



Government response to the Communities and Local Government Committee Third Report of Session 2015–16 on the Department for Communities and Local Government's consultation on National Planning Policy

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

February 2017



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Introduction

1. In December 2015 the Communities and Local Government Select Committee launched an inquiry into proposed changes to national planning policy. The Committee published its report on 1 April 2016¹ [HC 703].
2. The Government is grateful to Committee members for their thorough consideration of the issues, and for their report and recommendations. We have considered carefully the points they have made, and the concerns they raise. We also appreciate the patience the Committee has shown in allowing a later response, since many of the issues were taken into account by the Government in the preparation of the Housing White Paper Fixing our broken housing market, published² on 7 February 2017. The Housing White Paper, its Annex and the accompanying consultation paper on Build to Rent together give a more detailed indication of the full range of planning policies to which further changes and reforms are being taken forward or proposed.

Background

3. The National Planning Policy Framework, published in March 2012, set out the Government’s planning policies for England, and how they are to be applied in order to secure and encourage sustainable development. The Framework reinforces the central role of local and neighbourhood plans in the planning system, and promotes sustainable development and the protection and enhancement of the natural and historic environment.
4. Alongside our wider planning reforms the Framework is delivering real results – driving up housing supply while retaining protection for our natural and historic environment. For instance:
 - 90% of local authorities have now published a Local Plan and 75% have an adopted Local Plan;
 - Planning permission was granted for 277,000 new homes in the year to 30 September 2016³;
 - Over 2,000 communities, representing nearly 10 million people, have started the process of neighbourhood planning; and
 - 13% of the land area of England remained Green Belt in 2015-16⁴.

1 <http://www.publications.parliament.uk/pa/cm201516/cmselect/cmcomloc/703/703.pdf> HC703: Department for Communities and Local Government’s consultation on national planning policy (Third Report of Session 2015-16). Pages 32-34 include links to the testimony and written evidence.

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

3 DCLG analysis of Barbour ABI data.

4 <https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2015-to-2016>

5. Our consultation⁵ on national planning policy (the 'December 2015 consultation') sought to complement measures in the Housing and Planning Act 2016⁶ and to deliver on Government commitments in the Productivity Plan⁷ and Autumn Statement⁸ aimed at increasing housing supply and home ownership. The December 2015 consultation put forward a number of specific changes to national policy while carefully maintaining the overall balance of policy established during the preparation of the Framework.
6. The December 2015 consultation closed on 22 February 2016. The Government received and considered 1,138 responses, and has held constructive discussions with local authorities and partner organisations. A summary of the responses, with the Government's conclusions, is being published⁹ alongside the Housing White Paper.

5 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/488276/151207_Consultation_document.pdf

6 The Housing and Planning Act 2016 <http://www.legislation.gov.uk/ukpga/2016/22/contents/enacted>

7 Fixing the Foundations (Cm 9098, July 2015) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf

8 Spending Review and Autumn Statement 2015 (Cm 9162, November 2015) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

9 <https://www.gov.uk/government/consultations/national-planning-policy-consultation-on-proposed-changes>

The Recommendations and the Government's Response

The consultation process

Recommendation 1: As a priority the Department should publish clear timescales for the next steps for this consultation, including timescales for the Government's response, implementation, and suitable transitional arrangements. If the changes to the Framework are delayed beyond summer 2016, we expect the Minister to write to us to explain the reasons and provide updated timescales (paragraph 8¹⁰).

Recommendation 2: As a matter of principle, we believe that when changes are made to the wording of a key policy framework such as the National Planning Policy Framework, there should be a two-stage consultation process: first on the overall policy, and subsequently on the precise wording which will give effect to the change. If there is no further consultation on the specific wording of the consultation proposals, it is essential that the Department listens carefully to concerns about ambiguity or lack of clarity in the revised Framework, and provides clarification where required. (Paragraph 9)

Recommendation 3: To ensure that proper consideration is given to the impact of changes resulting from this consultation, and from other developments in the housing and planning sector, the Department should carry out a comprehensive review of the operation of the National Planning Policy Framework before the end of this Parliament. The review must include sufficient opportunity for appropriate consultation with stakeholders, and should follow a two-stage approach to consulting, first on general principles, and subsequently on precise wording. (Paragraph 11)

