

## **Detailed Summary of the Housing White Paper**

### **1 Planning for the right homes in the right places**

- 1.1 The White Paper states that *"if we are to build the homes this country needs, we need to make sure that enough land is released in the right places and that the best possible use is made of that land, and that local communities have control over where development goes and what it looks like"*.
- 1.2 The **Neighbourhood Planning Bill will make it a requirement for all areas to be covered by a plan**. The government are claiming that proposals in the White Paper will make plans easier to produce and so they will intervene, where necessary, to ensure that plans are put in place. The Neighbourhood Planning Bill will strengthen powers to make any intervention easier and also allow for the Secretary of State to require that local plans and planning documents are reviewed at prescribed interval (likely to be at least every 5 years). There is also a concern that the Duty to Cooperate has not been successful everywhere (although it has been in the PUSH area) and so the government will consult on changes to the National Planning Policy Framework so that authorities are expected to prepare a Statement of Common Ground. This will set out how they will work together to meet housing requirements and other cross-boundary issues. The Neighbourhood Planning Bill will make Plans easier to produce by removing the expectation that an area is covered by a single local plan - there can be flexibility over how an authority meets the requirement to have a plan, also improve the use of digital tools in planning processes and enable combined authority (or Mayoral) spatial development strategies to allocate strategic sites.
- 1.3 The Government will consult on options for **introducing a standardised approach to assessing housing requirements**. This will include the importance of taking account of the needs to different groups for example older people. This will be more transparent and more consistent nationally. The Government are proposing that by April 2018 the new methodology for assessing housing requirements would apply as the baseline for assessing five year housing land supply and delivery. They are also proposing that local planning authorities will have clear policies for addressing the housing requirements of groups with particular needs such as older and disabled people.
- 1.4 The White Paper states that the government will make **land ownership and interests more transparent**. This will make it easier for communities to get involved in developing local plans. As part of this HM Land Registry will have comprehensive land registration by 2030 with all publicly held land registered by 2020 or 2025 (areas with higher housing need will be done earlier). The government will consult on improving the transparency of contractual

arrangements used to control land and improve the availability of data about wider interests in land.

- 1.5 The Government is proposing to amend the National Planning Policy Framework to **strengthen the expectation that local authorities will meet their housing requirements**. This will include the presumption that brownfield land will be suitable for housing development and putting more homes on surplus public sector land. To support local authorities there will be a £45m land release fund and also authorities can dispose of land with the benefit of planning permission which they have granted to themselves. The White Paper states the Government would welcome views on the additional powers or capacity that local authorities need to play a more active role in assembling land for development.
- 1.6 The White Paper says that policies should allow a good mix of sites to come forward for development including small sites. To support this local authorities should have policies that support the development of small windfall sites and as well as the allowance for windfall sites at least 10% of the sites allocated for residential development should be sites of half a hectare or less. Local authorities are also expected to work with developers to encourage the sub-division of large sites.
- 1.7 In terms of green belts the Government are proposing that they will make it clear in national policy that **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** and where land is removed from the green belt local policies should require the impact to be offset.
- 1.8 The Government will look to **strengthen neighbourhood planning and design** with communities having more direct say over development in their area. The Government will make further funding available to neighbourhood planning groups from 2018-2020 and they propose to amend planning policy so that neighbourhood planning groups can obtain a housing requirement figure from their local planning authority. To improve design the Government proposes to amend the National Planning Policy Framework so that:
  - local and neighbourhood plans set out clear design expectations;
  - it strengthens the importance of early pre-application discussions between applicants, authorities and the local community about design;
  - it makes clear that design should not be used as a valid reason to object to developments where it accords with design expectations set in statutory plans;
  - it recognises the value of using a wider accepted design standard.

- 1.9 In terms of building good quality homes the Government will look at opportunities for **simplification and rationalisation of building regulations** whilst also **consulting on improving energy performance standards** on new homes if this can be done without making homes less affordable.
- 1.10 Finally, within this section of the White Paper there are proposals to make the use of land more efficient. The Government proposes to amend the National Planning Policy Framework so that **authorities avoid building homes at low densities when there is a shortage of land and use higher density housing in urban locations where there is infrastructure to support them**. The Government will also review the Nationally Described Space Standard to ensure greater local housing choice.
- 2 Building homes faster**
- 2.1 The White Paper states that *"Where communities have planned for new homes, we want to ensure those plans are implemented to the timescales expected... As of July 2016 there were 684,000 homes with detailed planning permission granted on sites with had not yet been completed. Of those building has started on just 349,000 homes"*.
- 2.2 To improve certainty and reduce delays caused by appeals the Government will amend the National Planning Policy Framework to give local authorities the **opportunity to have their housing land supply agreed on an annual basis and fixed for a one year period**. The Government have also said that where communities plan for housing through a Neighbourhood Plan, these plans should not be deemed out of date unless there is a significant lack of land supply for housing in the wider local authority area. Plans will be protected if neighbourhoods can demonstrate that their site allocations and housing supply policies will meet their share of housing need. To reduce unnecessary appeals the **Government will consult on introducing a fee for making a planning appeal**. A maximum could be set and fees could be refunded if for example the appeal was successful.
- 2.3 **To boost the capacity and capability of planning departments the Government will allow authorities to increase planning fees by 20% from July 2017** if they commit to invest the additional fee income in their planning department. The Government are also minded to allow a further increase of 20% to authorities that are delivering the homes that are needed.
- 2.4 £25m of new funding will be available to help ambitious authorities plan for new homes and infrastructure. **The £2.3bn Housing Infrastructure Fund will be targeted at areas of greatest housing need**. This is a capital grant funding programme and will be open to bids from 2017 with infrastructure funded (including transport and utilities) that unlock delivery of new homes. The Government have also stated that when they invest in significant new infrastructure they will expect local planning authorities to identify development opportunities when the funding is committed.

