

WIRRAL COUNCIL

CABINET 20 SEPTEMBER 2007

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF
CORPORATE SERVICES

**DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT –
HOMES FOR THE FUTURE: MORE AFFORDABLE, MORE SUSTAINABLE
HOUSING GREEN PAPER – WIRRAL RESPONSE**

1. Executive Summary

- 1.1 The Government has published a Green Paper 'Homes for the future: more affordable, sustainable', outlining its plans for delivering a total of three million new homes by 2020. The Government wishes to see good quality, affordable housing to encourage stable and secure family life close to schools, healthcare and transport links. Further, the Government believes that, through the creation of good housing comes improved social, environmental and economic well being and this in turn could help to create better communities that should attract investment and skilled workers.
- 1.2 The Green Paper's plan is to deliver more homes through ambitious building targets, increased investment, new ways of identifying land for development and streamlining the planning system to deliver this land and build new homes more quickly. An increase in social housing is planned to provide more affordable housing with improved options for low cost home ownership and more long-term and affordable mortgage products. It is intended that these new homes will be greener with high environmental standards with flagship developments leading the way.
- 1.3 The Government believes that good design should also play its part in improving the quality and longevity of new housing and reducing our carbon footprint. Alongside this Green Paper, the Government is publishing a series of documents providing more detail on this package of investment and reform. These are listed at the end of the report under 'Background Papers'. The Green Paper may be viewed at: <http://www.communities.gov.uk/index.asp?id=1511890>
- 1.4 The Green Paper sets out the challenges with regard to the demand for homes to buy and to rent and climate change in providing better-designed and 'greener' housing for the future. The plans envisage the highest increase in the levels of additional housing for forty years. It will involve various stakeholders – local communities; local authorities and their delivery partners; the home building industry; regional bodies, and the Government and its agencies - and describes how they will work together to deliver this new housing.

1.5 The Green Paper proposals will have major implications for Local Authorities, in a number of areas:

- Housing and Planning Policy, including the Government's objective to deliver more and greener homes, both market and affordable;
- Fiscal measures such as Housing and Planning Delivery Grant, the Planning Gain Supplement and mortgage market reform;
- Governance, including the role of Local Authorities in Regional Strategy preparation;
- Strategic Proposals such as Local Housing Companies and Growth Points/eco towns

1.6 This report summarises the Green Paper proposals and introduces the implications for Local Authorities. I will report further to Members at future Cabinets in more detail on the specific implications of the various areas of policy as set out above.

1.7 Responses to the consultation are required by 15th October 2007. It is recommended that the response set out in this report to the Government's consultation on the Housing Green Paper be submitted as this Council's formal response and that officers submit further reports as appropriate as issues emerge.

2. Background

2.1 The Housing Green Paper sets out the Government's proposals to improve the housing fabric and how it intends to work with its partners to deliver and build three million new dwellings by 2020:

- i. Strategic housing decisions taken collectively, through Government and Local Authorities, will be critical to the life chances of the next generation. These decisions must be responsive, particularly to the challenges of climate change and seek to integrate economic, social and environmental objectives to deliver sustainable development and reduce our carbon footprint;
- ii. More well designed and greener homes, linked to good schools, transport and healthcare that are more affordable, to both buy and rent, that meet growing demand and that are sustainable and accessible to all members of the community.

2.2 The Green Paper seeks to address these challenges through the provision of more homes to meet growing demand, better, more affordable homes in places where people want to live, homes that are appropriate and accessible for the young and the older population, the successful delivery of these new homes through improved skills training for workers and sharing the task across the private, public and third sector at a local, regional and national level. Local Authorities are in particular seen as having a critical role to play in achieving the

required increase in new housing through stronger strategic planning for housing need and supply.

Progress and challenges

- 2.3 Over the past ten years, the Green Paper sets out that the Government has made considerable progress with more than a million more new homeowners nationally, has invested £20 billion to secure improvements in the quality of social housing and that there has been a substantial reduction in homelessness. Major infrastructure projects are small in number but planning their delivery takes up a great deal of time and resources.
- 2.4 Progress since 1997 includes the Decent Homes Initiative, which has seen £20 billion of investment with the number of households living in non-decent homes reduced by a million and over a million children lifted out of poverty as a result. The Rough Sleepers' Initiative has meant that the numbers sleeping rough has fallen by over two-thirds since 1998 and the announcement of nine Pathfinder areas to tackle low demand, which has led to an increase in market confidence and average house prices rising by fifty per cent or more. Housing Market Renewal has also assisted Local Authorities in better understanding the economic drivers of their local housing markets and to invest in long-term change to secure environmental and social improvements. Better and more efficient use of land has helped to ensure the protection of green open spaces and an increase in the proportion of homes now being built on brownfield land. Planning policy now allows the average density of new housing to be increased from 25 to 40 dwellings per hectare on brownfield land.
- 2.5 In the consultation document, the Government states that the population is expected to continue to rise with the average household size falling - 32% of households are now one-person households. The latest, (2004-based) household projections show that there is likely to be growth in the region of 23,000 households a year until 2026 and that this underlines the urgent need to build more new homes. Whilst there has been a 39% increase in the completion of new homes in the past five years, more needs to be done to increase the long-term trend rate of growth whilst also responding to the pressures of the short-term market, which affects levels of house building.
- 2.6 Affordability is identified as a major issue and demand outstripping supply as the reason for a trebling of house prices in the past twenty years. In all regions, prices have risen more quickly than earnings creating a worsening situation of affordability particularly for first time buyers and those in rural areas.
- 2.7 The Green Paper sets out that, despite the efforts of the Government in reducing poorer and vulnerable households, 87,000 households still reside in temporary accommodation, such as bed and breakfast. 1.6

million households continue to wait for social housing as more families find that they cannot afford a home. The Green Paper sets out that whilst the provision of new social housing has increased by 50% in 2007/8 over the 2004-05 level, the provision remains significantly lower than the 40,000 households which make up newly arising need each year.

More homes to meet growing demand – delivering homes where they are needed

- 2.8 The Government is committed to seeing the building of 240,000 new homes a year by 2016 to ensure there are enough homes for the growing population and contributes to the Prime Minister's goal of 3 million more new homes by 2020.
- 2.9 The proposals assume that housing supply will rise towards the above target, which should deliver 2 million new homes by 2016, continuing to deliver 240,000 homes p/a up to 2020. The consultation states that this will be done through:
- **RSS** – Regional Spatial Strategies already contain 1.6 million homes with plans in place to include approximately 650,000 new homes in the proposed 'Growth Areas' which have already been announced (eg Thames Gateway and Milton Keynes/South Midlands). There are a further 150,000 – 200,000 additional homes in RSS and local plans now under consideration (including the review of RSS for the North West) and this includes small sites and urban schemes. Further, partial reviews of RSS may be undertaken where required; and,
 - **29 New Growth Points and Growth Areas** – in 2006, 100,000 proposed extra homes in 45 towns and cities have already come forward in bids. These towns will be eligible for additional growth and support funding, which could include access to £300 million Community Infrastructure Fund for Growth Areas, New Growth Points and Eco-towns.
- 2.10 As the problem of housing supply is not just an issue in the South of the country, the Government is proposing an additional round of Growth Points, including in the North of England to deliver around 50,000 new homes although this will depend on bids. In addition to the Growth Areas and New Growth Points already confirmed, the Government will expand the New Growth Points Programme by inviting additional Local Authorities to bid to become part of the 2008/9 programme. This proposed expansion of the New Growth Points programme will provide funding, through the £300 million Community Infrastructure Fund, to Local Authorities who are ready to take forward rates of growth substantially above previously planned levels for delivery by 2016. The Government expects these proposals to be sustainable, affordable and realistic in terms of meeting environmental

targets, the provision of affordable homes to those not able to access the current housing market and deliverable within the Prime Ministers proposed timetable. This further bidding round is the subject of a direct approach from CLG to all Local Authorities.

