

REPORT OF THE ASSISTANT DIRECTOR (PLANNING)
TO THE STRATEGIC AND LOCAL PLANNING ADVISORY GROUP
23 JANUARY 2006

Draft Planning Policy Statement 3: Housing

1.0 Introduction and Report Summary

- 1.1 The Office of the Deputy Prime Minister has published a consultation paper on a new Planning Policy Statement 3 (PPS3): Housing. This and the good practice guides to be published alongside it (not all of which are currently available in draft form) will replace PPG3 and its updates, C6/98, Keith Hills parliamentary statement and the practice guides for housing need assessments, tapping the potential, managed release of housing sites and monitoring housing provision. The closing date for comments is the 27 February. Members will recall they considered an earlier consultation paper 'Planning for Housing' in August (SLAG) and September (Executive) last year.
- 1.2 The key sections of draft PPS3 are attached at Appendix 1 to this report for information. The full document and the draft practice guides can be viewed on the ODPM web site www.odpm.gov.uk. This report highlights the key areas which the Council could support and where objections and concerns should be raised. As the draft PPS is attached, no summary is contained in this report. The appendices to this report also contain comments on the draft practice guidance notes that were available when this report was written.
- 1.3 In summary officers consider the proposed PPS3
- moves from a plan-led system to one of responding to market demand;
 - is contrary to the Government's objectives of ensuring sustainable development, community involvement in the planning process, prioritising the development of brownfield sites; the efficient and timely provision of infrastructure and securing the maximum amount of affordable housing through the planning system;
 - lacks clarity and will significantly increase the complexity of the processes for preparing development plans with major resource implications.
- 1.4 The contact officer for this report is Katie Barrett Section Head (Planning Strategy) 01235 540339.

2.0 Recommendations

- 2.1 *That the Advisory Group recommends the Executive to agree that the comments contained in paragraph 1.3 above, section 4 and Appendices 2 and 3 to this report be sent to the ODPM as the basis of this Council's comments on draft PPS3 and its associated draft guidance.*

3.0 Relationship to the Council's Vision, Aims and Policies

- 3.1 This report does not conflict with the Council's vision or aims. PPS3 will be important to the Council's policies, proposals and procedures for delivering affordable and market housing through the LDF and the development control process.

4.0 Comments on draft PPS3

Support for part of the draft PPS3

- 4.1 Officers consider that the following sections of the draft PPS should be supported:

- the ability to set targets for social-rented and intermediate housing (paragraphs 12j and 25) and the size and type of affordable housing required (paragraph 12k);
- the ability to allocate housing in villages solely for affordable housing together with a general policy enabling affordable housing in perpetuity on rural exception sites (paragraphs 32 and 33);
- the ability to set the size of site above which affordable housing will be sought below the indicative national minimum threshold of 15 dwellings (paragraph 26);
- the increased emphasis on the importance of design, particularly that a key consideration should be whether the development positively improves the character and environmental quality of an area and the way it functions (paragraphs 34-37). The introduction of design codes will help achieve a better quality of design on new developments but will have resource implications for local authorities;
- the definition of affordable housing which no longer includes low cost market housing.

Objections to the draft PPS3

- 4.2 **Objective:** Whilst the Council should accept the key objective that everyone should have the opportunity of a decent home which they can afford, there is concern that this has been extended beyond the objective in PPG3 to include a reference to people having the opportunity of a home in a community where they want to live (paragraph 1). If carried to its logical conclusion this could involve significant development in Green Belts, AONBs or in small rural communities which are not sustainable locations for development in terms of minimising the need to travel by car. This would harm the very areas that people cherish most. The Government should not set objectives which conflict with its other planning guidance and statements.
- 4.3 **Additional areas of work:** Paragraph 4 refers to regional planning bodies coordinating a programme of sub-regional housing market assessments and sub-regional housing land availability assessments to be carried out by local planning authorities. When combined with the requirement for a brownfield strategy (paragraph 17), the other complex procedures for preparing development plans and the requirements of the SA/SEA regulations, this will have significant resource implications for the workload of local authorities and should be adequately funded from central government. The sub-regional housing market assessments, for example, which will be led by local stakeholders will be more time consuming on an individual authority's staff than the existing housing need assessments. (Members may be aware that a bid has been made to contribute £5,000 towards the Oxford sub regional housing market assessment which is being run as a pilot project partly funded by the Government.) The Vale is within three housing market areas defined in the Regional Housing Strategy (Oxford, Swindon and the M4 corridor) which will increase the workload on staff significantly. These areas do not co-incide with the Central Oxfordshire sub-regional policy area in the draft South East Plan: it is considered that a single set of sub-regions should apply for both planning and housing purposes if confusion and a multiplication of tasks are not to result. Due to timing it is difficult to see how housing market assessments will inform the regional planning body in the South East, where the draft Plan with housing figures to 2026 is due to be published for consultation this spring. Further comments on the practice guidance for housing market assessments are in Appendix 2 to this report.
- 4.4 **Meeting demand:** There are major concerns with paragraph 8(a) which states that regional planning bodies should plan to distribute housing provision so that demand and need are met within the sub-regional housing market area in which they are generated.
- i) Whilst the planning system should be informed by the housing market, draft PPS3 puts demand as the central consideration to be satisfied. This gives too much weight to the market led approach and too little weight to other considerations. It is not returning to the previous 'predict and provide' approach to housing land supply, but is introducing a 'demand and provide' approach to planning which is entirely at odds with a plan-led system delivering sustainable development.
 - ii) Unless the Government injects significant additional funding for the provision of

