

**PLANNING COMMITTEE:** 14<sup>th</sup> March 2017

**DIRECTORATE:** Regeneration, Enterprise and Planning

**HEAD OF PLANNING:** Peter Baguley

**REPORT TITLE:** Housing White Paper Briefing Note

---

## **1. RECOMMENDATION**

1.1 That the following briefing note be **NOTED** by Members.

## **2. PURPOSE OF REPORT**

2.1 To inform the Committee the content of the recent Housing White Paper published by the Government.

## **3. BACKGROUND**

3.1 The Government's White Paper, **Fixing Our Broken Housing Market**, was published on 7 February 2017 and focuses on plans for addressing problems in the housing market by increasing the supply of new homes and providing homes for all.

3.2 The proposals in the White Paper are set out in four steps:

### **3.3 Step 1: Planning for the right homes in the right places**

- Making sure every part of the country has an up-to-date, sufficiently ambitious plan so that local communities decide where development should go;
- Simplifying plan-making and making it more transparent, so it's easier for communities to produce plans and easier for developers to follow them;
- Ensuring that plans start from an honest assessment of the need for new homes, and that local authorities work with their neighbours, so that difficult decisions are not ducked;
- Clarifying what land is available for new housing, through greater transparency over who owns land and the options held on it;
- Making more land available for homes in the right places, by maximising the contribution from brownfield and surplus public land, regenerating estates, releasing

more small and medium-sized sites, allowing rural communities to grow and making it easier to build new settlements;

- Maintaining existing strong protections for the Green Belt, and clarifying that Green Belt boundaries should be amended only in exceptional circumstances when local authorities can demonstrate that they have fully examined all other reasonable options for meeting their identified housing requirements;
- Giving communities a stronger voice in the design of new housing to drive up the quality and character of new development, building on the success of neighbourhood planning; and
- Making better use of land for housing by encouraging higher densities, where appropriate, such as in urban locations where there is high housing demand; and by reviewing space standards.

#### 3.4 Step 2: Building homes faster

- Providing greater certainty for authorities that have planned for new homes and reducing the scope for local and neighbourhood plans to be undermined by changing the way that land supply for housing is assessed;
- Boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals;
- Ensuring infrastructure is provided in the right place at the right time by coordinating Government investment and through the targeting of the £2.3bn Housing Infrastructure Fund;
- Securing timely connections to utilities so that this does not hold up getting homes built;
- Supporting developers to build out more quickly by tackling unnecessary delays caused by planning conditions, facilitating the strategic licensing of protected species and exploring a new approach to how developers contribute to infrastructure;
- Taking steps to address skills shortages by growing the construction workforce;
- Holding developers to account for the delivery of new homes through better and more transparent data and sharper tools to drive up delivery; and
- Holding local authorities to account through a new housing delivery test.

#### 3.5 Step 3: Diversifying the market

- Backing small and medium-sized builders to grow, including through the Home Building Fund;
- Supporting custom-build homes with greater access to land and finance, giving more people more choice over the design of their home;
- Bringing in new contractors through our Accelerated Construction programme that can build homes more quickly than traditional builders;

- Encouraging more institutional investors into housing, including for building more homes for private rent, and encouraging family friendly tenancies;
- Supporting housing associations and local authorities to build more homes; and
- Boosting productivity and innovation by encouraging modern methods of construction in house building.

### 3.6 Step 4: Helping people now

- Continuing to support people to buy their own home – through Help to Buy and Starter Homes;
- Helping households who are priced out of the market to afford a decent home that is right for them through our investment in the Affordable Homes Programme;
- Making renting fairer for tenants;
- Taking action to promote transparency and fairness for the growing number of leaseholders;
- Improving neighbourhoods by continuing to crack down on empty homes, and supporting areas most affected by second homes;
- Encouraging the development of housing that meets the needs of our future population;
- Helping the most vulnerable who need support with their housing, developing a sustainable and workable approach to funding supported housing in the future; and
- Doing more to prevent homelessness by supporting households at risk before they reach crisis point as well as reducing rough sleeping.

3.7 The Annex to the White Paper sets out further details and a range of consultation questions. Responses are due by 2 May 2017. A revised National Planning Policy Framework, incorporating many of the above changes, will be published later in 2017.

3.8 The following documents have been published alongside the White Paper:

### 3.9 Planning and Affordable Housing for Build to Rent – Consultation Paper

Recent years have seen the emergence of a new sector in the housing market, namely large-scale developments purpose-built for private rent – often referred to as Build to Rent.

In the Housing White Paper the Government sets out its support for Build to Rent. The consultation paper seeks views on planning measures intended to support Build to Rent through the planning system and make the benefits of Build to rent more widespread. These include the availability of longer tenancies (to those tenants who want one) and facilitating a new form of affordable housing, known as Affordable Private Rent.

