

ENVIRONMENT OVERVIEW AND SCRUTINY PANEL – 9 MARCH 2017
COMMUNITY OVERVIEW AND SCRUTINY PANEL - 14 MARCH 2017
CORPORATE OVERVIEW AND SCRUTINY PANEL – 16 MARCH 2017

THE HOUSING WHITE PAPER

1.0 INTRODUCTION

1.1 In the forward to this paper the Prime Minister says that “Our broken housing market is one of the greatest barriers to progress in Britain today. We need to build many more houses, of the type people want to live in, in the places they want to live. To do so requires a comprehensive approach that tackles failure at every point in the system”.

1.2 The paper sets out its proposals in four sections:-

- Planning for the right homes in the right places
- Building homes faster
- Diversifying the market
- Helping people now

It is a consultation document and the answers to 38 set questions are required by 2 May 2017.

1.3 This paper looks at the main issues raised which are most relevant from this Council’s perspective. It provides a commentary on those matters and may help formulate a response to the consultation in due course.

2.0 MAIN PROPOSALS

2.1 There is an introductory section to the White Paper which sets out the scale of the problem and says that the Government cannot solve it alone. It says that it is vital to have local leadership and commitment from a wide range of stakeholders including local authorities, private developers, housing associations, lenders and local communities. In particular, the Government expect local authorities to be as ambitious and innovative as possible to get homes built in their area. It talks about bespoke deals for innovative schemes, that all authorities must have up-to-date development plans and deal with planning applications promptly. It expects local authorities to hold up their end of the bargain, but if they do not the Government will intervene.

Commentary

Is this Council being innovative enough in getting new houses built in our area? We have a strategy for building, or acquiring new Council houses in our area but could we

be doing more to promote housing association development or other forms of housing tenure built in our area?

3.0 PLANNING FOR THE RIGHT HOMES IN THE RIGHT PLACES

- 3.1 A large part of this section is about Councils getting up-to-date Local Plans approved to reflect the Government's requirement that much more housing land is allocated for development. These plans must then be reviewed at least once every 5 years. To help with this process the Government will consult on introducing a standardised national approach to assessing the housing requirements of individual areas and this will be in place by April 2018. This will remove the option of taking different approaches to this issue which results; for example, in our consultation draft Local Plan talking about this Council's "Objectively Assessed Need" being between 11,740 and 13,740 new houses over 20 years.

Commentary

We are currently on track to produce a new Local Plan for submission within the Government's timetable to avoid intervention and we have been fortunate, to date, in not facing appeal pressures to release land for housing outside of the Local Plan process (with one exception). If we allow the timetable to slip, or submit a plan which is substantially below our needs, this situation is likely to change very quickly. This would result in major implications for the workload of the planning department and could result in a lot of poor quality new development missing opportunities to negotiate improved infrastructure.

- 3.2 The White Paper also expects Local Plans to have clear policies for addressing the housing requirements of groups with particular needs such as older and disabled people. It also talks about making land ownership and interests more transparent by improving the Land Registry and changing contractual arrangements used to control land.
- 3.3 Priority should be given to bringing brownfield land forward for housing development, with a presumption in favour of this. There are opportunities, the White Paper says, to go further to meet needs in rural areas and to increase the supply of land to small and medium sized house builders. This is supported by the new Community Housing Fund (CHF).

Commentary

NFDC has been allocated up to nearly £1m from the CHF and separate paper will bring forward ideas for how this funding can be used.

4.0 GREEN BELT

- 4.1 The White Paper says that it continues the Government's commitment to protect the Green Belt but there is an interesting, and perhaps significant, change in the wording. It says, (my emphasis), that national policy will be amended to make clear that authorities **should** amend Green Belt boundaries **only** when they have fully examined all other reasonable options for meeting their identified development requirements including brownfield sites, underused land, optimising densities and exploring whether other authorities can help to meet unmet need in a particular area. It also says that Green Belt released in one place should be compensated by enhancement in other areas and that the detailed boundaries of a Green Belt can be set in neighbourhood plans.

Commentary

The approach we are taking to the Green Belt review in our proposals to move the Local Plan forward is consistent with this new guidance.

