

# PART 2: Planning Policy Statement 3: Housing

## INTRODUCTION

Planning Policy Statements set out the Government's national policies on different aspects of planning in England. PPS3 sets out the national planning policy framework for delivering the Government's housing objectives. These complement, and should be read in conjunction with, other relevant statements of national planning policy (in particular Planning Policy Statement 1: *Delivering Sustainable Development*). This statement is accompanied by practice guidance and a companion guide<sup>2</sup>.

The policies set out in this PPS and the accompanying guidance should be taken into account by regional planning bodies in the preparation of revisions to Regional Spatial Strategies, by the Mayor of London in relation to the Spatial Development Strategy for Greater London, by local planning authorities in the preparation of local development documents and may also be material to decisions on individual planning applications.

## THE GOVERNMENT'S OBJECTIVES

1. The Government's key objective for planning for housing is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To achieve this objective, the Government is seeking to:
  - (a) ensure that a wide choice of housing types is available, for both affordable and market housing, to meet the needs of all members of the community;
  - (b) deliver a better balance between housing demand and supply in every housing market and to improve affordability where necessary; and
  - (c) create sustainable, inclusive, mixed communities in all areas. Developments should be attractive, safe and designed and built to a high quality. They should be located in areas with good access to jobs, key services and infrastructure.
2. Regional planning bodies and local planning authorities should aim to meet the Government's objectives in regional spatial strategies and local development documents, and through individual planning decisions. Sustainability appraisal<sup>3</sup> should inform plan policies in order to ensure that housing is distributed and located in a way which contributes to sustainable development.

<sup>2</sup> PPS3 Practice Guidance and Companion Guide (forthcoming).

<sup>3</sup> Under the Planning and Compulsory Purchase Act, 2004, sustainability appraisal is mandatory for regional spatial strategies and local development documents. Further details are set out in paragraphs 24-26 of PPS1.

## NATIONAL PLANNING POLICIES

### REGIONAL SPATIAL STRATEGIES

3. Regional spatial strategies<sup>4</sup> should set out the region's level of housing provision to reflect the national policy context and the region's circumstances, and should provide the framework for planning at the sub-regional housing market area and local levels. In preparing revisions to regional spatial strategies, regional planning bodies must have regard to the Government's objectives (see paragraph 1), and should have regard to the region's other strategies, in particular housing, economic and transport strategies. They should prepare the regional spatial strategy working collaboratively with regional stakeholders, local planning authorities and local communities.
4. Regional planning bodies should also work in collaboration with regional stakeholders, local planning authorities and local communities to develop consistent evidence bases to underpin all of the region's strategies. In particular, they should co-ordinate a programme of sub-regional housing market and housing land availability assessments to be carried out by local planning authorities (see Annex B), to ensure that the assessments make timely inputs into the revision of regional spatial strategies, as well as achieving consistency of approach.
5. Regional spatial strategies should set out:
  - (a) the level of housing provision for the region for 15 to 20 years, expressed as net additional dwellings (and gross if appropriate);
  - (b) the sub-regional housing market areas and identify which local planning authorities these include;
  - (c) for each sub-regional housing market area and each local planning authority within the market area, the level of housing provision, expressed as net additional dwellings (and gross if appropriate) for the plan period;
  - (d) the approach for each sub-regional housing market area, which reflects the particular market circumstances of the sub-region, including any arrangements for managing release of land between local planning authorities within the market area;
  - (e) the region's brownfield target (see Annex A);
  - (f) the region's density target and/or the region's density range/s;
  - (g) where appropriate, the region's approach to meeting affordable housing needs, including the affordable housing target for the region and for each sub-regional housing market area. Such targets should be consistent with delivering the region's level of housing provision;

<sup>4</sup> The regional spatial strategy is prepared by the regional planning body and is approved by the First Secretary of State. In London, the spatial development strategy prepared by the Mayor is the equivalent of the regional spatial strategy.

- (h) the region's approach to achieving an appropriate mix of household types to meet need and demand; and
  - (i) the region's approach to meeting rural housing and rural affordable housing needs.
6. Regional spatial strategies should also set out the region's approach to provision for Gypsies and Travellers. Guidance on planning for Gypsy and Traveller provision will be set out in the forthcoming Planning Circular *Planning for Gypsy and Traveller Caravan Sites*.

### **DETERMINING THE REGIONAL LEVEL OF HOUSING PROVISION AND ITS DISTRIBUTION**

7. In determining the region's level of housing provision and its distribution, regional planning bodies should undertake a sustainability appraisal and take into account:
- (a) the Government's overall ambition for affordability;
  - (b) the Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts;
  - (c) advice from the proposed National Advice Unit on the impact of the proposals for affordability in the region;
  - (d) the sub-regional housing market assessments (see Annex B);
  - (e) the sub-regional housing land availability assessments (see Annex B);
  - (f) the environmental, social and economic implications of development; and
  - (g) the impact of development upon existing or planned infrastructure.
8. In arriving at the proposed distribution of housing provision, regional planning bodies should:
- (a) plan to distribute housing provision so that housing need and demand are met within the sub-regional housing market area in which they are generated, unless there is very clear evidence that this is not possible, having regard to criteria 7e), 7f) and 7g) above; and
  - (b) having tested various options using sustainability appraisal, make decisions about the level and distribution of housing provision in both urban and rural areas, and between sub-regional housing markets areas.

