Department for Communities and Local Government

Fixing our broken housing market

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Presented to Parliament
by the Secretary of State for Communities and Local Government
by Command of Her Majesty

February 2017

Cm 9352

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Any enquiries regarding this publication should be sent to us at planningpolicyconsultation@communities.gsi.gov.uk

Print ISBN 9781474137959

Web ISBN 9781474137966

ID SGD0013536 02/17

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

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Foreword from the Prime Minister

The Government is determined to build a stronger, fairer Britain where people who work hard are able to get on in life. That means breaking down barriers to progress by taking the big, difficult decisions that are right for Britain in the long term.

Our broken housing market is one of the greatest barriers to progress in Britain today. Whether buying or renting, the fact is that housing is increasingly unaffordable – particularly for ordinary working class people who are struggling to get by.

Today the average house costs almost eight times average earnings – an all-time record. As a result it is difficult to get on the housing ladder, and the proportion of people living in the private rented sector has doubled since 2000.

These high housing costs hurt ordinary working people the most. In total more than 2.2 million working households with below-average incomes spend a third or more of their disposable income on housing.

This means they have less money to spend on other things every month, and are unable to put anything aside to get together the sums needed for a deposit. Those who do own their own home are finding it increasingly difficult to keep up with the mortgage, and struggle to save for later life. And many worry about the ability of their children and grandchildren to afford their own home and to have access to the same chances in life that they have enjoyed.

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.

The starting point is to build more homes. This will slow the rise in housing costs so that more ordinary working families can afford to buy a home and it will also bring the cost of renting down.

We need to build many more houses, of the type people want to live in, in the places they want to live. To do so requires a comprehensive approach that tackles failure at every point in the system.

First, we need more land for homes where people want to live. All areas need a plan to deal with the housing pressures they face and communities need a say in the homes that are built. We will require all areas to have up-to-date plans in place and ensure that communities are comfortable with how new homes look.

Second, we need to ensure that homes are built quickly once planning permissions are granted. We will invest in making the planning system more open and accessible, improve the co-ordination of public investment in infrastructure, support timely connections to utilities, and tackle unnecessary delays. We're giving councils and developers the tools they need to build more swiftly.

Third, we will diversify the housing market, opening it up to smaller builders and those who embrace innovative and efficient methods. We will encourage housing associations and local authorities to build more, and we will work to attract new investors into residential development including homes for rent.

Finally, because building the homes we need will take time, we will also take more steps to continue helping people now, including by improving safeguards in the private rented sector, and doing more to prevent homelessness and to help households currently priced out of the market.

By building the homes Britain needs and giving those renting a fairer deal, we will give those growing up in society today more chance of enjoying the same opportunities as their parents and grandparents. It will ensure that the housing market is as fair for those who don't own their own homes as it is for those that do. This is a vital part of our Plan for Britain and a critical step along the road towards fulfilling the mission I have set out to make Britain a country that works for everyone.

The Rt Hon Theresa May MP
Prime Minister

Foreword from the Secretary of State

This country doesn't have enough homes. That's not a personal opinion or a political calculation. It's a simple statement of fact.

For decades, the pace of house building has been sluggish at best. As a result, the number of new homes has not kept pace with our growing population. And that, in turn, has created a market that fails to work for far too many people.

Soaring prices and rising rents caused by a shortage of the right homes in the right places has slammed the door of the housing market in the face of a whole generation.

Over the years, the response from politicians has been piecemeal. Well-intentioned initiatives have built more homes here and there but have skirted around the edges of a growing problem. Other schemes have helped to tackle the symptoms without addressing the root cause.

That has to change. We need radical, lasting reform that will get more homes built right now and for many years to come. This White Paper explains how we will do just that.

It covers the whole house building process, from finding sites to securing local support and permission as well as getting homes built quickly and sold on fair terms. But it also goes further, seeking to build consensus for a new, positive, mindset to house building. A can-do approach that simply does not tolerate failure.

The housing market has taken decades to reach the state it's now in. Turning it around won't be quick or easy. But it can be done. It must be done. And, as this White Paper shows, this Government is determined to do it.

The Rt Hon Sajid Javid MP
Secretary of State for Communities and Local Government

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Introduction

Our housing market is broken

The housing market in this country is broken, and the cause is very simple: for too long, we haven't built enough homes.

Since the 1970s, there have been on average 160,000 new homes each year in England.[1] The consensus is that we need from 225,000 to 275,000 or more homes per year to keep up with population growth and start to tackle years of under-supply.[2]

This isn't because there's no space, or because the country is "full". Only around 11 per cent of land in England has been built on.[3]

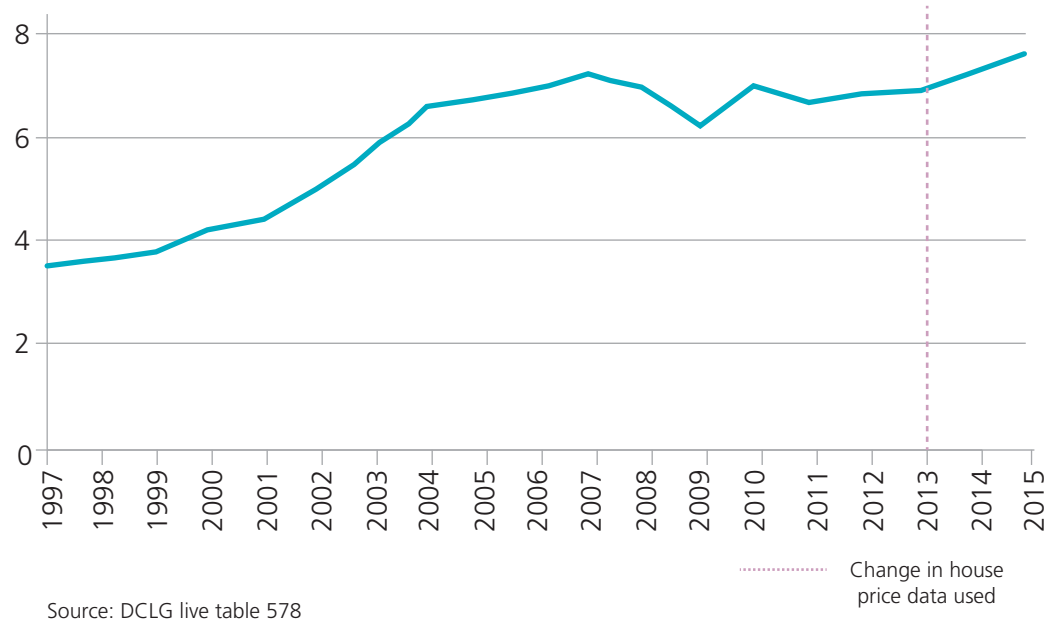
The problem is threefold: not enough local authorities planning for the homes they need; house building that is simply too slow; and a construction industry that is too reliant on a small number of big players.

The laws of supply and demand mean the result is simple. Since 1998, the ratio of average house prices to average earnings has more than doubled.[4] And that means the most basic of human needs – a safe, secure home to call your own – isn't just a distant dream for millions of people. It's a dream that's moving further and further away.

In 21st century Britain it's no longer unusual for houses to "earn" more than the people living in them. In 2015, the average home in the South East of England increased in value by £29,000,[5] while the average annual pay in the region was just £24,542.[6] The average London home made its owner more than £22 an hour during the working week in 2015[7] – considerably more than the average Londoner's hourly rate. That's good news if you own a property in the capital, but it's a big barrier to entry if you don't.

1 DCLG Live Table 104.
2 For example: Barker (2004), "Review of Housing Supply - Delivering Stability: Securing our Future Housing Needs" Final Report; House of Lords Select Committee on Economic Affairs (2016), "Building more homes", July 2016; KPMG and Shelter (2015) "Building the Homes We Need".
3 DCLG Local authority green belt statistics for England: 2015 to 2016, page 2, available at https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2015-to-2016
4 DCLG Live Table 577.
5 ONS House Price Statistics for Small Areas, Table 1a.
6 ONS Annual Survey of Hours and Earnings 2016, table 3.7a, median annual gross pay, all employee jobs.
7 ONS House Price Statistics for Small Areas, Table 1a.

Figure 1: Ratio of median house price to median earnings, England



Source: DCLG live table 578

The Council of Mortgage Lenders predicts that by 2020 only a quarter of 30-year-olds will own their own home. In contrast, more than half the generation currently approaching retirement were homeowners by their 30th birthday.[8] This is not because young people are not trying hard enough, it's because it is much harder for them to get a foot on the property ladder than their parents and grandparents.

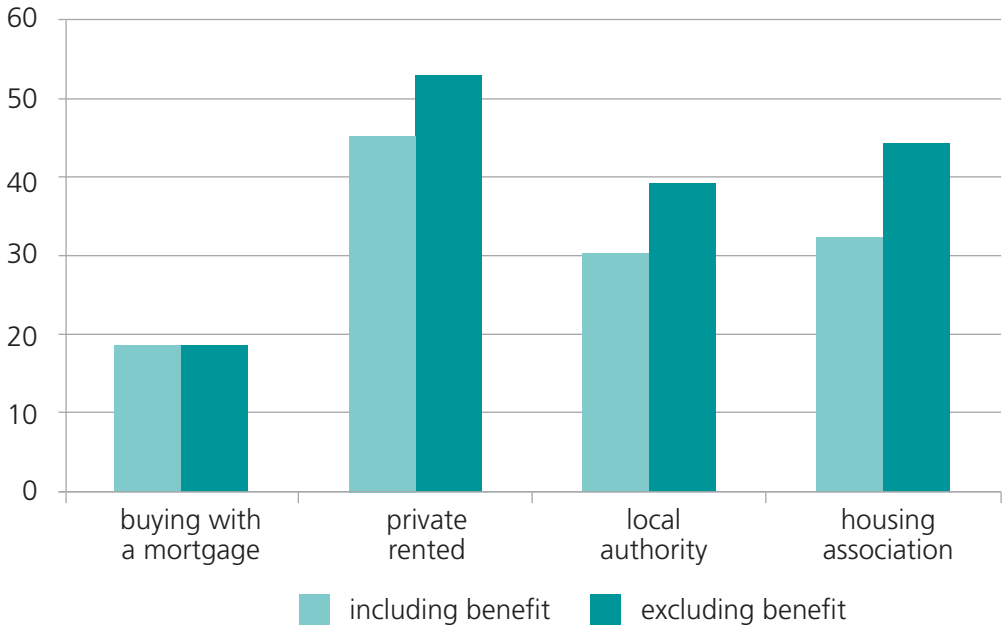
As recently as the 1990s, a first-time buyer couple on a low-to-middle income saving five per cent of their wages each month would have enough for an average-sized deposit after just three years. Today it would take them 24 years.[9] It's no surprise that home ownership among 25- to 34-year-olds has fallen from 59 per cent just over a decade ago to just 37 per cent today[10].

Without help from the "Bank of Mum and Dad", many young people will struggle to get on the housing ladder. As demand for homes outstrips supply, they're faced with ever-increasing rents – the average couple in the private rented sector now send roughly half their salary to their landlord each month[11] making it nigh on impossible to save for a deposit.

In areas where the housing shortage is most acute, high demand and low supply is creating opportunities for exploitation and abuse: unreasonable letting agents' fees, unfair terms in leases, landlords letting out dangerous, overcrowded properties. In short, it's becoming harder to rent a safe, secure property. And more and more people can't find a place to rent at all: the loss of a private sector tenancy is now the most common cause of homelessness.[12]

8 Council of Mortgage Lenders (2015) The challenge facing first-time buyers.
9 Resolution Foundation (2015) – Dealing with the housing aspiration gap.
10 English Housing Survey 2014/15.
11 English Housing Survey 2014/15.
12 DCLG Live Table 774.

Figure 2: Mean mortgage/rent payments as a percentage of weekly household income, by tenure, 2014-15[13]



Source: English Housing Survey, full household sample
Notes:
1. based on gross income from HRP and partner only
2. Housing benefit or Local Housing Allowance (LHA) or Universal Credit received by the householder to help pay for all or part of their rent. This only applies to households that rent their home.

Britain's broken housing market hurts all of us. Sky-high property prices stop people moving to where the jobs are. That's bad news for people who can't find work, and bad news for successful companies that can't attract the skilled workforce they need to grow, which is bad news for the whole economy.

Low levels of house building means less work for everyone involved in the construction industry – architects, builders, decorators and manufacturers of everything from bricks to kitchen sinks. If people must spend more and more to keep a roof over their head they'll inevitably cut back elsewhere – meaning less money gets spent in the wider economy.

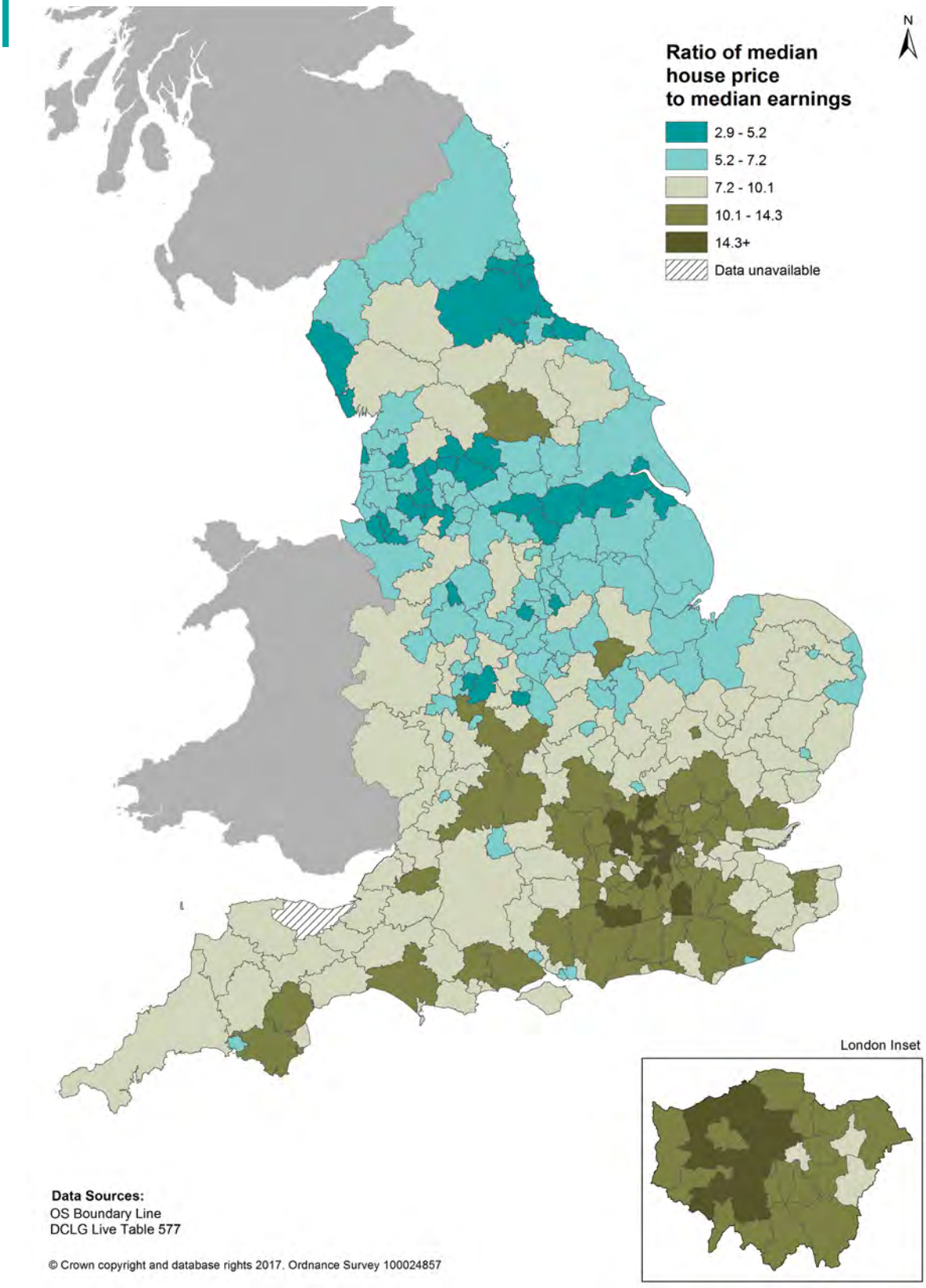
High rents are bad news for all taxpayers including those who own their own home. If rents are too high, then private renters struggle to pay - and the taxpayer has to foot the bill with more Housing Benefit. That's money that could be spent on schools, hospitals and other frontline services.

Nor is this just a London problem. While the situation is particularly acute in and around the capital, it is also getting worse right across the country. Since 1997 house prices relative to earnings have more than doubled in Lancaster, Manchester and Boston.[14]

This is a national issue that touches every one of us. Everyone involved in politics and the housing industry has a moral duty to tackle it head on.

13 English Housing Survey 2014/15; statistic refers to the income of the household reference person (the person in whose name the dwelling is owned or rented) plus that of a partner (including income from benefits).
14 DCLG Live table 577.

Figure 3: Affordability ratio by local authority, 2015



The challenges we face

Building more homes will depend on our dealing with three major problems.

First, **over 40 per cent of local planning authorities do not have a plan that meets the projected growth in households in their area.**[15] There are many reasons for this, but one of the most significant is the way local decision-makers respond to public attitudes about new housing.

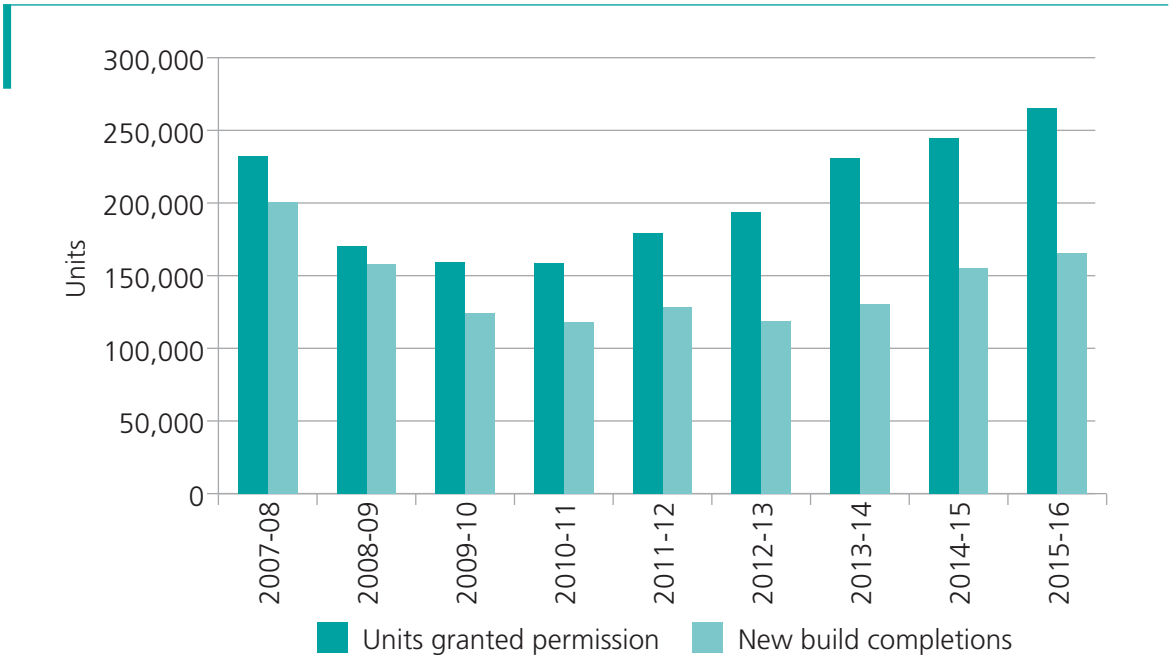
Quite reasonably, people often have concerns about the impact new housing will have on their community. That is why it is so important that people have a say over where new homes go and what they look like through the planning process. People are more likely to support new mansion blocks or mews houses on a derelict strip of land than a new estate in countryside. Many councils work tirelessly to engage their communities on the number, design and mix of new housing in their area. But some duck difficult decisions and don't plan for the homes their area needs.

Without an adequate plan, homes can end up being built on a speculative basis – with no co-ordination and limited buy-in from local people. The uncertainty this creates about when and where new homes will be built is both unpopular and affects the entire house building process – slowing it right down.

And that's the second big problem: **the pace of development is too slow**. This Government's reforms have led to a large increase in the number of homes being given planning permission. But there is a large gap between permissions granted and new homes built. More than a third of new homes that were granted planning permission between 2010/11 and 2015/16 have yet to be built.[16]

There can be various reasons for these delays. If there isn't a robust local plan, permission may be contested and it stops infrastructure and utility companies planning ahead. Changes to market conditions and onerous planning conditions can also be factors. But there is also concern that it may be in the interest of speculators and developers to snap up land for housing and then sit back for a while as prices continue to rise.

Figure 4: Annual completions versus permissions



Source: Glenigan planning permissions data; DCLG Live Table 120

15 DCLG data collected on local plans; DCLG Live tables on household projections, 2016 to 2026.
16 Glenigan planning permissions data; DCLG Live Table 120 (new build completions).

Finally, **the very structure of the housing market makes it harder to increase supply**. Housing associations have been doing well – they're behind around a third of all new housing completed over the past five years[17] – but the commercial developers still dominate the market.

And within that sector, a handful of very big companies are responsible for most new building. Britain's 10 largest housebuilding firms build around 60 per cent of our new private homes.[18]

Homes are typically bought with debt, so a slight change in interest rates can have a big impact on people's ability to afford a new home. This government has kept spending under control, avoiding the dangers of higher mortgage rates.

But building at scale still exposes commercial developers to significant financial risk. So, there is little incentive to invest in innovative methods of construction which could deliver many more homes. Over the past 25 years, productivity across the whole economy has grown by 41 per cent as new technology and new ways of working make business and industry more efficient and effective. In construction, it has grown by just 11 per cent – almost four times slower.[19]

What we're going to do about it

The cause of our housing shortage is simple enough – not enough homes are being built. Fixing it is more complex. This is a problem that has built up over many decades, and solving it requires a radical re-think of our whole approach to home building.

First, **we need to plan for the right homes in the right places**. This is critical to the success of our modern industrial strategy. Growing businesses need a skilled workforce living nearby, and employees should be able to move easily to where jobs are without being forced into long commutes.

But at the moment, some local authorities can duck potentially difficult decisions, because they are free to come up with their own methodology for calculating 'objectively assessed need'. So, we are going to consult on a new standard methodology for calculating 'objectively assessed need', and encourage councils to plan on this basis.

We will insist that every area has an up-to-date plan. And we will increase transparency around land ownership, so it is clear where land is available for housing and where individuals or organisations are buying land suitable for housing but not building on it. This will put communities back in charge of getting the attractive homes they want and need – for young professionals, older people, growing families, people on low incomes, people with disabilities and more. It will reduce speculative development, and support our villages, towns and cities to develop in a way that preserves the unique character of their communities, and protects precious countryside.

Second, **we need to build homes faster**. We will invest in making the planning system more open and accessible, and tackle unnecessary delays.

Development is about far more than just building homes. Communities need roads, rail links, schools, shops, GP surgeries, parks, playgrounds and a sustainable natural environment. Without the right infrastructure, no new community will thrive – and no existing community will welcome new housing if it places further strain on already stretched local resources.

We're giving councils and developers the tools they need to build more swiftly, and we expect them to use them. Local authorities should not put up with applicants who secure planning permission but don't use it. And they will have nowhere to hide from this government if they fail to plan and deliver the homes this country needs.

Third, **we will diversify the housing market**, opening it up to smaller builders and those who embrace innovative and efficient methods. We set out how we will support housing associations to build more, explore options to encourage local authorities to build again, encourage institutional investment in the private rented sector and promote more modular and factory built homes. We will also make it easier for people who want to build their own homes.

17 DCLG Live tables on house building; DCLG Live tables on affordable housing supply.
18 NHBC Market Intelligence report 2015; DCLG Live Table 209.
19 ONS Labour Productivity statistics.

These measures will make a lasting, positive impact on housing supply, but they will inevitably take time to have an effect. So, finally, **we will help people now** – from investing in affordable housing to banning unfair letting agent fees to preventing homelessness.

A problem that won't solve itself

The housing shortage isn't a looming crisis, a distant threat that will become a problem if we fail to act. We're already living in it. Our population could stop growing and net migration could fall to zero, but people would still be living in overcrowded, unaffordable accommodation. Infrastructure would still be overstretched. This problem is not going to go away by itself.

If we fail to build more homes, it will get ever harder for ordinary working people to afford a roof over their head, and the damage to the wider economy will get worse.

This isn't a new problem. Its roots stretch back decades, with house building well below what was needed under successive governments. And it's not a problem we can afford to ignore any longer.

Tackling the housing shortage won't be easy. It will inevitably require some tough decisions. But the alternative is a divided nation, with an unbridgeable and ever-widening gap between the property haves and have-nots. A country where only those with wealthy parents can get a foot on the property ladder and where elderly people are forced to keep working in order to pay off their mortgage.

We want this to be a country that works for everyone, where people who work hard can afford a place of their own. This White Paper is an important step in delivering just that.

Executive summary

The proposals in this White Paper set out how the Government intends to boost housing supply and, over the long term, create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households and which supports wider economic prosperity.

The challenge of increasing supply cannot be met by government alone – it is vital to have local leadership and commitment from a wide range of stakeholders, including local authorities, private developers, housing associations, lenders and local communities.

We have listened to concerns expressed by many within the housing and planning sector that the pace of change in policy and legislation can make local delivery more difficult. The White Paper addresses this issue by providing a long-term strategy to build the homes the country needs.

However we also need to help people now to find the right home while our strategy takes effect. So this White Paper sets out how we will address people's housing needs and aspirations in the shorter term. This includes supporting people to buy or rent their own home, preventing homelessness, improving options for older people and protecting the most vulnerable. Central to making our long term strategy work is the partnership between central and local government and developers. This White Paper sets out the support the Government will provide to enhance the capacity of local authorities and industry to build the new homes this country needs. In return we expect professions and institutions to play their part and turn these proposals into reality:

- For **local authorities**, the Government is offering higher fees and new capacity funding to develop planning departments, simplified plan-making, and more funding for infrastructure. We will make it easier for local authorities to take action against those who do not build out once permissions have been granted. We are interested in the scope for bespoke housing deals to make the most of local innovation. In return, the Government asks local authorities to be as ambitious and innovative as possible to get homes built in their area. All local authorities should develop an up-to-date plan with their communities that meets their housing requirement (or, if that is not possible, to work with neighbouring authorities to ensure it is met), decide applications for development promptly and ensure the homes they have planned for are built out on time. It is crucial that local authorities hold up their end of the bargain. Where they are not making sufficient progress on producing or reviewing their plans, the Government will intervene. And where the number of homes being built is below expectations, the new housing delivery test will ensure that action is taken.
- For **private developers**, the Government is offering a planning framework that is more supportive of higher levels of development, with quicker and more effective processing and determination of planning applications, and is exploring an improved approach to developer contributions. In line with the industrial strategy, we will boost productivity, innovation, sustainability and skills by encouraging modern methods of construction in house building. We will encourage greater diversity of homebuilders, by partnering with smaller and medium-sized builders and contractors in the Accelerated Construction programme, and helping small and medium-sized builders access the loan finance they need. In return, the Government expects developers to build more homes, to engage with communities and promote the benefits of development, to focus on design and quality, and to build homes swiftly where permission is granted. Critically, we also expect them to take responsibility for investing in their research and skills base to create more sustainable career paths and genuinely bring forward thousands of new skilled roles.