- 2.11 The actual numbers of new homes in these additional Growth Points will depend on proposals and bids put forward by Local Authorities. The Government has given a figure of 10 to 15 additional New Growth Points and these could seek to provide an additional 50,000 new homes although the final number of homes will depend upon the strength, costs and sustainability contained within those bids coming forward. It is expected that many of the additional New Growth Points will be in areas of the North. The Government will continue to invest in the Pathfinder Areas but expects those programmes to be more focused to tackle deep-seated structural problems whilst providing growth and states that this must be balanced against regeneration.
- 2.12 **Eco-towns** - A proposal to create 5 new eco-town schemes is being launched with Local Authorities being invited to bid to propose new eco-towns that will provide between 5,000 – 20,000 new, ‘zero-carbon’ homes. Again, this will depend upon bids. Eco-towns will build on the UK’s rich history of creating planned settlements, such as the Garden Cities of Ebenezer Howard, which sought to combine the ‘health of the country with the comforts of the town’. Whilst these towns have proved to be successful, the Government hopes that the new eco-towns will be more flexible in terms of design, make more and better use of the different financing models available whilst applying the many proven lessons of the new towns. Eco-towns will be judged against five criteria, which include: zero carbon and environmental standards; sustainable travel; design quality; community involvement; and efficient use of land.
- 2.13 It is intended that eco-towns will be exemplar developments of between 5,000 to 20,000 homes designed to meet the highest environmental and design standards and have well integrated services and public transport. Renewable energy technologies will be incorporated to achieve zero carbon targets. The whole community will be designed to have zero or low carbon use, schools and other community facilities together with environmental infrastructure will be key design components to ensure low or zero carbon and sustainability. Eco-towns will be eligible for support from the Community Infrastructure Fund with £2 million already committed to preparatory work. However, the Government expects a large proportion of future investment in eco-towns to be made by the private sector. Two prototype schemes – Northstowe in Cambridge and Cranbrook in Devon, are already at an advanced stage of planning and will provide a test bed for informing plans for eco-towns.
- 2.14 The Government propose to support the above proposals with increased infrastructure, reviews of regional plans, including for eco-

towns, 'mini-RSS' reviews and the use of 'new town' powers, through the setting up of joint venture Local Housing Companies, which partner Local Authorities and English Partnerships and the introduction of a new, Housing and Planning Delivery Grant, together with further planning reform and new policy guidance. Guidance for developers will be prepared by the Town & Country Planning Association (T&CPA). Also proposed are actions to permit applications where councils have not identified sufficient land and there are plans to encourage private developers to bring house building forward to reduce delays and there will be a reduction in any incentive to land-holding. Public sector land will be expected to contribute to the new target of 200,000 new homes by 2016, which is a significant increase of 70,000 dwellings. Councils will receive support to make better use of disused land and prepare local strategies to maximise the redevelopment of brownfield sites.

- 2.15 In addition to the proposals for bringing forward and delivering new dwellings, the Government will consult further on the ways in which to bring long-term empty homes back into use, possibly as part of the Housing and Planning Delivery Grant. A new homes agency is also proposed, which will build upon the success of the programmes run by the Housing Corporation, English Partnerships and the Government, in response to rising demands for social housing.
- 2.16 Nearly a fifth of England's population lives in rural areas and there is a significant shortage of affordable housing coupled with some of the highest house price to income ratio in the country. In rural areas, only 12% of homes are social housing for rent and despite higher average incomes than urban households almost 32% of rural households have incomes of less than 60% of the English median. Although rural district authorities receive a proportionate share of affordable housing investment, much of this goes into nearby towns rather than the villages and the Green Paper stresses the importance of regional delivery bodies engaging with rural people and communities to better identify rural affordable housing needs and work in partnership to deliver homes where they are needed most.
- 2.17 The Government states that the delivery of housing in rural areas should respect the key principles that now underpin planning policy and that is to provide for high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages. PPS3 assists in the process of helping Local Authorities to positively address the need and demand for housing in rural areas. This can be affordable housing in smaller developments located in smaller towns or sites can be earmarked solely for affordable housing where there is evidence of need and where it is practical and viable to do so. This is in addition to that housing being delivered through the rural exceptions policy whereby planning consent can be granted in exceptional circumstances where the housing is for local and long-standing residents that could otherwise not be provided.

- 2.18 In meeting the shortage of suitable and available land for housing and lack of affordable homes in rural areas, as well as the Affordable Rural Housing Commission set up in 2005, the Government plans to develop a target over the Comprehensive Spending Review (CSR07) period for affordable housing in rural areas. The Government stresses that investment in affordable housing in rural areas must be based on sound evidence of need and must sit within a wider strategy for those areas. The Regional Assemblies are to advise on the appropriate levels of rural investment across 2008 – 11 and in the autumn the Government will be announcing a target over the CRS07 period for the Housing Corporation to seek bids for developments involving affordable housing in rural areas, informed by that advice.

Delivery without needless delay – continuing planning reform

- 2.19 The Planning White Paper has made it clear that an increase in housing supply is a key outcome for planning. Contained within the White Paper are a large number of proposals to streamline the preparation of local plans, speed up the handling of planning applications and help strengthen Local Authorities strategic housing role. The Government will look to the planning system to support the goal of 240,000 new homes each year and will continue with planning reform to achieve this. Regional plans will be utilised with speedier delivery together with improved incentives but also penalties in order to deliver the above target.
- 2.20 The Government is committed to completing the current round of regional plans as speedily as possible so that the building of 190,000 new homes identified in current plans by Regional Assemblies and local councils can be implemented. This figure represents an increase of 30,000 more new homes per year than in previous plans. Mini reviews of regional plans will be set up to increase regional and local targets and to ensure the new eco-towns and the additional Growth Points are properly identified and planned for. The Government will revise, in whole or part, Regional Spatial Strategies by 2011 at the latest to reflect plans for 240,000 homes a year by 2016. A move towards a 'Single Regional Strategy' for each region is proposed, combining the existing RSS and Regional Economic Strategy, whereby housing, economic and environmental issues will be better integrated with infrastructure needs. Prepared by the Regional Development Agency and drawing on the evidence and objectives of the constituent Local Authorities' Sustainable Community Strategies, the single Regional Strategy will be signed off by local council leaders prior to Independent Examination. Consultation on the working arrangements and the timetables for this will be undertaken shortly.
- 2.21 From 2008, Housing and Planning Delivery Grant [HPDG] will replace Planning Delivery Grant [PDG], as the Government regard it as crucial that authorities maximise the supply of building land in their areas and so will reward those councils who succeed in delivering high levels of

housing. In accordance with Planning Policy Statement 3 – Housing (PPS3), Local Planning Authorities must plan for a 15 year supply of housing land, with 5 years worth that is available to deliver the level of homes that they need. Local Authorities will need to identify enough land to deliver the number of homes for their areas over the next 5 – 15 years through the rapid implementation of new planning policy for housing. Planning Inspectors could be more inclined to overturn decisions where councils have not identified enough land and therefore give housing applications the go-ahead on appeal and the further ten years worth in plans as required housing policy.

- 2.22 New local planning incentives are proposed through guidance just issued on how Local Planning Authorities, that do not have Local Development Frameworks in place, can identify potential additional housing land in the form of a 'Strategic Housing Land Availability Assessment' in line with PPS3. Where there is no Core Strategy or other Development Plan Documents in place, these assessments should be used as a material consideration in determining planning applications and appeals. The Government believes that this should help to ensure that the location for new housing is sustainable rather than being decided on an ad-hoc basis. Further guidance on the consideration of the use of employment land for housing has also been published in support of the Green Paper consultation. Both encourage Local Planning Authorities to take a strategic and integrated approach to undertaking housing and employment land reviews. A further consultation on 'Planning for Economic Development' will be undertaken later this year and will also require an evidence-based approach to identifying sites for housing and employment.
- 2.23 The consultation document clearly states that whilst Local Development Frameworks are still in preparation, the Secretary of State will not hesitate to recover planning appeals and take decisions herself, in order to reinforce PPS3 land supply policies.

Public sector land use

- 2.24 The Green Paper states that a key element of delivering the increase in housing supply is the need to identify and bring forward more land for development. Central Government holds a sufficient land surplus with the potential for 100,000 new homes whilst Local Authorities hold enough for up to 60,000 new homes. Originally, the Government target for new homes on public sector surplus land was 130,000 by 2016 and this has now been raised to 200,000 following the identification of major additional public sector land holdings, which are being brought forward. These surplus sites have been identified through the Ministry of Defence, British Rail Residuary Board and the Department of Highways and Health and NHS Trusts, and represent over 550 additional sites. The Government will clarify the potential to increase the proportion of affordable homes on surplus land through deferred receipts and repayment through staircasing.

