

# Housing White Paper 2017

## Fix or Facsimile?

After months of speculation the Government has finally published the long overdue Housing White Paper aimed at "Fixing our broken housing market".

In his Parliamentary address, Communities Secretary Sajid Javid outlined the Government's position not to rely on a single "magic bullet to fix the problem" but to seek "action on many fronts simultaneously".

This certainly appears to be the case, with the White Paper attempting to introduce a plethora of measures, in the desperate hope that some of the initiatives might solve the problem!

However, contrary to early speculation, the White Paper doesn't seek fundamental changes to the planning system, but instead introduces a few 'tweaks'.

Many of these measures are hardly ground-breaking and several even look familiar (having already been included in drafts of the Neighbourhood Planning Bill and NPPF review). These are buried within a four-stage approach, with each stage supported by a series of measures:

### 1. Planning for the Right Homes in the Right Places

- Ensuring local development documents are up to date and reviewed at least once every 5 years (a measure already proposed in the Neighbourhood Planning Bill).
- Incentives to encourage Councils to use the duty-to-cooperate more effectively in respect of housing provision, including encouraging the production of joint Local Plans (to be addressed in a new NPPF).
- Standardising the methodology used by Councils to assess 5-year housing land supply and housing delivery, from April 2018 (to be consulted on and reflected in new NPPF).
- Encouraging Councils to dispose of land with the benefit of planning permission.
- Ensuring Local Plan policies encourage development on small sites, with at least 10% of allocated residential sites being 0.5ha or less.
- Maintaining the protection of Green Belt policy, whilst requiring Councils to assess all reasonable alternatives before considering the release of Green

Belt land. Where land is removed from the Green Belt, local policies could require the impact to be offset by compensatory improvements to the environmental quality or accessibility of remaining green belt land.

- Encouraging Local Plans and individual development proposals to make 'efficient use of land' (a change from the current requirement to make 'effective use of land') and to address the scope for higher density housing in urban locations (that are well served by public transport, that provide scope to build over low-density uses, or where buildings can be extended upwards by using 'airspace' above them).
- Strengthening and extending the role of Neighbourhood Plans, including allowing them to set out clear design expectations (a measure already proposed in the Neighbourhood Planning Bill).
- Ensuring everywhere is covered by a plan.
- Requiring Neighbourhood Plans which allocate sites to be protected for two years, provided their site allocations and housing supply policies meet their share of local housing need.

### 2. Building Homes Faster

- Giving Councils the ability to increase planning application fees by 20% (from July 2017).
- Consulting on introducing a fee for making a planning appeal (a measure designed to tackle what the Government perceives to be "unnecessary appeals").
- Tackling unnecessary delays caused by planning conditions (a measure already included in the emerging Neighbourhood Planning Bill).
- Reviewing options for reforming the system of developer contributions (potentially introducing a system comprising reduced CIL for larger developments, but with these then being subject to specific S106 requirements to mitigate their impacts).
- Pushing developers to build out residential planning permissions more quickly and in a more transparent way.
- Considering whether an applicant's track record of delivering previous housing schemes should be

considered when determining future residential applications from that developer.

- Review of whether to shorten the timescales for developers to implement planning permission for housing from three to two years.
- Simplifying and speeding up the completion notice process.
- Reviewing whether Council's should be encouraged to use CPO powers on stalled housing sites.
- Introducing a new 'delivery test' to encourage Council's deliver the level of homes identified in their Local Plans.

### 3. Diversifying the Market

- Small to medium sized developers to be helped through a £3bn home building fund and through the requirement that at least 10% of allocated housing sites are 0.5ha or less.
- Supporting custom and self-build schemes.
- Requiring Councils to plan proactively for 'Build To Rent', where there is a need, and to assist BTR developers to offer affordable private rental homes.
- Encouraging longer tenancies for three or more years.
- Urging housing associations to build more homes and become more efficient.
- Reviewing the definition of 'affordable housing' as part of revised changes to the NPPF and, thereafter, giving Council's 6-12 months to review Local Plans to take on board this new definition.

### 4. Helping People Now

- Introducing numerous new financial incentives to help make owning or renting a home easier, including helping with deposits, equity loans, starter homes initiatives, right to buy discounts, and improved tenancy agreements.

#### What Does this mean for Developers?

Whilst a more efficient planning system is clearly in developer's interests, this will come at a cost – literally, in the form of an increase of planning application fees, and potentially charging for appeals. And there is further uncertainty over the financial cost of development, with the Government reviewing the planning obligations system (yet again)!

The expansion of Council planning departments is welcome, given the backlogs and poor service which many applicants endure. Furthermore, investment in planning departments is now even more pressing given the added burden for Councils to regularly review their five-year housing land supply and to ensure everywhere is covered by an up to date plan.

The White Paper is also proposing a series of post-permission measures to speed up the delivery of housing. This includes reducing the time limit for the

implementation of planning permissions (from 3 to 2 years) and the suggestion that Councils could be encouraged to use CPO powers when they deem that sites have stalled and even to use a developer's track record of implementation in the determination process! To avoid such threats, the Paper wishes to see developers being more transparent through planning and build out phases. The consequence of this is to place further pressure on developers to deliver, which has the potential to be counter-productive.

There are also some elements of the new housing strategy which seem to contradict efforts to speed up the planning system, including the suggestion that neighbourhood plans should set out clear design expectations. This approach is likely to cause further frustration to developers under pressure (and scrutiny) to deliver new homes as quickly as possible, particularly where they being pushed to build denser/taller buildings.

For parties involved in the rental sector, the Paper also recognises that the Government is no longer wedded to home ownership, and there is support to help the growing 'Build To Rent' market flourish.

#### What Happens Next?

The main tools to help the planning and development sectors deliver more homes will be dealt with through a series of other documents, including: the Neighbourhood Planning Bill (which is currently being reviewed by the House of Lords); the forthcoming Budget Statements; a review of the NPPF (and supporting revisions to the Planning Practice Guidance); and potentially other supporting legislation.

It is only these documents that could provide the cement required to fix the broken housing market! However, it could take at least until the end of 2017 for these documents to be in place and there to be a clear indication of whether any measures proposed will be of benefit.

Therefore, despite being badged as the document to help fix the broken housing market, the White Paper looks more like a facsimile of previous policy, with limited hard measures (and few "bullets") to achieve the fix that is needed. So, Contour Planning's overall thoughts are that this was a 'missed opportunity'!

#### ...AND FINALLY!

We hope you like our new branding. After 7 years, it felt like time for a refresh!



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