

# DRAFT RESPONSE SERVICE

As part of the Rural Opportunities Bulletin, RSN will regularly provide concise potential responses to key current consultations. These are not intended to be definitive or to reflect the views of RSN and may include potentially opposing responses to reflect different views designed to assist individual organisations in compiling their own response. We do however recognise the pressure members are under and we hope this service will assist.

## Stepping onto the property ladder – Department for Communities & Local Government consultation

<https://www.gov.uk/government/consultations/stepping-onto-the-property-ladder>

The government has stated it is determined that more people have the opportunity to buy their own home, and is keen to ensure first time buyers find it easier to take their first steps onto the property ladder.

The Prime Minister announced the Starter Homes scheme to do more to help first time buyers. This reform is intended to free up the planning system to help to provide more low cost, high quality starter homes for first time buyers – without burdening the tax payer.

The government sees this as an ambitious package which it cannot provide alone. The government states that it needs to work closely with developers, local authorities and land owners to enable 100,000 starter homes to be built over the next 5 years so that more young people can buy their own home. This consultation sets out the government's Starter Homes proposals and seeks views about the proposed planning policy change and its implementation.

This consultation closes on 9 February 2015.

**Consultation Question 1** – *Do you agree in principle with the idea of a new national Starter Homes exception site planning policy to deliver more new low cost homes for first time buyers?*

**Draft Response:** The need for increased numbers of homes for young first time buyers is clear. Attempts to increase supply at discounted financial value, therefore, are welcomed. However, there are many details of this proposal which will require careful consideration. For example, the definition of “under-used or unviable industrial and commercial land” needs to be very clear in order to avoid long and potentially expensive debate on whether specific land fits the criteria. Also, such sites whilst not allocated for housing development may be allocated or identified by the local authority and/or local community for other economic or community use. In such cases, the local authority should be enabled to determine the optimum option for the future of the site rather than simply refer to “health, safety or infrastructure” considerations. Real thought also needs to be given to the relationship this proposal will have with the government's drive to enable communities to take more control of planning and development in their areas through tools such as Neighbourhood Plans. In addition, whilst there is unquestionable need for starter homes for young people there is also a great need to address the housing needs of the elderly. If this policy is to proceed, consideration could also be given to its application to older people's housing needs.

**Consultation Question 2** – *Do you agree that the Starter Homes exception site policy should focus solely on commercial and industrial brownfield land which has not been identified for housing?*

**Draft Response:** Yes. As a new policy, it is sensible to restrict its application at least initially in order to enable effective evaluation to take place prior to any potential widening of site eligibility. Clarification will be needed with regard to land/buildings formerly used in connection with agriculture.

**Consultation Question 3** – *Do you agree that the types of land most suitable for Starter Homes will be under-utilised or non-viable sites currently (or formerly) in commercial or industrial use?*

**Draft Response:** Yes. It is critical that such a policy focusses on brownfield land in order to avoid any conflict with existing Rural Exception Site policy. If the policy were widened to include greenfield sites this would critically undermine this existing effective policy and would constitute a massive retrograde step for the delivery of affordable homes in rural areas.

**Consultation Question 4** – *Do you consider it necessary to avoid Starter Homes developments in isolated locations, or where there would be conflicts with key protections in the National Planning Policy Framework?*

**Draft Response:** Yes. As with any form of residential development, it is important that starter homes are built where people need them and close to places of employment and service provision.

**Consultation Question 5** – *Do you agree that the Starter Homes exception site policy should allow at the planning authority's discretion a small proportion of market homes to be included when they are necessary for the financial viability of the Starter Homes site?*

**Draft Response:** Viability is clearly an important consideration and allowing discretion to the local planning authority is sensible. However, this will involve potentially very difficult judgements; first the unviability of a site from an industrial/commercial point of view will need to be assessed; then viability of starter home construction will be required. If the policy proceeds it is suggested that clear guidelines are put in place to enable viability judgements to be made.

It would also clearly be sensible to limit the maximum proportion of any site which could be built as market homes in order to avoid defeating the very purpose of the proposal to enable starter home construction.

**Consultation Question 6** – *Do you agree starter homes secured through the Starter Homes exception site policy should only be offered for sale or occupation to young first time buyers?*

**Draft Response:** Yes. By definition, 'starter homes' should be available for young people. However, consideration could also be given to how the housing needs of an increasingly ageing population are to be met.

**Consultation Question 7** – *Do you think there are sufficient existing mechanisms in place to police this policy?*

**Draft Response:** Policing of policies of this nature is becoming increasingly difficult as local authorities face deepening cuts every year. Capacity is decreasing all the time. Whilst inclusion of relevant conditions or section 106 agreement is a standard feature at the time of granting planning permission, the continued policing of occupation post construction will inevitably create challenges.

**Question 8** – *What is the most appropriate length for a restriction on the sale of a starter home at open market value? How should the sliding scale be set?*

**Draft Response:** The optimum solution would be to make the length of the restriction as long as possible in order to maintain a supply of starter homes into the future. The reticence of the mortgage industry to lend on such schemes should perhaps be addressed directly by the government in some way in order to enable longer restriction periods to apply. This will be a critical area to address in order to make sure the proposal delivers the intended policy outcome and to make individual development proposals as attractive as possible to local communities.

**Question 9** – *Do you agree that guidance should make clear it is inappropriate for Starter Homes*

*exception site projects to be subject to section 106 contributions for affordable housing and tariffs?*

**Draft Response:** No. This proposal is, effectively, a mechanism to provide affordable homes for young people for a limited period of 5 to 15 years. More sustainable affordable homes are of greater value to local communities and to the people of all ages who desperately need them. To remove the requirement for affordable homes in perpetuity to be provided would be entirely counter-productive. Given the fact that this proposal is targeting unviable brownfield sites, the necessary 'subsidy' to enable starter homes to be provided at 20% below market value should surely be financed by reduced land value alone.

**Question 10 –** *Do you agree that Starter Homes exception site projects should be exempt from the payment of the Community Infrastructure Levy?*

**Draft Response:** There is no proposed restriction on the scale of sites permitted under the terms of this proposal. It would, therefore, be short-sighted to remove the requirement to contribute CIL. There does not appear to be any justification why large scale sites in particular should be exempted from CIL.

**Question 11 –** *Do you have any views on how this register should work and the information it should contain?*

**Draft Response:** If a register is to be established, and funded by the private sector, it will be critical that the information it contains is robust and represents real demand. This could potentially be very complicated and costly to establish in any sort of effective way.

**Consultation Question 12 –** *What kind of vanguard programme would be most helpful to support the roll out of Starter Homes?*

**Draft Response:** If the proposal is to proceed, then a series of real examples of how it has worked, including views on implementation from both the developer and local planning authority, would be of value. Equally, an ongoing evaluation of the effectiveness of the policy in achieving its objectives will be critical and should inform a formal review at a time specified at the outset.