

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT

TO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT COMMITTEE		
DATE:	4 APRIL 2017	AGENDA ITEM:	11
TITLE:	FIXING OUR BROKEN HOUSING MARKET - HOUSING WHITE PAPER FEBRUARY 2017		
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 The Housing White Paper, entitled "Fixing Our Broken Housing Market," was published by the Department for Communities and Local Government in February 2017. The White Paper explains how the government, "will provide radical, lasting reform that will get more homes built right now and for many years to come." It sets out the support the Government will provide to enhance the capacity of local authorities and industry to build the new homes this country needs.
- 1.2 At the same time, DCLG published several other documents including the government responses to the technical consultation on the implementation of planning changes, the starter homes consultation and proposed changes to National Planning Policy Framework along with a new consultation on Planning and affordable housing for Build to Rent. There is also the report of a review of the Community infrastructure Levy which suggests that the government is considering changing the way the development contributes towards the provision of local infrastructure.
- 1.3 This report briefly summarises the contents of the White Paper. It considers some of the possible implications for the planning system as it currently operates and specifically for this Council. The government intends consultation on elements of the White Paper and on sister documents that have been published at the same time, such as a consultation document on Build to Rent proposals (the detail of the consultation is in an Appendix to the White Paper). The report asks Committee to note the content of the White Paper and the way the Council is already working to fulfil many of its measures. It seeks agreement to a draft recommended response to the consultation. Committee should note that this report is also being presented to Planning Applications Committee on 5<sup>th</sup> April 2017. Committee should also note that a report on the White Paper, which concentrates on the implications for the Council's Housing responsibilities, was presented to the Housing, Neighbourhoods & Leisure Committee (HNL) on 15<sup>th</sup> March 2017.

2. RECOMMENDED ACTION

- 2.1 That the Committee notes the contents of the White Paper published by DCLG in February 2016 and the various proposed changes to the planning system.

2.2 That Committee approves the general thrust of the Council's recommended response to the consultation and other proposals attached as outlined in Section 4 of this report with the final comments to be agreed by the Head of Planning, Development and Regulatory Services in consultation with the Lead Councillor for Strategic Environment, Planning and Transport.

### 3. BACKGROUND AND ISSUES

- 3.1 The Secretary of State has presented a White Paper to Parliament setting out how the Government intends that more housing is provided in the future. This has been published by DCLG under the title "Fixing Our Broken Housing Market."
- 3.2 The White Paper acknowledges the need to build 250,000 new homes a year in England and it seeks to shift away from primarily trying to help people buy homes, to looking at all types of tenancies.
- 3.3 The Housing White Paper is lengthy and covers a wide range of proposals. It details the numerous and various initiatives under 4 main headings or Steps as follows:
- Step 1: Planning for the right homes in the right places
  - Step 2: Building homes faster
  - Step 3: Diversifying the market
  - Step 4: Helping people now

The content of the Executive Summary List of Proposals from the White Paper is copied and set out in Appendix 1 to this report. The main points of the White Paper as they relate to the Council's Planning function are also summarised in Appendix 2.

- 3.4 The White Paper covers a wide number of areas but its proposals appear mostly incremental changes affecting different sectors of the market and different actors in the planning and provision of new housing. In relation to Planning, it is pleasing that the White Paper reinforces the plan led system. However, significant changes are proposed to local plan processes, in particular, proposals that from 2016, plans will need to be based on a standardised calculation of objectively assessed need. The intention is that this will remove the considerable contentiousness of the calculation of objectively assessed housing need under the current system. It also signals that local plans should be reviewed every 5 years, the inference being that a local plan will be out of date if it is not being reviewed. There are also proposals that will require significant additional monitoring of permissions that will require increased resources in policy planning.
- 3.6 A very welcome proposal is that fees for planning applications will be increased by 20% in July 2017 on the basis that Council's commit to invest the additional fee income in their planning department". This will help local authorities to provide sufficient resources to get their up to date local plans in place and to deal more speedily with planning applications. A paper in relation to the increase in planning applications fees was presented to the 13 March Policy Committee meeting.
- 3.7 The White Paper indicates that the operation of the Community Infrastructure Levy is being reviewed and that the government is looking at replacing it with a hybrid system under which negotiated infrastructure provision will be brought back, certainly for larger developments.
- 3.8 The White Paper proposes measures to persuade developers to implement their permissions speedily and avoid the criticism that developers are sitting on land banks. One

option is to give local authorities compulsory purchase powers to acquire and sell on sites which have planning permissions that are not being implemented. Local authorities will also be subject to a new housing delivery test with sanctions for those failing to meet the test and a strengthened presumption in favour of development where an authority cannot demonstrate a 5 year housing land supply.

