

**11 PROPOSED CHANGES TO PPG3****Report By: CHIEF FORWARD PLANNING OFFICER****Wards Affected**

County-wide

**Purpose**

To agree the Council's views on the proposed changes to National Planning Policy Guidance 3 – Housing (PPG3) in respect of;

1. the reallocation of employment and other land to housing, and
2. Influencing the size, type and affordability of housing.

There are elements of the changes being proposed to National Policy which would present the Council with difficulties in implementation were they included in the final approved changes to PPG3.

**Financial Implications**

None on the Council

**The proposed changes to PPG3****Part 1 - The reallocation of employment and other land to housing**

- 1) It is clearly a key role for Authorities and of the planning system, to enable the provision of new homes in the right places and at the right time. Furthermore to ensure, as far as it is possible, that such development does not permit excessive housing development, particularly of that set out in Regional Planning Guidance/Regional Spatial Strategy (RPG/RSS). As part of this process the current PPG3 seeks that Authorities review, through the development plan system, employment land provision with a view to releasing those areas which can most effectively be re-used for housing.
- 2) The changes seek to introduce a planning mechanism which would allow applicants for planning permission for development which includes housing to expect expeditious and sympathetic handling of proposals which concern land allocated for industrial and commercial uses in development plans but are no longer needed for such uses. Authorities should consider such planning applications sympathetically. To further this change three caveats are set out:
  - a) that the proposal fails to reflect the policies in this PPG in respect of the use of brownfield land in preference to greenfield land;
  - b) the housing development would undermine the Housing Strategy set out in RPG/RSS particularly where this would lead to over provision of new housing

- c) That there is a reasonable prospect of the allocation being taken up for its stated use in the time scale of the plan or that the development for housing would undermine regional and local strategies for economic development and regeneration.

## **Part 2 - Influencing the size, type and affordability of housing.**

- 3) The second part of the proposed changes PPG3 seek to incorporate Circular 6/98 Planning and Affordable Housing into the national policy and replace paragraphs 9 -20 and 71 and Annex B of the present PPG3. In summary they deal with the following aspects:
  - a) Creating mixed communities - influencing the size, type and affordability of housing. Stressing the important role for Authorities in reflecting the housing requirements of the whole community;
  - b) Assessing housing needs - setting out the importance of the RPG and Regional Housing Strategy in setting the strategic framework for housing and the need for up-to-date assessments of local housing need;
  - c) Planning for affordable housing - this sets out the need for local assessments of affordable housing and the need in local plans to set targets for housing that are achievable and consistent with the delivery of planned future levels of housing provision, identifying sites and indicating the amounts to be achieved against realistic costs parameters. The changes introduce a lower site size threshold of 15 dwellings or 0.5 of ha upon which affordable housing can be sought (threshold is reduced from 25 dwellings or 1.0ha as specified in Circular 6/98). An even lower threshold can be locally introduced where the Authority can justify it in its local plan.
  - d) Delivering Affordable housing - drawing attention to the failure to comply with local affordable housing policy can lead to refusals in some circumstances. The Government does not accept that different housing and tenures make bad neighbours. Authorities should identify sites where they consider affordable housing to be suitable. Authorities should make clear that they intend to use planning conditions or obligations to ensure that the housing is either initially or in perpetuity for people falling into particular categories of need, this should be set out in the local plan.
  - e) Delivering a better mix of housing - Authorities should ensure their policies widen housing choice and encourage a better social mix.
  - f) Planning for mixed communities in rural areas - authorities should make sufficient land available either within or adjoining existing villages to enable local requirements to be met. Particular consideration should be given to the contribution to be made from smaller sites (less than 15 dwellings) in meeting the need for affordable housing. In addition the changes introduce the concept that 'exception' housing sites can be identified in local plans, in such cases the housing should meet local housing needs in perpetuity.
  - g) Determining planning applications - when approved these changes to the PPG will be used by authorities as a material consideration, this may supersede the policies in their local plan/UDP.

- 4) Attached to the main changes is an **Annex B - Draft framework of practice guide**, which covers very detailed matters. However, a section dealing with "Planning for mixed communities in rural areas" is of interest; all the practice guides arising from the changed PPG are at this stage drafted as a series of 'How to' subheadings:
- How to establish local need;
  - How to bring forward sites;
  - The role and use of small sites;
  - When to allocate sites solely for affordable housing;
  - How to handle the differing needs of villages and market towns; and,
  - Issues specific to National parks and other areas of restraint.

