

Title of meeting:	Cabinet Member for Planning, Regeneration and Economic Development
Subject:	Fixing our broken housing market - Housing White Paper
Date of meeting:	8 March 2017
Report by:	Assistant Director of Culture and City Development
Wards affected:	ALL Wards

1. Purpose of the report

To summarise the content of the Housing White Paper

2. Recommendations

The report is for noting

Background

The Government published the white paper [Fixing our Broken Housing Market](#) on 7th February 2017. In her Foreword to the White Paper, the Prime Minister writes *"Our broken housing market is one of the greatest barriers to progress in Britain today. Whether buying or renting, the fact is that housing is increasingly unaffordable - particularly for ordinary working class people who are struggling to get by.....I want to fix this broken housing market so that housing is more affordable and people have the security they need to plan for the future".*

1.2 In his Foreword to the White Paper the CLG Secretary of State writes *"This country doesn't have enough homes. That's not a personal opinion or political calculation. It's a simple statement of fact. The housing market has taken decades to reach the state it's now in. Turning it round won't be quick or easy. But it can be done. It must be done".* The proposals in the White Paper set out how the Government intends to boost housing supply and, over the longer term, create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households and which supports wider economic prosperity. Consultation on the White Paper closes on 2nd May 2017.

1.3 The stated challenges and the response

1.3.1 The White Paper states that there are three main challenges that need to be addressed if more homes are to be built. These are:

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- Over 40% of Local Planning Authorities (LPAs) do not have a plan that meets the projected growth in households in their area
- The pace of development is too slow
- The structure of the housing market makes it harder to increase supply.

In response to these challenges the Government have identified three main themes and these are:

- Planning for the right homes in the right places
- Building homes faster
- Diversifying the market

The summary for each of these themes is provided below in section 2 and more detail on the proposals (a fuller summary of the White Paper) is attached as Appendix 1. The Government also recognise that there is a need for some immediate activity alongside the longer term strategic approach in the themes.

The Summary list of proposals from the White Paper

2.1 Planning for the right homes in the right places

2.1.1 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".*

2.1.2 The specific proposals from this chapter of the White Paper are:

- Making sure every part of the country has an up-to-date sufficiently ambitious plan so that local communities decide where development should go;
- Simplifying plan-making and making it more transparent, so it's easier for communities to produce plans and easier for developers to follow them;
- Ensuring that plans start from an honest assessment of the need for new homes, and that local authorities work with their neighbours, so that difficult decisions are not ducked;
- Clarifying what land is available for new housing, through greater transparency over who owns land and the options held on it;
- Making more land available for homes in the right places, by maximising the contribution from brownfield and surplus public land, regenerating estates, releasing more small and medium-sized sites, allowing rural communities to grow and making it easier to build new settlements;
- Maintaining existing strong protections for the Green Belt, and clarifying that Green Belt boundaries should be amended only in exceptional circumstances when local

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authorities can demonstrate that they have fully examined all other reasonable options for meeting their identified housing requirements;

- Giving communities a stronger voice in the design of new housing to drive up the quality and character of new development, building on the success of neighbourhood planning; and
- Making better use of land for housing by encouraging higher densities, where appropriate, such as in urban locations where there is high housing demand; and by reviewing space standards.

2.2 Building homes faster

2.2.1 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"*.

2.2.2 The specific proposals from this chapter of the White Paper are:

- Providing greater certainty for authorities that have planned for new homes and reducing the scope for local and neighbourhood plans to be undermined by changing the way that land supply for housing is assessed;
- Boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals;
- Ensuring infrastructure is provided in the right place at the right time by coordinating Government investment and through the targeting of the £2.3bn Housing Infrastructure Fund;
- Securing timely connections to utilities so that this does not hold up getting homes built;
- Supporting developers to build out more quickly by tackling unnecessary delays caused by planning conditions, facilitating the strategic licensing of protected species and exploring a new approach to how developers contribute to infrastructure;
- Taking steps to address skills shortages by growing the construction workforce;
- Holding developers to account for the delivery of new homes through better and more transparent data and sharper tools to drive up delivery; and
- Holding local authorities to account through a new housing delivery test.

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Unlike previous announcements which have focused on new housing schemes and funding, the White Paper, aims to encourage house building

Diversifying the market

- 2.3.1 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"*.
- 2.3.2 The specific proposals from this chapter of the White Paper are:
- Backing small and medium-sized builders to grow, including through the Home Building Fund;
 - Supporting custom-build homes with greater access to land and finance, giving more people more choice over the design of their home;
 - Bringing in new contractors through our Accelerated Construction programme that can build homes more quickly than traditional builders;
 - Encouraging more institutional investors into housing, including for building more homes for private rent, and encouraging family-friendly tenancies;
 - Supporting housing associations and local authorities to build more homes; and
 - Boosting productivity and innovation by encouraging modern methods of construction in house building.

Other activity / Helping people now

- 2.4.1 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"*.
- 2.4.2 The specific proposals from this chapter of the White Paper are:
- Continuing to support people to buy their own home – through Help to Buy and Starter Homes;
 - Helping households who are priced out of the market to afford a decent home that is right for them through our investment in the Affordable Homes Programme;
 - Making renting fairer for tenants;
 - Taking action to promote transparency and fairness for the growing number of leaseholders;
 - Improving neighbourhoods by continuing to crack down on empty homes, and supporting areas most affected by second homes;
 - Encouraging the development of housing that meets the needs of our future population;

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- Helping the most vulnerable who need support with their housing, developing a sustainable and workable approach to funding supported housing in the future; and
- Doing more to prevent homelessness by supporting households at risk before they reach crisis point as well as reducing rough sleeping.

Other Announcements

- New guidelines will be released in the next few months to encourage local planning authorities to use compulsory purchase of undeveloped land and stalled sites.
- The 1% Social Rent reduction will remain until 2020, at which point a new rent standard for the social housing sector will be implemented, providing confidence over future rental incomes to encourage affordable developments. Details of the new rent standard have not been disclosed.
- Opportunity to increase planning fees by 20% to fund capacity within planning services

Conclusion

Generally, the white paper should be welcomed as an important step towards helping build the homes that the country needs. It recognises the important role that local authorities play in achieving the broad aims and promises some levers and tools to help the local authority do its job.

However there is a view that the White Paper could be far more ambitious in terms of the support it offers to Local Authorities who, with the right support and flexibility, could do far more to build, or enable, the genuinely affordable homes that the people at the "sharp end" of the housing crisis need.

The White Paper makes no reference to lifting the housing borrowing cap and this one measure could significantly support the local authority role in housing delivery.

It is worth noting that much of the White Paper, as it relates to local authorities, is about the planning system and making the planning system work better to deliver housing. It introduces the concept of the planning function in local authorities being held accountable for the delivery of housing within its area.

In terms of making more land available in the right places the proposals to increase the use of brown field land is broadly welcome as are the proposals to increase densities (where this is appropriate in terms of the context of the area). However there is an implication in the White Paper that brown field sites are easier to develop. This is not always the case and there can often be significant infrastructure costs associated with developing brown field sites in terms of, flood defences, contaminated land and access for transport and utilities coupled with the fact that sale values are often lower than similar properties on greenfield sites.

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The white paper invites consultation responses against the 38 questions the consultation will run for 12 weeks with all responses submitted by 2nd May. The Assistant Director of Culture and City Development will draft responses to the questions in consultation with the Cabinet member for PRED.

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Signed by)

Appendices: Nil

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location