

Agenda Item No:

Report To: CABINET

Date: 6th April 2017

Report Title: Response to the Housing White Paper

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Portfolio Holder: Cllr Bennett, Portfolio Holder for Planning and Development



Summary: This report comprises the Council's response to the main points arising from the recently published Housing White Paper 'Fixing Our Broken Housing Market'. It highlights and addresses those matters which may potentially have significant implications for the Local Plan and housing delivery through the planning system generally. The report also sets out comments on main topic issues that will comprise a formal response to the Government.

Key Decision: NO

Affected Wards: All

Recommendations: **The Cabinet be asked to:-**

- i. Note the summary of the Housing White Paper and agree that the comments in respect of the key points set out within the report form the basis of a response back to the government by the consultation deadline of 2nd May 2017.
- ii. Grant delegated authority to the Portfolio Holder for Planning and the Head of Planning Policy and Economic Development to finalise response to government.
- iii. Note that the Council has formally accepted the offer from government of a 20% increase in planning application fees.

Policy Overview: The announcements and consultations detailed in this White Paper have significant implications for a number of topic issues, both within the Draft Local Plan to 2030, and for the delivery of wider Council services.

Financial Implications: See Appendix 1 for a schedule of the funding streams referred to in the White Paper.

Some of the proposed changes set out in the White Paper will have financial implications both in terms of the resources necessary for preparing the Local Plan and also in respect of more specific recommendations such as the proposal to increase planning fees by 20% from July 2017, which the Council has formally accepted. As many of these are proposals at the present time further analysis will be necessary as and when they are finalised.

Risk Assessment NO

Equalities Impact Assessment NO

Other Material Implications: None

Background Papers: Summary of Proposed Actions and Schedule of Funding Streams referred to in the White Paper (Appendix 1)

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Report Title: Response to the Housing White Paper

Purpose of the Report

1. The Government published its Housing White Paper on the 7th February 2017. It summarises the problems facing the housing market in England and those trying to access it and sets out a number of actions and proposals to address these in order to increase the delivery of new housing and make better uses of the existing stock.
2. The document contains four sections dealing with further planning reforms, speeding up the delivery of new homes, creating more capacity in the small and medium build sector and some quick wins to help those struggling to access the housing market now. There is also a more detailed Annex inviting comments on the actions and proposals set out in the first two sections based around 38 set questions. Comments are invited up to the 2nd May 2017. It is proposed that a response be based on the main points raised in this report.
3. In broad terms the White Paper consolidates and revises much of the planning reforms, consultations, Ministerial Statements and other proposals relating to planning and housing that have taken place over the last few years together with some new initiatives, for which views are sought.
4. Some of the measures will come into force almost immediately, while others will be phased over a longer timescale. Some will be implemented through the Neighbourhood Planning Bill currently with Parliament and it is proposed that the National Planning Policy Framework will be updated in the autumn. There is also the option of further legislative changes, regulations and guidance depending on the responses received to the matters which are subject of further consultation.
5. One of the reasons suggested for delays in adopting Local Plans is that Local Planning Authorities have to take into account evolving planning reforms, and yet this seems to be ongoing despite reassurances to the contrary. The rest of this report will focus on those matters set out in the White Paper that could have implications for the Ashford Local Plan to 2030, and a suggested response to government where an opportunity is offered.
6. The report will therefore:
 - a. Summarise the White Paper;
 - b. Highlight and respond to the key points of relevant to the Council;
 - c. Outline a schedule of proposed changes to the planning system provided by the White Paper;
 - d. Outline a schedule of the main funding streams referred to in the White Paper.

Issue to be Decided

7. Cabinet is invited to:
 - i. Note the summary of the Housing White Paper and agree that the comments in respect of the key points set out within the report form the basis of a response back to the government by the consultation deadline of 2nd May 2017.
 - ii. Grant delegated authority to the Portfolio Holder for Planning and the Head of Planning Policy and Economic Development to finalise response to government.
 - iii. Note that the Council has formally accepted the offer from government for a 20% increase in planning application fees.