## Summary of concerns

### Part 1 - The reallocation of employment and other land to housing

- 5) The requirement to treat planning applications for housing on employment and other non-housing land allocations sympathetically is contrary to the planning principles set out in Section 54A T&CP Act 1990 in which the development plan has primacy.
- 6) Land brought forward under the change is likely to be an unplanned windfall and therefore in addition to the planned housing land supply with consequent effects on the satisfaction of RPG housing demands.
- 7) The process set out does not allow the balanced assessment of employment land provision within the development plan process. As set out the sites would be brought forward under the landowners needs and would be difficult argue against in the context of the wider needs of economic development of the County or its immediate location.
- 8) The proposal fails to recognise the particular needs of employment land provision in both urban and rural areas and the need to maintain a constant and readily available supply of suitable employment land in order to support the economy of the area.
- 9) It ignores the significantly different values of housing and employment land and the undoubted development pressures likely to arise from the opportunity to bring forward such land as housing. Experience indicates that this is a process which needs no encouragement. For instance, several employment sites in Hereford are subject to UDP objections that they be reallocated for housing, when the Council's position is that additional employment land should be provided (Holmer) as well as safeguarding the existing employment land supply.
- 10) The difficulties of bringing forward new employment land should the need arise for such land in the future. Local objection to such sites is likely to be considerable both in and around most settlements in the County.
- 11) If the change is to be included in an unaltered state there is a need to establish a form of more rigorous sequential testing of the need for employment land in the location as

part of the consideration of the planning application. Such a test must be wider than the immediate housing land gain and include consideration of the wider employment issues in the locality.

- 12) In order to facilitate response, the consultation paperwork includes a questionnaire response form as **Annex C – Supporting the delivery of new housing**. This questionnaire is extremely focussed on the possible local effects of the proposed changes and not on the changes themselves, the comments prepared above respond particularly to the actual changes and not their effects. The Strategic Housing Services make no comments on this section of the proposed changes.

## **Part 2 - Influencing the size, type and affordability of housing**

- 13) Much of what is set out in the various subsections of the proposed changes to the PPG are to be supported including those in respect of setting site size thresholds set out in para 3 (c). The reduced threshold broadly follows the position taken by the Council in the UDP, together with specific adjustment to reflect local rurality. However, concerns are expressed on the following matters of detail.
- 14) Significant emphasis is placed on the assessment of housing need, this is a complex and problematic issue in sparsely populated rural areas; where the presence or non-presence of two or three households might be crucial to affordable housing needs within a parish at any one time. Concern is also felt in respect of the regional housing role expressed in the advice and whether this could adequately reflect the rural position in Herefordshire with its sparse population and very small settlements. The grain of such a consideration might be difficult to achieve in the circumstances.
- 15) The changes further reduce the number of housing groups to “key workers, disabled or elderly people, and for particular types and sizes of accommodation”, it would be extraordinarily difficult to interpret this list in the wider rural area. For example, the provision of disabled person’s accommodation in the rural area might satisfy a current local need but may not be sustainable in the longer term. The idea of ‘key workers’ in the rural areas of the Herefordshire is not easily categorised. The UDP does not identify affordable housing in terms of these groups as these issues are addressed in the Housing Investment Strategy produced by the Strategic Housing Section of the County.
- 16) The changes seek to put into place a requirement on applicants, that failure to comply with the development plan policy on affordable housing could justify the refusal of a planning permission. The consequence of this requirement will be in the lengthening of local plan inquiries, as developers seek to reduce the affordable housing requirement or to otherwise alter the affordable housing policy in anticipation of future planning applications.
- 17) A significant change is introduced, in that local planning authorities should make sufficient land available in or adjoining existing villages to enable local (housing) requirements to be met. Members will be aware of the difficulty experienced in this County in seeking to identify acceptable sites for such development in the preparation of the UDP. The difficulty primarily arising from the often strong local opposition to such developments. A further issue could arise from the sustainability of such potentially wide spread rural development, particularly, in respect of the needs to encourage urban development as part of the Regional Planning Guidance within the context of limited housing provision figures within the RPG.

- 18) Further difficulty is introduced by encouraging the identification of affordable housing sites on land in or adjoining existing villages which would not otherwise be released for housing as 'exception' sites. The difficulty arises from:
  - a) determining the level of need in a particular village in a sparsely populated County at the beginning of a fifteen year planning period (eg. A UDP) when it is widely accepted that housing need studies only have a lifespan of some five years; and,
  - b) the criteria to be used to identify such sites in a consistent manner and in such a way so as to not open the door to general need development. It has to be borne in mind that the principal difference between general need private housing sites and a 'exception' site is one of a significant difference in land value.
- 19) In order to facilitate response, the consultation paperwork includes a questionnaire response form as **Annex D - Influencing the size, type and affordability of housing**. This questionnaire is extremely focussed on the possible local effects of the proposed changes and not on the changes themselves, the comments prepared above respond particularly to the actual changes and not their effects.
- 20) The comments of the Strategic Housing Services are largely concerned with detailed matters in response to the questionnaire and will be forwarded separately. However, their comments have been incorporated, where possible, into this report and are contained in paragraphs 13 to 18 above.

## Consultees

Strategic Housing Services

## RECOMMENDATION

**That the observations set out above be submitted to the Office of the Deputy Prime Minister as the views of the Herefordshire Council on the proposed changes to PPG3.**

## Background Papers

PPG3 Consultation papers on

Part1 - Supporting the delivery of new housing, and

Part 2 – Influencing the size, type and affordability of housing.