

Meeting:	<b>JOINT COMMITTEE ON STRATEGIC PLANNING AND TRANSPORT</b>
Date:	16 June 2017
From:	Joint Officer Steering Group

## **HOUSING WHITE PAPER “FIXING OUR BROKEN HOUSING MARKET”**

### **1 SUMMARY**

- 1.1 The Housing White Paper “Fixing Our Broken Housing Market” was published on February 7<sup>th</sup> 2017, with a closing date of 16<sup>th</sup> May 2017. This report highlights some of the implications for the Joint Committee, which have been highlighted in the response to consultation. The White Paper is available at <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>.

### **2 BACKGROUND**

- 2.1 The White Paper is aimed at solving the housing crises in England through increasing the supply of homes and providing homes for all. The Government proposes measures to enable the development of housing in the right places, accelerate the delivery of housing, and to diversify the housing market.
- 2.2 The White Paper does not create policy in itself, but it sets out the government’s intentions and how they plan to implement them through policy and legislation.
- 2.3 Being aimed at housing delivery, many of the proposals in the White Paper are of direct relevance to the Greater Nottingham Joint Planning Advisory Board (JPAB), and a more detailed report on the White Paper which was considered by JPAB on 2<sup>nd</sup> March 2017 is appended to this report. JPAB resolved a response to the White Paper be prepared and submitted on its behalf. Both Councils have also submitted their own responses to the consultation.
- 2.4 The Housing White Paper addresses matters wider than housing provision, including planning policy and Local Plan preparation, and therefore has implications beyond housing matters, and may have direct relevance to other Local Plans which fall within the remit of this Committee, in particular Waste and Minerals Local Plans.
- 2.5 The specific proposals within the White Paper which fall into this category are as follows:
- (a) The Government intends to Legislate (through the Neighbourhood Planning Bill) to ensure every area has an up to date Local Plan. Government will support local authorities in achieving this aim, but will also intervene as a backstop where necessary.
  - (b) The Government will introduce regulations to ensure Local Plans are reviewed in whole or in part every 5 years, and thus remain up to date and relevant.
  - (c) The Government intends to remove the NPPF expectation that there will be a single Local Plan for each Local Planning Authority area which will give more flexibility in plan preparation, and follows the approach adopted by the two Councils in preparing the Waste Local Plan.



- (d) The Government intends to clarify the meaning of what constitutes “exceptional circumstances” in terms of removing Green Belt for development purposes through the Local Plan process. Local Planning Authorities will have to demonstrate they have first considered all reasonable alternative options in meeting their development needs. The Government proposes that where land is removed from the Green Belt, Local Plan policies should require the impact to be offset by compensatory improvements to the Green Belt. (Improved access, qualitative benefits etc).
- (e) The Government intends to tackle unnecessary delays to development caused by planning permissions by prohibiting conditions that do not meet policy tests, and pre commencement conditions can only be used with agreement with the applicant.
- (f) A simplified approach to habitat management of protected species will be introduced.

2.6 Points (a) to (e) are broadly supported in JPAB and the two Councils’ responses to the consultation. Point (f) was not part of the consultation, but clarity is required on how any new simplified approach would be resourced and implemented. The Government is expected to flesh out its approach to these matters over the coming months, and where relevant, further reports will be prepared for Joint Committee

### **3 RECOMMENDATION(S)**

3.1 It is recommended that the Joint Committee note the contents of this report.

### **4 BACKGROUND PAPERS REFERRED TO IN COMPILING THIS REPORT**

4.1 Housing White Paper “Fixing Our Broken Housing Market”, Feb 2017

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## Appendix 1

<b>ITEM 5      Housing White Paper “Fixing Our Broken Housing Market”</b>
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### 1.0 **SUMMARY**

- 1.1 This report informs JPAB of the main strategic planning proposals of the Government’s Housing White Paper “Fixing Our Broken Housing Market”, which was published in February 2017.

#### **Recommendation**

It is recommended that JPAB <b>CONSIDER</b> the implications of the strategic planning proposals put forward in the White Paper, and that a response to the consultation on strategic planning matters be <b>DELEGATED</b> to Executive Steering Group.
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### 2.0 **Housing White Paper “Fixing Our Broken Housing Market”**

- 2.1 The Housing White Paper was published on Tuesday 7<sup>th</sup> February (available here <https://www.gov.uk/government/publications/fixing-our-broken-housing-market>). It is based on the premise that the housing market is broken, and the cause is a long term under supply of new housing. From a planning perspective, the WP revolves around three themes:
1. A new planning policy landscape
  2. Getting better use out of land
  3. Improving delivery
- 2.2 A bullet point summary of the White Paper is given below. Many of the proposals will impact on the work of JPAB, and the most significant of these are highlighted in section 3.

