



## **REPORT of CHIEF EXECUTIVE**

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**to  
PLANNING AND LICENSING COMMITTEE  
25 APRIL 2017**

### **FIXING OUR BROKEN HOUSING MARKET: THE HOUSING WHITE PAPER (2017)**

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to consider the Council's response to the Government's Housing White Paper which was published in February 2017. The Government is inviting comments on the Paper, which includes proposals for changes to national planning policy and the way local councils approach planning for housing growth. The consultation period closes on 2 May 2017. A draft response is set out in **APPENDIX 1** to this report.
- 1.2 Alongside the Housing White Paper, and referred to in the White Paper, the Government is also consulting on the introduction of Affordable Private Rented accommodation as part of developing the Build to Rent sector. This document is the Planning and Affordable Housing for Build to Rent Consultation Paper and is included in this report.

#### **2. RECOMMENDATION**

That Committee's views are sought on the Housing White Paper and the draft response, together with the draft response to the Planning and Affordable Housing for Build to Rent Consultation Paper; and that the responses are finalised by Officers in consultation with the Chairman of the Committee.

#### **3. SUMMARY OF KEY ISSUES**

##### **3.1 Housing White Paper**

- 3.1.1 The Housing White Paper was published on 7 February 2017. It is the Government's response to addressing factors which influence the housing market, barriers to finding a home and the challenges in the planning system to deliver more homes. In her Foreword, the Prime Minister states that *'I want to fix this broken market so that housing is more affordable and people have the security they need to plan for the future'*.
- 3.1.2 Although a Housing White Paper, there is a strong emphasis on the planning system and the consultation questions are restricted to proposed changes to national planning policy.

- 3.1.3 The aim of the White Paper is to set out how the planning system delivered through national policy, local plans and applications can be strengthened to speed up delivery of homes, and the role of developers and how they can be held to account. It proposes a number of changes to the National Planning Policy Framework (NPPF), and the consultation focuses on those changes.
- 3.1.4 The attached draft response at **APPENDIX 1** seeks to set out the support and concerns that the Council would have.
- 3.1.5 The response follows the questions in the White Paper, and includes (summarised):
- Changes to policies and requirements to ‘getting [local authority] plans in place.’ (Q1& Q2)
  - Assessing housing need (Q3)
  - Making enough land available and presumption in favour of sustainable development (Q4)
  - Allowing Council’s greater powers to dispose of their land for which they have granted planning permission and use of land pooling (private and public) (Q5 and Q6)
  - Social and economic considerations in regeneration programmes (Q7)
  - Use of small sites, including rural expectation sites in providing homes and local plan allocations (Q8)
  - Garden villages and Green Belt reform (Q9, Q10 and Q11)
  - Strengthening the role of Neighbourhood Planning (Q12)
  - Setting density standards and making the most efficient use of land (Q13, Q14 and Q15)
  - 5-year supply of housing and greater certainty of delivery of homes, and the impact of delivery on Neighbourhood plans (Q16 and Q17)
  - Deterring unnecessary appeals by introducing charges (Q18)
  - Digital infrastructure and national infrastructure projects (Q19 and Q20)
  - Submitting housing trajectory details with a planning application (Q21)
  - Commencement timescales, non-delivery sanctions, strengthening the use of completion notices and developer track records (Q22, Q23, Q24, Q25, Q26 and Q27)
  - Housing delivery test (Q28, Q29 and Q30)
  - Amending (by widening) the definition of affordable housing (Q31)
  - Setting a minimum target for affordable home ownership products (Q32 and Q33)
  - Revising the definition of sustainable development in the NPPF (Q34)
  - Revising the climate change factors to be considered in plan making to include rising temperatures (Q35)
  - Clarification of flood risk policy and application of exception test (Q36)

- Consideration of noise of existing businesses and use when locating new development (Q37)
  - Transitional period for wind energy policy (Q38)
- 3.1.6 The responses have drawn together a wide range of Government reports, including the current NPPF; the 2015 proposed changes to the NPPF; the 2016 Report from the Local Plans Expert Groups into how local plan making can be made more efficient; House of Commons Briefing Paper (No.06418) on Planning Reform Proposals; and consultation reports on Neighbourhood Planning, starter homes, and rural planning.
- 3.2 Planning and Affordable Housing for Build for Rent**
- 3.2.1 The Government is also consulting on Planning and Affordable Housing for Build for Rent. The closing date for that consultation is 1 May 2017.
- 3.2.2 The Government is seeking to develop the Build to Rent market. This differs from buy-to-let insofar as the intention of the developer is to offer the dwellings for rent. Funding is either through the property company themselves, or via an institutional investor who will take a very long term interest in the property.
- 3.2.3 This form of tenure was popular in the UK in the inter war period, but declined post war as a result of rent controls and other regulations.
- 3.2.4 Whereas buy-to-let is as a result of private landlords purchasing for private sale properties either individually or off-plan bulk-buy, these properties are built specifically for the rented market and treated as such in planning terms with restrictions on their use. Build to Rent generally offer longer term leases, boosts supply, offers quality and choice, supports economic growth and provides a relatively low-risk and predictable income stream. However, the Government envisages that as this sector grows, it can also contribute an element of affordable housing.
- 3.2.5 The introduction of an affordable element within this sector will bring it into line with the social rented and private sale sectors, both of which have discount schemes. The Consultation paper focusses on how the Affordable Private rented sector within Build to Rent scheme should work.
- 3.2.6 The draft response is set out in **APPENDIX 2**. The consultation questions revolve around:
- Amendments to national planning policy;
  - The role of Affordable Private Rent;
  - Tenancy timeframes;
  - Definitions of Build to Rent and Affordable Private Rent;
  - Clawback for properties that leave the scheme.