- 2.25 The Government has tasked English Partnerships with taking a central role in bringing these sites forward quickly and setting out new standards for housing, including high quality design and environmental standards to provide a mix of housing with some sites seeing at least 50% of the stock made available for affordable housing through planning obligations for social rented homes funded in the usual way and in line with housing policy objectives. The Government is committed to this figure of 50% affordability across all of the surplus sites and will achieve this by funding additional affordable housing through the taking of a deferred receipt on the balance of shared equity homes to be repaid as homeowners purchase additional equity.
- 2.26 The Government wishes to see all new homes meet a minimum standard of Level 3 of the Code for Sustainable Homes with defined start and completion dates to prevent land banking and, crucially, it is intended that there will be limits on the scale of buy-to-let sales on each site.
- 2.27 New ways of working will be required to unlock and manage this potential surplus of 2,600 hectares of land for potentially 60,000 new, affordable homes and the Government is proposing the formation of Local Housing Companies [LHCs]. Local Authorities are being invited to establish joint-venture Local Housing Companies with English Partnerships to create and shape the new communities, with the intention of promoting choice and availability of new, affordable homes. English Partnerships will act as the catalyst to this new approach and will support Local Authorities in investing and unlocking their land for affordable and market housing and establish the mix and quality of development in their areas. Fourteen LHCs are to be created in 2007 and the Government estimates that this programme could deliver approximately 35,000 new homes -17,500 of those could be affordable homes.
- 2.28 By offering clear incentives, it is intended that Local Authorities should become pro-active partners in the delivery of new, exemplar housing developments with new development partners to create housing developments that contain the right housing mix for consumers to choose from. Local Housing Companies are to act as master developer for new communities, working in partnership with other investors and contractors. They will have responsibility for the design, Masterplanning, achieving planning consent and commissioning for development and will seek to complement the wider role of the Local Authorities. The fourteen Local Housing Companies to be created in 2007, with a view to inviting additional local authorities to set them up to help realise opportunities for over 2,600 ha of surplus brownfield sites.

Recycling homes and land

- 2.29 Sustainable brownfield land continues to be the Government priority for development and the national target that 60% of new homes should be built on brownfield sites will continue. Every Local Authority will be required to continue to set and prioritise brownfield redevelopment targets and seek to take stronger action to bring even more brownfield land back into use. Councils will also be expected to do more to bring long-term empty properties back into use. The Government has said in the consultation that it will explore a range of measures to assist with this, which could include the new Housing and Planning Delivery Grant. Empty Property relief within business rates was modernised in line with the 2007 Budget to incentivise the efficient use of commercial property to further provide opportunities for the regeneration of brownfield land, including for housing.
- 2.30 English Partnerships, together with the New Homes Partnership will again be key partners in assisting Authorities to understand and overcome problems associated with brownfield redevelopment including: devising new strategies to deal with problems associated with some private sector and brownfield sites being brought back into use; and reviewing the existing skills gap and identify new training programmes to enhance the development of sustainable communities, which it is hoped will lever in private investment and transform communities.
- 2.31 The re-use of long-term empty properties - those homes left empty for years, which can undermine communities should they become the target for crime, vandalism or just detrimental to the immediate environment, is also seen by the Government as being crucial to increasing a reusable housing resource. In 2006, the Government gave Councils the power to tackle empty dwellings through the use of Empty Dwelling Management Orders [EDMO's]. The Government suggests that there are around 150,000 properties that have been empty for two years or more, many new build, and it sees the use of these powers by Authorities that have housing responsibilities as necessary to take over the management of some residential properties that have been empty for more than six months. Local Authorities will be encouraged to work with developers and the private sector to ensure that new and older homes are being occupied as homes and not being left empty. Through EDMO's, Authorities have the power to make clear to owners and developers that it is unacceptable to have these properties unoccupied and seek ways in which to bring them back into use.

How we create places and homes that people want to live in

- 2.32 The Government recognises the need to increase overall housing supply and accepts that the provision of a robust and appropriate infrastructure is absolutely crucial in delivering places that people want to live in, close to local services and amenities. High quality, well

designed and greener homes are proposed in order to meet the challenge posed by Climate Change and the environmental changes and impacts upon the new communities being proposed. Planning Policy Statement 3 [PPS3] is to play a huge role in guiding these principles for all new housing to reflect the needs of all members of local communities.

- 2.33 A national strategy on 'Housing for an Ageing Society' is to be published in the autumn, setting out the ways the Government intends to respond to the issue of an ageing population. The Government will continue to work closely with CABE a public body that was set up in 1999 and advises and produces guidance on architecture, urban design and public space to encourage policymakers, particularly planners to create places that work for people.

Infrastructure

- 2.34 The Government plans to announce its proposed infrastructure funding in the autumn. It will use the CSR07 performance management framework to seek a better coordinated, cross-government approach to housing growth, ensuring that it is a priority for the key infrastructure departments. A delivery plan is to be published demonstrating each departments responsibilities to deliver the housing growth required by: setting out the delivery chain, its operation, incentives and levers; identify each departments contributions to the delivery and how they will be held accountable; monitoring, measuring and consultation of the process, including frontline delivery agents and developers. This should help to ensure that the potential for uncertainty and delay in the provision of infrastructure, which can cause unnecessary delays in construction is minimised and housing growth appropriately prioritised.
- 2.35 The Government has also been conducting a policy review into supporting housing growth as part of its response to the Barker Review on housing supply, which along with the work on infrastructure planning has examined how to ensure departmental resources are appropriately targeted to provide the national, regional and local infrastructure necessary to support the future population and housing growth and that this arrives, through the CSR07, in a timely and efficient manner.
- 2.36 As previously announced, the Government is proposing a Planning Gain Supplement Bill. The Government sees the planning system as having a crucial role to play in harnessing the value of planning permission to generate, through a proposed levy on the value uplift accruing to land granted planning consent, additional infrastructure funding to unlock housing growth. Planning Gain Supplement, originally recommended by Kate Barker in 2004, was seen as a means of generating and identifying the best way to supporting infrastructure in local communities and to ensure that they benefit from growth and are able to obtain the necessary resources to finance the infrastructure required.

- 2.37 The key features of the Planning Gain Supplement [PGS] could be:
- PGS levied [against developers] at a modest rate to ensure incentives to develop land are preserved;
 - In England, planning obligations agreed under section 106 powers would be scaled back;
 - At least 70% of PGS revenue to be paid directly to the Local Planning Authority, which granted consent to which PGS liability is attached, with payments to be made on a regular basis to ensure that Local Authorities are able to deploy PGS receipts in a timely way to support infrastructure growth;
 - Local Authorities to use PGS resources to secure the delivery of infrastructure in pursuit of objectives identified in their Local Development Frameworks;
 - The remaining share of all PGS revenues raised in a region would be returned to that region and a fund would be accessible in support of regional infrastructure priorities in line with the Regional Spatial Strategy to enable regional PGS revenues to be spent on those infrastructure projects or areas where additional resources are most needed; and,

PGS would not be introduced earlier than 2009.

- 2.38 Greater clarity is sought on the extent and nature of the scale-back whilst others have advocated alternatives to capturing more planning gain through reform on current planning obligations to enable the wider use of standard charges. There are advantages and disadvantages to the proposal and the alternatives and the Government will be continuing discussions and receiving representations prior to the pre-budget report with key stakeholders on the way forward and design of PGS.

Well designed homes and places

- 2.39 The Green Paper makes the case for increased housing supply and improved affordability and the Government recognises that it is vital that it creates places and communities where people want to live and work and that the developments proposed pay attention to quality, safety, energy efficiency and address the environmental impact on the infrastructure. New homes must be built to be flexible and responsive to the changing needs of society, must meet the needs of an ageing population, and provide better access with better and more family-sized units with space, particularly for outdoor play.
- 2.40 PPS3 gives local authorities more flexibility to promote and create sustainable, inclusive, mixed communities that meet the needs of all members of the community. A range of housing that includes rent and buying made available at different levels of affordability should be supported by appropriate infrastructure, including schools, healthcare

services, parks, shops and good public transport links. Local authorities will also have the recently published 'Strategic Housing Market Assessment' guidance to help provide a good understanding of communities' housing needs and how housing markets work.

- 2.41 PPS3 places an emphasis on family housing and for the first time, the planning system must consider the housing needs of children, including gardens, play and green spaces. In addition, the provision of good quality parks and open spaces, which can provide environmental functions, such as water management and biodiversity and access to the benefits of the natural environment are seen as key to creating sustainable communities. The Government is supporting local authorities through CABI Space to build capacity and skills in delivering green space strategies in line with Planning Policy Guidance 17 requirements and encouraging greater and earlier community engagement to ensure sound green space policies. The provision of more green spaces is a crucial element of the plans for the Growth Areas and New Growth Points.
- 2.42 By 2024, older people will make up 48% of all new growth in households and a substantial number of households across many regions will be over 65. New housing will need to reflect this demographic change and will need to be easily accessible and have the right infrastructure in place to enable access to health, housing, transport and care services. PPS3 requires Regional Spatial Strategies and Local Development Frameworks to consider demographic trends and the housing requirements of older people and planning is vital to deliver this.
- 2.43 The Government is supporting planning policy through the promotion of the Lifetime Homes Standards to ensure homes meet the needs of people throughout their lives and include things like ensuring there is space to make changes to the interior of a property to make it more accessible should it become necessary. Builders will be encouraged to adopt these standards and a further publication 'National Strategy for Housing and Ageing Population' is due in the autumn, which will address these issues. The Government believes that there needs to be an increased focus on the implications of an ageing society and that there must be more attractive options for older people to downsize from living in large homes that are difficult to manage. This should improve health and make larger properties available for new or larger families.
- 2.44 The Government is clear that their aim is to eliminate poor development and the problems and issues that this has caused in the past. It knows that homes can be built to a higher quality and environmental standard and that good design requirement must be at the heart of the development and procurement process. A policy framework is in place and a range of supporting tools, guidance and funding has been made available, for example the 'Building for Life'

standard, a government-endorsed benchmark for well designed housing and neighbourhoods.

