

Subject: Response to Housing White Paper

Report to: Housing and Neighbourhoods Committee – 24th April 2017

Report by: John Clements, Principal Strategic Planner (Growth Group) and
Tracey Slater, Service Unit Manager (Housing Strategy and Housing Options)

SUBJECT MATTER/RECOMMENDATIONS

Outlines the recent Government Housing White Paper, identifies the key challenges and opportunities for GYBC, and proposes responses to the consultation on the White Paper and associated document.

RECOMMENDATIONS

That the Committee:

- 1) Note the Housing White Paper, and its significance for GYBC;**
- 2) Agree the responses to the Housing White Paper and associated ‘Build to Rent’ consultation.**

1. INTRODUCTION & BACKGROUND

1.1 The Government issued its long awaited Housing White Paper in February. This will have a significant impact over time on the Council’s planning and housing functions.

1.2 Most of the content of the White Paper concerns planning, though there are significant housing elements. The key focus is on trying to stimulate more, and faster, housing development.

1.3 There are significant minor divergences from Government policy of the recent past (for example, the effective downgrading of the Starter Home initiative), but in general the overall approach remains to place pressure on local planning authorities

to remove perceived planning obstacles to housing development, encourage new or reinvigorated forms of housing development, and an expectation to provide housing developments purpose-built for rent, often referred to as 'Build to Rent', with its main product 'Affordable Private Rent'.

1.4 The White Paper is over 100 pages long, and contains very many disparate proposals (c.130), many of them without any significant detail. The proposals will be developed over the coming year, and may emerge rather different at the end of the process, with some perhaps not proceeding at all. The White Paper is accompanied with a consultation paper document titled 'Planning and Affordable Housing for Build to Rent'.

1.5 Although limited in some practical details, the White Paper demonstrates the general direction of government thinking and policy. The White Paper will therefore help to inform the emerging Housing Strategy for the Borough.

2. HOUSING WHITE PAPER – MAIN POINTS

2.1 The White Paper is split into four key areas:

- Planning for the Right Homes in the Right Places
- Building Homes Faster
- Diversifying the Market
- Helping People Now

It contains a large number of proposed changes to the planning system, aimed at increasing the rate of housing delivery. It is worth noting that while the content of the White Paper, with immediate effect, can constitute a 'material planning consideration' which may affect decisions on plan-making and on planning applications, most of the proposals are not fully detailed and are the subject of consultation. The key challenges and opportunities of the White Paper can be summarized as:

- Optional increase in planning fees
- More requirements on plan-making including regular reviews
- Standardised approach for calculating housing needs and targets
- Tests and penalties for authorities with poor housing delivery
- Greater weight on housing development needs in decision-taking
- Encouragement of Neighbourhood Plans
- Reforms to developer contributions
- Encouragement of Compulsory Purchase powers
- Support for small, medium and windfall development
- Revised definition of affordable housing
- Emphasis on 'affordable home ownership' and 'Build for Rent' as affordable housing products
- Limitations on use of planning conditions
- Incentivising delivery for developers

3. HOUSING WHITE PAPER – RESPONSE TO CONSULTATION

3.1 The consultation includes 38 focussed questions (note that there are further sub-questions) across a range of proposals in the White Paper. The Council's responses to the consultation has been limited to those key areas, where there are likely to be implications for the Borough. The key responses to the White Paper can be summarised as:

- Changes in national policy are leading to further delays
- Support a standardised approach to assessing housing needs
- The housing delivery test is unnecessary (noting existing 5 year housing land supply requirement)
- National policy on 'affordable home ownership' products is likely to greatly reduce new affordable rent tenures in the Borough

(See full response to consultation in Appendix 1)

3.2 Planning and Affordable Housing for Build to Rent – the consultation consists

of 26 focused questions with sub-questions. This intends to make clear the Government's intention to support the Build to Rent market through the planning system. It sets out the proposed policy measures for recognising the rental sector as an enduring feature of the housing market. It should be noted that this sector of housing is still taking shape and any change in policy that will provide a wider understanding of the viability assumptions is welcomed.