9. Regional spatial strategies should address the nature and characteristics of the sub-regional housing market areas, in terms of demand and affordability, and particular circumstances within the market area that would influence the distribution of housing, the development of plan policies and planning decisions. In sub-regional housing market areas where demand is high, regional planning bodies should aim to increase housing supply by exploring and identifying growth areas<sup>5</sup>, growth points<sup>6</sup>, new freestanding settlements and major urban extensions as necessary and appropriate. In sub-regional housing market areas where demand is low, regional planning bodies should identify the need for the renewal or replacement of the housing stock.

### **LOCAL DEVELOPMENT FRAMEWORKS**

10. Local development frameworks should set out a strategy for housing provision within the context of the relevant sub-regional housing market area. This strategy must be in general conformity with, and aim to meet the objectives of, the regional spatial strategy. Where there has been a significant long-term change in housing market circumstances since the preparation of the regional spatial strategy, local planning authorities will need to re-open the consideration of the level of housing provision for their area.
11. When preparing development plan documents relating to housing, local planning authorities should:
  - (a) have regard to local strategies, in particular local housing strategies, local homelessness strategies, community strategies, local economic strategies, the local transport plan, the Strategic Flood Risk Assessment, and any local greening or design strategy;
  - (b) develop an evidence base that underpins all local strategies, and sub-regional strategies where relevant; and
  - (c) work in partnership with local stakeholders and local communities.
12. Local development frameworks should:
  - (a) set out the level of housing provision for the plan period in accordance with the Regional Spatial Strategy;
  - (b) set out the housing trajectory (see Planning Policy Statement 12) to meet the level of housing provision over the plan period;
  - (c) allocate sufficient land and buildings for housing or mixed use development to deliver the first five years of the housing trajectory, taking into account a windfall allowance only where it is not possible to allocate sufficient land;
  - (d) for the following 10 years of the housing trajectory, allocate land wherever possible. Where it is not possible to allocate specific land, broad areas of land for future growth should be indicated in the core strategy;

<sup>5</sup> 'Sustainable communities: building for the future' ODPM, 2003.

<sup>6</sup> 'The Government's response to Kate Barker's Review of Housing Supply' ODPM, 2005.

- (e) set out any arrangements for managing the release of land within the relevant sub-regional housing market area in accordance with the regional spatial strategy;
- (f) set out the level of housing provision expected on sites allocated for housing, or as part of mixed-use developments;
- (g) set out the local strategy for bringing forward and developing brownfield sites, including a target for brownfield development over the plan period;
- (h) set out the density ranges that will apply across the plan area;
- (i) set out the balance between different household types to be provided for across the plan area, and, where necessary to achieve mixed communities, the circumstances or broad locations in which this balance may be different;
- (j) where there is a need for affordable housing, set out the affordable housing provision target as a number or proportion of the overall level of housing provision, and, where appropriate, targets for social-rented and intermediate housing;
- (k) where there is a need for affordable housing, set out the amount of affordable housing that will be sought on sites above the relevant site-size threshold and the size and type of affordable housing required;
- (l) set out the approach to meeting rural housing and rural affordable housing needs; and
- (m) set out policies to address the particular accommodation needs and demands of specific groups. Guidance on planning for Gypsy and Traveller provision will be set out in the forthcoming Planning Circular *Planning for Gypsy and Traveller Caravan Sites*.

### **ALLOCATING AND RELEASING LAND FOR HOUSING**

13. Site allocation development plan documents should always include at least five years supply of land for development from the date they are adopted. The five year supply should be allocated land that is developable, taking account of a windfall allowance where this is appropriate (see paragraph 14). To be considered developable, a site should meet the following criteria:
  - (a) available – the site is available now or is likely to become available for housing development and be capable of being developed within five years. This means five years from the date of adoption of the site allocation development plan document;
  - (b) suitable – the site offers a sustainable option for development and would contribute to the creation of sustainable urban and rural communities; and
  - (c) viable – housing development is economically viable on the site.

14. Where it is not possible to allocate sufficient land, local planning authorities should make an allowance for brownfield windfalls only where the particular local circumstances justify it and where sustainability appraisal indicates that allocating sufficient land would have unacceptable impacts. Any such brownfield windfall allowance should be realistic and determined having regard to the sub-regional housing land availability assessment, and evidence of past trends in windfall coming forward for development and to the likely future rate of implementation.
15. In determining which sites to include in the five year land supply, local planning authorities should have regard to the sustainability appraisal of the site allocation development plan document. The priority for development is developable brownfield land. Local planning authorities should review all their non-housing allocations when preparing or reviewing their site allocation development plan document and consider whether some of this land might be more appropriately used for housing or mixed use development.
16. In general, local planning authorities should not phase land within the five year land supply, except where local circumstances require it for example in sub-regional housing market areas where demand is weak or the market failing and market pressures need to be managed in order to ensure that market failure is not exacerbated, or in sub-regional housing market areas where demand is high, where sustainability appraisal suggests that growth above planned levels would have unacceptable impacts. They may however set out the anticipated phasing of land beyond the five year land supply. If they choose to do this, the priority for development should be brownfield land. Annex D provides examples, solely for illustrative purposes, of the approach that local planning authorities could take to allocations and phasing in a variety of housing market circumstances and the companion guide provides further advice.

