

# Housing and Planning Policy Update June 2011

## Introduction

The Government continues to develop its policy to remove and reduce top-down regulation and performance management in favour of a localist and community-empowered approach. This briefing<sup>(1)</sup> builds on the [Housing and Planning Policy Update](#) we published in April by giving further information on new government initiatives and an update on planning and housing issues.

## Update on New Initiatives from the Government

### FirstBuy

FirstBuy is a new product in the Government's HomeBuy range. During the next 2 years it is expected to help over 10,000 first-time buyers purchase a home. £250 million is being made available for the scheme which is also expected to help increase rates of housebuilding.

The scheme offers equity loan funding of up to 20% of the purchase price provided equally between the Homes and Communities Agency and a housebuilder. Purchasers will be required to raise the remaining funds - usually through a mortgage and deposit. Loans will be free of charge for the first five years and repaid when the property is resold. Funds will then be reused to bring more homes into the scheme.

FirstBuy will be delivered by the Homes and Communities Agency as part of their Affordable Homes Programme. First contracts with housebuilders are expected to be signed by the summer, with homes being made available for purchase from September. Separate contracts will be made for delivery in London and for allocations for delivery outside London.

Housebuilders offer homes to the FirstBuy scheme in April and May. Full details can be found on the Homes and Communities Agency website at [www.homesandcommunities.co.uk/firstbuy](http://www.homesandcommunities.co.uk/firstbuy)

### New Homes Bonus

The New Homes Bonus provides a financial incentive for local authorities to build more homes. The scheme will pay local authorities an amount equal to the national average for the council tax band on each additional property built. An additional sum will be paid for affordable homes. The New Homes Bonus will sit alongside the existing planning framework for making planning decisions.

The final allocations for Year One (2011/12) of the New Homes Bonus were announced on 4 April. The scheme will continue for a further 6 years.

All documents relating to the New Homes Bonus can be found at:  
[www.communities.gov.uk/housing/housingsupply/newhomesbonus](http://www.communities.gov.uk/housing/housingsupply/newhomesbonus)

(1) Sources for each update correspond to links provided for additional online information

### **Design Issues: Letter from Chief Planner to England's Planning Authorities**

The Chief Planner at Department for Communities and Local Government has written to all Chief Planning Officers in England outlining the Government's expectation that high-quality design will remain a core element of new homes. He makes it clear that the move away from central government-led planning policy to local and community-led decision-making does not undermine requirements in the Planning Act 2008 to pursue good design. The full text of the letter can be found here:

[www.communities.gov.uk/documents/planningandbuilding/pdf/1906853.pdf](http://www.communities.gov.uk/documents/planningandbuilding/pdf/1906853.pdf)

### **Launch of the Empty Homes Toolkit**

On 23 May 2011 the Homes and Communities Agency published a toolkit containing advice and guidance on bringing empty properties back into use. It will be useful to anyone with an interest in empty homes: property owners, concerned neighbours, council officers and local councillors.

More information and links to the toolkit can be found at:

[www.homesandcommunities.co.uk/empty-homes-toolkit?page\\_id=&page=1](http://www.homesandcommunities.co.uk/empty-homes-toolkit?page_id=&page=1)

### **Encouraging Public Bodies to Release More Land for Development**

Colin Molton, South West Regional Director, has confirmed that government is holding talks about setting up a revolving fund to encourage public bodies to release more land for development:

*"The Ministry of Defence [for instance] would release land and get something out of it from the fund initially. The land could still remain in the public sector to work through constraints [such as planning] and could then be released to the private sector more quickly than is currently the case."*

The idea is at an early stage and the size and structure of the fund has yet to be determined. More information available at:

[www.insidehousing.co.uk/news/development/revolving-fund-to-free-up-land/6514505.article](http://www.insidehousing.co.uk/news/development/revolving-fund-to-free-up-land/6514505.article)

### **List of Regional Development Agency Assets to be Sold at Market Value**

A list of all RDA assets to be sold at market value, published by BIS, represents around 20% of all assets owned by the eight RDAs. It includes sites such as the former Newcastle Brewery, intended for the development of a new science centre in the city, land at Durham Tees Valley Airport, Bickland Industrial Estate in Falmouth, Grimethorpe Colliery in South Yorkshire, the East Midlands' Sherwood Energy Village, Andover Business Centre in the South West and the Corus steelworks site in Birmingham. The RDA with the largest number of assets due for sale is the South West (33). The South East (SEEDA) has just five.

More information is available at:

[www.planningresource.co.uk/go/home/article/1065633/20-rda-assets-earmarked-market-sale](http://www.planningresource.co.uk/go/home/article/1065633/20-rda-assets-earmarked-market-sale)

## **Update on Legislation**

### **Understanding the Legislative Process**

For an overview of how legislation progresses through Parliament, the South West Observatory has produced a briefing paper how to understand and influence the legislative process. It can be found at:

[www.swo.org.uk/EasySiteWeb/getresource.axd?AssetID=47870&type=full&servicetype=Inline](http://www.swo.org.uk/EasySiteWeb/getresource.axd?AssetID=47870&type=full&servicetype=Inline)

### **Special Urban Development Zones Bill 2010-11**

This Bill was introduced into Parliament on 16 March 2011 under the Ten Minute Rule, therefore its text will not be published until just before its Second Reading which is due to take place on 20 January 2012.