- 2.45 CABE and the Academy for Sustainable Communities [ASC] provide expert advice and assistance. CABE in particular is helping to drive up quality and efficiency in the planning system through its design review activities, improving the delivery of sustainable development through its enabling work with key stakeholders and local authorities and in particular, the Pathfinder Areas. The ASC has a role with regard to ensuring the right skills are in place to deliver an up-lift in quality throughout the construction industry.
- 2.46 This targeted support recognises the importance of ensuring new development takes account of the needs of all members of society and that inclusive design principles are embedded into the design of new homes and spaces at the earliest stage of the process as possible. However, the Government believes that there is scope to speed-up the development process and safeguard design principles and outcomes at the same time and is proposing to explore whether it is possible to develop an agreed design quality assurance scheme to provide a meaningful concession to all those that meet the benchmark. Local authorities, developers and industry bodies may often waste time and resources on reworking schemes after submission for planning permission and this inefficiency needs to be taken out of the system. The Government is proposing a further consultation on developing and testing a pilot certification mechanism that could operate at local level, and assess its costs and benefits.

Greener homes

- 2.47 The Climate Change challenge in respect of housing is set out briefly in the Green Paper, and in the accompanying 'Building a Greener Future Policy Statement', confirming and reiterating the targets already determined for working towards and achieving 'zero carbon homes' by 2016.
- 2.48 Building regulations will be strengthened over the next few years to ensure that all new homes are zero carbon by 2016 - 25% less carbon by 2010 and 44% less carbon by 2013. This is a long-term policy and regulatory framework to give industry the certainty it required together with the time to plan and an incentive to innovate and invest in new technologies. This should help to increase demand, drive down costs and enhance competitiveness. Reductions in fuel bills and carbon emissions will be the benefits but could involve higher 'up-front' costs for these new homes but this should be reduced over time as new technologies are developed and economies of scale achieved.
- 2.49 Further consultation is proposed on the mandatory rating for new homes against the currently voluntary Code for Sustainable Homes, to

drive wider sustainability improvements and how it will work in practice and how it will build on Energy Performance Certificates.

- 2.50 The need to tackle other aspects of sustainability such as water efficiency and flood risk management is growing and the Government wants water use in buildings to be reduced to maintain an acceptable and sustainable balance of demand and supply. New minimum standards on sustainable water use in new homes are being proposed in a policy statement alongside the Green Paper, which will look at the ways in which achieving an improvement of 20% less water use on current average usage per household can be secured.
- 2.51 In December 2006, the Government announced in Planning Policy Statement 25: Development and Flood Risk, flood risk from all sources must be taken into account at all stages in the planning process and that inappropriate development in areas liable to flooding should be avoided with development directed away from high risk areas. In those areas where development is proposed, suitable and robust measures must be incorporated to mitigate and protect them from the risk of flooding in the future. The Government aims to publish the initial findings from its review of the lessons learned from the 2007 floods, later in the year.
- 2.52 Along with sustainable and energy efficient measures for new homes the improvement of the energy efficiency in existing homes will also be tackled. The Government is working with the Energy Saving Trust and other stakeholders to see how a better service to existing homeowners can be provided. Information and advice on local suppliers, grants and microgeneration is available and the introduction of the Energy Performance Certificate seeks to provide detailed information for home buyers about the energy efficiency of their homes. The Government has also funded the development of an industry-led scheme to certify installers and manufacturers of microgeneration equipment to build consumer confidence in these technologies.
- 2.53 The Planning and Climate Change Planning Policy Statement will be published later this year and this will support further the current planning policy framework and advice and will set out how local authorities will be expected to ensure that new development shave lower carbon emissions.

More affordable homes to buy or rent

- 2.54 Over the next few years there is to be a big increase in the provision and delivery of affordable housing, both social and shared ownership for first time buyers and families on council waiting lists. There will be an investment of around £8 billion in affordable homes over the next three years, which represents a 50% increase on current investment and the building of around 70,000 new affordable homes by the year 2010 – 11, 45,000 of which will be social housing. A goal to reach

50,000 new social homes by the next spending review is also proposed.

- 2.55 Of these new homes, 25,000 new shared ownership and shared equity homes are expected to be provided through the Housing Corporation using funding in the region of £6.5 billion with additional shared ownership homes provided through council backed Local Housing Companies [LHCs] and the private sector. The Government believes that this has the potential to provide up to 18,000 homes and should help key workers and first time buyers to get onto the housing ladder. Through the LHCs, councils will receive support to build homes on their land and tasked to deliver additional shared ownership homes on public sector land without grant.
- 2.56 It is intended that this renewed enabling role for local authorities will primarily be achieved through the planning system. Through their strategic housing role and by aligning housing plans with the planning framework, the Government expects local authorities to bring considerable influence to bear on the delivery of the supply of affordable housing and through the above, that there will be more opportunities for councils to take a more direct role in the building of new homes.
- 2.57 The Government is to look at how it can increase the provision and take-up of shared equity mortgages and assisting first time buyers. The range of Open Market HomeBuy products has already been expanded to offer homebuyers 17.5% equity loan, which can be used with any lender. New shared equity products will be developed and measures rolled out to increase the role of the private sector in funding these. Increased opportunities for social tenants to purchase a share in their own home will be introduced, with more detailed proposals to be introduced in the autumn.
- 2.58 The Government is to continue with its Decent Homes programme with an expectation of 95% of all social housing to be made decent by the end of 2010. At least £2 billion is to be made available over the CSR period for councils to get their ALMOs [Arms Length Management Organisations] up and running. A target for the provision of affordable, social housing and shared ownership in rural areas is to be set later in the year.
- 2.59 In the autumn, new proposals will be set out in response to the John Hill review of social housing and how to take forward Martin Cave's review on regulating social housing, which will include responding to the issues around mobility, housing allocations, worklessness and tenant accountability.

Delivery - how we make it happen

- 2.60 The Government recognises that it has an important role to play in providing the right framework in order to deliver its commitment to new housing, and a huge amount of capacity building will be required to meet the skills and construction challenges posed by this new agenda. The Government sees the role of its partners and stakeholders as key to pursuing this shared agenda and sets out a number of proposals to increase joint working between Departments, relevant industry bodies and unions, liaison with training providers and colleges, improvements to training in construction and related skills and ensure appropriate capacity within the key sectors supporting housing growth.
- 2.61 The Green Paper states that capacity building within the built environment profession, including architects, construction workers and local authority planning staff should ensure that local people can get the skills they need in competing for jobs in the construction business and that local authorities can recognise recruitment and retention difficulties and address them so that they can assist with the continuity of delivery of high quality design and environmental planning standards in a speedy and efficient way.
- 2.62 Sustainable construction is another key consideration in improving the sustainability of the built environment. In October 2006, the Government undertook a review of Sustainable Construction and a sustainable, forward looking strategy is now being developed. New legislation is not envisaged and instead will focus upon making existing regulations work better. Key areas for review will include:
- Greater uptake of training programmes and improved skills leading to increased retention rates of skilled workers within a safer industry;
 - Reduced carbon footprint of activities within the construction sector, and better use of resources;
 - Reduced daily water consumption per head;
 - Zero net waste, at construction site level;
 - Effective use of Government procurement powers; and,
 - The development of voluntary agreements and initiatives between the construction industry and its clients, with the aim of reducing the carbon footprint and the use of natural resources within the built environment.
- 2.63 Innovative construction, set out in further detail in the recent Energy White Paper, is one of the key elements in mitigating Climate Change. There is a new Innovative Construction Skills Forum that brings all the partners together to work on new research to understand the drivers – the demand and supply – and focus on skills issues to be able to realise the benefits of innovations in construction and is closely linked to the wider work being undertaken on sustainable construction.

