

Report to Portfolio Holder for Growth and Regeneration

Subject: Planning for the right homes in the right places: consultation paper

Date: 24th October 2017

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Wards Affected

All

Purpose

To agree a response to the government's consultation paper: Planning for the right homes in the right places: consultation proposals.

Key Decision

This is not a key decision.

Background

The Government published its White Paper: Fixing the broken housing market in February 2017. The White Paper set out a number of proposals and stated that further consultation would follow on specific issues. This latest consultation paper is a follow on consultation and seeks views on changes to national policy in 5 main areas:

- Proposed approach for a standard method of calculating housing need;
- Improving how authorities work together in planning to meet housing and other requirements across boundaries;
- Planning for a mix of housing needs;
- Improving the use of S106 agreements; and
- Seeking further views on how to build homes more quickly.

Calculating Housing Need

The most significant proposal is for a standard methodology for assessing housing need. The methodology includes three stages:

- a. Applying the latest DCLG headship rates to the base population of the authority and calculate over a 10 year period – considered to be the base housing need and minimum number for housing provision;
- b. Adjust the base need by taking into account local affordability ratios¹. Housing need is proportionately increased for those authorities with affordability ratios

¹ Affordability ratio is the median house price divided by the median workplace based income for the authority.

- more than four times (i.e. median house prices are in excess of 4 times median earnings),
- c. Apply a cap so that no single authority will have their current annual housing target increased by more than 40%.

The consultation papers include a spreadsheet showing the government's indicative housing numbers using the proposed method and also show a comparison with the existing current annual target from the adopted or most up to date local plan. These figures are highly provisional and the results show that in areas where there are high affordability ratios significant increases in housing numbers arise, for example the proposed cap would need to be applied in a number of cases particularly in the south of England.

For the Nottingham Core HMA as a whole the provisional needs assessment indicates little change from the current target (see **Appendix 1**). For Gedling Borough need is assessed as 465 compared to the current target of 426 an increase of 42 per annum.

The consultation paper acknowledges that the housing figure is a starting point and that policy considerations such as Green Belt constraints, environmental constraints and land availability must also be taken into account in arriving at a housing target for each authority.

There is merit in applying a standardised approach across the whole country using a relatively straight forward and transparent approach to calculating housing need. However, there would be little scope to make adjustments to reflect particular local circumstances such as differences in local headship rates or in the treatment of students.

The consultation also seeks views on planning for a mix of housing types and tenures including for older and disabled people, families with children, affordable housing students, travellers self-build/custom build and build to rent. The proposal is to break down the overall need into the various different types of housing that is required based on local evidence. This is considered to be somewhat impractical given the lack of sparsity of information on certain groups and the complexity of certain groups' needs.

Statement of Common Ground (SOCG)

Government proposes that a statement of common ground (SOCG) is prepared across each housing market area where there are cross boundary issues. Each SOCG will need to explain what cross boundary strategic issues have been identified and how they have been resolved or where agreement has not been reached. The proposals are intended to cement the duty to cooperate early into the plan making process to seek agreement on cross boundary issues and to provide evidence of cooperation. Government is keen that existing working arrangements are not disrupted where these are already effective.

With appropriate caveats it is acknowledged that the SOCG could prove a powerful tool although the statements will not necessarily result in a need to agree on how housing need would be accommodated across the area.

Neighbourhood Planning

The proposals seek views on whether local plans should set a housing need for a neighbourhood plan area where it is appropriate to do so. This is a complex issue and considered best dealt with as a strategic planning issue by the local authority especially for settlements in the Green Belt.

Viability assessment

The key proposal is to amend the National Planning Policy Framework (NPPF) to state that where policy requirements have been tested for their viability the issue should not usually need to be tested again at the planning application stage. Whilst the aim is supported it is a bit impractical as site specific issues often mean it is necessary to re-examine viability at the planning application stage.

Proposal

The consultation paper sets out a series of questions which are set out in **Appendix 2** and the Portfolio Holder is asked to agree these responses so that these can be sent to the Department of Communities and Local Government (DCLG) by their deadline of 9th November 2017.

Alternative Options

To not respond to the consultation in which case Gedling Borough's view would not be heard.

Financial Implications

None.

Appendices

Appendix 1: DCLG Provisional Housing need for Nottingham Core Housing Market Area
Appendix 2: Response to consultation

Background Papers

None

Recommendation

That the Portfolio Holder agrees the response to the questions set out in **Appendix 2** which is to be sent to DCLG by 9th November 2017.

Reasons for Recommendations

To ensure that Gedling Borough's views are sent to the Department for Communities and Local Government by their deadline of 9th November 2017.