

Proposals regarding new homes in England

One of the largest pieces of legislation in recent years, the Housing and Planning Bill is making its way rapidly through Parliament. The Government's intention is that the Bill will take forward proposals "to build more homes that people can afford, give more people the chance to own their own home, and ensure the way housing is managed is improved." It therefore has implications for the way in which local planning authorities, local authority housing departments and housing associations will work in England.

Part One of the Bill deals with new homes and imposes two main duties: a general duty to promote the supply of starter homes when planning functions are being carried out, and a specific duty in relation to decisions on planning applications.

What is a starter home?

A starter home is defined in the Bill as a new dwelling which is only available for purchase by qualifying first-time buyers and which is made available at price which is at least 20% less than the market value.

A qualifying first-time buyer must be under the age of 40 must not have previously acquired freehold or leasehold residential property in the U.K. Regulations may be issued which specify additional characteristics (e.g. minimum age or nationality) that a first-time buyer must have.

The maximum price at which a starter home may be sold to a first-time buyer is £250,000 outside Greater London and £450,000 in Greater London.

It is likely that regulations will be made to place restrictions on the sale and letting of starter homes, so that they are bought by people who want to live in them rather than for rental investment or short-term speculation.

General duty to promote supply of starter homes

All planning authorities in England will be under a duty to promote the supply of starter homes when carrying out relevant planning functions, such as preparing local plans, cooperating with neighbouring areas on strategic planning matters, and determining planning applications.

Planning permission: provision of starter homes

A planning authority will only be able to grant planning permission for certain residential developments if specified requirements relating to starter homes are met. These requirements will be set out in regulations and could include the provision of a particular number or proportion of starter homes on site or the payment of a commuted sum to the local planning authority for the provision of starter homes. It is likely that the regulations will allow for flexibility to apply different requirements to different types of residential developments and to different areas, including conferring discretions on local planning authorities.

For example, this provision would enable the Secretary of State, through regulations, to require that in relation to applications for residential development above a certain size, there must be a planning obligation (under section 106 of the 1990 Act) securing a certain proportion of starter homes on the site.

The regulations could also specify that certain types of residential development should be exempt, or that certain areas should have a higher starter home requirement, or that local planning authorities should have discretion about certain requirements.

Monitoring and compliance

Local planning authorities will have to publish reports about the actions they have taken under the starter homes duties.

If a local authority fails to comply with its starter homes duties and has a policy contained in a local development document which is incompatible with these duties, then the Secretary of State may direct that the incompatible policy should not be taken into account when certain planning decisions are taken.

The Communities & Local Government (CLG) Committee

The CLG Committee has recently published a report on the Government's proposals. Their view is that starter homes should not be built in preference to other forms of tenure if there is a local need for affordable rented accommodation. They commented that it is important that homes for affordable rent are built where the need exists, particularly as starter homes can now count towards satisfying the affordable housing allocation in section 106 agreements.

Self-build and custom housebuilding

The Bill amends and supplements the duties placed on local authorities under the Self-build and Custom Housebuilding Act 2015 ("the 2015 Act"). The 2015 Act introduced new duties on local authorities to keep registers of people seeking land for self-build and custom housebuilding.

Duty to grant planning permission

Local authorities will be required to grant sufficient suitable development permissions on serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The register referred to above will show the demand for self-build and custom housebuilding.

Regulations will be made to set out the timeframe in which authorities have to grant sufficient suitable development permissions and about how and when authorities can apply for an exemption from the new duty.

A "development permission" includes both planning permission (as defined under the 1990 Act) and permission in principle. Any permission can only be counted once. A permission granted before the register is established cannot be counted. A development permission is "suitable" where it authorises development that could include self-build and custom housebuilding on those plots.

If you have any queries relating to this guide or wish to seek planning law advice, please contact: Jane Linley, jane.linley@norfolk.gov.uk, 01603 223811

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