- For **local communities**, the Government is offering a simpler and clearer planning process that makes it easier for them to get involved and shape plans for their area. We will ensure they see the benefits of housing growth and have greater say over the design of local developments. In return, the Government asks communities to accept that more housing is needed if future generations are to have the homes they need at a price they can afford.
- For **housing associations and other not-for-profit developers**, the Government has already announced funding worth a total of £7.1 billion through an expanded and more flexible Affordable Homes Programme. We will provide clarity over future rent levels. In return, we expect them to build significantly more affordable homes over the current Parliament.
- For **lenders, institutional investors and capital market participants**, tthe Government is offering a clear and stable long-term framework for investment, including products for rent. In return we call upon lenders and investors to back developers and social landlords in building more homes.
- For **utility companies and infrastructure providers**, the Government is offering a clear framework and simpler plans to help them understand the demands made on them, and is exploring an improved approach to developer contributions to help pay for new infrastructure. In return, the Government expects infrastructure providers to deliver the infrastructure that new housing needs in good time so that development is not delayed.

At the heart of the White Paper is the acknowledgement that the housing market is very different in different parts of the country. The Government is already putting in place devolution deals and large-scale strategies, such as the Northern Powerhouse, the Midlands Engine and our modern industrial strategy, that bring together public and private sector leaders across different regions.

However, we need a better understanding of the specific local issues that are holding back housing development and economic growth. We need to back mayors and local leaders to deliver in their areas for their communities. We will work with local authorities to understand all the options for increasing the supply of affordable housing.

The policies and proposals set out in this White Paper apply to England only. In Scotland, Wales and Northern Ireland, housing and planning policy is the responsibility of the Scottish Government, Welsh Government and Northern Ireland Executive respectively. The UK Government retains responsibility for housing and planning policy in England, including funding for England-only bodies such as the Homes and Communities Agency (HCA). The Mayor of London is responsible for the functions of the HCA in London.

List of proposals

Step 1: Planning for the right homes in the right places

- Making sure every part of the country has an up-to-date, sufficiently ambitious plan so that local communities decide where development should go;
- Simplifying plan-making and making it more transparent, so it's easier for communities to produce plans and easier for developers to follow them;
- Ensuring that plans start from an honest assessment of the need for new homes, and that local authorities work with their neighbours, so that difficult decisions are not ducked;
- Clarifying what land is available for new housing, through greater transparency over who owns land and the options held on it;
- Making more land available for homes in the right places, by maximising the contribution from brownfield and surplus public land, regenerating estates, releasing more small and medium-sized sites, allowing rural communities to grow and making it easier to build new settlements;
- Maintaining existing strong protections for the Green Belt, and clarifying that Green Belt boundaries should be amended only in exceptional circumstances when local authorities can demonstrate that they have fully examined all other reasonable options for meeting their identified housing requirements;
- Giving communities a stronger voice in the design of new housing to drive up the quality and character of new development, building on the success of neighbourhood planning; and
- Making better use of land for housing by encouraging higher densities, where appropriate, such as in urban locations where there is high housing demand; and by reviewing space standards.

Step 2: Building homes faster

- Providing greater certainty for authorities that have planned for new homes and reducing the scope for local and neighbourhood plans to be undermined by changing the way that land supply for housing is assessed;
- Boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals;
- Ensuring infrastructure is provided in the right place at the right time by coordinating Government investment and through the targeting of the £2.3bn Housing Infrastructure Fund;
- Securing timely connections to utilities so that this does not hold up getting homes built;
- Supporting developers to build out more quickly by tackling unnecessary delays caused by planning conditions, facilitating the strategic licensing of protected species and exploring a new approach to how developers contribute to infrastructure;
- Taking steps to address skills shortages by growing the construction workforce;
- Holding developers to account for the delivery of new homes through better and more transparent data and sharper tools to drive up delivery; and
- Holding local authorities to account through a new housing delivery test.

Step 3: Diversifying the market

- Backing small and medium-sized builders to grow, including through the Home Building Fund;
- Supporting custom-build homes with greater access to land and finance, giving more people more choice over the design of their home;
- Bringing in new contractors through our Accelerated Construction programme that can build homes more quickly than traditional builders;
- Encouraging more institutional investors into housing, including for building more homes for private rent, and encouraging family-friendly tenancies;
- Supporting housing associations and local authorities to build more homes; and
- Boosting productivity and innovation by encouraging modern methods of construction in house building.

Step 4: Helping people now

- Continuing to support people to buy their own home – through Help to Buy and Starter Homes;
- Helping households who are priced out of the market to afford a decent home that is right for them through our investment in the Affordable Homes Programme;
- Making renting fairer for tenants;
- Taking action to promote transparency and fairness for the growing number of leaseholders;
- Improving neighbourhoods by continuing to crack down on empty homes, and supporting areas most affected by second homes;
- Encouraging the development of housing that meets the needs of our future population;
- Helping the most vulnerable who need support with their housing, developing a sustainable and workable approach to funding supported housing in the future; and
- Doing more to prevent homelessness by supporting households at risk before they reach crisis point as well as reducing rough sleeping.

CONTENTS

1

Planning for the right homes in the right places

Summary

If we are to build the homes this country needs, we need to make sure that enough land is released in the right places, that the best possible use is made of that land, and that local communities have control over where development goes and what it looks like.

This chapter sets out our proposals to:

- make sure every part of the country has an up-to-date, sufficiently ambitious plan so that local communities decide where development should go;
- simplify plan-making and make it more transparent, so it's easier for communities to produce plans and easier for developers to follow them;
- ensure that plans start from an honest assessment of the need for new homes, and that local authorities work with their neighbours, so that difficult decisions are not ducked;
- clarify what land is available for new housing, through greater transparency over who owns land and the options held on it;
- make more land available for homes in the right places, by maximising the contribution from brownfield and surplus public land, regenerating estates, releasing more small and medium sized sites, allowing rural communities to grow and making it easier to build new settlements;
- maintain existing strong protections for the Green Belt, and clarify that Green Belt boundaries should be amended only in exceptional circumstances when local authorities can demonstrate that they have fully examined all other reasonable options for meeting their identified housing requirements;
- give communities a stronger voice in the design of new housing to drive up the quality and character of new development, building on the success of neighbourhood planning; and
- make better use of land for housing by encouraging higher densities where appropriate, such as in urban locations where there is high housing demand; and by reviewing space standards.

More details of these proposals, and questions for consultation, can be found in the annex.

The case for change

1.1 Up-to-date plans are essential because they provide clarity to communities and developers about where homes should be built and where not, so that development is planned rather than the result of speculative applications. At present too few places have an up-to-date plan: at the end of January 2017, 34 local planning authorities had not published a local plan for consultation, despite having had over twelve years to do so; and only a third of authorities had adopted a plan since the National Planning Policy Framework was published in March 2012.[20] Even where plans are in place they may not be fulfilling their objective to recognise and plan for the homes that are needed.

1.2 Plan-making remains slow, expensive and bureaucratic, with arguments about the number of homes to be planned for often being a particular cause of delay – something not helped by the lack of a standard methodology for assessing housing requirements. We want to ensure that every area has an effective, up-to-date, plan – by making it easier for plans to be produced and understood, and simpler to identify the homes that are required. Effectiveness means plans meeting as much of that housing requirement as possible, in ways that make good use of land and result in well-designed and attractive places to live.

1.3 In spite of the progress being made to bring more brownfield land back into use, plans don't always encourage a sufficiently wide range of sites to come forward to meet local housing requirements. Often, there is also scope to involve the community earlier in the design of schemes, and to do more with the land which is identified, so homes can be accommodated efficiently. We remain committed to our manifesto promise to protect the Green Belt.

1.4 In response, this chapter sets out our proposals to reform plan-making, identify sufficient land in the right locations and make the most of development opportunities; with more community involvement to secure the best outcomes for both people and places.

1.5 A number of the proposals build on consultations and reviews conducted over the last year: the report of the Local Plans Expert Group; consultations on changes to the National Planning Policy Framework,[21] technical changes to planning and 'building up' in London; and the Rural Planning Review call for evidence.[22] The Government has taken account of responses to these consultations in deciding the way forward. A summary of the responses to each consultation is being published alongside this White Paper.

Getting plans in place

Making sure every community has an up-to-date, sufficiently ambitious plan

1.6 We are legislating through the Neighbourhood Planning Bill to put beyond doubt the requirement for all areas to be covered by a plan. Authorities that fail to ensure an up-to-date plan is in place are failing their communities, by not recognising the homes and other facilities that local people need, and relying on ad hoc, speculative development that may not make the most of their area's potential.

1.7 Our proposals in this White Paper will make plans easier to produce, and we will provide authorities with the support they need. But, as we have indicated previously,[23] **we will, when necessary, intervene to ensure that plans are put in place, so that communities in the areas affected are not disadvantaged by unplanned growth**. New powers proposed in the Neighbourhood Planning Bill will strengthen our ability to do so.

20 Monitoring by DCLG and the Planning Inspectorate

21 The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these are expected to be applied. https://www.gov.uk/government/publications/national-planning-policy-framework--2

22 Local Plans Expert Group (2016) *Local Plans: Report to the Communities Secretary and to the Minister of Housing and Planning*. http://lpeg.org/; DCLG (2015) *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes; DCLG (2016) *Technical consultation on implementation of planning changes*. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507019/160310_planning_consultation.pdf; DCLG (2016) *Consultation on upward extensions in London*. Available at: www.gov.uk/government/consultations/upward-extensions-in-london;DCLG (2016) *Rural Planning Review: Call for Evidence*. Available at: www.gov.uk/government/consultations/rural-planning-review-call-for-evidence.

23 Written Statement made by the Minister of State for Housing and Planning, 20 July 2015. Available at: https://www.parliament.uk/documents/commons-vote-office/July%202015/21%20July/8-Communities-and-Local-Government-Local-Plans.pdf

1.8 We also want to strengthen expectations about keeping plans up-to-date. Plans should be reviewed regularly, and are likely to require updating in whole or in part at least every five years. The Neighbourhood Planning Bill proposes to allow the Secretary of State to require local planning authorities to review local plans and other local development documents at prescribed intervals. **We will set out in regulations a requirement for these documents to be reviewed at least once every five years**. An authority will need to update their plan if their existing housing target can no longer be justified against their objectively assessed housing requirement, unless they have agreed a departure from the standard methodology with the Planning Inspectorate.

1.9 Where an authority has demonstrated that it is unable to meet all of its housing requirement, it must be able to work constructively with neighbouring authorities on how best to address the remainder. The duty to co-operate already places a legal requirement on local planning authorities to collaborate where cross-boundary issues arise during plan-making. However in some parts of the country this has not been successful. To address this **we will consult on changes to the National Planning Policy Framework, so that authorities are expected to prepare a Statement of Common Ground**, setting out how they will work together to meet housing requirements and other issues that cut across authority boundaries.

Making plans easier to produce

1.10 Plan-making remains expensive and bureaucratic, and can appear inaccessible to local communities. Building on measures in the Neighbourhood Planning Bill we propose to:

- **ensure that every authority is covered by a plan, but remove the expectation that they should be covered by a single local plan. Instead, we will set out the strategic priorities that each area should plan for, with flexibility over how they may do so**. The changes will also make clear that documents should not duplicate one another unless clearly justified; amend the tests for assessing whether a plan is 'sound'; and make the evidence needed to support plans more proportionate;
- **enable spatial development strategies, produced by new combined authorities or elected Mayors, to allocate strategic sites;**[24] and
- **improve the use of digital tools to make plans and planning data more accessible, and review the consultation and examination procedures for all types of plan** to ensure they are proportionate.

1.11 Further details of our proposals are set out in the annex.

Assessing housing requirements

1.12 The current approach to identifying housing requirements is particularly complex and lacks transparency. The National Planning Policy Framework (NPPF) sets out clear criteria but is silent on how this should be done. The lack of a standard methodology for doing this makes the process opaque for local people and may mean that the number of homes needed is not fully recognised. It has also led to lengthy debate during local plan examinations about the validity of the particular methodology used, causing unnecessary delay and wasting taxpayers' money. The Government believes that a more standardised approach would provide a more transparent and more consistent basis for plan production, one which is more realistic about the current and future housing pressures in each place and is consistent with our modern Industrial Strategy. This would include the importance of taking account of the needs of different groups, for example older people.

1.13 **The Government will, therefore, consult on options for introducing a standardised approach to assessing housing requirements**. We will publish this consultation at the earliest opportunity this year, with the outcome reflected in changes to the National Planning Policy Framework.

1.14 We want councils to use the new standardised approach as they produce their plans and will incentivise them to do so. We expect councils that decide not to use the new approach to explain why not and to justify to the Planning Inspectorate the methodology they have adopted in their area. We will consult on what constitutes a reasonable justification for deviating from the standard methodology, and make this explicit in the National Planning Policy Framework.

24 Where these strategies require unanimous agreement of members of the combined authority concerned.

1.15 To incentivise authorities to get plans in place, in the absence of an up-to-date local or strategic plan **we propose that by April 2018 the new methodology for calculating objectively assessed requirement would apply as the baseline for assessing five year housing land supply and housing delivery**. In specific circumstances where authorities are collaborating on ambitious proposals for new homes, the Secretary of State would be able to give additional time before this new baseline applies. We will consult on these proposals.

1.16 Whatever the methodology for assessing overall housing requirements, we know that more people are living for longer. **We propose to strengthen national policy so that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs, such as older and disabled people.**

Making land ownership and interests more transparent

1.17 It can be difficult to establish the identity of all persons with an interest in land. The Government would like to make data about land ownership, control and interests more readily available to all. This will help identify land that may be suitable for housing, allow communities to play a more active role in developing plans, support digital plan-making, help new entrants to the market and offer wider benefits. We are therefore launching an ambitious programme to improve the availability of land and property data.

1.18 **HM Land Registry is committed to becoming the world's leading land registry for speed, simplicity and an open approach to data and will aim to achieve comprehensive land registration by 2030**. This will include all publicly-held land in the areas of greatest housing need being registered by 2020, with the rest to follow by 2025. It will aid better data sharing across government for the purposes of supporting development, ensuring financial stability, tax collection, law enforcement and the protection of national security.

1.19 Alongside the improved registration of land, the Government proposes to improve the availability of data about wider interests in land. There are numerous ways of exercising control over land, short of ownership, such as through an option to purchase land or as a beneficiary of a restrictive covenant. There is a risk that because these agreements are not recorded in a way that is transparent to the public local communities are unable to know who stands to benefit fully from a planning permission. They could also inhibit competition because SMEs and other new entrants find it harder to acquire land. There is the additional risk that this land may sit in a 'land bank' once an option has been acquired without the prospect of development.

1.20 **The Government will consult on improving the transparency of contractual arrangements used to control land**. Following consultation, any necessary legislation will be introduced at the earliest opportunity. We will also consult on how the land register can better reflect wider interests in land with the intention of providing a 'clear line of sight' across a piece of land setting out who owns, controls or has an interest in it.

1.21 **The Government also proposes to improve the availability of data about wider interests in land by:**

- releasing, free of charge, its commercial and corporate ownership data set, and the overseas ownership data set, and
- publishing a draft Bill to implement the Law Commission's proposals for the reform of restrictive covenants and other interests.

Making enough land available in the right places

1.22 Local planning authorities have a responsibility to do all they can to meet their housing requirements, even though not every area may be able to do so in full. To strengthen expectations, **the Government is proposing to amend the National Planning Policy Framework** so that when preparing plans:

- authorities should have **a clear strategy to maximise the use of suitable land** in their area, so it is clear how much development can be accommodated; and
- their identified housing requirement should be accommodated **unless there are policies elsewhere in the National Planning Policy Framework that provide strong reasons for restricting development, or the adverse impacts of meeting this requirement would significantly and demonstrably outweigh the benefits.**

1.23 What this means in practice will depend on the housing requirements and opportunities in each area, but we are proposing a number of changes to underline particular priorities that should be pursued.

Bringing brownfield land back into use

1.24 We must make as much use as possible of previously-developed ('brownfield') land for homes – so that this resource is put to productive use, to support the regeneration of our cities, towns and villages, to support economic growth and to limit the pressure on the countryside. The Government is already pursuing a number of reforms to make this happen, as set out in the annex.

1.25 Going further, the presumption should be that brownfield land is suitable for housing unless there are clear and specific reasons to the contrary (such as high flood risk). To make this clear, we will **amend the National Planning Policy Framework to indicate that great weight should be attached to the value of using suitable brownfield land within settlements for homes**, following the broad support for this proposal in our consultation in December 2015.[25]

More homes on public sector land

1.26 We have a particular responsibility to make the most of surplus land which is already in public ownership. The Government has an ambition to release surplus public land with capacity for 160,000 homes during this Parliament. We are operating our Accelerated Construction programme on some of this land. Local authorities are working on parallel proposals to use surplus public land for a further 160,000 homes over the Parliament. **We are providing further support for local authorities by launching a new £45m Land Release Fund and have already had a large number of expressions of interest for participation in the Accelerated Construction programme** outlined in Chapter 3.

1.27 In addition, we propose to **ensure all authorities can dispose of land with the benefit of planning permission which they have granted to themselves**. We will also **consult on extending their flexibility to dispose of land at less than best consideration** and welcome views on **what additional powers or capacity they need to play a more active role in assembling land for development** (including whether additional powers are needed to prevent 'ransom strips' delaying or preventing development, especially in brownfield regeneration). For example, in many countries local authorities regularly work with local landowners to assemble land for housing (see case study from Bonn below).

1.28 In support of the Government's national strategy on estate regeneration,[26] we also propose to amend national policy to **encourage local planning authorities to consider the social and economic benefits of estate regeneration, and use their planning powers to help deliver this to a high standard.**

Supporting small and medium sized sites, and thriving rural communities

1.29 Policies in plans should allow a good mix of sites to come forward for development, so that there is choice for consumers, places can grow in ways that are sustainable, and there are opportunities for a diverse construction sector. Small sites create particular opportunities for custom builders and smaller developers. They can also help to meet rural housing needs in ways that are sensitive to their setting while allowing villages to thrive.

1.30 Reflecting proposals set out in the Government's previous consultation on changes to the National Planning Policy Framework,[27] we will:

- amend national policy to **expect local planning authorities to have policies that support the development of small 'windfall' sites** (those not allocated in plans, but which come forward on an ad hoc basis); and
- **indicate that great weight should be given to using small undeveloped sites within settlements for homes**, where they are suitable for residential development.[28]

25 National Planning Policy: Consultation on proposed changes. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes.
26 DCLG (2016) *Estate Regeneration National Strategy*. Available at: https://www.gov.uk/guidance/estate-regeneration-national-strategy
27 DCLG (2015) *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes
28 Small sites for this purpose are those capable of accommodating fewer than 10 units, or which are smaller than 0.5ha.

1.31 These changes apply to all types of area. Together with the additional weight that national policy will place on the benefits of developing brownfield land, they will ensure there is a clear presumption that residential development opportunities on small sites should be treated positively. We will ensure councils can continue to protect valued areas of open space and the character of residential neighbourhoods, and stop unwanted garden grabbing.

1.32 There are opportunities to go further to support a good mix of sites, meet rural housing needs and increase the supply of land available to small and medium sized house builders.

1.33 We are proposing a number of additional changes to the National Planning Policy Framework to:

- **give much stronger support for sites that provide affordable homes for local people;**[29]
- **highlight the opportunities that neighbourhood plans present for identifying and allocating sites that are suitable for housing**, drawing on the knowledge of local communities;

Case Study: Roettgen, Bonn

Images © roettgen-online.com

Bonn city council has made extensive use of land pooling and typically has several pooling processes running concurrently. One of its most recent projects has involved the assembly of a 25 hectare site in Roettgen on the edge of Bonn to build 300 homes along with local infrastructure. The 'Am Hoelder' site was formerly low-grade agricultural land, owned by 80 different landowners, including the council. After local consultation and negotiations with the landowners the council resolved to use land pooling to plan a new urban extension to accommodate much needed local housing. This involved the council assembling all land ownerships, then preparing a masterplan, obtaining outline planning permission and using local contractors to create serviced plots ready for housing development. Each landowner then received one or more of the 186 building plots according to their share of either the original land value or land area, minus public administration and infrastructure costs.

As the Council was also a landowner in the area it was able to deliver 52 council-owned plots for family housing and apartments, some of which it sold at reduced prices to younger families and first time buyers that live in the wider Bonn area. Others were sold directly to local builders for the construction of apartments according to council specifications.

29 In relation to 'rural exception sites' which are small sites used to provide affordable housing for local communities on land which would not normally be released for homes, as defined in the National Planning Policy Framework. Local Authorities can set a 'local connection' test to ensure the home goes to those local people who need them most.

- **expect local planning authorities to identify opportunities for villages to thrive**, especially where this would support services and help meet the need to provide homes for local people who currently find it hard to live where they grew up;
- make clear that on top of the allowance made for windfall sites, **at least 10% of the sites allocated for residential development in local plans should be sites of half a hectare or less;**
- 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 for development more quickly.

1.34 We are also supporting communities to take the lead in building their own homes in their areas. The new Community Housing Fund will support community-led housing projects such as community land trusts in many rural areas affected by a high number of second homes. Almost £20 million of the fund has been allocated to the South West, where this issue is particularly acute

Case study: Bicester Garden Town

Photo credit: Bluesky World International Ltd/ Cherwell District Council

Over the next 15 years, Bicester will be transformed, with more than 13,000 new homes, 18,500 jobs, significant transport improvements and a regenerated town centre.

Bicester Garden Town is based on a clear vision, grounded in close community engagement. Extensive consultation has been undertaken to understand what people like about the town; what they hope to see improved; and how they picture Bicester in the future.

A comprehensive masterplan has been commissioned and home building is well under way:

- At Graven Hill, the UK's largest custom-build scheme for 2,000 homes on former Ministry of Defence land, the first 52 custom-build plots have been released for sale. People with a local connection have the opportunity to purchase first.
- At North West Bicester, 6,000 homes are being built to the highest standards of sustainability. The first 87 new homes have been completed and new residents are moving in.

Bicester is also part of NHS England's Healthy New Towns programme. This is exploring opportunities to use the built environment to promote healthy lives, alongside new models of health and care services, to improve the community's physical health, mental wellbeing and independence.[30]

30 Further information at: https://www.england.nhs.uk/ourwork/innovation/healthy-new-towns/

A new generation of new communities

1.35 We need to make the most of the potential for new settlements alongside developing existing areas. Well-planned, well-designed, new communities have an important part to play in meeting our long-term housing needs. Provided they are supported by the necessary infrastructure, they are often more popular with local communities than piecemeal expansion of existing settlements. Policy Exchange, for example, have highlighted the benefits of garden villages.[31]

1.36 The Government is already supporting a new wave of garden towns and villages, and will work with these and any future garden communities to ensure that development and infrastructure investment are as closely aligned as possible. **We will also legislate to allow locally accountable New Town Development Corporations** to be set up, enabling local areas to use them as the delivery vehicle if they wish to. The Government will also explore what opportunities garden cities, towns and villages might offer for bringing large-scale development forward in ways that streamline planning procedures and encourage locally-led, high quality environments to be created. The Centre for Policy Studies proposed the idea of 'pink zones' with this goal in mind and we are looking carefully at their recommendations.[32]

Green Belt land

1.37 Our Manifesto commits ours to be the first generation to leave the natural environment better than we found it – which we will take forward through our 25 Year Environment Plan. The Green Belt is highly valued by communities, particularly those on the edge of urban areas. The fundamental aim of Green Belt, since its introduction in the 1950s, has been to prevent urban sprawl by keeping land permanently open. It has been largely successful in this aim – the percentage of land covered by Green Belt has remained at around 13% since at least 1997.[33] However parts of it are not the green fields we often picture, and public access can be limited, depending on ownership and rights of way.

1.38 In the last Parliament, the Government increased Green Belt protection by abolishing the unpopular and counter-productive Regional Strategies that sought to delete areas of Green Belt. Our manifesto reiterated our commitment to protecting the Green Belt. The National Planning Policy Framework is already clear that Green Belt boundaries should be amended only "in exceptional circumstances" when plans are being prepared or revised, but does not define what those circumstances are. The Government wants to retain a high bar to ensure the Green Belt remains protected, but we also wish to be transparent about what this means in practice so that local communities can hold their councils to account.

1.39 Therefore **we propose to amend and add to 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 requirements, including:
  - making effective use of suitable brownfield sites and the opportunities offered by estate regeneration;
  - the potential offered by land which is currently underused, including surplus public sector land where appropriate;
  - optimising the proposed density of development; and
  - exploring whether other authorities can help to meet some of the identified development requirement.
- **and 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. We will also explore whether higher contributions can be collected from development as a consequence of land being released from the Green Belt.

1.40 **We welcome other suggestions for what reasonable options local authorities should be expected to examine before amending Green Belt boundaries.**

31 Policy Exchange, *Garden Villages: Empowering localism to solve the housing crisis* https://policyexchange.org.uk/wp-content/uploads/2016/09/garden-villages.pdf

32 Boyfield K and Greenberg D (2014) *Pink Planning*. Available at: http://www.cps.org.uk/publications/reports/pink-planning-diluting-the-red-tape/

33 DCLG Local authority green belt statistics for England: 2015 to 2016 https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2015-to-2016

Strengthening neighbourhood planning and design

1.41 New development affects us all, whether by providing a place to live or as something that affects the look and feel of where we live. That's why we want communities to have a more direct say over development in their area.[34] The neighbourhood planning movement has already been successful in encouraging communities to play a more active role in shaping their place, in terms of both how much and what gets built. Over 270 neighbourhood plans have come into force since 2012. Analysis suggests that giving people more control over development in their area is helping to boost housing numbers in plans. Those plans in force that plan for a housing number have on average planned for approximately 10% more homes than the number for that area set out by the relevant local planning authority.[35]

1.42 **The Neighbourhood Planning Bill contains a number of measures to encourage the preparation of neighbourhood plans**, by giving them full weight in the planning process as early as possible; introducing a streamlined procedure for modifying neighbourhood plans and areas; and requiring local planning authorities to set out how they will help neighbourhood planning groups and involve communities in their wider plan-making activity.

1.43 To further support the process:

- **the Government will make further funding available to neighbourhood planning groups from 2018-2020**, so they can access the additional support they might need, for example where they allocate sites for housing and in planning for better design;
- **we propose to amend planning policy so that neighbourhood planning groups can obtain a housing requirement figure** from their local planning authority, to help avoid delays in getting a neighbourhood plan in place.

1.44 We want to ensure that communities can influence the design of what gets built in their area. Local people want new developments to reflect their views about how their communities should evolve, whether it is in keeping with the traditional character of their area or a beautiful contemporary design that adds to the existing built environment. Good design is also fundamental to creating healthy and attractive places where people genuinely want to live, and which can cater for all members of the community, young or old.