- 3.9 Other measures include help to sectors such as Build to rent, small and medium sized house builders, the custom and self-building sector along with assistance to Housing associations and local authorities to bring forward affordable housing. The government will continue to support Help to Buy and Starter Homes although, encouragingly, the government will drop its previous plans to impose a legal duty on councils to ensure provision of at least 20 per cent Starter Homes on all reasonably sized development sites.
- 3.10 The 2017 Housing White Paper sends a clear message of the Government's support for Build to Rent. In parallel with the publication of the White Paper, DCLG have published a consultation document, "Planning and affordable housing for Build to Rent," alongside the White Paper. Build to rent (also known as Private Rent or PRS) is a product which the government envisages being funded by institutional investors. They will primarily be built for rental not sale, with institutional investors being attracted by the long term income prospects. The viability of such developments will be very different to a sale scheme and this will provide a challenge particularly in relation to the provision of affordable housing. The consultation documents talks about such developments providing accommodation at a discounted rent as a means for such developments to make provision for affordable housing. A draft Council response to this consultation is provided in Section 4.
- 3.11 In line with previous consultations, the government are proposing to expand the definition of affordable housing to cover the new forms of housing: Starter homes (which would be available to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London), Affordable private rent housing and discounted sale housing which is housing sold at a discount of at least 20% below local market values. The White Paper indicated that following any change to the definition of affordable housing, local planning authorities will have to consider the broadened definition of affordable housing in their evidence base for plan-making. However, to promote delivery of affordable homes to buy, the government proposes to make it clear in national planning policy that local authorities should seek to ensure that a minimum of 10% of all homes on individual sites are affordable home ownership products. The government considers that this strikes an appropriate balance between providing affordable homes for rent and helping people into home ownership. It will form part of the agreed affordable housing contribution on each site. So, for example, on a proposed development of 100 units local planning authorities would be expected to seek a minimum of 10 affordable home ownership products, presumably before seeking more traditional forms of affordable rented housing.

#### 4.0 COMMENTARY / CONSULTATION

- 4.1 Annex A to the White Paper provides "Further detail and consultation on proposals." This includes 38 separate consultation questions on different aspects of the White Paper. It is not proposed that the Council respond on every question, which would take considerable time and resources. However there are a number of aspects of the white paper that are of particular relevance to Reading Borough and the Council proposes to respond in these areas having regard to relevant questions in the consultation. Appendix 3 of this report sets out all the 38 questions in the White Paper consultation.
- 4.2 The White Paper covers a wide number of areas but its proposals appear to mostly involve incremental changes affecting different sectors of the market and different actors in the planning and provision of new housing. It is difficult to see that these incremental changes will lead to a significant increase in housebuilding either on their own or cumulatively.

