Development & Planning

Autumn Budget 2017: Chancellor announces changes for housing and planning intended to deliver 300,000 homes a year

Changes announced by Chancellor Phillip Hammond as part of the Autumn Budget set out a need for ‘more homes in the right places’ to deliver 300,000 a year by the end of the current parliament. The changes seek to make housing more affordable in the long term particularly for young people amongst whom home ownership is stated to have fallen by 20% since 2003/04. Particular emphasis is placed on the economic benefits of housing delivery, including productivity gains, support for flexible and responsive labour markets, and enabling people to work where they are most productive.

Increasing housing density in urban areas

The budget sets out a commitment to consult on introducing new minimum densities for housing development in city centres and around transport hubs, including potential greater support for use of compulsory purchase powers for site assembly. Policy changes are proposed to support the conversion of empty space above high street shops, and changes to support the conversion of retail and employment land for housing. Further changes to permitted development are also to be consulted on including the introduction of a new right to allow commercial buildings to be demolished and replaced with homes, going beyond those rights already in place for change of use of existing buildings.

Intervention in Local Plans

The autumn budget reaffirms that the government will consider intervention where there is not an up-to-date plan and will shortly activate powers that will enable it to direct local planning authorities to produce joint statutory plans including an assessment of where such an approach should be used. This follows the recent statement from Sajid Javid, Secretary of State for Communities and Local Government, identifying 15 local authorities where the government believes there is cause for concern. The authorities; named as Basildon, Brentwood, Bolsover, Calderdale, Castle Point, Eastleigh, Liverpool, Mansfield, North East Derbyshire, Northumberland, Runnymede, St Albans, Thanet, Wirral and York; have the opportunity to put forward any exceptional circumstances by the end of January 2018.

Deallocating sites

The government will also consult on changes to policy to be clearer that allocated land should be taken out of a plan if there is no prospect of a planning application being made.

First-time buyer led developments

Consultation will be undertaken on policy changes to expect local authorities to grant planning permission for development outside of their existing plan if a high proportion of the homes are offered for discounted sale for first-time buyers or for affordable rent. It is however stated that this change will exclude land in the Green Belt.

Deemed discharge of planning conditions

The budget statement confirms the government will consult on removing the current exemptions from the deemed discharge rules, allowing development to get started on site more quickly.
Small sites
Further measures aimed at speeding up delivery will include consultation on changes expecting local authorities to bring forward 20% of their housing supply as small sites. This is aimed speed up the building of new homes and supports the government’s wider ambition to increase competition in the house building market.

Housing Delivery Test
The Housing Delivery Test set out in the government’s housing white paper earlier in the year is proposed to be strengthened with tougher consequences where planned homes are not being built. It is proposed to set the threshold at which the presumption in favour of development will apply at 75% of housing delivery by 2020 rather than 65% as previously set out in the Housing White Paper.

Review of build out and register of planning permissions
The Chancellor stated that in London alone, over 217,000 houses had been granted permission, but had not yet commenced. Sir Oliver Letwin, MP for West Dorset, is therefore to chair a review panel with the stated aim of explaining the significant gap between housing completions and the amount of land allocated or permissioned, including recommendations for closing it. The review will provide an interim report in time for Spring Statement 2018 and a full report at Budget 2018. A central register of residential planning permissions from local authorities will also be prepared to improve information on progress with build out.

Developer contributions and Community Infrastructure Levy
A further detailed consultation will be held setting out the government’s response to the CIL review aimed at reflecting uplift in land value. This will include changes to CIL allowing a ‘more proportionate approach’ to consultation and evidence base requirements. This is intended to enable areas to implement a CIL more quickly, and make it easier to set a higher ‘zonal CIL’ in areas of high land value uplift, such as areas around stations. It is also proposed that local authorities will also have the option of setting CIL rates that reflect the uplift in land values between a proposed and existing use, rather than focusing only on the proposed development type as is presently the case. This would allow for a different rate for different changes in land use.

The removal of restrictions on Section 106 pooling towards a single piece of infrastructure where the local authority has adopted CIL will be considered in certain circumstances such as where the authority is in a low viability area or where significant development is planned on several large strategic sites. Consultation will also be held on amending CIL indexation to reflect house price inflation rather than build costs. Consultation will be held on giving Combined Authorities and planning joint committees with statutory plan-making functions the option to levy a Strategic Infrastructure Tariff (SIT).

Housing Investment
Investment in housing is to include incentives such as the Land Assembly Fund, New Garden Towns, and an increase to the Housing Infrastructure Fund to put the relevant infrastructure in place to facilitate the delivery of homes. The includes support for strategic and zonal planning approaches through housing deals in the South East, including the Cambridge-Milton Keynes-Oxford corridor. Additional funding for the remediation and infrastructure of stalled smaller sites is proposed. Other measures include a focus on funding for House Building SMEs to seek to finance competition amongst the smaller business, and support for development of trade skills to sustain the construction industry moving forwards.

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