Summary of the White Paper

8. Embedded throughout the White Paper is the narrative that as a country we need to deliver more housing and, specifically, enough of the right type of housing and in the right places.
9. To set the scene, the White Paper illustrates the current challenges by highlighting a widening affordability gap, falling/delayed home ownership and rising private sector rents due to the housing shortage. The planning system and the development sector are singled out as the main reasons for the low level of housing delivery.
10. To tackle these issues the government has proposed a range of measures to speed up local plan preparation, remove other barriers to development from the planning system, broaden the definition of affordable housing, encourage larger house builders to build more quickly and enable more small and medium builders to play a bigger part.
11. There are also measures aimed at helping more people to access the housing market, tackle some of the issues in the private rented sector and prevent homelessness.
12. Consequently the White Paper brings together a broad array of proposals, actions, initiatives, funding streams and all with the aim of delivering more houses. This report will focus on the implications for the Local Plan, but Appendix 1 presents a short summary of all of the proposals set out in the White Paper to illustrate the scale of the changes being proposed.

Assessment of key points and implications for the Local Plan

13. Generally speaking much of what is proposed in the White Paper already reflects the approach taken in preparing the Local Plan thus far. For example, the importance we have placed on ensuring the evidence base is up to date and particularly the objectively assessed housing needs, while maintaining a five year housing land supply and making progress with the new Local Plan. There are many similarities with the approach taken in the Draft Local Plan document, for example, by maximising the use of brown field sites before considering other sites and meeting diverse residential needs, notable older

people. Much of the criticism of the planning system contributing to delay and uncertainty would not apply in the case of Ashford.

14. Unfortunately, some of the proposals to encourage those Planning Authorities that could improve their performance will inevitably have implications on the evidence base and the process of Plan making for all. Other measures will have resource implications, for example, by increasing the amount of monitoring required.
15. The following examples represent those actions and proposals that potentially have the most significant impacts on the Local Plan, with some comments that could form the basis of a response. A full list of all the proposals can be found at Appendix 1 for information.

Clarify evidence base need and standardise approach to assessing housing requirement

16. The government expresses awareness that local authorities have to produce a substantial amount of evidence to support policies within their Local Plans. Local Plan examinations can be held up, and sometimes for significant amounts of time as in the case of some of our neighbours, as a result of uncertainty over the amount of evidence required to support a plan.
17. **Response:** This Council supports a move to increased precision in national policy, and encourages a proportionate evidence base that underpins development policies for the borough that are based on qualified and quantified need. This is likely to help speed up the Plan-production process, but will only do so if the government stops making continued changes to national requirements so that local authorities can actually undertake the work without a continued directional change.

Planning for older people and the disabled

18. Ashford's Draft Local Plan to 2030, and the authority in its wider remit, already goes some way to providing for the specific needs and requirements of those with protected characteristics, and not least for older people and those with disabilities. Indeed, Ashford's Corporate Plan 2015-2020 highlights the Council's commitment to helping people meet their housing needs and aspirations, to "*Work with partners to deliver the best housing choices for older people in well designed accommodation that meets their needs, including assisted living and specialist provision*". By 2026, it is anticipated that around 40% of residents in the Ashford borough will be aged over 50, and may require additional care and support. The Council is already fully committed to do all it can to help meet the housing needs of those who need extra support. The Council and its partners have already delivered dementia-friendly sheltered accommodation at Farrow Court, Ashford, while care-ready homes at Danemore in Tenterden are scheduled for completion in late 2017.
19. Ashford's Core Strategy (2008) policies incorporated Lifetime Homes requirements, enabling accessible and adaptable homes that could serve their occupants throughout the different stages of their lives. With the integration of these standards into the Building Regulations, the Council has continued to reference the relevant requirements in its Draft Local Plan.

20. It is important to ensure that needs of particular groups are catered for across all tenures and types and sizes of housing. Not just reliant on the affordable housing sector or the retirement market. The latter of which is often only accessible to those with substantial income.
21. In addition all housing should be built to a standard that is easily adaptable in the future to enable people to remain at home. This assists in helping people to remain independent, relieving pressure on health and social care budgets and after an illness/injury where adaptations can be instigated in a timely and effective manner can enable earlier discharge from hospital to a safe, accessible home.
22. The provision of good quality housing that is attractive to older people, whether it be individual homes or collectively in a dedicated scheme with additional facilities, will allow for turnover in housing potentially freeing up family homes in all tenures.
23. The location of any housing for particular groups needs to be planned carefully to make best use of existing services and facilities or in new developments, through the masterplanning process to be provided near to proposed services and facilities. Integration with the wider community is crucial to prevent policies creating pockets of accommodation that isolates the occupiers from contributing to and benefiting from the wider community. This is a key principle of sustainable development for all residential uses, and all site assessment and sustainability assessment work, but is particularly important for residents with limited mobility.
24. **Response:** Planning for older residents and those with specialist needs has been a cornerstone of Ashford's approach for many years, and has yielded notable success despite diminishing available policy tools and increasing requirements for the Council to evidence need robustly.

