

PLANNING BULLETIN

PPS3: HOUSING

Background

On 29th November 2006 the Government published the final version of PPS3. The publication of this document had been delayed due to the extent of the consultation response.

PPS3 sets out the Government's broad policy objectives for planning for housing in England, and the national planning policy framework for delivering those objectives. PPS3 has been developed following the Barker Review of Housing Supply and underpins the Government's response to this review and the necessary "step-change" in housing delivery through a "more responsive approach to land supply at the local level".

Key aspects of PPS3 are set out below:

Focus on Delivery

Following Kate Barker's involvement in the review of the planning system PPS3 provides a welcome focus on ensuring the delivery of increased levels of housing in the right form and right place, at the right time and at the right price.

Small sites feel the bite

PPS3 sets a national indicative minimum site size threshold for the provision of affordable housing of 15 dwellings down from 25. In addition, Local Planning Authorities are able to set lower thresholds than this where viable and practicable. Affordable housing will therefore be sought on a greater proportion of sites.

At face value this would increase the supply of affordable housing. However, will the greater costs to developers this entails further squeeze the supply of development land?

Viability Evidence Remains Key

Increased demands on developers to contribute through planning gain for social infrastructure as well as increased affordable housing provision pushes the viability of schemes into more doubt.

Draft PPS3 had suggested that Local Planning Authorities needed to be realistic and consider viability when considering housing sites. However this provision has been less obviously applied within PPS3 with Local Planning Authorities required to consider the economic viability of land when setting affordable housing targets and thresholds. Scope therefore remains to question affordable housing requirements; however the onus stays with the developer to prove sought affordable housing levels result in unviable development.

Return of the Five-Year Land Supply

Local Planning Authorities must now demonstrate an up-to-date five-year supply of 'deliverable' sites for housing. Local Planning Authorities are also required to identify a further supply of specific, developable sites for years 6-10 of the plan period and a similar supply of sites or broad growth locations for years 11-15.

Previously Developed Land

Paragraph 42a of PPG3 which supported the use of land previously in industrial or commercial use (if no longer required for that use) is not included within PPS3. PPS3 relies more on a plan-led approach, except where a Local Planning Authority cannot demonstrate an up-to-date five-year land supply.

Local Planning Authorities are required to provide a target and 'trajectory' for achieving the Government's target of 60% of new housing on previously developed land, and to demonstrate annually that its trajectory is being held. In developing its target and trajectory Local planning Authorities are directed to consider whether sites currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development.

Notably, in the case of a significant underperformance against an identified trajectory, a Local Planning Authority can, if all other steps have been taken, invoke stricter policies preventing the development of Greenfield sites.

Market Responsiveness

In developing their housing policies, Local Planning Authorities and Regional Planning Bodies are required to take into account market information identified through Strategic Housing Market Assessments to be prepared collaboratively with stakeholders.

No More Baseless Protection

Local Planning Authorities have in the past protected land with no evidence base to show the land is not needed for housing. One of the principles of PPS3 is that the development of Local Development Documents and Regional Spatial Strategies be informed by a robust shared evidence base of housing need and demand. Potential Housing sites cannot be discounted unless this evidence demonstrates that housing need and demand is satisfied.

A Need to be Pro-active

Developers, investors and landowners will need to be pro-active to the new planning regime. Such stakeholders must now work in collaboration with Planning Authorities to identify the supply of sites and broad locations for future housing development. Failure to do this will leave sites 'on the shelf' if needs are met elsewhere.

Stakeholders will therefore need to:

- Participate in the preparation of the Regional Spatial Strategies to ensure that housing numbers and the Strategic Housing Market Assessments meet their own development aspirations.

- Seek to ensure that their sites are identified in Strategic Housing Availability Assessments and that site constraints that could affect the economics of development such as contamination are highlighted.
- Seek to ensure that their sites are included within the 15 year program of allocated sites prepared by the Local Planning Authorities.

Less Prescription on Density

Unlike its consultation draft, PPS3 does not include indicative density thresholds or prescribe that density ranges have to be used by Local Planning Authorities.

In the development of density policies, Local Planning Authorities are directed to have regard to a range of factors including the level of housing demand; current and future level and capacity of infrastructure; and current and future levels of accessibility. This could provide justification for greater densities along proposed transport improvement routes and in locations close to new infrastructure such as new schools and leisure facilities.

Inevitably efficient use of land combined with providing more family accommodation in city environments suggests a move towards an urban European apartment culture with family apartments located close to the facilities they require, such as schools and local parks. The question is whether the housing market will accept this form of housing?

No plan, No progress

The provision of housing is now predicated on an up-to-date and constantly monitored evidence base for housing need, supply, and land availability. The identification and review of housing allocations and preparation of a housing provision strategy cannot take place until this information is available and robust.

The theory is admirable, but does the planning system have sufficient resources and in-house expertise to make it work?

Interim Controls

Local Planning Authorities are not required to have regard to PPS3 as a material consideration when making decisions on planning applications until 1st April 2007 except in particular circumstances. This is in order to allow Local Planning Authorities with existing Local Plans to assess the extent to which they have, and can maintain, a 5-year supply of deliverable land for housing as required by PPS3 prior to it coming into force.

Will Local Planning Authorities have the resources to meet this challenge in this short period of time?

After the 1st April 2007, prior to the review of development plans to take on board its provision, Local Planning Authorities are directed to take the policies within PPS3 into account as material considerations as they may carry greater weight than the relevant policies in the development plan.

For further information please contact:

Richard Tilley MA, MRTPI, MRICS

Tel: 020 7832 1463

Email: richard.tilley@cgms.co.uk

Robin Shepherd BSc, Dip TP, MRTPI

Tel: 01242 259 290

Email: robin.shepherd@cgms.co.uk

**LONDON
OFFICE**

Morley House
26 Holborn Viaduct
London
EC1A 2AT

Tel: 020 7583 6767
Fax: 020 7583 2231

**CHELTENHAM
OFFICE**

Burlington House
Lypiatt Road
Cheltenham
GL50 2SY

Tel: 01242 259290
Fax: 01242 259299

**NEWARK
OFFICE**

The Manor Barn
South Street
Normanton-on-Trent
Notts NG23 6RQ

Tel: 01636 821727
Fax: 01636 822080

**KETTERING
OFFICE**

Ragsdale
1 Church Lane
Great Cransley
Northants NN14 1PX

Tel: 01536 790447
Fax: 01536 799378