## 1 **PLANNING POLICY**

### **Problem**

Too few places have an up to date Local Plan. Plan making is a complex, bureaucratic and lengthy process. There are major delays in getting Local Plans in place, and a key element of delay is the process and arguments around defining housing requirements.

### **White Paper solution – Getting Plans in Place**

- Legislate (Neighbourhood Planning Bill) to ensure every area has an up to date Local Plan. Government will support, but also intervention as backstop.
- Regulations will be introduced to ensure Local Plans are reviewed in whole or in part every 5 years.



- Where housing need cannot be met locally, Local Planning Authorities must work with their neighbours to ensure the full need is met across the wider area. NPPF will require a Statement of Common Ground setting out how they will work together to meet housing requirements (and other strategic planning matters) will be met.
- Ensure every Local Planning Authority has a Local Plan, but remove the expectation that there is a single Local Plan. More proportionate evidence base, and definition of soundness changed to be less onerous.
- Enable strategies prepared by Mayors/Combined Authorities to designate strategic sites.
- Improve digital tools to make plans and plan making more accessible, review consultation and examination requirements.
- The current approach to identifying housing need is complex, ambiguous and open to manipulation. Government will consult on options for introducing a standardised approach to assessing housing need this year. Local planning Authorities would need very strong justification to adopt a different approach. Introduced by April 2018, to apply to 5 year housing land calculations, where no up to date Local Plan exists.
- Local Plans expected to have clear policies for addressing the needs of older people.
- Ownership and interests in land to be much more publically accessible, HM Registry to be enhanced. Will include options over land.

### **White Paper solution – Making Enough Land Available in the Right Places**

- NPPF to make it clear that Local Planning Authorities should have a clear strategy to maximise the use of suitable land, in order to be clear how much development can be accommodated.
- Identified housing need should be accommodated unless other policies of the NPPF provide strong reasons for restricting development, or adverse impacts of doing so demonstrably outweigh the benefits.
- Presumption in favour of Brownfield development, Brownfield land is suitable for development unless there are clear and specific reasons to the contrary (eg flood risk).
- Make better use of public land, make it easier to allow Local Planning Authorities to dispose of land with Planning Permission that they have granted to themselves, consult on disposal at less than best consideration, and consult on further powers for land assembly.
- Encourage Local Planning Authorities to consider benefits of Estate Regeneration.
- Encourage more smaller sites to come forward for development, this increases choice, is sustainable, and supports smaller developers.
- Local Plans should support the development of infill windfall sites, and indicate great weight should be given to small undeveloped sites within settlements.



- NPPF to be beefed up to provide stronger support for affordable housing sites, highlighting opportunities for Neighbourhood Plans to identify sites suitable for housing, expect Local planning Authorities to identify opportunities for villages to thrive.
- At least 10% of sites allocated in Local Plans should be of half hectare or less.
- Work with developers to encourage the subdivision of sites.
- Encourage greater use of Local Development Orders.
- Legislate to allow for locally accountable New Town Development Corporations.
- Green Belt 'exceptional circumstances' to be clarified. Green Belt boundaries to be amended only when it is demonstrated that all other reasonable options have been examined. (Making better use of Brownfield land and estate regeneration, making better use of under used land, optimising densities, exploring whether other authorities can help to meet need.)
- Where land is removed from the Green Belt, Local Plan policies should require the impact to be offset by compensatory improvements to the Green Belt (improved access, qualitative benefits etc). The Government will explore appropriateness of higher contributions from land removed from Green Belt.

### **White Paper solution – Strengthening Neighbourhood Plans**

- Further funding to Neighbourhood Groups.
- Neighbourhood Groups to be able to request a housing figure from Local Planning Authorities.
- Local Plans and Neighbourhood Plans to include clear design expectations.
- Strengthen importance of Pre Application discussions with local communities.
- Recognise the value of using widely accepted design standards, such as Building for Life.
- Plans and development proposals should make efficient use of land, and avoid building homes at low densities where there is a shortage of land to meet need.
- Address the scope for higher densities in urban areas well served by public transport. (Mentions homes replacing or built above low density uses such as car parks, retail warehouses etc).
- Government will review the Nationally Described Space Standard to ensure greater local choice.

## **BUILDING HOMES FASTER**

### **Problem**



Significant gap between plans, planning approval and delivery on the ground.