infrastructure and affordable housing for those on the lowest incomes, housing need and demand will not be met. The Government should not set requirements which local authorities, however well intentioned, will not be able to fulfil.

- iii) There are real concerns that theoretical predictions of demand over a 10 or 15 year period will not be robust and will not translate into actual demand in the future. This could lead to a significant over-provision of housing land which would depress the delivery of difficult but sustainable brownfield sites and would make it difficult to provide expensive infrastructure and services in a co-ordinated and planned manner.
- iv) The PPS should recognise that sub-regions may not be able to accommodate the needs and demands for new housing placed on them (eg London, towns in the Metropolitan Green Belt and areas with a limited environmental capacity) or that people choose to satisfy their housing requirements beyond their ideal location because of lower house prices (as recognised in the housing assessment practice guide – page 37)

4.5 **Areas of low demand:** The last sentence of paragraph 9, which refers to identifying the need for the renewal or replacement of the housing stock in low demand areas, is also applicable to high demand areas. The statement appears to accept that in areas of low demand nothing can be done to change that. Low demand can be a result of poor environment and infrastructure which could be improved by investment and steering development to areas in need of regeneration.

4.6 **Level of housing provision re-opened:** Major objection should be made to the last sentence of paragraph 10 which states that where there has been a significant long term change in the housing market since regional spatial strategies were prepared, local authorities may need to re-open the consideration of the level of housing provision for their area. The Government should ensure that regional spatial strategies are reviewed sufficiently regularly for long term changes not to have occurred. This sentence, if included in the final PPS, will be used by developers at many public examinations to justify the allocation of their specific sites. This will unnecessarily lengthen the preparation of local development frameworks, contrary to the Government's intention to speed up the planning process and will result in more cost to the public.

4.7 **Brownfield land:** The Council should support the statement in paragraph 15 that the priority for development is developable brownfield land. However, there are four major concerns with the way the draft PPS takes this forward.

- i) Paragraphs 12 (c+d) and 14 (which indicate that an allowance can only be made for brownfield windfall sites where it is not possible to identify a five year supply of housing land at the date of adoption and where sustainability appraisal indicates that allocating sufficient land would have unacceptable impacts) are not acceptable. Most of the provision of housing on brownfield sites occurs where the previous use ceases and redevelopment is achieved relatively rapidly. It is not possible or appropriate to identify them five or more years in advance. The draft proposals could lead to the unnecessary provision of greenfield sites which is likely to deter the redevelopment of brownfield sites, contrary to the Government's stated priority. The final sentence of paragraph 14 gives sufficient safeguards to ensure that any brownfield estimates are realistic.
- ii) The Council should object to the definition of brownfield land in Annex A because it omits the caveat that the guidance does not mean that the whole of the curtilage should be redeveloped. This has significant implications for sites on the edges of settlements and in rural areas. Although the second sentence of paragraph 36 refers to residential gardens as not necessarily being suitable for development, the same applies to commercial, community or military land. The caveat in the current PPG3 should therefore be carried forward into PPS3.
- iii) Paragraph 18 lays great emphasis on contributing to the Government's brownfield target (60% of housing development on brownfield land) but only passing reference is made to sustainability appraisals. Particularly with the omission of the sequential approach, which

started with brownfield sites in urban areas, the PPS must make it clear that to be acceptable for development brownfield sites should be in sustainable locations and consistent with the development plan for the area.

