

**Report of: Planning Policy Manager**

**To: Executive Board**

**Date: 20<sup>th</sup> February 2006**

**Item No:**

**Title of Report : Response to consultation on draft Planning Policy Statement 3: Housing and the Government's Response to Kate Barker's Review of Housing Supply**

**Summary and Recommendations**

**Purpose of report:** This report summarises the main proposals of the Government's consultation document PPS3 and the Government's Response to Kate Barker's Review of Housing Supply. It draws out the key issues, comments on the proposals and sets out a suggested response.

**Key decision:** No

**Portfolio Holder:** Councillor Ed Turner

**Scrutiny Responsibility:** Environment

**Ward(s) affected:** All

**Report Approved by:** Michael Crofton-Briggs, Head of Planning  
Lindsay Cane, Contracts Lawyer, Legal Services  
Emma Burson, Financial & Asset Management

**Policy Framework:** Oxford Local Plan 2001-2016

**Recommendation(s):** The Board is asked to endorse the comments in the report below and questionnaire response (attached as Appendix 1) for forwarding to ODPM and HM Treasury as the City Council's response to the Government consultation on draft PPS3 and the Government's Response to Kate Barker's Review of Housing Supply. Key recommendations are set out in at the end of the two sections below, dealing with draft PPS3 (paragraph 15) and the Government response to Barker (paragraph 29) respectively.

## **Introduction**

1. Planning Policy Statement 3: Housing (PPS3) provides a national policy framework for planning for housing and sets out what is required at regional and local levels to deliver housing within sustainable communities. Once in its final form, it will replace Circular 6/98; Planning Policy Guidance 3: Housing (PPG3); two updates to PPG3 (*Planning for Sustainable Communities in Rural Areas* and *Supporting the Delivery of New Housing*) and two consultation papers (*Planning for Mixed Communities* and *Planning for Housing Provision*).
2. Consultation on the Government's Response to Kate Barker's Review of Housing Supply sets out the steps Government is proposing to respond to the escalating problem of housing affordability, in the context of responding more effectively to housing market demand. The document also sets out Government's approach to developing infrastructure to support new housing growth, and also its approach to sustainability and design issues.
3. Since both documents cover housing issues it was considered appropriate to deal with both documents in one report.

## **PLANNING POLICY STATEMENT 3: HOUSING**

### **Summary of PPS3 and the impact upon Oxford**

4. This section of the report briefly summarises each section of PPS3 and then includes Officer comment on the impact, if any, on planning for housing in Oxford. Appendix 1 is the completed pro-forma question sheet which would be returned to the ODPM.

#### *Objectives of PPS3*

5. The Government's objectives for planning for housing are:
  - a) Ensure that a wide choice of housing types is available, for both affordable and market housing, to meet the needs of all members of the community;
  - b) Deliver a better balance between housing demand and supply in every housing market and to improve accessibility where necessary; and
  - c) Create sustainable, inclusive, mixed communities in all areas. Developments should be attractive, safe and designed and built to a high quality. They should be located in areas with good access to jobs, key services and infrastructure.

#### *Sub-regional housing market assessments*

6. With reference to the regions, PPS3 refers to the use of sub-regional housing market assessments and housing land availability assessments to be carried out by local authorities to develop consistent evidence bases to underpin the South East Plan's strategies. The regions should undertake a sustainability appraisal taking into account various sustainability criteria.

**Comment:** There is a need for Oxford to undertake a sub-regional housing market assessment in co-operation with neighbouring districts. This joint-working relies on all Local Planning Authorities (LPAs) being able to work to similar timescales which, unless the RSS sets out clear timetables, could delay the delivery of some assessments. It is recommended that emphasis is given to the provision of robust timescales by the region.

*Determining the regional level of housing provision*

7. PPS3 sets out seven criteria that should be taken into account by the region when undertaking a sustainability appraisal on the distribution of housing. These are affordability; household projections; the impact of the proposals of affordability; housing market assessments; housing land availability assessments; environmental, social and economic implications; impact upon infrastructure.

**Comment:** Whilst PPS3 sets out the criteria that should be used by regions to assess the most sustainable location for new housing, the criteria referring to environmental, social and economic impacts and the infrastructure impacts are bottom of the list. It is recommended that sufficient weight be given to these criteria.

*Allocating and releasing land for housing*

8. With reference to LPAs, site allocation development plan documents should always include at least five years supply of land for development from the date they are adopted. In determining which sites to include in the five year land supply, LPAs should have regard to the sustainability appraisal of the site allocation development plan document. The priority for development, and beyond the five year land supply should the LPA choose to do this, is developable brownfield land.

**Comment:** The City Council already includes at least five years supply of land and this requirement is not considered to be problematic. The step change since PPG3 is that PPS3 deletes reference to the sequential test in relation to land for housing. Although it refers to brownfield land being the priority for development, it does not prevent greenfield land being developed if it is required to meet targets. Oxford's Urban Potential Study makes provision for enough housing to meet the structure plan target on brownfield land but it is recommended that concern is raised that Oxford might feel under pressure to release greenfield sites for development if there are slight delays in brownfield sites coming forward.