1.45 73 per cent of people say they would support the building of more homes if well designed and in keeping with their local area.[36] That's why the National Planning Policy Framework is clear about the importance of good design, but too often local people hear about schemes late in the day, after a planning application has been submitted. Many places lack clear design guidance or codes that set early expectations for both developers and the community. Inadequate community involvement and insufficient certainty can fuel objections, cause delays and increase the risk of poor quality outcomes.

1.46 To improve the approach to design, the Government proposes to amend the National Planning Policy Framework to:

- **expect that local and neighbourhood plans (at the most appropriate level) and more detailed development plan documents (such as action area plans) should set out clear design expectations** following consultation with local communities. This will provide greater certainty for applicants about the sort of design which is likely to be acceptable – using visual tools such as design codes that respond to local character and provide a clear basis for making decisions on development proposals;
- **strengthen the importance of early pre-application discussions** between applicants, authorities and the local community about design and the types of homes to be provided;
- **make clear that design should not be used as a valid reason to object to development where it accords with clear design expectations set out in statutory plans;**

34 For example research by the Prince's Foundation has highlighted how effective community involvement is essential for creating successful places and securing public support for new development: http://www.housing-communities.org/'

35 DCLG (2016) *Neighbourhood Planning – progress on housing delivery*. Available at: http://mycommunity.org.uk/resources/progress-on-housing-delivery-through-neighbourhood-planning/

36 National Housing and Planning Advice Unit (2010) *Public Attitudes to Housing*. Available at: http://webarchive.nationalarchives.gov.uk/20110203064124/http://www.communities.gov.uk/documents/507390/nhpau/pdf/16127041.pdf

- **recognise the value of using a widely accepted design standard**, such as Building for Life,[37] in shaping and assessing basic design principles. These principles are crucial to the success of a scheme, but often get less attention than what a house looks like. They should be reflected in plans and be given sufficient weight in the planning process.

1.47 The Government intends to collaborate with planning authorities and the development industry to ensure that effective policies and processes for securing good design locally are identified and publicised. New funding to boost the capacity and capability of local authorities will also help communities develop policies and frameworks for securing better design in their areas.

1.48 To really feel involved in the process, we need to help local people to describe what good design and local character looks like in their view. The longer-term ambition is that the Government will support the development of digital platforms on design, to create pattern-books or 3D models that can be implemented through the planning process and used to consult local people on potential designs for their area.

Building good quality homes

1.49 An effective system of Building Regulations and building control is essential to ensuring that homes are built to good quality standards, are safe, highly energy efficient, sustainable, accessible and secure. The fundamentals of the Building Regulations system remain sound and important steps were taken in the last Parliament to rationalise housing standards.

Case study: The Avenue, Saffron Walden

Photo credit: © Tim Crocker

The Avenue in Saffron Walden, by housebuilder Hill, a medium-sized builder, is an example of delivering sensitive design that responds well to its context and optimises development on a suburban infill site.

A total of 76 new homes are inserted into a conservation area in a historic market town and a semi-rural landscape. The project takes its cue from the fabric and grain of Saffron Walden and the Essex countryside. The layout is made up of a tree lined avenue and series of intimate courtyards that preserve sensitive local landscape features and engenders a sense of community.

New detached houses for market sale, affordable family houses and smaller homes for the over-55 market are provided to address local housing need. The layout avoids the use of standard type plans and each home responds to its location, aspect and its relationship to its neighbours, creating individuality and variety. Building forms and the palette of materials draws from local traditional references without resorting to pastiche.

The development won a RIBA National Award in 2016.

37 Birkbeck D and Kruczkowski S (2015) *Building for Life 12: The sign of a good place to live*. Available at: www.designcouncil.org.uk/resources/guide/building-life-12-third-edition.

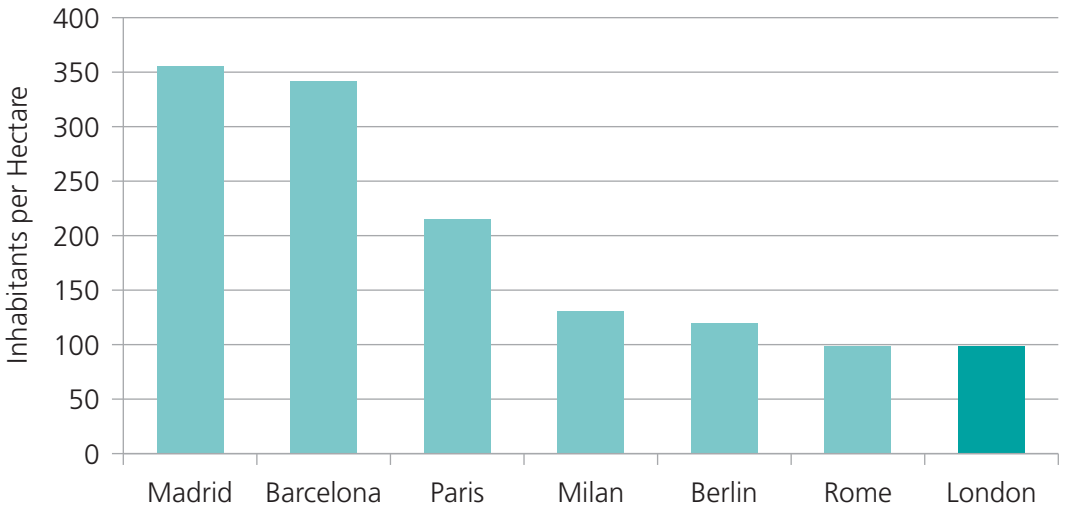
The All Party Parliamentary Group for Excellence in the Built Environment has since looked into the quality and workmanship of new build housing in England[38]. The Government will keep requirements under review, to ensure that they remain fit for purpose and meet future needs. This includes **looking at further opportunities for simplification and rationalisation while maintaining standards**.

1.50 Since 1990, we have seen a significant improvement in the quality of Britain's new build homes that has helped keep bills as low as possible and cut carbon emissions. But there is more to do, particularly if we want to avoid consumers having to carry out expensive, inconvenient retrofit at a later date. We have started work on a review of the cost effectiveness of current energy performance standards, which will have due regard to our domestic fuel poverty and climate change targets. We will **consult on improving requirements on new homes this Parliament if evidence suggests that there are opportunities to do so without making homes less affordable for those who want to buy their own home. More detail will be set out in the Government's forthcoming Emissions Reduction Plan.**

Using land more efficiently for development

1.51 Not all development makes good use of land, especially in areas where demand is high and available land is limited. London, for example, is a relatively low-density city especially in its suburbs. When people picture high-density housing, they tend to think of unattractive tower blocks, but some of the most desirable places to live in the capital are in areas of higher density mansion blocks, mews houses and terraced streets.[39]

Figure 5: Average population weighted density in urban areas for selected European cities [40]



38 APPG for Excellence in the Built Environment (2016) *More Homes, fewer complaints: report from the Commission of Inquiry into the quality and workmanship of new housing in England*. Available at: http://cic.org.uk/services/reports.php

39 Create Streets have looked at the potential for high-density housing at Mount Pleasant, London: http://www.academia.edu/10797484/Mount_Pleasant_Circus

40 Lavalle, Carlo; Aurambout, Jean-Philippe (2015) UI - Population weighted density (LUISA Platform REF2014). European Commission, Joint Research Centre (JRC). Available at: http://data.europa.eu/89h/jrc-luisa-ui-population-weighted-density-ref-2014

1.52 A locally led approach is important to ensure that development reflects the character and opportunities presented by each area. At the same time, authorities and applicants need to be ambitious about what sites can offer, especially in areas where demand is high and land is scarce, and where there are opportunities to make effective use of brownfield land.

1.53 To help ensure that effective use is made of land, and building on its previous consultations,[41] **the Government proposes to amend the National Planning Policy Framework to make it clear that plans and individual development proposals should**:

- **make efficient use of land and avoid building homes at low densities** where there is a shortage of land for meeting identified housing requirements;
- **address the particular scope for higher-density housing in urban locations** that are well served by public transport (such as around many railway stations); that provide scope to replace or build over low-density uses (such as retail warehouses, lock-ups and car parks[42]); or where buildings can be extended upwards by using the 'airspace' above them;
- **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; for example, avoiding a rigid application of open space standards if there is adequate provision in the wider area.

1.54 The Government would welcome ideas on how planning policy can further encourage more innovative uses of land in areas of high housing need, including considering new permitted development rights. Consultation questions are set out in the annex.

1.55 The use of minimum space standards for new development is seen as an important tool in delivering quality family homes. However the Government is concerned that a one size fits all approach may not reflect the needs and aspirations of a wider range of households. For example, despite being highly desirable, many traditional mews houses could not be built under today's standards. We also want to make sure the standards do not rule out new approaches to meeting demand, building on the high quality compact living model of developers such as Pocket Homes.[43] **The Government will review the Nationally Described Space Standard to ensure greater local housing choice**, while ensuring we avoid a race to the bottom in the size of homes on offer.

41 *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes; DCLG (2016); *Consultation on upward extensions in London*. Available at: www.gov.uk/government/consultations/upward-extensions-in-london;DCLG (2016

42 JLL (2017) *Driving Innovation* Available at: http://www.jll.co.uk/united-kingdom/en-gb/news/2906/car-parks-could-provide-four-hundred-thousand-new-uk-homes

43 https://www.pocketliving.com

CONTENTS

2

Building homes faster

Summary

Where communities have planned for new homes, we want to ensure those plans are implemented to the timescales expected.

This chapter sets out proposals to:

- Provide greater certainty for authorities that have planned for new homes and reduce the scope for local and neighbourhood plans to be undermined by changing the way that land supply for housing is assessed;
- Boost local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals;
- Ensure infrastructure is provided in the right place at the right time by coordinating Government investment and through the targeting of the £2.3bn Housing Infrastructure Fund;
- Secure timely connections to utilities so that this does not hold up getting homes built;
- Support developers to build out more quickly by tackling unnecessary delays caused by planning conditions, facilitating the strategic licensing of protected species and exploring a new approach to how developers contribute to infrastructure;
- Take steps to address skills shortages by growing the construction workforce;
- Hold developers to account for the delivery of new homes through better and more transparent data and sharper tools to drive up delivery; and
- Hold local authorities to account through a new housing delivery test.

More details of these proposals, and questions for consultation, can be found in the annex.

The case for change

2.1 Where communities have planned for new homes, we want to ensure those plans are implemented to the timescales expected. At the moment there are often significant lags between plans being developed, full permissions for new homes being granted, and those homes being built. As of July 2016 there were 684,000 homes with detailed planning permission granted on sites which had not yet been completed. Of these, building had started on just 349,000 homes.[44]

2.2 This chapter sets out a package of proposals to give communities, local authorities and developers the support and backing to build homes more quickly. Tackling these challenges will require a partnership between all the actors in the market – from developers, local authorities, central government and its agencies, and utility providers – to identify and tackle blockages at every stage of the development process.

2.3 Slow building of new homes undermines local and neighbourhood plans. Where an authority cannot demonstrate a five-year supply of land against the housing target in its local plan, it is vulnerable to speculative development. This means the local community can lose a significant degree of control over where new housing is built, which undermines public confidence in the plan-led system.

2.4 Strong leadership, transparent data on delivery of housing and a systematic approach to addressing blockages is vital to keeping home-building on track. Local authorities and developers have told us about a range of issues that slow down the building of new homes, such as local planning authority capacity to handle applications; too many applications going to appeal; the time taken to discharge planning conditions or address planning obligations; a lack of infrastructure; problems securing the necessary utility connections; excessive bureaucracy in protecting species like great crested newts; and skills shortages.

2.5 This chapter sets out our proposals to tackle delays. Alongside taking action to address the issues that developers and local authorities tell us are holding up home building, it is only reasonable to ask them to up their game.

2.6 Areas that rise to the challenge, put robust plans in place and deliver on those plans will be in a strong position to resist proposals that do not accord with their plan. But this chapter also outlines proposals to hold developers and local authorities to account, if they fail to deliver the homes people need.

Providing greater certainty

2.7 At present, where an authority cannot demonstrate a five-year supply of land to cater for its housing need, it is vulnerable to its plan being undermined. This is because in these circumstances their plan is deemed to be out of date and the presumption in favour of sustainable development applies.

2.8 This policy has been effective but is also a blunt tool and has had some negative effects on local planning, including:

- increased rates of appeal, particularly in areas with a marginal five-year land supply, which creates uncertainty for applicants and communities alike;
- increased cost and time, as local planning authorities and developers argue over whether a five-year land supply is in place; and
- neighbourhood plans being undermined, by leaving them vulnerable to speculative applications where the local planning authority does not have a five-year housing land supply.

44 Of the remaining 335,000 homes with permission, we understand that 90% of these are progressing towards a start and 18,000 (5%) units are on sites that are 'on hold or shelved', the remaining 15,000 units are on sites that have been sold or for which there is no information available. This includes only those units that have been granted detailed planning permission, or approval of reserved matters, on sites with ten or more homes. Source: DCLG analysis of Glenigan data.

2.9 The Local Plans Expert Group[45] recommended that whether a five-year housing land supply exists or not should be capable of agreement on an annual basis, through discussion between authorities and development interests (both large and small builders) and key infrastructure providers in each area, and subject to consultation and examination. Having considered responses to that proposal, the **Government will amend the National Planning Policy Framework to give local authorities the opportunity to have their housing land supply agreed on an annual basis, and fixed for a one-year period.**

2.10 The Government also wishes to provide more certainty for those neighbourhoods that have produced plans but are at risk of speculative development because the local planning authority has failed to maintain a five year land supply. Through a Written Ministerial Statement of 12 December 2016, we made clear that **where communities plan for housing through a neighbourhood plan, these plans should not be deemed out-of-date unless there is a significant lack of land supply for housing in the wider local authority area.**

2.11 The revised policy will ask neighbourhoods to demonstrate that their site allocations and housing supply policies will meet their share of housing need. To ensure that housing is being delivered across the wider local authority area, we propose that the protection for neighbourhood plans will not apply where delivery in the local planning authority is less than 65% from the year 2020 (25% in 2018; 45% in 2019) as measured by the housing delivery test set out later in this White Paper.

2.12 These proposals offer areas that have robust plans in place, which take account of historic build out rates for sites, greater protection and certainty in implementing local policies agreed in consultation with local communities. Further detail about the proposal can be found in the annex.

Boosting local authority capacity and capability to deliver

2.13 Developers consistently tell us that the lack of capacity and capability in planning departments is restricting their ability to get on site and build.[46] Alongside funding, local authorities also report difficulties in recruiting and retaining planners and others with specialist skills. There may also be wider capacity and skills issues for local authorities.[47]

2.14 We will take steps to secure the financial sustainability of planning departments; ensure that the planning system has the skilled professionals it needs to assess and make the tough decisions we expect; and provide targeted support to address areas of specialist weakness.

2.15 We will **increase nationally set planning fees**. Local authorities will be able to increase fees by 20% from July 2017 if they commit to invest the additional fee income in their planning department. We are also minded to allow an increase of a further 20% for those authorities who are delivering the homes their communities need and we will consult further on the detail. Alongside we will keep the resourcing of local authority planning departments, and where fees can be charged, under review.

45 Local Plans Expert Group (2016) *Local Plans: Report to the Communities Secretary and to the Minister of Housing and Planning*. Available at: http://lpeg.org/

46 For example almost three quarters of firms responding to the annual Knight Frank house building survey supported increased resources for planning departments. Knight Frank (2016) *Housebuilding Report 2016* Available at: https://kfcontent.blob.core.windows.net/research/297/documents/en/2016-3851.pdf

47 The House of Lords Economic Affairs Committee highlighted the under-resourcing of planning departments in its report *Building More Homes*, p.41: http://www.publications.parliament.uk/pa/ld201617/ldselect/ldeconaf/20/20.pdf

2.16 **We will make available £25m of new funding to help ambitious authorities in areas of high housing need to plan for new homes and infrastructure**. This funding will support local authorities to engage their communities on the design and mix of new homes, as well as where they should go. And it will enhance their capacity to manage delivery.

Deterring unnecessary appeals

2.17 An applicant's right to appeal to the Planning Inspectorate if they are unhappy with the decision of their local planning authority is a fundamental part of our planning system. However, unnecessary appeals can be a source of delay and waste taxpayers' money. **We will consult on introducing a fee for making a planning appeal**. We are interested in views on this approach and in particular whether it is possible to design a fee in such a way that it does not discourage developers, particularly SMEs, from bringing forward legitimate appeals. One option would be for the fee to be capped, for example at a maximum of £2000 for the most expensive route (full inquiry). All fees could be refunded in certain circumstances, such as when an appeal is successful, and there could be lower fees for less complex cases.

Ensuring infrastructure is provided in the right place at the right time

2.18 Previous governments have failed to align new infrastructure with new housing. The result has been delays in build out and increased opposition to house building as existing communities find that a new housing development down the road means more congestion on local roads and pressure on places at the local school. We will take a more coordinated approach across government to make sure the right infrastructure is provided in the right places at the right time to unlock housing delivery. We need to work with mayors and local leaders, taking a place-based approach, to better empower them to drive delivery of homes, jobs and shared prosperity for their areas.

2.19 **We will target the £2.3bn Housing Infrastructure Fund at the areas of greatest housing need.** We will open this capital grant programme to bids in 2017, with money available over the next four years. We expect to fund a variety of infrastructure projects (including transport and utilities)

National Infrastructure Commission interim report into the Cambridge – Milton Keynes – Oxford corridor

In May 2016, the Government asked the National Infrastructure Commission (NIC) to make recommendations on the measures required to maximise the potential of the Cambridge – Milton Keynes – Oxford corridor as a single, knowledge-intensive cluster that competes on the global stage, whilst protecting the area's high quality environment and securing the homes and jobs the area needs.

In its interim report in November 2016, the NIC found that a shortage of housing represents a fundamental risk to the success of the area, and that in order to tackle this, the challenges of poor east-west connectivity needed to be addressed. It said that:

> "Investment in infrastructure, including enhanced east-west transport links, can help to address these challenges, but it must be properly aligned with a strategy for new homes and communities, not developed in isolation. This means local authorities working in partnership, and with national government, to plan places, homes and transport together. Current governance mechanisms are not sufficient to deliver the step-change in strategic leadership and collaboration needed."

Recognising this opportunity to align infrastructure delivery with the housing challenge in this corridor, the Government has responded to the NIC's report by committing £137m of new or accelerated funding to support development and delivery of East-West Rail and the Cambridge-Oxford Expressway, and will continue to work with NIC and local partners on ways to secure housing delivery ahead of the NIC's final report.

where these will unlock the delivery of new homes, enabling economic development across the area. We would also welcome joint bids from across local authority boundaries where a strategic project could open up new homes on a wide-scale. Our decision-making is likely to factor in whether authorities intend to apply the new standardised approach to assessing housing requirements. We will fund those bids that unlock the most homes in the areas of greatest housing need.

Strategic infrastructure investment

2.20 It is essential that when the Government does invest in new infrastructure (such as High Speed 2), local planning authorities make the most of the opportunities for new housing it unlocks. Consequently **we propose to amend national policy so that local planning authorities are expected to identify the development opportunities that such investment offers at the time funding is committed**, and make it clear that when they review their plans they should seek to maximise the potential capacity unlocked by major new infrastructure.

Digital infrastructure

2.21 In line with the Government's strong commitment to achieving full fibre connectivity, **we are consulting on requiring local authorities to have planning policies setting out how high quality digital infrastructure will be delivered in their area**.

2.22 We also want to consider how we can capitalise on new developments, and the digital infrastructure attached to them, to enhance broadband coverage for local communities and nearby residents. At 2016 Autumn Statement, the Government announced over £1 billion of new funding to boost the UK's digital infrastructure. This includes £400m of funding for a new Digital Infrastructure Investment Fund to support access to commercial finance for providers to invest in new fibre networks, and £740m to support the market to roll out full fibre networks and to deliver a programme of 5G and integrated fibre trials in local areas. **In assessing bids for these trials from local authorities, we will take account of which areas can demonstrate that they have policies setting out how high quality digital infrastructure will be delivered in their area**. Furthermore, the Local Government Finance Bill published on 13 January 2017 will give a business rates tax break worth £60 million to incentivise telecommunications companies to lay new full fibre broadband.

Utilities

2.23 In December 2014, the Government published *Better Connected*, setting out the process for securing utility provision for developments from initial scoping to post-development. It provides a shared expectation for utility connections from companies and developers. It also sets out the statutory performance measures already in place, and introduces new voluntary standards for water and sewerage and telecoms. **We will now work together across government and the sector to review Better Connected**, assessing its impact so far, and how existing performance standards and penalties are working to support house building at all scales from small and medium sized developments to major sites delivering many thousands of homes.

2.24 The **Government will review what more we could do to ensure that utilities planning and delivery keeps pace with house building and supports development across the country**: aligning investment in utilities provision with local development plans that set out where and, crucially, when houses will be built is likely to be key in achieving this, speeding up timely connections for new homes. As part of this review, and depending on progress made by the sector, the **Government will closely monitor performance to ensure house building is not being delayed and, if necessary, will consider obligating utility companies to take account of proposed development**.

Supporting developers to build out more quickly

2.25 Once detailed planning consent has been granted, a range of factors may cause delays to development. These might include the time taken to discharge planning conditions or address planning obligations; and the need to protect species like great crested newts. Construction skills shortages particularly in London and the South East can also bring work on site to a hold. The Government will take action to address these barriers.

Tackling unnecessary delays caused by planning conditions

2.26 **We will tackle unnecessary delays caused by planning conditions** by taking forward proposals, through the Neighbourhood Planning Bill, to allow the Secretary of State to prohibit conditions that do not meet the national policy tests, and to ensure that pre-commencement conditions can only be used with the agreement of the applicant. We introduced a new deemed discharge mechanism for planning conditions in 2015 and we are keen to hear more from developers, local authorities and other interested parties about how this is working and if we can streamline the process further.

A strategic approach to the habitat management of protected species

2.27 House-builders have identified the licensing system for protected species such as great crested newts as a significant impediment to timely housing delivery. Natural England and Woking Borough Council have piloted a new strategic approach which streamlines the licensing system for managing great crested newts – the species which particularly affects development. **The Government will roll out this approach to help other local authorities speed up the delivery of housing and other development**.

Simplifying developer contributions

2.28 We continue to support the existing principle that developers are required to mitigate the impacts of development in their area, in order to make it acceptable to the local community and pay for the cumulative impacts of development on the infrastructure of their area. This principle currently operates through a system of developer contributions, secured via Section 106 planning obligations under the Town and Country Planning Act 1990 and additionally, since 2010, via the Community Infrastructure Levy (CIL).

2.29 The independent review of CIL and its relationship with Section 106 planning obligations, published alongside this White Paper,[48] found that the current system is not as fast, simple, certain or transparent as originally intended. **The Government will examine the options for reforming the system of developer contributions including ensuring direct benefit for communities, and will respond to the independent review and make an announcement at Autumn Budget 2017**.

Strategic licencing for great crested newts pilot – Woking, Surrey

Great crested newts are strictly protected by legislation and currently site by site licencing is carried out where great crested newts are affected by development. This commonly requires developers to commission site surveys, put in place mitigation measures where necessary and obtain a licence from Natural England after planning permission is granted. This can add considerable costs, delays (e.g surveys can only be undertaken at certain times of the year) and uncertainty to bringing development forward. Mitigation and habitat compensation can also restrict the level of development on an individual site.

Woking Borough Council and Natural England have piloted a new strategic approach to streamline licencing which focusses conservation where it will bring maximum benefits to great crested newts. The approach replaces site by site licencing with a new system of plan level licensing; with surveys and habitat compensation undertaken proactively at the district level by Natural England and the local authority. Developers can buy into the strategic mitigation at local authority level, rather than seeking to undertake individual site surveys, provide on-site mitigation and seek an individual site licence from Natural England.

2.30 In addition to considering longer-term reform, the Government believes there is scope to make changes to s106 agreements in the short term to address practical issues in the operation of agreements raised by local planning authorities and developers. This will include consulting on standardised open book Section 106 agreements, to reduce disputes and delays, and on how data on planning obligations could be monitored and reported on to increase transparency. The Housing and Planning Act 2016 includes provision for a Section 106 dispute resolution process. The Government will consider dispute resolution further, in the context of longer term reform.

48 Available here: https://www.gov.uk/government/collections/housing-white-paper

Addressing skills shortages

2.31 The construction sector relies heavily on sub-contracted and self-employed labour, and has low levels of investment in skills and new technologies. This has contributed to skills shortages now facing the industry in some key trades and in some regions. This situation is likely to worsen if left unchecked, with many workers due to retire over the next 10 years. The 2016 Farmer Review of the UK Construction Model, *Modernise or Die*, sets out several challenges for industry, which we have considered.

2.32 The industry committed in 2016 to bring 45,000 new skilled workers into the sector by 2019/20. Some progress has been made but we now need industry to step up and increase the number of people trained on site, including through apprenticeships for workers of all ages. Industry should look at policy on retention to make best use of the skills of their existing workers and avoid unnecessary early exit from the labour market. Industry should work with local colleges to ensure that the future skills they need are being brought forward through the education and training sector. This will also help industry to address concerns it has raised about reliance on migrant labour in some areas, such as London and the South East, as we prepare to leave the European Union. This is an important moment and we should make the most of the opportunity for industry to invest in its workforce, alongside tackling the issues raised by the Farmer Review. The larger companies need to take responsibility for ensuring that they have a sustainable supply chain, working with contractors to address skills requirements.

2.33 Alongside this, the Government needs to play its part. We will:

- **change the way the Government supports training in the construction industry** so that we have the best arrangements to ensure strong industry leadership to address the skills challenge, improve retention and ensure that training courses cover the right skills to the right standards. We will start by reviewing the Construction Industry Training Board's purpose, functions and operations. The review will report in the Spring and ensure that developers benefitting from public funding use the projects to train the workforce of the future;
- **launch a new route into construction in September 2019** – as announced in the Skills Plan,[49] this will streamline the number of courses available and improve quality and employability; We have already announced the apprenticeship levy which will come into effect from April 2017; and
- **work across Government, with the Construction Leadership Council**, to challenge house builders and other construction companies to deliver their part of the bargain. We want to see developers investing more in training to secure future needs, supporting retention and will work with industry to better understand any barriers to delivering this.

2.34 We have used the opportunity of major construction programmes, such as Crossrail, to help train the workforce of the future. Crossrail alone has created over 600 apprenticeships across the project and enrolled over 17,500 people at the Tunnelling and Underground Construction Academy in Ilford. More than 1,000 people who were previously unemployed have gained work on the project. **We will explore whether this successful approach can be applied more broadly in the construction sector**.

Holding developers and local authorities to account

2.35 Strong local leadership is vital if the homes that local areas have planned for are to be built. We need to hold local authorities more closely to account for the delivery of homes that they have planned for, and enable them to hold developers to account. We also need to improve transparency of the end-to-end house building process, so there is clarity about the delivery of new homes and where blockages lie. We propose to improve transparency, certainty and accountability for authorities and developers.

49 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536043/Post-16_Skills_Plan.pdf

Greater transparency through planning and build out phases

2.36 We will **require more information to be provided about the timing and pace of delivery of new housing**, building on the commitment made by the Home Builders Federation to improve transparency on build out on a site by site basis. Local authorities will be able to consider this information when planning to meet their housing need.

