIONS**

The Cotswolds Conservation Board recommends that...

### **Over-arching recommendations**

The Government should ensure that its planning reforms give equal weight to all three of the over-arching objectives for achieving sustainable development – economic, social and environmental – and ensure that these objectives are pursued in mutually supportive ways.

The Government should recognise that, in the face of the over-riding pressure for new housing, the level of protection afforded to AONBs should be increased in order to achieve net-gain outcomes with regards to conserving and enhancing the natural beauty of AONBs.

### **New Standard Method**

The Standard Method should not apply to the AONB sections of local authority areas that overlap with AONBs. Instead, the Government should apply the same principle to AONBs that it applies to National Parks, in this regard, whereby the Government *'does not ... provide general housing targets for them'*.<sup>4</sup> As with National Parks, the focus in AONBs should be on *'meeting affordable housing requirements [based on robust evidence of need arising within the protected landscape<sup>5</sup>], supporting local employment opportunities and key services'*.

If the Government continues to apply a Standard Method in relation AONBs:

- The AONB designation should be taken into account at the Standard Method stage, rather than just being a consideration at the subsequent stage of determining housing requirements.<sup>6</sup> For example:
  - The affordability ratio / weighting should not be applied, at least in relation to the AONB.
  - The cap on housing need that is allowed for in the current Standard Method should be retained, at least in relation to the AONB.

Regardless of whether the Government continues to apply a Standard Method in relation to AONBs:

- Resources should be allocated – and systems put in place - to enable housing data to be collated, analysed and assessed at an AONB-wide level.
- Relevant proposals of the Landscapes Review should be implemented in order to: (i) fulfil the Government's stated ambition to protect AONBs; and (ii) enable housing needs / requirements to be assessed and planned for at an AONB-wide level in a way that is compatible with the purpose of AONB designation. The relevant proposals include:
  - Stronger statutory purposes (Proposals 1, 23 and 24).
  - Statutory consultee status for AONBs (Proposal 6 and 24).
  - A single, statutory Local Plan for the entirety of the area of each of the Cotswolds and Chilterns AONBs and potentially for other especially large AONBs which cross multiple

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<sup>4</sup> Defra (2010) *English National Parks and the Broads. UK Government Vision and Circular 2010*. Paragraph 78. ([Link](#)). AONBs merit the same status as National Parks in this regard because both designations have the highest status of protection in relation to conserving and enhancing landscape and scenic beauty and, in both designations, the scale and extent of development should be limited (as per paragraph 172 of the NPPF).

<sup>5</sup> As per Policy 12 of the Cotswolds AONB Management Plan 2018-2023. ([Link](#)).

<sup>6</sup> This could potentially be achieved by identifying the baseline number percentage of dwellings within a local authority area that are within the AONB. The relevant factors, such as the affordability weighting and the cap on housing numbers, could then be applied proportionally.

local authority boundaries and are under particular developments pressures, for instance, the High Weald and Kent Downs (Proposal 6).

- Consider the case for National Park status for the Cotswolds, Chilterns and the combined Dorset and East Devon AONBs (Proposal 20).

## **First Homes**

The Government's planning practice guidance should specify AONBs as a location where a higher discount would automatically be justified.

First Homes should only replace other forms of discounted home ownership and not the wider range of affordable home options.

Designated Rural Areas (as defined in the current NPPF glossary), including AONBs and National Parks, where there is a greater sensitivity to meeting precisely-defined affordable housing needs, should be exempt from the 25% First Homes policy (but should retain the First Homes product as an option to be factored in to the tenure mix).

## **Small Sites Threshold**

The smaller site size thresholds for developer contributions in Designated Rural Areas (including AONBs and National Parks) should be retained.

In fact, we consider that the take-up of the option for local planning authorities to set lower site size thresholds in rural areas has been lower than it needs to be, as a result partly of resource constraints leading councils to prioritise other issues, and partly of landowner and developer lobbies being effective in promoting their own interests. This has been to the detriment of the delivery of affordable homes, for which there is a critical need in all rural areas to enable low-waged and key workers to support communities and local economies.

A smaller site size threshold should be the default in Designated Rural Areas (although an option could be retained for LPAs to choose to vary that threshold where the identified need for affordable homes is demonstrated to be negligible over the plan period).

Many of the problems associated with development, whose solutions are seen by some as lying solely with planning reforms, might better be solved by reforms to the ways in which land is traded and how the development industry operates outside of the planning system, as was hinted at in the Housing White Paper ('Fixing our broken housing market') in 2017.

Support for SME builders might better be provided by reversing the trend towards the allocation only of major 'strategic' sites in local plans, and encouraging the identification of small sites in local plans, neighbourhood plans and brownfield registers, or by requiring that major development sites set aside a proportion of land for development by SMEs in order to spread the burden of market absorption, as suggested by the Letwin Review.

## Permission in Principle

AONBs (and, indeed, all NPPF footnote 6 assets) should be exempted from any expansion of the PiP regime and, ideally, from those aspects of this regime that are already in place.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A Parsons', with a stylized flourish at the end.

