



PLANNING BULLETIN

CONSULTATION DRAFT PPS3: HOUSING

Background

In December 2005 the Government published for public consultation its long awaited draft revision to PPS3. The consultation period ends on 27 February 2006.

The consultation paper sets out the Government's broad policy objectives for planning for housing in England, and policies that it considers will help deliver those objectives. The policies are drafted against the background of the Government's over arching objectives of creating sustainable development.

Relevance

The regional planning bodies, including the London Mayor, and Local Planning Authorities will need to take on board the policies contained in this guidance in preparing their development plans. This is important because as specified in the 2004 Planning and Compulsory Purchase Act planning applications need to be determined in accordance with policies of the development plan unless material considerations indicate otherwise. The guidance is also a material consideration in determining planning applications.


The appendix attached to this briefing note summarises the key components of the consultation draft.

Commentary

The guidance has to be read in association with the major changes to the delivery of the planning system which are either in the process of being implemented or at the forefront of the ODPM's thinking.

These can be summarised:

- 1 The Barker report, which highlighted the failings of the existing planning system in the delivery of housing, especially affordable housing, in England.
- 2 Due to the 2004 Planning and Compulsory Purchase Act - the abolition of the old style development plan – the former County Structure Plans and the Borough or District Wide development plans, and their replacement with a folder of new “Local Development Documents” – most notably the “core strategy”, “site allocation development plan,” and “regional spatial strategies” as well as supplementary planning documents.

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- 3 The ongoing debate about how applicants seeking planning permission are to help fund the Government's sustainable development agenda. This is exemplified by the potential introduction of the "Planning Gain Supplement" which, if implemented, will extract a proportion of the uplift in land value associated with the grant of planning permission. The proceeds of the SPS are then to finance infrastructure and new affordable housing development.

In light of this background context, we have the following comments:

1. Planning permissions for major development will cost you more.

Either through section 106 agreements, or the SPS, or potentially both, all major residential developments (defined as being over 15 units) will have to deliver affordable housing. This requirement to provide affordable housing will also increasingly apply wherever possible to commercial developers who are proposing major schemes.

This will mean that the cost to develop land will increase – whether the cost is ultimately passed on to the landowner is yet to be seen.

2. Viability of schemes – a new key material consideration?

The draft guidance emphasis on the need to deliver more affordable housing, as well as the potential introduction of the Supplementary Gain Supplement and increasing section 106 requirements to fund education and other "social infrastructure", is likely to mean that developers and local planning authorities will increasingly have to agree the viability of the proposed scheme.

Independent valuations and assessments will be needed and their findings will become an ever increasing material consideration in determining planning applications. Hitherto, the viability of developments has not been subject to formal assessment in the planning process on a regular basis.


3. Need to be proactive

Developers, investors and landowners will need to be proactive to the new planning regime; the old approach of seeking to have a site considered as a windfall site looks like a more risky option than in the past.

In short, residential planning permissions are unlikely to be achieved where the proposed amount of housing exceeds the regional requirement and where the demand is not identified in the sub market assessment. Permission is also less likely if the site has not been allocated in a development plan document.

Housebuilders and landowners will therefore need to:

- Participate in the regional spatial strategy to ensure that housing numbers and the sub regional market assessments meet their own development aspirations; the local planning authority's development documents are not the forum for this debate.

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- Seek to ensure that their sites are allocated in site specific development plans prepared by the Local planning authority in accordance with agreed numbers, household types and densities.

3. Town cramming?

The guidance drive on the delivery of more housing and the maximisation of densities within urban, brownfield sites, creates the danger that the town planning will become associated with “town cramming.”

Not all projected growth in households will be single households who want to live in city centres at high densities. However, this is exactly the type of residential development that the guidance is encouraging.

The Government’s drive to make more use of land and hence to increase residential densities across the country creates an inherent conflict where the sub market assessment identifies strong demand for family suburban housing. This demand for family housing cannot be easily be achieved within the urban area’s brownfield sites. Families still demand more space and gardens with their own car parking with better access to schools and health facilities., this demand can only be met in the suburbs and at the urban fringe. There is the prospect that despite the rhetoric of the guidance, the green belt will be under threat to meet this demand.

4. More delays to obtaining your residential permission?

The Government is introducing a plethora of policy initiatives which both regional and local planning authorities need to take into account in the plan making process and the determination of planning applications.

Although laudable in their planning objectives, the reality is that the planning system has insufficient resources and in house skill to complete the tasks set by Government. This means more delay in the planning process.

The only way open for Local Planning Authorities to deal with this mounting problem is to delay the registration of planning applications and demand a plethora of information from the applicant so that they can meet their statutory deadlines for the determination of planning applications.

5. Better prospects of obtaining residential consent?

On a positive note, given the guidance’s emphasis on the need for Local Planning Authorities to grant consent for residential development unless there are clear planning reasons not to do so, housebuilders should seek to take advantage of this positive stance.

In particular, the development of land and buildings for housing formerly identified in development plans for industrial purposes, and where for the foreseeable future there is little prospects of take up of the site or buildings for industrial use, will strengthen the house builders ability to challenge on land use designations.



Similarly, the guidance states that housebuilders do not necessarily have to wait for the new style development plans to be adopted; if the specific site and proposal is broadly in line with the guidance then it seems Inspectors will take a favorable stance in the event that the Council are minded to refuse the application on prematurity grounds.