#### **EFFICIENT USE OF LAND**

17. Local planning authorities, working with development partners, should seek to ensure the redevelopment of brownfield land, by developing a brownfield strategy aimed at identifying and removing constraints to its development. Local planning authorities should make full use of their compulsory purchase powers and work with key stakeholders, such as relevant public sector agencies and private sector partners, to bring forward brownfield sites for development.
18. The national target is that by 2008, at least 60% of additional housing should be provided on brownfield land (see Annex A). Regional planning bodies should set brownfield targets to be met over the plan period, that contribute to meeting the national target and local planning authorities should set brownfield targets to be met over the plan period, that contributes to meeting the regional target. In determining the regional brownfield targets and in developing local brownfield strategies, including targets which reflect local circumstances, regional planning bodies and local planning authorities should have regard to sub-regional housing land availability assessments and relevant sustainability appraisals.

19. Local planning authorities should develop density policies for their plan area with local stakeholders and local communities, having regard to: the approach set out in Annex C; the need for additional housing; the need to use land efficiently; the impact on service provision and public spaces; the importance of promoting good design; the importance of resource efficiency; the minimisation of environmental impacts; and the desirability of maintaining the character of particular residential areas or environments. The presumption is that in developing density policies, the minimum density should be no less than 30 dwellings per hectare.
20. Local planning authorities should develop parking policies for their plan area with local stakeholders and local communities having regard to expected car ownership for planned housing in different locations, the efficient use of land and the importance of promoting good design.

#### **HOUSEHOLD TYPE**

21. Local planning authorities should have regard to the relevant sub-regional housing market assessment and the relevant Regional Spatial Strategy, Regional Housing Strategy and Local Housing Strategy in determining the overall balance between different household types to be provided for across the plan area, to ensure that housing provision is made for example for family, single person and multi-person households. In planning at site level, it is important that a broad mix of housing suitable for different household types is provided for on larger sites. For smaller sites, the mix of housing should contribute to the creation of mixed communities.
22. It is for local planning authorities to set out their definition of a large site reflecting local circumstances. This should take into account evidence from the sub-regional housing land availability assessment on the size of sites expected to be available for housing, the mix of existing housing across the plan area, the density of housing expected, and evidence from the sub-regional housing market assessment on the mix of households anticipated.

#### **AFFORDABLE HOUSING**

23. The Government defines affordable housing as including social-rented and intermediate housing (see Annex A). Sub-regional housing market assessments should help determine whether affordable housing is needed and guide the level, size, type and location of affordable housing provision, either through new provision or as replacement provision.

24. In determining the overall target for affordable housing provision, local planning authorities should have regard to the relevant sub-regional housing market assessments, the relevant Regional Spatial Strategy, Regional Housing Strategy, Regional Homelessness Strategy (where one exists), Local Housing Strategy and Community Strategy. The target should take account of the anticipated levels of finance available for affordable housing, including public subsidy (based on priorities set out in the Regional Housing Strategy and discussions with the Housing Corporation), and the level of developer contribution that can realistically be sought on relevant sites (see paragraph 27).
25. Separate targets should be set for social-rented and intermediate housing where appropriate. A sufficient supply of intermediate housing can help meet the needs of key workers and those seeking to gain a first step on the housing ladder, reduce the call on social-rented housing, free up existing social-rented homes, provide wider choice for households and ensure that sites have a balanced mix of tenures. Local planning authorities should aim to ensure that the provision of affordable housing meets the needs of both current and future occupiers.
26. Local planning authorities should set a minimum site-size threshold, expressed as numbers of homes or area, above which affordable housing will be sought. The indicative national minimum threshold is 15 dwellings, but local planning authorities may set a different threshold or series of thresholds where this can be justified. In determining the minimum site-size threshold (and any higher thresholds), local planning authorities will need to take into account the level of affordable housing to be sought, site viability, the impact on the delivery of housing provision, and the objective of creating mixed and sustainable communities.
27. Local planning authorities should balance the need for affordable housing against the viability of sites in their area. This will involve having regard to the implications of competing land uses and making informed assumptions about the levels of finance available for affordable housing. Local planning authorities should aim to manage the risks in terms of delivery to ensure they achieve their affordable housing targets. The companion guide sets out an approach that local planning authorities may use if the assumed level of finance available for affordable housing is not forthcoming and provides examples of innovative ways of delivering affordable housing where this is the case or to supplement the delivery of affordable housing.
28. The presumption is that affordable housing should be provided on the application site so that it contributes towards achieving the objective of creating more mixed communities and avoids creating concentrations of deprivation. However, local development documents may set out the circumstances in which provision would not be required on an application site or in which a financial contribution would be acceptable in lieu. In such instances, any off-site provision of affordable housing, or a financial contribution in lieu of on-site provision, must be of a broadly equivalent value and should contribute towards the plan objectives for mixed communities.



29. Advice on setting affordable housing targets, setting thresholds, the use of planning conditions and planning obligations, and ensuring affordable housing provided meets the needs of both current and future occupiers, is set out in the companion guide.

