

**SOUTH EAST ENGLAND
REGIONAL HOUSING BOARD**

Date: 2 March 2007

Subject: **Planning Policy Statement 3: Housing**

Report of: Planning Implementation Director
South East England Regional Assembly

Recommendations:

It is recommended that the Regional Housing Board:

1. Consider the need to highlight to Communities and Local Government the extent to which further work is required to develop strategic housing market assessments as a planning tool
2. Highlight to Communities and Local Government its deep concern that the approach to windfall sites will have a perverse effect in the region
3. Draw to the attention of local planning authorities the opportunity to set lower thresholds for seeking contributions towards affordable housing and actively support local authorities seeking to establish lower thresholds in their local development documents.

Purpose of Report:

To advise the Board of the content of the new national policy framework for housing set out in PPS3.

Key Issues:

- Planning Policy Statement 3 was published on 29 November 2006. Although there are aspects of the PPS3 approach that will help in planning for and delivering housing other aspects cause concern that implementation of the new policy framework could cause delay and put at risk delivery of affordable housing in the region.

I. Context

- 1.1 Planning Policy Statement 3 'Housing' (PPS3) was launched by Government on 29 November 2006. It puts in place a new national policy framework for housing at the local and regional levels, and along with other Government housing policy and planning policy statements provides the context for plan preparation in relation to housing. A Communities and Local Government (CLG) companion guide 'Delivering Affordable Housing' was published alongside PPS3 to provide information on existing delivery mechanisms. Further good practice guidance is expected on strategic housing market assessments and strategic housing land availability assessments.
- 1.2 PPS3 is not a consultation document but in view of its significance the key elements of the new guidance relevant to the work of the Regional Housing Board are reported and commented upon in this report. The content of PPS3 becomes a material consideration from 1 April 2007.

2. Overall Comments

- 2.1 There are aspects of the PPS3 approach that will help the planning for and delivery of housing in the region. These are:
 - The emphasis on appropriate design and housing developments that are sustainable and environmentally friendly
 - The greater emphasis on family housing;
 - The ability of local authorities to specify the size and type of affordable housing required (though it is disappointing that this does not also apply to market housing)
 - The approach to affordable housing, including definitions of affordable housing, social rented housing and intermediate housing and the scope for a regional spatial strategy to set target(s)
 - The approach towards rural affordable housing which allows local planning authorities to consider allocating sites solely for affordable housing including rural exceptions
 - The emphasis on effective and efficient use of land, with scope for a regional spatial strategy to set a regional target for previously developed land (PDL) and a density target and a more flexible approach to densities and car parking
 - An emphasis on implementation and delivery.

3. Housing Market Areas

- 3.1 PPS3 places a great deal of emphasis on strategic housing market areas (previously referred to as sub-regional housing markets). The new PPS3 sets out that the assessments are to be taken into consideration in setting regional, sub-regional and local levels of housing provision. The regional spatial strategy is expected to include arrangements for managing the release of land within and across housing markets and to monitor market conditions across housing markets. The regional spatial strategy is also expected to set out affordable housing targets for the region as a whole and for each housing market area.
- 3.2 The Regional Housing Board will consider the outcome of the four pilot sub-regional housing market assessments elsewhere on the agenda. It is clear that the pilots have identified a number of issues that require further consideration if the approach is to realise its potential to assist in the delivery of housing, and in particular affordable housing.

4. Windfalls

- 4.1 Although PPS3 stresses the importance of PDL (and requires local planning authorities to prepare strategies for bringing PDL back into use) allowances for windfalls are not to be included in the first 10 years of land supply unless “robust evidence” can be provided of “genuine local circumstances that prevent specific sites being identified”. It is not clear what these circumstances are, but in South East England some districts have been able to meet their housing requirements through windfall sites; a situation that some urban potential studies suggest is likely to continue into the immediate future. The PPS3 approach therefore runs the risk of more development on greenfield sites than is required.

5. Affordable Housing Thresholds

- 5.1 One factor critical to the delivery of more affordable housing is that of thresholds. Many districts rely on a large number of smaller sites for their housing supply. Increasing the number of sites on which affordable housing could be developed is therefore very important. It is therefore disappointing that PPS3 continues to include an indicative (albeit lower) national threshold for affordable housing. While the new policy does allow local planning authorities to set lower minimum thresholds “where viable and practical” practical experience across the region to date shows how difficult it is for an authority to convince an Inspector examining a planning document to accept a lower threshold than that indicated in national guidance.

6. Conclusions

- 6.1 There are aspects of the PPS3 approach that will help in delivering planned growth in the region. Particularly welcome are the emphasis on appropriate design and quality, the recognition of the importance of family sized housing, the approach to affordable housing and the emphasis on effective and efficient use of land.

- 6.2 However it remains a matter of considerable concern that key elements of the policy framework appear to have been developed without detailed consideration given as to their potential impact at a practical level.

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