



WA BRIEFING

Strong foundations?

The Government's Housing White Paper

7th February 2017

INTRODUCTION

The government's [Housing White Paper](#) had been heavily trailed and expectations were high as Sajid Javid delivered his statement in the House of Commons this afternoon. Having set out the scale of the challenge facing the country in relation to housing since Theresa May's ascension as prime minister, pressure was on the government to deliver solutions.

Has today's White Paper lived up to expectations and built a strong foundation for the government to build on? It undoubtedly goes further on supply-side measures than anything produced during David Cameron's government where the emphasis was on home ownership and introducing demand-side measures that arguably fuelled demand – and prices – even further.

The White Paper sets out an ambitious agenda, particularly in relation to land and planning policies. Local authorities will be held to account on delivering against realistic housing needs assessments, with a suite of measures in place to tackle those who fail to fall into line. The previously-announced Housing Infrastructure Fund will open to bids this year, enabling local authorities to support housing delivery in their areas. Councils will be obliged to plan for more housing where the government invests in major infrastructure such as HS2.

There will be less scope for planning permission to be refused or appealed due to design or density, and making an appeal will carry costs. Council planning departments will cheer the ability to raise additional revenue through increased planning fees.

Completion notices will be served more liberally, and developers will be expected to implement a permission for housing development within two years rather than three. The practice of securing planning permission on a speculative basis will be clamped down on, in an effort to dissuade land banking.

Today's White Paper maintains strong protections for the Green Belt, something that Javid emphasised in his statement to the Commons having flown a kite in recent weeks. This is sensible, given that many Conservative local authorities will be disgruntled by the range of other obligations being placed on them today. The consultation coming out of today's White Paper does, however, propose allowing local authorities to amend Green Belt boundaries where they have exhausted other reasonable options for meeting development requirements, in exchange for improvements to the environmental quality or accessibility of remaining Green Belt land.

The White Paper has considerably less to say in other areas. There is nothing revolutionary on the private rented sector or for housing associations. As expected, the Starter Homes policy is being adjusted and aimed at those most in need. Right to Buy for housing association tenants remains a vague aspiration, with this year's larger regional trial providing cover to the government to do nothing more for now.

Overall, Sajid Javid will be happy. He has delivered a step-change in the debate on housing, and provided an ambitious framework for the Conservatives to take a decent stab at delivering against

their target of one million new homes by 2020. Whether there will be a new generation grateful to him and the Conservative Party in a few years' time remains to be seen.

MEASURES ON LAND & PLANNING

Local plans

The White Paper places significant pressure on local authorities to ensure sufficient levels of new housing are being delivered in their areas.

Councils will, through the amended National Planning Policy Framework, need to have a strategy for maximising the use of suitable land. They will also need to meet identified housing requirement, with limited exceptions where there are strong reasons for restricting development.

A new, standardised methodology for assessing housing requirements will be consulted on by government, with a view to applying it from April 2018. Neighbourhood planning groups will be able to obtain a housing requirement figure from local authorities, to encourage the preparation of neighbourhood plans.

Local authorities will face new requirements to work with neighbouring authorities to meet targets where necessary, with the Secretary of State able to direct groups of councils to work together.

Local plans will now need to be reviewed every five years. Councils will be tested on their delivery against local housing needs. From November this year, if delivery of housing falls below 95% of an authority's annual housing requirement the government is proposing that the council should produce an action plan to set out how it will get back on track. Councils who fall below 85% delivery will need to build in a 20% buffer on their five-year land supply. Councils who fail to meet housing targets in future years will be forced to award more planning permissions unless there are strong reasons not to.

The government is also aiming to make local plans less burdensome for councils to produce. There will be greater flexibility for councils to set out plans jointly if they desire, without a requirement to produce individual local plans. New combined authorities will be able to produce spatial development strategies.

Reflecting demographic changes, local plans will need to explicitly address housing requirements for particular groups, including older people and disabled people.

Design expectations will be set out in local or neighbourhood plans, following consultation with local communities, to encourage development in keeping with the character of local areas. This will reduce the ability for design to be used as a valid reason for objecting to new developments.

Promoting density

In order to ensure that land is being used as efficiently as possible, the government intends to discourage building at low densities in areas of high need by amending the National Planning Policy Framework.

Making better use of land in urban locations, for example by building over low-density facilities such as car parks, will continue to be encouraged.

The government is also going to review the Nationally Described Space Standard, to “make sure standards do not rule out new approaches to meeting demand”.

Brownfield and public sector land

In order to achieve its ambitious housing targets the government will need to make the most of brownfield and public sector land. To enable delivery at scale, the National Planning Policy Framework will be amended to give clear presumption that residential development opportunities should be treated positively.

A new £45 million Land Release Fund is being made available to local authorities to enable them to dispose of surplus land. Local authorities will be able to dispose of land with the benefit of planning permission which they have granted to themselves.

Government will consult on extending flexibility to allow land to be disposed of at less than best consideration, and will explore giving additional powers or capacity to authorities to enable them to play a more active role in assembling land for development.

Transparency around land ownership

More information will be made publicly available on land ownership.

Comprehensive information about land ownership will be available through the Land Registry by 2030, with all publicly-held land available by 2025. The government will consult on legislation to improve the transparency of contractual arrangements used to control land – for example, options to purchase land.

Government will release, free of charge, its commercial and corporate ownership data set, along with the overseas ownership data set.

