

# Housing White Paper

## Weightmans' comments

There is no single silver bullet that will solve the UK's housing shortage, and this is reflected in the highly anticipated White Paper published on 7 February by the Department of Communities and Local Government: "Fixing our Broken Housing Market".

There are a number of useful proposals and government has in various areas listened to stakeholders. For example, simplifying local plan making and the introduction of a standard test for assessing local housing needs are to be welcomed. Transitional provisions may be required to ensure the changes do not de-rail local plans currently under preparation and the delivery of strategic sites reliant on local plan policy support.

Many will be relieved to hear there will not be wholesale changes made to the planning process. Experience shows this tends to only complicate and slow it down even further. It's encouraging to see that the new responsibilities placed on local authorities will on this occasion be supported with additional funding. In an effort to retain talent and improve service delivery, local authorities will also be able to set higher planning fees provided these are reinvested in planning.

A number of measures are to be introduced in an attempt to speed up delivery, including a two year time limit for commencing development under a permission. Interestingly, local authorities are to be given a greater role in relation to housing delivery for their areas and will be held accountable under a new Housing Delivery Test. Powers of intervention are to be bolstered and encouraged by government, such as use of compulsory purchase powers and completion notices on stalled sites. Controversially, a developer's track record on delivery of other sites may be material to whether they get planning permission. The latter seems problematic and unlikely to make it into planning policy given that the applicant for planning permission is often not the developer, it is highly subjective and planning permissions run with the land in any event. The new emphasis on delivery is though a departure from the traditional view of planning permissions being permissive only and it then being over to the market to deliver. This is perhaps a reflection of the Prime Minister's desire for a more interventionist approach by government. Time will tell whether local authorities are bold enough to use such powers.

Despite assurances by industry, the government remains suspicious about potential land-banking, though the measures introduced are not as drastic as some will have feared. Funders will though need to keep the measures in mind in setting funding requirements and it will be counter productive if the outcome of these measures is that developers feel compelled to come forward with less ambitious "oven ready" proposals. Developers will also be sceptical about the statement in the White Paper that efforts to speed up the planning system will mean housebuilders will not need to keep a significant stock of land to meet needs in the medium term.

As expected, there is encouragement for brownfield development, release of public land and greater house building by local authorities. The latter seems crucial if we are to deliver affordable housing for all.



In response to significant concerns raised by stakeholders, the White Paper backtracks somewhat from David Cameron's vision for starter homes. Rather than a mandatory starter home requirement for each site, there will now be a requirement for 10% of dwellings on large sites to be affordable home ownership products (including rent to buy, starter homes, shared ownership and discount sale). There are also to be increased protections against potential abuse of starter homes e.g. by cash buyers. Delivering social rent affordable housing is likely to continue to be challenging and unappealing for developers in the short term with the White Paper confirming that the 1% rent reduction is to remain until 2020.

The green belt is to retain special protections despite critics asserting that not all green belt merits this. It seems though that the issue is simply too politically sensitive for this government. The White Paper hasn't though ruled out the possibility of green belt review by local authorities in certain areas where housing requirements cannot otherwise be met, but has set the bar high for local authorities considering this.

Confirmation of the £3bn Home Building Fund (first announced in October 2016) should also go some way to supporting SME developers who were hit hardest by the recession and find it difficult to secure funding for necessary infrastructure. Modest fees are to be introduced for planning appeals though these are unlikely to deter many appeals due to the financial gains to be made from obtaining planning permission.

Unfortunately, the government's review of funding of necessary infrastructure pursuant to CIL and section 106 agreements has been parked for another day and we are promised a revised version of the National Planning Policy Framework later this year which is intended to implement a number of the proposals in the White Paper.

Consultation on the White Paper closes on 2 May 2017.



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