

**PLANNING FOR MIXED COMMUNITIES –
CONSULTATION PAPER ON A PROPOSED CHANGE TO PPG3: HOUSING**
(Report by Head of Planning Services)

1. INTRODUCTION

- 1.1 This report sets out the proposed changes to PPG3 contained in the consultation paper “Planning for Mixed Communities” published in January. It seeks approval for representations to be made to ODPM on concerns over the proposed changes and their potential impact.

2. BACKGROUND

- 2.1 ODPM consulted in July 2003 on a proposed update to PPG3 entitled “Influencing the Size, Type and Affordability of Housing”. Strong differences of opinion were expressed then about how best to plan for an appropriate mix of housing in an area. Some supported an approach whereby local planning authorities make provision for a specified mix based on the size and type of housing, as in this authority’s current SPG “Market Housing Mix”. Others considered this approach too prescriptive, particularly at individual site level and considered it could have an adverse effect on supply. This conflict has given rise to the development of the approach set out in this consultation paper.

3. PROPOSALS

- 3.1 The key proposals of this paper rely heavily on positive collaborative working between local authorities and developers. It suggests different mechanisms for planning the mix of affordable and market housing such that:
- The approach for planning an appropriate mix for affordable housing continues to be based on the size and type of dwellings involved.
 - The approach for planning an appropriate mix for market housing is changed to focus on planning for the range of households likely to need housing rather than for a range of size and type of dwellings.

Providing a mix of housing / housing assessments

- 3.2 The paper advocates that planning policies be informed by a local housing assessment of the nature and level of local housing demand. This should be developed by local planning authorities in partnership with local and regional stakeholders, in particular private house builders.

Planning for mixed communities

- 3.3 Regional Spatial Strategies would be required to set out the strategic approach to achieving an appropriate mix of housing. The paper requires local development documents to set out:
- The broad balance between the different household types to be provided for;

- The broad balance of provision between affordable and market housing resulting from this; and
- Policies addressing the housing needs of specific groups such as first time buyers, gypsies and travellers and elderly people.

Mix of households

- 3.4 The paper suggests that local development documents set out the broad balance between the numbers of different household types to be provided for. They should indicate in what circumstances or locations the broad balance of provision may be varied. All sites should contribute to achieving the broad balance but need not replicate the mix precisely. Sites of over 60 dwellings or 2 ha should particularly take in to account the broad balance of need.

Affordable housing

- 3.5 The paper requires that local development documents should contain a definition of what constitutes affordable housing in terms of its relationship between local income and house prices or rents for particular types of household. It should also set out:
- The proportions of social rented and intermediate housing required;
 - The amount, size and type of affordable housing required;
 - The form of in-kind contributions that will be required, and financial contributions where appropriate;
 - The circumstances in which the amount of affordable housing sought may be different from the norm.
- 3.6 In addition the paper proposes a significant reduction in the threshold for seeking affordable housing on a site from 25 dwellings or 1 ha to 15 dwellings or 0.5 ha. Lower thresholds may be sought where there are high levels of need that cannot be met on large sites alone and/ or where the majority of housing supply comes from smaller sites. The presumption is that affordable housing provided through planning obligations will be in-kind and on-site.

Delivering mixed communities

- 3.7 The paper favours a collaborative approach between local planning authorities and applicants for planning permission prior to the determination of a planning application. Applicants should demonstrate how they have arrived at a particular housing mix having regard to development plan policies. Local planning authorities are entitled to refuse the application if the proposal for a site does not address sufficiently the objective of creating mixed communities. Inclusion in planning obligations of a fallback mechanism is advocated to ensure delivery of affordable housing through an alternative arrangement should anticipated public subsidy not be forthcoming.

Issues arising from the draft document

- 3.8 Most of the principles incorporated in the paper are compatible with the suggested policy approaches put forward recently during the Initial Consultation on Options for inclusion in this Council's Core Strategy Development Plan Document. However there is one very significant exception

to this: the ODPM's suggested approach to planning for an appropriate mix for market housing by focusing on the range of households likely to need housing rather than for a specific range of sizes and types of dwellings.

- 3.9 The previous lack of control over the mix of dwellings resulted in over 50% of all completions in Huntingdonshire between 1991-2001 being 4+ bedroom properties. Introduction of the Market Housing Mix SPG has started to influence this by requiring a higher proportion of 1 and 2 bedroom properties to be built to help meet the needs of the increasing numbers of 1 and 2 person households.

4. SUGGESTED REPRESENTATIONS

4.1 Representation should be made to ODPM based on the following points:

- Different approaches to determining the mix of size and type of market and affordable properties will reinforce the distinction between them. Concern should be expressed that this is contrary to the philosophy of reducing distinctions between tenure types.
- Completion figures give evidence of market failure to meet the needs of all sections of the community. Lack of control over the size of properties has led to a prevalence of developments solely comprising 4+ bedrooms. Strong concern should be expressed that lack of firm control over the size of properties built would perpetuate this situation.
- There is a distinction between a mix of housing which is unviable to deliver and that which is viable but potentially less profitable. Developers will tend to build that which will be most profitable. However, it may be possible to require a mix which is still viable, but may be less profitable, that better meets the demands of the local housing market. Local planning authorities need to be able to set out specific guidance on the size and/ or type of properties required to meet identified local need, and then if necessary negotiate variations due to site specific conditions.
- Housing demand is frequently higher than the numbers of dwellings allocated to be built in a district, and therefore housebuilders can choose which segment of the market they build for. Concern should be expressed that this will result in housebuilders choosing only to meet the needs of certain sections of the market, particularly on smaller sites.
- Support should be expressed for the reduction of thresholds for seeking affordable housing and the flexibility to seek lower thresholds based on local conditions.
- Concern should be expressed about how realistic the sanction of refusing planning permission is should a development proposal not adequately meet the objective a creating a mixed community.

5. RECOMMENDATION

- 5.1 That the Cabinet authorise the Head of Planning Services, after consultation with the Executive Member for Planning Strategy, to make representations to ODPM based on the comments made in this report.

Background papers:

Planning for Mixed Communities – A Consultation Paper on a Proposed Change to Planning Policy Guidance Note 3: Housing (ODPM, 2005)

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