### **RURAL HOUSING**

30. Local planning authorities should make sufficient land available either within or adjoining market towns or villages, for both affordable and market housing, in order to sustain rural communities. In determining the approach to planning for housing and affordable housing in rural communities, local planning authorities should have regard to the relevant sub-regional housing market and land availability assessments, the relevant Regional Spatial Strategy, Regional Housing Strategy and Local Housing Strategy.
31. The focus for significant development should be market towns or local service centres that are well served by public transport and other facilities. Development may be provided for in villages and other small rural communities where needed to contribute to their sustainability. The priority for development is developable brownfield land, but where this is either insufficient or not available developable greenfield may need to be used.
32. Local development documents should set out the approach to planning for affordable housing in rural communities that contributes to the creation of mixed and sustainable rural communities. This could include, for example, a lower site-size threshold or a higher proportion of affordable housing than that which applies for the rest of the plan area, or the allocation of small sites solely for affordable housing in larger villages or market towns (other than those provided for by the rural exception site policy – see paragraph 33).
33. In addition, all local planning authorities that have small rural communities<sup>7</sup> should include a rural exception site policy in relevant development plan documents that applies to all these communities within their area. This policy enables local planning authorities to allocate or release small sites within and adjoining existing small rural communities, which may be subject to policies of restraint (such as Green Belt), and would not be released for market housing. Development plan documents should set out the criteria against which sites not allocated in the development plan will be considered. Rural exception sites should only be released for affordable housing in perpetuity. Local planning authorities should consider, in applying the rural exception policy, the need to meet the needs of the rural economy, and in particular the needs of households who are either current residents or have an existing family or employment connection, in order that rural communities remain sustainable, mixed, inclusive and cohesive.

<sup>7</sup> Small rural settlements have been designated for enfranchisement and right to acquire purposes (under Section 17 of the Housing Act 1996) by S.I. 1997/620 – 25 inclusive and 1999/1307.

## DESIGNING FOR QUALITY

34. Local planning authorities should develop a shared vision with their local communities of the type of residential environments they wish to see and develop plans and policies aimed at:
- (a) creating places, streets and spaces which meet the needs of people, which are attractive, have their own distinctive identity, and positively improve local character; and
  - (b) which promote designs and layouts that are inclusive, safe, take account of public health, crime prevention<sup>8</sup> and community safety, ensure adequate natural surveillance and make space for water where there is flood risk.
35. Detailed design guidance such as urban design guidelines, design codes<sup>9</sup>, detailed masterplans or site briefs can help to improve the quality and value of residential development and, once in place, can accelerate the development control process. A design code may be developed for specific allocated sites or areas indicated for development in the core strategy. Local planning authorities should set out in policies in their plan where design codes would apply and should justify their decision to apply codes. Forthcoming practice guidance will provide advice on the preparation and use of design codes, including the circumstances in which particular approaches might be suitable.
36. The approach to smaller developments, such as the conversion and redevelopment of existing housing and gardens should be developed as part of the wider strategy/policies for individual neighbourhoods and contribute to achieving the goals set out in paragraph 34. Although residential gardens are defined as brownfield land, this does not necessarily mean that they are suitable for development. However, in determining the policy approach, local planning authorities will need to have regard to the positive contribution that intensification can make, for example, in terms of minimising the pressure on greenfield sites.
37. New development should be of high quality inclusive design and layout (consistent with Planning Policy Statement 1), and be informed by its wider context, having regard not just to neighbouring buildings but to the townscape and landscape of the wider locality. This does not mean that new development should replicate its surroundings. The key consideration should be whether a development positively improves the character and environmental quality of an area and the way it functions.

<sup>8</sup> See 'Safer Places: The Planning System and Crime Prevention' ODPM, 2004.

<sup>9</sup> See 'The Future for Design Coding' ODPM, 2005.

## GREENING THE RESIDENTIAL ENVIRONMENT

38. Housing development should be based on thorough landscape and ecological survey and appraisal. Dominant landscape or ecological features should lead the design of the layout and care should be taken to allow scope for retention or re-establishment of the biodiversity within residential environments<sup>10</sup>. The residents of new dwellings should have easy access to sufficient open space (including play space) of good quality, either through additions to or improvements of the local open space network<sup>11</sup>.
39. Local planning authorities should encourage applicants to apply principles of sustainable and environmentally-friendly design and construction to new developments<sup>12</sup>. Local planning authorities should in particular encourage applicants to apply the *Code for Sustainable Homes*<sup>13</sup> for strategic sites that deliver a large number of new homes to improve resource efficiency and give purchasers and tenants information on the running costs and sustainability of their new home.

## MANAGING DELIVERY AND DEVELOPMENT

40. Local planning authorities and applicants should positively engage in pre-application discussions. This will help to ensure that housing proposals, particularly on larger sites, are well-designed and provide an appropriate mix of housing.
41. When considering planning applications for housing which are received in advance of the relevant development plan document being reviewed (particularly the first development plan document), local planning authorities should take into account the policies in this statement as material considerations, as they may carry greater weight than the relevant policies in the development plan. In these circumstances or for sites not allocated in the development plan, local planning authorities should consider favourably planning applications for housing development:
  - (a) where there is evidence of an imbalance between housing demand and supply, having regard to affordability issues and housing market conditions;
  - (b) if the site is suitable for housing development (including land allocated or previously used for industrial or commercial use, which is no longer needed for that use<sup>14</sup>); and
  - (c) the planning proposal makes an efficient use of land, offers a good housing mix, is of high quality design and does not have an unacceptable impact on the environment.