7. The Government agrees that it is always important to provide clarity about our intentions and, where feasible, on the timing of any actions. The December 2015 consultation sought to implement a number of manifesto and other commitments on housing supply and home ownership, and our ambition was to publish and implement the proposed changes to the Framework in summer 2016. However, given the change in Ministerial responsibilities in the summer, the Government has taken the opportunity to consider this consultation alongside other housing and planning issues. These include new requirements arising from the Housing and Planning Act 2016 and the recommendations of the Local Plans Expert Group on streamlining the Local Plan process¹¹. Moreover, since 2012 a number of small changes to national policy have been introduced by Ministerial Statements, or have become necessary because of altered circumstances.
8. In these circumstances, the Government considered that it was right to publish the outcome of the December 2015 consultation alongside the Housing White Paper, to give all parties, including the Committee, an opportunity to consider how the Government's decisions fit with other proposals to drive up housing supply. The Housing White Paper and its associated documents will give the Committee a comprehensive overview of the scope of the changes the Government now considers necessary to make sure this country delivers the housing that is needed, while maintaining sustainability and protecting the natural and historic environment.

¹⁰ Paragraph numbers within Recommendations relate to paragraphs in the Committee's Report (see footnote 1 for link).

¹¹ Local Plans Expert Group: Local Plans Report to the Communities Secretary and to the Minister of Housing and Planning (March 2016) <https://www.gov.uk/government/publications/local-plans-expert-group-report-to-the-secretary-of-state>

9. Following responses to the Housing White Paper and the relevant consultations, the Government will issue a revised and updated Framework. The Government does not agree that separate phases of consultation on the principle and the wording of new policy should become the standard practice, as that would often be unnecessary and bring unacceptable delay. However, we will keep Parliament, and the Committee, informed of our intended actions and, wherever practicable, their timings.

The timing of the consultation

Recommendation 4: We hope that the Department will learn lessons from the need to extend the consultation period as a result of the holiday period and the other significant developments in the housing and planning sector. (Paragraph 13)

10. All Government consultations should adhere to the Cabinet Office guidelines set out in Consultation Principles, revised in 2016¹². This makes clear that those carrying out consultations must take major holiday periods and the circumstances of consultees into account, and that it is important to ensure that all interested groups and individuals have the opportunity to express their views. We accept the Committee's implication that having to extend a consultation period may not have made a favourable impression. However, it is ultimately for Government to decide the length of each consultation period, in the light of circumstances as well as experience.

Supporting new settlements

Impact of the proposals, and the five year land supply

Recommendation 5: The Department should identify and put in place arrangements to ensure that where there are robust plans in place for the delivery of a new settlement which may take more than five years, some account can be taken of this land as part of the five-year land supply identified in the Local Plan, but councils should not be able to overly-rely on land in the five-year land supply which in reality will take longer than five years to build out.

Recommendation 6: The Department should provide further detail about how the measures to support the development of garden towns and villages announced in the 2016 Budget will relate to the new settlements proposals in the consultation. (Paragraph 18)

11. The Government recognises the need to encourage local areas to bring forward high-quality large new settlements, not only with supportive national planning policy but with a programme of direct support for new locally-led garden villages, towns and cities. Paragraph 52 of the Framework already recognises the role new settlements can play in meeting housing need. We propose to consult on measures to encourage a more proactive approach toward new settlements in local plans and other local development documents. We do recognise that it is for local authorities to decide the most appropriate approach to housing need in their areas, using the Local Plan process and working with their communities, neighbouring local authorities and other partners.

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/492132/20160111_Consultation_principles_final.pdf.

