
REPORT TO:	Environmental and Development Services Committee	AGENDA ITEM:
DATE OF MEETING:	2 nd October 2003	CATEGORY: DELEGATED
REPORT FROM:	Deputy Chief Executive	OPEN:
MEMBERS' CONTACT POINT:	Ian Bowen 595749	DOC:
SUBJECT:	PPG3 Consultation Papers	REF:
WARD(S) AFFECTED:	All	TERMS OF REFERENCE: ESO3

1.0 Recommendations

- 1.1 - That the contents of the Parliamentary Statement on planning for housing, consultation papers on changes to planning policy for housing and related research study reports be noted and;
- the Office of the Deputy Prime Minister (ODPM) be informed that:
- (i) Parliamentary Statement
The Statement is noted and further research is awaited with interest.
 - (ii) Consultation Paper – 'Supporting the Delivery of New Housing'.
The District Council has longstanding concerns over the loss of employment land and sites in urban areas. These would be exacerbated further by the introduction of the considerable burden upon local authorities to prove the economic viability of such sites as proposed in this consultation. It is also considered that the approach will weaken the established plan-led system and introduce uncertainty over the future of allocated sites. Whilst forthcoming practice guidance is awaited with interest, the District Council suggests that the burden of proof should remain with applicants for planning permission – the approach promoted in the Council's emerging Local Plan.
 - (iii) Consultation Paper – 'Influencing the size, type and affordability of housing'.
The District Council broadly welcomes the proposals in particular those which lower the affordable housing threshold

and allow tenure to be specified where necessary. The specific allocation of affordable housing sites in development plans in rural areas is also to be welcomed although it would make sense to allow this to happen in all areas and not be restricted to sites which would not normally be released for housing. However the cost implications to local authorities is a serious issue which cannot be over emphasised and the Practice Guidance is awaited with interest.

(iv) Research Paper – Better Streets, Better Places - Delivering Sustainable Residential Environments: PPG3 and Highway Adoption

The District Council welcomes the publication of the research paper and awaits with interest the Government's response in due course.

(v) Research Paper – Delivering Planning Policy for Housing – PPG3 Implementation Study

The District Council welcomes the publication of the research paper and awaits with interest the Government's response in due course. and;

- a full copy of this report be forwarded to accompany the response to ODPM.

2.0 Purpose of Report

- 2.1 To inform members of and seek views on the publication of a Parliamentary Statement on planning for housing, consultation papers on changes to planning policy for housing and related research study reports.

3.0 Executive Summary

- 3.1 The Minister for Housing and Planning has made a Parliamentary Statement on planning for housing which clarifies aspects of Planning Policy Guidance Note 3: Housing (PPG3).

- 3.2 In addition, the Government has published two consultation documents proposing policy changes to PPG3. These are:

1. *'Supporting the Delivery of New Housing'*
2. *'Influencing the size, type and affordability of housing'*.

- 3.3 Further still, the Government has published the following two research reports carried out by consultants, which look at different aspects of the effectiveness of PPG3. Whilst these have not been issued for

consultation, they are of interest and the main findings of these are also described in this report:

1. *'Better Streets, Better Places Delivering Sustainable Residential Environments: PPG3 and Highway Adoption'*.
2. *'Delivering Planning Policy for Housing – PPG3 Implementation Study'*.

3.4 The proposals have implications for the planning, economic development and housing functions of the Authority, and it is being recommended that these and other issues described in this report are raised with ODPM.

3.5 A copy of each of the documents has been placed in the members' room and can also be viewed on the ODPM's website at: www.planning.odpm.gov.uk. ODPM require comments by 31st October 2003.

4.0 **Detail**

Parliamentary Statement

4.1 The Statement follows on from the Government's "Communities Plan" which seeks to achieve sustainable communities. The overall aim is not only to ensure that everyone has the opportunity of a decent home but also to maintain the momentum of economic growth.

4.2 Together with measures in Budget 2003 which it complements, it is intended to bring about a flexible housing market, and help to secure the changes necessary to meet the tests for membership of the Euro zone.