- 4.3 The aim of increased housing provision is not helped by very strong message that new housing should be concentrated on brownfield land and that Green Belt should only be released in exceptional circumstances. It is clear that much of the delay in the publication of the White Paper was down to MP concerns about possible development of Green Belts. Green Belts undoubtedly constrain development in sustainable locations adjacent to existing urban areas and many commentators feel that it is now time to review the value and purpose of continued designation in the light of the need for substantial new housing provision. The continued restrictions on the release of green belt land is a serious barrier to development of low grade land for much needed housing in highly sustainable locations close to existing urban centres.
- 4.4 Planning for new housing has operated on the basis of using brownfield land and densification within urban areas for very many years. It is difficult to see how a continuing onus on such development will now lead to a significant uplift in housing numbers in future years. Such uplift will require significant greenfield development including some development in areas currently designated as Green Belt. The government is promoting garden villages and towns but these will require significant public funding for which some provision has been announced but only in relatively small amounts. Such proposals may deliver in the long terms but the provision of significant numbers of houses in the short term will not be possible without major investment and new powers to bring forward such developments. Without that, these proposals will not produce high levels of new housing for many years.
- 4.5 The White paper proposes various refinements to the system, many of them perfectly fine. There are promises to speed things up and clarify processes, to support new and existing players. The Planning Section will obviously benefit from the promise of more resources from increased planning fees and greater powers to enforce the build-out of permissions; developers might appreciate the promised review of developer contributions; communities are promised more say over things like design quality but they will have to accept more housing in their areas.
- 4.6 The White Paper provides some interesting tweaks, an emphasis on transparency in land ownership will help to apply pressure on landowners to implement their allocations and permissions; the support for institutional investors in the build-to-rent market may bring forward additional developments; improvements to the rental system will benefit renters; an acknowledgement of need for a greater variety of housing in the market, with measures to bring in a greater variety of builders to the market. This may provide a greater range and variety of housing products and some additional competition to the big dominant housebuilders.
- 4.7 However, the White Paper fails to address the need for radical solutions to achieve a significant uplift in housebuilding. It has avoided the obvious measures that would have freed up local authorities to build social housing on a large scale, or funding to provide desperately needed affordable housing by local authorities or registered providers. It has pulled back from sustainable development of Green Belt land and does little to achieve substantial reform to the land market. It fails to promise resources of the scale needed to ensure that infrastructure is provided to open up potential development areas. It talks about the problems of affordability but does very little to improve affordability. Widening the definition of affordable housing to include various intermediate and discounted sale products will inevitably have an adverse impact on the provision of rental accommodation for those least able to afford housing in the current market (i.e. those who need social rented or affordable rent housing).
- 4.8 The White Paper contains a plethora of measures for which in most cases there is no evidence or prospect that they will make any appreciable difference to the numbers of houses that are built. A number of the measures seek to involve more players in the market, institutional investors, small builders, Custom and self-builders, but these will not provide more housing; they will only substitute one provider of houses that are already in the system to be built for another provider. Similarly widening the range of tenures in particular widening the range of tenures that qualify as affordably housing will not provide

more housing numbers. It will only contribute to more households in desperate need of affordable housing not being served as developers opt for private rent or low cost/discounted sale tenures. None of these measures are will contribute to the main thrust of the White papers analysis that we need to building more housing. In fact many of the measures may actually add to delays and complexity of providing housing. For example forcing the sub division of sites and other measures to bring small builders into the market adds further processes and complexity to planning rules which will inevitable add to delays.

- 4.9 It is difficult to see how the White Paper's support for attracting institutional investment by way of the Build to Rent product will actually provide more housing. While offering an additional product in the market, in most instances such a product will only substitute for other types of housing that would have been built in such locations anyway. The separate paper on Planning and affordable housing for Build to Rent notes the different viability assumptions used in bringing forward such housing. As a result, it proposes that affordable residential accommodation be in the form of a product to be known as Private Rent but, other than indicating that this will subject to a discounted rent, it provides little detail of how the rent will respond to affordability in an area. Further detail needs to be provided.
- 4.10 Committee is asked to note the commentary on the White Paper within the report and in Appendix 1 and to agree that a draft response be prepared on the basis of the matters referred to in this section in relation to selected questions in the White Paper. The full list of questions is set out in Appendix 3. The response will be agreed by the Head of Planning, Development and Regulatory Services in consultation with the Lead Councillor for Strategic Environment, Planning and Transport. Members should note that the closing date for consultation responses is 2<sup>nd</sup> May 2017.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

- 5.1 The Planning Service contributes to the Council's strategic aims in terms of:
- Seeking to meet the 2016-19 Corporate Plan objectives for "Keeping the town clean, safe, green and active."
  - Seeking to meet the 2016-19 Corporate Plan objectives for "Providing homes for those in most need."
  - Seeking to meet the 2016-19 Corporate Plan objectives for "Providing infrastructure to support the economy."

## **6. COMMUNITY ENGAGEMENT AND INFORMATION**

- 6.1 Only minor reference is made to these matters in the changes proposed.

## **7. EQUALITY IMPACT ASSESSMENT**

- 7.1 Where appropriate the Council must have regard to its duties under the Equality Act 2010, Section 149, to have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 7.2 There are no direct implications arising from the proposals.

## **8. LEGAL IMPLICATIONS**

- 8.1 These are dealt with in the Report.

## 9. FINANCIAL IMPLICATIONS

9.1 There are no direct financial implications resulting from this report.

## 10. BACKGROUND PAPERS

Fixing Our Broken Housing Market - Housing White Paper February 2017

<https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

Housing and Planning Bill, October 2015.