12. The requirement for a five-year housing land supply has supported the increase in planning permissions granted for new homes. Local authorities should be realistic about the build-out rates of large sites, and take this into account when calculating their five-year housing land supply. The Housing White Paper contains a number of proposals to speed up development once planning permission is granted. It also proposes to amend the Framework to give local authorities the opportunity to have their housing land supply agreed on an annual basis, and fixed for a one-year period.
13. Our 'Locally Led Garden Villages, Towns and Cities' prospectus published in March 2016 encourages ambitious proposals which make effective use of brownfield land. The prospectus offers enabling funding and support, brokerage across government to remove barriers to delivery, and a willingness to strike a deal on planning freedoms in return for a strong, deliverable commitment to housing growth. We received fifty-one expressions of interest from local authorities across the country, keen to become part of our garden villages programme. The successful group of garden villages and towns we intend to support was announced on 2 January 2017 ¹³.
14. High-quality new settlements and their essential infrastructure are not easy to plan or achieve, and Government has to plan for the medium and long term as well as focusing on our commitments for delivery by 2020. Garden villages, towns and cities are a new, long-term pipeline of housing supply, and are already delivering significant numbers of new homes. At Ebbsfleet, we expect over 5,000 homes to have been delivered by 2021; and by the end of this Parliament we expect at least 3,000 homes a year to be built in other garden villages, towns and cities receiving government support.
15. The Government recognises that, in some circumstances, local areas will decide that a statutory development corporation would be helpful in securing delivery of a new garden settlement. We made a number of important changes to the New Towns Act through the Housing and Planning Act 2016. This will make it easier to set up New Town Development Corporations and Areas, and extend their objectives so they can better support the delivery of locally-led garden villages, towns and cities. The Housing White Paper makes clear that we will legislate further to allow new locally-accountable New Town Development Corporations to be created where there is local appetite for them as the right vehicle for delivery.

Brownfield sites

Recommendation 7: In its response, the Department should confirm whether the Starter Homes Land Fund [announced in the 2016 Budget] constitutes new funding, available in addition to the Brownfield Regeneration Fund. (Paragraph 21)

16. The Government is committed to redevelopment of brownfield land. The Framework creates the clear expectation that local authorities will prioritise the re-use of suitable brownfield sites wherever practicable. On 3 October 2016 we launched the £3 billion Home Building Fund, to provide loans to support small- and medium-sized building firms, custom builders and offsite construction, and help to make more land, much of it brownfield, available for new homes. A separate £1.2 billion fund is being created to unlock brownfield land for starter homes. We received 79 expressions of interest, covering 120 local authority areas, in response to our Starter Homes Land Fund prospectus launched in March 2016. Thirty partnerships with local authorities were announced on 3 January 2017. Further partnerships will be developed in due course. We expect the first starter homes supported through the programme to be started in 2017. Together these two funds will exceed the commitment to deliver £1 billion of funding for brownfield development (formerly referred to as the 'brownfield regeneration fund').

¹³ <https://www.gov.uk/government/news/first-ever-garden-villages-named-with-government-support>

Recommendation 8: It is important that there is flexibility for local authorities to fully consider particular sites' suitability for development before they are included on the brownfield site register. There must also be clarity about the definition of 'brownfield', so that national planning policy can be applied consistently across England. (Paragraph 22)

Recommendation 9: We recommend that as part of its response to the consultation, the Department draws up an authoritative definition of brownfield sites to which the presumption in favour of development proposed in the consultation will apply. (Paragraph 22)

Recommendation 10: We recommend that in its response to this report, the Department sets out how the brownfield site register and permission in principle system will operate in practice, including the arrangements for community engagement and consultation, and the relationship between permission in principle and technical details. (Paragraph 22)

Recommendation 11: In its response to this report, the Government should set out how its proposals will overcome the potential cost barriers to the development of brownfield sites, and the steps it will take to encourage the development of such sites in order to meet local housing needs. (Paragraph 23)

17. The Government considers that the definition of previously developed ('brownfield') land in Annex 2 of the Framework is broadly robust, given that the Framework is designed to be locally interpreted and applied.
18. Our December 2015 consultation found broad support for amending the Framework to indicate that great weight should be attached to the value of using suitable brownfield land for homes. The Housing White Paper sets out two changes to planning policy in this area. First, we are confirming our intention to amend paragraph 89 of the Framework so that fuller use can be made of brownfield sites for starter homes in the Green Belt. Second, we will be introducing a presumption that brownfield land is suitable for housing unless there are clear and specific reasons to the contrary (such as high flood risk). To make this clear, we will amend the Framework to indicate that great weight should be attached to the value of using suitable brownfield land for homes within existing settlements, following broad support for this proposal in our consultation in December 2015.
19. We agree that local authorities must still be able to manage the planning aspects and consequences of new developments, on brownfield as elsewhere. Brownfield sites differ greatly, and local authorities are best placed to consider the impact of what is proposed for each site. Under powers in the Housing and Planning Act 2016, local authorities will be required, when deciding which sites are suitable for inclusion on Brownfield Registers, to have regard to the Framework and to their development plan. A separate, technical consultation¹⁴ put forward criteria to be used by local authorities when identifying suitable sites for inclusion on the register. We will publish a summary of responses to that consultation, and the Government's conclusions, in due course.
20. With the help of many local authorities we have tested how the new Brownfield Registers would best be operated. When we have agreed a standard format for these Registers, supporting guidance will be issued, and the requirement to keep a Register commenced by secondary legislation. The Government will also make clear in guidance how planning permission in principle will operate, including the arrangements for community engagement.