### **White Paper solution – Providing more certainty**

- Introduce an opportunity for Local Planning Authorities to have housing land supply agreed on annual basis, and fixed for one year.
- Where Neighbourhood Plans are in place, these are not out of date unless there is a significant lack of land supply.
- Increase fees by 20% if Local Planning Authorities commit to invest in planning services. A further 20% for those LPAs delivering the homes communities need.
- £25 million of new funding for 'ambitious' Local Planning Authorities to support planning for new housing and infrastructure.
- Consult on introducing a fee for planning appeals.

### **White Paper solution – timely provision of infrastructure**

- Target the £2.3 billion Housing Infrastructure Fund at the areas of greatest need.
- National Policy amended to ensure where new infrastructure (such as HS2) is planned, Local Planning Authorities make the most of the opportunities for new housing that this unlocks.
- Consult on requiring Local Planning Authorities to have planning policies setting out how high quality digital infrastructure will be delivered.
- Government will review if anything can be done to ensure utilities planning and delivery keeps up with housing delivery.

### **White Paper solution – supporting developers to build more quickly**

- Tackle unnecessary delays to development caused by planning permissions by prohibiting conditions that do not meet policy tests, and pre commencement conditions can only be used with agreement with the applicant.
- Simplify approach to habitat management of protected species
- CIL/S106 announcement in Autumn Budget 2017.

### **White Paper solution – Holding developers and Local Planning Authorities to account**

- Government will require more information from developers about timing and pace of delivery.
- An applicant's track record of delivery on previous similar housing schemes could be a material consideration in determining planning applications.
- Shorter period for planning permission to be implemented 2 rather than 3 years).



- Simplify and speed up the Completion Notice process
- Considering encouraging the use of CPOs to support the build out of stalled sites. Keep CPO processes under review.
- New housing delivery test for Local Authorities. Where housing is not delivered in accordance with the Local Plan, sanctions should apply, in a phased way. Ultimately leading to the NPPF “Presumption” applying to housing development.

## **DIVERSIFYING THE MARKET**

### **Problem**

Lack of competition, reliance on large builders who have specific business models restricting delivery.

### **White Paper solution – new housebuilders.**

- Continuing support for the custom build sector.
- Change the NPPF to ensure Local Planning Authorities plan positively for Build to Rent.
- Make it easier for Build to Rent schemes to offer affordable private rental homes.
- Ensure family friendly tenancies are available.
- Support Housing Associations to deliver more housing.
- Look at all options for increasing supply of affordable housing, including Council Housing.
- Interested in the scope of ‘deals’ with ambitious authorities in high demand areas.
- Re-launch the HCA as ‘Homes England’.

## **HELPING PEOPLE NOW**

### **Problem**

High house prices and worst affordability in the OECD (Organisation for Economic Co-operation and Development).

### **White Paper solution – Helping struggling households**

- Introduce a lifetime ISA.
- Continue with Help to Buy.
- Starter homes to be available to those that need them, ie on incomes of less than £80,000.



- 15 year repayment period for starter homes.
- Starter homes to be provided as part of a wider package of affordable homes (ie there is less emphasis on starter homes than previously indicated), but LPAs will still have a duty to promote starter homes.
- Amend the NPPF to introduce an expectation that housing sites deliver a minimum 10% affordable home ownership units. More discretion for Local Planning Authorities to work on the mix of starter homes and other affordable housing options.
- NPPF changed to allow more brownfield land to be released for developments with a higher proportion of starter homes.
- Starter Home Land Fund to support preparation of brownfield land for starter home development.
- Affordable Homes Programme opened up to affordable rent.
- Promote family friendly (ie longer) tenancies in new build properties.
- Secretary of State to provide guidance on for Local Planning Authorities on how Local Plans can meet housing need of older and disabled people.

### **3.0 Main Implications for JPAB**

#### **Statutory Local Plans**

- 3.1 The proposal to legislate to ensure all areas have an up to date Local Plan will ensure Local Authorities plan proactively for their areas. Whilst the requirement to review Local Plans at least every 5 years will ensure plans are kept up to date, plan making is a long and complex process, and the white paper is short on detail as to how this process can be simplified and shortened. (However, it should be noted that the White Paper introduces a requirement for Local Plans to include a range of new Policy areas). The Core Strategies covering Greater Nottingham were commenced in 2008, and adopted in 2014. Whilst this period included major planning policy change, such as the abolition of Regional Strategies, nonetheless without significant simplification of the preparation process, five year reviews are likely to be both challenging and resource intensive.
- 3.2 Removing the NPPF expectation that there will be a single Local Plan for each Local Planning Authority area gives more flexibility in plan preparation, and reflects the current model in Greater Nottingham of Core Strategies supported by Part 2 Local Plans.