(See full response to consultation in Appendix 2)

4. CONCLUSIONS

4.1 The White Paper has important implications for both housing and planning services in the Borough going forward, but there is much uncertainty about the detail of many of its numerous proposals. While some elements are welcome, overall it is not considered to provide GYBC with significant new tools likely to significantly increase housing delivery or better meet the Borough's particular affordable housing needs. At the same time the Borough's failure to deliver against the identified housing needs are set to become more prominent and subject to penalties and sanctions.

4.2 Several key responses have been identified, under both housing and planning services, as desirable to meet its challenges and take advantage of the opportunities it provides.

4.3 The Committees are invited to endorse the draft responses to consultation attached, and note that further consultations with more detail will take place during the year.

5. RECOMMENDATIONS

That the Committee:

- 1) Note the Housing White Paper, and its significance for GYBC;**

- 2) Agree the responses to the Housing White Paper and associated 'Build to Rent' consultation.

6. APPENDICES

Appendix 1: Proposed response to Housing White Paper

Appendix 2: Proposed response to 'Planning and Affordable Housing for Build to Rent'

7. BACKGROUND PAPERS

Housing White Paper, DCLG, February 2017 –

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

Planning and Affordable Housing for Build to Rent, DCLG, February 2017

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589939/Build_To_Rent_consultation_document.pdf

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	
Section 151 Officer Consultation:	
Existing Council Policies:	
Financial Implications:	
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	

Crime & Disorder:	
Every Child Matters:	

Appendix 1

GYBC Draft Response to Housing White Paper

Question 1. Do you agree with the proposals to:

- a. Revise the National Planning Policy Framework to tighten the definition of what evidence is required to support a 'sound' plan?**

Strongly support the clarification of what is required, in order to reduce expectations of superfluous or inordinately detailed evidence.

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?

It should be noted that the potential for legal challenges to plan adoptions, particularly in relation to Strategic Environmental Assessment requirements, is likely to continue to lead to local planning authorities erring on the side of producing too much evidence. Review of the guidance on Strategic Environmental assessment, and in particular eliminating the confusing complication of parallel but not equivalent sustainability appraisal requirements (which tend to lead to inordinate work and excessive data proliferation), would assist greatly in achieving more proportionate evidence. The Government and its predecessors have themselves contributed to slowing down local plan production, by incrementally introducing successive further requirements on a variety of topics.

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?**

This is an example of the Government itself potentially slowing down local plan production, by the introduction of specific requirements that will likely not necessarily be appropriate in every location. While

recognising the importance of these needs, this potentially detailed requirement does not sit comfortably with the proposal at A16 that only key strategic policies (including strategic allocations) are to be compulsory. It would be preferable for national policy to highlight the importance of addressing the particular needs of types identified, it should be left to the local planning authority to determine how this is best tackled.

- 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?**

Agreement is withheld until the particular proposals are known, but the proposal is supported in principle.

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?;**

Object to the proposal. Planning is about balancing the needs of different areas, time periods, and uses, but the proposal would give precedence to one. This is contrary to good planning and unlikely to lead to sustainable development.

If this approach is pursued, protected landscapes such as the national parks, the Broads and Areas of Outstanding Natural Beauty should be excluded from these requirements.

- 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?;**

Object to the proposal. There could be sound local reasons for not accommodating such development, not covered by the NPPF.

- c. its considerations are re-ordered and numbered, the opening text is simplified and specific references to local plans are removed?**

The clarification of the NPPF would be welcomed, provided it is recognised that the complexities of planning across the different areas country is not amenable to being fully addressed by a brief summary of issues and processes.

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?

Agreed.

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)?

The key disincentives for local authority involvement in land pooling is that it involves risks to already stretched local authority finances without any realistic likelihood of a financial reward, or even certainty that development will subsequently proceed as envisaged. Were local authorities enabled to develop themselves, there would be a more favourable balance of potential costs, risks and benefits.

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?;**

No objection, but it should be recognised that neighbourhood planning can also present challenges and delays in identifying sites for housing: there are advantages to neighbourhood planning, but speed and quantum of housing development is unlikely to be one of them.