Implementation: a shared endeavour

- 2.64 The Government's plan to provide more housing than has been seen in this country for more than a generation is hugely ambitious. It recognises that Government support for this endeavour is not enough and that strong commitment on the delivery of this ambition from both the private and public sectors across all levels of involvement is crucial to respond to particular local circumstances in relation to housing. Each group is being asked to sign up to this challenge and take responsibility for the part that they play in achieving this ambition.
- 2.65 The Government believes that there is a clear role for local communities and that they must be genuinely involved in the debate about housing growth and the development of local policies through the planning system with the provision of the correct infrastructure and ensuring that concerns about this are addressed adequately. In making a strong case for growth, the Green Paper states that new homes and developments must be well designed and built to the highest standards with good, local facilities.
- 2.66 The Green Paper sets out that the national consensus that has been achieved on high quality design and environmental standards must now be made real to communities on the ground. Local communities will be equipped with 'toolkits', linked to resources, such as www.communityplanning.net, and in addition to the support already committed to the 'Advisory Team for Large Applications [ATLAS]', which will include information and practical help and advice on house prices and affordability; household demand; council waiting lists; housing market assessments; details of their local authorities 5-year supply of housing land; examples of successful forms of community engagement events along with opportunities for local people to engage in the emerging Local Development Frameworks and get more involved generally in the planning process.
- 2.67 The Government accepts that Councillors across many areas have already demonstrated strong leadership on the issues connected with housing and this approach needs to be adopted more widely, particularly in those areas where there is great housing need. The Government believes that Council leaders have a role to play in ensuring that addressing housing need is sufficiently well prioritised through their strategic documents and Local Development Frameworks. The Green Paper sets out the use of Local Area Agreements and the Sustainable Community Strategy as two important approaches that can help to shape the engagement of local people and their views on the housing issues in their areas.
- 2.68 A balance between existing and new communities will need to be found when making the case for new development. Timely and appropriate engagement with the communities involved should ensure the delivery of new housing with good design in a way where everyone feels that

they have been involved in the process and that they have ownership of it.

- 2.69 Housing is clearly fundamental to the way in which places are shaped and is a lever for social and economic change. The Government has reiterated its commitment to placing housing at the heart of the local authority place-shaping role in the Local Government White Paper. Failure to create successful places could make it more difficult to attract and retain wealth-creators and families who might put down roots in an area and help to make it more sustainable in the future. Local authorities will need to play a stronger role in addressing the housing needs of all residents with the development of a strategic housing role and utilising the full range of their housing and planning powers. Partnership working is of course key to ensuring that the needs of the new and affordable housing market are delivered and that the best use of existing housing stock is also made including the advice of the local police and other service providers in ensuring that safety and security together with adequate service provision can be delivered.
- 2.70 Joint working across local authority boundaries is also seen as a crucial element of the strategic housing role. The Sub-National Review published in July 2007 promotes Multi-Area Agreements [MAAs] and the potential to explore groups of local authorities to establish statutory sub-regional authorities to assist in addressing housing issues. There is to be further consultation on the proposal contained within the Review on the streamlining and simplification at the regional level of MAAs to improve the joining-up and integration of local authorities whilst retaining a strong involvement and scrutiny role for them.
- 2.71 Over the coming months, Communities and Local Government will continue to develop further support for local authorities' housing role. IDeA has been commissioned to produce a suite of 'good practice' publications to help strengthen local authorities' capacity to undertake their strategic housing role.
- 2.72 One of the ways local authorities could speed up the housing delivery process is to provide more land. A key element of PPS3 is that local authorities should have a 5 year rolling supply of land for housing and this is critical to providing investor and developer confidence about future development and should act as the starting point for a decision for a planning permission, rather than as a maximum limit to preventing it.
- 2.73 However, in response to local authorities' concern about developer land banking, the Government will consider whether further measures are required to incentivise developers to build out major housing development sites more quickly.
- 2.74 Local Area Agreements [LAA's] will be crucial to raising the profile and improving the delivery of housing and will bring local and central

government together in developing a shared commitment to tackle up to 35 improvement priorities with targets in an area covered by a county or unitary authority. Local authorities will need to assess how housing supply or other relevant targets will feature in their new LAA's. The Government has promised to complement these frameworks by maintaining or introducing new incentives and funding to enable local authorities to deliver across their strategic housing role. This could be in the form of Housing and Planning Delivery Grant [HPDG] and funding for growth points and new Eco-towns. As part of the CSR, a future round of LAA reward grant and how HPDG might interact with this is being considered. There is a warning that where there is sustained under-performing, the Government would be prepared to intervene – as set out in the Local Government White Paper.

The role of local delivery vehicles

2.75 There are a range of ways in which local authorities can work with their stakeholders and partner organisations to improve the prospects and pace of housing delivery. Broadly termed as 'Local Delivery Vehicles' [LDVs] they come in various forms and comprise membership at a local/regional/national stakeholders level can be socially focussed, with special powers and/or funding or be city/city region wide in their application and contribution to the process. An LDV can help to bring together local authorities when there is a need for cross-boundary working. LDVs could combine Local Authority land assets, public funding streams, private finance and the new homes agency and private sector enterprise as appropriate. The benefits to be accrued could include:

- Long-term strategic planning development focus for an estate or wider area between local authorities, the new homes agency and the private sector;
- Long-term spatial framework for investment and prioritisation of phased development;
- Reducing procurement time and costs and increasing the scale of speed and delivery;
- LA's would have the ability to secure an increase in rising land and asset values in the long-term; and,
- Access to private finance and being off balance sheet, as appropriate. The Government is keen to facilitate a range of special or joint venture vehicles that could be used and is seeking views on the range of models that include:
 - Local Authority-owned companies;
 - Community Land Trusts;
 - Local Housing Companies;
 - Limited Liability Partnerships;
 - Single Estate transformation Models; and,
 - Strategic Housing and Regeneration Partnerships.

The role for the home building industry

- 2.76 The Government's response to the Barker Review, published in 2005, had already raised the bar on the amount of homes to be delivered and net housing supply has risen by 40% since 2001. The house building industry has worked hard to increase supply and a series of companies have also increased the amount of affordable homes now being built. All sectors of the home building industry have responded well to the challenge of better design and manufacture of houses through the Design for Manufacture and the Carbon Challenge, working to promote higher standards and accelerate the development of low and zero carbon technologies. The Government will continue to encourage developers to bring forward land more swiftly as the delay in development ties up the land and frustrates the aim of delivering substantial housing supply quickly. In response to this, the period of time for which a planning permission remains valid has been reduced and Local Authorities can serve a completion Notice requiring the completion of development.
- 2.77 However, despite the above, there could still be a delay in delivery of new housing of up to four years and the Government is considering whether further incentives are required in order that sites are built out more quickly, through the development control process. Should the need to increase housing provision be particularly urgent, it may be reasonable for a shorter period of expiration than three years to be imposed. The definition of commencement of development could be made more rigorous for certain types of development such as a major housing site that requires significant infrastructure investment and development. This could have the effect of requiring a much earlier commitment of substantial resources to development on site, creating a clear incentive for developers to commence and receiving a return on their investment.
- 2.78 The Government commissioned the Callcutt Review in February 2007 in recognition of the important role that the housebuilding industry has in stepping up to the challenge of increasing housing supply and this will seek recommendations on how to examine how the supply of new homes is influenced by the nature and structure of the industry, the business models and its supply chain and how these factors influence the delivery of new homes to meet the Government's target and homebuyers requirements and aspirations together with achieving the high standards of energy efficiency and sustainability that will be required. The review is due to report in the autumn.
- 2.79 In response to the recommendation set out in the Barker Review which said that the Office of Fair Trading should intervene if the housebuilding industry did not significantly increase levels of customer satisfaction and introduce a code of conduct, a market study into housebuilding has been announced. It focuses on potential competition

and consumer concerns in the market, concentrating on two particular areas:

- Delivery of housing and whether land which is suitable for housing is being brought forward effectively through the planning system and whether land with planning permission is being converted effectively into homes; and,
- Consumer satisfaction with the new homes that they purchase.

The study is expected to report in summer 2008.

The role of social housing providers

2.80 Funding through the Housing Corporation to Registered Social Landlords provides the majority of new social rented housing and since 2005; other unregistered bodies such as developers and Arms Length Management Organisations [ALMOs] have been eligible for grant funding, increasing the range of providers and thereby increasing competition and innovation. The Government is keen to encourage more market housing this way and will look further as part of its work on the Cave Review as to how it might facilitate an expanded Housing Association role in delivering mixed communities.

The role of the new homes agency

2.81 By bringing together English Partnerships, investment functions from the Housing Corporation and key delivery roles from Communities and Local Government to create an expert partner, the new homes agency will play a key role in supporting local government to realise its place-shaping role. The Government proposes that the new homes agency will be bound by the duty to co-operate to determine targets for housing in Local Area Agreements. A number of core outcomes will include; increasing the supply and delivery of new housing at an affordable level; regenerating urban centres and neighbourhoods and transforming disadvantaged estates to encourage mixed communities that are sustainable; innovation and development of best practice across the partner organisations; and increasing private finance and investment whilst driving the adoption of high environmental standards across the housing market.