3.10 The main proposed measures are:

- Placing further emphasis on Build to Rent through planning policy - revise the National Planning Policy Framework to refer to Build to Rent as a form of housing which planning authorities should consider;
- Encouraging an alternative approach to affordable housing for Build to rent called Affordable Private Rent (sometimes referred to as Discounted Market Rent) – revise the National Planning Policy Framework to make it explicit that Affordable Private Rent can count as a form of affordable housing and that it is particularly well suited to Build to Rent; and
- Strengthening the expectation on Build to Rent schemes to offer a Family Friendly Tenancy of three years or more, to those tenants who want one.

### 3.11 Response to the Starter Homes Regulations: Technical Consultation

The Housing and Planning Act 2016 provides a statutory framework for the delivery of starter homes. On 23 March 2016 the Government launched the technical consultation on starter homes regulations, which covered the post-sales letting and resale restrictions; the starter homes requirement and exemptions; monitoring arrangements and transitional provisions.

As announced in the Housing White Paper, the Government has decided not to implement a compulsory starter homes requirement at this point in time.

The Government will commence the general duty on Councils to promote the supply of starter homes and bring forward regulations to finalise the starter homes definition and monitoring provisions. The Government will also change the NPPF to allow more brownfield land to be released for developments with a higher proportion of starter homes.

### 3.12 The Government is now consulting on the following:

- Making it clear through the NPPF that starter homes should be available to households with an income of less than £80,000 (outside London)
- Proposed amendments to the NPPF to introduce a clear policy expectation that suitable housing sites deliver a minimum of 10% affordable home ownership units – it will be for local areas to work with developers to agree an appropriate level of delivery of starter homes.

### 3.13 Response to Changes to the National Planning Policy Framework Consultation

The consultation on proposed changes to national planning policy was published on 7 December 2015 and closed on 22 February 2016. The Government received 1,138 responses to the consultation. Respondents addressed some or all of the questions set out in the consultation paper, offered comments on the draft changes, and in some cases made specific suggestions for revised wording. This document sets out a summary of the responses made to each question and the Government's response. Where Government is taking forward changes to the National Planning Policy Framework, these are set out in the Housing White Paper.

### 3.14 Summary of Responses to the Technical Consultation on Implementation of Planning Changes

The technical consultation on implementation of planning changes provided detailed proposals to support the implementation of the Housing and Planning Act 2016, covering the following areas:

- changes to planning application fees
- enabling planning bodies to grant permission in principle – response to be published separately
- introducing a statutory register of brownfield land suitable for housing development – response to be published separately
- creating a small sites register to support custom build homes
- speeding up and simplifying neighbourhood planning and giving more powers to neighbourhood forums – response published separately
- introducing criteria to inform decisions on intervention to deliver our commitment to get local plans in place
- extending the existing designation approach to include applications for non-major development – response published separately
- testing competition in the processing of planning applications
- information about financial benefits
- introducing a Section 106 dispute resolution service
- facilitating delivery of new state-funded school places, including free schools, through expanded permitted development rights
- improving the performance of all statutory consultees

This document sets out a summary of the responses made to each question and the Government's response.

3.15 Report of the Local Plans Expert Group – Summary of Representations and Government Response to the Communities and Local Government Select Committee

In September 2015 ministers asked the Local Plans Expert Group (LPEG) to examine what measures or reforms might be helpful in ensuring the efficient and effective production of Local Plans. The Communities and Local Government Select Committee undertook a short inquiry into LPEG's report. This responds to the Select Committee and briefly summarises representations received on LPEG's recommendations.

3.16 Community Infrastructure Levy Review and Three Dragons and University of Reading Research Report

The Community Infrastructure Levy came into force in April 2010 and in November 2015 the Government commissioned an independent review of the community infrastructure levy in November 2015 to assess the extent to which CIL does or can provide an effective mechanism for funding infrastructure, and to recommend changes that would improve its operation in support of the government's wider housing and growth objectives. The independent review group submitted their report to ministers in October 2016.

3.17 The review was informed by research which examined the amount of revenue CIL is raising, the types of development that are paying CIL, impacts on viability and the operation of the neighbourhood share of CIL.

The review recommends fundamental changes to the way CIL is applied including an almost universal application of a Local Infrastructure Tariff (LIT) set at between 1.75% and 2.5% of local value. On large sites (11 dwellings +) this will be in addition to Section 106 but subject to strengthened Regulation 122 tests.

The review also recommends that S106 pooling be allowed and suggests examination requirements for the new tariff should be less onerous than the current arrangements.

A transition period of until 2020 is also recommended.

The Housing White Paper states that the evidence from the CIL Review will be considered and an announcement made in the Autumn Budget.

#### **4. LEGAL IMPLICATIONS**

4.1 As set out in the report.

#### **5. SUMMARY AND LINKS TO CORPORATE PLAN**

5.1 In reaching the attached recommendations regard has been given to securing the objectives, visions and priorities outlined in the Corporate Plan together with those of associated Frameworks and Strategies.

#### **6. BACKGROUND PAPERS**

6.1 Housing White Paper Fixing Our Broken Housing Market. <https://www.gov.uk/government/publications/fixing-our-broken-housing-market> pages 72 to 89.