

THE HOUSING WHITE PAPER 2017 - DRAFT RESPONSE

Report of the:	Head of Place Development
Contact:	Karol Jakubczyk
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
<u>Annexes/Appendices</u> (attached):	Annex 1: Draft Response to Housing White Paper questions
<u>Other available papers</u> (not attached):	The Housing White Paper Local plan work programme

REPORT SUMMARY

The government has recently published a White Paper on housing. The government believes that the nation's housing market is 'broken' and it believes that the measures set out in the White Paper can 'fix-it'. In the government's view the problem is that not enough houses have been built.

The White Paper sets out a series of actions to resolve the broken housing market and meet the government's aspiration for one million new homes by 2020. These can be grouped into three broad categories:

- a) Measures that secure a rolling-supply of deliverable and developable housing land supply to feed the housing market;
- b) Speeding-up house building rates; and
- c) Diversifying the housing market.

Many of the measures proposed in the White Paper seek to amend national planning policy. The White Paper is currently subject to consultation that runs until 2 May 2017.

The report provides a brief overview of the White Paper and encloses an annex that set out draft responses to the consultation questions and key facts about the specific measures being proposed to fix the nation's housing market.

RECOMMENDATION (S)

The Committee considers:

- 1) The proposals set out in the White Paper; and
- 2) The draft responses to the consultation questions and subject to any agreed/ approved changes that these constitute the Council's

notes

response to the proposals.	
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1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The wide ranging proposals contained within the White Paper could have significant implications for the Council's key priorities.
- 1.2 The Epsom & Ewell Borough Local Plan assists in the spatial delivery of the objectives of the Council's Key Priorities. The effectiveness of these policies, and by extension the effective delivery of the Local Plan, could be compromised if the proposed changes to national planning policy are enacted.

2 Background

- 2.1 The previous coalition government made significant changes to national planning policy; most notably the revocation of the regional planning tier; the publication of the National Planning Policy Framework (NPPF) and its associated national planning practice guidance, and the introduction of the neighbourhood planning tier through the Localism Act. They also introduced a number of notable changes to the permitted development regime. Many of those changes were introduced with the objective of increasing the scale and speed of housing delivery.
- 2.2 The government, whilst remaining positive about the coalition's performance on planning for housing, now concedes that supply and affordability (of new homes) are being outstripped by demand. On that basis, the government has stated that the nation's housing market is broken. Specifically, it believes that the root cause of the problem is that not enough houses are being built. The government has set a target that seeks the delivery of 1 million new homes by 2020.
- 2.3 In response, they have published a White Paper with the express objective of fixing the broken housing market. The White Paper can be viewed via [the following link](#). The White Paper is subject to a public consultation exercise that is open until 2 May 2017. The focus of the consultation being a series of 38 questions – a set of draft responses to these questions is included under Annex 1.
- 2.4 It is highlighted that since 2007 (the date our Core Strategy was adopted), the Epsom & Ewell Local Plan has front loaded the delivery of its housing target - exceeding that planned for housing growth. This is noteworthy because it suggests that perhaps, in Epsom and Ewell at least, the approach towards housing delivery is working.

3 Proposals and Commentary

- 3.1 The White Paper sets out three broad actions to fix the broken housing market. These are:

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- a) Measures that secure a rolling-supply of deliverable and developable housing land supply to feed the housing market;
- b) Speeding-up house building rates; and
- c) Diversifying the housing market.

3.2 Among the main proposals in the White Paper are:

- a) Every local authority will have to draw up and regularly review an “honest assessment” of local housing need;
- b) Developers forced to build within two years of gaining planning permission, or see it lapse. Currently permission lapses after three years;
- c) An expanded and more flexible affordable homes programme, for housing associations and local authorities, with £7.1bn of already announced funding;
- d) Smaller building firms will be given assistance to expand, including support for off-site construction, where parts of homes are assembled in a factory;
- e) An end to “leasehold abuse” by which home buyers are locked into leases with spiralling ground rents; and
- f) Encouragement for “build to let” where private companies build large-volume rental flats for tenants.

3.3 The White Paper envisages enacting these broad actions through a variety of measures. For example, in order to secure a rolling supply of housing land the Paper proposes significant changes to how local planning authorities plan and manage housing demand. The emphasis of these particular measures is firmly upon local planning authorities to facilitate a significant increase in housing delivery at all costs. To this end whilst the government has stated that the Green Belt is safe in their hands, in contrast the White Paper suggests that Green Belt land could be considered for release (to accommodate growth) if local planning authorities wanted to pursue such a strategy.