2.37 **The Department for Communities and Local Government will increase the transparency and quality of data** it publishes on delivery against plan targets, and better information on the development pipeline, so timely support can be provided. This information will be published as open data. This will empower councils and communities to challenge developers on their performance and consider what if any further action is necessary.

2.38 **Subject to further consultation, we are also proposing to require large housebuilders to publish aggregate information on build out rates.**

Sharpening local authority tools to speed up the building of homes

2.39 To strengthen the scrutiny and focus on the delivery of sites, we propose **to amend national planning policy 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 development, on sites where previous permissions have not been implemented**. We want to discourage proposals where the failure to implement previous permissions suggests that there is no intention to build, or where there are insurmountable barriers to delivery on the site.

2.40 **We are interested in views on whether an applicant's track record of delivering previous, similar housing schemes should be taken into account by local authorities when determining planning applications for housing development**. If this proposal were taken forward, we would intend for it to be only used in considering applications for large scale sites, where the applicant is a major developer, as we don't want to deter new entrants but would like to explore whether an applicant's track record of strong or poor delivery may potentially be relevant.

2.41 Where planning permission is granted, we want development to start as soon as possible. Our proposals to tackle points of delay and provide more support should allow developers and local authorities to be more ambitious on start dates. **We are considering the implications of 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, except where a shorter timescale could hinder the viability or deliverability of a scheme. We would particularly welcome views on what such a change would mean for SME developers**.

2.42 We want to ensure local planning authorities have more effective tools to deal with circumstances where planning permission has been granted but no substantive progress has been made. We propose to **simplify and speed up the completion notice process**, whereby if development on a site has stopped and there is no prospect of completion, the local authorities can withdraw planning permission for the remainder of the site. This would make it easier for local authorities to serve a completion notice, helping to stimulate building or clear unused permissions from their planned supply of land.

2.43 Compulsory purchase law gives local authorities extensive powers to assemble land for development. Through the Housing and Planning Act 2016 and the Neighbourhood Planning Bill currently in Parliament we are reforming compulsory purchase to make the process clearer, fairer, and faster, while retaining proper protections for landowners. Local planning authorities should now think about how they can use these powers to promote development, which is particularly important in areas of high housing need.

2.44 We propose to encourage more active use of compulsory purchase powers to promote development on stalled sites for housing. **The Government will prepare new guidance to local planning authorities following separate consultation, encouraging the use of their compulsory purchase powers to support the build out of stalled sites**. We will investigate whether auctions, following possession of the land, are sufficient to establish an unambiguous value for the purposes of compensation payable to the claimant, where the local authority has used their compulsory purchase powers to acquire the land.

2.45 In addition, the Homes and Communities Agency (HCA), will take a more proactive role on compulsory purchase, by working closely with local

authorities, and other parties where appropriate, to use their compulsory purchase powers to support the development and regeneration of land for housing, where this is consistent with the HCA's objectives and powers.

2.46 **We will keep compulsory purchase under review and welcome any representations for how it can be reformed further to support development.**

Housing delivery test

2.47 Having given local authorities stronger tools to ensure developers build homes quickly, the Government will introduce **a new housing delivery test to ensure that local authorities and wider interests are held accountable for their role in ensuring new homes are delivered in their area**. This test will highlight whether the number of homes being built is below target, provide a mechanism for establishing the reasons why, and where necessary trigger policy responses that will ensure that further land comes forward. The first assessment period will be for financial years April 2014 – March 2015 to April 2016 – March 2017.

2.48 To transition to a housing delivery test we propose to use an area's local plan (or, where relevant, the figure in the London Plan or a statutory Spatial Development Strategy) where it is up-to-date (less than 5 years old) to establish the appropriate baseline for assessing delivery. If there is no up-to-date plan we propose using published household projections for the years leading up to, and including, April 2017 - March 2018 and from the financial year April 2018 - March 2019, subject to consultation, the new standard methodology for assessing housing need.

2.49 In line with responses to our previous consultation, housing delivery will be measured using the National Statistic for net additional dwellings over a rolling three year average. Where under-delivery is identified, the Government proposes a tiered approach to addressing the situation that would be set out in national policy and guidance, starting with an analysis of the causes so that appropriate action can be taken:

- **From November 2017, if delivery of housing falls below 95% of the authority's annual housing requirement, we propose that the local authority should publish an action plan**, setting out its understanding of the key reasons for the situation and the actions that it and other parties need to take to get home-building back on track.
- **From November 2017, if delivery of housing falls below 85% of the housing requirement, authorities would in addition be expected to plan for a 20% buffer on their five-year land supply**, if they have not already done so.
- **From November 2018, if delivery of housing falls below 25% of the housing requirement, the presumption in favour of sustainable development in the National Planning Policy Framework would apply automatically** (by virtue of relevant planning policies being deemed out of date), which places additional emphasis on the need for planning permission to be granted unless there are strong reasons not to.
- **From November 2019, if delivery falls below 45% the presumption would apply.**
- **From November 2020, if delivery falls below 65% the presumption would apply.**

2.50 The phased introduction of the housing delivery test consequences will give authorities time to address under delivery in their areas, taking account of issues identified in their action plans and using the 20% buffer to bring forward more land.

2.51 The Government is looking at options to support local planning authorities seeking to increase delivery in their area, including requests for planning freedoms which were introduced in the Housing and Planning Act 2016. The National Planning Policy Framework is clear that Green Belt is among the areas where development should be restricted.

Keeping the delivery of land with planning permission under review

2.52 Our efforts to streamline and speed up the planning system should in the medium term reduce the need for house builders to keep such a significant 'stock' of land. The improvements to transparency proposed will ensure more comprehensive and up to date information is available on the delivery of land with planning permission at both a local and (in aggregate) national level. **We will monitor the situation closely, and will not hesitate to take further action if required.**

CONTENTS

3

Diversifying the market

Summary

The way in which the house-building market operates constrains the supply of new homes, because there is insufficient competition and innovation. We want to diversify the market to achieve the amount, quality and choice of housing that people want. This includes supporting new and different providers, more innovation in methods of construction, and supporting new investors into residential development.

We will:

- back small and medium-sized builders to grow, including through the Home Building Fund;
- support custom-build homes with greater access to land and finance, giving more people more choice over the design of their home;
- bring in new contractors through our Accelerated Construction programme that can build homes more quickly than traditional builders;
- encourage more institutional investors into housing, including for building more homes for private rent, and encourage family-friendly tenancies;
- support housing associations and local authorities to build more homes;
- ensure the public sector plays its part, by encouraging and making possible more building by councils and changing the way the Homes and Communities Agency operates; and
- boost productivity and innovation by encouraging modern methods of construction in house building.

The case for change

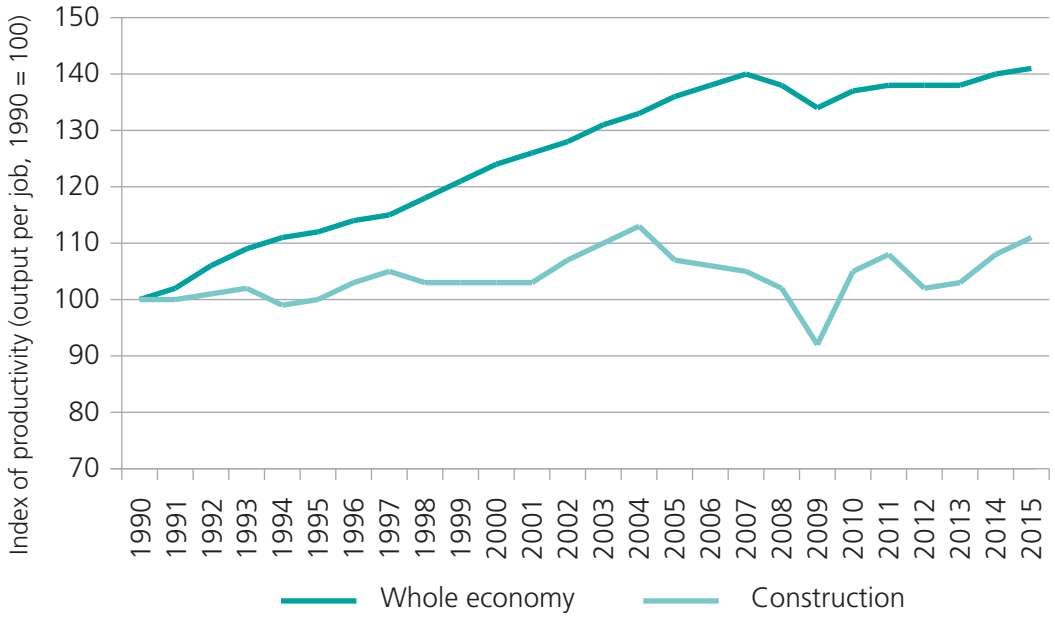
3.1 The housing market needs to operate differently if we are to start to address affordability issues and deliver the step change in house building that is required.

3.2 There is a lack of competition. We increasingly depend on the major house builders to build most housing. Smaller firms bore the brunt of the recession and their output still falls far short of pre-recession levels. Other parts of the market have the potential to grow. Housing associations build around a third of all new homes[50] but could build more with the right ambition and support. Investment in building homes for private rent is increasing, but we have an opportunity to go much further to drive up supply. Custom built homes remain a niche product and are underexploited compared to many other countries.

3.3 The business model for many commercial developers limits the number of homes that are built. The 2007 recession reinforced cautious behaviours at all stages of the house-building process. Major builders rely on sub-contracting, which pushes innovation and risk down the supply chain to those least equipped to respond. House-building methods have barely changed in over 100 years; productivity in the construction sector is lower than most other sectors of the economy.[51]

3.4 The Government therefore proposes to support different parts of the market, including new entrants, to help boost productivity and innovation. This should help to support a more diverse and vibrant market that is more responsive to demand and gets more homes built. We want to ensure that new homes are built to a good standard, are energy efficient and so reduce fuel bills for home owners, and are accessible, sustainable and secure. We will also identify what more can be done to reduce delays and fees resulting from conveyancing to help ensure the market works better for home buyers.

Figure 6: Productivity indices (1990 = 100): whole economy vs construction



Source: ONS 2016, Labour productivity statistics

50 DCLG Live tables on house building; DCLG Live tables on affordable housing supply
51 ONS 2016, Labour productivity statistics, output per hour worked.

New players: a diverse and vibrant group of housebuilders

Small and medium-sized builders

3.5 Small builders have been declining and were hit hard by the recession. The number of homes registered by small builders is down from 44,000 in 2007 to 18,000 in 2015 demonstrating the potential for growth.[52]

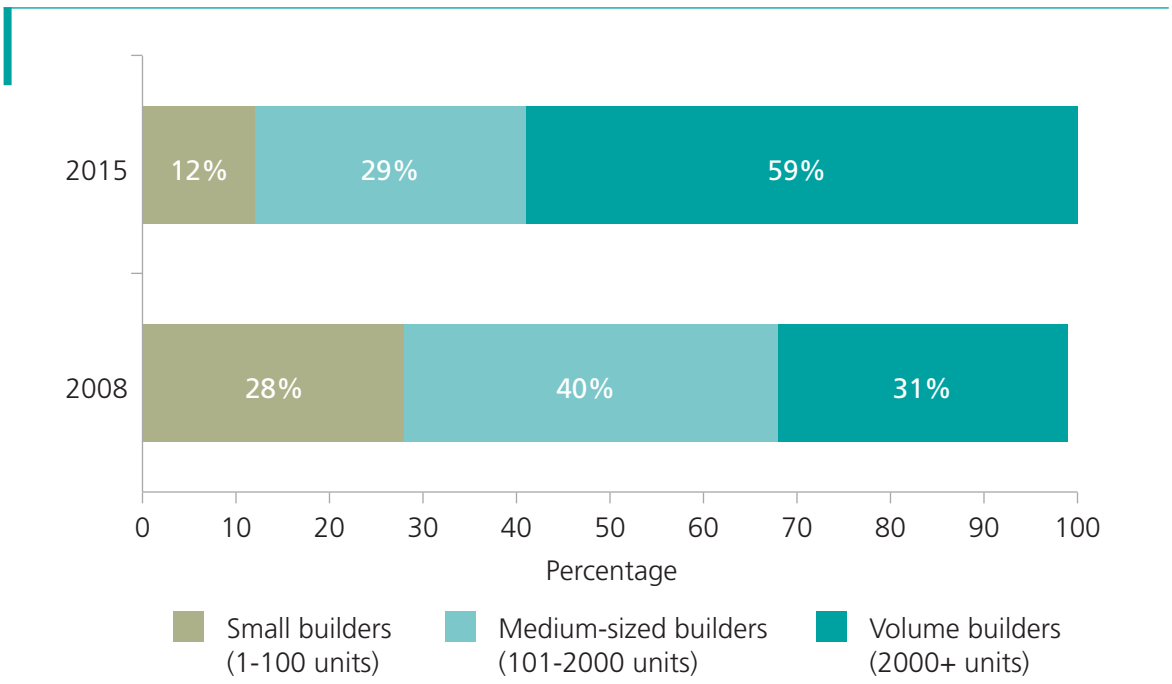
3.6 The Government will help this sector to grow and develop again. Small and medium-sized house-builders regularly cite land, planning and finance as the major barriers to expansion.

3.7 We have already simplified planning processes, and changes such as the introduction of permission in principle will remove some of the uncertainty for smaller builders when considering land options. Chapter 1 sets out our proposals to go further and bring more small sites forward for development that are more easily accessed by these firms. In light of these proposals, and to minimise the burdens on local authorities, **we have decided not to introduce a requirement for local authorities to keep a small sites register at this time, following the consultation last year**.

3.8 The Government **launched the £3 billion Home Building Fund** on 3 October 2016, and continues the Housing Growth Partnership with Lloyds Banking Group. The Home Building Fund will provide £1 billion of short-term loan finance targeted at SMEs, custom-builders and innovators to deliver up to 25,000 homes this parliament; and a further £2 billion of long-term loan funding for infrastructure and large sites, unlocking up to 200,000 homes.

3.9 Our **new Accelerated Construction programme will support us in diversifying the market through partnering with small and medium-sized firms and others as development partners and contractors**. We will continue to work with the British Business Bank to encourage current and potential lenders and investors to invest in SMEs. We will **publicise our Help to Buy equity loan scheme to small and medium-sized builders** to encourage uptake.

Figure 7: Market share by housebuilder size



Source: NHBC Registrations, Great Britain. Numbers may not add up to 100% due to rounding.

52 These figures relate to the number of registrations received by NHBC and therefore do not reflect all housebuilding firms. A builder is required to register a home with NHBC at least 21 days before building starts. After registration, builders may decide not to build on a particular plot. Small builders are defined here as firms registering between 1 and 100 units.

Case study: Latis

Latis is an ambitious SME aiming to become a major player in the house-building market. The Government has supported two of Latis's projects.

Conduit Lane in Hoddesdon, Hertfordshire, consists of the refurbishment of a Grade II listed building, alongside the construction of a new-build block of apartments to the rear of the site. The project had started on site but, due to lack of funding, was stalled. Latis sought funding from the Government. We are providing a loan of £4.6 million and, as a direct result, Latis will deliver 43 new homes and two retail units.

At the time of completing the Conduit Lane transaction, Latis was preparing another much larger project at the Kitchener Barracks site in Chatham, Kent, consisting of 267 units plus commercial space. Traditional lenders were again unwilling to support the project, but this was the landmark site that Latis needed to act as a launch pad for its growth plans. The Government has offered a loan of £14.4 million on the scheme. This will help Latis achieve its ambitions for growth and get homes built where this otherwise would not happen.

Accelerated Construction

3.10 The Government is taking direct action through the Accelerated Construction programme. We will help diversify the house-building sector and see homes built quickly by partnering with small and medium-sized builders, contractors and others to build out surplus public sector land.

3.11 Accelerated Construction will:

- see up to 15,000 housing starts over the Parliament, through building out public sector sites faster than traditional disposal routes;
- catalyse changes in the wider housing market, through supporting offsite manufacturing techniques and increasing the number of participants in house-building; and
- generate higher receipts for the taxpayer through sharing risk and reward in the development of our land.

3.12 Through this programme, the Government will work harder to make public land available and ready to build on. Alongside land from central government, we will work with local authorities to help them bring forward their own sites. The Government will partner directly with innovative private sector partners. Through sharing risk and reward, we will lower developer risk and help overcome issues with access to finance and build out sites up to twice the rate a large developer might. We will also support the development of modern methods of construction, generating the confidence for the private sector to invest in new capacity. In doing so, we will aim to bring forward as many genuinely additional homes as possible.

3.13 For all sites, we will consider the most appropriate development route based on the appetite of those we partner with, the characteristics of the site (including its size and viability), and requirement for enabling works, such as land remediation or

basic infrastructure provision. Sites will be tendered individually, or as part of a portfolio of sites to spread risk, providing the confidence to invest, and obtain best value for the taxpayer. Where appropriate, we will obtain or provide ourselves with outline permission and undertake the costs of some remediation work to reduce development risks.

Custom build

3.14 Alongside smaller firms, the Government wants to support the growth of custom built homes. These enable people to choose the design and layout of their home, while a developer finds the site, secures planning permission and builds the property. Custom built homes are generally built more quickly and to a higher quality than other homes, and tend to use more productive, modern methods of construction. They present a less risky business model for builders, as the house has been effectively sold before it has been built. Fewer homes are custom built in England than many other countries, but there is evidence of more demand for them including from older people.[53]

3.15 The main barriers to custom built homes are access to land and finance. Mortgages for custom and self-built homes represent a very small proportion of the overall lending market.[54] We have already taken steps to improve access to land. The new 'Right to Build' requires local planning authorities to find land for those seeking a custom built home in their area, and they must keep a register of those wanting to build their own home. And the Home Building Fund will help custom build firms.

3.16 To build on this we will:

- **promote the National Custom and Self Build Association's portal for Right to Build**, so that people seeking to build their own home can easily access the local authority register in their area;
- **ensure the exemption from the Community Infrastructure Levy for self build remains in place while longer term reforms to the system of developer contributions are being explored;**[55]
- **support custom build through our Accelerated Construction programme**;

Case study: French Fields, St Helens

The Government loaned £291,000 to help a local small developer, Westward (UK) Ltd, to prepare 18 plots specifically for custom build in French Fields, a derelict industrial site close to St Helens.

Working with a specialist custom-build housing supplier, Pottons, and mortgage brokers BuildStore, Westward has put all the services into the site and obtained outline planning permission from the local authority. The resulting 18 'shovel ready' sites have all been sold, and 5 homes are already being built on the site the way that their owners want them. We hope to support many more schemes like French Fields through the Home Building Fund.

53 According to successive Ipsos MORI polls, more than a million people across the UK expect to buy a building plot, secure planning permission or start/complete construction work on their new home; *PlotSearch* has more than 100,000 live subscribers; and *Rightmove* has an average 400,000 monthly searches on land.

54 In 2016, lending on custom and self build projects totalled less than £1 billion compared to £10 billion in mortgage lending in just one month overall (figures drawn from BuildStore and the Council of Mortgage Lenders).

55 This will also continue to apply for extensions and residential annexes.

- **work with lenders** to ensure they have plans in place to increase their lending in line with consumer demand. We are delighted that Virgin Money plans to start lending on custom build projects in the summer.

3.17 The Government also welcomes the establishment of the Right to Build Taskforce by the National Custom and Self Build Association.

3.18 If we do not believe local authorities are taking sufficient action to promote opportunities for custom-building and self-building, we will consider taking further action including possible changes to legislation.

Expanding the contribution from other parts of the housing market

Attracting institutional investment: building more homes for private rent

3.19 We need to support other parts of the market to deliver the step change in house building that is required. We want institutional investors to invest more widely in housing, including shared ownership. Pension schemes are increasingly regarding housing as an appropriate investment. The pooling of local government pension funds will increase opportunities for their assets to be used to support infrastructure projects, including housing. This could generate promising returns for scheme members while maintaining value for money for national and local taxpayers.

3.20 Alongside affordable homes, we need more good quality privately rented homes. This sector has doubled over the last decade but rising rents suggest that demand is still growing. Following the 2012 review of barriers to institutional investment in the private rented sector, the government's Private Rented Sector Task Force made major early in-roads to establish the "Build to Rent" model in the UK, and to stimulate initial investor interest. The Government has supported this through the £3.5 billion Private Rented Sector Housing Guarantee Scheme, and the £1bn Build to Rent Fund.

3.21 We want to build on this and attract major institutional investment in new large-scale housing which is purpose-built for market rent. This will drive up overall housing supply, and increase choice and standards for people living in privately rented homes. These developments tend to be built out more quickly, adopt modern methods of construction and help regenerate local economies by attracting a skilled labour force.

3.22 Purpose-built market rent also has the potential to help provide more stable rented accommodation for families. As access to ownership has become more challenging, increasing numbers of families with children are making their home in the private rented sector. The proportion of households in the private rented sector with dependent children has increased from 29% in 2003-04 to 37% in 2014-2015.[56] We are therefore keen to see more family-friendly tenancies in new build private rented sector schemes.

3.23 The Government is separately consulting on a range of measures to support more Build to Rent developments. Our key proposals are to:

- **change the National Planning Policy Framework so authorities know they should plan proactively for Build to Rent where there is a need**, and to **make it easier for Build to Rent developers to offer affordable private rental homes** instead of other types of affordable housing;
- **ensure that family-friendly tenancies of three or more years are available** for those tenants that want them on schemes that benefit from our changes. We are working with the British Property Federation and National Housing Federation to consolidate this approach across the sector.

56 English Housing Survey 2014/15

Case study: Creekside Wharf, Greenwich

This project, developed by Essential Living, is being constructed using offsite modular construction. It will comprise 249 apartments in two towers, one of which will be exclusively for families and features an on-site nursery.

As part of the arrangements with the London Borough of Greenwich, a quarter of the homes will be available at discounted market rents, at 55%, 65% and 75% of market rent. These homes will be spread across the development to create a balanced community living in a tenure-blind development.

Housing associations

3.24 Housing associations have a vital role to play if we are to build the homes we need. They already build the vast majority of new affordable homes, in addition to increasing numbers of homes for market rent and sale. Investment in affordable housing is a tried and tested way of getting new homes built, and it is normally more resilient than market house-building to changing housing market conditions. 193,000 homes were built under our 2011–15 Affordable Homes Programme[57] – exceeding its target by 23,000. Building new affordable homes also helps kick start other house-building, as it can help make sites viable and bring in investment.

3.25 The Government launched the Affordable Homes Programme for 2016–21 last year, and announced at Autumn Statement new funding and greater flexibility so that it now funds a range of affordable homes for rent as well as home ownership. Further details are in chapter 4. Alongside this, the Affordable Housing Guarantee Scheme has enabled housing associations to raise finance from both the debt capital markets to support the building of over 28,000 new affordable homes.

3.26 To support housing associations to build more, the Government will:

- **set out, in due course, a rent policy for social housing landlords (housing associations and local authority landlords) for the period beyond 2020 to help them to borrow against future income, and will undertake further discussions with the sector before doing so.** Our aim is to ensure that they have the confidence they need about their future income in order to plan ahead. The Government also confirms that the 1% rent reduction will remain in place in the period up to 2020;
- **put social housing regulation on a more independent footing**. We will make the Social Housing Regulator a stand-alone body (as recommended by the Tailored Review of the Homes and Communities Agency[58]);
- reiterate its position that **housing associations belong in the private sector** and we are committed to implementing the necessary deregulatory measures to allow them to be classified as private sector bodies;

57 DCLG Affordable Housing Supply, 2014-15 (02 December 2015); Affordable housing starts and completions funded by the HCA and GLA, 2014/15 (03 December 2015).
58 https://www.gov.uk/government/publications/tailored-review-of-the-homes-and-communities-agency

Case study: L&Q

L&Q is a housing association and a leading residential developer. It merged with East Thames housing association last year and now has more than 74,000 homes across London and the South East. Alongside the merger, L&Q committed to a vision of creating 100,000 new homes across a range of tenures. To support this ambition, L&Q is shifting its focus towards strategic land deals that will give it greater access to larger sites, with more control over the speed of delivery. An example is Barking Riverside in East London, where L&Q is helping to create a community of 10,800 new homes. L&Q recently completed the acquisition of Gallagher Estates, in a deal that will give it control of plots to deliver 42,500 new homes in the south of England and south Midlands.

- **urge housing associations to explore every avenue for building more homes.** We welcome the sector's aim to deliver many more homes each year and some housing associations are rising to meet this challenge. However, many housing associations undertake little or no development, and we expect all associations to make the best use of whatever development capacity they have to help meet local housing need;
- **expect housing associations to make every effort to improve their efficiency, in order to release additional resources for house-building**. In some cases, housing associations will be able to drive efficiency through mergers or partnerships with other associations. We welcome the efforts being made by some in the sector to create a single set of metrics to make it easier to compare housing associations' efficiency. We expect the sector to implement this agenda and deliver measurable improvements in efficiency.

Backing local authorities to build

3.27 Local authorities' role in delivering new housing goes beyond using their planning powers. They also have an important role in delivering homes themselves. We want to make sure that they have the tools they need to get homes built where the market isn't coming forward with enough.

3.28 Increasingly and across the country local authorities are using innovative new models to get homes built in their area. There are a number of good examples of Local Development Corporations, local housing companies and/or joint venture models building mixed sites, which include new market housing for sale or private rent, as well as affordable housing. We welcome innovations like these, and want more local authorities to get building. To that end we will seek to address the issues that hold them back. However, we want to see tenants that local authorities place in new affordable properties offered equivalent terms to those in council housing, including a right to buy their home.

3.29 Support is already available to give local authorities access to the right skills and capacity when needed. This includes our Garden Towns and Villages programme, the Planning Advisory Service, and estates regeneration funding. The Government will ensure these funds support the priorities set out in this White Paper and consider whether additional support – for instance commercial and financial experts working on the ground – is necessary.

3.30 We are offering tailored support packages to councils who want to build on their own land at pace, through our new Accelerated Construction programme. As stated in chapter 1, we have also announced a new £45m Local Authority Land Release fund for land remediation and small-scale infrastructure, with priority given to innovative delivery models as well as areas of high housing need. Chapter 2 also sets out the range of measures we want to put in place to better equip local authorities to get homes built.

3.31 Alongside new delivery models, there has been a long tradition of council housebuilding. This continues to provide a small, but important and growing source of new homes. Twice as many council homes were built in England in the last five years than were from 1997 to 2010.[59]

3.32 We will work **with local authorities to understand all the options for increasing the supply of affordable housing**.

3.33 Housing markets are different right across the country, and **we are interested in the scope for bespoke housing deals with authorities in high demand areas, which have a genuine ambition to build**.[60] We will look seriously at any request from local authorities for Government powers to be used to support delivery in their local area, and will be prepared to consider all the levers at our disposal to do so, so long as this results in genuinely additional housing being delivered. Through these deals we will also look to promote the alignment of decisions on infrastructure and housing at higher spatial levels, including through joint local planning and statutory spatial plans. This includes the powers of the Homes and Communities Agency, support from the HCA on the use of Compulsory Purchase Orders, new permission in principle and brownfield registers, the use of the planning freedom powers taken in the Housing and Planning Act, and use of public sector land.

3.34 Together with other measures in this White Paper – the increases in planning fees, strengthened tools to drive build out and land assembly powers, our new Housing Infrastructure Fund and place-based approach to delivery – this will give local authorities the tools they need to get building.

