

## **The Housing White Paper Consultation Response**

Consultation response to DCLG “Fixing our broken housing market “by email to [planningpolicyconsultation@communities.gsi.gov.uk](mailto:planningpolicyconsultation@communities.gsi.gov.uk) April 2017

I am submitting this as the official response of The Housing Forum

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## **Response**

The Housing Forum welcomes the clear commitment of government to increase supply and the strong encouragement of mixed tenure solutions through the measures in the White Paper.

The White Paper analyses the range of issues restricting housing supply and the recognition that there is no single solution. The Housing Forum supports the overall thrust, which with the right conditions, should enable a range of rental and home ownership options which reflect regional and local markets to provide homes for current and future households.

The Housing Forum as across industry body is very interested in the next stage of practical steps that can build on the consultation document and identify achievable and workable solutions which will enable the government and industry working collaboratively to implement the necessary changes and identify the additional resources needed to deliver. We believe Government leadership is crucial to support the industry in overcoming the complexities which disincentivise housing growth. This high level of political commitment has to be sustained long term across several political cycles to fix the broken housing market.

Other key considerations include:

- Widening the range of housebuilders by addressing the substantial cost of entry.
- Providing policy certainty for long-term business planning for housing associations and local housing companies as frequent policy changes, such as Right to Buy and Rent Cuts, affect income and undermine viability.

- Enabling more local councils to set up housing companies. It is crucial for them to have clarity as to whether Right to Buy will apply as it affects their business plans.

Overall, we believe that housing delivery needs to be planned over a longer time frame of 10-20 years as an infrastructure project and seen as a crucial aspect of the economy.

## Responses to individual questions

The Housing Forum has only responded to the following questions and has no comment on the consultation questions not answered.

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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?

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Neighbourhood plans have been a positive addition and need to have the right balance between consultation and action. Greater transparency over land ownership and over the nature of development (e.g. high density in London) can help the process.

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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?

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**YES** Not enough housing is meeting the needs of either younger or older households. Guidance on standard assessment methodologies should be provided and adequately resourced.

There are no clear proposals or current market offerings for older people other than supported or retirement housing. Appropriate new products would encourage downsizing and make available more family homes. It could also reduce demand on long-term care because older people are in newer, more accessible and adaptable homes.

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Question 3 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?

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**YES** The planning reforms should assist in ensuring local authority plan making is more consistent, efficient and focussed on delivering improved supply. The market can deliver well where there is a five year land supply and a consistent approach which should come from standardising housing need assessments. The housing delivery test should also lead to transparency.

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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?

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**YES** National planning policy should be amended to encourage local planning authorities to consider the social and economic benefits of regeneration when preparing their plans.

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

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**YES** Pre-commencement conditions are critical and need to be dealt with within timescale. A specific revision should be made to give positive consideration to Build to Rent.

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Question 9: How could streamlined planning procedures support innovation and high-quality development in new garden towns and villages

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Lifting supply and achieving quality outcomes requires quality design and development management and there is a danger that this is an increasingly scarce resource, particularly in commissioning.

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Question 12 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?

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**YES** Delivery needs to be tied into the local need in terms of product diversity, timescale and key products.

Pre-commencement conditions are critical and need to be dealt with within timescale.

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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)?

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Public sector land is not always available or assembled in ways that stimulate construction, as, for example, with accelerated construction which can only achieve a limited amount as it is driven off public sector land availability. While SMEs can be more flexible and innovative on small sites, they need to offered land at an economic rate. There are different ways they could access public sector land on an economic basis, including using a graduated optional means or possibly by repaying value as the development built out.

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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
  - c) Whether there could be lower fees for less complex cases.
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The proposed 20% increase in planning fees will not solve shortages and issues over expertise or deal with additional aspirations.

A more radical approach to supporting planning authorities is required, either further targeted resources over and above the 20% uplift in fees or streamlining decision making so that officers are given delegated authority on schemes below a threshold.

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Question 25: What are your views on whether local authorities should be encouraged to shorten the timescales for developers to implement a permission 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.

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Shortened planning time scales will challenge SMEs' ability to meet complex requirements and so will impact on SMEs. It would be preferable for any requirements on SME developments to be proportionate. SMEs' developments will still have to be phased and reliant to some extent on master developers' business models. SMEs need to be able to access local authority land facilitated by a range of purchase or deferred purchase options if they are to raise their contribution. Pre-commencement conditions are critical and need to be dealt with within timescale.

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Question 28:

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?

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?

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

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

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Consistency should come from standardising housing need assessments and the housing delivery test should also lead to transparency, which should provide the necessary certainty to help developers plan and so increase housing supply.

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

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Local councillors should set the overall strategic framework and determine larger applications but compliant housing developments of less than 250 homes should be determined by planning officers. A significant factor limiting the speed of delivery is the co-ordination of early infrastructure delivery.

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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)?

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**YES** but the definition of affordable housing needs to be much clearer in terms of its application as to whether it applies to intermediate rent and how it is calculated in s.106 agreements. If it is to increase supply, it should not be in competition with or a replacement for any affordable housing element but should take account of affordability in each area. Local economic circumstances and the level of income should be a consideration when approving levels of affordable rented housing. Policy certainty is essential for long-term business planning and policy changes, such as Right to Buy and Rent Cuts, affect income and undermine viability. The Government must make clear that Right to Buy will not apply to such new Build to rent affordable housing.