- 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?;**

It is not clear that local authorities have ever done anything but encourage villages to thrive. The phrase is presumably a euphemism for putting further development in them. The Government should be clearer about what it proposes and the justification for this. There is little evidence that small amounts of development added to villages make a significant difference to supporting their services, are likely to house people who grew up in the area, or that the absence of such development this would threaten the ability of villages to thrive. There are other reasons for such development: why not use them?

- 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?;**

Disagree. The existing policy is adequate. This proposal falls under the heading "Planning for the right homes in the right places", but the shift in policy proposed as worded would be more likely to result in the wrong homes in the wrong places.

- 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?;**

Not supported. A rigid application of 10% will not necessarily be helpful or appropriate in all locations. A 10% requirement of sites is an arbitrary figure and will depend on how many sites in total are allocated in a local plan. Encouragement to make such allocations, with perhaps the 10% expressed as a guide minimum would be more helpful.

- e. expect local planning authorities to work with developers to encourage the sub-division of large sites?; and**

Not supported, again because this is an overly rigidly specified 'expectation'. It is also not clear what this 'work' will amount to, what local authorities would use to encourage such sub-division where it is not already welcome, or whether the opportunity costs of seeking to do so are justified.

- 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?.**

Not supported. Local development orders and design codes can be useful tools, but it is not at all clear their more widespread use would necessarily bring forward sites more quickly, or even where this is the case, that the opportunity costs of the resources involved will be justified.

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?;**

Not supported, because as expressed this is overly rigid. The identification of such numbers is potentially far more complex than the Government appears to appreciate, depending on circumstances and timing, and would be better expressed as encouragement. For many LPAs it may be difficult to provide such a housing figure, as strategically the figure is likely to depend on growth elsewhere within the LPA area – and this will be considered by assessing the opportunities and constraints presented in each settlement and distributed accordingly.

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?;**

No. Agree with the sentiment, but overly rigidly expressed.

- 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?;

Yes, provided this is suitably flexibly expressed.

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?;**

No. This is an unnecessary burden on a proposal that is meant to help speed up the planning process. How would the 10% buffer apply?

Would it be on top of the 5% buffer already required, and on top of 20% for those authorities already persistently under-delivering?

- b. the Planning Inspectorate should consider and agree an authority's assessment of its housing supply for the purpose of this policy?**

No. How will this process take place? How long will it take to 'agree'? This has the potential to slow the process down.

- 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?**

No.

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?;** No. (Not least because of lack of clarity of definition of 'its share of housing need'.) There are a number of Neighbourhood Plans that do not allocate sites for housing. If this is taken forward as a blanket requirement, this may cause problems for example where a draft

Neighbourhood Plan is not taken forward or where it fails referendum. The LPA could be left with a gap in meeting its housing needs.

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?

No.

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?

The latter.

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?

No, these are not development plan matters.

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?

Yes

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?

Yes

c. the basic information (above) should be published as part of Authority Monitoring Reports?

No. It should be up to the discretion of the LPA how the information is used. The Monitoring Report and/or housing land supply statement may be the most appropriate documents.

d. that large housebuilders should be required to provide aggregate information on build out rates?

Yes.

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?

Yes.

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.

The Authority already applies shortened timescales in some circumstances on planning applications, and this appears to have had little effect on delivery.

Question 29. Do you agree that the consequences for under-delivery should be: (a.-e.)

a.-e. No. The government already applies a similar test through the 5 year housing land supply requirement. How would such a 20% buffer be considered in the contest of potential existing buffers on 5 year housing land supply?

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?

Yes, whilst these changes in the definition of affordable housing are long overdue when seen in conjunction with the minimum requirement of 10% of all homes on sites should be for affordable home ownership products being proposed (see q 32), will this change in definition truly assist in offering greater choice in affordable housing.

b) introduce an income cap for starter homes?

Yes

c) incorporate a definition of affordable private rent housing?

See answer to Q 31 (a)

d) allow for a transitional period that aligns with other proposals in the White Paper?

Yes so, that there is no confusion or uncertainty with/for Developers.

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?