<http://www.publications.parliament.uk/pa/bills/cbill/2015-2016/0075/16075.pdf>

Planning and affordable housing for Build to Rent: A consultation paper, DCLG 2017,

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/589939/Build\\_To\\_Rent\\_consultation\\_document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589939/Build_To_Rent_consultation_document.pdf)

Various other reports and documents were also published by DCLG at the same time including:

- Response to the starter homes regulations: technical consultation
- Response to changes to the National Planning Policy Framework consultation
- Summary of responses to the technical consultation on implementation of planning changes, consultation on upward extensions and Rural Planning Review call for evidence.

These can be found at the following link:

<https://www.gov.uk/government/collections/housing-white-paper>

## Fixing Our Broken Housing Market, Housing White Paper

### Proposed Changes to the Planning System.

#### Executive Summary: List of proposals

##### 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.

##### 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.

### **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.

### **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.



## Appendix 2 - Summary of Changes to the Planning System.

### Plan-making

1. The white paper continues the thrust that has existed for a number of years for getting up to date local plans in place in all local authority areas through measures to speed up plan-making. Its main proposal for speeding up plan-making is that the government will consult on options for introducing a standardised approach to the assessment of housing requirements. It is hoped that this will reduce the contentiousness over determining the Objectively Assessed Need in an area. This calculation which was introduced into the planning system under the NPPF published in 2012 has become a highly contentious part of plan making. Under the proposed change, plans will need to be based on a standardised calculation, presumably meaning that there can be much less argument over the number of houses being planned for. The intention is that the new calculation will govern housing requirements from April 2018.
2. The document also seeks to make more land available for housing. However, it indicates little change in policy on Green Belt; it will remain very challenging for development to occur in areas of such designation. The focus remains on brownfield sites. It will continue to seek to increase housing density in urban areas partially through reviewing housing space standards.
3. A new mechanism is introduced for where there is unmet housing need in an area. This indicates that there will need to be a statement of common ground (SOCG) that clearly stipulates how the need will be accommodated. It is not clear how this fits in with the existing Duty to Cooperate and many of us are already working on this basis. It is possible that the SOCG should really be a joint strategic plan.
4. Knowing who owns or has control over land is seen as a way of freeing up land. There is a proposal to improve the transparency of land registry entries and also the nature of options over land. With this knowledge LPAs will be expected to be innovative and ambitious in the way in which they produce plans and assemble land to deliver them.

### Boosting local authority capacity and capability

5. Local authorities will be able to increase fees by 20 per cent from July 2017 if they "commit to invest the additional fee income in their planning department". This will help local authorities to provide sufficient resources to get their up to date local plans in place and to deal more speedily with planning applications.
6. The White Paper includes an intention to consult on deterring unnecessary planning appeals by introducing fees for them. It also continues to refer to tackling delays caused by planning conditions. It indicates that the government want to review the current system for protected species and roll out a new system of strategic licensing.
7. The White Paper indicates that the government will amend national policy to expect local planning authorities to have policies that support the development of small 'windfall' sites (those not allocated in plans, but which come forward on an ad hoc basis).
8. Providing infrastructure - the government proposes to target the £2.3bn Housing Infrastructure Fund at the areas of greatest housing need. The government will make available £25 million of new funding to help "ambitious authorities in areas of high housing need to plan for new homes and infrastructure". This will be channelled into engaging communities on the design and mix of new homes. The white paper refers to measures to assist the provision of strategic infrastructure, digital infrastructure and the Utilities.
9. In order to simplify developer contributions, the White Paper proposes a review of whether the Community Infrastructure Levy (CIL) should be replaced with a "hybrid" system. This has been recommended by an expert group.

## **Giving communities a stronger voice**

Proposes to change regulations on neighbourhood plans

## **Holding developers to account**

10. The government is looking at ways that developers can be held to account for the delivery of new homes. Possible measures include:
  - requiring developers to start building within two years, rather than three;
  - encouraging "more active use of compulsory purchase powers to promote development on stalled sites for housing" as part of a raft of measures to ensure that planning permissions are built out;
  - use the default two year timescales for permissions possibly using the anticipated delivery rate as a material consideration. This, together with the use of simplified completion notices and the expectation of agreed delivery rates and timescales could give Councils more control over their land supply. This only really works, however, if the Council has sufficient flexibility within their development plan to release other sites on the basis of under delivery;
  - The government will prepare new guidance, following separate consultation, to encourage local authorities to use compulsory purchase powers to seize stalled sites from developers and then auction off the land to other builders. The proceeds from the auction will then pay back the original developer;