Appendix: Summary of Key points from the consultation draft on PPS3.

The consultation draft sets out a raft of new policy guidance under a number of key headings. Outlined below are the principal components of the guidance.

I. Plan making policy guidance.

In line with the changes to the levels of planning responsibility between national government, the regional planning bodies and individual local planning authorities, the paper states that

National planning policy objectives for housing

- Three objectives are identified: ensuring a choice of all housing types; to deliver a better balance between housing demand and supply and to create sustainable, inclusive and mixed use residential communities.

Regional Planning Bodies on the Regional Spatial Strategies need to

- Set out the region's level of housing provision to reflect national policy objectives as well as taking into account other regional priorities. Regional spatial strategies should
- Give the net level of housing provision for the region for 15 to 20 years
- Identify the sub regional housing market areas for demand and supply.
- Identify for each sub regional housing market area and each local planning authority within it the net level of housing provision for the plan period.
- The approach for each sub regional housing market area
- Identify the region's brownfield and density targets
- The region's approach to affordable housing needs, including an affordable target for each sub region, and its approach to the appropriate mix of household types.
- In arriving at the proposed distribution of housing provision regional planning bodies should 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.
- Make decisions based on the sustainability appraisal of the distribution between urban and rural areas.

- 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, growth points, new freestanding settlements and major urban extensions as necessary and appropriate.
- Where demand is low the focus is on urban renewal and replacement of housing stock.

Local development frameworks and their associated Local Development Plan documents should:

- Set out the level of housing provision for the plan period in accordance with the regional spatial strategy;
- Allocate sufficient land and buildings for housing and 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;
- For the following 10 years of the housing trajectory, allocate land wherever possible; where this is not possible the core strategy should indicate broad areas of land for future growth.
- Each site identified should specify the number of units and the plan should also set out density ranges across the plan area. The minimum density is specified as no less than 30 dwellings per hectare.
- Set affordable housing targets and targets for social rented and intermediate housing, as well as site thresholds for affordable housing.
- In allocating sites for housing the sites should be available, suitable and viable.
- Windfall sites need to be realistic and be in sustainable locations and take into account past trends of the supply of windfall sites.
- Local Planning Authorities should review all of their non housing allocations when preparing their development plan documents and consider whether some of this land might be more appropriate for housing or mixed use development.

2. Efficient use of land

The priority for development is developable brownfield land. The guidance states that the national target is 60% of additional housing to be on brownfield land.

Both regional and local planning authorities should set out brownfield targets in their development plan documents.

Density policies should also be given for the plan area. The guidance gives in Annex C examples of density guidelines. In the City Centres (which for example, in London includes the inner London Boroughs such as Westminster, Kensington & Chelsea, Newham and Greenwich) the guidance is above 70 dwellings per hectare; in urban areas the density ranges should be between 40 –75 per hectare; in suburban areas the density is between 35 to 55 dwellings per hectare.

By taking this approach the Government hopes to reach its target of new housing densities not





being less than 30 dwellings per hectare.

Taking this approach further the guidance, paragraph 36 considers that gardens are brownfield sites and their development for additional housing may minimise the pressure on greenfield sites.

3. Household type

Plans should specify the household types it needs to accommodate – ranging from family housing to single person and multi-person households.

Allocated large sites should be developed for a broad range the household types.

4. Affordable Housing

Key points specified in the guidance are that:

- In setting their affordable housing targets Local Planning Authorities need to take into account the relevant sub regional housing assessments, the relevant spatial and regional housing strategy, homelessness strategy and local community strategy.
- The targets also need to take into account the anticipated levels of finance available for affordable housing including public subsidy from the Housing Corporation.
- There should be separate targets for social rented and intermediate housing for key workers.
- Local Planning authorities should set out a minimum site threshold for affordable housing provision and the norm is given as a minimum threshold of 15 dwellings.
- Local Authorities need to take into account the need for affordable housing against the viability of sites in their area, including competing land uses and the levels of finance for affordable housing and therefore the level that developer contributions can realistically deliver.
- The presumption is that affordable housing should be provided on site; however there may be circumstances to specified in development plan documents where off site provision or a financial contribution in lieu of provision may be acceptable.

5. Designing for quality

The guidance advocates the use of “design codes” as part of their policies, as well as design guidance in masterplans and site briefs as part of the objective to create new high quality and well designed houses.

The design should enable the housing layouts to feel safe, inclusive and take account of public health and crime prevention.

New development should have regard to the townscape and landscape of the wider locality where the key consideration is whether the development positively improves the character and environmental quality of an area and the way it functions.



Residents of new dwellings should have easy access to open space – including play space – either through additions to or improvements of the local open space network.

6. Managing delivery and development

The guidance:

- Encourages pre application negotiations for housing developments.
- Says that because development plan documents might not have allocated housing sites guidance given in this PPS might be given greater weight than the policies of the extant development plan.
- Housing development might also be appropriate on sites where land allocated or previously used for industrial and commercial use, where that use is no longer needed as demonstrated by an up to date review of employment land.
- Requires Local Planning Authorities to annually review housing permissions, starts and completions on land allocated for housing and windfall against a change in circumstances, including the housing market. Where targets are not being met then new sites might need to be allocated for housing development in a site allocation development plan document.

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