It is not considered that the policy as worded strikes a balance between affordable products for rent and ownership. In the circumstances of this authority, a blanket policy would likely result in affordable ownership products in many parts of the Borough which are in desperate need of affordable rented products and are heavily constrained by the viability of development to require a further proportion of affordable housing (i.e. large parts of the Borough have a threshold of 10% affordable housing, and this would be taken up by affordable home ownership products, as the proposal is currently worded). Such parts of the Borough would then be reliant on exception schemes. Authorities should be given the flexibility to seek affordable rented products as an

exception to affordable ownership products where there is a clear need.

Question 33. Should any particular types of residential development be excluded from this policy?

Affordable rent should be excluded, and not limited to just on 'Build for Rent' schemes which only seems to include affordable private rent.

Question 36. Do you agree with these proposals to clarify flood risk policy in the National Planning Policy Framework?

Clarification on the application of national flood risk policy is welcomed.

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?

Clarification on wind energy in the National Planning Policy Framework is welcomed.

Appendix 2

GYBC Draft Response to Planning and Affordable Housing for Build to Rent Consultation.

Q 6 : Do you agree with the proposal to refer explicitly to Build to Rent in the National Planning Policy Framework?

Yes

Q7 : Do you think that Government should set a policy expectation on Affordable Private Rent in the National Planning Policy Framework or not? (Please state your reasons)

No should be for the Local Authority to decide based on identified local housing need.

Q9 : Do you consider that Affordable Private Rent could play a useful role in the delivery of affordable housing in the area(s) where you live or operate?

No, as likely that potential scheme numbers required would not be deliverable on sites in Great Yarmouth.

Q11 : Do you consider that there could be unintended consequences of Affordable Private Rent if it is accepted as a form of affordable housing?

Yes, limit further the development of affordable rent properties as part of S106 Agreements.

Q12 : If your answer to Q11 is yes, would these consequences be mitigated by limiting Affordable Private Rent only to Build to Rent schemes?

Yes

Q13 : Do you think it is reasonable for Planning Authorities to specify minimum tenancy lengths in Build to Rent schemes? Please add your reasons and give examples of such agreements where appropriate.

Yes, as would provide an opportunity to introduce more security into the private rented sector for tenants.

Q14: Do you agree that Build to Rent tenancies should be for at least three years (with a one month break option for the tenant after the first six months), for all customers in the development who want one?

Yes

Q15 : Does the definition of Build to Rent set out on page 20 capture all of the appropriate elements (If not, please state why and what criteria should apply)

Yes

Q16 : Do you agree that the National Planning Policy Framework should put beyond doubt that Affordable Private Rent qualifies as affordable housing in Build to Rent Schemes? (If not, please state why)

Yes

Q17 : Do you agree with the proposed definition of Affordable Private Rent set out on page 21? (If not, please state why and what criteria should apply)

Yes agree with the proposed definition.

Q18 : The Government intends to set the parameters of Affordable Private Rent as:

- a minimum of 20 per cent of the homes to be discounted;
- the discount to be set at minimum of 20 per cent relative to the local market;
- the offer of longer tenancy of three years or more;
- the discount to apply indefinitely (subject to a “claw-back” arrangement if Affordable Private Rent homes are withdrawn)

Taken as a whole, are these parameters: (i) reasonable (ii) to onerous (iii) Insufficient? Which, if any of them, would you change and why?

All parameters seem to be reasonable.

Q 20 : The Government is minded to leave determination of eligibility and nomination criteria for Affordable Private Rent to negotiation between the

developer and the local authority. Do you support this position? Will it affect take – up of the policy? Please give your reasons.

As a LA would want to be able to determine the eligibility and nomination criteria with the developer. Possibility that this could affect take – up of the policy.

Q 23 : Should the Government's Build to Rent and Affordable Private Rent policy be identical across the whole of England or does it need to be set differently between London and the rest of England? If it should be set differently, please use the comments box to tell us how and why the policy should vary in London from the rest of England.

Should be different for London, different market conditions and housing needs.

Q 24 : Would it be helpful for Government to produce model clauses (which would not be mandatory) that could be used in S106 Agreements to give effect to Affordable Private Rent?

Yes for guidance only.