## **Holding local authorities to account**

11. A new housing delivery test will be introduced. The test will "ensure that local authorities and wider interests are held accountable for their role in ensuring new homes are delivered in their areas". According to the white paper, the first assessment period for the test will be for the financial years 2014/15 to 2016/17. "From November 2017, if housing delivery falls below 95 per cent of an authority's annual housing requirement, the government wants the local authority to publish an action plan. If delivery of housing falls below 85 per cent of the housing requirement, authorities would in addition be expected to plan for a 20 per cent buffer on their five-year land supply, if they have not already done so,"
12. There will also be a strengthened 'presumption in favour' definition to ensure that further land is released. The 5YHLS test will remain as a further stick to ensure housing delivery.
13. To have the housing delivery test layered on top of the 5YHLS test seems to work against the principles of a plan-led system. The housing delivery test promotes the plan-led system in terms of encouraging Councils to allocate more land than they need to allow for plan-led flexibility. The 5YHLS test works against this by punishing under delivery with unplanned sites.

## **Diversifying the market**

14. The White Paper indicates that rental properties have a significant role to play in terms of housing our communities. The wider array of tenancies that are now being promoted for inclusion within the revised affordable housing definition will help both the private and public sector to find the appropriate mix for each available site.
15. With all of these measures comes a package of £25m capacity funding, the Housing Infrastructure Fund and the accelerated construction fund to help us all work together to achieve growth.
16. Whilst there are unanswered questions in the HWP about how a lot of this will work, it is encouraging to see how much the thinking has moved on and a recognition that delivering for our communities is a joint responsibility between public and private, rather than public

bureaucracy being seen to hold back private aspirations. The various initiatives can be summarised as follows:

- Backing small and medium-sized builders to grow
  - £3bn home building fund will provide loans to small developers, custom builders and offsite construction with the aim of diversifying the market
  - The government want to bring forward more small sites for development which are more easily accessed by these firms. Further to this, the Home Building Fund will provide £1 billion of short-term loan finance targeted at SMEs and custom builders to deliver up to 25,000 homes during this Parliament and £2 billion of long-term loan funding for infrastructure and large sites, creating up to 200,000 homes.
- Custom building
- Institutional Investment:
  - intends to amend planning policy to make it easier for developers of purpose-built developments for the rental market and to offer affordable private rented homes instead of other forms of affordable housing;
  - The 2017 Housing White Paper sends a clear message of the Government's support for Build to Rent. The White Paper details the government's desire to achieve more institutional investment in the private rental market. It has developed the Build to Rent Model. It has supported this through the £3.5 billion Private Rented Sector Housing Guarantee Scheme, and the £1bn Build to Rent Fund. (para 3.19). The White paper sets out the following proposals:
    - change the National Planning Policy Framework so authorities know they should plan proactively for Build to Rent where there is a need, and to make it easier for Build to Rent developers to offer affordable private rental homes instead of other types of affordable housing;
    - ensure that family-friendly tenancies of three or more years are available for those tenants that want them on schemes that benefit from our changes. We are working with the British Property Federation and National Housing Federation to consolidate this approach across the sector.
    - It talks about PRS being suitable for family accommodation.
- Supporting housing associations and local authorities to build more homes
- encouraging modern methods of construction
- The government will legislate to allow locally accountable New Town Development Corporations to be set up, enabling local areas to use them as the delivery vehicle if they wish to.
- Continuing to support existing Help to Buy and Starter Homes schemes;

### **Supporting people with need for housing**

17. the various measures can be summarised as follows:

- although retaining starter homes as a form of affordable housing, the White papers drops previous plans to impose a legal duty on councils to ensure provision of at least 20 per cent Starter Homes on all reasonably sized development sites.
- include incentives for older people to sell big family homes and plans for more sheltered housing schemes.
- Planning rules will be overhauled so councils can plan to build more long-term homes for rent and encouraging more stable, longer-term tenancies to be offered by landlords.

- relax restrictions on funding for the affordable homes programme, originally designed for shared ownership building, so developers can build homes for rentals, including rent to buy schemes.

