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| REPORT TO: | ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE | AGENDA ITEM: 10 |
| DATE OF MEETING: | 26 April 2017 | |
| REPORT FROM: | STUART BATCHELOR DIRECTOR OF COMMUNITY AND PLANINING | OPEN |
| MEMBERS' CONTACT POINT: | Nicola Sworowski nicola.sworowski@south- derbys.gov.uk 01283 595983 | DOC: |
| SUBJECT: | HOUSING WHITE PAPER CONSULTATION | REF: |
| WARD(S) AFFECTED: | DISTRICT | TERMS OF REFERENCE: EDS03 |

1.0 Recommendations

1.1 That the content of the Housing White Paper be noted, and that the comments in respect of specific questions posed in the consultation on the White Paper and considered in this report, be endorsed by Members and submitted to the Department of Communities and Local Government (DCLG).

2.0 Purpose of Report

2.1 To inform Members of the proposals relevant to South Derbyshire included in the Housing White Paper and provide an indication of how proposed changes could affect the delivery of the Council's planning and housing functions.

2.2 Due to the length and complexity of the White Paper, this report does not consider every question posed as part of the consultation. Instead it seeks to consider those issues which are most notable and likely to lead to significant changes in the way the Council undertakes its housing and planning functions. However the White Paper is wide-ranging and considers a range of potential issues including in relation to the definition of affordable housing, the continued protection of Green Belt, flood risk, noise and other impacts of development. As such members with specific interests in such issues may wish to consider the White Paper in more detail and put forward any comments not covered in the detail of this report below. For information the White Paper is available to view at:

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

3.0 Background

3.1 The Government published its Housing White Paper for Consultation on the 7th February 2017. This Consultation runs until the 2nd May 2017. Simply stated the

White Paper highlights that *“the housing market in this country is broken, and the cause is very simple: for too long we have not built enough homes”*.

- 3.2 The White Paper identifies a range of measures to deal with what it considers are three major problems:
- Over 40% of local planning authorities do not have a plan to meet projected housing growth in their area
 - The pace of development is too slow
 - The structure of the housing market makes it harder to increase supply
- 3.3 In order to address these issues the White Paper sets out a number of objectives. Firstly it identifies a need to plan for the right homes in the right places across all authority areas, secondly the government is seeking to increase the pace of development including through making the planning system more open and accessible and thirdly it is seeking to diversify the housing market including through opening it up to smaller developers, supporting housing associations to build more homes and exploring options to encourage local authorities to build again.

4.0 Detail

- 4.1 This report will now consider a number of key questions included in the White Paper in turn.
- 4.2 **Question 8a:** Do you agree with the proposals to amend the National Planning Policy Framework to highlight the opportunities that neighbourhood plans present for identifying and allocating small sites that are suitable for housing?;

Comment

- 4.3 Whilst highlighting opportunities for allocating small residential sites through neighbourhood plans could bring forward some housing sites to meet local needs, it is worth stating that some community organisations wanting to prepare a neighbourhood plan may lack the skills and capacity to adequately identify and support the selection of sites and in some cases may be concerned about being the blamed for putting forwards sites for development where there isn't universal support for such development locally. Moreover for a small number of communities neighbourhood plans are viewed as a mechanism to throttle new development locally and frustrate housing delivery proposed for their area through higher tier Local Plans.
- 4.4 It is noted that paragraph 1.9 of the White Paper states *“Plan-making remains expensive and bureaucratic and can appear inaccessible to local communities”*. Any proposal to compel neighbourhood plans to identify and allocate small residential sites would bring neighbourhood plans closer in form and function to Local Plans and could require the need for the collection of additional evidence such as local housing needs, review of different site options etc., together with the need for further scrutiny of the Plan through examination. This may deter some communities from progressing a Plan.
- 4.5 However, some communities could welcome the opportunity to be more proactive in controlling development and may feel better able to identify and allocate sites. On this basis it could be appropriate for the NPPF to highlight the opportunities that neighbourhood plans present for identifying and allocating small sites, although any support should stop short of compelling neighbourhood plans to allocate sites.

- 4.6 **Question 8b:** Do you agree with the proposals to amend the National Planning Policy Framework to 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?