- 2.5 To improve digital infrastructure the Government are consulting on **requiring local authorities to have planning policies setting out how high quality digital infrastructure will be delivered in their area**. In terms of utilities the Government will review what more could be done to ensure that utilities planning and delivery keeps pace with house building so that there is timely connections for new homes. If necessary the Government will consider obligating utility companies to take account of proposed development.
- 2.6 To help developers "build out" more quickly the Government are proposing to take forward proposals through the Neighbourhood Planning Bill to **allow the Secretary of State to prohibit conditions that do not meet the national policy tests and to ensure that pre-commencement conditions can only be used with the agreement of the applicant**. The Government will also roll out the strategic approach to the habitat management of species (in particular the great crested newt) using a streamlined licensing system piloted in Woking.
- 2.7 Alongside the White Paper, the Government published an independent review of the Community Infrastructure Levy (CIL) and Section 106 (S106) planning obligations. **The Government will examine the options for reforming the system of developer contributions and will make an announcement at the Autumn budget 2017**. In the short term the Government will consult on standardised open book S106 agreements and increased transparency.
- 2.8 The White Paper recognises that skills shortages can have an impact on speed of development. The construction industry has an important role to play but the White Paper recognises that Government also has a role to play (including in partnership with the construction industry). The White Paper states that the Government will review the Construction Industry Training Board's purpose to **ensure that developers benefitting from the public funding use the projects to train the workforce of the future**. They will also launch a new route into construction in September 2019 and they will work across Government, with the Construction Leadership Council, to challenge house builders and other construction companies to deliver their part of the bargain.
- 2.9 The White Paper includes a **number of proposals to hold developers and local authorities to account**. The Government wish to provide greater transparency through planning and build out phases by requiring more information to be provided about the timing and pace of delivery of new housing, with CLG increasing the transparency and quality of data it provides on delivery against plan targets and, subject to further consultation, requiring large housebuilders to publish aggregate information on "build out" rates.
- 2.10 The White Paper proposes a **number of tools for local authorities to help speed up the delivery of new homes**. The Government will amend national planning policy to discourage proposals where the failure to implement

previous permissions suggests that there are either no intentions to build or there are insurmountable barriers to delivery. The Government are also proposing to simplify the completion notice process and will prepare new guidance for local authorities to encourage the use of their compulsory purchase powers (CPP) to support the build out of stalled sites. In addition the Homes and Community Agency will work more with local authorities to use their CPP where appropriate. The Government are interested in views on whether:

- an applicant's track record of delivering previous schemes should be taken into account when determining planning applications for large scale sites
- national planning policy should be amended to encourage local authorities to shorten the timescales for developers to implement housing development permissions from three years to two years (except when the shorter timescale would hinder viability).

2.11 The Government will **introduce a new housing delivery test to ensure that local authorities are held accountable for ensuring new homes are delivered**. The test will highlight whether the number of homes being built is below target and if necessary trigger policy responses to ensure that further land comes forward. The test will commence in November 2017 and will be fully in place from November 2020. Initially, depending on performance, there may be a requirement to either produce an action plan or there may be a requirement to plan a 20% buffer for the five year land supply. From November 2018, if delivery of housing fall below 25% of the housing requirement the presumption in favour of the sustainable development in the National Planning Policy Framework will apply automatically. By 2020 this presumption would apply if delivery falls below 65% of the requirement.

### 3 **Diversifying the market**

3.1 The White Paper states *"We want to diversify the market to achieve the amount, quality and choice of housing that people want. This includes supporting new and different providers, more innovation in methods of construction and supporting new investors into residential development"*.

3.2 **£1bn of the £3bn Home Building Fund (launched October 2016) will be targeted at SMEs**, custom builders and innovators to deliver up to 25,000 homes. Through the Accelerated Construction programme the Government will partner with SMEs to build out public sector sites. **They will also promote custom build through this programme** and more generally as a way of developing houses quickly. The Government have said that they may introduce legislation if they do not believe local authorities are taking sufficient action to promote custom building and self-building.

3.3 The Government want to **encourage institutional investors to invest in housing and encourage new build private rented sector schemes**. The Government propose to change the National Planning Policy Framework so

that authorities will proactively plan for Build to Rent where there is a need and ensure that more family friendly tenancies of three plus years are available.