The role of Regional Planning Bodies

2.82 Ensuring that housing is properly taken into account at a regional, local and sub-regional level is crucial to achieving the Government's national housing ambition. Housing is therefore at the heart of the preparation of the Regional Spatial Strategies [RSS] across the eight English regions. This preparation should be informed by a robust evidence base on housing demand and need through strategic housing market assessments and land availability assessments will be key to ensuring that this process is well informed and prioritises delivery without needless delay.

The role of central Government

- 2.83 The setting of the overall housing ambition through clear policy and strategic direction, allocating funding, achieving economic, social and environmental objectives to ensure a coherent approach to creating sustainable communities is the responsibility of Government. Communities and Local Government has an important operational role in leading the new cross-Government PSA on housing supply and will have responsibility for many of the major policy programmes vital to delivering the PSA, such as Planning, Building Control and the Growth Area and Growth Points programmes and supporting Low Cost Home Ownership and investment in new social housing.
- 2.84 The delivery of additional new homes will be shared across the Government Departments, which will also be committed to delivering the infrastructure necessary to increase housing supply and to solve any problems encountered. A three-monthly bi-lateral review of each Department, reporting to the Minister for Housing and the relevant Secretary of State, will be undertaken by the CLG to test the outcomes of the Policy Review to ensure that the delivery of infrastructure needed on the ground to unlock housing growth is being achieved.

3. Response to Consultation Questions

- 3.1 Consultation responses on the following Chapters of the Housing Green Paper are framed through a series of questions. It is recommended that the following responses be made:

Chapter 6: Well designed homes and places

Do you consider that any additional tools and/or mechanisms are now needed to deliver the design policies in order to achieve our aspirations for an up-lift in quality and to improve inclusive design?

- 3.2 The new PPS3 is the mechanism now in place that Local Authorities must embrace in order to ensure that new homes and neighbourhoods are well designed, sustainable and are able to cope with the changing needs of our society particularly in addressing the needs of children and older people. Through the elimination of poor development, at pre-application and discussion stage, good and very good development should be the norm.
- 3.3 The support of CABI in championing the role of good urban design and the improvement of the design quality of regeneration programmes through the use and development of existing and new housing standards, coupled with raising the skills of key professionals should ensure that Local Authorities have all the tools in place to achieve the required up-lift in quality and to improve inclusive design.

Do you agree that further work to explore and evaluate quality assurance approaches would be worthwhile?

- 3.4 Further work, through the Office of Fair Trading and the involvement of the housebuilding industry in achieving higher quality standards that can be appropriately and effectively measured is to be welcomed. House buyers need to be sure that the product that they are purchasing is good value for money and a sound investment for the future. Developers also need to be made aware that a sub-standard product will not be acceptable just because it is 'new'.
- 3.5 It would be helpful if there could be further exploration of design standards in terms of 'space' within a new property. All too often, small houses are the norm and this is not acceptable for families and should be an important consideration as is the size of the gardens or green spaces when planning house design and build.

Chapter 8: More social housing

What are your views on our proposals to allow councils to retain the full rental income from, and capital receipts on disposal of, additional new properties financed from local resources and consult on detailed options?

- 3.6 The proposal to retain full control of capital receipts is welcomed, subject to it being recycled into the provision of affordable housing at a local level and not pooled nationally. However, it is not clear from the Green Paper how much control Local Authorities will have on retention of rental income, when they have transferred their stock.

What are your views on our proposals to change the pooling regime for receipts from shared equity schemes that local authorities develop and consult further on any detailed proposals?

- 3.7 Councils should be allowed to participate in equity sharing schemes to bridge the gap between income and housing cost, particularly in the Borough's most deprived communities within the HMRI. The 17.5% Government Equity Loan product and the 'Temporary to Settled Homes' scheme for homeless people are helpful.

What are your views on the strengths of the models for delivering new supply set out in Chapter 12?

- 3.8 The strength of the models outlined appears to be appropriate and adequate for the purposes for which they are designed. There will clearly be a need to ensure that communities are genuinely and meaningfully involved in the entire process and there is evidently a strong role for community planners and housing partners. Ensuring that the delivery mechanisms, i.e., the planning framework is able to respond effectively

will be a crucial element of this process as this is often where many people are either not involved or become disengaged.

Are there any other models that you know of which could effectively secure the outcomes sought?

3.9 No comment.

4. Directors Comments and Conclusions

- 4.1 The Housing Green Paper outlines the Government's proposals for delivering three million new homes by 2020. It is an ambitious target but one that the Government is confident in delivering through identifying the ways in which to increase investment, new ways of identifying, releasing and using land for development by un-blocking the planning system and encouraging developers to bring their sites forward for development to provide new homes more quickly. The Green Paper is a complex and wide-reaching document that will have major implications for the Council's housing and planning strategies.
- 4.2 The Green Paper gives increased clarity over the 3 million homes target with 1.6 million homes already in Regional Spatial Strategies [RSS] and 150 – 200,000 additional homes in the new round of RSS and plans now under consideration. Included in RSS will be 650 thousand homes in the planned new Growth Areas and 100,000 extra homes in 45 towns and cities that will make up the announced new Growth Points. Importantly, an additional round of Growth Points is to be announced with the potential to deliver 50 thousand new homes in areas in the North. The development of Eco-towns will see the building of 25 – 100 thousand new homes of which, 5,000 – 20 thousand will be zero-carbon.
- 4.3 This aspect of the Green Paper has particular significance for those cities and towns in the North that could usefully contribute to the Government's new housing target without the need to seek Greenfield development in the South and South East. The provision of new and improved infrastructure around these Growth Points would contribute to the long-term economic prospects of northern areas already involved in the substantial regeneration of their neighbourhoods through the Pathfinder Areas. This would also be consistent with the aspirations of the Northern Way proposals promoted by the Government to close the gap in economic performance between northern regions and the rest of England and Wales.
- 4.4 Wirral could qualify as a growth point under the criteria published by the Government. However, additional housing growth, beyond that envisaged by the Peel proposals, could impact adversely on Wirral's planning strategy for housing, deflecting from the need to protect the quality of existing residential areas. I will report to Members later in the

autumn on the implications of the review of RSS, the Council's Strategic Housing Market Assessment and PPS3.

- 4.5 The Government is to set up mini-reviews of regional plans to increase local and regional targets and in future, a Single Regional Strategy will see the better integration of housing, economic and environmental issues with infrastructure needs, prepared by the Regional Development Agency and signed off by local council leaders. The need for robust Local Area Agreements will be a crucial element to the success of these new proposals. Whilst the better integration of regional economic and spatial strategies is welcome, I am concerned at the Green Paper's proposals for the single strategy to draw on individual District's Sustainable Community Strategies and then be 'signed off' by individual Districts. In the North West there are 43 Local Authorities and there is concern at the potential lack of effective Local Authority control and influence over the process.
- 4.6 The Government intends that planning reform will continue to ensure that the housebuilding programme is not delayed with further consultation being proposed on whether more needs to be done to incentivise housebuilders to implement their planning permissions and thereby ensure the delivery of new homes and whether there is a need to cut the number of years a planning permission is valid to bring forward many sites that have yet to be developed. Draft guidance on Planning Performance Agreements (PPAs) has been published for consultation and could assist this process through providing greater certainty to developers and ensure an efficient and timely and more predictable planning process for large developments. Planning Performance Agreements offer the prospect of better project management of the planning application process for major developments, as applicants have to set out in more detail the evidence that they provide with applications, in exchange for a commitment from the Local Planning Authority to a fixed timescale and the dedication of resources to the application processing.
- 4.7 Although the project management of planning application processing for major development may be improved by PPAs, the implementation of such applications may be more difficult for Local Authorities to control, as a significant proportion of new development is regulated by the private sector and not through Local Authority Building Control.
- 4.8 To date, the Council's Interim Planning Policy for New Housing has focused developers on the implementation of their schemes in the restraint areas. The restriction on the grant of planning permissions establishes a direct link between planning applications and delivery, removing the speculative aspect to planning permissions and reducing land banking.
- 4.9 Mentioned in the consultation is the need for defined commencement and completion dates and perhaps more importantly, limits on the scale

of buy-to-let sales on each site. This has particular significance for those councils in areas where they are trying to ensure compliance with PPS3 to bring forward mixed communities. A mechanism for reducing the amount of 'buy-to-let' (or more accurately 'buy-to-accumulate', as many properties are bought and then deliberately left vacant, in the expectation that their price will increase) is welcome. In many cases this may be achieved by a combination of higher interest rates on mortgages and more scrutiny by Revenue and Customs.

