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Housing

# What you need to know about the July 2024 housing announcement

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**HOUSING**

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## Introduction

On 30 July, the deputy prime minister and secretary of state for Housing Communities and Local Government, Angela Rayner, announced a series of reforms to the planning system to boost housebuilding. These announcements take forward many of the pledges in the Labour manifesto.

The announcements centre on proposed changes to the National Planning Policy Framework (NPPF). A detailed consultation has been released on these changes, and CIH will produce a more thorough guide on the proposals in due course. In this member briefing, we summarise the main announcements and provide an initial reaction to them.

## Proposed changes to the National Planning Policy Framework (NPPF)

The main announcement made by the deputy prime minister involved changes to the NPPF. The main takeaways from the announcement and consultation are:

- The reintroduction of mandatory housing targets to achieve the government's aim of building 1.5 million new homes, uplifting them collectively across the UK to 370,000 (80,000 of those will be in London). This will include the introduction of a new system for local authorities to assess local housing need, which will allow them to better reflect 'the urgency of supply' for each area to inform their local plans.
- Those local authorities that already have an up-to-date Local Plan in place will not be required to start again in accordance with the new system. Currently, approximately two thirds of local authorities do not have an up-to-date plan, which is set to rise to four in five in 2025.

- The priority for building will be the development of brownfield sites, and the NPPF consultation document proposes that the default answer to brownfield development should be affirmative, as a first step to delivering 'brownfield passports'. This will also include broadening the definition of brownfield land.
- A review of the green belt, which now includes a workable definition of 'grey belt', published in NPPF consultation. The consultation document proposes relaxing restrictions on 'Previously Developed Land' in the green belt, such as petrol stations, as part of this definition. It also proposes local councils should review green belt boundaries if identified local housing need cannot be met through other means.
- The removal of the 'beauty' requirement introduced by the previous government for developments, instead narrowing the definition to 'achieving well-designed places.'
- The introduction of 'Golden Rules' for all green and grey belt developments, requiring 50 per cent affordable homes, access to green spaces and the provision of infrastructure such as schools and GP surgeries.
- Reducing local authority funding shortfalls by ensuring that planning application fees cover the estimated costs to local planning authorities of determining those applications.





### CIH initial response:

An effective planning system is an important element of housing delivery. The reintroduction of national housing targets will help to create clear expectations about delivery at the national and local level, and the strong focus on providing social rented homes is especially welcome. Analysis published in CIH's UK Housing Review has shown that we need at least 300,000 homes per year, including 60-70,000 let at social rents, to be built between now and 2030. Greater flexibility and certainty in funding arrangements will be an important part of delivering this.

## Reforms to the Right to Buy (RTB)

The government plans to review the Right to Buy through a consultation in the autumn, which will examine discounts, eligibility criteria and protections to prevent new homes from being sold. It will also increase the flexibilities on how councils can use their RTB receipts.

In the interim, the government has announced some immediate changes. These will:

- Give councils the ability to combine receipts with Section 106 contributions in funding new homes.
- Remove caps on the percentage of replacements delivered as acquisitions (which do not apply in the current year but may have been reimposed under previous government plans).
- Also remove the cap on the percentage cost of a replacement home that can be funded using RTB receipts, currently set at 40 per cent.

These flexibilities will be in place for two years, and subject to review. [Updated guidance](#) has already been published by government on these changes.

### CIH initial response:

Reviewing the operation and the impact of RTB is long overdue and is a welcome development. CIH has called for the RTB to be suspended, following its abolition in Scotland and Wales, but recognises that the new government will retain RTB while seeking to reduce its impact on the available rented housing stock, especially homes let at social rents.

We expect that the government may seek to reduce discounts from their current levels, set when the RTB was 'revitalised' in 2012. CIH would support such a move, and CIH is also urging the government to make the changes quickly so as to clarify the new operation of the policy as soon as possible. Other reforms that the government may pursue that could be important include maximising investment by channelling all receipts to local authorities, better 'cost floor' provisions to protect newly built homes from RTB, and extending local flexibility over the application of RTB, e.g. to protect scarce larger homes and homes in rural areas.