Maximising use of suitable land, and building the right homes in the right places

25. A key driver of the White Paper is to ensure the right homes are built in the right places. To that end, local planning authorities are expected to demonstrate that they have a clear strategy to maximise the use of suitable residential land in their areas.
26. Part of this is to be achieved by encouraging every part of the country to have an up-to-date, sufficiently ambitious plan, and to simplify plan-making to make it more transparent so it's easier for communities to produce plans and easier for developers to follow them. However, as highlighted above, it is important to highlight the number of changes to the planning system in recent years, and as a result of this White Paper, that will hold up the submission of the Local Plan for examination.
27. The White Paper seeks to encourage higher development densities where appropriate, such as in urban locations where there is high housing demand, and by reviewing space standards. The Council agrees that it is useful to have a clear strategy for the best use of suitable residential land, and that in many cases higher densities are appropriate such as around strategic transport interchanges, but there may be some settlements and sites in which low densities reflect the existing grain of development, and delivery of sensitively-

designed dwellings should not be prejudiced on such sites. The drive for higher densities should not compromise build quality, design or internal space standards.

28. This Council has a successful track record of delivery of quality housing. The Corporate Plan 2015-2020 commits the Council to, "Continue to push for quality development, using the Council's local standards and the independent Ashford Design Panel to help achieve the best places possible. To include space and quality standards as requirements for development." While the ability of the Council to continue its local standards has been removed by governmental changes in recent years, there is still a continued drive for quality in the borough. The recent permission for 5,750 dwellings, community facilities and strategic open space at Chilmington Green has brought a commitment by the developers to deliver the "Quality Charter", ensuring construction monitoring, and appropriate locally-derived densities, design; and internal space standards that encourage high residential amenity.
29. There is concern that the drive for higher densities will encourage unreasonably small internal living spaces. Discussion on internal space standards within the White Paper includes a resolution to review the Nationally Described Space Standard (the national standard) to ensure greater housing choice. However, the Council is concerned that this being prefaced by delivery of space standard equivalent either to smaller "traditional mews" housing or "Pocket Homes" will create housing that is not conducive to modern life and contribute to social alienation. This is compounded by the provisions of Class O of the General Permitted Development (England) Order 2015 that allow office to residential conversions outside of planning control and, therefore, able lawfully to deliver incredibly small residential spaces. Such provisions significantly undermine the government's stated intent within the White Paper of giving "*communities a stronger voice in the design of new housing to drive up the quality and character of new development*".
30. **Response:** Space standards should be maintained at current national levels as a minimum, the government should commission a nationwide study to assess the average dimension of English housing stock delivered over the past twenty years. The issue of internal space is particularly pertinent to affordable housing where due to the social size criteria regulations, some households will be occupying to the maximum capacity of the home. For affordable housing, all 2 bedroom units should meet the 4 person criteria whether 1 storey dwellings or 2 storey dwellings, and all 3 bedroom units should meet the 5 person criteria whether 1 storey dwellings, 2 storey dwellings or 3 storey based on the Nationally Described Space Standards. Affordable housing design should reflect that of the market housing so that it is indistinguishable. Integration within a development is important to improve community cohesion and sustainability.
31. The Council supports the provision of high quality homes in the right places, as well as the logic of increased densities in central and strategic locations. However, increased densities should not mean sacrifices in design and internal spaces as these are key to ensuring quality of life.

