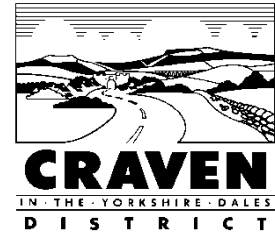


Policy Committee – 11th April 2017

Housing White Paper

Lead Member: Cllr Foster



Report of the Strategic Manager Planning and Regeneration
Ward(s) affected: All Wards

1. **Purpose of Report**

To present a summary of the Government's Housing White Paper 'Fixing Our Broken Housing Market' and highlight some of the key issues for Craven District Council.

2. **Recommendations**

Members are recommended to:

- 2.1 Note the summary of the Government's Housing White Paper 'Fixing Our Broken Housing Market'
- 2.2 Agree that the Chief Executive in consultation with the Leader of the Council submit a response to the Government's consultation on the Housing White Paper 'Fixing Our Broken Housing Market'

3. **Background**

- 3.1 This briefing report sets out the key aspects of the housing white paper 'Fixing our broken housing market' and how they may affect Craven District Council. The report draws from the work of the District Council Network and the New Economy organization.
- 3.2 The Housing White Paper is in response to the chronic low level of house building which has resulted in a housing being unaffordable to many people in many parts of the country. This situation is widely regarded as unsustainable and the Housing White Paper is forceful in its language regarding the importance of the issue and the consequences. The document covers a wide range of topics, suggestions and policies that are summarized.
- 3.3 Although there are many ideas and proposals within the Housing White Paper the number consultations that are promised is significant and there are few time scales attached so it is far from clear what the final policies will be or when they will take force.

4. Summary of the housing white paper 'Fixing our broken housing market'

Below is a brief summary of the wide range of policies, ideas and suggestions within the Housing White Paper.

- Maintains a focus on affordable homeownership, with measures such as 'Lifetime', an acknowledgment of the need to increase affordable renting options, including making the private rented sector more affordable and viable by investment in more units and introducing family friendly tenancies. Changing the definition of affordable housing to include a definition of affordable private rented housing is included as part of the

consultation.

- Strong focus on ensuring that Local Authorities are covered by Local Plans, to be reviewed at least once every 5 years. However the consultation indicates that the government is looking to increase flexibility around this, i.e. areas can be covered by a local plan or a combined authority statutory plan.
- The consultation promises a future consultation on options for standardising the methodology for assessing housing requirements in planning. It is intended that this will be used from April 2018 to calculate baseline housing requirements in the absence of an up to date plan
- Intention that spatial development strategies which require 'unanimous agreement of the members of the combined authority' will be allowed (by regulations) to allocate strategic sites
- NPPF to be amended to indicate that 'great weight' should be attached to the value of using suitable brownfield land within settlements for homes
- Neighbourhood planning and community engagement in the planning process are strengthened, with stronger support to local communities to be involved with identifying sites.
- Smaller sites on brownfield land in existing settlements, built at higher densities, are to be encouraged through a variety of measures, including amendments to NPPF.
- Increased transparency in terms of land ownership, with government releasing ownership data as well as housing delivery data, and potentially encouraging Local Authorities and large house builders to make their data more widely available.
- Will consult on powers to enable LAs to dispose of land at less than best consideration and encourage land pooling
- Drive to improve delivery levels and accountability, with Housing Delivery Tests for Local Authorities, as well as potential greater powers of CPO and simplifying completion notice process.
- Focus on increasing housing delivery from social landlords, expecting Housing Associations to increase their development capacity through efficiencies, and working with Local Authorities to maximise affordable housing delivery. HCA will become Homes England, a stand-alone body to ensure delivery across all tenures.
- Potential for bespoke housing deals with authorities in high demand areas with a 'genuine ambition to build'

Affordable Homeownership

- Lifetime ISA- different to current Help to Buy ISA, 25% bonus on savings of up to £4000 per year, can be put towards purchase of first home or withdrawn at age 60
- Starter Homes income limit- only households with annual income of up to £80,000 (£90,000 in London) eligible, and must have a mortgage to stop cash buyers
- Affordable Homes Programme has been opened up to affordable rent products

