



Briefing 17.12

March 2017

The Housing White Paper.

To: All English contacts

For info: Contacts from Wales, Scotland and Northern Ireland.

Key Issues

The supply of quality affordable housing is not meeting demand. Relative to population size, Britain has had Western Europe's lowest rate of house building for three decades. To meet demand, between 225,000 and 275,000 homes need to be delivered every year.

Introduction

The Housing White Paper 'Fixing our broken housing market,' was published on the 7 February 2017 and set out the Government's proposals to increase the number of homes and introduce measures to improve the affordability and security for people to buy and rent property.

Background

The supply of housing has been high on the political agenda for some time with a strong focus on home ownership. The National Planning Policy Framework (NPPF) was introduced as an attempt to simplify the planning system and put a strong presumption in favour of sustainable development in a bid to make it easier for developers to gain the required permission to build houses to meet the growing need.

The Housing and Planning Act 2016 outlined a raft of measures to kick start development, achieve the target of constructing one million homes by 2020 and transforming the 'generation rent into generation buy.' The key measures introduced included: -

- Starter Homes
- self and custom build homes;
- extension of Right to Buy;

- vacant property payments;
- compulsory purchase powers.

This briefing provides synopsis of the main aspects of the White Paper that are relevant to APSE members.

The White Paper

In introducing the White Paper to Parliament, the Secretary of State for Communities and Local Government reported that the issues in the housing market are one of the biggest barriers to social progress that the country faces.

The proposals set out in the White Paper are the Government's response to the issues and are designed to remove the barriers to house building and get more houses built in the right places and meet the needs of local communities. The document sets out four chapters, each chapter sets out proposal and provides details of areas of the NPPF that are part of the consultation associated with the White Paper. The four chapters are as follows: -

- planning for the right homes in the right places;
- building homes faster;
- diversifying the market;
- helping people now.

Planning for the right homes in the right places.

This chapter emphasises the role of the local planning authority and the community, setting out the need for councils to play an active part in meeting the Government target of building 250,000 homes a year. The White Paper is calling for the local planning authorities to take the lead, be ambitious and demonstrate strong leadership. However, the Government reports that to date only a third of local planning authorities have an adopted plan in place, leaving communities vulnerable to unplanned development.

Planning for development

The Neighbourhood Planning Bill is currently progressing through Parliament and the proposals in the White Paper are seeking to introduce measures that support the Bill and make it easier to produce these plans.

Under the proposals, local authorities will be required to have an adopted plan in place that identifies the housing need for the area and sets out how this will be met including clear strategies that maximise the use of land, bring brownfield sites back into use, identify suitable public sector land, utilise under-used retail and employment land and regenerate existing estates.

Currently, there is not a prescribed methodology for making an assessment for housing requirements and the Government is proposing to introduce a consistent approach that should be adopted. The methodology is currently being consulted upon, with views being sought regarding the approach to be used and the reasons as to why an authority would need to deviate from the standard approach. The new methodology will be applied as a baseline for the five-year housing land supply and housing delivery from April 2018.

There will no longer be the requirement for every authority to have a single plan in place as there are proposals for alternative options including, introducing statements of common ground which it is proposed will outline details of how the respective authorities plan to work together and deliver the homes needed and for combined authorities and areas where there are elected Mayors in place, authorities will be able to produce Spatial Development Strategy introducing a degree of flexibility in the planning process.

Councils will be required to review their plans at least once every five years and will be given the ability to fix their five-year housing land supply for a year.

The Government wants communities to have a more direct say over the housing and infrastructure being developed in their area and the Neighbourhood Planning Bill contains a number of measures to encourage communities to develop a plan. The White Paper proposes that full weight is to be attributed to plans as early as possible and funding will be made available for neighbourhood planning groups from 2018 – 2020 to support them in the process of developing and adopting their plans.

There will be a requirement for plans to set out policies for design and include details of how the requirements of groups with need, such as the elderly will be met. The Government will be looking at giving weight in the planning process to developments that accord with widely accepted standards or design.

Supporting small and medium sized sites and thriving rural communities

Local planning authorities will need to ensure they have policies in place that support development on brownfield sites within existing settlements. The range of policies and strategies plan need to include are: -

- small ad hoc development;
- attributing greater weight to using small sites within settlements for development;
- stronger support for sites that provide local affordable home provision;
- a minimum of 10% of sites allocated should be of less than half a hectare for windfall development.

In addition, there is an expectation that opportunities for villages to thrive will be explored and the opportunities to provide homes and services for local people are to be sought. Local authorities will be encouraged to use mechanisms such as Local Development Orders and are design codes to achieve these aims.

A new generation of communities

The Government has previously announced support for a new wave of garden towns and villages. To accelerate the pace of developing these new communities, views are being sought on ways that the planning process can be streamlined and how locally led schemes with high quality environmental credentials can be brought forward.

Green Belt land

A political commitment has been given to providing a better natural environment for future generations and a 25-year Environmental Plan will be introduced on due course. The proposals in the White Paper seek to provide clarification in relation to protecting Green Belts. The NPPF will be amended and strengthened to make it clear that the boundaries of the Green Belt can only be altered when it can be demonstrated that: -

- brownfield sites have been used effectively and estate regeneration opportunities have been explored;
- under used land has been considered for development;
- there has been work undertaken with neighbouring authorities to identify if they can assist with meeting need.