## 4. CONCLUSION

- 4.1 The Housing White Paper, plus the consultation paper on the Build to Rent sector, offers a significant change in Government policy, which an emphasis on the role that the rented sector has to play in meeting housing demand and the regulation of that sector.
- 4.2 Generally there is much in both documents that are appropriate given the state of the housing market, and the need to deliver homes at a pace that meets demand, whilst also stabilising the market. There remains strong emphasis on holding local planning authorities to account for delivery, which should be shared with holding developers to account, but the government are offering greater support for Councils that can demonstrate a 50 year supply of housing land. The test, however, will be how an up to date local plan and 50 year supply of housing land is treated on appeal and the weight placed on them by the Planning Inspectorate.
- 4.3 It is not clear when the changes to national policy will be introduced for most of the changes, but they are likely to be during 2017, with transitional arrangements put in place where appropriate.

## 5. IMPACT ON CORPORATE GOALS

- 5.1 The provision of housing impacts on all of the Council's corporate goals. There are elements within the consultation papers which will impact on the delivery of Council surveys, and these will become clearer as the policies are refined and the National Planning Policy Framework is reviewed. In some instances, the emerging Local Plan has pre-empted some of the suggested national policy changes.

## 6. IMPLICATIONS

- (i) **Impact on Customers** – Housing is a key requirement of customers within the District. As a local housing authority the Council has a duty to provide housing for residents. The Housing White Paper is in response to the problems of people accessing the housing market across all sectors. The aim is to increase choice and speed up the delivery of new homes. The Council already has a land supply that meets its five year requirements and is working with developers to keep delivery on track. The response to the White Paper is aimed at maximising housing in the District within the constraints of the local plan.
- (ii) **Impact on Equalities** – The Housing white Paper has been subject to an equalities analysis undertaken by the Government. New local policy that emerges as a result of the changes to the NPPF will be subject to local equalities analysis.
- (iii) **Impact on Risk** – The Housing white Paper proposes changes to national planning policy that will introduce sanctions against the Council if delivery of homes does not match the housing trajectory or if the Council does not maintain a five year supply of housing land. The Council will mitigate this by

closely monitoring development, working with developers to ensure delivery and as set out in the response, it is keen to ensure that there is a mandatory requirement on developers to provide and update housing trajectory data for their developments.

- (iv) **Impact on Resources (financial)** – Most of the additional work from the Housing White Paper is already undertaken. The Council will need to review the impact on financial resources when the detailed policies are announced.
- (v) **Impact on Resources (human)** – Most of the additional work from the Housing White Paper is already undertaken. The Council will need to review the impact on human resources when the detailed policies are announced. Some training for Members and staff may be required.
- (vi) **Impact on the Environment** – The Housing White Paper includes provisions to further protect the environment. The impact on the environment from housing development is a consideration in local plan preparation and in determining planning applications.

#### Background Papers:

- Fixing our Broken Housing Market – The Housing White Paper (Department for Communities and Local Government (DCLG), February 2017).
- Planning and Affordable Housing for Build for Rent (DCLG, February 2017).
- Summary of responses to technical consultation on implementation of planning changes, consultation on upward extensions and Rural Planning Review Call for Evidence (DCLG, February 2017).
- Proposed Changes to the NPPF (December 2015) – Summary of Consultation Responses (DCLG, February 2017).
- Government response to the technical consultation on starter homes regulations (DCLG, February 2017).
- Government response to technical consultation on Neighbourhood Planning (DCLG, September 2016).
- Housing of Commons Library Briefing paper – Planning Reform Proposals (House of Commons, March 2017).
- Local Plans - Report to the Communities Secretary and the Minister of Housing and Planning (Local Plans Expert Group, March 2016).
- Maldon District Local Development Plan, including Main Modifications and Post Examination Modifications (Maldon District Council (MDC), 2014, September 2016 and March 2017).
- National Planning Policy Framework (DCLG, March 2012).
- Draft Housing Strategy (MDC, April 2017).

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