

# London Councils

The voice of London local government

## Housing & Planning Bill Report stage, Tuesday 5 January 2016 Parts 1 and 6 - starter homes and planning

### Overview

The housing crisis is Londoners' number one issue and London boroughs have a commitment to building the homes that Londoners need to address it. London Councils recognises the government's ambition, as outlined in the Housing and Planning Bill, to get more people on to the housing ladder. However, our test of any legislation remains: does it cut the gap between supply and demand?

This briefing explores the legislative capabilities of the bill in its current form to address London's housing crisis and the impact the bill could have on London boroughs in relation to their capabilities to address local and London wide housing need. We focus on the two key areas for debate tomorrow: starter homes and planning.

### Part 1. Starter Homes

**London Councils supports amendments 1 and 110.** These amendments show a cross-party recognition that starter homes have an important role to play in increasing home ownership. However, due to London's unique housing market, prioritising starter homes over other affordable housing products may be detrimental to providing housing that best meets local needs. Starter homes in London, due to high land values, are likely to be unaffordable to many people and particularly vulnerable people on lower incomes. While we support the provision of all affordable housing products (rental or home ownership), it is important that London's boroughs are able to ensure that varied forms of housing tenures can be provided and that these are responsive to the needs of local people.

Like the Government, London boroughs are keen to promote home ownership in the capital. However, we are concerned that the starter homes policy does not take account of London's distinct housing market and the need for a wide range of different housing tenures alongside homes for ownership.

At prices of up to £450,000, starter homes in London are likely only to be affordable to those on significant household incomes. **London boroughs therefore need to be assured there will be flexibility within the regulations to allow councils to marry their new starter home statutory obligations with their responsibility to shape the supply of a wider spectrum of housing products to meet local needs – in line with their local plan and the National Planning Policy Framework (NPPF).** Without flexibility for councils to safeguard the delivery of other affordable housing products specified in their local plan, the government's own consultation document acknowledges that there could be a loss of up to 71 of these types of properties for every 100 Starter Homes built.

**It is crucial that the Secretary of State takes account of assessed local housing needs before overriding a particular local policy document on the basis that it is incompatible with starter home delivery.** Brandon Lewis, Minister for Housing has said the government “see the provision of starter homes as a joint endeavour, with central Government working closely with local government”. This commitment to joint working is welcome. However, as Secretary of State compliance directions will be available to override any local development documents identified as incompatible with starter home duties, the government must address their commitment to maintain local-decision making powers in the face of the bill. The Minister has also said that he does “not think that a statutory requirement to consult local government on the regulations that underpin the starter homes statutory framework is necessary”, and yet without one, or something similar, it remains unclear how this partnership will work.

By exempting Starter Homes from the Community Infrastructure Levy, the policy also reduces the scope for boroughs to secure the necessary contributions towards funding infrastructure. This raises questions for the government about how the necessary infrastructure will be provided to support these sites.

## Part 6. Planning

**London Councils supports amendments NC29 and NC51.** These helpfully show recognition from both Labour and the Conservative parties that there could be alterations in the ways that fees for planning applications are set. Facilitating local authorities to set their own planning fee schedules to a level that would allow the cost of processing planning applications to be recouped can better fund under-resourced planning departments and speed up the development process.

**London Councils opposes amendment NC43.** This would take the processing of specified planning applications away from boroughs and give it to the Secretary of State. This would also take away the fees associated with the processing of applications. Many local authority planning departments are already under-resourced and outsourcing the processing of planning applications is attacking a symptom and not the cause of any poor performance or delay in the processing of applications. Allowing local authorities to charge more realistic costs will improve the performance of planning department.

Clause 108 introduces new default powers exercisable by the Mayor to intervene in local plans that the secretary of state deems to be failing or omitting to do what is required of them. This suggests a misunderstanding of the obstacles to effective development in London; inaccurately assuming that a lack of commitment by London boroughs is the issue, rather than a lack of resource. This is further compounded by requiring partner organisations, the Mayor and the GLA to adopt a policing role with respect to their collaborators; the London boroughs. Rather than enabling London boroughs planning and place-making capabilities, these new legislative powers will likely further encroach them.

The new requirement for boroughs to reimburse the Mayor for any expenditure incurred in connection with any changes the Mayor makes to their local plan, will also place new financial burdens on already stretched local authority budgets. New financial burdens arising from these changes are in the context of development control in London already having seen an estimated net shortfall of around £37-£45million annually between 2012-13 and 2014-15.

The government must ensure that any additional call in powers that extend the mayors capabilities to consider the strategic importance of London’s housing supply, must not increase encroachment on borough decision-making capabilities to deliver local housing stock. **The government should publish more details on how the mayor’s new intervention powers may be exercised in practice, and allow for active consultation with the boroughs about this.** Equally, the government should also ensure the legislation specifies that new intervention powers for the mayor will only be used in instances of genuine London-wide strategic importance where a threat to increased home building is involved.

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*London Councils represents all 32 London boroughs and the City of London. The Mayor’s Office for Policing and Crime and the London Fire and Emergency Planning Authority are also in membership*