#### **Duty to Cooperate**

- 3.3 The Government has identified the failure to cooperate across housing market areas as a problem in some parts of the Country. However, working across administrative boundaries is precisely what JPAB has been doing since its inception. The requirement to prepare a Statement of Common Ground setting out how councils are working



together in Greater Nottingham can build on the past work and track record of JPAB, and is considered to be a sensible proposal.

## **Housing Need**

- 3.4 The Government has rightly identified the process of determining objectively assessed housing need and housing requirements as a significant drag on the Local Plan making process, being both lengthy and open to challenge from developers and environmental groups. A more standardised and transparent approach would be welcome in that it would reduce the scope for challenge, but the detail of the methodology will be important, as it should reflect the reality of housing need and have sufficient flexibility to deal with locally specific matters, such as how student households are dealt with within the need calculation.

## **Presumption in favour of Brownfield Land and delivery on small sites**

- 3.5 The more explicit presumption in favour of brownfield development is welcomed, although there will need to be some safeguards for land that is of high biodiversity value. Likewise, the support for small infill sites (whether brown or greenfield) if subject to similar safeguards is sensible, in that such development can make best use of existing infrastructure, and reduce the need for Green Belt release to accommodate housing.
- 3.6 The White Paper also suggests that 10% of Local Plan allocations should be small sites of less than 0.5 hectare. However, the 10% level is arbitrary, and linked to the totality of other allocations in the Local Plan. For instance, a plan relying on a small number of large sites is likely to be at greater risk of not delivering its housing supply, but would be required to allocate only a small number of sites under 0.5 hectares. Equally, where a Local Plan is providing for development over a large number of sites, where the risk of non delivery is likely to be less, will be required to allocate a larger number of sites under 0.5 hectare. The measure could increase the complexity of plan preparation, and is unlikely to address the issue it is designed to target.

## **Green Belt “Exceptional Circumstances”**

- 3.7 The White Paper clarifies what can constitute exceptional circumstances allowing for the release of Green Belt sites for housing development through a Local Plan. Green Belt boundaries are only to be amended when it is demonstrated that all other reasonable options have been examined, such as making better use of brownfield land and estate regeneration, making better use of under used land, optimising densities, and exploring whether other authorities can help to meet need.
- 3.8 This approach chimes with the Judgment handed down on the legal challenge to the Aligned Core Strategies, where The Hon. Mr Justice Jay identified the inherent constraints on supply/availability of land suitable for sustainable development as an important part of the planning balance in coming to a decision as to whether exceptional circumstances apply. Equally, the Government’s proposal that Green Belt release be offset by compensatory improvements to the Green Belt was also touched on in the Judgment (“the extent to which the consequent impacts on the purposes of the Green



Belt may be ameliorated or reduced to the lowest reasonably practicable extent”). The Government’s proposals in this regard appear to reflect good practice, and are supported.

### **5 Year Housing Supply Calculations**

- 3.9 The opportunity for Local Authorities to have their 5 year land supply calculations independently tested, and then for the calculations to be fixed for a year is likely to be helpful only in a small number of cases. The limited time that the supply is ‘fixed’ for may make the process and expense of independently examining the supply unattractive for many Local Authorities, unless they are exposed to the imminent threat of planning appeals.

### **Fee increase**

- 3.10 The prospect of increasing fees to help resource the planning process is welcomed.

### **Housing Delivery test**

- 3.11 The proposed housing delivery test would apply sanctions to Local Authorities who have planned positively for new housing and have an up to date Local Plan in place. It is likely to be for reasons outside of the local authorities that are leading to housing not being delivered, such as market fluctuations. This position will not be improved by the proposals, which would significantly reduce Local Authorities’ ability to control the location of new housing.

### **Starter Homes**

- 3.12 The Government is proposing a more flexible approach to starter homes, recognising that the provision of affordable housing is best decided at the local level. However, the White Paper includes proposals that 10% of provision of new homes should be for affordable home ownership, rather than social rent, affordable rent or intermediate housing, to support the Government’s objectives of widening opportunities for home ownership.

## **4.0 Next Steps**

- 4.1 Many of the proposals in the White Paper are subject to consultation, which closes on 2<sup>nd</sup> May, 2017. It is proposed that a response be prepared on those matters that are relevant to JPAB. The consultation closes prior to the next JPAB, accordingly it is proposed that preparing and submitting the response be delegated to the Executive Steering Group.

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