Neighbourhood Plans, delivery in rural areas and on smaller sites

32. Ashford is a largely rural borough comprising a number of historic and visually appealing villages in wider Parish areas. A number of these Parishes have decided to produce Neighbourhood Plans to give a more locally-situated view on where development is best located and what types of development are appropriate. Ashford Borough Council is fully supportive of encouraging neighbourhood plan areas to allocate sites proportionately resulting from their demographic objectively assessed need, so that these plans can support thriving rural communities. However, the government should provide a clear standardised methodology for calculating this need at the neighbourhood as well as the proposed local authority level. In addition to this, assistance is required from central government towards the delivery of infrastructure for the sustainable development of rural areas.
33. **Response:** The Council is supportive of the principle of subsidiarity. The government's initiative to make it clear that Local and Neighbourhood Plans (at the most appropriate level) are expected to set out clear design expectations as a clear basis for decision-making endorses the Council's longstanding policies on design (e.g. Chilmington Green AAP, as well as several locally-produced village design statements). The Council already proactively engages in pre-application discussions with applicants and local communities over the design and types of housing to be provided. Stakeholder design workshops are held as standard for major development; while local engagement in the build-out of Chilmington Green (5,750 dwellings, community facilities and strategic open space) has been secured through community governance of the site by way of a Community Management Organisation (CMO).
34. Ashford supports the government's intention to give stronger support for 'rural exception' sites, making it clear that these should be considered positively where they can support identified local housing needs. This commitment endorses Ashford's longstanding policy of enabling development that supports genuinely affordable housing for local people.
35. Issues of need and affordability are often more acute in rural settlements. In these locations, smaller developments are often both more acceptable and deliverable compared with larger allocations. The government proposes that at least 10% of sites allocated for residential development in local plans should be on sites of half a hectare or less, but it is unclear as to what would be required. Furthermore, this percentage figure appears arbitrary and bears no relation to the geography of the borough or its settlement patterns, among other factors.

Proposals affecting the development industry

36. A number of the proposals in the White Paper are actions directed at the development industry aimed at providing increased transparency as to when development will come forward.
37. It is proposed that the national planning application form should be amended so that applicants have to provide information on start dates, end dates and projected build-out rates. While this could be useful, the Paper provides no mechanisms through which these could be enforced, which would render such information meaningless.

38. The Paper encourages local authorities to consider the realistic prospect that housing will be built on a site when determining a planning application on sites where there is evidence of non-implementation of earlier permissions for housing development. This already forms a basic part of the Council's site assessment work when considering suitability for allocation. The Council already has a good idea of what is 'deliverable' as per the existing terms of the NPPF. There are often a number of reasons for an unimplemented planning permission that are unrelated to site's objective potential for development, and Ashford town in particular has recently benefitted from the implementation of several residential planning permissions, including 660 dwellings on brownfield land unoccupied since the 1990s.
39. **Response:** The Council agrees that the shortening of the implementation period for a planning permission from the current three to the proposed two years could be useful on a case-by-case basis. While for general development it is preferable that implementation is as early as possible, for certain complex development dependent on the delivery of land and/or infrastructure this may not always be possible. In addition, there are loopholes within the definition of 'implementation' that would render the shortening of this time period meaningless.
40. While it could be useful to enable a local authority to serve a Completion Notice more easily on stalled development, as per the recommendation, on balance the financial penalties would prevent the Council doing this. The most useful measures to enable housing delivery would be to give local authorities increased powers to oblige developers to commence and complete by a particular date. Local authorities would benefit from the tools to ensure delivery at pace, more usefully than this proposal that could serve ultimately to restrict delivery.
41. Ashford Borough Council is supportive of the principle of introducing a fee for making a planning appeal. Significant officer time is already spent on defending speculative appeals, and any measures that would effectively discourage these would enable resources to be better allocated. The Council supports both the proposal that there could be a lower fee for less complex cases, and that the fee could be refunded in the case of a successful appeal. This fee would best be administered by and allocated to the local authority to cover officer time. The Council is supportive of the proposal to increase the national planning application fee by 20%, with the amount raised through higher fees spent entirely on planning functions. The Council has formally accepted this fee increase.

Broadband

42. The White Paper stresses government's strong commitment to achieving full fibre connectivity in the UK, specifically focusing on enhanced digital infrastructure for new developments, 5G trials and funding for new fibre infrastructure. The government is consulting on requiring Local Authorities to have planning policies setting out how high quality digital infrastructure will be delivered in their area.
43. Ashford Borough Council is at the national forefront of developing policy to ensure that all new developments in the borough are built with access to full fibre broadband connectivity. The Council's draft Local Plan policy on Fibre to

the Premise Broadband is the first of its kind in the Country and the Council has used this policy to demonstrate to government what can be achieved by a Local Planning Authority. The White Paper consultation on planning policy on digital infrastructure is a direct result of lobbying by Ashford Borough Council for a change in national policy.