¹⁴ Implementation of planning changes: technical consultation (18 February 2016)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507019/160310_planning_consultation.pdf

21. The measures set out above complement long-standing Government support for the redevelopment of brownfield land. This includes Land Remediation Relief, which can provide a deduction from corporation tax of 150% for qualifying expenditure incurred by companies in cleaning up land acquired in a contaminated state.

Recommendation 12: In the short term, the Government should publish guidance for local authorities, setting clear guidelines on when and how it may be appropriate for a local authority to review its Green Belt boundary in order to deliver new homes to meet local need. (Paragraph 25)

22. Each time a local authority updates its Local Plan, the Government expects the authority to check that its policies on housing provision, land-use and Green Belt are still relevant and appropriate for the sound planning of its area. Revising a Local Plan might involve a review of the extent or boundary of the Green Belt, though the review may conclude that no change is required.

23. The Framework is clear that a Green Belt boundary can be altered only in exceptional circumstances, through the Local Plan process. In line with its manifesto commitment the Government wants to retain a high bar to ensure the Green Belt remains protected, but we also want local authorities to be more transparent about, and accountable for, the reasons for seeking to alter their Green Belt boundaries.

24. Therefore the Housing White Paper proposes to amend national policy to make clear that authorities should amend Green Belt boundaries only when they can demonstrate that they have examined fully all other reasonable options for meeting their identified development requirements. We propose that national planning policy include a list of the reasonable options a local authority should explore before concluding that a Green Belt boundary should be adjusted. As ever, the local authority should ensure that all arguments for Green Belt release are supported by robust evidence which the Planning Inspector will test at the Local Plan examination.

Small sites

Impact on small and medium-sized developers

Recommendation 13: To assess whether its small site policy is having the intended positive effect on small and medium-sized builders and developers, the Government should monitor its impact, and provide us with an update on the numbers of small and medium-sized builders and developers in the construction industry twelve months after the proposals have come into effect. (Paragraph 27)

25. The planning system and national planning policy already provide strong support for the delivery of small sites, but we intend to strengthen the Framework to assist development of small sites, which are especially important to small and medium builders. Small sites create opportunities for smaller developers and custom builders to enter the development market, helping to promote competition and raise the quality of building and design. They create local jobs and sustain local growth, particularly in rural areas, and make more effective use of developable land. They can also help to meet rural housing needs in ways that are sensitive to their setting while allowing villages to thrive. Chapter 1 of, and the annex to, the Housing White Paper set out the Government's proposals to further strengthen the Framework to assist development of small sites and diversify the housing market.

26. However, the Government does not think it would be practicable to try to link the numbers employed in construction, or the number of construction firms, to the number of small sites brought forward by their owners in hopes of gaining planning permission. So many other factors affect the building industry that one could not confidently distinguish them from the consequences of our small sites policy.

Adverse impacts

Recommendation 14: The Department should review the proposals relating to presumption in favour of development of small sites to ensure that local authorities have sufficient flexibility to mitigate harmful unintended consequences.

27. The Government considers that introducing a presumption in favour of small sites will help bring forward more suitable sites for development. However, following consultation, and recognising the potential impact on small villages in particular, the Government will not extend the presumption to cover small sites adjacent to settlements. Local authorities may still refuse permission for small site development if the disbenefits of the proposal clearly outweigh the benefits, or if the site is in a wholly inappropriate location.