4.3 The Statement touches on a number of themes, many of which are in fact dealt with in the consultation documents. It includes a commitment to carry out research to consider how car parking standards can be varied in different locations in ways consistent with sustainable development. The key message of the Statement, however, is the re-affirmation of the need to enable the provision of sufficient homes in the right place at the right time. As part of this, it states that local authorities should provide for at least ten years potential supply of housing and should avoid arbitrarily phasing new housing development.

4.4 Significantly, it also makes clear the Government's determination to "improve the performance of planning authorities that are not delivering an adequate supply of new housing – including incentives, support and engagement – followed, where necessary, by intervention". The nature of any intended intervention, however, is not specified.

Comment

- 4.5 Some English authorities have sought to introduce over-restrictive phasing policies for the release of land for housing in local plans. Others have attempted only to identify sufficient sites to meet the needs of part of their relevant plan period or have not prepared a draft local plan at all. The Government is concerned that these actions stem from a misinterpretation of the policies in PPG3 and are disrupting the supply of housing land contrary to its clear wishes.
- 4.6 These concerns are not, however, particularly applicable to South Derbyshire where the District Council has identified sufficient land to meet the strategic housing requirements up to 2011 required by the Joint Structure Plan. The merits of individual development sites are, of course, currently being debated openly at the Local Plan Inquiry and this approach accords entirely with Government' policies.
- 4.7 The provision of a 10 year land supply is an issue which has been subject to wide variations in interpretation by English local planning authorities. It is helpful that the Minister has now made clear that this is clarification of existing advice rather than a change in policy direction. The key message is that the duration of a local plans should be for a period of 10 years from the plan's forecast adoption date. Whilst this advice is noted, it must be appreciated that it is often very difficult to forecast the adoption date of a draft local plan in view of the many external delaying influences. In any case, it is not possible for the emerging South Derbyshire Local Plan to endure beyond that timescale established by the Joint Structure Plan (2011).
- 4.8 This issue is therefore clearly one to be addressed in a future review of regional and strategic level planning policies.

Consultation Paper – 'Supporting the Delivery of New Housing'

- 4.9 This consultation paper proposes to amend PPG3 to require local authorities to allow land currently allocated for employment uses in their development plans, and land and buildings formerly in employment use, to be developed for housing or mixed-uses unless a convincing case for retention can be made.
- 4.10 Whilst PPG3 already encourages a re-assessment of employment land and allocations in development plan reviews, the Government feels that many authorities are unjustifiably continuing to reserve an excess supply when it would make sense to consider this for housing. It therefore proposes, through additional guidance in PPG3 and a forthcoming revision to PPG4: (Commercial Development and Industry), that local authorities carry out and keep up to date assessments of the need for employment land and the suitability of

particular sites. Essentially, this would be required in order to justify keeping a particular site in employment use.

- 4.11 To this end, the publication of Good Practice Guidance on establishing realistic assessments of likely take-up is promised.

Comment

- 4.12 The Government's concerns over the retention of unnecessary employment land are recognised, together with the recognition given to the need to safeguard key employment sites and the needs of small businesses.

- 4.13 Nevertheless, given the economic advantages to developers in redeveloping employment sites and premises for more profitable housing schemes, the proposals would introduce a considerable burden of proof upon the local authority in dealing with individual planning applications. A potential consequence of this is a damaging loss of employment land which would undermine a key plank of sustainable development policy - namely to locate employment and residential areas in close proximity to each other and thereby reduce the need to travel. Members will be aware, for example, that such pressures have been witnessed recently in the Woodville area where the Qualitas and Mason Cash sites have been the subject of strong developer pressure. The Council has had longstanding concerns over this issue which were raised as far back as October 1999, when the Council wrote to GOEM, the local MP and neighbouring planning authorities expressing concerns over the potential imbalance of housing and employment.

- 4.14 Whilst the need to undertake an assessment of employment land at the time of a local plan review is obvious, the requirement to prove the worthiness of employment sites thereafter potentially in response to planning applications would be unreasonable. In this regard, the consultation paper unrealistically assumes that where authorities already undertake such assessments every 5 years, workloads may not increase "by that much". Even with a review frequency of 5 years, however, sites would be open to challenge at any time by developers with no resource implication to themselves.

