

Report to Neighbourhood Select Committee

Date of meeting: 21 March 2017

Subject: Response to the Government's Housing White Paper

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Committee Secretary: A Hendry



Recommendations/Decisions Required:

To agree the submission of a response to Government as set out in Appendix 2 to this report.

Report:

1. On 7 February 2017 the Government published 'Fixing our broken housing market'. This is in the form of a White Paper. The White Paper provides an analysis of the issues and challenges facing both the delivery of and access to housing. The document comprises a range of 'proposals' which are the subject of consultation and issues on which it is seeking comment. It also provides a range of questions for comment. The questions posed have formed the basis of the suggested response to the consultation, which is attached as Appendix 2 to this report.
2. The White Paper covers four key areas as follows:
 - Planning for the right homes in the right places,
 - Building homes faster,
 - Diversifying the market; and
 - Helping people now.

Appendix 1 to this report sets out a summary of the measures for the first two of these areas.

3. At this stage many of the proposals carry no firm commitment to implement, as drafted. They will be considered further having reviewed the responses made to this consultation. Some proposals would require changes to regulation, whilst some would require amendments to national policy, including to the National Planning Policy Framework (NPPF). However, there are some areas of policy where the Government has clearly indicated that it 'will' take actions and changes to the NPPF forward, including:
 - Criteria based intervention on local plans;
 - Removal of the policy expectation that each local planning authority should produce a single local plan;
 - Amending a test of a sound plan, making clear that it should be AN appropriate strategy not THE most appropriate strategy;
 - Revision of the NPPF to indicate great weight should be attached to the value of using suitable brownfield land within settlements for homes: the presumption should be that

brownfield land within settlements is suitable for housing unless there are clear and specific reasons otherwise e.g. flood risk;

- A presumption that residential development opportunities on small sites should be treated positively; and
 - A broadened definition of affordable housing. The broadened definition is itself the subject of consultation.
4. Some of the matters raised in the White Paper have already been taken into account in developing the Council's Draft Local Plan, in part because they relate to good practice in planning for places or because, as can be seen from the detailed response at Appendix 2, these are matters that EFDC already consider to be clear within the NPPF. There are, however, a number of proposals which are likely to have implications for the development of the Council's Local Plan, depending on the outcome of the consultations and any subsequent changes to the NPPF. Significant areas relate to the proposal to introduce a standard methodology for the identification of Objectively Assessed Housing Needs, the introduction of a Housing Delivery Test, and proposed amendments to the definition of affordable housing. The proposed definition includes Starter Homes, discounted market sales housing and affordable private rent housing. In addition the White Paper sets out the Government's proposal to make it clear in national planning policy that local authorities should seek to ensure that a minimum of 10% of all homes on individual sites are affordable home ownership products [to apply to sites of 10 units or more (or 0.5 ha plus)]. This is a change from previous Government announcements which indicated that a minimum of 20% Starter Homes should be provided on all sites of 10 + units or sites of 0.5ha +.
5. It was also announced in the White Paper that planning application fees will be increased by 20% from July 2017 if local authorities commit to investing the additional fee income in their planning department. Government also advised that it was minded to allow an increase of a further 20% for those authorities who are delivering the homes their communities need and that it would be consulting further on the detail, as well as keeping the resourcing of local authority planning departments, and where fees can be charged, under review. This was reported to Cabinet on 9 March 2017. Paragraphs 1–4 of that report set out that:

'1. The housing white paper repeats the claim from developers that the lack of capacity and capability in planning departments is restricting their ability to get on site and build. To boost local authority capacity and capability to deliver, DCLG has offered to increase nationally set planning fees by 20% from July 2017. The stated intention here is to improve the speed and quality with which planning applications are handled while deterring unnecessary appeals.

2. Local authorities can choose to accept or reject the proposed 20% increase in planning application fees. If an authority wishes to accept the increase they must commit to spending the additional income on planning functions.

3. The offer was made in a letter sent by DCLG on 21 February 2017, see Annex 1. This letter requires a response by 13 March 2017 and the response must be signed by the Section 151 Officer (the Director of Resources).