Existing settlements and rural exception sites

Recommendation 15: In its response, the Department should set out how its proposals for changes to the Framework will complement the existing rural exception site policy, and ensure that rural communities' needs for affordable housing are met. (Paragraph 33)

28. A thriving rural community in a living, working countryside depends, in part, on retaining local services and community facilities such as schools, local shops, cultural venues, public houses and places of worship. A full range of types of rural housing is essential to ensure viable use, and therefore survival, of these local facilities. The Government therefore expects local authorities to assess local housing needs of all types in both urban and rural areas, and plan to meet those needs in full so far as is practicable and compatible with the Framework as a whole.

29. Responses to the December 2015 consultation revealed considerable concern about the proposal to extend the presumption to small sites on the edge of existing settlements, including rural exception sites. We do not intend to introduce this element. However, the introduction of the presumption in favour of brownfield sites and other small sites within existing settlements would be relevant to both urban and rural areas. The Housing White Paper also confirms our intention to take forward proposals to amend not inappropriate development in the Green Belt (paragraph 89 of the Framework) to include circumstances where development will contribute to the delivery of starter homes on brownfield land, provided there is no substantial harm to the openness of the Green Belt.

30. We are also proposing that the Framework should give much stronger support for 'rural exception' sites that provide affordable homes for local people, by making clear that these should be considered positively where they can contribute to meeting identified local housing needs, even if this relies on an element of general market housing to ensure that homes are genuinely affordable for local people.

31. As a result of broadening the definition of affordable housing for planning purposes, starter homes for young first time buyers will also now potentially be acceptable on rural exception sites. However, it will be at the discretion of the landowner or developer to decide how many starter homes to propose on a rural exception site; and for the local authority to determine the planning application. We intend to leave it to the local authority to decide whether to apply a local connection test on such sites. Taken together, these measures will help to ensure that rural communities' housing needs continue to be met.

Definition of affordable housing

Starter homes

Recommendation 16: We understand stakeholders' concerns about the potential impact on the delivery of other types of affordable housing, and reiterate recommendation 28 of our 'Housing associations and the Right to Buy' report:

'Home builders will understandably seek to build the products with the highest return [...], Government's policy should not lead to fewer truly affordable homes to rent being built. There is a finite amount of money available from developers to deliver affordable housing, and the duty placed on councils is likely to mean that building Starter Homes could be prioritised over other types of affordable housing. Local authorities will be under pressure to satisfy their legal obligations, and this could make negotiations with developers extremely difficult and could undermine Local Plans. Starter Homes should not be built at the expense of other forms of tenure; where the need exists, it is vital that homes for affordable rent are built to reflect local needs. The definition of affordable housing should better reflect individual and local circumstances'.

Recommendation 17: The Government should monitor the impact of the inclusion of Starter Homes in the definition of affordable housing on the availability of other types of affordable housing. We expect the Department to provide information to us on an annual basis on the mix of affordable housing which is delivered following the implementation of the proposed changes to the Framework. (Paragraph 36)

Recommendation 18: We recognise that the Government plans to ensure a continuing supply of Starter Homes, and we support the aspiration of enabling people to own their own homes. Nevertheless, we are concerned about the effect on the supply of affordable housing of removing the discount 'in perpetuity' restrictions, and reiterate recommendation 29 in our recent report on Housing associations and the Right to Buy:

'We urge the Government to review the period of time over which the [Starter Home] discount would operate'. (Paragraph 40)

32. The Government is committed to delivering a range of housing across all tenures. The last Spending Review and Autumn Statement announced £9.4 billion to deliver a range of affordable housing starts, including affordable homes to rent, shared ownership, rent to buy and starter homes.
33. The Government considers it important that the definition of affordable housing for planning purposes supports present and future innovation by housing providers in meeting the needs of a wide range of households. The December 2015 consultation proposed to broaden the definition of affordable housing to include a range of affordable products for rent and for ownership for households whose needs are not met by the market, but without being unnecessarily constrained by the parameters of products that have been used in the past but which risk stifling innovation. This includes starter homes. The Housing White Paper proposes to proceed with an amended definition of affordable housing which will include starter homes with a proposed income cap of £80,000 (£90,000 in London) for starter homes.
34. The Department also consulted separately on proposed starter homes regulations under the Housing and Planning Act 2016¹⁵. A Government response to the consultation has been published alongside the Housing White Paper. We have listened to concerns that our original plans for a statutory requirement of 20% starter homes on all developments over a certain size will impact on other affordable homes.