# The government's housing plan and the Affordable Homes Programme (AHP)

The government has promised that, in the coming months, it will publish a 'long-term housing strategy'. It has also made some important interim announcements about the Affordable Homes Programme (AHP):

- At the next 'fiscal event' (assumed to be an October Budget), it will provide greater certainty around rent stability to help social housing providers 'plan for the future'.
- Subsequently, at the next Spending Review, it will provide more direct grant funding and release details of future government investment.
- In the interim, it provides new flexibilities for the part of the AHP administered by the Greater London Authority, to boost delivery in the capital.
- It has also published [revised forecasts](#) for the output from the current AHP 2021-26.

CIH's 'UK Housing Review 2024' forecast that the output from the current AHP would be a maximum of 153,000 homes, compared with the 180,000 target set when the programme began. The revised forecasts suggest that the 2021-26 AHP is likely to deliver only 110,000-130,000 affordable homes, with:

- At least 40,000 social rent homes
- 44,000 - 56,000 affordable homes for ownership
- Five per cent of delivery for supported housing
- Five to 10 per cent of Homes England delivery for rural housing.

## CIH initial response:

CIH warmly welcomes the government's promise to produce a long-term strategy for housing, and we look forward to contributing to it. While not unexpected, the government's announcement that it will publish its investment plans and rent policy as part of forthcoming fiscal events is also very welcome. We strongly support the increased focus on building homes for social rent which CIH has long advocated for. As was confirmed this week, the output from the current AHP is disappointingly low and it is important that a new AHP sets a much more ambitious target, focussed on social rented homes, with adequate funding.

## Other relevant announcements:

In addition to the announcements specifically related to the NPPF, it was also announced that government will implement the following measures:

- Introducing a '**universal system of strategic planning** across England in this parliament', which will aim to deliver on Labour's manifesto commitment to plan for growth beyond the local scale.
- Confirming that **Awaab's Law** in the social rented sector and the third round of **the Local Authority Housing Fund** will both proceed, the latter providing £450 million of funding for councils to acquire homes for people at risk of homelessness.
- The NPPF consultation also includes a range of proposals to **accelerate the development of renewable energy**, especially onshore wind and solar power.
- A **new towns taskforce** has been [announced](#), led by Sir Michael Lyons.



# Overall CIH response

The government's announcements on planning and housing, including its publication of a revised NPPF, are very welcome. Our national housing crisis needs urgent attention, and it is encouraging to see the government has set out both a set of immediate measures and committed to a long term plan for housing, which CIH has been consistently calling for.

It was also encouraging to hear the introduction of the target of 50 per cent affordable homes for new developments on green and grey belt areas, we will be looking for clarity concerning the deputy prime minister's statement that this will be 'focusing on social homes' in terms of the proportion of that 50 per cent representing homes at social rent.

Lastly, we welcome that government has taken an opportunity to provide clarity that Awaab's Law will be introduced in the social rented sector. Now as before, we look forward to the publication of the government's finalised decision on the design of the policy, and to working with our members to ensure that it can deliver its intended outcomes.

# Next steps and how to feedback

CIH will produce a more detailed member briefing on the NPPF consultation in due course, and we will continue to engage with our members, government and partners across the housing sector to ensure the finalised NPPF makes a significant contribution to boosting the supply of new homes, especially affordable homes for social rent. We will also keep members updated on the progress of other government work, and provide briefings on the finalised design of Awaab's Law and future fiscal events, including the Spending Review.

We welcome member input on these announcements and how they may impact you or your organisation. We will also be consulting widely with members on the proposed changes to the NPPF to inform our response to the consultation. Please email [policyandpractice@cih.org](mailto:policyandpractice@cih.org) for further information, to feed in your views on the proposals, or to set up a conversation with our policy team.

Further information is available at the following links:

[MHCLG's consultation on reforms to the National Planning Policy Framework](#)

[The deputy prime minister's speech on the reforms](#)

The government's [press release](#) and [news story](#) on the reforms.