3.4 Of great concern is that the White Paper envisages urban areas in England becoming more densely populated than ever, with cities expected to build upwards rather than outwards, and for homes to get smaller. New-build homes and apartments in England are already among the smallest in Europe, but the White Paper suggests that the size of homes could shrink even further. This is a notable reversal of national policy, which would be contrary to our own Local Plan development management policies, which seek to provide residents with sufficient living space, whilst maintaining and enhancing the Borough’s special visual character and appearance.

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- 3.5 In respect of speeding up house building rates the White Paper claims that the government will provide the development industry with additional support to help them get building. In contrast the White Paper suggests a variety of measures and tools that local planning authorities could utilise to hold the development industry to account. Whilst this may, on paper provide an incentive to the industry, it is unclear whether any form of intervention (by local planning authorities) would actually speed-up build rates. It is worth highlighting that many of the issues that hinder the speed of housing delivery are external and beyond normal scope of most local planning authorities remits. A topical example being the availability of labour – it is possible that forthcoming geo-political changes may have a profound and as yet unknown impact upon availability of skilled labour. This may serve as an insurmountable obstacle to speeding up delivery.
- 3.6 The White Paper also proposes the introduction of a housing delivery test, the performance of which local planning authorities would have to report on as part of their local plan annual monitoring report. This is an area of concern. Coupled with the inexorable push for more new houses the test has the potential to set local planning authorities up to fail, particularly if external forces act to hinder delivery.
- 3.7 The proposals to further diversify the housing market are less controversial; the main objective being to increase competition, specifically from smaller builders. However, the likely effectiveness of such an approach is open to question. It is arguable that smaller building companies are at greater risk from external factors – such as fluctuating economic conditions and the vagaries of cautious financial institutes. It is therefore unlikely that the support proposed by the White Paper will, by itself, make much difference in turning small builders into a solution to the ‘broken housing market’.
- 3.8 On a more positive note the White Paper heralds a 20% rise in planning application fees. The increase is welcomed as it will provide local planning authorities with additional, ring-fenced, resources to improve the speed, scale and quality of decision making.

4 Financial and Manpower Implications

- 4.1 The current Local Plan work programme was approved by the Licensing & Planning Policy Committee during July 2016. That work programme did not factor in any additional work that may be generated by either the Housing White Paper or any subsequent changes to legislation or national planning policy.
- 4.2 Members are asked to note that the proposals are presented within the context of a Parliamentary White Paper, and as such there is no guarantee that any of these measures will ever be enacted. However, should the measures proposed by the White Paper be brought forward then there will be significant resource implications for the Borough Council.

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- 4.3 **Chief Finance Officer's comments:** Specific financial implications will be dealt with as part of the consultation and elements that impact upon the Council's budget will be fed into the policy process as part of the Council's annual budget cycle.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 No specific considerations.
- 5.2 **Monitoring Officer's comments:** There are no legal issues arising from this report. However, should national planning policy be amended or the requirements of the Council's local plan change, these will need to be reflected in Council policy and procedure.

6 Sustainability Policy and Community Safety Implications

- 6.1 Some of the proposed measures set out in the White Paper have the potential to undermine the Borough Council's established approach towards achieving sustainable development. In particular, the White Paper appears to seek the delivery of more housing, at higher densities, at any cost. Such a crude quantitative approach towards delivering growth is of great concern. Our own experience is that such an approach is not necessary in order to secure new housing.
- 6.2 In contrast to the proposals set out in the White Paper, all of our Local Plan policies have been subject to sustainability appraisal as an integral part of the plan-making process. These sustainability appraisals have been subject to public consultation.
- 6.3 There are no significant Community Safety considerations.

7 Partnerships

- 7.1 No specific considerations.

8 Risk Assessment

- 8.1 The government's proposals to fix the nation's housing market are currently set out only within the context of a White Paper. On that basis, it is questionable as to how many of the proposals will in actuality be realised. Some commentators have noted that the current parliamentary programme, with its focus upon the exit from the EU, may not provide scope for consideration of any other matters. That is to say that some of the proposals could be introduced through other mechanisms, such as written ministerial statements.
- 8.2 Nevertheless, the proposals do have the potential to impact upon our existing approach towards planning for growth. For all of the reassurances that the Paper offers it also sends a clear messages that local planning authorities must help deliver more housing.

9 Conclusion and Recommendations

- 9.1 The Committee are asked to note the proposals being outlined within the White Paper.
- 9.2 On that basis the Committee are asked to consider the draft detailed responses to the questions included alongside the White Paper and that these, subject to any changes, form the Borough Council's response to the consultation exercise.

WARD(S) AFFECTED: (All Wards);