44. **Response:** The Council strongly supports the proposals to amend national policy to expect local planning authorities to have planning policies setting out how high quality digital infrastructure will be delivered in their area. There is currently no national policy requiring Local Authorities to plan for digital infrastructure and as a result local planning authorities are not able to address digital infrastructure as part of the planning process. Creating a national policy allowing this will allow for implementation of the Ashford Fibre to the Premises policy.

New Standardised Methodology for Calculating Objective Assessed Needs

45. The government believes that one of the main causes for delay in the plan making process is disagreement over how objectively assessed needs for housing is calculated. It is suggested that some authorities are reluctant to agree a robust figure as it will be unpopular with residents. Procrastination or setting a low level of need that is open to challenge causes delay at the Hearing stage and carries the risk of planning by appeal.
46. The proposal is for a standard methodology to be introduced so that it is clear on what basis housing need is calculated. It is proposed that there will be further consultations on what the methodology should be and that it will be introduced by April 2018. On introduction it would then be used to calculate 5 year land supply.
47. While there is some merit in using a standard methodology that will no doubt save time across the country as a whole, this represents a risk to those Local Planning Authorities who have already prepared this part of the evidence base, should the standardised methodology be different to the one used. This is the case in Ashford, and significant officer time has been devoted to its preparation and the identification of sufficient sites to meet this need.
48. Officers are confident that the methodology that we have applied, as advised by the consultants GL Hearn, is robust and reflects current best practice, and an independent audit by Cambridge Econometrics has confirmed this but there should be clear government support for those authorities who have advanced their Plan making based on the existing methodology in the interim.
49. **Response:** In responding to this proposal in the White Paper some reassurance from the Government that those Local Plans that have applied an otherwise sound methodology and reached the submission stage of Plan making should not be required to significantly delay the process any more than is necessary. There should be a clear commitment to transitional arrangements to support those authorities at an advanced stage of Plan-making, thus avoiding the need to further delay Plan submission.

New Statement of Common Ground

50. This is new proposal that subject to further consultation will appear in the revised NPPF later this year. Where Local Planning Authorities demonstrate that they cannot meet all of their housing requirement, they will in future be required to work constructively with neighbouring authorities on how best to address the remainder setting out how they will work together to meet housing requirements and any address other cross boundary issues in a new Statement of Common Ground.
51. This proposal is in response to the ineffectiveness of the Duty to Cooperate to successfully address meeting unmet housing need and other cross boundary issues. It does not make the task any easier, but it will have the effect of requiring neighbouring authorities to explain and justify why they can or cannot accommodate additional growth to meet needs from the wider housing market area.
52. Potential problems could include the fact that neighbouring authorities might be at different stages of Plan making and unable to commit to meeting unmet need at the point that a neighbour makes an approach. There is also the issue of whether there is the environmental or market capacity for one authority to deliver housing above a certain threshold.
53. Another potential issue is ensuring fair equitable housing agreements with neighbouring green belt authorities. Ashford Borough Council disagrees that the revision of green belt should be only as a last resort and, in particular, when neighbouring authorities are struggling to meet their housing need. The green belt designation comprises a wide variety of land types in a range of conditions that this blanket designation obscures the range of land types and conditions. There is a concern that, for example, if the green belt authority argues that it is not reasonable to remove sites from the green belt to meet needs where they arise as an exceptional circumstance, then agreeing a Statement of Common Ground could be problematic in the context of acute housing need throughout the South East. This also undermines the White Paper's commitment to providing the right homes in the right places.
54. **Response:** Clarification is sought as to the relationship between the Duty to Cooperate and new Statement of Common Ground, and the Paper's commitment to providing homes in the right places. Clarification should also be sought for what would happen in the event that a Statement of Common Ground is not agreed and whether this would be included in the proposed new powers of intervention in Plan making for the Secretary of State.

New Housing Delivery Test

55. The new housing delivery test is intended to hold local authorities to account by monitoring housing delivery against targets. If the number of new housing completions falls below target measured over a three year rolling average Local Planning Authorities will be required to prepare a report explaining why and set out an action plan to address the problem. It is, however, unclear how this test will relate to the existing five year housing land supply test provisions.
56. It is anticipated that the test will be introduced in November and that if an authority's housing delivery is 95% or less than the annual housing requirement that an action plan will be required. If delivery is 85% or less than the target then an additional 20% will be added to the 5 year land supply

figure (currently this is only applied to consistent under performers. All Local Planning Authorities have to apply a 5% buffer to their land supply as a contingency i.e. if some sites do not deliver for some reason).