*Efficient use of land*

9. LPAs should develop density policies for their plan. The presumption is that in developing density policies, the minimum should be no less than 30 dwellings per hectare. PPS3 sets out an approach which suggests minimum densities for city centre, urban, suburban and rural locations. The choice of density levels should be informed by a list of criteria which are characteristics of an area; transport accessibility; efficient use of land;

high quality design; need for housing; service provision and public spaces; resource efficiency and minimising environmental impacts.

**Comment:** Oxford Local Plan 2001-2016 Policy CP.6 states that residential developments should generally be above 40 dwellings per hectare and higher in appropriate locations. The City Council has been achieving this and therefore the densities set out in PPS3 are not considered onerous or unachievable. However, although high densities will be achievable and appropriate on many sites in Oxford, consideration must be made to the size of houses that are needed in Oxford. Higher densities inevitably result in greater proportions of small dwellings, in terms of number of bedrooms as well as the floor area of properties. It is therefore strongly recommended that when deciding appropriate densities, consideration is taken of the mix of dwellings sizes required to meet local need. Recommend that the choice of appropriate density for an area should be informed by “the mix of dwellings required to meet local need”.

#### *Household type*

10. PPS3 says that LPAs should have regard to the relevant sub-regional housing market assessment and regional and local housing strategies in determining the overall mix of different household types and sizes. A broad mix of housing should be provided on large sites. On smaller sites, a mix should be provided that contributes to the creation of sustainable communities.

**Comment:** The Oxford Local Plan 2001-2016 Policy HS.8 and the draft Supplementary Planning Document on Affordable Housing both refer to a mix of household types and sizes contributing to sustainable communities. The City Council is working on a study to determine the most appropriate mix of market dwellings that would contribute to more sustainable communities. Therefore, it is not considered that the PPS3 requirement to deliver mixed communities is contrary to the Oxford Local Plan 2001-2016.

#### *Affordable housing*

11. Sub-regional housing market assessments should help determine whether affordable housing is needed and guide the level, size, type and location of affordable housing provision. Separate targets for social rented and intermediate housing (shared ownership) where appropriate. PPS3 also confirms that low-cost market housing is not considered ‘affordable’ housing.

12. LPAs should set a site size threshold for the provision of affordable housing and take into account the level of affordable housing to be sought, site viability, the impact on the delivery of provision and the objective of creating mixed and sustainable communities. The presumption is that affordable housing should be provided on-site.

**Comment:** Oxford’s Housing Requirements Study informed the level, threshold and tenure mix of affordable housing provision. As and when necessary or required to do so, the City Council will update it’s background information with the sub-regional housing market assessment. The draft

Supplementary Planning Document of Affordable Housing contains guidance on the split between social rented and shared ownership; site viability; delivery of affordable housing; creation of mixed communities; and on-site provision. Therefore, it is not considered that the PPS3 policies on affordable housing are contrary to the Oxford Local Plan 2001-2016. However, it is recommended that a greater contribution should be sought from financial contributions to reflect the benefit that developer gains through 100% facilitation of the site as set out in the draft Supplementary Planning Guidance on Affordable Housing.

#### *Designing for quality*

13. New development should be of high quality inclusive design and layout and be informed by its wider context, having regard not just to neighbouring buildings but to the townscape and landscape of the wider locality. PPS3 makes it clear that this does not mean that new development should replicate it's surroundings, the key consideration is whether a development positively improves the character and environmental quality of an area and the way it functions.

**Comment:** The Oxford Local Plan 2001-2016 Policy CP.8 considers the issue of design in residential developments and refers to respecting the existing grain and form of development in an area but also acknowledges that new development can improve physical form or bring out the character of an area therefore it is not considered that this PPS3 requirement is contrary to the Oxford Local Plan 2001-2016.

#### *Greening the residential environment*

14. LPAs should encourage applicants to apply the principles of sustainable and environmentally-friendly design and construction to new developments, in particular referring to the *Code for Sustainable Homes*.

**Comment:** Oxford Local Plan 2001-2016 policies CP.15-CP.18 go further than guidance in PPS3 by requiring measures to be taken to reduce natural resource consumption rather than merely 'encouraging' developers. It is recommended that PPS3 should do more than just encourage developers. Requirements would ensure developers use such practices on a national basis. Materials, technology and expertise would be more demand, become more commonplace and probably reduce in price providing even more opportunities for their incorporation.