4. There are already considerable pressures on the Development Management Service and these are likely to increase as the Local Plan progresses. By

accepting the increase in fees and using the additional money to enhance the service the Council will be providing a better service at no additional cost to Council Tax payers.

Resource Implications:

The service is anticipated to have a net cost to the Council of approximately £400,000 in both 2016/17 and 2017/18. If fees were to be increased from July 2017 this would be likely to generate additional income in 2017/18 of £150,000. As this income would have to be spent on planning functions there would not be any reduction in the net cost of the service but an enhanced service could be provided.

The report recommends that the offer is accepted and that a commitment is given that the additional income is spent on planning functions. However, as the Cabinet report sets out:

'The Development Control service is not cost neutral so there is an argument that the users of the service should be paying more already. Currently the service is being part funded by all Council Tax payers even though the majority of them do not use the service.'

6. It is therefore recommended that as part of the response to DCLG on the White Paper that the following is submitted:

'The Council welcomes the increase in planning application fees and is committed to spending the additional income on planning functions. However, EFDC wish to advise that the increase in planning application fees would be insufficient to cover the current cost of the Development Control Service. Therefore, whilst the additional fee income would support an enhancement of the Service at no extra cost to Council Tax payers, those payers are part funding and will continue to, part fund the service even though the majority of them do not use the service. In the context of the move towards local authorities becoming financially 'self-sufficient' from 2020 onwards, charges for planning applications are, as far as the Council is aware, the only service where fees are still set nationally. EFDC would therefore strongly request that Government reviews its position on this matter. Furthermore, this does not take into account the costs of the plan-making process which is not just about the development of EFDC's Local Plan, but also other activities such as the Masterplanning of strategic sites which seek to ensure the speedy delivery of the high quality housing that the District needs.'

Reason for decision: To provide the opportunity for the Council to make its views known as part of the consultation on the Housing White Paper on matters which are relevant to its functions as local planning authority and housing authority as well as other functions.

Options considered and rejected: To not make a response to the consultation

Consultation undertaken:

Resource implications: N/A

Budget provision: N/A

Personnel: Planning Policy Team

Land: N/A

Community Plan/BVPP reference: N/A

Relevant statutory powers: N/A

Background papers:

'Fixing our Broken Housing Market' – A housing white paper setting out the Government's plans to reform the housing market and boost the supply of new homes in England. (DCLG, 7 February 2017)

<https://www.gov.uk/government/publications/fixing-our-broken-housing-market>

Environmental/Human Rights Act/Crime and Disorder Act Implications: None

Key Decision reference: (if required)

Appendix 1

A summary of the proposals in the first two key areas is set out below:

Planning for the right homes in the right places:

1. Making sure every community has an up-to-date, sufficiently ambitious plan and the intention to intervene in plan-making based on previously consulted on criteria using existing powers and those proposed in the Neighbourhood Planning Bill.
2. Set out in regulations a requirement for local plans and other local development documents to be reviewed at least every five years.
3. Will consult on changes to the NPPF so that authorities are expected to prepare a Statement of Common Ground.
4. Propose to allow spatial development strategies to allocate strategic sites.
5. Use the new £2.3bn Housing Infrastructure Fund to encourage and support collaboration.
6. Allow the Secretary of State to direct a group of authorities to work together.
7. Remove the policy expectation that each local authority should produce a single local plan.
8. Set out in policy the key strategic priorities that every area is expected to plan for.
9. Make it clear that plans and policies should not duplicate one another.
10. Amend the tests as to what is expected of a sound plan to make it clear that it should set out 'an' appropriate strategy of an area rather than having to demonstrate that it contain 'the most' appropriate strategy.
11. Revise the NPPF to tighten the definition of what evidence is required to support a 'sound' plan.
12. Welcomes views on what wider changes may be needed to ensure that consultation and examination procedures for all forms of plan-making are appropriate and proportionate and that different levels of plans work together.
13. Consult on options for introducing a more standardised approach to assessing housing requirements.
14. Propose that from April 2018 the new methodology for calculating housing requirements would apply as the baseline for assessing five year housing land supply and housing delivery, in the absence of an up-to-date plan.
15. Strengthen national policy so that local planning authorities are expected to have clear policies for addressing groups with particular needs such as older and disabled people.
16. Increase the amount of planning data that is readily available to individuals, groups, entrepreneurs and businesses.
17. Making landownerships and interests more transparent: including that all publically-held land in the areas of greatest housing need will be registered by 2020; improving the availability of data about wider interests in land; and HM Land Registry making available, free of charge, its commercial and corporate ownership data set and the overseas ownership data set.
18. Making amendments to the NPPF so that when preparing plans local planning authorities should be able to demonstrate that they have a clear strategy to maximise the use of suitable land in their area and that their identified housing requirement should be accommodated unless there are policies elsewhere in the NPPF that provide strong reasons for restricting development.
19. Clarify which national policies it regards as providing a strong reason to restrict development when preparing plans.

