

## WYRE FOREST DISTRICT COUNCIL

### CABINET

THURSDAY 16<sup>th</sup> FEBRUARY 2006

### Response to ODPM Consultation Paper on a New Planning Policy Statement 3 (PPS3): Housing

<b>OPEN</b>	
<b>COMMUNITY STRATEGY THEME</b>	<b>A Better Environment</b>
<b>CORPORATE PLAN THEME</b>	<b>Managing the Local Environment</b>
<b>KEY PRIORITY</b>	<b>Forward Planning</b>
<b>CABINET MEMBER</b>	<b>Cllr James Dudley</b>
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<b>APPENDICES</b>	<b>Appendix 1 – Proposed Response</b>

#### **1. PURPOSE OF REPORT**

- 1.1 To report to Cabinet the details of the ODPM Consultation Paper on the new Planning Policy Statement 3 (PPS3) published in December 2005 and to agree a response.

#### **2. RECOMMENDATION**

The Cabinet is asked to **DECIDE** that:

- 2.1 **The proposed responses to the ODPM Consultation Paper on the new Planning Policy Statement 3 (PPS3), set out in Appendix 1 to this report, be agreed.**

#### **3. BACKGROUND**

- 3.1 In December 2005 the ODPM published a consultation paper on a new Planning Policy Statement 3 (PPS3) for housing. This document introduces important proposed changes in the approach to planning for housing and has significant implications for the second stage of the partial review of the Regional Spatial Strategy (RSS), the work of the South Housing Market Area Partnership (SHMAP) and the delivery of the Council's core strategy and site allocation proposals through the Local Development Framework.
- 3.2 Draft PPS3 was published at the same time as, and needs to be read in conjunction with, a raft of other documents and consultations, including the Government's response to Kate Barker's Review of Housing Supply, proposals for introducing a Code for Sustainable Homes,

a Consultation on Planning – Gain Supplement, a new circular on the Town & Country Planning (Greenbelt) Direction 2005 and the establishment of a new Growth Point's Initiative Fund.

3.3 These consultations all aim to deliver the Government's three fundamental objectives to:

- Ensure that a wider choice of housing types is available for both affordable and market housing, to meet the needs of all members of the community;
- Deliver a better balance between housing supply and demand in every housing market and to improve affordability where necessary.
- Create sustainable, inclusive, mixed communities in all areas. Developments should be attractive, safe and designed and built to a high quality. It should be located in areas with good access to jobs, key services and infrastructure.

3.4 The closing date for responses to this consultation is 27<sup>th</sup> February 2006.

#### **4.0 KEY PPS3 PROPOSALS**

4.1 Current national advice is contained within Planning & Policy Guidance Note 3: Housing which was published in 2000. In July 2005 the Government announced an intention to replace PPG3 with a new shorter, clearer Planning Policy Statement for housing. Also in July 2005 a consultation was published entitled, "Planning for Housing Provision" which set out the Government's objectives for delivering a better supply of housing through the planning system. The draft PPS3 takes into account responses to this consultation, together with those from a previous consultation, "Planning for Mixed Communities" which was published in January 2005.

4.2 Inter alia draft PPS3 introduces a number of proposed new measures:

- A new approach to setting housing numbers using sub regional housing market areas as the basis for planning new housing rather than local administrative boundaries.
- A requirement for regional planning bodies and local planning authorities to take account of affordability and housing market information, alongside factors such as the environment and infrastructure when deciding how many homes to build.
- Improving affordability in the housing market by allocating and identifying sufficient land for housing where it is needed; requiring local authorities to identify a rolling supply of at least five years' supply of developable land for housing, with a further ten years' supply identified for future development.
- Continuing a commitment to deliver against a target of 60% of new homes on brownfield sites by 2008 to minimise pressure on greenfield land.
- A continued commitment to make the best use of land, retaining a minimum level of 30 dwellings per hectare but promoting a flexible approach to density above that level that takes into account local circumstances and allows local authorities to set a density range appropriate for particular types of location.
- A commitment to high quality design, introducing the concept of design codes and site briefs for new housing, aiming to speed up planning decisions.

- A new approach to planning for mixed communities to ensure that a wide choice of both affordable and market housing is available to meet the needs of all the members of the community.
- A continued commitment to sustainability appraisal to take account of environmental impacts in the local area.

4.3 The PPS3 consultation sets out a series of questions which the ODPM have requested answers to. Appendix 1 to this report sets out the questions and the proposed response.