¹⁵ <https://www.gov.uk/government/consultations/starter-homes-regulations-technical-consultation>

35. We now want local authorities to deliver starter homes as part of a mixed package of affordable housing that can respond to local needs and local markets. We will commence the general duty on councils to promote the supply of starter homes. However, in keeping with our approach to deliver a range of affordable homes to buy, rather than a statutory requirement for starter homes, we are consulting on amending the Framework to introduce a clear policy expectation that suitable housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of starter homes, alongside other affordable home ownership and rented tenures.
36. Furthermore, the responses to the consultation found the eight year repayment period for a starter home proposed by the consultation too short. We have considered carefully the arguments for a longer period and as a result we are proposing that the restricted period should be 15 years.
37. The Department publishes annual statistics on total Affordable Housing Supply, including breakdowns by local authority and type of housing provided (social rent, affordable rent, and intermediate housing). In November 2016 we published the data for the period April 2015 to March 2016, and the latest set of data, covering the period April 2015 to March 2016, is available at <https://www.gov.uk/government/statistics/affordable-housing-supply-in-england-2015-to-2016>
38. The Department also publishes a combined GLA/HCA-funded Affordable Housing figure for both starts and completions, split by type of housing provided, on a 6-monthly basis. We plan to publish a breakdown of the provision of starter homes alongside other housing types in 2017.
39. The Housing and Planning Act 2016 includes provisions for local authorities to report on starter home delivery in each area and make this information publicly available. This could be combined with their existing obligation to report on delivery of affordable housing through their Authority Monitoring Report. The Government's response to the starter homes regulations consultation makes clear that we will commence the starter home monitoring provisions under section 6 of the Act to include a monitoring requirement on the number of starter homes granted planning permission, and the actions taken by the local authority under the duty to promote the supply of starter homes under section 4 of the Act.

Recommendation 19: When decisions are taken about whether unviable or unused commercial or industrial land should be used for housing, local authorities should have discretion to take local circumstances into account. In addition to being able to protect commercial or industrial land from development if appropriate to do so in the local circumstances, local authorities should have the flexibility to decide that housing other than Starter Homes may be developed on such land, if that housing would better meet identified local housing needs. (Paragraph 42)

40. The Government considers it important that unused, unviable or underused employment land should be released for housing without delay. Existing planning policy already expects local authorities to keep employment land allocations under review. Given the Government's ambition to deliver more starter homes, the Housing White Paper confirms our support for greater release of underused and unviable commercial and industrial land for housing-led development. However, we recognise the concern about loss of employment sites. Therefore the policy will state that commercial or employment land should not be protected for those uses beyond a period of five years unless there are good reasons for retaining it as a key employment site. Local authorities will still be able to consider any application on its merits, having regard to the need for alternative land uses to secure sustainable communities, but they should also consider whether there are strong economic reasons why a new land use would be inappropriate or inconsistent with other policies in the Framework.

41. Development on such sites could include market housing alongside starter homes if required to make a scheme viable.

Recommendation 20: We expect the Department to set out how it intends to use its powers of intervention in local authorities which do not have Local Plans in place by early 2017, and how many local authorities it expects will require such intervention. In the light of the Local Plans Expert Group's report, the Department should reconsider the recommendation made by our predecessors that a statutory duty should be placed on local authorities to produce and maintain Local Plans. (Paragraph 44)

42. Good progress in Plan-making has been made, and now 75% of local authorities have an adopted Local Plan, compared to 18% in 2010. We have been clear in our expectation that all local authorities should produce an up-to-date plan, providing the certainty communities and businesses deserve.

43. The Government has carefully considered the Committee's recommendation and the Local Plans Expert Group report on streamlining plan-making, and agrees that the requirement to have an up-to-date plan in place should not be in doubt. As a result, through the Neighbourhood Planning Bill we are bringing forward a requirement for every local authority to set out policies in its development plan documents to deliver the strategic priorities for the development and use of land in its area (unless it is satisfied that these priorities are addressed in a spatial development strategy covering the area).

44. We are also legislating to enable the Secretary of State to prescribe the intervals at which local development documents must be reviewed, to ensure plans are up to date. The Government intends to mandate in regulations that all authorities should review their plans (and, if necessary, update them) at least once every five years.