20. That the presumption in favour of sustainable development could be clarified further.
21. Amending the NPPF to indicate that great weight should be attached to the value of using suitable brownfield land within settlements for homes.
22. Amend regulations so that all local planning authorities are able to dispose of land with the benefit of planning consent which they have granted themselves.
23. Consult on using powers in the Growth and Infrastructure Act 2013 to issue a new General Disposal Consent, which would enable authorities to dispose of land held for planning purposes at less than best consideration without the need for specific consent from the Secretary of State.
24. Amend the NPPF to encourage local planning authorities to consider the social and economic benefits of estate regeneration.
25. Expect local planning authorities to have policies that support the development of small 'windfall' sites and indicate that great weight should be given to using small undeveloped sites within settlements for homes.
26. Amend the NPPF to highlight the opportunities that neighbourhood plans present for identifying and allocating small sites that are suitable for housing, encourage local planning authorities to identify opportunities for villages to thrive and give much stronger support for 'rural exception' sites that provide affordable homes for local people.
27. Make clear that on top of the allowance made for windfall sites that at least 10% of the sites allocated for residential development in local plans should be of half a hectare or less.
28. Expect local planning authorities to work with developers to encourage the sub-division of large sites and encourage greater use of Local Development Orders and area wide design-codes so that small sites may be brought forward quickly.
29. To support the delivery of existing and any future garden communities ensure that decisions on infrastructure investment take better account of the opportunities to support new and existing communities, legislate to enable the creation of locally accountable New Town Development Corporations and amend policy to encourage a more proactive approach by authorities to bringing forward new settlements.
30. Amend national policy to make clear that authorities should amend Green Belt boundaries only when they can demonstrate that they have examined fully all other reasonable options for meeting their identified development needs, and that where land is removed from the Green Belt, local policies should require the impact to be offset by compensatory improvements to the environmental quality or accessibility of remaining Green Belt land.
31. Proposing that national policy would make clear that when carrying out a Green Belt review, local planning authorities should look first at using any Green Belt land which has previously been developed and/or which surrounds a transport hub.
32. Amend the NPPF to make clear that appropriate facilities for existing cemeteries are not regarded as 'inappropriate development' in the Green Belt; that development brought forward under a Neighbourhood Development Order should not be regarded as inappropriate, provided it preserves openness and does not conflict with the purposes of the Green Belt; and where a local or strategic plan has demonstrated the need for Green Belt boundaries to be amended, the detailed boundary may be determined through a neighbourhood plan.
33. Amend the NPPF so that local planning authorities are expected to provide neighbourhood planning groups with a housing requirement figure
34. Local and neighbourhood plans (at the most appropriate level) and more detailed development plan documents (such as area action plans) are expected to set out clear design expectations following consultation with local communities.

35. Strengthen the importance of early pre-application discussions.
36. Make it clear that design should not be a valid reason to object to development where it accords with clear design expectations set out in statutory plans and that policy recognises the value of using a widely accepted design standard such as Building for Life.
37. Amend the NPPF to make it clear that plans and individual development proposals should: make efficient use of land and avoid building homes at low densities; address the particular scope for higher density housing in urban locations; ensure that the density and form of development reflect the character, accessibility and infrastructure capacity of an area and the nature of local housing needs; and take a flexible approach in adopting and applying policy and guidance that could inhibit these objectives in particular circumstances, such as open space provision in areas with good access to facilities nearby.
38. Amend national planning guidance to highlight planning approaches that can be used to support higher densities.
39. Considers that indicative density standards could be helpful in driving the right level of ambition in areas of high demand and is seeking views on what standards would be appropriate, and the locations to which they would apply.
40. Wanting to do more to support hospitals, schools and other public sector landowners to deliver more homes within new and existing sites (e.g. infill development, building on top of existing buildings or making better use of land within existing boundaries, whilst maintaining protections for green spaces and school playing fields and seeking views on how the planning system can best support such development.
41. Reviewing the Nationally Described Space Standards and how it is used in planning to support greater local housing choice, while ensuring avoiding a race to the bottom in the size of homes on offer.

