

Consultation Response

Shelter's response to the ODPM consultation on a New Planning Policy Statement 3 (PPS3) - Housing

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Shelter

Shelter is a national campaigning charity that provides practical advice, support and innovative services to over 100,000 homeless or badly housed people every year. This work gives us direct experience of the problems caused by the shortage of affordable housing. Our services include:

- A national network of over 50 housing aid centres
- Shelter's free housing advice helpline which runs from 8am-midnight
- Shelter's website which provides housing advice online
- The Government-funded National Homelessness Advice Service, which provides specialist housing advice, training, consultancy, referral and information to other voluntary agencies, such as Citizens Advice Bureaux and members of Advice UK, which are approached by people seeking housing advice
- A number of specialist projects promoting innovative solutions to particular homelessness and housing problems. These include four 'Homeless to Home' schemes, which work with formerly homeless families and the Shelter Inclusion Project, which works with families, couples and single people who have had difficulty complying with their tenancy agreements because of alleged anti-social behaviour. The aim of these particular projects is to sustain tenancies and ensure people live successfully in the community.

Introduction

Shelter welcomes the opportunity to respond to the PPS3 consultation. We support the positive intentions of the PPS3 to promote such sound principles as encouraging new housing on previously developed land, improved affordability, mixed communities, and good design. Shelter agrees that the planning system has an important role to play in improving the responsiveness and flexibility of the housing market. Nevertheless, we have some reservations about the scale of the apparent change of Government view as to the role of the planning system in housing provision. In particular, it seems that the PPS3 proposes changing from a system of planning to meet a range of policy objectives to one of primarily planning to meet housing demand.

It is vital that the right balance is achieved so that new development delivers mixed, sustainable communities. However, Shelter understands that ODPM has indicated that it does not propose to offer any further advice on the weight to be given to the various strands of policy in the draft PPS3, so we conclude that local practice will depend on local priorities.

It seems from the consultation paper that the Government's case is that giving the private sector the opportunity to build more houses where demand is high will increase supply and reduce prices. However, Shelter is concerned that this greater freedom, if not carefully controlled, could result in development switching from difficult urban sites to easier ones elsewhere. Accordingly, there is a risk that house prices may not change detectably, affordable housing will be provided in remoter locations away from where homeless people need it, and there could be adverse environmental consequences too.

Format of Shelter's response

The comments below address, in turn, the major themes in the draft PPS3, of concern to Shelter.

1) Meeting demand

Draft PPS 3 reinforces the Government's response to the Barker report by setting 'responding to demand' as a central objective for the system of planning for housing. Building larger numbers of houses than at present (assuming no additional abandonment) would certainly ease the gap between household numbers and available stock. There should also be a positive impact on affordability, although it may be some time before the effects of this are felt.

Housing types

The role of the planning system in ensuring that the types and sizes of housing supplied match identified requirements appears to have been diminished. PPG 3 was clear that "local authorities should take account of assessments of local housing need in determining the type and size of additional housing for which they should plan" (paragraph 11). The intention of PPS3 appears to be similar, in that paragraph 1 states that "...the Government is seeking to: (a) ...ensure that a wide choice of housing type is available, for both affordable and market housing, to meet the needs of all members of the community". However, there are no further policy references to meeting needs for different housing types within the market sector: this obligation is retained only in the affordable sector (paragraphs 12(k) and 23). So far as the private sector is concerned, the new mechanism for requiring a mix of dwelling types is limited to 'larger sites': "in planning at site level, it is important that a broad mix of housing suitable for different household types is provided for on larger sites" (para. 21). On smaller sites there is no such obligation, only a requirement for tenure mix, not a mix of housing type. Unfortunately, there is no definition of 'larger'.

The effect of this policy change from PPG 3 will depend on the threshold size and on the scope for developments to come forward on such larger sites in any particular local authority area. We are concerned that in predominantly urban areas, where most of the sites identified for development will be relatively small, planning authorities may not be able to ensure the delivery of the housing types implied by their Sub-regional Housing Market Assessments.

2) Subregional housing markets

Draft PPS 3 proposes that Housing Market Areas (HMAs) should be identified everywhere and then invested with a significant role in planning for housing provision. This is the first time that the concept of Housing Market Areas has been applied nationally to the planning system. It has various attractions, such as:

- relative self-containment makes solutions more feasible in such areas;
- all housing needs are considered together and collective solutions sought;
- the varying abilities of individual authorities to supply housing is recognised;
- consistency of data collection and approach across regions are attractive.

Set against these are the concerns that Shelter has about the difficulties in making a new structure of this kind work effectively:

- defining HMA boundaries satisfactorily, as problems had already been experienced in some cases;
- apportioning housing supply to each authority in an HMA through the Regional Spatial Strategy: this could be politically difficult;
- slowing down preparation of Local Development Frameworks due to extra partnership working with other authorities, (whereas the alternative of preparing joint Development Plan Documents would be a major challenge);
- the difficulty of application to sparse or remote rural areas (where needs could only be met properly on sites reasonably close to where they arose)
- there is a risk of a hiatus in planning if the Regional Assemblies withdraw their current emerging draft Regional Spatial Strategies, and opt instead to go back to square one by beginning the process of creating HMAs and applying policies to them.