- 4.15 The Paper also openly acknowledges that the extra burden on local authorities who do not currently undertake re-assessments in advance of local plan reviews may be "considerable".

- 4.16 Whilst good practice guidance is promised, this does not alter the fact that local authorities, particularly smaller rural authorities such as South Derbyshire, simply do not have the resources to undertake studies which would possibly require the input of independent specialist consultants. It would seem, therefore that the Government has underestimated the additional burden to local planning authorities.

- 4.17 In addition, the proposal would seem to weaken the established 'planned' nature of the planning system which requires decisions to be made in accordance with the development plan unless material considerations dictate otherwise. The changes to policy currently being proposed would introduce an element of uncertainty over the future of sites allocated for employment use in local plans.
- 4.18 A more appropriate approach may be, having undertaken a re-assessment of employment sites in a local plan review, to adopt the approach taken in the emerging draft South Derbyshire Local Plan i.e. to require developers to demonstrate that a particular site has no prospect of being taken up for employment use. This would ensure the currency of employment sites in the way that the proposal envisages without placing unrealistic burdens upon local authorities. It is recognised, however, that former proposals will be the subject of consultation on a future revision of PPG4 and this is awaited with interest.

Consultation Paper – 'Influencing the size, type and affordability of housing'.

- 4.19 This Paper is concerned with achieving a better mix of housing in terms of size, type and affordability than is currently available. It is proposed that existing policy contained in Circular 6/98 be cancelled and that Good Practice Guide be issued. The broad headings of the likely contents of the Practice Guide are suggested in an annex to the consultation document.
- 4.20 The principle message of the consultation paper is to require development plans to be based on far more sophisticated and up-to-date assessments of housing need than have been relied upon in the past. These would address the housing required by current and anticipated households including those of specific groups such as key workers, disabled or elderly people, and for particular types and sizes of accommodation across all tenures.
- 4.21 Assessments will be required to be drawn up jointly by planning and housing departments working closely with housing providers. Although local authorities will be responsible for assessing the housing needs, Regional Housing Boards would be encouraged to co-ordinate a programme of assessments to be undertaken by constituent local authorities and maintain consistency of approach. The consultation document suggests that this would most appropriately be carried out at sub-regional level.
- 4.22 In addition, the proposed revised guidance specifically addresses the issue of affordable housing. Whilst it makes clear that such provision should not make development unviable, it is now proposed that the "threshold" above which affordable housing may be sought should be sites of 0.5 hectares and above or on developments of 15 dwellings

and above. [This is a reduction on the current Government advice contained in circular 6/98 which specifies thresholds of 1 ha and 25 dwellings respectively].

- 4.23 It is also intended that sites in rural areas may be allocated in local plans solely for affordable housing on land within or adjoining existing villages which would not otherwise be released for housing. The draft guidance also raises the possibility that tenure could be specified where a clear need is identified which would not otherwise be met by other types of affordable housing.

Comment

- 4.24 The proposals can be broadly welcomed, in particular those which lower the affordable housing threshold and allow tenure to be specified where necessary. The specific allocation of affordable housing sites in development plans in rural areas is also to be welcomed although it would make sense to allow this to happen in all areas and not be restricted to sites which would not normally be released for housing.
- 4.25 Clearly, however, a key issue is the resource implication of undertaking needs assessments which realistically would be required at a Parish level. The requirement to undertake such assessments already poses challenges in South Derbyshire and this can only become more pronounced under the proposed arrangements. There would also be practical challenges associated with co-ordinating housing needs assessments with sub-regional and regional stakeholders. Whilst the costs to local authorities are acknowledged in the consultation document, the Government has indicated that savings would be likely to be made as a result of greater policy clarity which would streamline plan preparation and speed up negotiations on individual planning proposals. Nevertheless, the cost implications to local authorities is a serious issue which cannot be over-emphasised.
- 4.26 It is suggested, therefore that the cost issue of undertaking needs assessments is raised with ODPM and that the Good Practice Guidance is awaited with interest, pending a more detailed response.