## **5.0 FINANCIAL IMPLICATIONS**

5.1 There are no financial consultations arising as a result of this report.

## **6.0 LEGAL AND POLICY IMPLICATIONS**

6.1 This consultation document has significant implications for future policy formulation, the Council's Core Strategy and Site Allocations Development Plan Documents under the new Local Development Framework

## **7.0 RISK MANAGEMENT**

7.1 There are no specific risk management issues arising from this report.

## **9.0 CONSULTEES**

Head of Legal & Democratic Services

## **10.0 BACKGROUND PAPERS**

Consultation paper on a new Planning Policy Statement 3 (PPS3): Housing

The Government's response to Kate Barker's Review of Housing Supply (December 2005)

Planning – Gain Supplement : A Consultation (December 2005)

The Town & Country Planning (Greenbelt) Direction 2005

Proposals for Introducing a Code for Sustainable Houses (December 2005)

MP/JHL  
30-01-06

**PROPOSED RESPONSE TO CONSULTATION PAPER ON A NEW PLANNING POLICY STATEMENT 3 (PPS3): HOUSING**

*Question 1: Do the policies set out in draft PPS3 deliver the Government's housing objectives (set out in paragraph 1)*

*Response:* No.

The proposals in draft PPS3 imply a single solution approach to all areas which does not recognise a variety of problems across regions in delivering the Government's three main stated objectives.

The continued reliance on the planning system to deliver affordable housing to meet the needs of local communities fails to acknowledge that the downturn in new affordable housing development over the last 30 years has empirically been shown to be due to the collapse in the provision of publicly funded housing which has not been offset by increases in the private market sector, nor by increase provision through Registered Social Landlords (RSLs). Although it is recognised that increased funding directly to RSLs and developers has been targeted, the results have yet to be delivered.

Far greater attention needs to be given, both in the general response to the Barker Review and in the draft PPS3, as to how the urgent need for affordable housing, and particularly social housing, can be met now.

The shift towards the planning system delivering a supply of housing based on demand in order to provide more affordable housing to meet community needs is a step change in a process which has hitherto been about the strategic delivery of land for housing, based on a balance of appropriate land uses within the local, county and regional strategic planning framework. The shift towards a supply and demand economic culture is likely to create problems. For example, in the West Midlands Region, Urban Renaissance has been identified as one of four major challenges for the region around which policy has been developed in the West Midlands Regional Spatial Strategy (RSS). The RSS seeks to tackle the continued decentralisation of population from the major urban areas by concentrating development back into the conurbations and restricting it elsewhere. However, there is currently high demand for housing in the adjacent Shire authorities of, for example, Worcestershire and Shropshire, where affordability, amongst the existing population in these rural areas is an increasing problem and where, based on the PPS3 approach, supply ought to be increased in order to meet demand and bring down house prices. However, this approach would significantly undermine the RSS.

Further, the concept of increasing supply to meet demand fails to address the fact that the affordability problems are with us now but an increase in supply would take many years to have an effect on this situation, and is unpredictable and uncertain in delivery.

*Question 2: Are the arrangements for delivering PPS3 clearly set out in relation to:*

*(a) Working in Sub Regional Housing Markets*

*Response:* Yes, with reservations.

Recognition of work at the Sub Regional Housing Market level, and not just within local authority administrative boundaries is welcomed, although it brings with it a number of practical problems. The West Midlands Regional Housing Strategy has been based around the development of four housing market areas in the region which have been derived from technical and empirical evidence undertaken by both Sheffield and Birmingham Universities. These housing market areas are the basis upon which the current partial review of the Regional Spatial Strategy for the West Midlands is being undertaken. However, the definition of Sub Regional Housing Market areas suggested in draft

PPS3 is incompatible with the work undertaken in the West Midlands so far and is likely to cause significant confusion between the Regional Housing Strategy and the Regional Spatial Strategy.

The statement that the level of housing provision should be set for each Local Planning Authority area is welcomed and is essential for the delivery of local development documents.

*(b) Determining the Regional level of housing provision and its distribution?*

*Response:* Yes, with reservations.

Whilst the principle of the approach is welcomed, further flexibility needs to be given to the Regional Planning Bodies to determine regional priorities and to have access to a detailed evidence base to support them in their work.

Paragraph 9 of draft PPS3 has a potential to undermine the current work in the West Midlands Regional Spatial Strategy where the thrust of policy is to focus development on the major urban areas and to reverse the outward migration that is exacerbating the affordability problems of the surrounding Shire areas. It is essential that, in determining proposed levels and distribution of new housing development, the RSS and local requirements have a pre-eminence.

Whilst the introduction of the National Advice Unit to assist with Regional affordability is welcomed, further explanation is required regarding the role of the Unit and its relationship with the Regional Planning bodies and Regional Housing Boards.

*(c) Allocating and releasing land for housing:*

*Response:* No.

The emphasis on the allocation of a five year supply of developable housing sites from the date of adoption of the Local Development Document will put pressure on the release of easy to develop greenfield sites. Recognition should be given to the need for the provision of Strategic Infrastructure to support brownfield site allocations and the appropriate public sector funding mechanism to ensure delivery.