The Homes and Communities Agency

3.35 Earlier this year, the Department for Communities and Local Government carried out a comprehensive Tailored Review of the Homes and Communities Agency (HCA), the Government's housing delivery body. It concluded that the HCA continues to have a central role to play in delivering more homes across the country but needs to do more to increase the scale and pace of house-building. To respond to the housing challenge, the HCA should do some things differently by getting homes built directly on public sector land, encouraging more competition and embracing partnerships, working innovatively with local and combined authorities, LEPs and other partners.

3.36 **This summer, therefore, the Homes and Communities Agency will be relaunched as Homes England** with a clear, unifying purpose: 'To make a home within reach for everyone'. At the heart of this renewed purpose will be the ambition to get more homes for communities across all housing tenures, put in infrastructure to unlock housing capacity and attract small builders and new players to diversify the market on a sustainable basis.

59 DCLG Live table 244
60 IPPR make the case for a deal-making process: http://www.ippr.org/publications/closer-to-home

Boosting productivity and innovation: modernising the housebuilding sector

3.37 The housebuilding industry is less productive than the wider economy, partly because it has been slow to modernise and make use of more efficient and faster ways of building. By increasing innovation and making greater use of modern methods of construction[61] we can change this. Industry reports suggest homes constructed offsite can be built up to 30% more quickly than traditional methods and with a potential 25% reduction in costs.[62] They are high quality, reliable, more productive and can be highly energy efficient. They are high quality, reliable, more productive and can be highly energy efficient. They can require fewer people on site, helping to mitigate the skills shortage. Some firms are increasing their use of these methods, but we need to go further.

3.38 The industry has the potential to expand significantly, but a lack of demand from house-builders means that large firms tend to focus on manufacturing hotels, student accommodation and schools. Firms have told us that the most significant barrier to growth is the lack of a pipeline. A forward view of future orders and more information about the land available for development would allow them to secure investment to scale up production. International evidence suggests that as production increases the cost per unit falls.[62] Scaling up production would allow industry to explore and deliver efficiencies, driving down costs. In turn this will encourage more builders to use these methods as it becomes economically sensible for them to do so.

3.39 To underpin the growth of this sector we must ensure that homes built offsite can access finance on the same basis as traditionally built homes. The Buildoffsite Property Assurance Scheme, which provides assurance to lenders on methods of construction, has existed for some time but there is limited take-up among lenders, partly because of a lack of data to support them in making decisions.

3.40 We will:

- **stimulate the growth of this sector through our Accelerated Construction programme and the Home Builders' Fund**. This will create new opportunities for the use of modern methods of construction to encourage investors into the sector and give current suppliers confidence to expand into the housing market. It will also support the delivery of high quality, energy efficient homes through these programmes;
- **support a joint working group with lenders, valuers and the industry** to ensure that mortgages are readily available across a range of tested methods of construction. This will include encouraging industry and lenders to develop a stronger set of core data to measure the use and performance of different technologies to encourage good decision-making;
- **consider how the operation of the planning system is working for modern methods of construction (MMC) developments;**
- **work with local areas** who are supportive of this type of manufacturing to deliver growth, provide jobs, and build local housing more quickly; and
- **alongside the Home Building Fund, consider the opportunities for offsite firms to access innovation and growth funding and support for them to grow**.

61 Modern methods of construction include homes that are built offsite or can be rapidly assembled or use other building techniques that increase productivity.

62 Davies G (2013) Design for Manufacture and Assembly is helping revolutionise construction, making it faster, cleaner, cheaper and more reliable. *Engineering Excellence Journal* (Laing O'Rourke). And Woetzel J, Ram S, Mischke J, Garemo N and Sankhe S (2014) *A blueprint for addressing the global affordable housing challenge*. McKinsey Global Institute.

CONTENTS

4

Helping people now

Summary

The broken market is creating challenges for households across the country. The long-term solution is to build more homes but that will take time to have an impact.

This chapter sets out how Government will help people now, tackling some of the impacts of the housing shortage on ordinary households and communities. We will:

- continue to support people to buy their own home – through Help to Buy and Starter Homes;
- help households who are priced out of the market to afford a decent home that is right for them through our investment in the Affordable Homes Programme;
- make renting fairer for tenants;
- take action to promote transparency and fairness for the growing number of leaseholders;
- improve neighbourhoods by continuing to crack down on empty homes, and support areas most affected by second homes;
- encourage the development of housing that meets the needs of our future population;
- help the most vulnerable who need support with their housing, developing a sustainable and workable approach to funding supported housing in the future; and
- do more to prevent homelessness by supporting households at risk before they reach crisis point as well as reducing rough sleeping.

The case for change

4.1 England has some of the highest house price inflation and worst affordability in the OECD. An average home now costs almost 8 times the average earnings, and nearly 30% of local authorities have house prices over 10 times average earnings. This is not just a London and the South East problem: in parts of Greater Manchester, prices are nearly 9 times the average earnings.[63]

4.2 This makes it a rational choice for many people to keep their money in bricks and mortar; either buying a second home, or maintaining a bigger home than they need, particularly as they grow older. However, the additional demand for housing as an investment product pushes up prices further. And it makes the economy as a whole more sensitive to any shock that results in a change in interest rates. This is because housing is one of the few investment goods that people can buy with debt. The UK's ratio of residential mortgage debt to GDP has fallen from 79% in 2009, but at 68% it is still the fourth highest in the EU.[64]

4.3 Rising prices are particularly tough on younger people trying to get onto the housing ladder, or wanting to move into their first family home. Some young people have no choice but to continue to live with their parents, friends or strangers to make ends meet.[65] Renters are seeing their rents rise; some are only just about managing to cover their costs. For the average couple in the private rented sector, rent now takes up roughly half of their gross income.[66] This makes it harder to save. Around half of all households in the private rented sector have no savings.[67]

4.4 Where housing shortages are most acute, it is creating opportunities for exploitation and abuse – unreasonable letting agents' fees, unfair terms in leases, and landlords letting out dangerous, overcrowded properties. Increasing numbers of people find themselves unable to find a home – homelessness is rising and the loss of a private sector tenancy is now the most common cause.[68] Meanwhile, in some neighbourhoods some homes remain empty and unused.

4.5 While we focus our long-term strategy on increasing overall supply, there is clearly also a need to intervene to help households now who are struggling as a result of the immediate symptoms of our broken market which are causing anxiety, hardship and unfairness for many households and communities.[69] This chapter sets out the steps we will take to tackle these pressures.

Helping people afford a home

4.6 Home ownership among younger people has declined sharply in recent years. Low interest rates have kept the costs of mortgages down for first time buyers and existing home owners, but rising house prices and high rents mean that many people cannot afford a deposit without help from friends and family. In 2014/15, 27% of first time buyers had help from friends or family to raise their deposit.[70]

4.7 The Government will help people save for a deposit, buy with a smaller deposit, buy at 20% below the market price, buy the home they are renting from a social landlord, buy a share of a home or save a deposit while paying a below market rent. We will also target more investment into homes for Affordable Rent.

63 DCLG Live Table 577.
64 European Mortgage Federation – Hypostat 2016: A review of Europe's mortgage and housing markets.
65 A review by Pete Redfern, Chief Executive of Taylor Wimpey, looked at changes to home ownership including among young people: http://www.redfernreview.org/
66 English Housing Survey 2014/15; statistic refers to the income of the household reference person (the person in whose name the dwelling is owned or rented) plus that of a partner
67 2014-15 Family Resources Survey, unpublished DWP ad hoc analysis. Savings data from the FRS should be treated with caution due to underreporting and a high number of imputed cases, see here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/531243/family-resources-survey-background-note-and-methodology-2014-15.pdf for further information.
68 DCLG Live Table 774
69 Priced Out have highlighted the need to take action to support ordinary working people: http://www.pricedout.org.uk/manifesto
70 English Housing Survey 2014-15

Saving for a deposit

4.8 In 2015 the Government introduced the Help to Buy ISA to boost the savings of prospective first-time buyers. It offers a 25% savings bonus, up to a maximum of £3,000, towards the purchase of a first home. More than 720,000 accounts have been opened to date and over 38,000 bonuses worth £20.5 million have been paid to September 2016, supporting over 27,000 home purchases.[71]

4.9 **In April 2017, the Government will also introduce the Lifetime ISA**. This will support younger adults to save flexibly for the long term, giving them a 25% bonus on up to £4,000 of savings a year. Savings and the bonus can be put towards the purchase of a first home, or withdrawn once they reach the age of 60.

Help to Buy: Equity Loan

4.10 The Government has already helped over 200,000 households to buy a new home through its package of Help to Buy products.[72] This includes the Help to Buy Equity Loan scheme which has helped more than 100,000 households, 81% of whom were first-time buyers, to purchase a new property, with a deposit as low as 5%.

4.11 Help to Buy Equity Loan was originally established in 2013 to support homebuyers and boost housing supply after the recession, in particular to give developers confidence to start building again. The evaluation of Help to Buy Equity Loan in 2015 indicated that the scheme had contributed 14% to total new build housing output since the introduction of the policy.[73] It also found that the scheme had not had an inflationary effect on house prices and had instead helped to stabilise the market.

4.12 **We have committed £8.6 billion for the scheme to 2021, ensuring it continues to support homebuyers and stimulate housing supply. We also recognise the need to create certainty for prospective home owners and developers beyond 2021, so will work with the sector to consider the future of the scheme.**

Starter Homes

4.13 For young aspiring home owners who would be unable to get a mortgage for the full market price of a home, the Government is committed to ensuring there is a range of affordable homes to support their aspiration to buy, including discounted starter homes.

4.14 Starter homes will be targeted at first time buyers who would otherwise be priced out of the market. **We intend to make clear through the NPPF that starter homes, like shared ownership homes, should be available to households that need them most, with an income of less than £80,000 (£90,000 for London). Eligible first time buyers will also be required to have a mortgage** in order to buy starter homes to stop cash buyers.

4.15 **There will also be a 15 year repayment period for a starter home** so when the property is sold on to a new owner within this period, some or all of the discount is repaid. This, along with the mortgage requirement, will reduce the risk of speculation, ensure there will be more affordable homes built whilst allowing home owners to move onwards when the time is right.

4.16 We have listened to concerns that our original plans for a mandatory requirement of 20% starter homes on all developments over a certain size will impact on other affordable homes. We want local authorities to deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets. We will commence the general duty on councils to promote the supply of starter homes.

4.17 However, in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for starter homes, **we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units**. It will be for local areas to work with developers to agree an appropriate level of delivery of starter homes, alongside other affordable home ownership and rented tenures.

71 HM Treasury Help to Buy: ISA scheme Quarterly Statistics, (15 December 2016), UK
72 DCLG Help to Buy (equity loan scheme) and Help to Buy: NewBuy statistics: April 2013 to 30 September 2016, (15 December 2016), England; HM Treasury Help to Buy mortgage guarantee scheme quarterly statistics: October 2013 to 30 September 2016, (15 December 2016), UK
73 DCLG 2016, Evaluation of the Help to Buy Equity Loan Scheme

4.18 Following our consultation in December 2015, **we will also change the NPPF to allow more brownfield land to be released for developments with a higher proportion of starter homes by:**

a) bringing forward more vacant, unviable and unused employment land by introducing new rules for retaining employment land. We will make it clear that any proposal on employment land that has been vacant, unused or unviable for a period of five years, and is not a strategic employment site, should be considered favourably for starter home-led development.

b) extending the current starter home exception site policy to include other forms of underused brownfield land – such as leisure centres and retail uses – while retaining limited grounds for refusal;

c) allowing development on brownfield land in the Green Belt, but only where it contributes to the delivery of starter homes and there is no substantial harm to the openness of the Green Belt.

4.19 **We will clarify that starter homes, with appropriate local connection tests, can be acceptable on rural exception sites.**

4.20 **The £1.2 billion Starter Home Land Fund will be invested to support the preparation of brownfield sites to support these developments**. Where we are investing, these sites will include both starter homes and other types of affordable home ownership products such as shared ownership and other products that help people onto the housing ladder such as Rent to Buy. We will also look to support starter home development in rural areas by working in partnership with Councils to bring forward land for locally supported development. 30 partnerships with local authorities were announced on 3 January 2017. Further partnerships will be developed in due course.

4.21 The result of these changes means we will change our focus from starter homes to a wider range of affordable housing. **Through this wider range of Government programmes, we expect to help over 200,000 people become homeowners by the end of the Parliament**. Starter homes will be an important part of this offer alongside our action to build other affordable home ownership tenures like shared ownership and to support prospective homeowners through Help to Buy and Right to Buy.

Extending Right to Buy discounts to housing association tenants

4.22 Since the 1980s, the Right to Buy scheme has helped nearly two million social tenants to buy their home. The reinvigoration of the scheme in 2012 increased discounts considerably, to provide further assistance so tenants could afford to buy. Since then, over 60,000 local authority tenants have bought their homes[74].

4.23 Most housing association tenants do not currently have access to the Right to Buy scheme. Our manifesto committed to extend the Right to Buy to housing association tenants, and in October 2015 we agreed an historic deal with the sector to give the tenants the chance to buy their home.

4.24 Since then, we have worked closely with the National Housing Federation and housing associations to design the voluntary Right to Buy. Ground-breaking pilots with five housing associations have tested systems and processes while giving up to 600 households the opportunity to buy their home.

4.25 At the Autumn Statement we announced funding for an expanded regional pilot of the Right to Buy for housing association tenants. The regional pilot will allow over 3,000 housing association tenants to buy their own home with Right to Buy discounts.

74 DCLG, Right to Buy Sales, July to September quarter 2016 (8 December 2016); DCLG, Social Housing Sales, 2015-16 (20 October 2016)

New homes for Shared Ownership, Affordable Rent and Rent to Buy

4.26 The Government is committed to building more affordable homes to boost house-building and support households who are locked out of the market. **At Autumn Statement we announced an extra £1.4bn for our Affordable Homes Programme, taking total investment in this programme to over £7bn to build around 225,000 affordable homes in this Parliament**.

4.27 This investment will help families to find a decent home that is right for them. The 2016-21 Affordable Homes Programme was originally designed to focus on delivering shared ownership. **Now we have opened up the programme, relaxing restrictions on funding so providers can build a range of homes including for affordable rent**.

4.28 This includes Rent to Buy homes alongside shared ownership, which will enable thousands of households to access home ownership through a product that fits their circumstances. Rent to Buy will help hard-working households to benefit from a discounted rent set flexibly at levels to make it locally affordable so they can save for a deposit to purchase their home.

4.29 For grant-funded shared ownership we have made changes to simplify the product in response to concerns from lenders, developers and prospective buyers. Alongside funding, this will enable the tenure to expand and help more households get a foot on the ladder where they would otherwise have been unable to.

4.30 **We remain supportive of institutional investment in shared ownership and welcome suggestions for how we could assist the growth of this sector.**

A fairer deal for renters and leaseholders

4.31 Over 4 million households now rent their home from a private landlord – nearly twice as many as ten years ago[75] – and there are around 4 million leasehold homes in England.[76] Standards in the private rented sector remain below those in the social and owner occupied sectors, but are improving: just 28% of homes are now non-decent compared to 37% in 2010. An increasing number of private tenants (65%) are happy with their tenure, compared to 48% in 2004-05.[77]

4.32 Where there are concerns, these tend to focus on affordability and security. In the long term, building more homes will help with affordability, but renters often face upfront costs including fees charged by letting agents to tenants. Tenants have no control over these fees because the agent is appointed by and works for the landlord. This is wrong. The Government has already introduced transparency on fees. **We will consult early this year, ahead of bringing forward legislation as soon as Parliamentary time allows, to ban letting agent fees to tenants**. This will improve competition in the market and give renters greater clarity and control over what they pay.[78]

75 English Housing Survey 2014/15
76 DCLG 2014, Residential leasehold dwellings in England: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/342628/Residential_Leasehold_dwellings_in_England.pdf
77 English Housing Survey 2014/15
78 Several groups have called for letting agent fees to be banned, including Shelter and Priced Out: https://england.shelter.org.uk/__data/assets/pdf_file/0006/671649/Letting_agencies_-_The_price_you_pay.pdf?_ga=1.89436061.760196451.1486382458; http://www.pricedout.org.uk/manifesto

4.33 The Government will continue to drive up safety and standards in the private rented sector, and drive out the rogue landlords. **The Government will implement measures introduced in the Housing and Planning Act 2016, which will introduce banning orders to remove the worst landlords or agents from operating, and enable local councils to issue fines as well as prosecute**.

4.34 We are working with industry experts to consider whether we should take action to mandate electrical safety checks for rented properties and client money protection for letting agents as part of our efforts to raise standards and will set out next steps on this shortly. We have also set out our plans to extend mandatory licensing of Houses in Multiple Occupation (HMOs) which will ensure greater protection for thousands of vulnerable tenants.

4.35 The predominant use of 6 and 12 month contracts can mean that families who are renting need to move home before they had planned to, which can mean children moving school, alongside the uncertainty and costs associated with taking on a new rental property. According to a Shelter report last year an estimated 65,000 families say that they were forced to move their child's school the last time they moved within the private rented sector.[79] **We are proposing to make the private rented sector more family-friendly by taking steps to promote longer tenancies on new build rental homes, as set out in chapter 3**. We are working with the National Housing Federation and the British Property Federation to encourage longer-term tenancies in private rental homes delivered by housing associations and institutional investors. We will be speaking to the Local Government Association about local authorities' appetite to do the same, where they are delivering market private rented housing through local housing companies. Further to this we will consider what more we can do to support families already renting privately, while encouraging continued investment in the sector.

Leaseholders

4.36 The Government will act to promote fairness and transparency for the growing number of leaseholders. Leasehold has been a traditional part of the housing market in this country but there are areas where urgent reform may be needed, particularly when buying a house on a leasehold basis. New leasehold houses can be marketed at a reduced price compared to freehold. But some purchasers are not aware at the point of sale that the associated costs of buying a new leasehold house can make it more expensive in the long run. Some freeholds and ground rents of leasehold houses are sold on and traded, with leaseholders left in the dark, and facing increasing and onerous payments. This is not in consumers' best interests.

4.37 In particular, ground rents with short review periods and the potential to increase significantly throughout the lease period may not be offering a fair deal. We are absolutely determined to address this. **We will therefore consult on a range of measures to tackle all unfair and unreasonable abuses of leasehold**.

4.38 We will consider further reforms through the consultation to improve consumer choice and fairness in leasehold, and whether and how to reinvigorate Commonhold. We will also work with the Law Commission to identify opportunities to incorporate additional leasehold reforms as part of their 13th Programme of Law Reform, and will take account of the work of the All-Party Parliamentary Group on Leasehold and Commonhold.[80]

79 `Shelter, 2016. The need for stable renting in England. https://england.shelter.org.uk/__data/assets/pdf_file/0010/1236484/The_need_for_stability2.pdf

80 Register of the All-Party Parliamentary Group on Leasehold and Commonhold: http://www.publications.parliament.uk/pa/cm/cmallparty/161124/leasehold-reform.htm

Improving neighbourhoods and making best use of existing homes

4.39 As we focus on increasing overall housing supply we want to make sure that best use is made of both new and existing homes, benefitting local communities and supporting growing economies. Some communities are particularly concerned about second homes, and others about properties being left empty and abandoned. It can be deeply frustrating for local people to see homes under-used in their neighbourhood when they themselves might be struggling to afford to meet their housing needs.

4.40 People are entitled to own a second home, but in the context of significant pressures on the supply of homes it is right that they make an additional contribution to help meet housing need. From last April, higher rates of Stamp Duty Land Tax have been payable on purchases of additional residential properties, including second homes. Some of the additional receipts are being used to form **our new Community Housing Fund, which is supporting communities to take the lead in developing homes, including in areas particularly affected by second homes. We will consider whether any additional measures are needed**.

Empty homes

4.41 **We will also continue to support local authorities to encourage efficient use of our existing stock, making best use of homes that are long-term empty**. Local authorities have powers and incentives to tackle empty homes. Through the New Homes Bonus they earn the same financial reward for bringing an empty home back into use as building a new one. They also have flexibility to impose a council tax premium of up to 50% (on top of the council tax bill), on properties that have been empty and substantially unfurnished for more than two years. Great progress has been made in recent years and the number of empty homes stands at its lowest since records began. At May 2010 over 300,000 homes in England had been standing empty for longer than 6 months. As of October 2015 the number of long-term empty properties had fallen to 204,000.[81]

Housing for our future population

4.42 Offering older people a better choice of accommodation can help them to live independently for longer and help reduce costs to the social care and health systems. We have already put in place a framework linking planning policy and building regulations to improve delivery of accessible housing. To ensure that there is more consistent delivery of accessible housing, **the Government is introducing a new statutory duty through the Neighbourhood Planning Bill on the Secretary of State to produce guidance for local planning authorities on how their local development documents should meet the housing needs of older and disabled people**. Guidance produced under this duty will place clearer expectations about planning to meet the needs of older people, including supporting the development of such homes near local services[82]. It will also set a clear expectation that all planning authorities should set policies using the Optional Building Regulations to bring forward an adequate supply of accessible housing to meet local need. In addition, we will explore ways to stimulate the market to deliver new homes for older people.

4.43 Helping older people to move at the right time and in the right way could also help their quality of life at the same time as freeing up more homes for other buyers. However there are many barriers to people moving out of family homes that they may have lived in for decades. There are costs, such as fees, and the moving process can be difficult. And they may have a strong emotional attachment to their home which means that where they are moving to needs to be very attractive to them and suitable for their needs over a twenty to thirty year period. There is also often a desire to be close to friends and family, so the issues are not straightforward.

4.44 The Government is committed to exploring these issues further and finding sustainable solutions to any problems that come to light. To do this we will draw on the expertise of a wide range of stakeholders including housebuilders (both specialist and mainstream); mortgage lenders; clinical commissioning groups; housing associations and

81 DCLG Live Table 615 - All long-term vacant dwellings by local authority district, England, from 2004
82 The Local Government Association is looking at these issues: http://www.local.gov.uk/documents/10180/7632544/5.5+Housing+commission_v12_compressed+WEB.pdf/ea3bad67-4c85-423f-aa45-f07888ff0fc5

local authorities; and most importantly older people and the groups that represent them. **We want to build on the evidence that already exists to help deliver outcomes that are best for older people.**[83] This conversation will generate a range of ideas for incentives and other innovations for the Government to consider: improved information and advice for older people about housing choices, including advice on adaptations; supporting custom build for older people; looking at how community living could work; as well as innovative models of housing with support available. These will sit alongside the Government commitments to fund and develop supported housing, including sheltered, step down and extra care housing, ensuring that the new supported housing funding model continues to provide the means for older people to live independently for longer while relieving pressure on the adult social care system.

Supported housing

4.45 Supported housing plays an important role in helping hundreds of thousands of vulnerable people to live independently or turn their lives around. The Government is committed to encouraging further development to meet future demand.

4.46 At the Spending Review, the Government committed £400 million for a further 8,000 supported housing units. Over £200 million more is being invested through the Department of Health's Care and Support Specialised Housing Fund to develop 6,000 more supported homes over the next few years.

4.47 The Government is committed to developing a sustainable and workable approach to funding supported housing which provides value for money and works for those who use it as well as those who pay for it. That is why we have deferred the application of the Local Housing Allowance (LHA) rates for supported housing until 2019/20, at which point we will bring in a new funding model which will ensure that supported housing continues to be funded at the same level it would have otherwise been in 2019/20, taking account of our plans on social rents.

4.48 We are committed to working with the sector to get the detail right and have published a consultation paper to work up the detailed design of the new funding model. The consultation is running for 12 weeks until 13th February 2017. **The detailed arrangements for implementing the new model and approach to short term accommodation will be set out in a subsequent Green Paper which we will publish this Spring.**

Preventing homelessness

4.49 There are multiple and complex reasons why people become homeless. However, we know that high and increasing costs in the private rented sector can impact upon tenants who struggle to pay, and these households are more likely to be at risk of becoming homeless. Losing a private sector tenancy is now the main cause of homelessness.[84]

4.50 We have a strong safety net, with legislation to support families and the most vulnerable when they become homeless. Our focus now is on ensuring that more people get the help they need before they become homeless, to prevent a crisis from happening in the first place. That is why **the Government is supporting Bob Blackman MP's Homelessness Reduction Bill** which will significantly reform England's homelessness legislation, placing a duty on local authorities to take steps to prevent the homelessness of anyone eligible and threatened with homelessness.

4.51 The legal framework is just one part of the support for households at risk, and we also have an ambitious programme of reform to enable local authorities to prevent or relieve homelessness. Since 2010, we have invested more than £500 million which has helped prevent or relieve over a million cases of homelessness.[85] In October 2016, we launched a new £40 million programme to drive a shift to homelessness prevention – intervening earlier to prevent homelessness happening in the first place, acting quickly when it does, and helping those rough sleepers with the most complex needs. Going further, at Autumn Statement

83 Future of an ageing population, Government Office for Science, 2016| https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535187/gs-16-10-future-of-an-ageing-population.pdf
84 DCLG Live Table 774
85 DCLG Live Table 787

we announced that **we are also doubling the size of the Rough Sleeping Fund** by providing an additional £10m for grants to innovative approaches to preventing and reducing rough sleeping.

4.52 **We are establishing a network of expert advisors to work closely with all local authorities to help bring them to the standard of the best**. We are also reforming homelessness data to get better insights into what works to prevent and tackle homelessness and to shine a light on performance.

4.53 We want to prevent people reaching crisis point, and for those who are already homeless to be able to move out of temporary accommodation or hostels to a settled home as quickly as possible. We will **explore new models to support those that are the hardest to help**, including whether social investment may have a role in helping to secure homes for those who are vulnerable or at risk of homelessness. **We also want to consider whether social lettings agencies can be an effective tool** for securing more housing for households who would otherwise struggle – providing security for landlords and support for tenants to help strengthen and sustain tenancies.

Homelessness trailblazers

The £20 million Homelessness Prevention Trailblazer fund will establish a network of 28 ambitious local authorities across England. Through the fund a wide variety of innovative new approaches to preventing homelessness will be developed such as:

- a multi-authority bid to deliver tailored support to over 1,000 PRS tenants at risk of homelessness;
- the introduction of a specialist unit to work across statutory services, the community and businesses in to early identify, intervene and work with households at risk of homelessness; and
- joining up data across police and health services to better identify and help people who are at risk of homelessness.

CONTENTS

Conclusion

You don't have to be an expert in housing or construction to know that our property market is broken. You just have to be one of the millions of hardworking people who can't afford to buy or even rent the kind of safe, secure, affordable home that previous generations have taken for granted.

It's all down to the fact that not enough houses are being built. The reasons for this are many and complex but, as this White Paper shows, they can be tackled.

But it's not something Government can do alone. Local authorities, private developers, housing associations, infrastructure providers, mortgage lenders and local communities all have a role to play. And they're all supported by measures in this White Paper.

None of this constitutes a blank cheque. Where help and investment is offered we expect to see results. That's why the White Paper also explains how we will take action against developers or authorities that are not pulling their weight.

As well as the councils and builders and others, this White Paper will help the one group that matters more than any other: hardworking people who just want to be able to afford a place to call their own.