<sup>10</sup> See 'Planning Policy Statement 9: Biodiversity and Geological Conservation' ODPM, 2004.

<sup>11</sup> See 'Planning Policy Guidance Note 17: Planning for Open Space, Sport and Recreation' ODPM, 2002.

<sup>12</sup> For further advice see 'The Planning response to Climate Change' ODPM, 2004, 'Planning Policy Statement 22: Renewable Energy' ODPM, 2004, and 'Planning for Renewable Energy: A Companion Guide to PPS22' ODPM, 2004.

<sup>13</sup> See 'Code for Sustainable Homes' ODPM, 2005.

<sup>14</sup> As demonstrated by an up-to-date review of employment land. See 'Employment Land Reviews: Guidance Note' ODPM, 2004.

42. Local planning authorities should not refuse applications for planning permission simply on the grounds that the preparation or review of site allocation development plan documents would be prejudiced. However, local planning authorities should not grant applications for planning permission where it can be shown that to do so would clearly discourage the development of allocated developable brownfield sites.
43. Regional planning bodies and local planning authorities must provide information on housing policy and performance<sup>15</sup> and should produce housing trajectories demonstrating how policies will deliver housing in their areas. Housing trajectories should then be annually updated as part of the annual monitoring report<sup>16</sup> to demonstrate progress compared with the targeted level of housing provision.
44. As part of the preparation of annual monitoring reports, local planning authorities should monitor housing permissions, starts and completions on land allocated for housing and windfalls against changes in their local circumstances, including the housing market. Further guidance on the need for monitoring, particularly in respect to housing markets, is set out in the companion guide.
45. As part of preparing annual monitoring reports, local planning authorities should work collaboratively within sub-regional housing market areas to consider whether they are collectively delivering compared to the level of housing provision for the housing market area. This will help ensure local planning authorities develop a joined up approach where actions are required to ensure delivery.
46. Where policies are not delivering the housing trajectory, the annual monitoring report should set out what actions are required to ensure the delivery of the level of housing provision, including affordable housing targets.
47. For local planning authorities, these actions could include:
  - (a) identifying and removing barriers to the delivery of sites allocated for release in the five year land supply;
  - (b) review any evidence to determine whether there has been a long term change in housing market circumstances in the local planning authority area and in the sub-regional housing market area;
  - (c) working in sub-regional housing market areas, in line with any arrangements set out in the regional spatial strategy, release land in the market area;
  - (d) review the phasing of existing housing allocations, for example by proposing a new or amendments to an existing supplementary planning document; and/or
  - (e) allocate new developable land for housing, including the allocation of specific sites within the broad areas indicated for development in the core strategy, through an update to the site allocation development plan document.

<sup>15</sup> Regulation 48 of the 2004 Planning and Compulsory Purchase Act requires local development documents to include information on housing policy and performance, particularly in terms of net additional dwellings.

<sup>16</sup> Further details regarding the production of annual monitoring reports and housing trajectories are set out in PPS11, PPS12, 'Creating LDFs' and the 'LDF monitoring good practice guide'.

48. It will be necessary to review plans well in advance of allocations being developed in order to ensure that future development reflects good planning and assessment of options against sustainability criteria. Where there is continued market pressure for development, local planning authorities will need to regularly roll forward (review and update) allocations, the priority being to bring forward brownfield development. The aim should be to maintain a five year land supply, taking account of the strategy for the sub-regional housing market area, relevant local circumstances and the evidence of interdependencies between different areas within the sub-regional housing market. Annex D provides examples, solely for illustrative purposes, of when it is appropriate to update the five year land supply in different housing market circumstances.

## CANCELLATION OF POLICY AND PRACTICE GUIDANCE

49. The following is hereby cancelled (**only when final PPS3 is published**):
- Planning Policy Guidance Note 3: *Housing* (2000)
  - Planning Policy Guidance Note 3: *Housing Update Supporting the Delivery of New Housing* (2005)
  - Planning Policy Guidance Note 3: *Housing Update Planning for Sustainable Communities in Rural Areas* (2005)
  - Circular 6/98: *Planning and Affordable Housing* (1998)
  - Keith Hill's Parliamentary Statement *Planning for Housing* (2003)
  - *Local Housing Needs Assessment: A Guide to Good Practice* (2000)
  - *Tapping the Potential: Assessing Urban Housing Capacity: Towards Better Practice* (2000)
  - *Planning to Deliver: The Managed Release of Housing Sites: Towards Better Practice* (2001)
  - *Monitoring Provision of Housing through the Planning System: Towards Better Practice* (2000)

## Annex A: Definitions

### **Brownfield land, also known as previously-developed land**

1. Previously-developed land is that which is or was occupied by a permanent structure (excluding agricultural or forestry buildings), and associated fixed surface infrastructure<sup>a</sup>. The definition covers the curtilage of the developed land<sup>b</sup>. Previously-developed land may occur in both built-up and rural settings. The definition includes defence buildings and land used for mineral extraction and waste disposal<sup>c</sup> where provision for restoration has not been made through development control procedures<sup>d</sup>.
2. The definition excludes land and buildings either actively or previously used for agricultural or forestry purposes, and land in built-up areas which has not been developed previously (e.g. parks, recreation grounds, and allotments – even though these areas may contain certain urban features such as paths, pavilions and other buildings). Also excluded is land that was previously-developed but where either the remains of any structure or activity have blended into the landscape in the process of time (to the extent that it can reasonably be considered as part of the natural surroundings) or there is a clear reason that could outweigh the re-use of the site – such as its contribution to nature conservation – or it has subsequently been put to an amenity use and cannot be regarded as requiring redevelopment<sup>e</sup>.