45. Through these measures in the Neighbourhood Planning Bill, and in the Housing White Paper, we have reiterated our expectation that all areas should have an up-to-date plan in place. In February 2016, the Government consulted on its proposed approach to intervening in plan-making. In the Housing White Paper we confirm that we intend to proceed on the basis set out in the consultation, both for the use of existing powers and those proposed in the Bill.

Housing Delivery Test

Recommendation 21: If the housing delivery test is to be an effective mechanism for ensuring that housing supply meets housing demand, there should be a combination of both carrot and stick. Local authorities must have a range of tools at their disposal which are appropriate to their local circumstances, including direct involvement in developments, either independently or in partnership with developers.

Recommendation 22: There should also be a clearer set of criteria which may be used to identify when a development scheme has stalled. (Paragraph 49)

46. The new housing delivery test is designed so that local authorities and wider interests are held accountable for their role in ensuring that new homes are built in their areas. Since 2010 the Government has been introducing new incentives for local authorities to build new homes and has been developing appropriate tools for holding local authorities to account for delivery. The Housing White Paper sets out Government proposals to give local authorities more powers to hold developers to account.

47. Where the housing delivery test identifies under-delivery in an area, the Housing White Paper proposes a series of actions for local authorities to take which reflect the scale of under-delivery, starting with an analysis of the causes.

Recommendation 23: The Department should review the appropriate consequences of housing under-delivery. In addition to the consequences already proposed where local authorities may be failing to grant permissions or allocate sufficient land, this should include identifying the powers local authorities ought to have in order to require or encourage developers to build out sites in their areas. (Paragraph 49)

48. Many factors influence when a development is started and when completed, such as availability of finance, market conditions and legal constraints. It may not be within the developer's power to resolve rapidly an issue over which third parties have control. However, delivery is a key element of this Government's policies on planning for housing, and where sites have all necessary consents they should move ahead as quickly as possible.

49. Local authorities already have the power to impose shorter commencement deadlines for development when granting planning permission, and they can serve completion notices to encourage build-out on-site or remove any unimplemented part of a planning permission. We now propose to simplify and speed up the completion notice process, whereby if development on a site has stopped and there is no prospect of completion, the local authority can withdraw planning permission for the remainder of the site. We also propose to encourage local authorities to consider shortening the timescales for developers to implement a permission from three years to two years. Local authorities need to explore all appropriate options to encourage delivery.

50. Through the Neighbourhood Planning Bill we are introducing measures to reduce the time taken to start on-site works. We remain concerned that too many overly restrictive conditions are routinely attached to planning permissions, with little regard given to the additional costs and delays they impose. The proposed power will tackle the misuse of pre-commencement conditions which prevent development starting, by requiring local authorities to seek the agreement of the applicant to any such conditions. The measures will also grant the Secretary of State the ability to prohibit, following consultation, specific conditions which he considers will fail the policy tests for conditions set out in the Framework.

51. We are introducing the housing delivery test as a further encouragement for local authorities and developers to focus on delivery, and in order to identify local authority areas that are failing to deliver enough homes to meet local needs. As noted above, authorities in those areas will be required to take extra steps, and the actions required will reflect the scale of under-delivery.

52. Moreover, to emphasise the importance of building all the housing on a site with planning permission, the Government proposes to amend the national planning application form to ask housing developers about their start date and 'build out rate' (the number of homes built in the financial year). This information would be available to decision-makers.

53. We recognise that, at application stage, the delivery timeframe will be only an estimate, so we are proposing a duty on developers to tell local authorities about their progress in delivering the homes after planning permission is granted. We will consider how this information can be gathered in a consistent way. To complement this, new requirements for the Authority Monitoring Report would allow local authorities to provide a full and easily understood assessment of their progress in delivering their housing plan for local people.

Density around commuter hubs

Recommendation 24: That the Department review the proposed definition of a commuter hub as a matter of priority, with a view to removing the present ambiguity and providing greater clarity about which locations are included, and should therefore be expected to have higher levels of housing density. The revised definition should be published before the House rises in July 2016, and the Department must listen carefully to any ongoing concerns about the definition's clarity.

54. Following concerns about the proposed definition of commuter hub, the Government has decided that it should not define the term. However, as explained in Chapter 1 of, and the annex to, the Housing White Paper, it proposes to make it clear that plans and individual decisions should address the particular scope for higher-density housing in urban locations that are well served by public transport.

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