Paragraph 14 should be redrafted to ensure that a brownfield windfall allowance is normally made when identifying the residual requirement for site specific allocations.

*(d) Making efficient use of land:*

*Response:* Yes, with reservations.

The continued emphasis on the development of brownfield land is welcomed. However, the opportunity should be taken to give clarity to the definition of brownfield land especially in respect of the status of residential gardens. The statement in paragraph 36 of draft PPS3 that, "although residential gardens are defined as brownfield land, this does not necessarily mean that they are suitable for development", simply perpetuates the confusion with regard to this definition. Similarly, to most members of the public, the exclusion of 'agricultural buildings' from the definition of brownfield land seems illogical.

*(e) Planning for mixed communities:*

*Response:* Yes, with reservations.

The redefinition of affordable housing to exclude market housing is welcomed, as is the reaffirmation of the view that targets for affordable housing need to be realistic and that separate targets can be

set for social rented and intermediate housing. However, greater recognition needs to be given to the ability at Sub Regional and local level to set site size thresholds which are appropriate to the level of development at the local level. For example, the minimum threshold of 15 dwellings creates difficulties for affordable housing delivery on smaller windfall sites which consistently fall below this threshold.

The role of the National Advice Unit requires further clarification at the operational level. Additional guidance on Sub Regional Affordability targets would be welcomed.

*(f) Planning for Rural Housing:*

*Response:* Yes, with reservations.

The statement in paragraph 33 of draft PPS3 that, "Rural exception sites should only be released for affordable housing in perpetuity" presents major problems for RSLs in that, generally, their mortgage lender retains the ability to dispose of properties in the open market should the RSL, for any reason, default. This is a major cause for conflict which requires further clarification with the Housing Corporation.

*(g) Designing for quality*

*Response:* Yes, with reservations.

The continued emphasis on creating good design is welcomed as is the introduction of the design code concept. However, further clarification is essential on the status of residential gardens within the definition of brownfield land.

*(h) Greening the residential environment*

*Response:* No.

Requiring Local Planning Authorities to, "encourage" the principles of sustainable and environmentally friendly design in the construction of new development does not go far enough and should be further strengthened making this provision mandatory. Further, this creates an inconsistency with the requirement in the Code for Sustainable Homes for RSLs to meet a certain standard in order to meet Housing Corporation standards.

*(h) Managing delivery and development:*

*Response:* No.

Paragraphs 41 and 42 of draft PPS3 are a major source of concern in giving pre-eminence to the policies in the statement as material considerations above those in the Development Plan. This will significantly undermine local policy development and the Regional Spatial Strategy and the Government is requested to restate its support for the plan led system and the pre-eminence of the Development Plan in managing the delivery of housing.

*Question 3: Are the definitions set out in Annex A clear?*

*Response:* No.

Further clarity is required on the definition of brownfield (previously developed) land in respect of residential gardens. The statement in paragraph 36 of draft PPS3 simply serves to cloud the status of residential gardens.

The definition of Sub Regional Housing Market Areas is unhelpful in the West Midlands Region where considerable empirical and technical work has been undertaken in the preparation of the Regional Housing Strategy by Sheffield and Birmingham Universities to determine four housing market areas in the West Midlands Region. The definition suggested in PPS3 is incompatible with the definition used in the Regional Housing Strategy for the West Midlands and is therefore likely to create local difficulties with the delivery of housing through the Planning system. Greater flexibility in the PPS3 definition to enable the definition of Sub Regional Housing Market Areas to be determined locally is requested.

Regarding “Affordable Housing” in paragraph 8, the definition, if it is to include examples, should involve people on low incomes and those who may need assistance due to vulnerability, as there is no reference to people who may require supported specialist housing.

In paragraph 11, clarity is required over this type of housing, would it include supported housing provision?

In paragraph 12, “Intermediate Housing”, “below market prices or rents” needs to be based upon a simple formula to allow the Local Authority to stipulate at what level these should be. This would be based on Housing Market information on house prices and incomes. This would provide clarity through policy to developers.

In paragraph 13, “Key Workers”, the Government definition is too narrow and not relevant to many areas, particularly rural Authorities where local definitions of key workers, if appropriate, can be developed.

*Question 4: ODPM is committed to producing policy that promotes equality of opportunity and good relations between people of different racial groups and eradicates unlawful discrimination.*

*We are in the process of completing an Equality Impact Assessment and would welcome views on whether the policies set out in draft PPS3 will impact differently on people from different ethnic groups, on people with disabilities and on men and women.*

*Response:* In paragraph 21. “Household Type” could be strengthened to refer to Supporting People Strategies which fit within the suite of other documents which influence housing provision. This would explicitly encompass a wide cross section of groups whose housing needs require assessment and consideration. At present it is only Gypsy and Traveller provision that is highlighted in the document.