Research Paper –

Better Streets, Better Places - Delivering Sustainable Residential Environments: PPG3 and Highway Adoption

- 4.27 The Study examines ongoing concerns that highways and planning authorities do not co-ordinate their work effectively, and that this is preventing the implementation of PPG3 with regard to achieving high quality sustainable places built at high densities which place the needs of people before ease of traffic movement.
- 4.28 The Government will consider this research and, presumably, consult on any measures it proposes to take forward in the future. In the

meantime, it provides much useful background information on the experience of other local authorities.

- 4.29 The general findings of the Paper are that there are serious and widespread problems. In particular, it was concluded that much of the existing policy, legal and technical framework in force is not geared to the delivery of better quality streets and that changes are necessary.
- 4.30 A number of "barriers" to implementation were identified by the consultants. A key factor is the different motivations of stakeholder groups. Local highway authorities are generally motivated by public safety and minimising maintenance costs and have little incentive to accept more innovative designs that are perceived to conflict with these aims. A consequence of this is the refusal of highway authorities to adopt roads which they consider to be sub-standard. Local planning authorities find difficulties in overcoming any such reluctance on the part of the highway authority.
- 4.31 It was also found that Government guidance itself is contradictory in this matter. Whilst PPG3 promotes narrower and pedestrian friendly streets, other documentation, such as Design Bulletin 32 (DB32) still recommends provision based around the needs of traffic. There are also problems in the interpretation of the parking policies of PPG3 and concerns about the practical effects of its policies for minimising off-street parking.
- 4.32 The report does, however, acknowledge that problems are not insurmountable and that some authorities are already providing examples of best practice. The consultants therefore recommend that the Government introduce a variety of "interventions". The most crucial of these as far as planning authorities are concerned is for the Government to place a duty on local highway and planning authorities to ensure common purpose and encourage integration in the planning and adoption of new streets. This would involve the joint preparation and approval of core policies for the design and approval of new streets including any area or site specific policies. Local highways authorities would also be obliged to state their adoption requirements for any particular site at pre-application stage.
- 4.33 The consultants also propose that the Best Value Performance Indicators for Planning be revised to encourage better integration of development control functions and to improve the quality of local streets. This would be backed up by the publication by ODPM of a "Manual for Streets" which would provide technical documentation for the design and adoption of new residential streets.
- 4.34 A summary of all measures proposed is reproduced at appendix 1.

Comment

- 4.35 Members will be aware that problems identified in the Study are also apparent in South Derbyshire, for example in relation to the major development site at Woodville Woodlands. Accordingly, it is suggested that this Council welcomes the publication of the research paper and awaits with interest the Government's response in due course.

Research Paper – Delivering Planning Policy for Housing – PPG3 Implementation Study

- 4.36 This Study provides a broader overview of the effectiveness of PPG3, and has examined the practical implementation of all aspects of the guidance. A number of problem areas have been identified and a series of actions are proposed.
- 4.37 The proposed actions are wide-ranging and overlap with issues examined in the various other papers which are the subject of this report. However, the paper covers aspects such as widening housing choice, maintaining a supply of housing land, greenfield/brownfield issues, monitoring residential completion rates, achieving public transport accessibility in new developments, design and parking standards. These are summarised in appendix 2.

Comment

- 4.38 It is suggested that this Council welcomes the publication of the research paper and awaits with interest the Government's response in due course.

5.0 Financial Implications

- 5.1 There are, as yet unquantified, financial implications which would arise from the implementation of the Government's proposals particularly in relation to housing needs and employment land assessments. These are set out in this report.

6.0 Corporate Implications

- 6.1 The provision of new housing is an issue of corporate interest and the proposals considered in this report have particular implications for the planning, economic development and housing functions of the Authority.

7.0 Community Implications

The Parliamentary Statement, proposals and research all stem from the Government's "Communities Plan" embracing a wide range of community issues including availability and affordability of housing, access to employment and sustainable residential neighbourhoods.

8.0 Background Papers

8.1 None other than referred to in this report.