- iv) The proposed housing land availability assessments will give too much focus to greenfield sites and are likely to be judged more available, viable and developable than brownfield sites (see Appendix 3 to this report).
- v) It is not clear what the brownfield strategies referred to in paragraph 17 are, what their status will be and whether further guidance will be published.

- 4.8 **Density:** Paragraph 12(h) and Annex C, which require local development frameworks to apply different densities across the plan area, should be clarified. It is not clear whether these are to be applied to new development sites or whether they will be used to promote infilling within established residential areas. The latter would not be acceptable as it would lead to intensification that cumulatively would harm the character of villages and low density areas on the edges of towns. The Council should object to definition of 'rural' in Annex C, footnote 4. Most of the Vale comprises villages and open countryside, it should not be excluded from the definition of rural simply because there are towns within 10km that cover more than 2km². For the purposes of the Annex the term rural should apply to villages and other small settlements.
- 4.9 **Car parking:** Paragraph 20, which requires local planning authorities to develop parking policies having regard to expected car ownership, conflicts with PPG13 paragraphs 49 and 52 which seek to restrict levels of car parking.
- 4.10 **Finance for affordable housing:** Paragraphs 24 and 27 refer to affordable housing targets being set according to informed assumptions about levels of finance available. It is impossible to do this in the short to medium term, let alone for 15 years ahead, because public sector finance changes rapidly. The overall target set in the LDF should take account of the need assessed in the housing market assessment, issues of housing mix and balanced communities, and other strategies referred to in paragraph 24 of the draft PPS. It is at the stage of negotiation on individual sites, not before, that account should be taken of the anticipated levels of public subsidy and developer contributions. If a low overall target is set on the assumption there will be no public sector subsidy available, there will be no incentive for developers to seek public subsidy and opportunities to achieve a higher proportion of affordable housing on those sites which are able to fund it will be lost. This will not achieve the Government's objective of securing the maximum amount of affordable housing through the planning system. A companion guide is to be published on the provision of affordable housing including an approach if the assumed level of finance is not available: as this has not been published yet no further comment can be made at this stage. Continued public investment will be needed to house those who are precluded from meeting their housing requirements because of low incomes and high property prices.
- 4.11 **Rural Communities:** Paragraphs 30 and 31 require local authorities to make sufficient land available to sustain rural communities. This is an ill defined and open ended requirement: if villages have the levels of development to bring a wide range of services and facilities, ie to make them sustainable communities, there would be no villages left and the face of rural areas would change out of recognition (for example sites totalling some 20 hectares at Kingston Bagpuize were proposed for inclusion in the local plan as they would 'sustain' the village community). This requirement should be deleted or the Government should clarify what it means.
- 4.12 **Considering planning applications:** The Council should object to paragraph 41 of the draft guidance which states that in advance of the relevant development plan documents being reviewed, local authorities should give favourable consideration to applications for housing development where there is an imbalance between demand and supply, subject to a limited number of criteria. The criteria listed make no reference to general sustainability considerations or meeting the spatial strategies contained in the RSS, saved policies in Structure Plans or core strategy DPDs. This is a major shift away from the plan led system as evidence of demand can circumvent saved policies which are themselves based on a complex set of information including

extensive public consultation and participation.

- 4.13 **Prematurity:** The Council should object to paragraph 42 as it proposes that Councils would no longer be able to refuse applications on the grounds that they would prejudice the review of site allocation development plan documents. This will encourage ad hoc applications and make it impossible to ensure that the most sustainable sites are developed. The proposal seems perverse as the Government has just set up a new system to deliver development plans more quickly, with public participation and sustainability at the heart of the process.
- 4.14 **Five year supply:** The third sentence of paragraph 48 should state that the five year supply of housing land should be maintained in accordance with the regional spatial strategy. As worded it appears as though the supply should be maintained in high demand areas to meet the strategy for the sub-regional housing market area irrespective of the provision being sought through the regional spatial strategy.
- 4.15 **Sequential approach:** The removal of the sequential approach to development, introduced by PPG3 as recently as March 2000, is regrettable as it set a clear approach to identifying land for housing in sustainable locations. It has worked well and should not be abandoned.

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