- 4.10 A new Housing and Planning Delivery Grant is proposed, which will effectively reward those councils who deliver high levels of housing and have identified at least 5 years worth of sites that are ready for development in accordance with PPS3.
- 4.11 In 2006, the Department of Communities and Local Government consulted on a new Housing and Planning Delivery Grant (HPDG) to replace the current process with the intention of using the new approach as an incentive to respond more effectively to housing pressures and to become more actively involved in the delivery of additional housing to meet local needs.
- 4.12 The HPDG could be perceived as a reward for granting planning permission and that may well be unwelcome to those communities where the development was proposed. It is important that Government ensures that authorities are not 'encouraged' to grant less than ideal planning permissions or to allocate unsuitable housing sites in order that they could receive 'rewards' that then could be used to help offset funding shortages in other areas.
- 4.13 The Council intends that a large proportion of the Borough's new development is focused in the east of the Borough, in support of urban regeneration and the Housing Market Renewal Initiative. The Peel proposals are clearly vital in achieving a 'step change' in sustainable economic development, with significant numbers of new dwellings focused at the heart of the Borough's most deprived areas. Beyond the regeneration priority areas, there is less scope for significant new development, without potentially impacting on the established residential areas. As outlined in para 4.4 above, I will report back to Members later in the autumn on the implications of a series of national policy initiatives to increase new housebuilding.
- 4.14 The loss of PDG in its current form however will have a significant impact on the planning service as to date, it has allowed funding for more staff which in turn has meant better performance and achieving higher PDG rewards. It is a matter of concern that this funding stream may be cut off and Development Control, Planning Policy and the Council's Empty Property service delivery compromised.
- 4.15 Further consultation on the allocation of HPDG is promised together with consultation on revised guidance and regulations on Local

Development Frameworks as the Government seeks to streamline the planning process as set out in the Planning White Paper. I will report to Members as appropriate.

- 4.16 There will be an even greater emphasis on partnership working across all sectors charged with delivering the new homes target. English Partnerships will act as the catalyst to the bringing forward of 2,600 hectares of surplus land across public sector held land, delivering up to 60,000 new homes, 50% of which will be made available for affordable housing. Local Authorities will be invited to set up Local Housing Companies in a joint venture with EP and other partners into which they will invest public sector land. This proposal is supported in principle, particularly if it can be implemented within the HMRI area and at no cost to the Local Authority but will require further detailed consideration by Members of potential implications for Wirral.
- 4.17 Much of this public sector land will be Brownfield and the Government target that over 60% of new homes should be built on Brownfield land will continue. The Government recognises the contribution to be made to the housing target from the better use of existing buildings and in particular, empty homes that have been vacant for one reason or another for more than 6 months. This is supported, as Wirral comfortably exceeds the 60% national target. However, this is dependent upon the continued delivery of appropriate previously developed land, in the regeneration priority areas, in order to achieve the Government's target in PPS3 of a 15 year supply of housing land.
- 4.18 As a valuable resource to increase housing supply, Local Authorities are being asked to reduce the number of empty homes through their strategic housing role. In 2006, the powers available to Local Authorities to do more to bring long-term empty properties back into use has been strengthened and states that Local Authorities should make it clear to owners and developers the powers Empty Dwelling Management Orders [EDMOs] provide to ensure these properties are occupied. Whilst Manchester is held up as a leading authority on what can be achieved through a proactive strategy and targets, Wirral is monitoring this and other Authorities in this field before using EDMOs.
- 4.19 Initial feedback from other Local Authorities, training bodies, housing literature and legal advice suggests that there are some fundamental issues with the use of EDMOs in relation to the financial risk to the authority. The threat of EDMO action and other informal strategies is already bearing fruit on Wirral for the Empty Property Team, which together with a full range of enforcement powers, including a pilot 'Enforced Sales Procedure' is going some way to reduce the number of vacant homes in Wirral.
- 4.20 The Empty Property Team has also successfully piloted a Home Ownership Using Sustainable Empty Dwellings [HOUSED] Scheme for acquiring long-term vacant homes in otherwise sustainable areas, with

a view to bringing them back into use through refurbishment to Eco-Homes, Secure by Design and Decent Homes standards, for sale to owner-occupiers. Housing Market Renewal is being supported where possible through location of HOUSED premises and relocation of persons displaced through HMRI clearance activity.

- 4.21 The HOUSED scheme is financed through Planning Delivery Grant, the Housing Market Renewal Initiative and Neighbourhood Renewal funding. Planning Delivery Grant has been an important element of funding for the provision of extra resources to support the enforcement and pilot activity, including enforced sales and the HOUSED scheme. The plans for the new Housing and Planning Delivery Grant will be crucial to the future of these initiatives and support for them should be forthcoming to assist in the delivery of the Governments targets.
- 4.22 Investment in the infrastructure to support these new places and homes will be crucial and an announcement on the levels of infrastructure funding to be made available is to be announced in the autumn, through the Comprehensive Spending Review 2007. It is hoped that this will be a realistic announcement particularly for those areas where through local councils the demand for new housing with improved infrastructure is crucial to the long-term economic viability of their areas.
- 4.23 A Planning Gain Supplement Bill has been previously announced and the Government has set out a number of approaches PGS could take if it were to be introduced to assist in the funding process. Representations indicate that there is a need to see greater clarity on the nature of the scale-back of PGS and possibly the need to introduce further planning reform to capture more planning gain to enable the wider use of standard charges. This element of the Green Paper clearly has implications for the current regime of planning obligations and the results of the consultation are eagerly anticipated.
- 4.24 The underlying principle set out in the Green Paper is the need for more housing, which to be delivered will require significant investment. The Government believes that Planning Gain Supplement [PGS] will be a fair and efficient means to funding essential infrastructure – along with the reforms to the S106 system.
- 4.25 Whilst the Government considers that PGS would be better placed to deliver strategic and regional infrastructure, it still maintains its interest in the Optional Planning Charge [OPS]. A form of tariff system would operate more simply than the PGS or even the current 106 system, which could be administered locally where the money is generated and could be used to fund local needs.
- 4.26 The Government appears to be looking to deliver critical regional and national infrastructure through the pooling of contributions and there is a real danger that this could be at the expense of local needs and

economies. There is also the concern that PGS could make developments uneconomic. Landowners may hold on to their land in the hope that a future Government may remove the levy or apply for planning permission in the short-term but not release the land until PGS is rescinded. This could actually have the effect of deterring housing growth rather than stimulating it.

- 4.27 It is also important that PGS avoids burdening positive, small-scale developments. A suggestion may be to extend the exemptions to include affordable housing, 'enabling' proposals and applications from charitable bodies. Overall, greater clarification is required on the exact circumstances in which PGS would be sought.
- 4.28 The resource implications for the Planning Enforcement Team also need to be considered. Whilst a reduced S106 system would free up solicitors time with less legal and administration duties, it may well fall to the enforcement team and other planning services when it comes to the enforcement and collection of the PGS. It is not yet clear whether the Development Start Notice would be submitted directly to the Local Planning Authority or HM Revenue and Customs.
- 4.29 The transfer of focus from the current system of S106 agreements to the Planning Gain Supplement may reduce the ability of the Local Planning Authority to achieve the necessary mitigation that makes a development proposal acceptable. For example, highway improvements are often needed much before the commencement of the main development – would this lead to more refusals of planning permissions if LPA's cannot be sure that the necessary amelioration measures can be secured?
- 4.30 There is also a risk that developers will not be prepared to pay PGS and enter into a S106 agreement. It is important that the redistribution of funds is based on infrastructure need, rather than the amount generated in each authority/locality. It is critical that the introduction of PGS does not reduce the amount of developer contributions that might have been secured through a S106.
- 4.31 Advisory Team for Large Applications Service - The Planning Advisory Service [PAS] advises that the Advisory Team for Large Applications Service [ATLAS] has had considerable success in providing independent advice and assistance on a variety of projects and that feedback from these projects suggests that the earlier ATLAS is engaged in the planning process, the greater the impact on the outcome of the project.
- 4.32 ATLAS has been expanded considerably during 2007, both in terms of the number of staff, its geographical area of coverage, and scope of technical expertise. The Barker Review of Land Use Planning and the Planning White Paper have both promoted the expansion of ATLAS further to assist in the delivery of housing growth across England as a

whole. On balance, the development and the expansion of the scheme is a good idea – like a larger Development Team Approach.