### **Footnotes**

- (a) Urban land uses as defined within the ODPM's Land-Use Change Statistics Guidance (excluding 'urban land not previously developed'). This Guidance is available at [www.odpm.gov.uk](http://www.odpm.gov.uk).
- (b) The definition of curtilage is subject to the interpretation of the Courts and regard should be had to case law. All of the land within the curtilage of the developed land will also be defined as previously-developed.
- (c) These land uses are in addition to the Land-Use Change Statistics 'urban' groups.
- (d) This relates to former minerals and waste sites where:
  - an extant planning permission included a valid restoration condition, the intention of which was to restore the site for the purposes of a 'hard' after use. In such cases the site will be considered to be previously-developed land; or
  - an extant planning permission included a valid restoration condition, the intention of which was to restore the site for the purposes of a 'soft' after use, the site will be considered to be 'greenfield'.
- (e) The definition does not supersede or in any way change the policy in respect of the redevelopment of major developed sites in the Green Belt set out in Annex C to Planning Policy Guidance note 2: *Green Belts*.

**Net site area**

3. Net site area includes only those areas which will be developed for housing and directly associated uses, including:
  - access roads within the site;
  - private garden space;
  - car parking areas;
  - incidental open space and landscaping; and
  - local children’s play areas where these are to be provided.
4. Gross site area includes those areas which will be developed for housing and directly associated uses and:
  - major distributor roads;
  - primary schools;
  - open spaces (including children’s play areas) that serve a wider area; and
  - significant landscape features such as buffer strips.

**Housing Demand**

5. The quantity of housing that households are willing and able to buy or rent.

**Housing Need**

6. Households who are unable to access suitable housing without some financial assistance.

**Market housing**

7. Private housing for rent or for sale, where price is set in the open market.

**Affordable housing**

8. Non-market housing, provided to those whose needs are not met by the market for example homeless persons and key workers. It can include social-rented housing and intermediate housing. Affordable housing should:
  - meet the needs of eligible households, including availability at low enough cost for them to afford, determined with regard to local incomes and local house prices; and
  - include provision for the home to remain at an affordable price for future eligible households, or if a home ceases to be affordable, any subsidy should generally be recycled for additional affordable housing provision.
9. Further information is available in the companion guide.

### **Social-rented housing**

10. Rented housing owned by local authorities and registered social landlords for which guideline target rents are determined through the national rent regime, set out in the '*Guide to Social Rent Reforms*' published in March 2001.
11. Also rented housing owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or funded with grant from the Housing Corporation, as provided for in the Housing Act 2004.

### **Intermediate housing**

12. Housing at prices or rents above those of social-rent but below market prices or rents. This can include shared equity products (for example HomeBuy) and intermediate rent (i.e. rents above social-rented level but below market rents). Intermediate housing differs from low cost market housing (which Government does not consider to be affordable housing – see definition of affordable housing above).

### **Key worker**

13. The Government's definition of key workers only includes those groups eligible for the Housing Corporation funded Key Worker Living programme and others employed within the public sector (i.e. outside of this programme) identified by the Regional Housing Board for assistance. Further details are provided on the ODPM website at [www.odpm.gov.uk](http://www.odpm.gov.uk).

### **Sub-regional housing market areas**

14. Geographical areas within which there are clear links between where people live and work. These areas can be defined by the patterns of household movement. These patterns are influenced by factors such as proximity to family, friends, employment, education and other facilities, and are likely to operate across local planning authority boundaries.



## Annex B: Sub-Regional Housing Market and Housing Land Availability Assessments

1. Housing market and land availability assessments are an important part of the policy process. They provide information on the level of need and demand for housing and the opportunities that exist to meet it. They are therefore critical for local planning authorities and regional planning bodies in their role to balance the demand and supply of housing.
2. It is important that assessments are prepared in collaboration with stakeholders. Where two or more local planning authorities form a sub-regional housing market area, local planning authorities should work together either by preparing joint assessments or by ensuring consistency in methodology.
3. The practice guidance accompanying this statement provides a detailed methodology for carrying out these assessments. The key outputs are set out below.
4. A sub-regional housing market assessment should:
  - estimate housing need and demand in terms of affordable and market housing;
  - determine how the distribution of need and demand varies across the plan area, for example between the urban and rural areas; and
  - identify the particular accommodation needs and demands of specific groups, such as key workers, homeless households, Black and Minority Ethnic groups, first time buyers, students, disabled people, older people and Gypsies and Travellers.<sup>17</sup>
5. A sub-regional housing land availability assessment should:
  - assess the level of unimplemented permissions and their likelihood of being brought forward to completion in the plan period, net change to the housing stock for proposals for the redevelopment of existing housing estates, and the outstanding level of housing provision on sites currently under-construction;
  - assess land availability by identifying buildings or areas of land (including brownfield and greenfield) that have development potential for housing or mixed use development (with a housing component);
  - assess the level of housing provision of identified land;
  - evaluate past trends in windfall brownfield land coming forward for development and estimate the likely future implementation rate, including for greenfield windfall in the case of rural exception sites only;

<sup>17</sup> Required by s225 of the Housing Act 2004.