Comment

- 4.7 Development in more sustainable villages plays a vital role in delivering housing growth in predominately rural District's such as South Derbyshire. The South Derbyshire Local Plan includes housing allocations in those villages with a good level of local service provision and indeed growth offers the opportunity to improve services and facilities that serve not just the village they are located within, but also smaller villages and hamlets located nearby. The delivery of new housing can bring new, often younger residents into local communities and can help prevent the stagnation of local communities. However any policy to amend the NPPF to support villages to thrive would need to balance the benefits of development in villages with the impacts that more dispersed patterns of development can have, including in respect of sustainable transport options. Moreover policy should also adequately consider the likely harm that even modest levels of growth can have on smaller communities.

- 4.8 **Question 8c:** Do you agree with the proposals to amend the National Planning Policy Framework to 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?

Comment

- 4.9 This approach is fully supported in the recently adopted South Derbyshire Local Plan [H21 Affordable Housing]. This policy allows for market housing on exceptions sites provided that the majority of homes are for affordable housing. Clearly the approach adopted by this Authority and proposed in the White Paper would be more likely to encourage the delivery of exceptions sites by incentivising the release of sites for affordable housing compared to an approach which stipulates exception sites consist solely of affordable housing.

- 4.10 **Question 8d:** Do you agree with the proposals to amend the National Planning Policy Framework to 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?;

Comment

- 4.11 It is unclear whether this requirement would be in terms of sites or overall housing need. By way of example 10% of 30 sites allocated in a plan would see the inclusion of just three sites for smaller scale development and hence the number of additional sites delivered locally would be trivial. However if this requirement is 10% of overall housing need then an Authority with a housing requirement of 12,000 homes would need a minimum of 80 sites to deliver 1,200 homes (assuming that all sites would deliver 15 homes). Clearly this would be an onerous exercise and would require additional capacity and resources for Council's preparing Local Plans. Moreover it is unlikely that this number of sites which are considered deliverable, developable and capable of delivering sustainable development actually exist in South Derbyshire.

- 4.12 A significant number of small sites are delivered annually by authorities and many manage the delivery of smaller sites through windfalls, or through changes to settlement boundaries which is arguably a more sensible way to allow for small

scale development across a range of locations (for those authorities that define/review settlement boundaries through their Plan).

4.13 It is worth further stating that whilst the inclusion of smaller housing sites within the Plan could support small and medium sized builders, it is worth stating that this scale of development could undermine the delivery of affordable housing and some infrastructure. And whilst effects on local communities from isolated, or even a small number of sites could be relatively minor, where this requirement applies in respect of a notable proportion of sites there would be a significant amount of affordable housing and infrastructure delivery forgone which could undermine the general sustainability of Plans. Whilst the change could support small and medium sized builders it is questionable as to whether sufficient local builders are in operation to deliver this number of sites in a timely manner to support delivery of sites within five years.

4.14 **Question 8e:** Do you agree with the proposals to amend the National Planning Policy Framework to expect local planning authorities to work with developers to encourage the sub-division of large sites?

Comment

4.15 It is agreed in principle that the division of large sites between developers to increase housing delivery would be beneficial. However it is already the case that a significant proportion of large sites are built out by a consortium of 2 or 3 different developers, or are shared between a single developer who may have a premium and standard product being offered/built out on the same site. Sub dividing sites already offers opportunities to improve product ranges and minimise financial and other risks for home builders. Given the clear market and risk management benefits that already exist it is unclear what additional pressure or incentives local authorities could meaningfully utilise to influence how, or if, a site is sub divided; particularly if this is through encouragement alone. However were a greater role for authorities is supported the NPPF would need to include clear guidance on the role and responsibilities of authorities and the government would need to provide adequate resources and capacity to allow for increased dialogue with developers.

4.16 **Question 8f:** Do you agree with the proposals to amend the National Planning Policy Framework to encourage greater use of Local Development Orders and area-wide design codes so that small sites may be brought forward for development more quickly?

Comment

4.17 The production of design codes and local development orders is resource intensive and requires input from local authority planners, urban designers, landscape architects and highways and drainage engineers. Onerous codes can also deter site delivery or stifle innovation and creativity. Highly prescriptive codes can work to ensure consistency between adjacent developers on large sites but may not be appropriate on the smaller sites which will usually need to reflect more sensitively their local context. Applying a blanket design brief across all small sites would likely lead to inappropriate development as the issues that need addressing would vary significantly from one site to another even where these are in the same village or settlement. Clearly therefore, it may be more appropriate to have a defined list of site objectives, but this would stop well short of the certainty being sought.