57. From November 2018 a new element to the test will be added. If delivery falls below 25% of target the presumption in favour of sustainable development in the NPPF would apply automatically, and Local Plan housing policies would be considered out of date as is the case when no five year housing land supply can be demonstrated. The 25% will be raised to 45% and 65% in subsequent years to enable Local Planning Authorities time to address under delivery in their area.
58. Given that this test is in addition to, and not in place of, the requirement for a five year housing land supply, it is an additional burden for local planning authorities to consider. Based on current housing targets and the last three year's delivery rates, until completions for the current year are known it is uncertain whether or not Ashford would fail the proposed housing delivery tests, and it does not have a five year housing land supply. This test will merely serve as an additional indicator to be monitored in the light of the proposed changes to calculating objectively assessed needs proposed elsewhere in the White Paper. It will not help the wider reputation of the planning system since a Local Plan may continue to be deemed 'out of date' in the absence of a five year housing land supply.
59. It will have a resource implication for the additional monitoring and where necessary preparing action plans. Currently Local Planning Authorities include in their Annual Monitoring Reports a housing trajectory estimating future delivery, based on information from developers, historic delivery rates, national and local trends and local knowledge.
60. **Response:** The Housing Delivery Test, when applied in addition to the requirement for a five year housing land supply, appears quite onerous given that Local Authorities do not have direct control over delivery of the vast majority of housing in their areas and will have to rely largely on private sector house builders. Seen as part of a package of other measures to encourage faster delivery, for example the suggestion that an applicant's past performance in delivery might become a material planning consideration in future, it does have some merit, but ultimately success or failure will depend on developers delivering what they say they will.
61. The proposal that local authorities could be given the opportunity to have their housing land supply agreed on an annual basis, and fixed for one year, would be helpful inasmuch as it would reduce time and resources spent on appeals questioning this issue. However, the process outlined in the White Paper appears rather time and resource intensive in itself. The Council questions the logic in which authorities wishing to take advantage of this policy would have to provide for a 10% buffer on their 5 year housing land supply. Since the 10% buffer is without evidential basis, this appears to be a penalty for those wishing to use this service. Furthermore, it is unclear as to how this relates to buffers in excess of the 5 year requirement sought in other existing and proposed tests. Finally, it should be made clear that the Local Authority is best placed to calculate its own land supply position, not least as it would be an onerous requirement placed on the Planning Inspectorate to have to ascertain this figure for each area.

Revised Definition of Affordable Housing

62. The government proposed to revise the definition of affordable housing last year as part of consultations into proposed revisions to the NPPF and to accompany proposals for the new Starter Homes set out in the Housing and Planning Act 2016. In tandem with the White Paper consultation, the government is also running a consultation on “Planning and affordable housing for Build to Rent”, which will be treated separately.
63. The latest proposed definition refines the definition to include discounted market sales housing as an additional affordable home ownership option and introduces affordable private rent housing. This will be subject to further consultation before appearing in the revised NPPF this autumn.
64. The proposed requirement that 20% of qualifying sites should be Starter Homes will be replaced by a new requirement that 10% of large housing sites should be made up by affordable home ownership options, to allow Local Authorities and developers more flexibility in delivering a range of affordable housing.
65. Starter Homes will also have new eligibility criteria in addition to those requiring applicants to be under the age of 40 and being a first time buyer. In future there will also be a household income cap of £80,000 (£90,000 in London) and applicants must have a mortgage. There will also be a 15 year repayment period. If a property is sold in less than 15 years some of the benefit would have to be paid back. These measures are aimed at preventing abuses of the system by property speculators.
66. Discounted market sales housing and affordable private rent housing is described as being 20% or less than market rates. The proposed definition is too broad with similar products likely to cause confusion and not meet local housing need. We already see that many people who cannot access the market are also unable to afford a number of the ‘affordable’ home ownership products and affordable rent homes under the current definition.
67. It is acceptable to set a national policy to seek a minimum of 10% affordable home ownership products as long as the type of affordable home ownership products included within the 10% are determined locally to best address local housing needs. However, with market rent and prices continuing to rise ahead of local incomes, linkages to the market to determine affordability levels are flawed. Affordable rent, starter homes, discounted market sales and affordable private rented housing are all set as a discount of at least 20%. In reality it is unlikely that a discount of more than 20% will be offered. For many households 80% of market rates still renders a home either to rent or purchase unaffordable. Affordable housing should be linked to local incomes based on local employment. The cost of affordable housing should not exceed 30% of average local incomes. Affordable rented homes should be subject to a maximum rent equal to or below the local housing allowance rate.
68. An income cap for starter homes should be set and to ensure they are accessible to local people have regard to local incomes rather than a nationally prescribed maximum.