Building Homes Faster

1. Amend the NPPF to give local authorities the opportunity to have their housing land supply agreed on an annual basis and fixed for a one-year period and that authorities that wish to take advantage of this policy will need to provide for a 10% buffer on their five year land supply.
2. Seeking views on amendments to the written ministerial statement giving protection to neighbourhood plans in relation to a neighbourhood plan meeting its share of local housing needs, that it is subject to the local planning authority being able to demonstrate through the housing delivery test that, from 2020, delivery has been over 65% (25% in 2018, 45% in 2019) for the wider authority area and whether it should remain a requirement to have site allocations in the plan or should the protection apply as long as housing supply policies will meet their share of local housing need.
3. Deterring unnecessary appeals through charging.
4. Consulting on requiring local authorities to have planning policies setting out how high quality digital infrastructure will be delivered in their area, and accessible from a range of providers.
5. Revise the NPPF to make clear the status of endorsed recommendations of the National Infrastructure Commission.
6. Improve the quality and analysis of information on housing delivery through the new Housing Delivery Test, better information on build out rates by builders and better information on the development pipeline.
7. Amend the NPPF to encourage local authorities to consider how realistic it is that a site will be developed, when deciding whether to grant planning permission for housing, on sites where there is evidence of non-implementation of earlier permissions for housing

development, and seeking views on whether an applicant's previous track record of delivering previous, similar schemes should be taken into account when determining planning applications, with a focus on major developers.

8. Propose to amend legislation to remove the requirement for the Secretary of State to confirm a completion notice before it can take effect and intend to amend legislation, subject to consultation, to allow a local authority to serve a completion notice on a site before the commencement deadline has elapsed, but only where works have begun.
9. Introduce a new housing delivery test through changes to the NPPF, measure this using net housing completions and on a three year rolling period, and when under-delivery is identified proposes a tiered approach to addressing the situation which would be set out in national policy and guidance. Government will consider how it can support authorities experiencing significant under-delivery in addressing the challenges in their action plans (which are proposed as part of the requirements if there is under-delivery).
10. Change the definition of affordable housing and make it clear that local authorities should seek to ensure that a minimum of 10% of all homes on individual sites are affordable home ownership products. Views are also sought on whether Build to Rent Schemes, dedicated supported housing, Custom Build schemes and development on 'rural exception' sites should be excluded from this requirement and whether there are any other types of residential development that should be excluded.
11. Amend the NPPF to make clear that the reference to the three dimensions of sustainable development (environmental, social and economic), together with the core planning principles and policies at paragraphs 18-219 of the NPPF together constitute its view on what sustainable development means for the planning system in England.
12. Amend the list of climate change factors set out in the NPPF to include rising temperatures and make it clear that local planning authorities should support measures for the future resilience of communities and infrastructure to climate change.
13. Make some amendments to clarify the application of the Exceptions Test in relation to flood risk, clarify that planning applications for minor developments and changes of use are expected to meet the requirements of paragraph 103 of the NPPF with the exception of the Sequential and Exception Tests, and clarify that planning policies to manage flood risk should, where relevant, also address cumulative flood risks which could result from the combined impacts of a number of new but separate developments in (or affecting) areas identified as susceptible to flooding.
14. Amend the NPPF to emphasise that planning policies and decisions should take account of existing businesses and other organisations and, where necessary, to mitigate the impact of noise and other potential nuisances arising from existing development.
15. Amend the NPPF to integrate the Government's Written Ministerial Statement of 18 June 2015 in relation to considerations for onshore wind energy planning applications.