- 3.4 The Government are planning to **support Housing Associations (HA) to build more homes** by:
- setting out a rent policy for social housing landlords (HAs and local authorities) for the period beyond 2020 to help them borrow against future income to fund more development
  - put social housing regulation on a more independent footing and implement deregulatory measures to make sure HAs are classified as private sector bodies
  - urging HAs to explore opportunities to build more homes and improve efficiency to release resources to build homes
- 3.5 **The Government wish to support local authorities (LAs) to build homes where the market isn't coming forward with enough.** The Government wishes LAs to come up with new delivery models e.g. Local Development Corporations / Joint Ventures etc. However, the Government, wishes tenants that LAs place in new affordable properties to have a "right to buy" their home. The Government will work with local authorities to understand all the options for increasing the supply of affordable homes including council housebuilding. The Government are also interested in the scope for bespoke housing deals with authorities, who have a genuine ambition to build, in high demand areas. The Government believe that taken together, the measures in the White Paper, give LAs the tools they need to get building. **The Homes and Communities Agency will be relaunched as Homes England with a purpose "to make a home within reach for everyone".**
- 3.6 There is evidence to suggest that homes **built "offsite" can be built 30% more quickly than traditional methods and with a potential reduction in costs of 25%.** The Government wishes to support the growth of this sector by:
- using the Accelerated Construction Programme and the Home Builders Fund to stimulate the growth of the sector
  - supporting a joint working group with lenders, valuers and the industry to ensure that mortgages are available for tested methods of construction
  - considering how the operation of the planning system is working for new construction methods and work with local areas that want to develop this approach (as well as considering whether there is opportunities for relevant businesses to access innovation and growth funding to help them grow

**4 Other activity / Helping people now**

- 4.1 The White Paper states *"The long term solution is to build more homes but that will take time to have an impact. This chapter sets out how government will help people now, tackling some of the impacts on ordinary households and communities"*.
- 4.2 To achieve this, the Government will:
- continue to **support young people saving for a deposit** including by the introduction of the Lifetime ISA in April 2017 (which can be withdrawn to support the purchase of a first home or at age 60)
  - consider the future of the **Help to Buy Equity Loan to create certainty beyond 2021** (the current end date)
- 4.3 To support the **provision of starter homes** the Government plans to make clear through the National Planning Policy Framework that starter homes should be available to households that need them most with an income of less than £80k (£90k in London). Eligible first time buyers will be required to have a mortgage to stop cash buyers and there will be a 15 year repayment period for a starter home. This is designed to stop speculation. The Government also plan to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units (the initial plans were for a 20% figure). There will also be a change to allow for more brownfield land to be released for development with a higher proportion of starter homes by:
- **bringing forward vacant unviable employment land**
  - extending the current starter home exception site policy
  - **allowing development on brownfield land in the green belt** where it contributes to the delivery of starter homes and there is no substantial harm to the openness of the green belt
  - supporting the preparation of brownfield sites with a **£1.2bn Starter Homes Land Fund**
- 4.4 The Government have previously announced that they will fund the expansion of the regional pilot of the Right to Buy for housing association tenants. The Autumn Statement also included extra funding for the affordable homes programme. This programme can now be used for affordable rent as well as shared ownership. To assist these aims the Government is keen to hear suggestions on how to assist institutional investment in shared ownership.
- 4.5 To provide a fairer deal for renters and leaseholders the Government will:
- Consult and bring forward legislation to ban letting agent fees to tenants
  - Drive up safety and standards in the private rented sector by introducing banning order for the worst landlords and agents and enable LAs to issue fines as well as prosecute poor landlords
  - Make the rented sector more family friendly by promoting longer tenancies on new build rental homes

- Consult on a range of measures to tackle unfair and unreasonable abuses of leasehold
- 4.6 To make use of existing homes the Government will consider whether any additional measures are needed to support areas with high numbers of second homes. The Government also recognise the importance of reducing empty homes and will continue to support LA activity in this area although nothing new to support this has been announced.
- 4.7 The Government is introducing a new statutory duty through the Neighbourhood Planning Bill for the Secretary of State to produce guidance for local planning authorities on how their local development documents should meet the housing needs of older and people with disabilities. Appropriate accommodation can help people to live independently and reduce pressures and costs on the NHS and social care. Guidance will have clear expectations that appropriate new homes will be developed near services. The Government are also going to look at what can be done to encourage older people to move out of larger family homes into housing more appropriate for their needs. This will help the supply of larger family homes and be better for the older people. In terms of Supported Housing development the Government will publish a Green Paper this year on the new proposed funding model for supported housing.
- 4.8 The Government are supporting the Homeless Reduction Bill which will place a duty on local authorities to take steps to prevent the homelessness of anyone eligible and threatened with homelessness. The Government are establishing a network of expert advisers to work closely with all LAs to improve the LA approach to homelessness (including rough sleepers). The Government will also explore new models to support those that are hardest to help and consider whether more use could be made of social letting agencies to support those who are at risk of homelessness.