4.18 **Question 12a:** Do you agree with the proposals to amend the National Planning Policy Framework to indicate that local planning authorities should provide

neighbourhood planning groups with a housing requirement figure, where this is sought?;

Comment

4.19 Unless a requirement is already stated in an adopted strategic policy, figures relating to a housing requirement for a particular settlement or neighbourhood Plan area will need to have regard to local infrastructure capacity and environmental considerations. If a housing requirement figure is provided, based on a standard methodology (as indicated in paragraph A.65 of the White Paper) it may not be deliverable and could undermine the effectiveness of the Development Plan as a whole. Any approach to make provision for housing using a standard methodology should be avoided.

4.20 An approach to base local housing requirements on anything other than local evidence is unlikely to be an appropriate basis on which define local requirements.

4.21 **Question 12b:** Do you agree with the proposals to amend the National Planning Policy Framework to 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?

Comment

4.22 The design of sites is best dealt with through site specific design or development brief type documents as opposed to through local plans. While local plans are able to set general design policies and principles related to the design considerations needed to deliver high quality sustainable development, successful design is something that understands and then responds to the context in which a development is located.

4.23 **Question 12c:** Do you agree with the proposals to amend the National Planning Policy Framework to 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?;

Comment

4.24 The value of pre-application discussions is recognised by this Authority. No charges are made for pre-application advice in South Derbyshire as it is recognised that the greatest opportunity to secure good quality development that meets local needs is during the early stage of site development before significant time and resource has been invested in planning and design. Moreover smaller and medium sized developers are more likely to be deterred by requesting a fee for pre-application advice but would likely benefit the most from such advice. However greater involvement with volume builders can also be beneficial at an early stage as in the absence of any design advice being available it is far more likely that standardised, off the peg house types will be planned on sites with little effort to adapt these to reflect local building styles or materials.

4.25 **Question 12d:** Do you agree with the proposals to amend the National Planning Policy Framework to 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?

Comment

4.26 There may be occasions when the inappropriate design of a scheme warrants refusal of planning permission irrespective of the content of the Local Plan which is in any case only likely to include a set of design principles or 'expectations'. Such principles may or may not be met by development schemes and would in any case be a matter of judgement for decision makers (which may be different to that of applicants or their agents). Given the likely general nature of design policies in most local plans it is difficult to envisage a situation where it can be objectively concluded that development accords fully with requirements.

4.27 **Question 12e:** Do you agree with the proposals to amend the National Planning Policy Framework to 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?

Comment

4.28 Design standards, such as BFL12, can help in the assessment of design quality but require expertise and good judgement on the part of the officer assessing the quality of schemes. Whilst this Authority has a skilled Design Excellence Officer many authorities do not have access to urban designers, landscape architects or other expert officers and lack the capacity to significantly improve the quality of housing schemes including those put forward by volume housebuilders who often apply standardised layouts and housing types to their developments. The benefits of design standards are easily lost where design codes are simply used as a tick box exercise applied towards the end of the design process.

4.29 **Question 13a:** Do you agree with the proposals to amend national policy to make 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 needs?

Comment

4.30 In principle it is agreed that it is important to make efficient use of land but the location and density of development needs to relate to local context in order that development proposals do not adversely affect local character. Moreover where sufficient land is available to fully meet housing needs it is entirely appropriate to allow some lower density development in order to accommodate more land hungry development types such as bungalows, or even larger homes. The provision of some lower density development can also provide wider housing choice locally and provide opportunity for homes to be adapted or extended to provide annexes or other accommodation to allow extended families to live together. Requiring high density development in all instances could stifle local housing choice and ought not to be imposed where there is adequate land available to meet local housing needs.

4.31 **Question 13b:** Do you agree with the proposals to amend national policy to make clear that plans and individual development proposals should 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?

Comment

4.32 Well designed and appropriately located higher density development can reduce car dependence and sustain public transport routes and shops and other services and lead to the creation of 'walkable neighbourhoods'. However densities also need to

reflect local character and higher density developments outside of city centres or larger urban areas are not necessarily best delivered by increasing building heights.