Building homes faster

The gap in demand for housing and the rate of delivery continues to widen, the Housing White Paper focuses a chapter on delivering homes faster to meet the well published target of 250,000 homes. The methods proposed to achieve this include boosting capacity in the market, providing more certainty for local communities and councils and looking at the appeals process.

Boosting local capacity and capability to deliver

Local authorities will have the ability to increase planning fees by 20% from July 2017, if they commit to investing the funds back into their planning service. With consultation being undertaken regarding increasing the fees by a further 20% for authorities who can demonstrate that they are delivering the required homes for their communities.

Strategic infrastructure development

The Government is placing an expectation on local authorities to identify development opportunities that large strategic infrastructure projects such as HS2 present and will require them to support the political commitments to infrastructure development such as a nationwide fibre network.

Housing Delivery Test

The Housing Delivery Test is the proposed mechanism by which local authorities will be held to account. The test will highlight areas that are delivering below target and will trigger policy responses to bring land forward where it is deemed necessary, with a range from authorities being required to publish an action plan through to the imposition of presumption in favour of sustainable development.

Diversifying the market

This chapter of the White Paper sets out how new providers will be supported to achieve the development targets including support for housing associations and local authorities to build more homes and to ensure that the public sector plays its part.

Backing authorities to build

Local authorities will be expected to go beyond its remit of being a planning authority and play an active role in delivering houses themselves. The White Paper proposes a variety of tools to assist councils in building their own homes and encourages greater collaboration with neighboring authorities and small and medium enterprises to kick-start the house build revolution.

Innovation is a strong theme of the document and the creation of joint ventures and Local Development Corporation are welcomed to enable innovative developments of mixed tenure housing sites.

Helping people now

The measure proposed to fix the broken housing market are long term solutions, the helping people now chapter outlines support that can be provided now and these include: -

- continued support for people to buy their own homes with existing products such as Help to Buy and Starter Homes;
- investment in the Affordable Homes Program;
- further measures are to be introduced to prevent homelessness.

There is also an intention to amend the NPPF to ensure that a minimum of 10% affordable home ownership units are included in site development plans and it will be mandated that brownfield site developments will contain a higher proportion of starter homes.

APSE Comment

Plan lead development through Neighbourhood Development Plans, Local Plans and associated documents is a strong focus of the Housing White Paper. The proposal to attribute weight to Neighbourhood Development Plans as early as possible and provide funding to support neighbourhood planning groups are welcomed as these are key components for delivering homes that meet the requirements and needs of the local community. However, APSE expresses concern that there is not the capacity in all community groups developing their plans, leading to inequalities in communities and this will place an addition burden on councils who are required to support this process.

Introducing a standard approach for assessing housing requirement will bring a degree of clarity and transparency to the planning process, allowing the local authority to make an objective assessment of the requirements which is particularly important when collaborating with neighbouring authorities and the standardisation in methodology is welcomed by APSE.

The Housing White Paper sets out proposals to amend and consult on larger parts of the NPPF. However, the Government have chosen not to review the viability test despite this being cited by many local authorities as a barrier to providing affordable housing. APSE recognizes that there is a requirement for the private sector to see investment in housing development as a viable option but with the consultation on other aspects of the NPPF, APSE expresses concern that the viability test is not included in the proposals and believes that this would be an opportunity to elicit views on the current policy.

APSE has long recognised and been an advocate for the leadership role that local authorities can play on building homes that meet the needs of the community and welcomes the emphasis that the Housing White Paper places on this role. However, the tools announced to increase delivery are not seen as being comprehensive enough to address the factors that impact on housing delivery such as: -

- skills and capacity of the workforce;
- secure supply chain for material;
- cost of material and labour;
- willingness of the private sector to invest and build out sites;
- abilities of local authorities to raise the required funding.

Local authorities have limited tools to mitigate the impact of these factors and the White Paper does not outline how these factors would be taken into account when assessing a local authority against the Housing Delivery Test. APSE is concerned that councils will be placed under scrutiny and judged against a Housing Delivery Test and sanctioned for non-delivery without the opportunity or tools they need to meet the housing need target.

APSE strongly believes that the only way that the UK will achieve the numbers and mix of new build housing required is for not only the private and third sector to build but for local authorities to also contribute significantly in terms of directly building themselves or through wholly owned arms length housing companies, as many authorities are currently doing. APSE is concerned with proposals to extend the right to buy to these companies and the impact that it will have on business plans. There is a danger that these proposals could choke off supply of new build, particularly affordable housing.

The increase in National Planning fees is welcomed as this will assist in supporting the planning services in areas with high development and strong economic growth but in areas where the opposite is true, it is APSE's view that an increase in fees could deter small and medium enterprises from coming forward to develop sites. APSE would like to see the power delegated to councils to set their planning fees locally.

On a final point, the Housing White Paper outlines proposals to maximise the use of land. However, it is noted that there is very little detail in relation to plans including policies and strategies that are based on place and promoting wellbeing. APSE would like to see more emphasis in plan documents and the NPPF regarding a holistic approach to development with a requirement for policies to be introduced

relating to space standards, useable open space and environmental policies to ensure development is not multiple housing units for today but is affordable and sustainable for the further.