Planning

Council planning departments have been depleted through local authority funding cuts over the last number of years. In order to aid local authorities to process applications faster, councils will be able to increase planning fees by 20% from the nationally set levels where the additional income will be reinvested in planning departments.

The government will consult on allowing a further 20% increase for councils “who are delivering the homes their communities need”, offering a clear incentive for councils to permit greater development in their areas.

Government will also consult on introducing fees for making planning appeals, potentially of up to £2,000.

Delivering infrastructure

Further details have been offered on the government’s £2.3 billion Housing Infrastructure Fund, which will be opened to capital grant programme bids this year. Funds will be awarded to local authorities in areas of greatest need that pledge to deliver the most housing, and local authorities will be able to bid jointly for funding.

Local authorities will also be required to identify development opportunities when government invests in infrastructure programmes such as HS2.

The government's strategy for delivering utility services to new developments, *Better Connected*, will be reviewed to assess its impact and whether the existing incentives and penalties are enough to support house building at all scales. The government will also consult on obligating utility companies to take account of proposed new developments.

Building out more quickly

Today's White Paper sets out a range of measures to tackle unnecessary delays caused by planning conditions.

The Secretary of State will be given new powers to prohibit conditions that do not meet the national policy tests. The licensing system for protected species (especially the great crested newt) will be streamlined to speed up delivery of housing.

The government is considering amending national planning policy to encourage local authorities to shorten the timescales for developers to implement a permission for housing development from the default period of three years to two years.

The government also proposes to remove the requirement for the Secretary of State to confirm a completion notice before it can take effect, and to allow local authorities to serve a completion notice on a site before the commencement deadline has elapsed.

The government will require more information to be provided by developers about the timing and pace of delivery for new housing. Local authorities will be dissuaded from giving planning permission where land is not realistically going to be developed. Applicants' track records in delivering previous, similar schemes could be taken into account in this regard.

Government is also proposing requiring large housebuilders to make public aggregate information on build out rates.

Community Infrastructure Levy & Section 106

In response to an independent review of CIL and its relationship with S106 agreements, the government will announce at the Autumn Budget this year plans to reform the system of developer contributions.

SOCIAL RENTED SECTOR MEASURES

Today's White Paper singles out housing associations for their contribution to new build completions, with the sector responsible for one-third over the past five years.

The sector has consistently called for more certainty to enable housing associations to plan ahead, seek finance and build more homes. There has been confirmation the 1% rent reduction previously announced will remain in place up to 2020. Today's White Paper has pledged to set out in due course a rent policy for social landlords "for the period beyond 2020".

Beyond that, the White Paper reiterates the government's aspirations to get housing associations off the government's balance sheet by putting regulation of the sector on a more independent footing. It also urges all housing associations to leverage their development capacity and to improve their efficiency, through mergers and partnerships if necessary. Much of this is already in train within the sector.

PRIVATE RENTED SECTOR MEASURES

The White Paper falls considerably short on measures relating to the private rented sector.

The government's aspiration to encourage institutional investors in the sector is restated. The government is consulting separately on requiring local authorities to plan proactively for Build to Rent and to make it easier for developers to offer affordable private rental homes rather than other types of affordable housing.

An aspiration to make 'family-friendly' tenancies of three or more years available is restated, but falls short on actual commitment beyond working with the British Property Federation and National Housing Federation.

As previously announced, legislation will be brought forward to ban letting agent fees being charged to tenants after consultation.

STARTER HOMES AND RIGHT TO BUY

The White Paper offers more detail on Starter Homes, which will be aimed at people who would otherwise be priced out of the market – households with a combined income of less than £90,000 in London and less than £80,000 elsewhere. Cash buyers will not be allowed purchase starter homes. Local areas will be given flexibility to decide on the mix of affordable home ownership units that developers need to deliver.

The White Paper says little on Right to Buy, beyond recommitting the government to the expanded regional pilot announced at the Autumn Statement last year – further indication that the policy is being kicked into the long grass.

NEXT STEPS

The government will publish a revised National Planning Policy Framework later this year, and today's White Paper sets out a wide range of proposals which are being [consulted upon](#). The deadline for the government's consultation is 2nd May.

Another consultation is being held on [how to support an increase in Build to Rent schemes](#). This includes changing the National Planning Policy Framework policy to support and increase the number of new Build to Rent homes, and the provision of Affordable Private Rent homes as the main form of affordable housing provision on Build to Rent schemes. The consultation also seeks to promote the availability of longer tenancies (of three or more years) in Build to Rent accommodation, to those tenants who want one. The deadline for this consultation is 1st May.



HOW WA CAN HELP YOU

Assessing the impact on your organisation

An assessment of the immediate political and economic implications of the White Paper:

1. The latest political developments and implications for you.
2. How to effectively position your organisation within the developing political, media and policy narrative around housing.
3. A presentation to your senior team on the government's proposals and our analysis.

Supporting your engagement strategy

A deep-dive into your public affairs, PR and communications strategy to help you maximise impact:

1. Review your strategy and stress-test your messaging in light of the White Paper.
2. Make recommendations on how you revise your strategy to ensure it effectively responds.
3. Support in responding to the government's consultation on the White Paper.
4. Help you to forward-plan your political engagement against key milestones.

ABOUT WA

WA is the agency of choice for clients with complex public affairs and strategic communications challenges.

WA blends creative, strategic thinking with experience to solve public affairs and strategic communications challenges. We develop and protect clients' reputation, inform the policy debate and help clients get up to speed quickly on the external issues and stakeholders that matter.

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