69. The proposal to include an 'affordable' product on build to rent schemes is welcomed, along with the proposal to encourage longer tenancies where tenants wish to take them. However it is suggested that the affordable private rent housing is only used on build to rent schemes where it can be demonstrated that other forms of affordable housing are not financially viable. The affordable private rent should not be used to provide the affordable housing element or part of the affordable housing provided by policies to deliver affordable housing on any other sites. With this reasoning affordable private rent should be removed from the overall definition of affordable housing and used exclusively within policies relating to build to rent schemes.
70. **Response:** Whilst the proposed changes to the affordable housing definition and Starter Home requirement/eligibility are welcomed, the underlying difficulty of delivering truly affordable housing remain the same. There has been no real effort in the White Paper to address those fundamental barriers to affordability, particularly for those households who are unlikely to be able to access the private housing market and will need to rely on other forms of tenure. The continuation of the 'Right to Buy' scheme will do little to stabilise the more affordable housing stock.
71. Furthermore, on some crucial issues, such as the negative impact of the viability test in the National Planning Policy Framework (NPPF, paragraph 173), the White Paper is silent. This is despite the growing evidence of the impact of the viability test on reducing public policy outcomes, and the House of Lords Built Environment Committee recommendation that the test needs revision to ensure that it is not 'used to compromise the ability of local authorities to meet housing need, including affordable housing need, as determined through development plans'.
72. Provision of Affordable Housing is more important than ever, especially in a local context of increasing demand. The Council accepts that it is best placed to calculate the requirements of the borough and is committed to enabling provision of quality homes at all tenures. However, there is a significant concern at what is viewed as initiative overload. An example of this was the recent requirement for provision of 'starter homes' which required extensive background evidence production to introduce their requirement into policy, leading to delays in the Local Plan production. Now the White Paper removes this requirement, but further requires a revision of housing need based on as-yet uncertain criteria, submission of the Plan is likely to be delayed further to be able to accommodate.

Equalities Impact Assessment

73. The requirements of the Equalities Act (2010) are taken into consideration in the responding to the Housing White Paper. While the Paper in itself includes measures specifically targeted at those with protected characteristics, it is up to the government to consider the impact of its proposals in relation to this.

Consultation

74. This report will serve as the basis for a Council response to the government's Housing White Paper: Fixing our Broken Housing Market. To this end, it has been produced through consultation between the Council's Planning and

Housing units, and the implications of the proposed measures have been presented and disseminated to wider Council.

75. A summary of the report and its implications was presented to the Members of the Local Plan and Planning Policy Task Group on 23rd February 2017, and to the Corporate Management Team on 9th March 2017.

Implications Assessment

76. As a result of this White Paper, a number of changes are proposed to the national planning system, along with fewer non-planning legislation changes. The implications of these are explored above.
77. In addition, the White Paper outlines a number of forthcoming and existing funding streams and opportunities to assist in the delivery of the various programmes referred to within the paper.
78. Schedules of changes and of funding streams are attached to this report in Appendix 1.

Conclusion

79. In light of the above, it is recommended that Cabinet notes the summary of the Housing White Paper and agrees that the comments in respect of the key points set out within the report form the basis of a response back to the government by the consultation deadline of 2nd May 2017.

Portfolio Holder's Views

80. **Cllr Bennett – Portfolio for Planning** commented as follows;

“This paper clearly outlines the challenges of the recent White Paper designed to speed up delivery of new homes and the implications in particular for the Local Plan, and I commend the recommendations to members.”

