



Report to Cabinet

Subject: Planning Policy Statement 3 (PPS3): Housing

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Introduction

1. The purpose of this paper is to report on the key issues raised by the recently published PPS 3 and their implications for the Council.

Background

2. Planning Policy Guidance notes (PPGs) are gradually being replaced by Planning Policy Statements (PPSs). These explain statutory provisions and provide guidance to local authorities and others on planning policy and the operation of the planning system. They also set out the relationships between planning policy and other public policy areas that have an important bearing on development and land use issues. Local authorities must take their contents into account when preparing local development documents. The guidance may also be relevant to decisions on individual planning applications and appeals.
3. A draft of Planning Policy Statement (PPS) 3: Housing was sent out for public consultation by the then Office of the Deputy Prime Minister in December 2005. Gedling's Planning Policy and Housing sections submitted a joint response the same month. The final version of the PPS was issued in November 2006 and will become a material consideration in development control decisions from 1 April 2007, superseding policies in the current Replacement Local Plan that are based on Planning Policy Guidance (PPG)3: Housing.
4. PPS3 sets out the national planning policy framework for delivering the Government's housing objectives. It has been developed in response to the recommendations set out in the Barker Review of Housing Supply (March 2004), which proposed a step-change in housing delivery through a more responsive approach to land supply at the local level.

Summary of key issues

5. PPS3 sets out the Government's housing policy objectives as follows:

- To achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community.
 - To widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need.
 - To improve affordability across the housing market, including by increasing the supply of housing.
 - To create sustainable, inclusive, mixed communities in all areas, both urban and rural.
6. It goes on to detail the mechanisms by which the Government believes these policy objectives can be met. The key issues are set out below.
7. There is an emphasis on a collaborative approach to preparing evidence bases for housing need and demand, to support decisions on housing policy development. This should be through a Strategic Housing Market Assessment and a Strategic Housing Land Availability Assessment.
8. The need to ensure good design in all new development is highlighted. It is proposed that this be achieved through the promotion of design codes, urban design guidelines, masterplans, village design statements, site briefs and community participation. The PPS states that Local Planning Authorities should work with local communities to develop a shared vision of the type of residential developments that they wish to see and develop policies accordingly. It also sets out a range of factors that should be considered when assessing design quality of new development ranging from such issues as integration with the surrounding area and the development of distinctive character to the provision of public open space and retention of biodiversity.
9. Local Planning Authorities must plan for a mix of housing and ensure that large strategic sites reflect the proportion of households that require market or affordable housing. They must set out in Local Development Documents:
- The likely overall proportions of households that require market or affordable housing (e.g. x% market housing and y% affordable housing);
 - The likely profile of household types requiring market housing (e.g. multi-person, including families and children (x%), single persons (y%), couples (z%));
 - The size and type of affordable housing required.
10. PPS3 sets out a new and broader definition of affordable housing as follows:

“Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*
- *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.”*

This definition does not include homes provided by private sector bodies.

11. Local Planning Authorities must set an overall target (plus split targets for social rented and intermediate affordable) for the amount of affordable housing required in their area and provide greater specificity over its type, size and the circumstances in which it will be required. They must also set out the approach to be taken with regard to seeking developer contributions towards affordable housing provision. Finally, there is greater emphasis on the need to consider a rural exceptions policy.
12. Local Planning Authorities should develop positive policies to identify and bring into residential use empty houses and buildings in line with local housing and empty homes strategies.
13. Local Planning Authorities must work with Regional Planning Bodies to determine the level of local housing provision required, taking into account a range of evidence including Strategic Housing Market Assessments, Government advice, projections and ambitions and a Sustainability Appraisal of the implications of development.
14. Local Development Documents must set out a strategy for the planned location of new housing, which contributes to the achievement of sustainable development. This should take account of:
 - A spatial vision for the area;
 - Evidence of need and demand;
 - Reducing carbon emissions;
 - Any physical, environmental, land ownership, land use and investment constraints or risks;
 - Different options for accommodating new housing growth;
 - Accessibility of proposed development to existing local community facilities:
 - The need to provide housing in rural areas;
 - The need to develop mixed, sustainable communities across the wider local authority area.

15. PPS3 sets out a new definition of previously developed land as follows:

“Previously developed land is that which is or was occupied by a permanent structure, including the curtilage of the developed land and any associated fixed surface infrastructure.”
16. Local Planning Authorities must continue to make effective use of previously developed land, setting out their own target figure (taking account of national and regional targets (60%)) and trajectory. They must also set their own density targets, which should be based on a regional target, and may consider setting a range of densities across the plan area (although 30 dwellings per hectare remains a minimum figure).
17. Local Planning Authorities must bring forward more land for housing, planning 15 years ahead to prevent delays in supply. Core Strategies must set out the approach for housing development and for planning, monitoring and managing a continuous five-year supply of ‘deliverable’ land, defined as available, suitable and achievable. Where an up-to-date five-year supply of deliverable sites is in place and applications come forward for sites that are not part of this supply, Local Planning Authorities will need to consider whether granting permission will undermine achievement of policy objectives. If unable to demonstrate a five-year supply, they must ‘consider favourably’ planning applications for housing on unallocated sites.
18. Local Planning Authorities must identify a supply of specific developable sites for years 6-10 and, where possible, for years 11-15. Where this is not possible they will need to show broad locations for growth. To be developable, sites should be in a suitable location for housing development and there should be a reasonable prospect of the site being available at the point envisaged.
19. When determining the amount of land required, Local Planning Authorities should not include sites for which they have granted planning permission unless they can demonstrate that the sites are developable and will contribute to housing delivery at the point envisaged.
20. Allowances for windfalls should not be included in the first 10 years of land supply unless Local Planning Authorities can provide robust evidence of genuine local circumstances that prevent specific sites being identified.
21. Local Development Documents should set out arrangements for managing the release of land. They should set out a housing implementation strategy that describes the approach to managing delivery of the housing and previously developed land targets and trajectories. This should include information on circumstances that would trigger management action to ensure that targets are being met. A 10-20% range is suggested as an acceptable margin.

22. Local Planning Authorities should, through their Annual Monitoring Reports, set out:

- Housing permissions granted and completions achieved;
- The number of sites from the five-year supply that have been delivered along with a revised list of sites as necessary;
- Progress against housing and previously developed land trajectories, along with progress towards achieving high-quality housing and good design standards;
- Actions to be undertaken where performance fails to meet trajectories;
- Delivery performance in the context of objectives for the housing market area and region as a whole.

Immediate implications for the Council

23. Clearly, PPS3 has significant implications for future Council planning policy. In the first instance this will affect the Core Strategy Development Plan Document (the Preferred Options stage of which is currently being prepared for consultation), which will need to take PPS3 into account. Examples of specific issues being addressed in this context are set out below.

- The Preferred Options document will need to aim to raise the profile of innovative design and local distinctiveness, seeking views on design issues with a view to agreeing, longer term, a shared vision for future design within the Borough.
- The Core Strategy submission document will have to take into account the Nottinghamshire Strategic Housing Market Assessment and Nottinghamshire Strategic Housing Land Availability Assessment, which will underpin decisions about likely future housing need in the Borough, how it should be split between housing types and the nature of the Council's implementation strategy
- The Core Strategy submission document will need to set out requirements and thresholds for the provision of affordable housing, as well as the appropriate split between social rented and intermediate housing, based on the emerging Regional Plan and the recommendations of the Nottinghamshire Strategic Housing Market Assessment.
- The Core Strategy submission document will need to set out a target for the development of Previously Developed Land, based upon the conclusions of the Brownfield Land Action Plan for Nottinghamshire.