## Appendix 3 - Further detail and consultation on proposals

### Local Plans and assessing housing requirements

#### Question 1

Do you agree with the proposals to:

- a) Make clear in the National Planning Policy Framework that the key strategic policies that each local planning authority should maintain are those set out currently at paragraph 156 of the Framework, with an additional requirement to plan for the allocations needed to deliver the area's housing requirement?
- b) Use regulations to allow Spatial Development Strategies to allocate strategic sites, where these strategies require unanimous agreement of the members of the combined authority?
- c) Revise the National Planning Policy Framework to tighten the definition of what evidence is required to support a 'sound' plan?

#### Question 2

What changes do you think would support more proportionate consultation and examination procedures for different types of plan and to ensure that different levels of plans work together?

#### Question 3

Do you agree with the proposals to:

- a) amend national policy so that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs, such as older and disabled people?
- b) from early 2018, use a standardised approach to assessing housing requirements as the baseline for five year housing supply calculations and monitoring housing delivery, in the absence of an up-to-date plan?

### Making enough land available in the right places

#### Question 4

Do you agree with the proposals to amend the presumption in favour of sustainable development so that:

- a) authorities are expected to have a clear strategy for maximising the use of suitable land in their areas?;
- b) it makes clear that identified development needs should be accommodated unless there are strong reasons for not doing so set out in the NPPF?;
- c) the list of policies which the Government regards as providing reasons to restrict development is limited to those set out currently in footnote 9 of the National Planning Policy Framework (so these are no longer presented as examples), with the addition of Ancient Woodland and aged or veteran trees? Footnote 9 For example, those policies relating to sites protected under the Birds and Habitats Directives (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion.
- d) its considerations are re-ordered and numbered, the opening text is simplified and specific references to local plans are removed?

### Improving local authorities' role in land assembly and disposal

#### Question 5

Do you agree that regulations should be amended so that all local planning authorities are able to dispose of land with the benefit of planning consent which they have granted to themselves?

#### Question 6

How could land pooling make a more effective contribution to assembling land, and what additional powers or capacity would allow local authorities to play a more active role in land assembly (such as where 'ransom strips' delay or prevent development)?

#### Regenerating housing estates

#### Question 7

Do you agree that national policy should be amended to encourage local planning authorities to consider the social and economic benefits of estate regeneration when preparing their plans and in decisions on applications, and use their planning powers to help deliver estate regeneration to a high standard?

#### A new generation of new communities

#### Question 8

Do you agree with the proposals to amend the National Planning Policy Framework to:

- a) highlight the opportunities that neighbourhood plans present for identifying and allocating small sites that are suitable for housing?;
- b) encourage local planning authorities to identify opportunities for villages to thrive, especially where this would support services and help meet the authority's housing needs?;
- c) give stronger support for 'rural exception' sites - to make clear that these should be considered positively where they can contribute to meeting identified local housing needs, even if this relies on an element of general market housing to ensure that homes are genuinely affordable for local people?;
- d) make clear that on top of the allowance made for windfall sites, at least 10% of sites allocated for residential development in local plans should be sites of half a hectare or less?;
- e) expect local planning authorities to work with developers to encourage the sub-division of large sites?; and
- f) encourage greater use of Local Development Orders and area-wide design codes so that small sites may be brought forward for development more quickly?.

#### Question 9

How could streamlined planning procedures support innovation and high-quality development in new garden towns and villages?

#### Green Belt land

#### Question 10

Do you agree with the proposals to amend the National Planning Policy Framework to make clear that:

- a) authorities should amend Green Belt boundaries only when they can demonstrate that they have examined fully all other reasonable options for meeting their identified development requirements?
- b) where land is removed from the Green Belt, local policies should require compensatory improvements to the environmental quality or accessibility of remaining Green Belt land?

- c) appropriate facilities for existing cemeteries should not be regarded as 'inappropriate development' in the Green Belt?
- d) development brought forward under a Neighbourhood Development Order should not be regarded as inappropriate in the Green Belt, provided it preserves openness and does not conflict with the purposes of the Green Belt?
- e) where a local or strategic plan has demonstrated the need for Green Belt boundaries to be amended, the detailed boundary may be determined through a neighbourhood plan (or plans) for the area in question?
- f) when carrying out a Green Belt review, local planning authorities should look first at using any Green Belt land which has been previously developed and/or which surrounds transport hubs?

#### **Question 11**

Are there particular options for accommodating development that national policy should expect authorities to have explored fully before Green Belt boundaries are amended, in addition to the ones set out above?

