

## RTPI's response to Combined Autumn Statement and Spending Review

25.11.15

The Chancellor George Osborne set out today to Parliament his Spending Review and Autumn Statement.

Janet Askew, President of the RTPI, said:

“Putting housing at the heart of England’s economic planning is good news but the focus on overall numbers, when we need balanced communities in our cities and towns, is worrying. We need a range of different housing types which are affordable to rent and to buy. We also need to be realistic regarding the ability of local authorities’ planning teams to deliver these housing programmes under the current funding arrangements.

“But the drive to build presents a good opportunity for city, county and district leaders to ensure that planning is at the heart of all they do and is integrated with transport, health, environment and business to ensure not just housing, but economic growth and social well-being are delivered holistically for people.”

Here’s a summary of what was announced that has direct relevance to planning.

### Housing

The emphasis is clearly on homeownership. The Chancellor said there is a “growing crisis of home ownership” and that he will double the housing budget from 2018/19. He has pledged 400,000 affordable housing starts by 2020/21, focussed on low-cost home ownership. This will include:

- 200,000 Starter Homes sold at a 20% discount compared to market value to young first time buyers, and supported by a £2.3 billion fund to up to 60,000 of these, in addition to those delivered through reform of the planning system.
- 135,000 Help to Buy: Shared Ownership homes, open to all households earning less than £80,000 outside London and £90,000 in London, and with the relaxing and removal of some of the restrictions such as local authorities’ rights to set additional eligibility criteria

The Chancellor also announced the release of appropriate land for housing. This includes releasing public land for 160,000 homes, a 50% increase on the government’s record in the last parliament, and plans to re-designate unused commercial land for Starter Homes.

On Buy to Let, the Chancellor said he would introduce new rate of stamp duty at 3%, on the purchase of buy to let homes and second homes from April next year. A new “London Help to Buy” was also announced.

### Planning

There will be further reforms to the planning system so it delivers more homes more quickly, including establishing a new delivery test on local authorities to ensure delivery against the number of homes set out in Local Plans.

The Chancellor said he would be backing SME house builders, including by amending planning policy to support small sites, extending the £1 billion Builders' Finance Fund to 2020-21, and halving the length of the planning guarantee for minor developments.

He also offered £2.3 billion in loans to help regenerate large council estates.

He also mentioned the need to invest in the infrastructure needed for major housing developments, and said that he would invest £310 million to deliver the first new garden city in nearly 100 years, at Ebbsfleet. This is part of a wider £700 million programme of regeneration at Barking Riverside, Brent Cross, Northstowe and Bicester Garden Town. Together these will support up to 60,000 new homes.

The Chancellor also said he would ensure the release of unused and previously undeveloped commercial, retail, and industrial land for Starter Homes, and support the regeneration of previously developed brownfield sites in the green belt by allowing them to be developed in the same way as other brownfield land, providing it contributes to Starter Homes, and subject to local consultation.

### **Local council budgets**

Local councils will get control over local taxes and provide extra support for social care. Councils will be given even more powers over decision making in their local areas. They will be able to add 2% on council tax to pay towards social care in their areas, if they wish.

From 2020 they will be able to keep money from business rates collected from shops and businesses, to spend on local services like street repairs, libraries and transport.

Local police and crime commissioners will also have the ability to raise local council taxes. Council tax is currently made up from money that goes to local services like police and fire services as well as local councils. From next April, police forces will be able to increase the amount they require from council tax collections by 2%.

### **Transport Infrastructure**

There will be new money for Transport for North, and the Department for Transport's capital budget will increase by 60% to fund HS2, train electrification and road investment programme.