- 4.33 **Question 13c:** Do you agree with the proposals to amend national policy to make clear that plans and individual development proposals should 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?

Comment

- 4.34 It is agreed that higher density development needs to reflect local infrastructure capacity, character and accessibility. But it is crucial that high density development be located close to and is accessible to a range of high quality transport services and contributes towards the delivery of new or enhancement of existing sustainable transport infrastructure or services.

- 4.35 **Question 13d:** Do you agree with the proposals to amend national policy to make clear that plans and individual development proposals should 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?

Comment

- 4.36 Some flexibility regarding open space delivery could be consistent with objectives to increase the density of new development. However it should be recognised that the provision of open space can have broader benefits in respect of health and wellbeing, sustainable drainage, biodiversity and habitat creation as well as landscape and townscape character improvements – all of which are supported through the NPPF. Significantly reducing land available to accommodate green infrastructure and open space could, whilst improving density undermine broader objectives to deliver sustainable development. However there may be a case for supporting qualitative improvements to existing green spaces and open spaces, particularly in larger cities where there is sufficient identified quantitative open space provision nearby to meet local demand/need.

- 4.37 **Question 14:** In what types of location would indicative minimum density standards be helpful, and what should those standards be?

Comment

- 4.38 Setting a blanket requirement with no flexibility to vary densities would not allow the Authority to reflect local context or design ambitions and in particular could affect the ability of the Council to seek increased provision of bungalows or larger homes to meet identified housing needs. The setting of density requirements should be left to local planning authorities through the development of site specific planning policies or through the development of Area Action Plans or other forms of planning guidance such as supplementary planning documents, particularly where authorities are able to demonstrate sufficient sites are available to meet local housing needs/requirements.

- 4.39 **Question 16a:** Do you agree that 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?

Comment

- 4.40 Such an approach could improve certainty regarding local housing need in the short term and the Council would in principle support such an approach subject to further

information on the workings and implementation of fixing housing supply for a 1 year period.

- 4.41 **Question 16b:** Do you agree that the Planning Inspectorate should consider and agree an authority's assessment of its housing supply for the purpose of this policy?

Comment

- 4.42 It would be appropriate for the Inspectorate to agree an authority's assessment of its housing supply.

- 4.43 **Question 16c:** 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?

Comment

- 4.44 The Inspectorate role should be limited to ensuring that the approach to calculating its housing supply is robust rather than making a fresh assessment of the supply figure.

- 4.45 **Question 21a** Do you agree that the planning application form should be amended to include a request for the estimated start date and build out rate for proposals for housing?

Comment

- 4.46 While this information may be helpful, for example in aiding the Council to determine land that may contribute towards its 5 year housing land supply, bringing a site forward for delivery is a complex procedural and legal endeavour. Delays associated with the collection of environmental information, satisfying the demands of the Planning Authority or other governance agencies for example in respect of highways improvements, flood risk and sustainable drainage, and the protection of important habitats and species can all result in delays. Moreover negotiating viability and agreeing legal agreements, and in respect of some sites selling a site on to a housebuilder, delivering and financing infrastructure, the general state of the economy or local housing market etc. can affect 'development' decisions being taken which in turn leads to unexpected delays in bringing forward a site for delivery. With the above in mind, any dates provided by developers would simply be their best guess which would likely be an optimistic view of delivery.

- 4.47 Our experience in South Derbyshire is that larger or more complex sites are those which are likely to be subject to delay usually due to infrastructure issues. It is unlikely that such delays can always be avoided. However, monitoring this information would indicate those housebuilders best able to deliver effectively and would allow a better understanding of the timeframes required to deliver developments of a different nature. This in turn could allow authorities to identify those development types that will deliver quickly, and those which may make a greater contribution in the medium to long-term and could therefore help ensure resources are targeted to ensure a consistent delivery of new homes across a plan period.

- 4.48 **Question 21b** Do you agree that 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?