### **Strengthening neighbourhood planning and design**

#### **Question 12**

Do you agree with the proposals to amend the National Planning Policy Framework to:

- a) indicate that local planning authorities should provide neighbourhood planning groups with a housing requirement figure, where this is sought?;
- b) make clear that local and neighbourhood plans (at the most appropriate level) and more detailed development plan documents (such as action area plans) are expected to set out clear design expectations; and that visual tools such as design codes can help provide a clear basis for making decisions on development proposals?;
- c) emphasise the importance of early pre-application discussions between applicants, authorities and the local community about design and the types of homes to be provided?;
- d) makes clear that design should not be used as a valid reason to object to development where it accords with clear design expectations set out in statutory plans?; and
- e) recognise the value of using a widely accepted design standard, such as Building for Life, in shaping and assessing basic design principles - and make clear that this should be reflected in plans and given weight in the planning process?

### **Using land more efficiently for development**

#### **Question 13**

Do you agree with the proposals to amend national policy to make clear that plans and individual development proposals should:

- a) make efficient use of land and avoid building homes at low densities where there is a shortage of land for meeting identified housing needs?;
- b) address the particular scope for higher-density housing in urban locations that are well served by public transport, that provide opportunities to replace low-density uses in areas of high housing demand, or which offer scope to extend buildings upwards in urban areas?;
- c) ensure that in doing so the density and form of development reflect the character, accessibility and infrastructure capacity of an area, and the nature of local housing needs?;
- d) take a flexible approach in adopting and applying policy and guidance that could inhibit these objectives in particular circumstances, such as open space provision in areas with good access to facilities nearby?

#### **Question 14**

In what types of location would indicative minimum density standards be helpful, and what should those standards be?

#### **Question 15**

What are your views on the potential for delivering additional homes through more intensive use of existing public sector sites, or in urban locations more generally, and how this can best be supported through planning (using tools such as policy, local development orders, and permitted development rights)?

#### **Providing greater certainty**

#### **Question 16**

Do you agree that:

- a) where local planning authorities wish to agree their housing land supply for a one-year period, national policy should require those authorities to maintain a 10% buffer on their 5 year housing land supply?;
- b) the Planning Inspectorate should consider and agree an authority's assessment of its housing supply for the purpose of this policy?
- c) if so, should the Inspectorate's consideration focus on whether the approach pursued by the authority in establishing the land supply position is robust, or should the Inspectorate make an assessment of the supply figure?

#### **Question 17**

In taking forward the protection for neighbourhood plans as set out in the Written Ministerial Statement of 12 December 2016 into the revised NPPF, do you agree that it should include the following amendments:

- a) a requirement for the neighbourhood plan to meet its share of local housing need?;
- b) that it is subject to the local planning authority being able to demonstrate through the housing delivery test that, from 2020, delivery has been over 65% (25% in 2018; 45% in 2019) for the wider authority area?
- c) should it remain a requirement to have site allocations in the plan or should the protection apply as long as housing supply policies will meet their share of local housing need?

#### **Deterring unnecessary appeals**

#### **Question 18**

What are your views on the merits of introducing a fee for making a planning appeal? We would welcome views on:

- a) how the fee could be designed in such a way that it did not discourage developers, particularly smaller and medium sized firms, from bringing forward legitimate appeals;
- b) the level of the fee and whether it could be refunded in certain circumstances, such as when an appeal is successful; and
- c) whether there could be lower fees for less complex cases.

#### **Ensuring infrastructure is provided in the right place at the right time**

#### **Question 19**

Do you agree with the proposal to amend national policy so that local planning authorities are expected to have planning policies setting out how high quality digital infrastructure will be delivered in their area, and accessible from a range of providers?



## Question 20

Do you agree with the proposals to amend national policy so that:

the status of endorsed recommendations of the National Infrastructure Commission is made clear?; and  
authorities are expected to identify the additional development opportunities which strategic infrastructure improvements offer for making additional land available for housing?

## Greater transparency through the planning and build out phases

### Question 21

Do you agree that:

- a) the planning application form should be amended to include a request for the estimated start date and build out rate for proposals for housing?
- b) that developers should be required to provide local authorities with basic information (in terms of actual and projected build out) on progress in delivering the permitted number of homes, after planning permission has been granted?
- c) the basic information (above) should be published as part of Authority Monitoring Reports?
- d) that large housebuilders should be required to provide aggregate information on build out rates?