3) Land supply

We have concerns about the changes to arrangements for allocating land proposed in PPS 3. Firstly, it appears that all other sources of housing are neglected in PPS 3 (with a specific obligation to neglect in respect of windfall sites): the only interest is in allocating actual sites known about in advance, without making allowances for other

sources of supply. This is a fundamental change from PPG3. There is no reference to empty homes, space over shops or conversions, for example, all of which are often well capable of being brought into use not least as affordable housing in the social rented sector.

Secondly, the test of genuine availability is tighter in PPS 3, including a 'viability' test absent from PPG 3: developers will be able to exercise a preference for greenfield sites by stating that alternative brownfield sites are 'not viable'. We are concerned that local authorities will find this assertion difficult to challenge.

We are also concerned that housing land availability assessments in effect revert policy to the arrangement prior to PPG 3 of 2000, which enshrined housing capacity studies. These studies have been important tools for identifying ways in which additional provision can be delivered and have been an improvement on the old housing land availability studies that encouraged the allocation of greenfield sites.

We are particularly concerned at the way windfall sites are to be treated under the proposals. Together with the phasing of development on the basis of brownfield sites first, some authorities have been able to supply the intended numbers of houses in their areas year after year with little take-up of allocated land. This is due to ongoing supplies of windfall sites and other net additions to the housing stock. The new system reverses the treatment of windfall sites: instead of viewing them as a highly desirable way of delivering necessary development in entirely appropriate locations, they are viewed as polluting the clarity of an approach based on specifically-identified sites. Both paragraphs 12(c) and 14 rule that windfall sites should only be taken into account "where it is not possible to allocate sufficient land".

4) Affordability

Draft PPS3 refers to affordability in both the market and social sectors and gives specific attention to the provision of housing in the intermediate market, suggesting that authorities should establish separate provision targets for social rented and intermediate housing. Shelter supports the use of separate targets as this removes the risk that provision anticipated in the social rented sector is lost to the intermediate sector. However, we are apprehensive that some authorities may plan preferentially for the intermediate market, and that others will find that intermediate provision results when Housing Corporation finance fails to materialise to support social renting on private sites.

The size of site on which a proportion of affordable housing can be negotiated is set at 15, with the option for the use of other (ie lower) thresholds. This is in line with the consultation proposals in January 2005 and an improvement on the existing policy in Circular 6/98 which takes 25 units as the minimum site size in most circumstances. This change is welcomed by Shelter.

In rural areas, the well-established power for providing small numbers of dwellings affordable in perpetuity on 'exceptions sites' is retained, and is now expected to be used universally. The recently added power to allocate land for affordable housing is also retained. We welcome this.

5) 'Sustainable communities': development on previously used land

It appears that the proposals contain mixed messages on the degree of encouragement that local planning authorities should give to housing development on previously developed land. Each region is expected to have a brownfield target (proportion of new housing on brownfield sites) and a density target (or range) to make efficient use of land (paragraph 5). Furthermore, each local planning authority in its Local Development Framework should "set out the local strategy for bringing forward and developing brownfield sites, including a target for brownfield development over the plan period" (paragraph 12).

Shelter welcomes the commitment to encouraging development on brownfield sites which is reiterated in separate proposals in the Government's response to the Barker report. However, we are concerned that the loss of the 'sequential test' contained in PPG 3, which strongly prioritised the use of brownfield sites, could result in a reduction in the proportion of new development that takes place on brownfield land. We believe that the Government must put in place effective mechanisms to ensure that it continues to exceed the target that at least 60 per cent of new housing development should be on brownfield land.

6) 'Sustainable communities': mixed tenure development

Draft PPS 3 retains the strong commitment in PPG 3 to promoting mixed tenure development and the emphasis given to this is welcomed by Shelter.

Conclusion

There is much to welcome in draft PPS3. However, Shelter has a number of concerns which we believe will need to be addressed through the consultation process:

1. The emphasis on satisfying demand for housing risks exacerbating the problems the planning system is already facing in encouraging housing development in the places where it can do the most good for the whole of society;
2. The proposals address only the supply of sites identifiable at the time planning documents are prepared, neglecting the potential contributions to housing supply from within the existing built environment, even though these are often well-suited to meeting the needs for affordable housing; in particular, we are concerned that 'windfall' sites will be neglected in plan-making and that urban housing capacity studies are to be scrapped in favour of assessments just of housing land supplies;
3. The proposals do not seem to pay sufficient regard to the relationship between housing and many other aspects of planning: this is of critical importance when considering the supply of affordable housing, which should be close to jobs, shops and services both in support of sustainable development and so that poorer people are not further disadvantaged by greater travels costs and inconvenience when meeting their basic needs;
4. Despite an aspiration to a variety of housing types being available in the market sector, the types of dwelling most needed in the private sector can be insisted on only at 'larger sites', which is likely to increase the pressures of overcrowding at the bottom end of the private housing market, in the rented sector and at the top end of the affordable housing sector;
5. The preference for brownfield site development will be more difficult to implement under PPS 3;
6. It is also unfortunate that other socially beneficial objectives in PPG 3 such as the relationship with urban development as a whole, the travel consequences associated with housing location and the environmental consequences of different supply patterns have been omitted.

However, we welcome the positive commitment to mixed communities, with a variety of tenures being offered on individual sites and the commitment to meeting the needs of different types of household, (though this must be qualified by the lack of commitment to ensuring the supply of the housing types likely to be needed).

Shelter also supports the introduction of Housing Market Areas at a sub-regional scale, providing this does not create additional barriers and delay to the planning process.

Shelter Policy Unit
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