

**PLANNING FOR HOUSING PROVISION –  
CONSULTATION PAPER**

(Report by Head of Planning Services)

**1. INTRODUCTION**

- 1.1 This report provides details of a consultation paper which sets out the Government's objectives for delivering a better supply of housing through the planning system. It proposes a new policy approach to making the planning system more responsive to the housing market within the overall objective of planning which contributes to sustainable development. It seeks approval for representations to be made to ODPM setting out concerns over the potential impact of the new approach.

**2. BACKGROUND**

- 2.1 The Government intends to publish a draft new PPS3 on housing in the autumn. This will draw on the previous consultation 'Planning for Mixed Communities' (as reported to Cabinet on 7 April 2005) as well as the present consultation paper. The aim of the new paper is to ensure that plans will deliver land in the right places to meet the ongoing need for housing, in a way which takes better account of the housing market and is more responsive to changing circumstances. The new approach will require partnership working at every level of planning but in particular between local authorities and stakeholders and between local authorities in the same housing market area.

**3. THE PROPOSALS**

- 3.1 The consultation paper suggests three key challenges facing the Government and the planning system:
- Worsening affordability – one of the consequences of a long-term under-supply of housing with negative consequences for individuals and the wider economy
  - Land supply constraints – the effective supply of appropriate land through the planning system is fundamental to the successful delivery of the government's housing policies
  - Responding to the housing market – the tendency not to take adequate account of information about the housing market contributes to under-supply of housing in some areas.
- 3.2 The primary objective of the proposed approach is that land is allocated in plans to ensure a level of housing supply that better meets the need for housing, responds more effectively to changes in demand and promotes consumer choice. The Government expects this approach to help promote increased competition in the development industry and encourage constructive partnership between local authorities and developers in identifying and allocating land for housing. There are three key changes to the current policy framework which are set out below:

<b>Present policy &amp; practice</b>	<b>Proposed changes</b>	<b>Purpose</b>
<b>Planning for housing market areas</b>		
Regions distribute housing provision to local authorities and must take account of household projections, capacity and other constraints.	Regions continue to distribute housing provision but use sub-regional housing markets as a basis for allocating housing numbers as well as other factors and tailor the approach to delivery to the circumstances of different markets.	To ensure that decisions about the level of new housing required in each area are based on considerations of the housing market, rather than administrative boundaries, and that they take proper account of affordability and market information about housing need as well as wider social, economic and environmental considerations.
<b>Identifying land</b>		
Local authorities plan for 10 years of housing supply, 5 years of which is allocated but some or all of this may not in practice be available for development. Windfalls are expected to ensure delivery of housing.	Plan horizon is extended to 15 years. Developable land should be allocated to meet the first 5 years of this period, with less reliance on windfalls in areas where it is possible to allocate land. Land to meet next 10 years should also be allocated, although it may not be suitable for immediate development (where 10 years reserve supply cannot be identified, broad directions for future growth should be identified in the Core Strategy).	To help ensure that new housing is delivered according to the plans. This is to address the current shortfall between plans and delivery which exists in some areas due to constraints on the supply of appropriate developable land.
<b>Plan, monitor and manage</b>		
Local authorities are encouraged to phase land for housing but many are not actively managing their supply, particularly where land in the first phase proves difficult to deliver.	5 year allocation of developable land rolled forward as it is developed, in line with plans. Local authorities required to bring forward land from their 10 year reserve to ensure supply of developable land is maintained.	To allow the planning system to be more responsive to the market while continuing to balance other social and environmental objectives and to recognise that plans need to be reviewed in response to significant changes in the housing market.

#### **4. SUGGESTED REPRESENTATIONS**

4.1 It is suggested that representations be made to ODPM based on the following concerns:

- That the revisions will weaken the 'brownfield sites first' policy currently in PPG3, which is an important tool in encouraging the regeneration of urban areas and conserving Greenfield land. Although in principle brownfield sites could be allocated first (as part of the 5 year supply), they tend to be more difficult to develop than greenfield ones. Developers will

potentially be able to pick-off the easiest sites from the 5 year supply and then seek to develop greenfield sites from the reserve list rather than more challenging brownfield sites.

- That although there is an obligation to deliver a minimum number of dwellings there is no ceiling. This could give rise to significant pressure for higher levels of house building than RSS targets in areas of high demand such as Huntingdonshire.
- That sub-regional housing markets would need careful definition, balancing information on the existence of sub-markets with the need to provide guidance for individual authorities. Moreover, the suggestion that suitable land could be identified through sub-regional assessments fails to recognise the fact that authorities produce plans to differing timescales and must be allowed to make use of local knowledge and information.
- That the proposed approach to rolling forward a five-year supply of developable land (which would be achieved through a series of supplementary planning documents, each of which releases the required amount of land from the 10 year 'reserve') risks over-complicating the planning system still further.
- That as a mechanism for promoting the affordability of housing this approach is likely to fail. Developers will continue to exercise considerable control over the rate of supply of new housing into the market (through their decisions over the timing of planning applications and the implementation of planning permissions). It is unrealistic to believe that developers will increase supply for the purposes of reducing housing costs and promoting affordability, even if more land were available (particularly given the added barrier of a shortage of construction skills).

## **5. RECOMMENDATION**

- 5.1 That the Cabinet agree that a response be made to ODPM expressing considerable concern at the consultation proposals, with detailed comments based upon the points made above.

### **Background papers:**

*Planning for Housing Provision – Consultation Paper (ODPM, July 2005)*

*Planning for Mixed Communities – A Consultation Paper on a Proposed Change to Planning Policy Guidance Note 3: Housing (2005). Cabinet 7 April 2005*

### **Contact officer:**

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