It will help the tenants of today, facing rising rents, unfair fees and insecure tenures. It will help the homeowners of tomorrow, getting more of the right homes built in the right places. And it will help our children and our children's children by halting decades of declining affordability and fixing our broken housing market for good.

It's a bold, radical vision for housing in this country. Now we must all work together to turn our blueprint into bricks and mortar.

Annex:
Further detail and consultation on proposals

Introduction

A.1 This White Paper sets out a programme of reform to tackle the long-standing problems in the housing market and ensure that more homes are built in the right places.

A.2 In order to implement the vision set out in the White Paper, we are also consulting on a range of specific planning proposals. This annex provides further detail of the changes to planning policy and legislation needed to implement the proposals in chapters 1 and 2; and sets out consultation questions where new proposals are being made. It also sets out some wider changes to national planning policy in relation to affordable housing, sustainable development and the environment.

A.3 We are not consulting on the proposals in chapters 3 and 4 in this document, other than a separate consultation on the Build to Rent proposals in chapter 3, which has been launched today.

A.4 Several proposals build on consultations and reviews conducted over the last year: the report of the Local Plans Expert Group; consultations on changes to the National Planning Policy Framework, technical changes to planning and 'building up' in London; and the Rural Planning Review call for evidence.[86] The Government has taken account of responses to these in deciding the way forward. A summary of the responses to each consultation is being published alongside the White Paper.

A.5 Many of the changes involve amendments to the National Planning Policy Framework. The Government intends to publish a revised Framework later this year, which will consolidate the outcome from the previous and current consultations. It will also incorporate changes to reflect changes made to national policy through Written Ministerial Statements since March 2012. These are:

- **Support for small scale developers, custom and self-builders** (28 November 2014);
- **Sustainable Drainage Systems** (18 December 2014);
- **Starter Homes** (2 March 2015);
- **Parking: helping local shops and preventing congestion** (25 March 2015);
- **Housing standards: streamlining the system** (25 March 2015);
- **Local Planning,** which covers onshore wind farms (18 June 2015);
- **National Planning Policy Framework: technical adjustment** (22 July 2015);
- **Green Belt protection and intentional unauthorised development** (17 December 2015); and
- Neighbourhood planning (12 December 2016)

How to Respond

A.6 Below is more information about the scope of the consultation and how to respond to it.

86 Local Plans Expert Group (2016) *Local Plans: Report to the Communities Secretary and to the Minister of Housing and Planning*. http://lpeg.org/; DCLG (2015) *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes; DCLG (2016) *Technical consultation on implementation of planning changes*. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507019/160310_planning_consultation.pdf; DCLG (2016) *Consultation on upward extensions in London*. Available at: www.gov.uk/government/consultations/upward-extensions-in-london; DCLG (2016) *Rural Planning Review: Call for Evidence*. Available at: www.gov.uk/government/consultations/rural-planning-review-call-for-evidence.

Scope of the consultation

Topic of this consultation:	Changes to planning policy and legislation in relation to planning for housing, sustainable development and the environment
Scope of this consultation:	The Department for Communities and Local Government is consulting on new planning proposals which will involve amendments to the National Planning Policy Framework and regulations. It also sets out some wider changes to national planning policy in relation to sustainable development and the environment.
Geographical scope:	The policies and proposals set out in this White Paper apply to England only. In Scotland, Wales and Northern Ireland, housing and planning policy is the responsibility of the Scottish Government, Welsh Government and Northern Ireland Executive respectively. The UK government retains responsibility for housing and planning policy in England, including funding for England-only bodies such as the Homes and Communities Agency, the government's housing, land and regeneration agency, and the regulator of social housing providers in England. The Mayor of London is responsible for the functions of the HCA in London.
Impact Assessment:	N/A

Basic information

To:	This consultation is open to everyone. We are keen to hear from a wide range of interested parties from across the public and private sectors, as well as from the general public.
Body/bodies responsible for the consultation:	Department for Communities and Local Government
Duration:	The consultation will begin on 7 February 2017. The consultation will run for 12 weeks and will close on 2 May 2017. All responses should be received by no later than 23:45 on 2 May 2017.
Enquiries:	During the consultation, if you have any enquiries, please contact: planningpolicyconsultation@communities.gsi.gov.uk
How to respond:	You may respond by completing an online survey at: https://www.surveymonkey.co.uk/r/QLLWWSS Alternatively you can email your response to the questions in this consultation to: planningpolicyconsultation@communities.gsi.gov.uk If you are responding in writing, please make it clear which questions you are responding to. Written responses should be sent to: Planning Policy Consultation Team Department for Communities and Local Government Third Floor, South East Fry Building 2 Marsham Street SW1P 4DF When you reply it would be very useful if you confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and include: – your name, – your position (if applicable), – the name of organisation (if applicable), – an address (including post-code), – an email address, and – a contact telephone number

Proposals from Chapter One

Getting plans in place

Making sure every community has an up-to-date, sufficiently ambitious plan

A.7 We will do all we can to support local authorities to produce a plan, from simplifying the process to boosting capability and capacity in planning authorities. When necessary we will, however, intervene to ensure that plans are in place – using our existing powers and those proposed in the Neighbourhood Planning Bill currently before Parliament.

A.8 This may include directing a local planning authority to review their existing plan, where it is out of date. Where an authority is failing to do what is required to get their plan in place, we will consider the case for issuing directions to that authority to prepare a plan, to set the timetable for its production or arrange for a plan to be written for them in consultation with local people.

A.9 In February 2016, we consulted on our proposed criteria for making decisions on whether to intervene in plan-making,[87] which was where:

- the least progress in plan-making had been made;
- policies in plans had not been kept up to date;
- there was higher housing pressure; and
- intervention would have the greatest impact in accelerating local plan production.

A.10 We also proposed that:

- decisions on intervention would be informed by the wider planning context in each area (specifically, the extent to which authorities are working co-operatively to put strategic plans in place, and the potential impact that not having a plan has on neighbourhood planning activity); and
- authorities would have an opportunity to put forward any exceptional circumstances before action was taken.

A.11 Having considered the responses to these proposals, **the Government intends to make decisions on intervention on the basis of these criteria**, as set out in the consultation – making use of its existing powers and those proposed in the Neighbourhood Planning Bill.

A.12 The Neighbourhood Planning Bill would also allow the Secretary of State to require local planning authorities to review local plans and other local development documents at prescribed intervals, so that they can be kept up-to-date. **We will set out in regulations a requirement for these documents to be reviewed at least once every five years**. An authority will need to update their plan if their existing housing target can no longer be justified against their objectively assessed housing requirement, unless they have agreed a departure from the standard methodology with the Planning Inspectorate.

A.13 The Government would like to see more and better joint working where planning issues go beyond individual authorities, building on the existing duty to co-operate:

- we will **consult on changes to the National Planning Policy Framework so that authorities are expected to prepare a Statement of Common Ground**, setting out how they intend to work together to meet housing requirements that cut across authority boundaries;
- in several parts of the country, devolution deals have been accompanied by proposals for strategic plans that will allow housing requirements to be considered at a scale which is broader than individual authorities. Our **proposals to allow spatial development strategies to allocate strategic sites**, set out below, will make these more effective;
- we will **use the new £2.3bn Housing Infrastructure Fund to encourage and support collaboration** where it is appropriate to do so; and
- where it is clear that effective cross-boundary planning is needed but is not being taken forward, the Neighbourhood Planning Bill would **allow the Secretary of State to direct a group of authorities to work together** to produce a joint plan.

87 DCLG (2016) Technical consultation on implementation of planning changes. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507019/160310_planning_consultation.pdf.

Making plans easier to produce

A.14 We want to give local planning authorities more flexibility over the types of plan that they produce, so that plan-making can be tailored to the circumstances in each place.

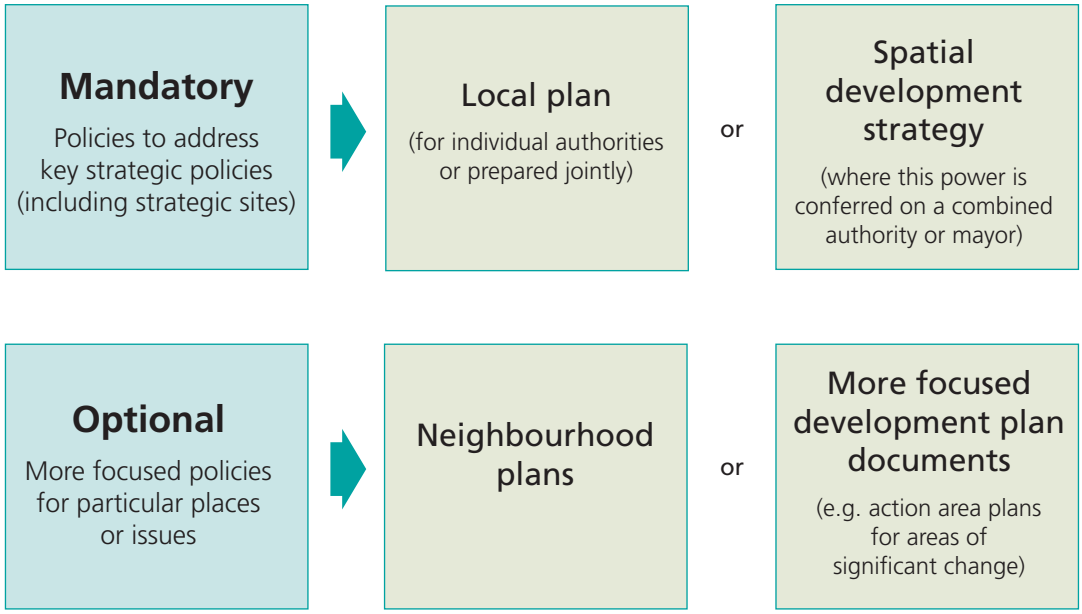
A.15 To help facilitate this the Neighbourhood Planning Bill, currently before Parliament, would in future require each local planning authority to maintain a set of key strategic policies, with flexibility over whether these are in a plan produced by an individual authority, in a joint local plan produced by a group of authorities, or in a spatial development strategy produced by a combined authority or an elected mayor.

A.16 To help implement this reform the Government is proposing two changes to the National Planning Policy Framework:

- As suggested by the Local Plans Expert Group, **we will remove the policy expectation that each local planning authority should produce a single local plan**. We will make clear instead that authorities should identify the most effective way of setting out their key strategic priorities (which may be jointly with other authorities), with the expectation that more detailed matters are addressed through neighbourhood plans or more focused development plan documents (Box 1).
- **We also propose to set out in policy the key strategic priorities that every area is expected to plan for**, which would be those listed already in the National Planning Policy Framework,[88] with an additional requirement to plan for the allocations needed to deliver the area's housing requirement (except insofar as this requirement will be met through windfall development or more detailed plans).

A.17 We also want to ensure that spatial development strategies produced by new combined authorities or elected Mayors can be as effective as possible, without the need for policies to be duplicated in local plans. The Government therefore proposes that **where these strategies require unanimous agreement of the members of the combined authority, regulations will allow them to allocate strategic sites**.

Box 1: The new framework for plan-making



88 NPPF paragraph 156: these priorities are the homes and jobs needed in the area; the provision of retail, leisure and other commercial development; the provision of infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat); and climate change mitigation and adaptation, conservation and enhancement of the natural and historic environment, including landscape.

A.18 The Local Plans Expert Group also put forward a number of proposals to streamline the process for producing plans, which we have considered alongside the comments received on their Report. In response **we will amend the National Planning Policy Framework to**:

- **Make clear that plans and policies should not duplicate one another**. For example, where a spatial development strategy is prepared, local plans will not be expected to cover the same strategic issues. Guidance will make clear that exceptions to this principle may be made where a new or emerging plan is maintaining key policies from another plan which is no longer up-to-date, for example where neighbourhood plans rely on policies in the local plan; and that authorities may rely on policies in the National Planning Policy Framework rather than replicating them in their plans; and
- **Amend the tests of what is expected of a 'sound' plan, to make clear that it should set out 'an' appropriate strategy for the area** rather than having to demonstrate that it contains 'the most' appropriate strategy (as the current wording can encourage disproportionate work and challenge at examinations).

A.19 Alongside these changes, **we propose to revise the National Planning Policy Framework to tighten the definition of what evidence is required to support a 'sound' plan** – to allow for a more proportionate approach, while ensuring that clear and concise evidence is available on the key issues that affect the capacity of each area to accommodate development.

A.20 With the emergence of spatial development strategies outside London, and with the continued growth of neighbourhood planning, **the Government would also welcome 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.**

Assessing housing requirements

A.21 The White Paper sets out the Government's intention to **consult on options for introducing a more standardised approach to assessing housing requirements**. The Local Plans Expert Group concluded that a more standardised methodology was one of the most important reforms that could be made to improve plan-making, and the principle of a more consistent approach was supported by many of those who commented on their report.

Question 1

Do you agree with the proposals to:

a) Make clear in the National Planning Policy Framework that the key strategic policies that each local planning authority should maintain are those set out currently at paragraph 156 of the Framework, with an additional requirement to plan for the allocations needed to deliver the area's housing requirement?

b) Use regulations to allow Spatial Development Strategies to allocate strategic sites, where these strategies require unanimous agreement of the members of the combined authority?

c) Revise the National Planning Policy Framework to tighten the definition of what evidence is required to support a 'sound' plan?

Question 2

What changes do you think would support more proportionate consultation and examination procedures for different types of plan and to ensure that different levels of plans work together?

A.22 A more standardised methodology for assessing housing requirements will allow a more consistent approach to establishing a suitable baseline for housing land supply and housing delivery, in the absence of an up-to-date plan. Subject to consultation, we propose that **from April 2018 the new methodology for calculating housing requirements would apply as the baseline for assessing 5 year housing land supply and housing delivery, in the absence of an up-to-date plan**. In specific circumstances where authorities are collaborating on ambitious proposals for new homes, the Secretary of State would be able to give additional time before this new baseline applies.

A.23 We want councils to use the new approach as they produce their plans and will incentivise them to do so. We will expect councils that decide not to use the new approach to explain why not and to justify the methodology they have adopted in their area. We will consult on what constitutes a reasonable justification for deviating from the standard methodology, and make this explicit in the National Planning Policy Framework.

A.24 Whatever the methodology for assessing overall housing requirements, it will remain important for authorities to assess the extent to which this needs to be translated into homes that are suitable for groups with specific housing requirements. **We propose to strengthen national policy so that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs**, such as older and disabled people.

Question 3

Do you agree with the proposals to:

a) amend national policy so that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs, such as older and disabled people?

b) from early 2018, use a standardised approach to assessing housing requirements as the baseline for five year housing supply calculations and monitoring housing delivery, in the absence of an up-to-date plan?

Digital planning: making plans and proposals more accessible

A.25 We intend to **increase the amount of planning data that is easily available to individuals, groups, entrepreneurs and businesses**. This will make planning more accessible, and also allow public data to be used in a way that increases accountability, drives choice and spurs innovation. The Local Plans Expert Group recommended that more plans should be accessible online, using interactive tools and improved facilities for online consultation.

A.26 The Government has already piloted a new set of open data standards for publishing information about brownfield land suitable for housing. Over 70 authorities took part in the pilot and the majority have now published their 'brownfield registers'. Local authorities will be required to prepare and maintain these registers from this spring. This will ensure that nationally consistent information on suitable brownfield sites is kept up to date and made publicly available for communities and developers.

A.27 In addition, the Neighbourhood Planning Bill contains proposals for more consistent and open data standards for plans. In support of this **we are working with local authorities, users of plans and other innovators through a pilot programme** to identify opportunities to prescribe open data standards for local plans and use digital tools to support better plan-making, improve the accessibility of information and help people identify and develop appropriate land for housing.

A.28 It is also important that we improve our understanding of the role the environment plays in our lives so that Government and other decision takers can improve outcomes. Through its 25 Year Environment Plan, the Government will set out a full programme of work to support people to make better environmental decisions, including through the use of improved data. This will build on previous work such as the Outdoor Recreation Valuation (ORVal) tool[89], which quantifies the recreational benefits that are provided by accessible greenspace.

Making land ownership and interests more transparent

A.29 Making data about land ownership and interests more readily available will allow authorities and communities to take a more proactive role in developing plans, support digital plan-making and help new entrants to the market.

A.30 To help tackle this **HM Land Registry will be modernised to become a digital and data-driven registration business** within the public sector. This is central to achieving genuine transparency on land

89 Land, Environment, Economics and Policy (LEEP) Institute at University of Exeter, with funding from DEFRA (2016). *Outdoor Recreation Valuation (ORVal) tool*. Available at: http://leep.exeter.ac.uk/orval/

ownership and control. HM Land Registry is committed to becoming the world's leading land registry for speed, simplicity and an open approach to data.

A.31 A modernised Land Registry will also aid better data sharing across government for the purposes of supporting development, ensuring financial stability, tax collection, law enforcement and the protection of national security. **The Government will examine how HM Land Registry and the Ordnance Survey can work more closely together** to provide a more effective digital land and property data service. This work will assess how their combined land and property data can be made more openly available to the benefit of developers, home buyers and others.

A.32 As part of these changes the **Government will ensure completion of the Land Register**. Currently 83% of the land in England and Wales is registered, but we need to go further. Opening up land and property data will make it easier for communities and authorities to engage in and make informed decisions about planning, development and investment. HM Land Registry is committed to achieving a more open and digital Register and will aim to achieve comprehensive registration by 2030.

Case study: Better access to planning data in Plymouth and Surrey

Images © Plymouth City Council

Plymouth City Council published The Plymouth Plan 2011-2031 as an interactive website. This allows the plan to be browsed easily in a way which is relevant to particular groups (resident, business, investor, etc.) or interests (such as the economy, arts and culture, living and housing). The City Council has also opened up over 100 data sets through its DATA Play initiative to give communities better access to information about their area and more ability to suggest improvements. And through Crowdfund Plymouth, an online crowdfunding campaign, a council pledge of £120,000 of the Community Infrastructure Levy (CIL) has attracted over £400,000 of match pledges from over 5,000 people and organisations.

Surrey Digital Services, a coalition of local authorities, developed The Planning Hub – a consolidated feed of planning information across Surrey, regardless of originating authority, computer systems or administrative boundaries. Alongside Hampshire County Council, DCLG and the Local eGovernment Standards Body (LeGSB) a national planning application data standard was created, which is now gathering data from 11 providers for anyone to access via an Application Programming Interface (API), which consists of protocols, definitions and tools for building application software. This has not been possible previously, despite its significant value for business processes and public access. It helps people to engage with local planning matters and allows developers and entrepreneurs to make use of the data in order to improve public interaction with local planning services.

All publicly-held land in the areas of greatest housing need will be registered by 2020, with the rest to follow by 2025. As an interim step, **the Government will collate and make openly available a complete list of all unregistered publicly held land by April 2018**, which will assist with prioritising registration and provide an early indication of the scale of potential sites for house building and associated infrastructure needs.

A.33 Alongside the improved registration of land, **the Government proposes to improve the availability of data about wider interests in land**. There are numerous ways of exercising control over land, short of ownership, such as through an option to purchase land or as a beneficiary of a restrictive covenant. There is a risk that because these agreements are not recorded in a way that is transparent to the public, local communities are unable to know who stands to fully benefit from a planning permission. They could also inhibit competition because SMEs and other new entrants find it harder to acquire land. There is the additional risk that this land may sit in a 'land bank' once an option has been acquired without the prospect of development.

A.34 **Therefore, the Government will consult on improving the transparency of contractual arrangements used to control land**. Following consultation, any necessary legislation will be introduced at the earliest opportunity. **We will also consult on how the Land Register can better reflect wider interests in land** with the intention of providing a 'clear line of sight' across a piece of land setting out who owns, controls or has an interest in it.

A.35 In addition, **HM Land Registry will make available, free of charge, its commercial and corporate ownership data set, and the overseas ownership data set**. These data sets contain data on 3.5 million titles to land held under all ownership categories with the exception of private individuals, charities and trustees. The Government also intends to **simplify the current restrictive covenant regime** by implementing the Law Commission's proposals for reform[90] and will publish a draft Bill for consultation as announced in the Queen's Speech.

Making enough land available in the right places

A.36 Local planning authorities have a responsibility to do all they can to meet their housing requirements, even though not all areas may be able to do so in full. The presumption in favour of sustainable development,[91] which sits at the heart of the Government's planning policy, places a clear obligation on authorities to plan positively. There are, however, opportunities to make the practical consequences of this obligation more explicit, and to make aspects of the presumption clearer in the light of experience since the National Planning Policy Framework was introduced.

A.37 Therefore the Government proposes to amend the National Planning Policy Framework 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**, so it is clear how much development can be accommodated; and
- **their identified housing requirement should be accommodated unless there are policies elsewhere in the National Planning Policy Framework that provide strong reasons for restricting development** (rather than just 'indicating' development should be restricted, as policy says now); or the adverse impacts of meeting need would significantly and demonstrably outweigh the benefits.

A.38 As part of these changes **the Government proposes to clarify which national policies it regards as providing a strong reason to restrict development when preparing plans**, or which indicate that development should be restricted when making decisions on planning applications: it is proposed that these are limited to the policies listed currently at footnote 9 of the National Planning Policy Framework, with the addition of Ancient Woodland and aged or veteran trees;[92] and that these are no longer set out as 'examples' but as a clear list. There has been uncertainty about this aspect of national

90 Law Commission (2011) *Making land work: Easements, Covenants and Profits à Prendre* (HC1067). Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/229064/1067.pdf
91 Paragraph 14 of the National Planning Policy Framework. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf
92 And, for clarity, those non-designated heritage assets of archaeological interest that are demonstrably of equivalent significance to scheduled monuments.

policy, so this change should provide a clearer position for both plan makers and those making decisions on applications. Ancient Woodland and aged or veteran trees are irreplaceable habitats and we consider it important that national policy reflects the need to protect them.

A.39 The Government considers that **the presumption in favour of sustainable development could be clarified further through some additional adjustments**:

- Reordering to reflect what decision-makers are likely to do in practice:[93] first, consider whether there are any national policies that justify restricting development, and then whether any adverse impacts would 'significantly and demonstrably' outweigh the benefits;
- A shorter, clearer opening line; removal of references to 'local plans' when referring to local planning authority plans (in view of the more flexible approach to plan-making set out in this White Paper); and numbering of its sub-paragraphs.

A.40 Box 2 overleaf shows what the combined effect of these proposed changes would be for the wording of the presumption in favour of sustainable development.

Bringing brownfield land back into use

A.41 The Government has already embarked on an ambitious programme to bring brownfield land back into use, which includes:

- introducing statutory brownfield registers which local planning authorities will use to indicate which previously developed sites are suitable for housing. These registers provide a platform for granting permission in principle for housing on suitable sites, giving early certainty to landowners, developers and communities;
- making £3 billion of loan funding for developers available through the Home Building Fund announced in October 2016, with an emphasis on supporting developments on brownfield land;
- a wide range of new permitted development rights, which give permission for specified forms of development – such as converting office, retail and agricultural buildings into residential use. More than 13,800 homes were added to the stock through permitted development rights enabling change of use to residential in 2015/16;[94]
- designating 26 Housing Zones with the potential to deliver up to 44,000 new homes on brownfield land. The London programme is devolved to the Mayor - 31 Zones have been designated in London and are expected to deliver 77,000 new homes;

Question 4

Do you agree with the proposals to amend the presumption in favour of sustainable development so that:

a) authorities are expected to have a clear strategy for maximising the use of suitable land in their areas?;

b) it makes clear that identified development needs should be accommodated unless there are strong reasons for not doing so set out in the NPPF?;

c) the list of policies which the Government regards as providing reasons to restrict development is limited to those set out currently in footnote 9 of the National Planning Policy Framework (so these are no longer presented as examples), with the addition of Ancient Woodland and aged or veteran trees?

d) its considerations are re-ordered and numbered, the opening text is simplified and specific references to local plans are removed?

93 While also observing the basic legal requirements to take all material considerations into account, and to make the decision in accordance with the development plan unless material considerations indicate otherwise.

94 DCLG (2016) *Housing Supply; net additional dwellings, England: 2015-16*. Available at: https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2015-to-2016

Box 2: Proposed text of the presumption in favour of sustainable development

At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**.

For **plan-making** this means that:

a) local planning authorities should positively seek opportunities to meet the development needs of their area, as well as any needs that genuinely cannot be met within neighbouring authorities, through a clear strategy to maximise the use of suitable land;

b) their plans should accommodate objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:

i. specific policies in this Framework provide a strong reason for development to be restricted;[1] or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

For **decision-taking**[2] this means:

a) approving development proposals that accord with the development plan without delay; and

b) where the development plan is absent, silent or relevant policies are out-of-date, granting permission unless:

i. specific policies in this Framework indicate development should be restricted[1]; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

1 Policies relating to sites protected under the Birds and Habitats Directives (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); Ancient Woodland and aged or veteran trees; designated heritage assets (and other heritage assets of archaeological interest referred to in paragraph 139); and locations at risk of flooding or coastal erosion.

2 Unless material considerations indicate otherwise.

- continuing to use our £1.2 billion Starter Homes Land Fund to bring forward suitable brownfield land for starter homes and other types of affordable home ownership products. Thirty local authority partnerships, working with the Homes and Communities Agency, were announced in January to help identify suitable sites.

A.42 Going further, the presumption should be that brownfield land within settlements is suitable for housing unless there are clear and specific reasons to the contrary (such as high flood risk). To facilitate this, we will **amend the National Planning Policy Framework to indicate that great weight should be attached to the value of using suitable brownfield land within settlements for homes**, following the broad support for this proposal in our consultation in December 2015.[95] In addition, our proposals for increasing the density of development set out in this White Paper will ensure that maximum use is made of brownfield sites that are suitable for homes.

95 DCLG (2015) *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes

Improving local authorities' role in land assembly and disposal

A.43 Local authorities are already able to secure planning permission on sites that they own, allowing them to be proactive in developing public land. Unitary authorities (including London Boroughs) and Urban Development Corporations can use this to provide certainty for developers purchasing land from (or partnering with) public bodies to deliver new homes. However, this power is currently constrained in two-tier local authority areas, where the resulting permission may be implemented only by the authority and any partner body. Any subsequent purchaser would need to re-apply for planning permission in order to carry out the development, adding time and expense to the process.

A.44 We wish to address this discrepancy between the powers available in unitary and two-tier areas, so **we propose to amend regulations so that all local planning authorities are able to dispose of land with the benefit of planning consent which they have granted to themselves**.

A.45 Where local authorities and other public bodies dispose of surplus land for homes, the land should normally be sold for the best consideration that can be reasonably obtained. An authority may, however, dispose of land at less than best consideration ('undervalue') where this can be justified, for example in enabling the land to be regenerated and used for new homes.

A.46 Local authorities are currently required to seek consent from the Secretary of State for the sale of all land held for planning purposes at an undervalue. This requirement can delay disposals and hold up development schemes, including for new housing. It is also inconsistent with the existing ability of local authorities to dispose of land which is not held for housing or planning purposes without the Secretary of State's consent, where the undervalue is £2m or less.

A.47 **We will 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**. The consultation will seek views on a threshold below which specific consent would not need to be obtained. We will also consult on revising the existing £2m threshold for the disposal of other (non-housing) land.

Question 5

Do you agree that regulations should be amended so that all local planning authorities are able to dispose of land with the benefit of planning consent which they have granted to themselves?

