

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT & NEIGHBOURHOOD SERVICES

TO:	PLANNING APPLICATIONS COMMITTEE		
DATE:	11 th November 2015	AGENDA ITEM:	7
TITLE:	Housing and Planning Bill 2015 and other changes to the Planning System		
SERVICE:	PLANNING	WARDS:	ALL
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 At the meeting of the Committee in September 2015, a report was presented on various proposals to change the planning system emerging in the Treasury document, "Fixing the Foundations," that accompanied the emergency Budget presented in July 2015. Some of those proposed changes required new legislation. The Housing and Planning Bill received its (formal) first reading on 13 October 2015. The Bill is expected to take up to 18 months to become legislation.
- 1.2 In addition, several other changes or proposed changes have been announced or are proposed by the government.
- 1.2 This report briefly summarises the changes to the planning system proposed in the Housing and Planning Bill 2015. It also reports on other changes announced at the same time. It considers some of the possible implications for the Council.

2. RECOMMENDED ACTION

- 2.1 That the Committee notes the contents of the report and the various changes to the planning system contained in the Housing and Planning Bill 2015 and recently announced by the government.

3. BACKGROUND AND ISSUES

- 3.1 The Housing and Planning Bill 2015 was published on 13th October 2015. It contains draft legislation to enable a number of major proposals on housing to be introduced including:
 - Starter Homes;
 - The introduction of Right to Buy for Housing Association tenants;
 - Requirements on local authorities to sell off high value housing to finance the RTB scheme;
 - requirements for social landlords to charge high income tenants market rent;
 - Reducing the regulation of Housing Associations;
 - Provisions for enabling self-build and custom housing;
 - Provisions to enable banning orders and associated orders to control rogue landlords and letting agents.

Part 6 of the Bill contains provisions to enable changes to the planning system. Part 7 will enable changes for streamlining compulsory purchase procedures. It is enabling legislation. It will be the detailed draft regulations and guidance still to be issued that will

provide a clearer picture of how this will impact on the delivery of homes and how the various initiatives will operate together.

3.2 Part 6 of the Bill proposes the following measures in relation to the planning system:

- **Neighbourhood Planning:** This part proposes changes to the timetable for neighbourhood planning functions and gives the Secretary of State more powers to intervene in the process (Clauses 92-95);
- **Local Planning:** provides powers for direct intervention by the Secretary of State in the preparation of local plans where the government deems that LPAs are being too slow (2017 is the current deadline for having an up-to-date plan)(Clauses 96-100);
- **Permission in Principle and local registers of land:** The Secretary of State can, by a development order, grant permission in principle to land that is allocated for development in a Brownfield Register, Development Plan Document and Neighbourhood Plans (Clauses 102-103). The Bill give the Secretary of State powers to require a local planning authority in England to prepare, maintain and publish a register of land within (or partly within) the authority's area as prescribed by the Secretary of State;
- **"Permitted development rights".** This clause enables development orders to require the approval of the local planning authority or the Secretary of State for any matters related to the building operations or the use of the land following building operations undertaken under a local development order.
- **Local authority planning performance:** Local authorities can be designated for their performance in determining applications for categories of development described in regulations made by the Secretary of State (which could now include a separate category of non-major development). The developer may then choose to make an application for development of that description directly to the Secretary of State. The amendments also allow the Secretary of State to provide that certain applications may not be made directly to him. For example, if a local planning authority was designated for its performance in determining non-major applications, it may be appropriate for certain minor applications to continue to be dealt with at a local level;
- **Local authorities: information about financial benefits:** This ensures that potential financial benefits of certain development proposals are made public when a local planning authority is considering whether to grant planning permission (including CIL);
- **Nationally Significant Infrastructure Projects:** This provides the Secretary of State with the power to grant development consent for housing which is linked to an application for a nationally significant infrastructure project. (Clause 107)
- **Other matters:** The Bill also includes provisions relating to:
 - Planning powers of the Mayor of London (Clause 101)
 - Urban development corporations (Clauses 108-110)

3.3 In addition, under the Part 1 of the Bill, which relates to Starter Homes, Planning authorities will have a duty to 'promote the supply of starter homes' when preparing local plans, fulfilling the duty to cooperate and deciding on planning applications. The aim is to make starter homes 'a common feature of new residential developments across England.' The Starter Homes scheme will now be counted toward affordable home quotas in section 106 agreements. LPAs will also be compelled to require a proportion of a development as starter homes, or a commuted sum towards their provision. Starter homes are to be considered as part of the affordable homes contribution for section 106 negotiations and agreements. The Act also provides additional compulsory purchase reforms to modernise the system and assist in driving forward and shaping brownfield development.

3.4 Chapter 2 covers self-build and custom housebuilding. It includes a new duty on LPAs to 'grant sufficient suitable development permissions on serviced plots of land to meet the demand for self-build and custom housebuilding in their area.' The level of demand is

defined by the number of people on the local authority register wanting to build their own house.