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## ANNEX 1. COTSWOLDS AONB CONTEXT

The planning and development consultancy, Lichfields, has calculated how many homes would be needed in each local authority area under the new Standard Method and compared this figure with the current Standard Method, average delivery over the last three years and the current Local Plan requirement.<sup>7</sup>

The Board has extracted the Lichfields data for the eleven district and unitary authorities that overlap with the Cotswolds AONB (see Annex 2, below). This shows that the housing need calculated using the new Standard Method would represent up to a three-fold increase compared to the current Local Plan requirements for these local authorities:

- Approximately three-fold increase: two local authorities (Cotswold and Wychavon Districts).
- Approximately two-fold increase (i.e. a 1.7 to 2.3 fold increase): five local authorities (South Gloucestershire, Stratford-on-Avon, Stroud and Tewkesbury).

This increase is particularly alarming in the context of Cotswold District, where 78% of the District lies within the Cotswolds AONB and 44% of the AONB lies within the District and where 11 of the 17 principal settlements in the District are either within the AONB or overlap with the AONB boundary. In addition, the largest town, Cirencester, lies directly adjacent to the AONB boundary.

To put this in context, Cotswold District Council has identified that the increased housing need resulting from the new Standard Method would require a 50% increase to Cotswold District's entire housing stock within 20 years.

It is impossible to see how this level of housing need could be met within Cotswold District without significant levels of housing being built in the Cotswolds AONB and without the special qualities and natural beauty of the AONB being significantly eroded and the purpose of AONB designation being significantly undermined.

In addition to the example of Cirencester in Cotswold District, the main town or city in a number of other local authority areas (e.g. Stroud, Cheltenham, Gloucester and Bath) also lies directly adjacent to the Cotswolds AONB boundary. In the case of Stroud and the World Heritage Site of the City of Bath, the AONB surrounds and adjoins three sides of the urban area. Also, in some local authority areas, much of the area beyond the AONB designation is Green Belt or floodplain.

In such locations, there is considerable pressure to accommodate significant quantities of housing within the AONB, even though Government guidance specifies that AONBs are unlikely to be suitable areas for accommodating unmet needs from adjoining (non-designated) areas.<sup>8</sup> For example, in Bath & North East Somerset, a local authority area where only 21% of the area lies within the Cotswolds AONB, the adopted Bath & North East Somerset Core Strategy and Placemaking Plan has identified a strategic site allocation for 300+ dwellings within the AONB, on undeveloped land on the edge of the City of Bath.

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<sup>7</sup> <https://lichfields.uk/grow-renew-protect-planning-for-the-future/how-many-homes-the-new-standard-method/#section2>

<sup>8</sup> <https://www.gov.uk/guidance/natural-environment#landscape>. Paragraph 042.

It is important to note that the Cotswolds AONB has already experienced a three-fold increase in the average number of housing units built per year, between 2012 and 2017.<sup>9</sup> The additional two to three-fold increase in housing need in many of the local authority areas, resulting from the proposed Standard Method, would add further pressure on the Cotswolds AONB.

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<sup>9</sup> Dixon, D., Sinden, N. & Crabtree, T. (2017) *An Independent Review of Housing in England's Areas of Outstanding Natural beauty 2012-2017*. Commissioned by the Campaign to Protect Rural England (CPRE) and the National Association for Areas of Outstanding Natural Beauty (NAOONB). ([Link](#)). This data relates to housing developments of 10 or more dwellings.

ANNEX 2. HOUSING NEED IN LOCAL AUTHORITY AREAS THAT OVERLAP WITH THE COTSWOLDS AONB

Local authority	Current Local Plan Requirement	Average Delivery (last 3 years)	Current Standard Method	Proposed Standard Method	Fold change with proposed standard method compared to current Local Plan requirement*	% increase with proposed standard method compared to current Local Plan requirements	% of Local Authority area within the AONB	% of AONB within the Local Authority area
Bath and North East Somerset	720	1,052	648	1,216	1.7	69	20.8	3.6
Cheltenham	546	524	531	528	1.0	-3	21.5	0.5
Cherwell	1,142	1,326	756	1,305	1.1	14	0.8	0.2
Cotswold	420	824	487	1,209	2.9	188	76.7	43.8
South Gloucestershire	1,360	1,601	1,412	2,544	1.9	87	23.9	6.3
Stratford-on-Avon	730	1,321	603	1,675	2.3	129	10.6	5.1
Stroud	456	472	635	786	1.7	72	48.2	10.9
Tewkesbury	495	860	564	1,037	2.1	109	41.7	8.5
West Oxfordshire	798	625	563	653	0.8	-18	33.9	11.9
Wiltshire	2,100	2,647	2,006	2,917	1.4	39	4.3	6.8
Wychavon	479	1,029	497	1,396	2.9	191	7.4	2.4
<b>TOTAL</b>	<b>9,246</b>	<b>12,281</b>	<b>8,702</b>	<b>15,266</b>	<b>1.7</b>	<b>65</b>		<b>100</b>

\*For example, Cotswold District would have nearly a three-fold increase in annual housing need figures, with the proposed standard method. (N.B. A one-fold change (as for Cheltenham) means no change)