A.48 In many countries local authorities regularly work with local landowners to assemble land for housing. In Germany it is common for authorities to use a process known as land 'pooling' or 'readjustment' to collaborate with landowners in the assembly, servicing and disposal of land and realise the benefit from the uplift in land values once the site receives planning permission and is made ready for development. This enables local authorities to bring forward new building plots for local people and for smaller builders to build homes, often at reduced prices. The Government considers that such approaches could be used more extensively in England, and would welcome views from local authorities and others on the opportunities this presents, any barriers inhibiting greater take-up, and how these may be addressed.

Question 6

How could land pooling make a more effective contribution to assembling land, and what additional powers or capacity would allow local authorities to play a more active role in land assembly (such as where 'ransom strips' delay or prevent development)?

Regenerating housing estates

A.49 The Government's national strategy on estate regeneration was published in December 2016[96]. Through a combination of practical advice and guidance, it sets out how best to deliver high-quality, well-designed estate regeneration, including advice on financing and delivering schemes, the role of local authorities, and how to engage and protect residents.

A.50 To support this strategy, **we propose to amend the National Planning Policy Framework to encourage local planning authorities to consider the social and economic benefits of estate regeneration** when preparing their plans and in decisions on applications, and to use their planning powers to help deliver estate regeneration to a high standard.

Question 7

Do you agree that national policy should be amended to encourage local planning authorities to consider the social and economic benefits of estate regeneration when preparing their plans and in decisions on applications, and use their planning powers to help deliver estate regeneration to a high standard?

Supporting small and medium sized sites, and thriving rural communities

A.51 In February last year the Government launched a call for evidence for a Rural Planning Review.[97] Responses were clear that improving the availability and affordability of homes in rural areas is vital for sustaining rural communities, alongside action to support jobs and services. The Government's response to the review, published alongside this White Paper, includes proposals to expand the permitted development rights that apply to agricultural buildings, to provide more homes for local people. Alongside this, the Government intends to make a number of changes to national planning policy to provide better support for rural housing, and for development on small and medium-sized sites.

A.52 Reflecting proposals set out in the Government's previous consultation on changes to the National Planning Policy Framework,[98] we will

- amend national policy to **expect local planning authorities to have policies that support the development of small 'windfall' sites** (those not allocated in plans, but which come forward on an ad hoc basis); and
- **indicate that great weight should be given to using small undeveloped sites within settlements for homes**, where they are suitable for residential development.[99]

A.53 These changes apply to all types of area. Together with the additional weight that national policy will be placing on the benefits of developing brownfield land, they will ensure there is a clear presumption that residential development opportunities on small sites should be treated positively, while ensuring authorities can continue to protect valued areas of open space, the character of residential neighbourhoods and stop unwanted garden grabbing.

A.54 There are opportunities to go further to support a good mix of sites and meet rural housing needs, especially where scope exists to expand settlements in a way which is sustainable and helps provide homes for local people. This is especially important in those rural areas where a high demand for homes makes the cost of housing a particular challenge for local people. With these objectives in mind we are proposing a number of additional changes to the National Planning Policy Framework to:

- **highlight the opportunities that neighbourhood plans present for identifying and allocating small sites that are suitable for housing**, drawing on the knowledge of local communities;
- **encourage local planning authorities to identify opportunities for villages to thrive**, especially where this would support services and help meet the need to provide homes for local people who currently find it hard to live where they grew up; and

96 Available at: https://www.gov.uk/guidance/estate-regeneration-national-strategy
97 DCLG (2016) *Rural Planning Review: Call for Evidence*. Available at: www.gov.uk/government/consultations/rural-planning-review-call-for-evidence.
98 DCLG (2015) *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes
99 Small sites for this purpose are those capable of accommodating fewer than 10 units, or which are smaller than 0.5ha.

- **give much stronger support for 'rural exception' sites that provide affordable homes for local people**[100] – by making clear that these should be considered positively where they can contribute to meeting identified local housing needs, even if this relies on an element of general market housing to ensure that homes are genuinely affordable for local people.

A.55 In addition, we are proposing some further changes to promote a good mix of sites and increase the supply of land available to small and medium-sized housebuilders – something that will help to diversify the housebuilding sector and encourage more competition. These changes would:

- make clear that on top of the allowance made for windfall sites, **at least 10% of the sites allocated for residential development in local plans should be sites of half a hectare or less**;
- 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 for development more quickly.

A new generation of new communities

A.56 The Government is already supporting the creation of ten new garden towns and cities, and 14 new garden villages. Together, these new communities could deliver more than 200,000 new homes over the next 20 to 30 years, with more than 25,000 homes expected to start on site by 2020. Some £15 million of capacity funding has been made available to help build these new communities, and we have set up a development corporation to drive forward the delivery of Ebbsfleet, backed by £275 million of capital funding for infrastructure.

Question 8

Do you agree with the proposals to amend the National Planning Policy Framework to:

a) highlight the opportunities that neighbourhood plans present for identifying and allocating small sites that are suitable for housing?;

b) encourage local planning authorities to identify opportunities for villages to thrive, especially where this would support services and help meet the authority's housing needs?;

c) give stronger support for 'rural exception' sites – to make clear that these should be considered positively where they can contribute to meeting identified local housing needs, even if this relies on an element of general market housing to ensure that homes are genuinely affordable for local people?;

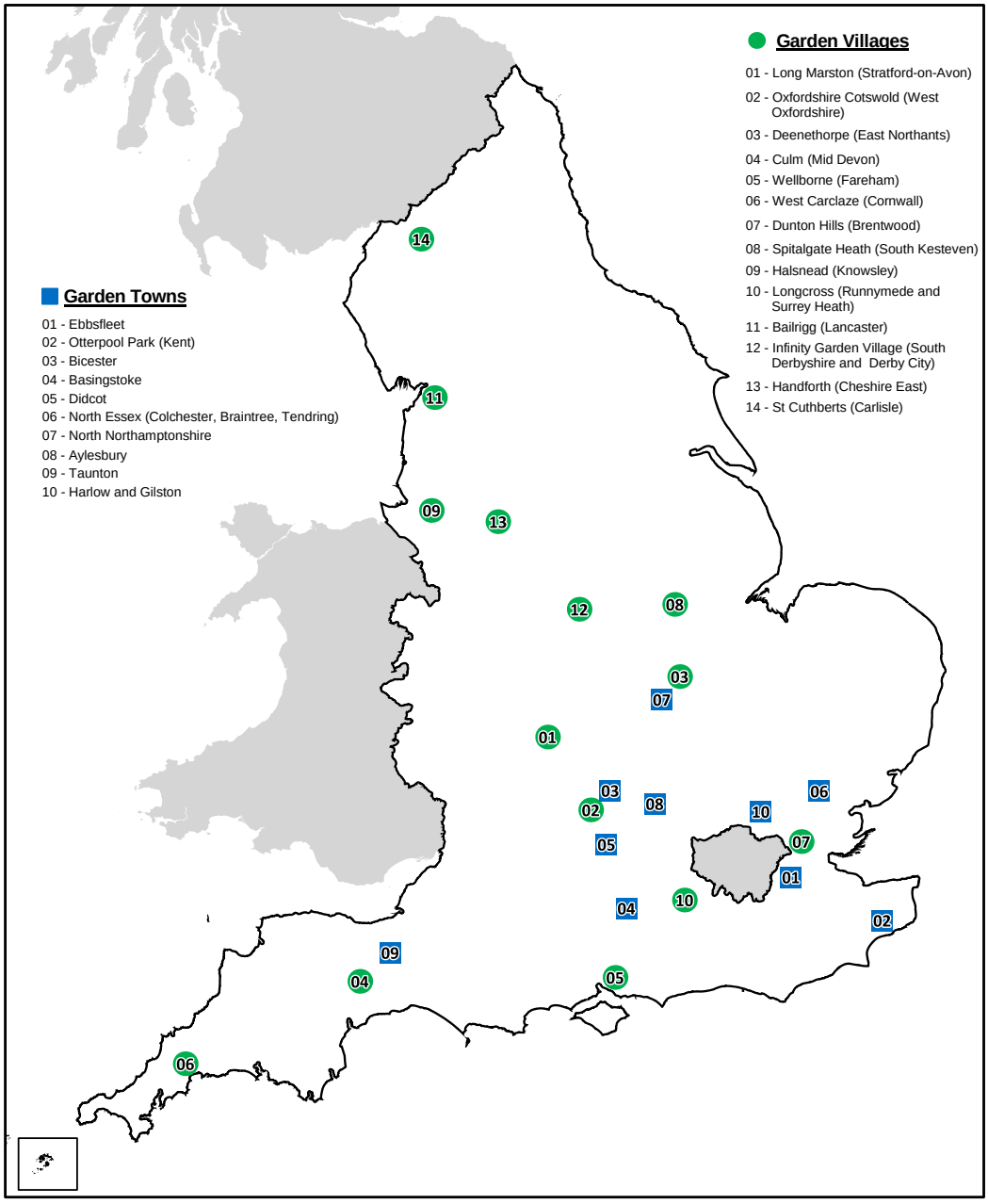
d) make clear that on top of the allowance made for windfall sites, at least 10% of sites allocated for residential development in local plans should be sites of half a hectare or less?;

e) expect local planning authorities to work with developers to encourage the sub-division of large sites?; and

f) encourage greater use of Local Development Orders and area-wide design codes so that small sites may be brought forward for development more quickly?.

100 Small sites used to provide affordable housing for local communities on land which would not normally be released for homes, as defined in the National Planning Policy Framework.

Figure A.1: Garden towns and villages



TITLE

Garden Towns and Villages

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Homes & Communities Agency

Spatial and Market Intelligence

Tel: 0300 1234500

Email - spatial.intelligence@hca.gsi.gov.uk

www.homesandcommunities.co.uk

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A.57 To support the delivery of existing and any future garden communities, we will:

- 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**, enabling local areas to use them as the delivery vehicle if they wish to. This can strengthen local representation and accountability, and increase opportunities for communities to benefit from land value capture; and
- following the previous consultation on changes to the National Planning Policy Framework, **amend policy to encourage a more proactive approach by authorities to bringing forward new settlements** in their plans, as one means by which housing requirements can be addressed.

A.58 The Government is interested in the opportunities that garden cities, towns and villages might offer for bringing large-scale development forward in ways that streamline planning procedures and encourage locally-led, high quality environments to be created. The Centre for Policy Studies proposed the idea of 'pink zones' with this goal in mind.[101] For example, local development orders or Development Corporations could give broad approval in advance for particular types of development, within an overall infrastructure framework. We would welcome views on how this potential can best be exploited.

Question 9

How could streamlined planning procedures support innovation and high-quality development in new garden towns and villages?

Green Belt land

A.59 The Green Belt is highly valued by communities, particularly those on the edge of urban areas. The fundamental aim of Green Belt, since its introduction in the 1950s, has been to prevent urban sprawl by keeping land permanently open. It has been largely successful in this aim – the percentage of land covered by Green Belt has remained at around 13% since at least 1997.[102] However parts of it are not the green fields we often picture, and public access can be limited, depending on ownership and rights of way.

A.60 Our manifesto reiterated our commitment to protecting the Green Belt. The National Planning Policy Framework is already clear that Green Belt boundaries should be amended only "in exceptional circumstances" when plans are being prepared or revised, but does not define what those circumstances are. The Government wants to retain a high bar to ensure the Green Belt remains protected, but we also wish to be transparent about what this means in practice so that local communities can hold their councils to account.

A.61 **Therefore we propose to 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 requirements**, including:

- making effective use of suitable brownfield sites and the opportunities offered by estate regeneration;
- the potential offered by land which is currently underused, including surplus public sector land where appropriate;
- optimising the proposed density of development; and
- exploring whether other authorities can help to meet some of the identified development requirement.

A.62 The Government also proposes to amend the National Planning Policy Framework to indicate 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.

101 Boyfield K and Greenberg D (2014) *Pink Planning*. Available at: http://www.cps.org.uk/publications/reports/pink-planning-diluting-the-red-tape/
102 DCLG Local authority green belt statistics for England: 2015 to 2016 https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2015-to-2016

This could, for example, include community forests, nature reserves or allotments. As part of our proposed consultation on improving arrangements for capturing uplifts in land value for community benefit, we will also explore whether higher contributions can be collected from development as a consequence of land being released from the Green Belt.

A.63 **We are also 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 been previously developed and/or which surrounds transport hubs.**

A.64 The Government considers that a number of other changes to Green Belt policy could also be made for the purposes of clarity and consistency. It proposes to amend the National Planning Policy Framework to make clear that:

- **appropriate facilities for existing cemeteries are not to be regarded as 'inappropriate development'** in the Green Belt;[103]
- **development brought forward under a Neighbourhood Development Order should also not be regarded as inappropriate** in the Green Belt, provided it preserves openness and does not conflict with the purposes of the Green Belt. This would ensure consistency with the treatment of Community Right to Build Orders, which are also community-led tools that can be used to meet local housing requirements; 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** (or plans) for the area in question. This recognises the role of neighbourhood plans as part of the statutory development plan, while the need for a referendum before a neighbourhood plan can be finalised ('made') will ensure that local people have a full say in the process. Neighbourhood plans would not be able to change the general extent of the Green Belt, which would remain a strategic matter.

Question 10

Do you agree with the proposals to amend the National Planning Policy Framework to make clear that:

a) 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 requirements?

b) where land is removed from the Green Belt, local policies should require compensatory improvements to the environmental quality or accessibility of remaining Green Belt land?

c) appropriate facilities for existing cemeteries should not to be regarded as 'inappropriate development' in the Green Belt?

d) development brought forward under a Neighbourhood Development Order should not be regarded as inappropriate in the Green Belt, provided it preserves openness and does not conflict with the purposes of the Green Belt?

e) 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 (or plans) for the area in question?

f) when carrying out a Green Belt review, local planning authorities should look first at using any Green Belt land which has been previously developed and/or which surrounds transport hubs?

Question 11

Are there particular options for accommodating development that national policy should expect authorities to have explored fully before Green Belt boundaries are amended, in addition to the ones set out above?

103 Following the Court of Appeal judgment in *R (Timmins and Lymn Family Funeral Service) v. Gedling Borough Council and Westerleigh Group Limited* [2015 EWCA Civ 110].

Strengthening neighbourhood planning and design

A.65 The White Paper sets out a range of measures to further support neighbourhood planning, and strengthen the ability of communities to influence the design of what gets built in their areas. Many of these involve changes to national planning policy, which we propose to amend so that:

- **local planning authorities are expected to provide neighbourhood planning groups with a housing requirement figure**, where this is needed to allow progress with neighbourhood planning. As part of the consultation on a new standard methodology for assessing housing requirements, we will seek views on whether a standard methodology could be developed for calculating housing need in a neighbourhood plan area.
- **local and neighbourhood plans (at the most appropriate level) and more detailed development plan documents (such as action area plans) are expected to set out clear design expectations** following consultation with local communities. This will provide greater certainty for applicants about the sort of design which is likely to be acceptable – using visual tools such as design codes that respond to local character and provide a clear basis for making decisions on development proposals;
- policy **strengthens the importance of early pre-application discussions** between applicants, authorities and the local community about design and the types of homes to be provided – which can be crucial in setting expectations and reconciling local and commercial interests;
- it makes clear that **design should not be used as a valid reason to object to development where it accords with clear design expectations set out in statutory plans**; and
- policy **recognises the value of using a widely accepted design standard**, such as Building for Life,[104] and makes clear that this should be reflected in plans and given weight in the planning process.

Question 12

Do you agree with the proposals to amend the National Planning Policy Framework to:

a) indicate that local planning authorities should provide neighbourhood planning groups with a housing requirement figure, where this is sought?;

b) make clear that local and neighbourhood plans (at the most appropriate level) and more detailed development plan documents (such as action area plans) are expected to set out clear design expectations; and that visual tools such as design codes can help provide a clear basis for making decisions on development proposals?;

c) emphasise the importance of early pre-application discussions between applicants, authorities and the local community about design and the types of homes to be provided?;

d) makes clear that design should not be used as a valid reason to object to development where it accords with clear design expectations set out in statutory plans?; and

e) recognise the value of using a widely accepted design standard, such as Building for Life, in shaping and assessing basic design principles – and make clear that this should be reflected in plans and given weight in the planning process?

104 Birkbeck D and Kruczkowski S (2015) *Building for Life 12: The sign of a good place to live*.Available at: www.designcouncil.org.uk/resources/guide/building-life-12-third-edition.

Case study: Trumpington Meadows

Image © Barratt Developments Plc

The new Trumpington Meadows development is less than three miles from Cambridge city centre. The 350 acre site includes 50 acres for housing and 145 acres of country park, and shows how well-designed homes can be delivered in ways that make effective use of land within a clear design framework.

The site will provide 1,200 new homes offering a mix of densities and housing types to cater for different needs. The lower density "village quarter" (30-45 dwellings per hectare) will provide larger, 3-4 bedroom homes, with some smaller homes for first-time buyers. The "urban, riverside and gateway quarters" (45-70 dwellings per hectare) offer higher density living with the highest densities located in the Local Centre. Housing mix is also encouraged with 40% affordable housing provided by a local housing association.

A Design Code Working Group was set up to design a mandatory design code for the development in consultation with the local councils, developer, housing association and other key stakeholders. The code ensures that the development will be of the highest quality; sustainable and locally distinctive with an attractive, easily navigable public realm and network of green spaces. In 2014, the development won the Evening Standard's 'Best Large Development' Award.

Using land more efficiently for development

A.66 Not all development makes good use of land, especially in areas where demand is high and available land is limited. London, for example, is a relatively low-density city, especially in its suburbs.

A.67 Local planning authorities decide what sort of density is appropriate for their areas. A locally led approach is important to ensure that development reflects the character and opportunities presented by each area. At the same time, authorities and applicants need to be ambitious about what sites can offer, especially in areas where demand is high and land is scarce, and where there are opportunities to make effective use of brownfield land given the strong economic and environmental benefits.

A.68 To help ensure that effective use is made of land, and building on its previous consultations,[105] **the Government proposes to amend the National Planning Policy Framework to make it clear that plans and individual development proposals should**:

105 *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes; DCLG (2016); *Consultation on upward extensions in London*. Available at: www.gov.uk/government/consultations/upward-extensions-in-london;

- **make efficient use of land and avoid building homes at low densities** where there is a shortage of land for meeting identified housing needs;
- **address the particular scope for higher-density housing in urban locations** that are well served by public transport (such as around many railway stations); that provide opportunities to replace low-density uses (such as retail warehouses, lock-ups and car parks) in areas of high housing demand; or which offer scope to extend buildings upwards in urban areas by making good use of the 'airspace' above them ;
- **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 (which may, for example, mean terraced houses, mews and mansion blocks rather than high rise buildings); 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.

A.69 Alongside this, **the Government intends to amend national planning guidance to highlight planning approaches that can be used to help support higher densities**, and to set out ways in which daylight considerations can be addressed in a pragmatic way that does not inhibit dense, high-quality development.

A.70 National policy has at times promoted minimum density standards that development proposals should take into account. While optimal densities need to reflect the nature of each site, the Government considers that indicative standards for particular types of location could be helpful in driving the right level of ambition in areas of high demand, and where it is reasonable to expect densities to be relatively high (such as in and around town centres and other locations that are well served by public transport). **We welcome views on what standards would be appropriate, and the locations to which they would apply**.

Question 13

Do you agree with the proposals to amend national policy to make clear that plans and individual development proposals should:

a) make efficient use of land and avoid building homes at low densities where there is a shortage of land for meeting identified housing needs?;

b) address the particular scope for higher-density housing in urban locations that are well served by public transport, that provide opportunities to replace low-density uses in areas of high housing demand, or which offer scope to extend buildings upwards in urban areas?;

c) ensure that in doing so the density and form of development reflect the character, accessibility and infrastructure capacity of an area, and the nature of local housing needs?;

d) 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?

Question 14

In what types of location would indicative minimum density standards be helpful, and what should those standards be?

A.71 We also want to do more to support hospitals, schools and other public sector landowners to deliver more homes for their employees within new and existing sites. This could include 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. **We would welcome views on how the planning system can best support such development**, including through strengthening planning policy to help provide greater certainty when applications come forward, or through a new permitted development right.

Question 15

What are your views on the potential for delivering additional homes through more intensive use of existing public sector sites, or in urban locations more generally, and how this can best be supported through planning (using tools such as policy, local development orders, and permitted development rights)?

A.72 The previous government's Housing Standards Review introduced the Nationally Described Space Standard for new homes as a way of rationalising and standardising space standards, in order to simplify compliance for developers.

A.73 The use of minimum space standards for new development is seen as an important tool in delivering quality family homes. However the Government is concerned that a one size fits all approach may not reflect the needs and aspirations of a wider range of households, and could be hindering innovative approaches to meeting demand, especially in areas of high demand where available land is limited. We want to make sure the standards are up to date so they do not rule out property sizes and types which more people now want to rent or buy, building on the high quality compact living model of developers such as Pocket Homes.[106]

A.74 Therefore **we will review the Nationally Described Space Standard and how it is used in planning**, to support greater local housing choice, while ensuring we avoid a race to the bottom in the size of homes on offer.

106 https://www.pocketliving.com/

Proposals from Chapter Two

Providing greater certainty

A.75 At present, an authority which cannot demonstrate a five-year supply of land against the housing target in its plan is vulnerable to the plan being undermined. This means the local authority can lose a significant degree of control over where new housing is built, because in these circumstances their plan is deemed to be out of date and the presumption in favour of sustainable development applies.

A.76 This policy has been effective but it is also a blunt tool and has had some negative effects on local planning, including:

- increased rates of appeal, particularly in areas with a marginal five-year land supply, which creates uncertainty for applicants and communities alike;
- increased cost and time, as local planning authorities and developers argue over whether a five-year land supply is in place; and
- neighbourhood plans being undermined, by leaving them vulnerable to speculative applications where the local planning authority does not have a five-year housing land supply.

A.77 The Government wants to create more certainty about whether an adequate land supply exists. The Local Plans Expert Group[107] recommended that whether a five year housing land supply exists or not should be capable of agreement on an annual basis, through discussion between authorities and development interests in each area, and subject to consultation and examination.

A.78 Having considered the responses to that proposal, **the Government will amend the National Planning Policy Framework to give local authorities the opportunity to have their housing land supply agreed on an annual basis, and fixed for a one-year period**. To take advantage of this, the policy will make clear that the authority's assessment of its housing land supply should be prepared in consultation with developers as well as other interests who will have an impact on the delivery of sites (such as infrastructure providers). To ensure that these areas continue to bring forward enough land, the Government also proposes that **authorities who wish to take advantage of this policy will need to provide for a 10% buffer on their 5 year land supply**.

A.79 In addition, to ensure the approach is clearer and more transparent, guidance will set out more detail on how 5 year land supply should be calculated, including making appropriate allowance for the fact that smaller sites tend to be built out more quickly than larger ones. We also propose that guidance would make clear that local planning authorities would need to publish their assessment in draft, which would then need to be considered and agreed by the Planning Inspectorate.

A.80 We are interested in views on whether the Inspectorate's consideration of the draft should be confined to whether the approach pursued by the authority in establishing the land supply position is robust, or whether the Inspectorate should also make an assessment of the supply figure itself. If, following this process, a five year housing land supply has been established, national policy would make clear that relevant plan policies for the supply of housing should not be deemed out of date due to a lack of five year land supply for the ensuing year.

Question 16

Do you agree that:

a) where local planning authorities wish to agree their housing land supply for a one-year period, national policy should require those authorities to maintain a 10% buffer on their 5 year housing land supply?;

b) the Planning Inspectorate should consider and agree an authority's assessment of its housing supply for the purpose of this policy?

c) if so, should the Inspectorate's consideration focus on whether the approach pursued by the authority in establishing the land supply position is robust, or should the Inspectorate make an assessment of the supply figure?

107 Local Plans Expert Group (2016) *Local Plans: Report to the Communities Secretary and to the Minister of Housing and Planning*. http://lpeg.org/

A.81 For those local authorities that choose not to follow this process or do not have a five-year housing land supply, we propose to maintain the current approach in the National Planning Policy Framework to ensure that sufficient housing land continues to come forward in these areas.

A.82 We also wish to provide more certainty for those neighbourhoods that have produced plans but are at risk of speculative development because the local planning authority has failed to maintain a five year land supply. Through a Written Ministerial Statement of 12 December 2016, we made clear that where communities plan for housing through a neighbourhood plan, those plans should not be deemed out-of-date unless there is a significant lack of land supply for housing in the wider local authority area.

A.83 Specifically national policy now states that relevant policies for the supply of housing in a neighbourhood plan that is part of the development plan should not be deemed to be 'out-of-date' under paragraph 49 of the National Planning Policy Framework where the following circumstances arise at the time a planning decision is made:

- the written ministerial statement making the policy change on 12 December 2016 is less than 2 years old, or the neighbourhood plan has been part of the development plan for 2 years or less;
- the neighbourhood plan allocates sites for housing; and
- the local planning authority can demonstrate a three-year supply of deliverable housing sites.

A.84 This important protection will be taken forward in the revised NPPF for those communities who are planning for the housing their communities need, but find the housing supply policies are deemed to be out-of-date through no fault of their own. In doing so, and subject to this consultation, we are proposing that the policy is amended so that to qualify for this protection:

- neighbourhoods should be able to demonstrate that their site allocations and housing supply policies will meet their share of local housing need; and
- the local planning authority should be 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 (to ensure that delivery rates across the area as a whole are at a satisfactory level).

A.85 We are also seeking views on whether it should remain a requirement to have site allocations in the plan or whether the protection should apply as long as housing supply policies will meet their share of local housing need.

Question 17

In taking forward the protection for neighbourhood plans as set out in the Written Ministerial Statement of 12 December 2016 into the revised NPPF, do you agree that it should include the following amendments:

a) a requirement for the neighbourhood plan to meet its share of local housing need?;

b) 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?

c) should it 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?

Deterring unnecessary appeals

A.86 An applicant's right to appeal to the Planning Inspectorate if they are unhappy with the decision of their local planning authority is a fundamental part of our planning system. However, unnecessary appeals can be a source of delay and waste taxpayers' money. We will consult on introducing a fee for making a planning appeal. To inform a further consultation, we are interested in views on this approach and in particular whether it is possible to design a fee in such a way that it does not discourage developers, particularly SMEs, from bringing forward legitimate appeals. One option would be for the fee to be capped, for example at a maximum of £2000 for the most expensive route (full inquiry). All fees could be refunded in certain circumstances, such as when an appeal is successful, and there could be lower fees for less complex cases.

Question 18

What are your views on the merits of introducing a fee for making a planning appeal? We would welcome views on:

a) how the fee could be designed in such a way that it did not discourage developers, particularly smaller and medium sized firms, from bringing forward legitimate appeals;

b) the level of the fee and whether it could be refunded in certain circumstances, such as when an appeal is successful; and

c) whether there could be lower fees for less complex cases.

Ensuring infrastructure is provided in the right place at the right time

Digital infrastructure

A.87 The Government has put in place significant planning reforms for digital infrastructure and will consider the need for further reforms to help industry deliver 5G and support improved indoor coverage. New permitted development rights and the reform of the Electronic Communications Code, through the Digital Economy Bill, will make the roll-out of communications infrastructure substantially easier and cheaper for industry. New building regulations which came into force on 1 January 2017 will guarantee that all new buildings and renovations will include in-building physical infrastructure to support connections to superfast broadband.