Neighbourhood Planning Bill

- Plans need to be reviewed at least once every 5 years
- Every authority covered by a plan, but not necessarily by single local plan
- Improve digital planning tools

Proposed National Planning Policy Framework (NPPF) amendments

- Amend to indicate great weight attached to value of using brownfield land within settlements for homes
- Expect planning authorities to have policies to support small windfall sites
- Stronger support for sites providing affordable homes to local people
- Highlight opportunities of neighbourhood plans to identify potential housing sites
- Expectation local planning authorities will identify opportunities for villages to thrive
- Amending NPPF to make it clear that 10% of allocated residential development sites

should be half a hectare or less

- Work with developers- encourage sub-division large sites
- Green Belt can only be amended when demonstrable that all other reasonable options have been examined fully, any loss offset by environmental/access improvements to remaining green belt- welcome suggestions to other reasonable examinations by planning authorities
- Neighbourhood planning groups obtain housing requirement figure from local planning authority
- Increase design standards but potentially reduce space standards
- Increase efficiency of building- avoid low densities where there is land shortage
- LAs can have annual housing supply agreed, fixed for 1 year
- Planning authorities identify development opportunities afforded by major infrastructure projects at the time that their funding is committed
- Local authorities to take into account how realistic development on a site is when considering applications

Funds announced

- £25m new funding 'to help ambitious authorities in areas of high housing need to plan for new homes and infrastructure'- though 'ambitious' and 'high housing need' are not defined
- Repeating an announcement from the Autumn Statement, £2.3bn Housing Infrastructure Fund- capital grant programme, and open to bids 2017- fund transport and utilities to deliver new homes, enable economic development. Joint bids across LA boundaries welcome

Planning/Development

- Propose to simplify and speed up completion notice process
- CPO guidance to be updated to encourage use of powers to build out stalled sites- after separate consultation
- Housing delivery test- ensure LAs and wider interests are held accountable for their role in ensuring housing delivery- spatial plan will be baseline for assessing delivery, and delivery will be measured using National statistic for net additional dwellings over rolling 3 year average.
- LAs able to increase planning fees by 20% from July 2017 if they commit to investing additional income in planning department
- Legislation will allow New Town Development Corporations to be set up

Data sharing

- Land Registry- comprehensive land registration by 2030- all publicly held land in areas of greatest need by 2020
- Government to release commercial and corporate ownership dataset and overseas ownership dataset free of charge
- DCLG to increase transparency and quality of data on delivery against plan targets and information on development pipeline- published as Open Data

Construction

- Measures to address skills shortages in the industry- Construction Industry Training Board review, launch new route into construction September 2019, encourage developers to deliver more training.
- Accelerated Construction programme- diversifying the market through partnering with small and medium- sized firms and others as development partners and contractors
- Accelerated Construction will support 15,000 housing starts over the Parliament, support offsite manufacturing techniques, share risk and reward in development of

government land

- Promote custom build
- Support joint working group lenders, valuers and construction industry to ensure mortgages available over range of tested methods of construction

Housing Associations/Social landlords

- Government to set out 'in due course' a rent policy for social landlords for period beyond 2020 to enable borrowing against future income- further discussions with sector first
- HCA to become stand-alone body- Homes England- ambition to get more homes across all tenures, unlock capacity and help to diversify market
- Focus on house building- expect all associations to make the best use of their capacity and make efficiency improvements in order to increase development to meet local housing need

Consultation

The paper includes consultation on changes to planning policy and legislation in relation to planning for housing, sustainable development and the environment. The consultation is open from 7th February until 2nd May. Some of the key proposals for consultation are outlined below:

- Changing definition of affordable housing to include definition of affordable private rented housing
- Standardised approach to OAN- apply as baseline for 5 year supply from April 2018, but details of that standard approach not included
- Improve transparency of contractual arrangements controlling land (i.e. option)
- Digital infrastructure delivery planning policies required by each LA
- Large house builders to have to publish aggregate information on build out rates
- Should applicant's track record of delivering similar housing schemes be taken into account in planning process
- Shorten timescales for developers to implement planning permission from three to two years
- Separate Build to Rent consultation- Authorities plan proactively for Build to Rent where it is needed, ensuring family-friendly tenancies of 3 years plus available on BtR schemes
- Separate consultation early this year on banning letting agent fees to tenants
- Expectation that housing sites will deliver minimum 10% affordable homeownership units

5. Conclusions

- 5.1 The Government have started to recognise the problems of the 'broken housing market' and that there is no silver bullet solution to building more homes rather a need for all sectors (be they local planning authorities, Housing Associations, developers or others) to be part of the solutions. The language of the introductory parts of the White Paper shows a shift in Government rhetoric – the housing market is 'broken', house building is 'too slow' and construction is 'too reliant on a small number of big players'.
- 5.2 There is a commitment to diversifying the market through support for SME builders and encouraging new methods of construction. Housing associations and local authorities are encouraged to build more, and more 'honest assessment' of the need for new homes, and more open data on land ownership promised to help in planning for housing delivery, though there is little sign of relaxation on Green Belt protection.

- 5.3 The focus has firmly shifted to the delivery of houses. In Craven (outside of the National Park) in the last 3 years build rates have been from 36 to 196. Such fluctuations mean that we would have failed the Housing Delivery Test in 2 out of 3 years. There is a risk that Craven DC will have imposed an assumption in favour of development for all sites which is the equivalent of neither having a Local Plan in place nor a 5 year land supply.
- 5.4 The Housing White Paper allow local authorities to increase planning fees by 20% from July 2017 if they invest income in their planning department, which is the subject of a separate report, plus a further 20% for those who are delivering substantial growth. To meet the additional burdens these additional resources are required.
- 5.5 Local Plans are still regarded as important. Although not in the near future, the influence of Combined Authorities or other strategic partnerships will grow as powers are created to allocate individual strategic sites or strategic growth corridors such as the current work on improving A64/A59 east west corridor. At a more local level neighbourhood planning and design. Local and neighbourhood plans to have clear design expectations, and so strengthen importance of early pre-application discussions.
- 5.6 There will be implications of local authorities holding developers to account for delivery of homes. Additional powers and resources given to push developers into building will need to be used in some cases. This will be difficult and subject to considerable legal challenge but if we don't use these new powers or build houses ourselves it is likely that we will fail the Housing Delivery Test and so there will be a presumption in favour of development for all sites. Support for councils to use compulsory purchase powers for stalled sites and reducing the timescales for developers to implement permission from 3 to 2 years are the key new mechanisms
- 5.7 There is encouragement for local authorities to build more houses so to support this we will need more information on the general fiscal freedoms to unlock the potential to deliver more housing. Bespoke housing deals with authorities in high demand areas which have ambition to build and/or developing a closer relationship with Homes and Communities Agency will be important.
- 5.8 The big six house builders do not have the capacity to meet the housing requirement of the country so medium sized builders are being encouraged by allocating smaller sites or subdividing large sites. Craven relies on medium sized builders for house building so to achieve our housing target we will need to support them through the planning process and part of this is the proposal to create the account manager roles within the Planning Officers job description which is subject to a separate report on this agenda.

6.0 Implications

6.1 Financial Implications

There are no legal implications arising directly from report.

6.2 Legal Implications

There are no legal implications arising directly from report.

6.3 Contribution to Corporate Priorities and the Community Strategy –

The contents of the Housing White Paper 'Fixing Our Broken Housing Market' would contribute to achieving the following corporate priorities:

- Enterprising Craven
- Resilient Communities

7.0 Risk Management

There potentially a number of risks arising from the proposals in the Housing White Paper 'Fixing Our Broken Housing Market' but many areas are subject to further consultation. The key risk is the introduction of Housing Delivery Test and the plans to manage these new responsibilities will be the subject of a future report.

8. Consultations with Others –

9. Access to Information: Background Documents – Housing White Paper 'Fixing Our Broken Housing Market'

10. Appendices – None

11. Author of the Report –

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.