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Summary of Proposed Actions Set out in the White Paper

Proposed Changes to the Planning System

- Requirement that all areas to be covered by a Plan (Neighbourhood Planning Bill)
- New powers for intervention in plan making (Neighbourhood Planning Bill)
- Requirement for Plans to be reviewed every five years (Neighbourhood Planning Bill)
- New Statement of Common Ground proposed (Revised NPPF following consultation)
- Options for different types of Plan to cover an area – not just a single Local Plan (Neighbourhood Planning Bill)
- Standardised methodology for calculating Objectively Assessed Needs (Revised NPPF following consultation)
- Clearer policies for meeting housing needs for older and disabled people (Revised NPPF)
- Greater transparency on land ownership and options (Land Registry and possible further legislation following consultation)
- Local Plans to have clear strategy for maximising the use of suitable land (Revised NPPF)
- Greater weight for using suitable brownfield land for housing (Revised NPPF)
- More flexibility for Local Authorities to dispose of land at less than best consideration (views sought)
- Encourage more estate regeneration (Revised NPPF)
- Policies to support development of small windfall sites (Revised NPPF)
- 10% of sites allocated for residential development in Local plans to be of 0.5 hectares or less (Revised NPPF)
- Encourage greater use of Local Development Orders and area wide design codes (Revised NPPF)
- Locally accountable New Town Development Corporations to be established (New legislation)
- Clarification of national Green Belt Policy (Revised NPPF)
- Strengthening Neighbourhood Planning and Design – including the option of obtaining a housing requirement figure for the neighbourhood plan area (Neighbourhood Planning Bill and Revised NPPF)
- Rationalising of housing standards (further consultation)
- Ensuring the efficient use of land with higher densities (Revised NPPF)
- Review of nationally prescribed space standards (subject to review)
- Increase nationally set planning fees (20% from July) (Government)
- Explore fees for appeal (subject to consultations)
- New policy requirement for high quality digital infrastructure (subject to consultations)
- Measure to ensure utilities planning and delivery keep pace with house building (Government review)
- Tackling unnecessary delays due to planning conditions (Neighbourhood Planning Bill)
- Strategic approach to habitat management for protected species – licensing across whole area rather than site by site (Roll out of pilot in Woking)

- Reform of developer contributions regime (CIL and S106) (Autumn Statement 2017)
- Likelihood of a site being developed to become a material consideration in granting planning permission (Revised NPPF)
- Possible material consideration for applicant's track record of delivery (Views being sought)
- Shortening timescales for implementation for planning permissions from 3 to 2 years (Revised NPPF)
- Simplifying the completion notice process (proposal)
- Encouraging greater use of CPO powers to bring forward stalled sites (new guidance following consultation)
- New Housing Delivery Test (to be introduced from November 2017)
- Continued support for custom build including retention of CIL exemption pending review of developer contributions.
- Proactive support for Build to Rent (Revised NPPF)
- Starter Homes amendments (Revised NPPF)
- Clarification of the definition of sustainable development (Revised NPPF)
- Amendments to the list of climate change factors in the NPPF to include rising temperatures (Revised NPPF)
- Clarification of the application of the Exception Test in addressing flood risk (Revised NPPF)

Other Proposed Non-Planning Measures

- Restrictive covenants to be reviewed
- Family friendly tenancy agreements (at least 3 years) to be encouraged
- Housing Association rents to be agreed over longer terms to enable borrowing against future income
- Homes and Communities Agency to be rebranded as Homes England and have a more proactive role in delivering affordable housing
- More Local Authority house building to be encouraged via Development corporations, housing companies and Special Purpose Vehicles
- Off-Site construction to be more widely used through the Government's Accelerated building programme
- Training in construction sector to be enhanced
- New measures to ban letting agency fees and deal with rogue landlords

Summary of Funding Streams referred to in the White Paper

- Home Building Fund (£3bn)
- Housing Infrastructure Fund (£2.3bn)
- Affordable Homes Programme (£1.4bn addition, giving £7bn total)
- Starter Homes Land Fund (£1.2bn)
- Business Rate Relief (Local Government Finance Bill) (£60m)
 - Plus £400m Digital Infrastructure Investment Fund
 - Plus £740m for market rollout of full fibre networks including "5G"
- Land Release Fund (£45m)
- Funding for Local Authorities to engage with local communities on the design, mix and location of new homes (£25m)
- Rough Sleepers Fund (£10m)
- Further funding for neighbourhood planning groups (£?)

- New funding to boost capacity and capability of Local planning Authorities (increase in fees by 20%)