- 4.33 The need for well designed homes and places is of course paramount to the Government's ambition and clear guidance contained within PPS3 should ensure that Local Authorities can work with developers and partner organisations to bring forward quality, sustainable and desirable homes in places where people want to live. The provision of appropriate and adequate infrastructure and services will be important to ensuring the development of robust communities that meet the needs of all their members now and in the future, giving children and older people more say in the ways in which their homes can grow with them. Quality assurance throughout the housebuilding process from build to delivery and purchase is paramount to the promotion of good design.
- 4.34 Further consultation proposed by the Government on how this process might be improved and rolled out across all sectors is to be welcomed. Providing clarity and understanding on all side of the sectors involved is important to achieving this particular goal. In the autumn, the Government will undertake a 'light-touch' review of CAGE and launch a new strategy on the ageing population.
- 4.35 In pursuit of its target that all new homes will built be zero-carbon by 2016, there will be a strengthening of Building Control regulations. The phased introduction of zero-carbon new build homes is to be fully supported.
- 4.36 Further consultation will be undertaken on the recently published 'Code for Sustainable Homes' with a view to seeking mandatory ratings against the currently voluntary code to drive wider sustainability improvements to all new homes. There is a need to bring forward a mandatory rating for new homes to encourage higher standards other than energy performance.
- 4.37 Other fiscal incentives are required to encourage energy efficient refurbishment of existing homes, particularly in properties with no cavity wall insulation. The British Gas Council Tax rebate scheme is helpful in providing an incentive to homeowners but is limited to using British Gas EEC prices, which aren't always the most competitive. Funding is only available for cavity wall insulation, which in many local authorities including Wirral, excludes a large percentage of households whose homes are solid walled. A way forward may be to consider a central fund from CERT, which Local Authorities could access to fund a Council Tax rebate scheme based on increasing SAP levels, regardless of what energy efficiency measures have been installed.
- 4.38 Water usage and flood risk are two major elements to be considered in all new house building and the Government wants to set minimum standards for water usage and cutting it by 20% per person.

Technology will play an important part in this together with the use and development of Sustainable Urban Drainage Systems [SUDS] and other water efficiency measures to contribute to local and national targets on Climate Change and measures set out in PPS 25 on Development and Flood Risk. Flood risk from all sources must be taken into account at all stages of the planning process with development in areas liable to flooding being inappropriate and should be avoided and where development is proposed, suitable and robust measures incorporated to mitigate and protect it. The Government is to publish its initial findings of the lessons learned from the 2007 floods, later this year. Cabinet has agreed to fund a Strategic Flood Risk Assessment as part of the Local Development Framework Core Strategy Evidence Base (Cabinet 15th March 2007, Minute 284 refers), which will be reported to Members in due course.

- 4.39 There is a clear commitment to deliver more affordable and social housing over the next three to five years and the Government is to invest a total of at least £6.5 billion through the Housing Corporation and the New Homes Agency with partnership working across all sectors working together to deliver the land needed to build these homes. This sees a renewed role for Local Authorities as a housing provider with more impetus through the planning system proposed to engage councils and developers in their areas to bringing forward much needed land to supply the housing demand. The publication of Practice Guidance for undertaking housing land availability studies will be forthcoming and should assist in delivering the objectives of PPS3.
- 4.40 In line with the Decent Homes Programme, 95% of all homes are expected to be made decent by the end of 2010 with £2 billion to be made available to ALMOs over the CSR period to assist with this. New proposals on how to regulate social housing will be made available in the autumn.
- 4.41 There will be more help for first-time buyers with at least 25,000 more new shared ownership and shared equity properties being provided through Local Housing Companies and private developers. To assist with this, new shared equity products will be developed and measures rolled out to increase the role of the private sector in funding these. The way in which the mortgage market works will also be looked at with measures to be introduced to improve the ability of lenders to finance more affordable long-term, fixed rate mortgages.
- 4.42 In order to build capacity to meet the skills and construction challenges of the new agenda, the Government will be exploring all aspects of skills capacity across all sectors of workers. Improved training, recruitment and retention in key professions, including construction workers and planning officers is seen as crucial to achieving the high quality and design standards necessary for the better places in which to live. This is to be welcomed and should help to give all workers the

confidence to assist in the housebuilding process in a speedy and efficient way.

- 4.43 Overall, the Government's proposals, as set out in the Green Paper consultation, are hugely ambitious and much will depend upon the results of further consultation that is to be undertaken on many elements contained within the Paper. It is hoped that where the Government is asking Local Authorities to assist in the housebuilding delivery process, that the fiscal and practical assistance that is promised within the Paper is forthcoming and adequate in order to enable the delivery of these 3 million homes and infrastructure. The Council will need to await the outcome of the other consultations before it will be in a position to comment more comprehensively on the shaping of the future of housing. I will report to Members on the Government's policy responses as they emerge.

5. Financial and Staffing Implications

- 5.1 There are no direct financial or staffing implications arising from this report. If there are any financial implications arising from the consultation, these will be included and reported as further information is received and/or proposals are developed.
- 5.2 A further report on the outcome of the Planning Gain Supplement consultation will be brought to Cabinet at a later date. Members will also be advised of the implications of transferring from Planning Delivery Grant to Housing and Planning Delivery Grant.

6. Equal Opportunity Implications

- 6.1 There are no equal opportunity implications arising directly from this report.

7. Human Rights Implications

- 7.1 There are no human rights implications arising directly from this report.

8. Community Safety Implications

- 8.1 There are no direct Community Safety Implications arising from this report.

9. Local Agenda 21 Implications

- 9.1 The Green paper reiterates and confirms the Government's commitment to the Climate Change Agenda and a number of proposals set out in the Paper, including the recycling of homes and land, good design and energy efficient homes recognise the contribution that 'greener' housing can make in mitigating and eliminating the effects of climate change. The Government intends to publish its Planning and Climate Change PPS

later this year and this will support further the current planning policy framework and the accompanying 'Building a Greener Future' policy statement.

10. Planning Implications

10.1 There are no specific planning implications arising out of this report. The implications of increased housing requirements, through the review of Regional Spatial Strategy, Planning Policy Statement 3 and the Council's Strategic Housing Market Assessment will be reported to Members later in the autumn.

11. Anti-poverty Implications

11.1 In the Green Paper, the Government has said that it is committed to delivering more affordable and social housing and increase the number of homes that meet the Decent Homes standard to 95% by the end of 2010. This should assist and lift out of poverty, those households currently living in unacceptable housing conditions.

12. Social Inclusion Implications

12.1 The Government intends that an increase in housing delivery will be linked to policy initiatives that will improve the ability of all households to be adequately housed.

13. Local Member Support Implications

13.1 There are no specific member support implications arising from this report.

14. Background Papers

14.1 The following documents have been published by the Government providing more detail on the Housing package and reform:

Eco-towns prospectus – setting out a vision and specification for local authorities and developers, including an invitation to propose at least five new eco-towns;

<http://www.communities.gov.uk/publications/housing/ecotownspectus>

Building a Greener Future – our strategy and timetable for achieving zero-carbon homes by 2016;

<http://www.communities.gov.uk/publications/planningandbuilding/building-a-greener>

Building Regulations, Energy Efficiency Requirements for New Dwellings and a forward look at what the standards may be in 2010 and 2013;

<http://www.communities.gov.uk/publications/planningandbuilding/achievingbuildingstandards>

Water Efficiency in New Buildings – our joint policy statement with DEFRA;

<http://www.communities.gov.uk/archived/general-content/planningandbuilding/WaterEfficiencyNewBuildings>

Improving the Sustainability of New Homes – making a rating against the Code for Sustainable Homes mandatory;

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/Makingaratingmandatory>

Strategic Land Availability Assessment: Practice Guidance – to provide local planning authorities with advice on identifying land for housing and assessing deliverability;

<http://www.communities.gov.uk/archived/publications/planningandbuilding/landavailabilityassessment>

Impact Assessment for the Homes for the future: more affordable, more sustainable;

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/ImpactAssessmentHomesFuture>

Regulatory Impact Assessment for Energy Efficiency Requirements for new Dwellings;

<http://www.communities.gov.uk/publications/planningandbuilding/regulatoryimpactenergyperformanc>

Regulatory Impact Assessment for Building a Greener Future;

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/BuildingaGreenerFuture>

Consultation on Planning Performance Agreements; and

<http://www.communities.gov.uk/publications/planningandbuilding/planningperformanceagreements>

Provisional Allocations to Local Authorities of the Second Tranche of Planning Delivery Grant for 2007 – 2008;

<http://www.communities.gov.uk/news/corporate/mawarded>

15. Recommendations

That

(1) the responses set out in this report to the Government's consultation on the Housing Green Paper be submitted as this Council's formal response; and

(2) officers submit further reports as appropriate as issues emerge.

J Wilkie

Deputy Chief Executive/Director of Corporate Services

This report has been prepared by Hazel Edwards of the Forward Planning Section, who can be contacted on 691 8225.