Comment

4.49 Local Authorities are best placed to check what the actual build out rate on development sites is. There would be a conflict of interest for the developer to provide this information given that any underestimate in delivery could undermine recorded housing completions which in turn could affect the authority's 5 year supply calculation and hence affect any determination regarding how up to date the Local Plan remains. Where delivery falls below that necessary to ensure a 5 year supply of deliverable housing the Plan is deemed out of date and the presumption in favour of sustainable development set out in paragraph 14 of the NPPF takes effect which materially affects planning decisions by supporting the release of housing sites which are in overall compliance with the NPPF. Clearly asking developers to monitor their own delivery when under delivery can lead to the release of further housing sites is not sensible. Most local authorities contact developers at least annually to review the projected build out rates on a given site and publish these within a monitoring report for scrutiny by developers and other interested parties.

4.50 **Question 21c** Do you agree that the basic information (above) should be published as part of Authority Monitoring Reports?

Comment

4.51 Delivery in South Derbyshire is already published as part of the annual Monitoring Report although not on a site by site basis. Projected completions are included on a site by site basis for sites over 10 dwellings. Such information does tend to become quickly out of date.

4.52 **Question 21d** Do you agree that that large housebuilders should be required to provide aggregate information on build out rates?

Comment

4.53 As previously noted, there is a conflict of interest between developers reporting the number of completions and the effect that has on the five year supply. There would be the risk of the completion results being skewed in the developer's favour.

4.54 **Question 28a:** Do you agree that for the purposes of introducing a housing delivery test, national guidance should make clear that 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?

Comment

4.55 This is an acceptable approach.

4.56 **Question 28b:** Do you agree that for the purposes of introducing a housing delivery test, national guidance should make clear that 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?

Comment

4.57 Whilst pragmatically this could be sensible approach it is unclear whether 'no Local Plan in place' means no Local Plan Adopted. If a Plan is advanced but not adopted it may be appropriate in some instances to use the figure included in that emerging Plan. And whilst it may be the case that a figure included in an emerging Plan has not been tested at examination in respect of the Plan it could well have been tested through EIPs into neighbouring Plans some of which could have been adopted where an authority is part of a Housing Market Area (HMA). By way of example South Derbyshire District Council is located in the Derby Housing Market Area and

Adopted its Local Plan Part 1 in June 2016. This identified a need for the delivery of 12,618 homes in South Derbyshire between 2011-28, whilst indicating an overall HMA requirement of 33,388. Derby City Adopted in Local Plan in early 2017 and will deliver 11,000 homes over the same time period again indicating a need for 33,388 homes. This leaves a residual need to be met in the one remaining Derby HMA Authority (Amber Valley) of 9,770 homes between 2011-28. Amber Valley is currently undertaking its regulation 18 Consultation on its emerging Plan, however has been involved on joint sessions on HMA housing needs through the examination of Neighbouring Local Plans and as such there is a high level of confidence about housing need in that Borough despite its Plan not being well advanced. There should be a mechanism to take account of such inferred need where appropriate. Not least because as it stands an assessment of need based on the new methodology could provide less than the already identified HMA requirements which could impact of the Plans of neighbouring Authorities.

- 4.58 **Question 28c:** Do you agree that for the purposes of introducing a housing delivery test, national guidance should make clear that net annual housing additions should be used to measure housing delivery?

Comment

- 4.59 Net annual completions should be the standard approach used for measuring housing delivery.

- 4.60 **Question 28d:** Do you agree that for the purposes of introducing a housing delivery test, national guidance should make clear that Delivery will be assessed over a rolling three year period, starting with 2014/15 - 2016/17?

Comment

- 4.61 Whilst delivery should be measured over an average three year period to even out any peaks or troughs in build rates it may be sensible to run the monitoring periods more in line with those utilised by Local Authorities. It is unclear as to why a gap of over 6 months is required to collect and collate housing monitoring information. It would be preferable to incentivise the early collection of data by Councils to facilitate more up to date and responsive development decisions. Publishing data by November would mean half of the subsequent monitoring period has elapsed before data on the previous period is available to inform decision-making. A delay in publishing information may also result in a debate being had over the following year's delivery rather than the year in hand. Also, if the test deems no 5 year supply, then there would be a one year window in which to submit planning applications, which could overwhelm a Local Planning Authority with a result of no greater amount of planning permissions.

- 4.62 Such an approach could require that the 3 year rolling period commences 2015/16 (rather than 14/15) to allow for Authorities to prepare for this change but would allow for decisions and actions to be based on up to date information thereafter as well as provide slightly longer for LPAs to transition to a new monitoring regime.