A.88 Additionally, the Government has brokered an agreement between Openreach and the Home Builders Federation to offer access to full fibre broadband for all new developments, for free for developments over 30 premises registered from November 2016, or as part of a co-funded initiative.

A.89 To support improved broadband and mobile connectivity **we are 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**.

A.90 We will also be engaging across Government to consider improvements to the street works regime to encourage broadband rollout.

Question 19

Do you agree with the proposal to amend national policy so that local planning authorities are expected to have planning policies setting out how high quality digital infrastructure will be delivered in their area, and accessible from a range of providers?

Investing in our national infrastructure

A.91 The National Infrastructure Commission, which will enable long term strategic decision making to build effective and efficient infrastructure for the UK, was established on a permanent basis as an executive agency of HM Treasury in January 2017. Recommendations of the National Infrastructure Commission will be given careful consideration by the Government and, where endorsed, will be a statement of Government policy. Where recommendations have wider implications for the planning regimes, the Government will highlight any further steps needed to take forward the recommendation into planning policy.

A.92 The Government therefore proposes to **revise the National Planning Policy Framework to make clear the status of endorsed recommendations of the National Infrastructure Commission**.

A.93 It is essential that when the Government does invest in new infrastructure, local planning authorities make the most of the opportunities for new housing it unlocks. Consequently we propose to amend national policy so that local planning authorities are expected to identify the additional development opportunities that such investment offers at the time funding is committed, and make it clear that when they review their plans they should seek to maximise the potential capacity unlocked by major new infrastructure.

Question 20

Do you agree with the proposals to amend national policy so that:

- the status of endorsed recommendations of the National Infrastructure Commission is made clear?; and
- authorities are expected to identify the additional development opportunities which strategic infrastructure improvements offer for making additional land available for housing?

Holding developers and local authorities to account

Greater transparency through the planning and build out phases

A.94 The Government collects and publishes data on a quarterly basis from local planning authorities on numbers of planning applications received, numbers decided, the time taken to make decisions and the number of those that were granted. These are designated National Statistics.

A.95 We also obtain data from Barbour ABI[108] (previously provided by Glenigan) on the number of homes granted residential planning permissions, and have data on the stock of planning permissions in the pipeline.

A.96 As of July 2016 there were 684,000 homes with detailed planning permission granted on sites which had not yet been completed. Of these, building has started on 349,000 homes. Of the remaining 335,000 homes with permission, we understand that 90% of these are progressing towards a start and 18,000 (5%) units are on sites that are 'on hold or shelved'; the remaining 15,000 units are on sites that have been sold or for which there is no information available. This includes only those units that have been granted detailed planning permission, or approval of reserved matters, on sites with ten or more homes.

A.97 **We propose to go further to improve the quality and analysis of information on housing delivery** in three important ways:

- **Better information on delivery**: the new Delivery Test detailed in this White Paper will provide a much clearer and up to date assessment of the delivery of new housing, on a consistent basis, at local authority level.
- **Better information on build out rates by builders**: in May 2016, the Home Builders Federation set out their commitment[109] to increase transparency about build out rates on a site by site basis. In line with this commitment we propose to take a number of steps to increase the quantity, quality and consistency of information about build out (**Box 3**).
- **Better information on the development pipeline**: armed with the additional information available from these changes, we will publish data on the scale of provision at each key stage in the development process from the submission of an outline or full application to the point where development is completed. This will allow us to pinpoint where blockages lie, informing future policy decisions.

108 Barbour ABI is a private provider of planning application data, having taken over as contractor following an open competition.
109 http://www.hbf.co.uk/fileadmin/documents/Policy/Publications/HBF_1_Million_homes_by_2020.pdf

Box 3: Increasing the quantity, quality and consistency of information about build out

To provide greater clarity and emphasis on the importance of building out housing, **the Government proposes to amend the national planning application form** to include a section asking the applicant to provide information about their estimated 'start date' (month/year when a substantive start would take place) and 'build out rate' (the number of homes built per financial year) for all proposals for or including housing development.

It is recognised that at the application stage, estimates about delivery timeframes will be just that. Applicants may not be able to say with certainty when a development will commence or how long it will take to complete. This is particularly the case where a site is to be developed by another party, or is especially complex.

To improve the quality of information available, **we propose to put in place a duty on developers to provide local authorities with basic information (in terms of actual and projected build out) on progress in delivering the permitted number of homes, after planning permission has been granted**. Many authorities will already be collecting this information, but to ensure best practice across the country and make build-out more transparent we intend to look at how this can be gathered in a consistent way. To complement this **we propose to set out new requirements for the Authority Monitoring Report (AMR) produced by local planning authorities**, so they provide a full, standardised and more easily understood assessment of their progress in delivering their housing plan for local people.

In line with existing Government policy, this information will be published in an open data format. Local authorities will be able to consider this information when planning to meet their housing need.

Subject to further consultation, we are also proposing to require large housebuilders to publish aggregate information on build out rates.

Question 21

Do you agree that:

a) the planning application form should be amended to include a request for the estimated start date and build out rate for proposals for housing?

b) that developers should be required to provide local authorities with basic information (in terms of actual and projected build out) on progress in delivering the permitted number of homes, after planning permission has been granted?

c) the basic information (above) should be published as part of Authority Monitoring Reports?

d) that large housebuilders should be required to provide aggregate information on build out rates?

A.98 These measures will allow local authorities, local communities and others to monitor the delivery records of individual builders and could provide an important input to the monitoring of housing delivery in a local authority area.

Sharpening local authority tools to speed up the building of homes

A.99 To provide stronger scrutiny of the likely delivery of sites, the Government proposes to **amend the National Planning Policy Framework 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.**

A.100 We want to ensure that homes with planning permission are built as soon as possible and discourage proposals where there is no intention to build, or there are insurmountable barriers to doing so.

A.101 In some cases planning permission has previously been granted for housing (whether outline or full permission) and that permission has not been implemented. Where there has been no relevant

change in the development plan or any other material considerations (such as national planning policy) in the intervening period, an application for a broadly similar proposal would ordinarily be determined in a like manner. By changing national policy, we want to encourage consideration of whether there is a realistic prospect of the site being developed before a further permission is granted. Factors which could be taken into consideration include whether the planning background of a site provides clear reasons or evidence for why earlier permissions have not been implemented.

Question 22

Do you agree that the realistic prospect that housing will be built on a site should be taken into account in the determination of planning applications for housing on sites where there is evidence of non-implementation of earlier permissions for housing development?

A.102 We are interested in views on whether an applicant's track record of delivering previous, similar housing schemes should be taken into account by local authorities when determining planning applications for housing development. If this proposal were taken forward, we would intend for it to be only used in considering applications for large scale sites, where the applicant is a major developer, as we don't want to deter new entrants but would like to explore whether an applicant's track record of strong or poor delivery may potentially be relevant.

Question 23

We would welcome views on whether an applicant's track record of delivering previous, similar housing schemes should be taken into account by local authorities when determining planning applications for housing development.

Question 24

If this proposal were taken forward, do you agree that the track record of an applicant should only be taken into account when considering proposals for large scale sites, so as not to deter new entrants to the market?

A.103 Planning permission is already granted or deemed to have been granted subject to a condition that the development must commence within a certain period. The default period is three years after permission has been granted, but the local planning authority has the ability to impose such other period as it considers appropriate.

A.104 Where planning permission is granted, we want development to start as soon as possible. Our proposals to tackle points of delay and provide more support should allow developers and local authorities to be more ambitious on start dates. We are considering the implications of 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, except where a shorter timescale could hinder the viability or deliverability of a scheme. We would particularly welcome views on what such a change would mean for SME developers.

Question 25

What are your views on whether local authorities should be encouraged to shorten the timescales for developers to implement a permission for housing development from three years to two years, except where a shorter timescale could hinder the viability or deliverability of a scheme? We would particularly welcome views on what such a change would mean for SME developers.

Improving the completion notice process

A.105 The Government wants to ensure that local planning authorities have more effective tools to deal with circumstances where planning permission has been commenced, but no substantive progress has been made to build homes.

A.106 Completion notices could be used to galvanise the building of homes where there appears to be no prospect of completion within a reasonable timeframe, and where other options to encourage completion have been exhausted. If developers fail to complete the homes within the specified period, planning permission will cease to have effect, except in relation to development which has already been carried out. However, completion notices are rarely used at present

because the process is lengthy, slow and complex. We have identified two potential changes to simplify and speed up the process for serving completion notices.

A.107 **The Government proposes to amend legislation to remove the requirement for the Secretary of State to confirm a completion notice before it can take effect.** Local authorities know their circumstances best, and removing central government involvement will help shorten the process, and give authorities greater control and certainty. The opportunity for a hearing will be retained where there are objections.

A.108 **We also 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.** This change could dissuade developers from making a token start on site purely to keep the permission alive. However, it is important that this would not impact on the willingness of lenders to invest.

Question 26

Do you agree with the proposals to amend legislation to simplify and speed up the process of serving a completion notice by removing the requirement for the Secretary of State to confirm a completion notice before it can take effect?

Question 27

What are your views on whether we should allow local authorities to serve a completion notice on a site before the commencement deadline has elapsed, but only where works have begun? What impact do you think this will have on lenders' willingness to lend to developers?

The housing delivery test

A.109 Strong local leadership is vital if the homes that local areas have planned for are to be built. Having taken into account representations received on its consultation on the principle of a housing delivery test[110] **the Government will introduce a new housing delivery test through changes to the National Planning Policy Framework and associated guidance.** This will highlight whether the number of homes being built is below target, provide a mechanism for establishing the reasons why, and where necessary trigger policy responses that will ensure that further land comes forward.

A.110 To transition to a housing delivery test we propose to use an area's local plan (or, where relevant, the figure in the London Plan or a statutory Spatial Development Strategy) where it is up-to-date (less than 5 years old) to establish the appropriate baseline for assessing delivery. If there is no up-to-date plan we propose using published household projections for the years leading up to, and including, April 2017 – March 2018 and from the financial year April 2018 – March 2019, subject to consultation, the new standard methodology for assessing household need.

A.111 **We are proposing to measure housing delivery using net annual housing additions** (which are the national statistic used for monitoring housing delivery). These are published in November covering the previous financial year (April – March). The Government proposes to offer authorities the opportunity to inform the Department of changes in their returns and will publish a revised edition of the net additions statistics where necessary. The Government will also provide more guidance to authorities in completing their returns.

A.112 We also propose that **the rate of housing delivery in each area would be assessed as the average over a three-year rolling period** (to even-out peaks and troughs in build rates from one year to the next), and that the first assessment period will be for financial years April 2014 – March 2015 to April 2016 – March 2017. We propose to publish these figures annually alongside the net additions statistics in November.

110 DCLG (2015) *National Planning Policy: Consultation on proposed changes*. Available at: www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes

Question 28

Do you agree that for the purposes of introducing a housing delivery test, national guidance should make clear that:

a) The baseline for assessing housing delivery should be a local planning authority's annual housing requirement where this is set out in an up-to-date plan?

b) The baseline where no local plan is in place should be the published household projections until 2018/19, with the new standard methodology for assessing housing requirements providing the baseline thereafter?

c) Net annual housing additions should be used to measure housing delivery?

d) Delivery will be assessed over a rolling three year period, starting with 2014/15 – 2016/17?

A.113 Where under-delivery is identified as a result of this monitoring, **the Government proposes a tiered approach to addressing the situation that would be set out in national policy and guidance**, starting with an analysis of the causes so that appropriate action can be taken:

- From November 2017, if delivery of housing falls below 95% of the authority's annual housing requirement, we propose that the local authority should publish an action plan, setting out its understanding of the key reasons for the situation and the actions that it and other parties need to take to get home-building back on track.
- From November 2017, if delivery of housing falls below 85% of the housing requirement, authorities would in addition be expected to plan for a 20% buffer on their five-year land supply, if they have not already done so.
- From November 2018, if delivery of housing falls below 25% of the housing requirement, the presumption in favour of sustainable development in the National Planning Policy Framework would apply automatically (by virtue of relevant planning policies being deemed out of date), which places additional emphasis on the need for planning permission to be granted unless there are strong reasons not to.
- From November 2019, if delivery falls below 45% the presumption would apply.
- From November 2020, if delivery falls below 65% the presumption would apply.

A.114 The phased introduction of the housing delivery test consequences will give authorities time to address under delivery in their areas, taking account of issues identified in their action plans and using the 20% buffer to bring forward more land.

A.115 It is imperative that local authorities start to address under delivery in their area through their action plans to ensure they are meeting their delivery requirements. To inform the local authority's approach, in summer 2017 for illustrative purposes we intend to publish delivery data against housing requirements set out in Local Plans or household projections covering the period 2013/14 – 2015/16.

Question 29

Do you agree that the consequences for under-delivery should be:

a) From November 2017, an expectation that local planning authorities prepare an action plan where delivery falls below 95% of the authority's annual housing requirement?;

b) From November 2017, a 20% buffer on top of the requirement to maintain a five year housing land supply where delivery falls below 85%?;

c) From November 2018, application of the presumption in favour of sustainable development where delivery falls below 25%?;

d) From November 2019, application of the presumption in favour of sustainable development where delivery falls below 45%?; and

e) From November 2020, application of the presumption in favour of sustainable development where delivery falls below 65%?

A.116 **The Government will consider how it can support authorities experiencing significant under-delivery in addressing the challenges identified in their action plans**, both directly and through peer support. We will continue to work with the Local Government Association and Planning Advisory Service to develop programs tailored to specific service areas such as planning for housing. The Government is seeking views on what support would be helpful to local planning authorities in increasing housing delivery in their areas.

A.117 The Housing and Planning Act 2016 provides a tool for local authorities to request alterations to the planning system in their area to increase housing delivery.[111] If certain conditions are met, the Secretary of State may by regulations make a planning freedoms scheme, having effect for a specified period, in relation to a specified planning area in England. A 'planning freedoms scheme' is a scheme that disapplies or modifies specified planning provisions in order to facilitate an increase in the amount of housing in the planning area concerned. The Government encourages local authorities to consider what measures may support delivery of housing in their area and help address the issues identified in their action plans.

Question 30

What support would be most helpful to local planning authorities in increasing housing delivery in their areas?

111 Section 154: http://www.legislation.gov.uk/ukpga/2016/22/section/154/enacted

CONTENTS

Affordable Housing

A.118 The White Paper sets out our proposals to build more homes to tackle the housing shortage. This includes proposals to help households who are currently priced out of the housing market to buy or rent a home of their own. We are proposing two changes to planning policy to support this:

Changing the definition of affordable housing

A.119 In December 2015 we consulted on changes to the National Planning Policy Framework. This included a proposal to broaden the definition of affordable housing, to include a range of low cost housing opportunities for those aspiring to own a home, including starter homes. In doing so this approach would seek to retain all types of housing that are currently considered affordable housing.

A.120 Following the consultation we intend to take forward proposals to expand the definition of affordable housing in planning policy, but propose to make two further changes:

- to **introduce a household income eligibility cap** of £80,000 (£90,000 for London) on starter homes. We wish to make sure that starter homes are available to those that genuinely need support to purchase a new home, and the cap proposed is in line with that used for shared ownership products; and
- to **introduce a definition of affordable private rented housing**, which is a particularly suitable form of affordable housing for Build to Rent Schemes. We are separately consulting on a range of measures to promote Built to Rent developments.

A.121 Subject to this consultation, **we intend to publish a revised definition of affordable housing** as part of our revised changes to the National Planning Policy Framework. A proposed revised change is set out in the box below.

A.122 The December 2015 consultation recognised that a change in the definition of affordable housing may require local planning authorities to develop new policies and carry out a partial review of their plan. We proposed a transition period of six to twelve months to allow local authorities to review their plan. In the light of the further proposed changes to the definition we are now proposing a transition period to align with the coming into force of other proposals set out in the White Paper (April 2018). We would welcome views on this approach.

Question 31

Do you agree with our proposals to:

a) amend national policy to revise the definition of affordable housing as set out in Box 4?;

b) introduce an income cap for starter homes?;

c) incorporate a definition of affordable private rent housing?;

d) allow for a transitional period that aligns with other proposals in the White Paper (April 2018)?

Increasing delivery of Affordable Home ownership products

A.123 The National Planning Policy Framework requires local planning authorities to plan proactively to meet as much of their housing needs in their area as possible, including market and affordable housing.

A.124 The White Paper confirms that the Government will not introduce a statutory requirement for starter homes at the present time. This is because of concerns expressed in response to our consultation last year, that this would not respond to local needs. Instead we want local authorities to deliver starter homes as part of a mixed package of affordable housing of all tenures that can respond to local needs and local markets. We believe that it is right to continue to provide more of the right type of new housing to allow young people to get on the housing ladder. We will therefore look for local planning authorities to work with developers to deliver a range of affordable housing products, which could allow tenants to become homeowners over a period of time. These include starter homes, shared ownership homes and discounted market sales products.

A.125 We want to achieve this by building on existing practice. At the moment local planning authorities already provide a detailed breakdown of affordable housing needs and set appropriate policies on the type and level of affordable housing provision as part of the preparation of their local plans. They then negotiate an appropriate level of affordable housing provision on a site by site basis, having regard to their plan policy, overall site viability and other local evidence.

Box 4: Proposed definition of affordable housing

Affordable housing: housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership), and which meets the criteria for one of the models set out below.

Social rented and affordable rented housing: eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the Government's rent policy. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Starter homes is housing as defined in Sections 2 and 3 of the Housing and Planning Act 2016 and any subsequent secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute at the time of plan-preparation or decision-taking. Local planning authorities should also include income restrictions which limit a person's eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London).

Discounted market sales housing is housing that is sold at a discount of at least 20 per cent below local market value. Eligibility is determined with regard to local incomes and local house prices. It should include provisions to remain at a discount for future eligible households.

Affordable private rent housing is housing that is made available for rent at a level which is at least 20 per cent below local market rent. Eligibility is determined with regard to local incomes and local house prices. Provision should be made to ensure that affordable private rent housing remains available for rent at a discount for future eligible households or for alternative affordable housing provision to be made if the discount is withdrawn. Affordable private rented housing is particularly suited to the provision of affordable housing as part of Build to Rent Schemes.

Intermediate housing is discount market sales and affordable private rent housing and other housing that meets the following criteria: housing that is provided for sale and rent at a cost above social rent, but below market levels. Eligibility is determined with regard to local incomes and local house prices. It should also include provisions to remain at an affordable price for future eligible households or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement. These can include Shared Ownership, equity loans, other low cost homes for sale and intermediate rent (including Rent to Buy housing).

A.126 Following any proposed change to the definition of affordable housing, local planning authorities will have to consider the broadened definition of affordable housing in their evidence base for plan-making. However, to promote delivery of affordable homes to buy, **we propose 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**. We consider that this strikes an appropriate balance between providing affordable homes for rent and helping people into home ownership. It will form part of the agreed affordable housing contribution on each site. So, for example, on a proposed development of 100 units we would expect local planning authorities to seek a minimum of 10 affordable home ownership products.

A.127 We propose that this policy should apply to sites of 10 units or more (or 0.5+ hectares). This aligns with the planning definition of 'major development' for development management purposes.[112] A lower threshold would be contrary to existing national planning policy,[113] and could have an adverse impact on the form or viability of such developments. We also considered a higher threshold, for example 100 units, but setting it at such a high level may not deliver sufficient affordable homeownership products.

A.128 We have also considered whether this proposal should apply to all types of housing development. We recognise that there are a number of schemes for which such a policy may not be appropriate, either on viability grounds or because the nature of the proposal makes it difficult to provide affordable home ownership products. For example:

- Build to Rent schemes, which are purpose built for private and affordable rented accommodation. Through our consultation on proposals to develop the built to rent market we are proposing that developers can provide affordable private rent in place of other affordable housing products;
- Proposals for dedicated supported housing, such as residential care homes, which provide specialist accommodation for a particular group of people and which include an element of support;
- Custom Build schemes, where given the nature of custom build delivery models, any additional burden may impact on site viability; and
- Development on Rural Exception Sites where, given the particular characteristics of such schemes, we consider that it should remain a matter of local discretion for the local planning authority.

A.129 **We would welcome views on whether these or any other types of residential development should be exempt from this policy.**

Question 32

Do you agree that:

a) national planning policy should expect local planning authorities to seek a minimum of 10% of all homes on individual sites for affordable home ownership products?

b) that this policy should only apply to developments of over 10 units or 0.5ha?

Question 33

Should any particular types of residential development be excluded from this policy?

A.130 The final level of affordable housing for each site will vary and be determined on a case by case basis, having regard to plan policies. These are delivered through section 106 negotiations, and we recognise that local authorities and developers may agree a commuted sum in lieu of onsite provision where this is robustly justified. We are exploring reform of developer contributions and will make an announcement at Autumn Budget 2017.

A.131 We have carefully considered whether to propose introducing transitional arrangements for this policy. Since local authorities already provide a detailed breakdown on the different types of affordable housing they would like in their plans, and given our ambition to drive up affordable home ownership products, we do not consider that a transitional period is necessary.

112 Town and Country Planning (Development Management Procedure Order) (England) 2015
113 Written statement – HCWS50 (28 November 2014)

Sustainable development and the environment

Sustainable development

A.132 The National Planning Policy Framework makes clear that the purpose of the planning system is to contribute to the achievement of sustainable development, which means that it must perform an economic, social and environmental role. The Government believes that these should remain fundamental principles that underpin the system. However experience since the Framework was introduced suggests a need to set out more clearly the Government's view of what sustainable development means for the planning system.

A.133 The courts have already made clear that in taking decisions under paragraph 14 of the Framework (the presumption in favour of sustainable development), national policy does not require an assessment of whether a proposal is sustainable development, before applying the presumption itself.

A.134 In addition the Government proposes to amend the National Planning Policy Framework to make clear that the reference to the three dimensions of sustainable development, together with the core planning principles and policies at paragraphs 18-219 of the Framework, **together constitute its view of what sustainable development means for the planning system in England**.

Meeting the challenge of climate change

A.135 The National Planning Policy Framework sets out how local planning authorities are expected to consider and address the range of impacts arising from climate change. They should adopt proactive strategies to mitigate and adapt to climate change, taking full account of flood risk, coastal change and water supply and demand considerations. The glossary to the Framework explains that for climate change adaptation, climatic factors also include rising temperatures. To make this clearer, **we propose to amend the list of climate change factors set out in the policy itself to include rising temperatures**.

A.136 Local planning authorities need to take a positive approach to addressing climate change impacts on their communities and infrastructure. The current policy is clear that new development should be planned to avoid increased vulnerability to climate change. The Government also wants to be quite clear that when producing plans, local planning authorities need to consider not just individual developments, but more broadly climate change impacts on the community as a whole. **We therefore propose to make clear that local planning policies should support measures for the future resilience of communities and infrastructure to climate change**.

Question 34

Do you agree with the proposals to amend national policy to make clear that the reference to the three dimensions of sustainable development, together with the core planning principles and policies at paragraphs 18-219 of the National Planning Policy Framework, together constitute the Government's view of what sustainable development means for the planning system in England?

Question 35

Do you agree with the proposals to amend national policy to:

a) Amend the list of climate change factors to be considered during plan-making, to include reference to rising temperatures?

b) Make clear that local planning policies should support measures for the future resilience of communities and infrastructure to climate change?

Flood Risk

A.137 The National Planning Policy Framework sets out a strong policy to protect people and property from flooding and it is important that this policy is clear and robustly implemented. We propose to **make some amendments to clarify the application of the Exception Test** (paragraph 102 of the Framework) in local plan-making and planning decisions to make clear that:

- when preparing plans, local planning authorities should not allocate land for development if, having regard to the Strategic Flood Risk Assessment and other available information, it is clear that the Exception Test, where applicable, is not capable of being met; and
- the Exception Test, where applicable, still needs to be met for planning applications for development, other than for minor development and changes of use, on allocated sites that have been subject to the Sequential Test.

A.138 We also propose **to clarify that planning applications for minor developments and changes of use are expected to meet the requirements of paragraph 103** of the Framework, with the exception of the Sequential and Exception Tests.[114] This recognises that in areas susceptible to flooding even small alterations can affect flood risk within or beyond the site, and changes of use can result in occupation or use by parties which are more vulnerable than the previous occupants/users to harm from flooding. Furthermore, existing properties may not previously have been subject to proper flood risk assessment and appropriate mitigation measures, or the nature or severity of the flood risk may have changed over time, requiring more appropriate mitigation measures.

A.139 As part of the policy to protect people and property from flooding, the National Planning Policy Framework expects local planning authorities' plans to be supported by a Strategic Flood Risk Assessment, and to have policies to manage flood risk from all sources, taking account of advice from flood risk management bodies. We propose to 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**.

Question 36

Do you agree with these proposals to clarify flood risk policy in the National Planning Policy Framework?

Noise and other impacts on new developments

A.140 The National Planning Policy Framework, supported by planning guidance, already incorporates elements of the 'agent of change' principle (this provides that the person or business responsible for the change should be responsible for managing the impact of that change) in relation to noise, by being clear that existing businesses wanting to grow should not have unreasonable restrictions put on them because of changes in nearby land uses since they were established.

A.141 We propose to amend the Framework to emphasise that **planning policies and decisions should take account of existing businesses and other organisations**, such as churches, community pubs, music venues and sports clubs, when locating new development nearby and, **where necessary, to mitigate the impact of noise and other potential nuisances arising from existing development**. This will help mitigate the risk of restrictions or possible closure of existing businesses and other organisations due to noise and other complaints from occupiers of new developments.

Question 37

Do you agree with the proposal to amend national policy to emphasise that planning policies and decisions should take account of existing businesses when locating new development nearby and, where necessary, to mitigate the impact of noise and other potential nuisances arising from existing development?

114 As currently set out in paragraph 104 of the Framework.

Onshore wind energy

A.142 The Government's Written Ministerial Statement of 18 June 2015 sets out new planning considerations for onshore wind energy planning applications involving one or more wind turbines. To allow for the proper integration of the policy into the National Planning Policy Framework, **the Government proposes to amend the wording of paragraph 98 of the Framework** to:

- clarify which parts of existing policy relate specifically to onshore wind energy development and which to all forms of renewable and low carbon energy development;
- remove the need for wind energy development applications outside of suitable areas identified in plans to demonstrate that the proposed location meets the criteria used in identifying suitable areas; and
- be clear that proposed wind energy development involving one or more wind turbines should 'not be considered acceptable' rather than 'should only grant planning permission' to reflect the language of the existing planning policy.

A.143 Following practical experience in implementing the revised policy, the Government will issue further guidance to clarify what is meant by the phrase "following consultation, it can be demonstrated that the planning impacts identified by affected local communities have been fully addressed and therefore the proposal has their backing".

A.144 The Government does not see a need for a transitional provision as the policy remains unchanged. Nor does it propose to include the original transitional provision given the time that has elapsed since the Written Ministerial Statement was issued.

Question 38

Do you agree that in incorporating the Written Ministerial Statement on wind energy development into paragraph 98 of the National Planning Policy Framework, no transition period should be included?

ISBN 978-1-4741-3795-9