- assess developability by identifying constraints that might make the site **unavailable** and/or **unviable** for development;
- identify sustainability issues and physical constraints that might make the site **unsuitable** for development; and
- identify interventions that could be made to overcome constraints on particular sites.

## Annex C: Density

1. In determining appropriate approaches to density at the regional and local level, regional planning bodies and local planning authorities should have regard to the indicative density ranges for specific types of location set out in Table 1.

**Table 1: Indicative density ranges**

	Location			
	City Centre <sup>1</sup>	Urban <sup>2</sup>	Suburban <sup>3</sup>	Rural <sup>4</sup>
<b>Density range</b> (dwellings per hectare)	Above 70	40-75	35-55	30-40

Footnotes to Table 1:

<sup>1</sup> Where the predominant area lies within the central area of a city, as defined by the 2001 Census, or is part of the central area of a regional centre which serves a wide catchment. In London, parts of the whole of the Boroughs of Camden, Hackney, Hammersmith & Fulham, Greenwich, Haringey, Islington, Kensington & Chelsea, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets, Wandsworth and Westminster form part of areas which are considered to have the characteristics of a city centre.

<sup>2</sup> Areas which are generally denser than more suburban areas and comprise a mix of residential and employment areas.

<sup>3</sup> Areas of medium housing density which are predominantly residential in character.

<sup>4</sup> Areas where there are no 'towns' and which are generally more than 10 km from an 'urban centre'. For purposes of this Annex, 'urban centre' means a settlement which exceeds 2 km<sup>2</sup> in geographical extent and 'town' means a settlement which exceeds 1 km<sup>2</sup> in geographical extent.

2. Local planning authorities should work with local stakeholders and local communities to set appropriate density ranges for specific types of location having regard to the indicative density matrix and to the approach to density set out in the regional spatial strategy.
3. The choice of appropriate levels of density for an area should be informed by:
  - an assessment of the characteristics of an area, including the mix of uses;
  - location and level of public transport accessibility;
  - the need to use land efficiently;
  - the importance of promoting high quality design;
  - the broader spatial strategy and vision for the future development of their area, in particular the need for housing and the housing plans and policies;
  - the level of service provision and public spaces; and
  - resource efficiency and the minimisation of environmental impacts.

4. Densities should be expressed as net residential density in dwellings per hectare (dph) and should be expressed as a range. The bottom of the range should act as a minima. Local planning authorities may set ranges below those set out in Table 1, and where they wish to do so this should be clearly justified. The presumption is that the minimum density should be no less than 30 dwellings per hectare. It will not generally be appropriate for local planning authorities to have one broad density range covering the whole of their plan area.

## Annex D: Illustrative approaches to managing delivery in different types of sub-regional housing market area

Level of demand	Constraints (limiting factors)	Level of growth (set out in RSS)	Policy on delivery of the level of housing provision over the plan period for the sub-regional housing market area and local planning authorities within each area – to be set out in RSS and LDF	When should the five year supply be updated, for example if the five year land supply is developed much quicker than expected?	How might the local planning authority consider planning applications on an unallocated site, before an update has been published (subject to all other material considerations)?
A High, affordability poor	Limited	High	Expected to deliver at a flexible rate over the plan period Expected to allocate for 5 – 15 years Option to phase in years 6 – 15	Monitored at least annually. In practice updated: – every 2-3 years if this requires a new site allocation development plan document; or – every 1-2 years if proposing or making amendments to an existing supplementary planning document.	Normally consider favourably
B High, affordability poor	Infrastructure constraints e.g. dependent on delivery of strategic infrastructure	High	Expected to deliver at a flexible rate, but rate will depend on infrastructure constraints Expected to allocate for 5 – 15 years Option to phase in years 6 – 15	As A	Decision should take into account impact on infrastructure
C High, affordability poor	Environmental constraints e.g. environmental designations	Medium – High	Expected to deliver at a flexible rate, but rate will depend on environmental constraints Expected to allocate for 5 – 15 years Option to phase provision for the plan period (years 1 – 15) Option for arrangements managing the release of land between local planning authorities within the sub-regional housing market area	Option as A Option in accordance with phasing policy	Decision should take into account impact on the environment
D Medium	Mix	Medium	Expected to deliver at a flexible rate, but rate will depend on environmental constraints Expected to allocate for 5 – 15 years Option to phase provision for the plan period (years 1 – 15) Option for arrangements managing the release of land between local planning authorities within the sub-regional housing market area	Option as A Option in accordance with phasing policy Option in response to long term changes in the housing market	Decision should take into account any constraints

# Annex D: Illustrative approaches to managing delivery in different types of sub-regional housing market area (continued)