- 4.2 The Government has reaffirmed their commitment to Neighbourhood Planning and has said they will bring forward legislative change, more funding and new guidance to support this. They consider that such plans should contain detailed design guidance so that there is a clear basis on which future decisions can be made.
- 4.3 A section of the Paper then refers to using land more efficiently for development. This means avoiding building houses at low densities where there is a shortage of land to meet demand and looking for high density options in urban areas that are well served by public transport such as railway stations. It also talks about ensuring that the density and form of development reflects the character, accessibility and infrastructure capacity of an area.

5.0 BUILDING HOMES FASTER

- 5.1 This section starts by identifying that there is often a substantial time lag between planning permission being granted and houses being built. Two of the main reasons for this are perceived to be unnecessary delays caused by (too many) planning conditions being imposed and a skills shortage in the construction sector. The first issue will be tackled by trying to limit the number of conditions imposed by requiring developer agreement and considering options for reforming the system of developer contributions. Community Infrastructure Levy (CIL) payments are to be reviewed as they are not working as well as expected and Section 106 agreement mechanisms could be changed, particularly to deal with financial viability issues. Skill shortages in the construction industry will be tackled through more training in those areas with recruitment difficulties and developers are expected to play their full part in this.
- 5.2 A shortage of skilled resources in planning departments will be addressed by increasing planning fees by 20% in July 2017 if an authority pledges to invest the extra

money in their planning department. A further 20% increase will be considered for authorities delivering the homes that their communities require.

- 5.3 The Government will target the £2.3bn Housing Infrastructure Fund in the areas of highest housing need. This will target the provision of infrastructure (including transport and utilities) where this money will unlock the provision of new homes. Bids from local authorities or groups of authorities will be welcomed. The first year of this scheme is 2017 and it will run for four years. The paper also talks about requiring local authorities to have policies to ensure that high quality digital infrastructure is provided in new homes and ensuring that utility companies do not delay development by not investing in their infrastructure in a timely way.
- 5.4 Developers will be required to make available more information about the rate at which they are building out the sites which they control and there will be a consultation on whether they might be penalised, for example by the refusal of further planning permissions to them, if they have not implemented previous permissions. There will also be a consultation on whether planning permission should be granted for two and not three years to encourage quicker implementation. Planning authorities will be given simpler powers to require the completion of developments which have started and then stopped and consulted on whether Councils should be encouraged to use their compulsory purchase powers to support the build out of stalled sites.
- 5.5 A new housing delivery test will be introduced for local authorities. The logic of this is that Councils not only have to grant planning permissions for new homes but they will also have to ensure that builders deliver them at the annual rate set out in the Local Plan. This will be enforced by requiring Councils to allocate more land for development if the annual building rate is below the Local Plan target even though they think they have allocated enough land for it to be achieved. The Government say that both Councils and housebuilders need to be held to account to ensure the building of the number of new houses which are needed.

Commentary

The issue of planning conditions needs either developers to improve the information they submit or the system to be simplified to remove some of the requirements. The review of CIL and Section 106 agreements is to be welcomed. CIL is not delivering the infrastructure which is needed.

The extra fee income is to be welcomed because planning departments will need significant additional resources to deliver the new responsibilities which they are being given and to deal with the extra workload that many new residential applications will require. New Forest District Council will face this issue later this year.

This Council needs to understand and develop its role in bidding for new infrastructure funding to ensure that this area gets access to the public resources available to support the building of many new houses.

The housing delivery test responsibilities on local authorities seems to be unreasonable. Yes, we should grant permissions in a timely way and not overburden them with conditions. But, if a developer or landowner chooses not to build, surely it is not fair for the local authority to be penalised for this. There should be a better response to dealing with unreasonable land banking by developers and landowners.

6.0 DIVERSIFYING THE MARKET

- 6.1 This section starts by setting out that the Government believe that the way in which the house building market operates constrains the supply of new homes because there is insufficient competition and innovation.
- 6.2 The new Accelerated Construction programme will help to diversify the market through partnering with small and medium sized firms as development partners and contractors. The Government will partner with local authorities to help them bring forward their own sites more quickly than they could otherwise. They will also promote custom and self-builders through the sites register and continuing exemptions from CIL payments, as well as working with lenders to make funding more readily available.
- 6.3 The Government want to attract more institutional investment in building more homes for rent. They will change the National Policy Planning Framework to make it easier for Build-to-Rent developers to offer affordable private rental homes instead of other types of affordable housing. They will also ensure that family friendly tenancies of three or more years are available.
- 6.4 Housing associations have a vital role to play if we are to build the new homes we need. The Government will encourage them to do more by setting out a rent policy after 2020 (but there will be no change to the annual 1% reduction before then), treat them as being in the private sector with changes to their regulation, urge them to do more building and to improve their efficiency.
- 6.5 Local authorities should be backed and assisted to build more houses. They should use innovative new models such as local housing companies and/or joint venture models in building mixed sites which include new market housing for sale and rent as well as affordable housing. Tailored support packages will be available to Councils who want to build on their own land at pace.