The [Parliament.uk](http://Parliament.uk) website outlines the purpose of the Bill as:

*"A Bill to require the Secretary of State to create Special Urban Development Zones; to set out the criteria on which such Zones must be designated, including criteria relating to Housing Market Renewal Initiative status and areas of multiple deprivation; and for connected purposes."*

The progress of the Bill can be monitored here: <http://services.parliament.uk/bills/2010-11/specialurbandevlopmentzones.html> and specific details of the Bill can be found in Hansard at: [www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110316/debtext/110316-0001.htm#110316110000003](http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110316/debtext/110316-0001.htm#110316110000003) (16 Mar 2011 : Column 306-8)

### **Planning (Developer Bonds) Bill 2010-11**

This Bill was also introduced to Parliament on 27 October 2010 under the Ten Minute Rule, and proposes to empower local authorities to require developers to deposit a bond to be used to maintain an area if the developer does not maintain it properly.

The full text of this Bill will be published nearer to the date of its Second Reading which originally expected to be mid-June 2011 but has since slipped to 25 November. Details of the Bill's progress through Parliament can be found here: <http://services.parliament.uk/bills/2010-11/planningdeveloperbonds.html> and some specific details of the Bill's contents can be accessed in Hansard at: [www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101027/debtext/101027-0002.htm#10102752000002](http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101027/debtext/101027-0002.htm#10102752000002) (27 Oct 2010: Columns 343-345)

### **Localism Bill 2010-11**

This Bill is currently at Second Reading stage in the House of Lords. Details of the Bill and all Parliamentary activity relating to it can be found at:

<http://services.parliament.uk/bills/2010-11/localism.html>

### **Energy Bill 2010-11**

This Bill is currently at Committee Stage in the House of Commons. Details of the Bill and all Parliamentary activity relating to it can be found at:

<http://services.parliament.uk/bills/2010-11/energyhl.html>

### **Welfare Reform Bill 2010-11**

This Bill is currently at Report Stage in the House of Commons. Details of the Bill and all Parliamentary activity relating to it can be found at:

<http://services.parliament.uk/bills/2010-11/welfarereform.html>

## **Update on Cala Homes' challenge to the abolition of Regional Strategies**

In our last housing and planning policy briefing we outlined the case of Cala Homes' challenge to the Government's abolition of Regional Strategies, specifically the house-building targets they contained. The central issue was whether the Government's intention to scrap Regional Strategies constituted a material consideration in planning decisions thereby allowing Planning Committees to move away from previously agreed housing targets. After many months of court activity Cala Homes eventually lost their challenge to re-establish regional Strategies until they are finally abolished when the Localism Bill becomes law.

On 27 May, the Court of Appeal dismissed Cala Homes' claim that the intention to revoke Regional Strategies could not be a material consideration in planning decisions. The judge did however suggest that the Government's intention to revoke might only be a material consideration in a minority of cases. Nevertheless, this case has allowed the current situation to be clarified, although there is now some concern in the planning community that if planning consent is denied using the impending revocation of Regional Strategies as a material consideration, there could be grounds to appeal.

These judgements do not affect the Government's intention to abolish Regional Strategies in the Localism Bill.

Reports on the latest judgement can be found at:

- [www.landmarkchambers.co.uk/news2/news/c\\_a\\_gives\\_judgment\\_in\\_r\\_cala\\_homes\\_south\\_limited\\_v\\_sos\\_clg\\_no.\\_2](http://www.landmarkchambers.co.uk/news2/news/c_a_gives_judgment_in_r_cala_homes_south_limited_v_sos_clg_no._2)
- [www.insidehousing.co.uk/news/cala-appeal-dismissed-in-court/6515795.article](http://www.insidehousing.co.uk/news/cala-appeal-dismissed-in-court/6515795.article)
- [www.regen.net/Economic\\_Development/article/1072866/councils-warned-delays-development-plans](http://www.regen.net/Economic_Development/article/1072866/councils-warned-delays-development-plans)

Summaries of previous stages in the case, including details of Judgements, can be found here:

- 10 November 2010 judgement: [www.bailii.org/ew/cases/EWHC/Admin/2010/2866.html](http://www.bailii.org/ew/cases/EWHC/Admin/2010/2866.html)
- 8 February 2011 judgement: [www.4-5graysinnsquare.co.uk/uploads/docs/section5/12056\\_2010\\_Cala\\_Homes.pdf](http://www.4-5graysinnsquare.co.uk/uploads/docs/section5/12056_2010_Cala_Homes.pdf)
- Planning Inspectorate advice post-8 February 2011: [www.planningportal.gov.uk/uploads/pins/advice\\_for\\_inspectors/impact\\_of\\_cala\\_homes.pdf](http://www.planningportal.gov.uk/uploads/pins/advice_for_inspectors/impact_of_cala_homes.pdf)