



**Title of meeting:** Cabinet Member for Housing

**Date of meeting:** 13<sup>th</sup> March 2017

**Subject:** HOUSING WHITE PAPER

**Report by:** Director of Property and Housing Services

**Wards affected:** All wards

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

1.1 The purpose of this report is to summarise the content of the Housing White Paper and recognise its potential impact on the Council's Housing function, and Housing Revenue Account (HRA).

**2. Recommendations**

It is recommended that the Cabinet Member for Housing:

- (i) notes the content of the report with regard to the proposals within the Housing White Paper;
- (ii) considers making a formal response to the Housing White Paper, and any related consultations that may be subsequently released.

**3. Background**

3.1 *The Housing White Paper: Fixing our Broken Housing Market*, was published on 7th February 2017, with a stated aim of meeting the unique needs of different people and different places across the UK and co-ordinate effort across the public and private sector to meet future housing demand.

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

3.3 The main announcements directly affecting the Council are as follows:

## **Planning Amendments**

- 3.4 Government will be introducing a standardised mechanism for setting housing delivery targets for the purpose of Local Plans. These targets will be measured and audited on an annual basis, with Councils being held to account for non-delivery.
- 3.5 Councils will be able to increase nationally set planning fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department. They are also minded to allow an increase of a further 20% for those authorities who are delivering the homes their communities need. In addition, Council's will be able to charge a fee for planning appeals. Consultations on these proposed planning amendments prior to their implementation.

## **Housing Infrastructure Fund**

- 3.6 The £2.3bn Housing Infrastructure Fund will be targeted at the areas of greatest housing need. This capital grant programme is open to bids in 2017, with money available over the next four years. It aims to fund a variety of infrastructure projects (including transport and utilities) where these will unlock the delivery of new homes, enabling economic development across the area. They would also welcome joint bids from across local authority boundaries where a strategic project could open up new homes on a wide-scale.
- 3.7 The fund is intended to deliver 100,000 new homes, suggesting that Government are willing to pay £23,000 on average to facilitate each new home delivered over the 4 to 5 year timescale. Any funding requirement beyond that level is assumed to be provided by the Local Authority.

## **Starter Homes Initiative**

- 3.8 The existing 20% Starter Homes requirement will be reduced with 10% affordable home ownership units per site and a national target of 200,000 new home owners by 2020 has been set.
- 3.9 The initiative will allow first-time buyers under the age of 40 to buy a house with a 20% discount on market rates.
- 3.10 Buyers using the scheme, which is set to be piloted in 30 local authorities later this year, won't be able to have an income of more than £90,000 in London, or £80,000 elsewhere in the UK.

## **Other Announcements**

- 3.11 New guidelines will be released in the next few months to encourage compulsory purchase of undeveloped land.
- 3.12 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.
- 3.13 Councils must allow the Right to Buy on all affordable homes built through council companies and alternative delivery models. This will impact on any proposed alternative model of building affordable homes outside of the HRA.
- 3.14 It was hoped that Local Authorities might have had greater freedom to extend their borrowing ability to contribute more directly to the delivery of new housing, however the borrowing caps that limit local authority HRAs from maximising the provision of new social and affordable housing will remain as set by the Localism Act 2011.

## **8. Reasons for recommendations**

- 8.1 To update Members on the content of the Housing White Paper.

## **9. Equality impact assessment (EIA)**

- 9.1 As this report is an update report for noting, there is no requirement at this stage to carry out an EIA.

## **10. Legal Comments**

- 10.1 Legal commentary is contained within the body of the report.

## **11. Director of Finance comments**

- 11.1 The recommendations within this report do not have any financial implications, however it should be noted that the financial impact of any of the proposed consultations must be assessed, prior to the responses being submitted.

Signed by:

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**Owen Buckwell – Director of Property and Housing Services**

**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
Housing White Paper 2017	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by: Cabinet Member for Housing