Level of demand	Constraints (limiting factors)	Level of growth (set out in RSS)	Policy on delivery of the level of housing provision over the plan period for the sub-regional housing market area and local planning authorities within each area – to be set out in RSS and LDF	When should the five year supply be updated, for example if the five year land supply is developed much quicker than expected?	How might the local planning authority consider planning applications on an unallocated site, before an update has been published (subject to all other material considerations)?
E Mixed, high and low	Combination of high and low demand within market area	Medium- Low	Expected to deliver a managed rate over the plan period Expected to allocate for 5 – 15 years Option to phase provision for the plan period (years 1 – 15) Option for arrangements managing the release of land between local planning authorities within the sub-regional housing market area Option to adjust the rate of development for individual local planning authorities, if evidence suggests that there has been a long term change in housing market circumstances and a higher or lower rate would not impact adversely on other local planning authorities within the housing market area	Option in accordance with phasing policy Option in response to long term changes in the housing market	Decision should take into account impact on regeneration initiatives
F Low, but improving	Level of housing provision currently low	Low	Expected to deliver a managed rate over the plan period Expected to allocate for 5 – 15 years Option to phase provision for the plan period (years 1 – 15) Option for arrangements managing the release of land between local planning authorities within the sub-regional housing market area Option to adjust the rate of development for individual local planning authorities, if evidence suggests that housing market circumstances have changed	As E	Decision should take into account housing market circumstances
G Low	Market failure	Renewal	As E	As E	As F

**Comments on the Draft Practice Guidance on Housing Market Assessments**

It is considered that the approaches contained in the Guide will not produce a statistically valid market assessment for the reasons set out below:

- The guidance does not contain any information on how housing markets will be defined in terms of their size;
- The housing markets are to be defined within the Regional Spatial Strategy at the sub-regional level but there is no justification for the sub regional level being the correct level;
- There is no mention of any overlap between markets which was expected in the research referred to in the earlier consultation on housing markets;
- Information is to be sought on a wide variety of matters but much of the information sources cannot be disaggregated below the District/Borough level. To match housing market boundaries such disaggregation will be essential so a large amount of estimation will be needed which will mean the figures are not statistically valid;
- The process will depend on a partnership being established for each market area to develop the assessments. Such an approach is unlikely to produce agreement on such matters as levels of expected affordable housing between the involved parties which will involve housebuilders, local authorities, registered social landlords, the housing corporation and regional housing board/planning bodies;
- Much of the statistical information will need to be handled by specialised staff which may not be currently available within the organisations involved and would need to be recruited/funded;
- The guidance refers to a series of assessments on matters such as future household numbers, economic performance, affordability related to predicted incomes and house prices. Some of these will require sophisticated data handling including econometric computer modelling which will be costly and time consuming;
- Local surveys are frequently mentioned which will be a further resource demand;
- Predictions are expected to be up to ten years into the future which is extreme in relation to forecasts on such matters as economic activity and house prices so accuracy will be very suspect;
- This will not relate to RSS time horizons which are 15 years into the future;
- The guide indicates that there will be a plan, monitor and manage approach to the information which will mean constant revision of figures and potentially development plan documents;
- Figures will need to be updated annually to feed into Annual Monitoring Reports. This will be a huge burden on Councils;
- Many of the figures referred to relate to the Census which is already five years out of date and will be increasingly out of date;

- Specific guidance on estimating future house prices, which is important for assessing future affordability, is very minimal amounting to just five lines of text on page 33; and
- Important guidance which will amplify the broad statements made in the guidance is not available so it is not possible to comment properly on the practicality of the approach.



## Appendix 3

### Comments on the Draft Practice Guidance on Housing Land Availability Assessments

It is considered that the draft practice guidance will significantly extend the work of councils above that required to undertake the current urban capacity studies and will duplicate work, particularly on greenfield sites, that will be undertaken through the development plan process.

- Partnerships will need to be established for each housing market area (the Vale is covered by three areas) and will involve a wide range of partners, potentially with conflicting interests.
- The study will not be restricted to urban areas but will cover all settlements where housing could be provided. This will significantly extend the scope of the studies and involve defining settlement boundaries for villages. This will be contentious as people will assume they can be used for defining whether a site is within a village when planning permission is sought.
- It is not clear from paragraph 14 of the guidance whether all previously developed land should be included: it is assumed that it is brownfield land within the settlements defined above, but it should be clarified.
- The assessments will also be required to identify greenfield sites adjacent to or within existing settlements (including rural settlements). This is not included in the current guidance and is part of the preparation of development plan documents.
- The developability of all sites is to be assessed according to a long list of criteria. Sites are then to be ranked and categorised as to whether they are suitable for inclusion as allocations in the first five years of the plan. This will not only be time consuming but particularly for greenfield sites is the function of site allocation development plan documents which will also take account of sustainability issues and public consultation. There will be significant confusion as to the role and weight to be attached to the different but similar documents.
- It is likely that the ranking of sites will, because of the criteria to be assessed, show that greenfield sites score more highly than brownfield sites in terms of availability and viability. This will detract from the Government's objective of prioritising brownfield sites for development. **It is considered that the requirement to include greenfield sites in the housing land availability assessments should be deleted.**