- 3.5 At the same time that the Housing and Planning Bill was published, the Planning and Housing Minister Brandon Lewis announced that the temporary office-to-residential permitted development (PD) right, that was due to lapse at the end of May 2016, will be made permanent. He also announced that, in addition, the new permanent right would allow office buildings to be pulled down and replaced with new residential buildings. He also confirmed that those who already have permission to convert offices to homes under the temporary PD right will have three years in which to complete the change of use. The rights to allow for demolition of offices and new build as residential use will be subject to limitations and prior approval by the local planning authority. Further details are to be provided in due course.
- 3.6 In addition, new permitted development rights will enable the change of use of light industrial buildings and launderettes to new homes under the prior approval regime. Further details are promised.

4.0 COMMENTARY

Local Development Orders

- 4.1 The push by government aims to improve housing affordability by increasing overall supply. Most concerning of the major new reforms is the proposed introduction of what is in effect zonal planning. When first discussing this measure (and the Council did strongly object to the original consultation as reported to Planning Applications Committee in July 2015), the government referred to the purpose for the change being to increase the amount of housing going onto brownfield land. The Bill now extends the provisions to allocated sites (presumably in local plans and neighbourhood plans) as well as sites identified in a brownfield land register, or a register covering whatever the Secretary of State prescribes. At some point, sometime after the provisions in the Bill are enacted, most forms of development could become permitted in principle, without the need for a planning application, providing it meets conditions set out in the Local Development Order.
- 4.2 Local Development Orders will set out what type and scope of development will be granted planning permission in principle. If land falls within an area covered by such an order, and satisfies the requirements of the development order as to the type and the scope of development, the development order will automatically grant it permission in principle. This 'represents a major change to English planning that the Government is introducing with no consultation, and no safeguards to ensure we build high quality places' (TPCA, 2015). The basis of the planning system in this country will have moved to a zonal system which essentially removes any detailed control of development, particularly in terms of design and appearance.

Starter Homes

- 4.3 The provisions relating to starter homes will severely undermine what the Council has been seeking to achieve in terms of the provision of affordable housing through the planning system. Under its policies and Supplementary Planning Document on Affordable Housing, the Council seeks a range of housing to meet the identified needs in the area. The recently launched Strategic Housing Market Assessment confirms that there is a net need for 406 affordable homes per annum in Reading over the plan period, which means that the Council must continue to seek affordable housing wherever possible. The provisions relating to Starter Homes will include such housing within the definition of affordable housing, whereas the current definition specifically excludes (presumably for good reasons) discounted market housing which does not remain affordable in perpetuity. The consequent depletion in the delivery of affordable housing can only increase the number of residents on the Council's Home Choice Plus system and increase the number and length of time for families in temporary accommodation. This will be further compounded by the

introduction of Right to Buy for housing associations and the connected expectation of Local Authorities to sell off high value accommodation.

- 4.4 This change, when enacted, will be a reason to revisit the CIL charging schedule as starter homes will reduce the impact on the viability of schemes, particularly as such housing will also be excluded from paying CIL.

Other Changes

- 4.5 It is extremely disappointing after all the concerns expressed about the impacts of office to residential permitted development prior approval process on loss of employment, loss of affordable housing and lack of provision for infrastructure that the measure is to be made permanent. Not only that but new provisions are being introduced to enable offices to be demolished and rebuilt as residential under the same permitted development provisions. The provisions will also apply to light industrial buildings and launderettes. The Council will continue to have concerns over these proposals and officers will continue to strongly object when consulted on detailed proposals to change regulations.
- 4.6 The changes being proposed will be significant reductions in the provision of affordable housing through the planning system with no mechanisms or new funding for making up the significant resulting shortfall compared with assumptions made in preparing local plans. The changes proposed will also result in significant reductions in infrastructure payments with more and more categories of development being exempt from CIL and/or from tariff type Section 106 agreements. The government's own analysis has indicated that the failure of development to properly contribute to the provision of local infrastructure to mitigate the impacts of development is a major contributor to dissatisfaction with and opposition to new development. Future CIL receipts are being severely reduced through exemptions such that there is likely to be insufficient funding available to contribute towards meaningful infrastructure provision to mitigate impacts.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The Planning Service contributes to the Council's strategic aims in terms of:
- Seeking to meet the 2015 -18 Corporate Plan objective for "Keeping the town clean, safe, green and active."
 - Seeking to meet the 2015 -18 Corporate Plan objective for "Providing homes for those in most need."
 - Seeking to meet the 2015 -18 Corporate Plan objective for "Providing infrastructure to support the economy."

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 No reference is made to these matters in the changes proposed.

7 EQUALITY IMPACT ASSESSMENT

- 7.1 Where appropriate the Council must have regard to its duties under the Equality Act 2010, Section 149, to have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2 There are no direct implications arising from the proposals.

8. LEGAL IMPLICATIONS

8.1 These are dealt with in the Report.

9. FINANCIAL IMPLICATIONS

9.1 There are no direct financial implications resulting from this report.

10. BACKGROUND PAPERS

Housing and Planning Bill, October 2015.

<http://www.publications.parliament.uk/pa/bills/cbill/2015-2016/0075/16075.pdf>