## Sharpening local authority tools to speed up the building of homes

### Question 22

Do you agree that the realistic prospect that housing will be built on a site should be taken into account in the determination of planning applications for housing on sites where there is evidence of non-implementation of earlier permissions for housing development?

### Question 23

We would welcome views on whether an applicant's track record of delivering previous, similar housing schemes should be taken into account by local authorities when determining planning applications for housing development.

### Question 24

If this proposal were taken forward, do you agree that the track record of an applicant should only be taken into account when considering proposals for large scale sites, so as not to deter new entrants to the market?

### Question 25

What are your views on whether local authorities should be encouraged to shorten the timescales for developers to implement a permission for housing development from three years to two years, except where a shorter timescale could hinder the viability or deliverability of a scheme? We would particularly welcome views on what such a change would mean for SME developers.

## Improving the completion notice process

### Question 26

Do you agree with the proposals to amend legislation to simplify and speed up the process of serving a completion notice by removing the requirement for the Secretary of State to confirm a completion notice before it can take effect?

### Question 27

What are your views on whether we should allow local authorities to serve a completion notice on a site before the commencement deadline has elapsed, but only where works have begun? What impact do you think this will have on lenders' willingness to lend to developers?

### Question 28

Do you agree that for the purposes of introducing a housing delivery test, national guidance should make clear that:

- a) The baseline for assessing housing delivery should be a local planning authority's annual housing requirement where this is set out in an up-to-date plan?
- b) The baseline where no local plan is in place should be the published household projections until 2018/19, with the new standard methodology for assessing housing requirements providing the baseline thereafter?
- c) Net annual housing additions should be used to measure housing delivery?
- d) Delivery will be assessed over a rolling three year period, starting with 2014/15 - 2016/17?

### Question 29

Do you agree that the consequences for under-delivery should be:

- a) From November 2017, an expectation that local planning authorities prepare an action plan where delivery falls below 95% of the authority's annual housing requirement?;
- b) From November 2017, a 20% buffer on top of the requirement to maintain a five year housing land supply where delivery falls below 85%?;
- c) From November 2018, application of the presumption in favour of sustainable development where delivery falls below 25%?;
- d) From November 2019, application of the presumption in favour of sustainable development where delivery falls below 45%?; and
- e) From November 2020, application of the presumption in favour of sustainable development where delivery falls below 65%?

### Question 30

What support would be most helpful to local planning authorities in increasing housing delivery in their areas?

### Changing the definition of affordable housing

### Question 31

Do you agree with our proposals to:

- a) amend national policy to revise the definition of affordable housing as set out in Box 4?;
- b) introduce an income cap for starter homes?;
- c) incorporate a definition of affordable private rent housing?;
- d) allow for a transitional period that aligns with other proposals in the White Paper (April 2018)?

## Increasing delivery of Affordable Home ownership products

### Question 32

Do you agree that:

- a) national planning policy should expect local planning authorities to seek a minimum of 10% of all homes on individual sites for affordable home ownership products?
- b) that this policy should only apply to developments of over 10 units or 0.5ha?

### Question 33

Should any particular types of residential development be excluded from this policy?

## Sustainable development

### Question 34

Do you agree with the proposals to amend national policy to make clear that the reference to the three dimensions of sustainable development, together with the core planning principles and policies at paragraphs 18-219 of the National Planning Policy Framework, together constitute the Government's view of what sustainable development means for the planning system in England?

## Meeting the challenge of climate change

### Question 35

Do you agree with the proposals to amend national policy to:

- a) Amend the list of climate change factors to be considered during plan-making, to include reference to rising temperatures?
- b) Make clear that local planning policies should support measures for the future resilience of communities and infrastructure to climate change?

## Flood Risk

### Question 36

Do you agree with these proposals to clarify flood risk policy in the National Planning Policy Framework?

## Noise and other impacts on new developments

### Question 37

Do you agree with the proposal to amend national policy to emphasise that planning policies and decisions should take account of existing businesses when locating new development nearby and, where necessary, to mitigate the impact of noise and other potential nuisances arising from existing development?

## Onshore wind energy

### Question 38

Do you agree that in incorporating the Written Ministerial Statement on wind energy development into paragraph 98 of the National Planning Policy Framework, no transition period should be included?