“However, we want to see tenants that local authorities place in new affordable properties offered equivalent terms to those in Council housing, including a right to buy their home.”

- 6.6 The house building industry should be made more productive. In particular it should increase innovation and make greater use of modern methods of construction including homes constructed off-site.

Commentary

The concept of private institutional developers providing affordable housing for rent, as an alternative to other forms of affordable housing, is an interesting one but which needs very careful consideration of the details when they emerge.

The encouragement of local authorities to build more and for them to use innovative new models to do so is something that this Council is already committed to looking at. It will be a disappointment to some that the Government have retained their commitment to new Council developed property having to be sold to tenants at a discount.

7.0 HELPING PEOPLE NOW

- 7.1 This section sets out in its introduction that while the Government's main focus is on fixing the housing market in the long term', there is also clearly a need to intervene to help those who are struggling now. The first part describes the continuation and extension of some existing measures such as saving to raise a deposit and equity loans.
- 7.2 Starter homes remain an important part of the strategy but will not be a mandatory requirement on all new larger development sites. Where they are proposed there will be a 15 year period in which some or all of the discount must be repaid and they will not be available to cash buyers. They should be provided as part of a mixed package of affordable housing and the NPPF will be amended to ensure that all new housing sites are expected to deliver a minimum of 10% affordable home ownership units. It will be clarified that starter homes, with appropriate local connection tests, will be acceptable on rural exception sites.
- 7.3 The paper confirms that the pilots allowing housing association tenants to buy their homes will continue to be rolled out with right to buy discounts. Extra money has been allocated to the affordable housing programme and this has been expanded to include Rent to Buy homes and affordable rent products.
- 7.4 Measures are set out to remove the worst landlords from operating, making tenancies more family friendly and tackling unfair and unreasonable abuses of leasehold. The paper then refers to the Community Housing Fund which is supporting communities taking the lead in building homes particularly in areas affected by second homes. Returning to the planning side, the Government will be introducing a new statutory duty on Councils to ensure that their Local Plans meet the needs of older and disabled people.
- 7.5 The final part of this section is entitled preventing homelessness. Legislation will be introduced placing a duty on local authorities to take steps to prevent eligible people from being made homeless when they are threatened by this possibility

Commentary

We should welcome the dropping of the requirement to insist on 20% of starter homes on all large sites as this allows for a wider range of affordable options to be considered. Nevertheless, I think that they should still be a significant part of the District Council's affordable housing policy moving forward, along with affordable rent and shared ownership options. The Council will need to make important decisions soon about the balance it will be seeking to achieve.

It will be disappointing to some that the Government is still pursuing the sale of housing association properties to tenants if this is still linked with the Council having to sell its higher value assets when they become available.

While there is no detail of how the new duty to prevent eligible people being made homeless this could be a very onerous requirement on our housing needs team. We are struggling to deal with our existing duties to deal with people made homeless and so it is difficult to see how this new duty will operate if no more homes are available.

8.0 THE CONSULTATION PROCESS

8.1 The Annex to the White Paper sets out a total of 38 questions to which the Government invite responses by 2 May 2017. This Council's response will be through a joint portfolio holder decision by the Housing and Communities and the Planning and Transportation Portfolio Holders. There will be matters of interest to Environment, Communities and possibly the Corporate Overview Panels, as well as the Planning Development Control Committee, in this White Paper.

9.0 CRIME AND DISORDER, EQUALITY AND DIVERSITY, ENVIRONMENTAL AND FINANCIAL IMPLICATIONS

9.1 None arising directly from this report.

10. RECOMMENDATIONS

That Review Panels consider the contents of the White Paper and offer comments to the portfolio holders which can help inform their response to the consultation process.

FOR FURTHER INFORMATION PLEASE CONTACT

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BACKGROUND PAPERS:

Published Documents