- 4.63 **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%?

4.64 There is a distinct lack of clarity about why the triggers identified have been selected. They seem to be of an arbitrary nature and do not have any regard to local context or circumstance, or indeed allow for a transition to this proposed approach for measuring housing delivery for monitoring. It may be appropriate to set a transitional targets in year 1 in respect of at what point an action plan or 20% buffer is applied. Moreover as previously suggested in respect of question 28 it is unclear why November is used a potential milestone date. It would be preferable to try and make data available earlier in the year, perhaps within 1 or 2 months of the housing count being undertaken by authorities rather than sitting on housing completion data for six or seven months prior to publication.

4.65 **Question 30:** What support would be most helpful to local planning authorities in increasing housing delivery in their areas?

Comment

4.66 Provide the time and support to allow authorities to get a plan delivered. How can a community be involved and told their voices will be listened to in planning for growth locally when speculative developments are too often granted permission against local wishes.

4.67 It is also essential that central government funds and supports infrastructure delivery locally. It is not always possible for developments in 'low value' areas to deliver the infrastructure necessary to support growth. Central support and funding is key to unlocking the delivery of some development sites, because in some locations and on some sites there is not enough value in development to facilitate rapid delivery. Moreover lack of infrastructure often compromises the quality of development. Many communities are anti-growth because too often new developments do not provide the community, social and transport infrastructure necessary to accommodate it. Communities would be more likely to support growth where they can see it delivers improvements in access to, and the quality of, local infrastructure.

4.68 Greater longer-term certainty and flexibilities for the Housing Revenue Account is needed so that we as a council can plan investment in delivering new housing that helps us meet our housing duties. Rental certainty after 2020 will be an important first step; however, we need borrowing freedoms and the ability to retain 100 per cent of our right to buy receipts to rapidly build new affordable homes.

4.69 **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)?

Comment

4.70 There is a need for flexibility in delivering starter homes alongside the mix of other affordable housing products that meet the locally assessed need, including affordable homes for rent. Therefore, we are pleased that the Government has listened to these concerns and that the starter homes requirement of 20 per cent is

not being pursued. Looking ahead we would like greater flexibilities for us as a council in housing markets that find that 10 per cent requirement home affordable ownership products on sites do not meet their new assessments of local housing need.

- 4.71 The proposal that Starter Homes will only be available to households with an income of below £80,000 is a new restriction on the availability of the scheme. However, there are still concerns that those buyers would still need large loans in excess of their annual income, for example; in South Derbyshire in 2015, the affordability ratio was 6.45 based on average house price of £168,500 and average earnings of £26,140. We are pleased that the Government has listened to concerns on starter homes delivery and introduced new flexibilities on the affordable homeownership products and a lower requirement of 10 per cent. However, every housing market is different and South Derbyshire along with other councils should have further flexibilities to adjust requirements to meet their new objectively assessed need, for instance to provide other affordable rent options.
- 4.72 There is also need for flexibility in the range of new homes delivered through the Affordable Homes Programme, including those for social rent. We are keen for Government to ensure that funding for affordable housing is delivered effectively with councils as a key partner. Working as a Council and with registered providers, we will be able to deliver more homes if given flexibilities to meet the needs of the local housing market.

5.0 Financial Implications

- 5.1 The Government has committed through the Housing White Paper to increasing nationally set planning fees. It states that 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. The Paper goes on to state that *the Government "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 on further detail"*.

6.0 Corporate Implications

- 6.1 The Housing White Paper and any resultant changes to National Planning Policy Guidance could have a significant effect on the delivery of housing in the District. In particular this could affect the aim set out in the Corporate Plan to facilitate and deliver a range of integrated and sustainable housing and community infrastructure and could affect service delivery in respect of planning and housing functions.

7.0 Community Implications

- 7.1 The White Paper proposes changes to neighbourhood plans as well as potential changes to the scope and detail of Local Plans that could lead to a significant increase in the number of smaller sites required for inclusion in the Plan. This could ultimately increase the need to release small housing sites across many of the Districts Villages to meet local housing needs.

8.0 Background Papers

- 8.1 Housing White Paper DCLG; February 2017 available at:
<https://www.gov.uk/government/collections/housing-white-paper>