#### **The key recommendations set out in the Council's response to PPS3 are as follows:**

15. Members are recommended to urge Government that:

- a) PPS3 give greater emphasis to the provision of robust timescales in Regional Spatial Strategies, for the production of housing market assessments and housing land availability assessments;
- b) further consideration is given to the impact of the lack of reference to the sequential test in relation to previously developed land. There

is concern that Oxford may come under pressure to release greenfield sites for development if there are slight delays in brownfield sites coming forward;

- c) in addition to assessment by dwellings per hectare and the other criteria listed in Annex C, the choice of appropriate densities for an area/site should be informed by “the mix of dwellings required to meet local need”;
- d) PPS3 should seek greater financial contributions from housing developers towards meeting affordable housing need, to reflect the benefit that developers gain through 100% facilitation of the site.
- e) PPS3 should require (not just encourage) developers to apply the principles of sustainable and environmentally-friendly design and construction, such that ‘green’ principles are used on a national basis.

## **THE GOVERNMENT’S RESPONSE TO KATE BARKER’S REVIEW OF HOUSING SUPPLY**

### **Summary of the Government’s Response to Kate Barker’s Review of Housing Supply**

- 16. The Government accepts the case set out by Kate Barker for a step change in housing supply. The Government therefore aims to ensure that, in future, more land is released for housing than has previously been the case.
- 17. The need is stressed for housing supply to become much more responsive to demand. Further reforms are needed to the planning system to ensure that local and regional plans prepare and release more land, in the appropriate places, and at an appropriate time, to meet our future housing requirements.
- 18. The Government has published draft PPS3: Housing, to which Oxford City Council is responding to separately as set out in this report. Government states that PPS3 will aim to ensure that local plan policies take greater account of the housing market and the need and demand for housing.
- 19. There will be a merger of Regional Planning Bodies (RPB’s) and Regional Housing Boards (RHB’s) aimed at closer co-ordination of regional strategic planning and delivery of housing supply. A National Advice Unit (NAU) will be set up by Autumn 2006, to advise regional planning bodies on the implication on housing numbers and location of long-term affordability objectives to be adopted by the Government. The NAU will provide authoritative advice to the Examination in Public of Regional Spatial Strategies. The Government will look at a wide range of potential locations for increasing the provision of new homes – not just in existing growth areas in the South East.

20. The importance of investment in infrastructure necessary to support housing growth is recognised. The Government is currently consulting on proposals for a Planning Gain Supplement to help fund necessary supporting infrastructure (which is the subject of a separate City Council response). However, the document also refers to the sustainable location and design of development, in terms of travel generation, but also in terms of water and waste infrastructure, flood risk, biodiversity and energy consumption.
21. In line with draft PPS3, the report supports a far greater focus on sub-regional housing markets, as opposed to local authority administrative boundaries; these are often closely-aligned with travel-to-work areas. Regional planning bodies will need to take account of a sub-regional land availability assessment. As such, PPS3 encourages cross-boundary working between local authorities, including the production of joint planning documents.
22. The Government agrees with the Barker Review's recommendation that the principle of containing urban sprawl through green belt designation should be preserved. The Government is therefore issuing a new Green Belt Direction, which will oblige more Green Belt proposals to be referred to the Secretary of State, who may then call in the application to be centrally determined.
23. The Government states it will continue to increase the supply of affordable housing. It will aim to assist over 100,000 households into home ownership by 2010, and is already committed to helping the delivery of 10,000 new social homes a year by 2007-08 compared with 2004-05.

### **Recommended City Council Response to the Government's Response to Kate Barker's Review of Housing Supply**

24. The City Council is only too familiar with the issue of high housing demand, contributing to a severe lack of affordable housing stock in Oxford. The commitment of central Government to continue to address this acute problem should be welcomed. The City Council would nevertheless make comment on some of the points covered in the Government's response, insofar as they may have significant implications for the central Oxfordshire sub-region, which has Oxford at its heart.
25. The City Council recognises the need for housing supply to more closely match demand, and supports the principle of focusing on housing need on a sub-regional basis. The need for affordable housing, and also the demand for market housing, is particularly acute in Oxford. The City Council is therefore supporting a significant urban extension to Oxford. This would go some way to addressing housing need in the Oxford travel-to-work area.
26. However there is some concern over apparent contradictions between documents currently being consulted on by Government. On the one

hand, there is support for housing being located where the market demands, with a heavier strategic steer from central Government advisors. On the other hand, the Government is proposing far greater constraint on the location of development at the local level, for example within flood zones 2 and 3 (ref. draft PPS25), and also potentially within the Green Belt (ref. Circular 11/2005). The City Council urges Government to give more recognition to strategic housing need in specific locations, such as Oxford, when considering land constraint issues. Whilst supporting full consideration of all environmental impacts, there is a danger that the future supply of residential development in Oxford may be compromised if the Government's commitment to sustainably located housing supply in areas of greatest need is not fully integrated with other policy documents.

27. The City Council welcomes Government's implicit recognition of the need to locate new housing development to relate closely to travel-to-work areas. However it would be helpful if greater emphasis were given to the sequential allocation of housing land in relation to major service centres within the sub-region. An unequivocal recognition that locating housing within, or if not adjoining, major urban settlements would reinforce the principle of reducing the cost of new infrastructure to support new communities, whilst simultaneously supporting the drive towards sustainable travel modes.
28. The City Council also welcomes Government's commitment to better determine the social, transport and environmental infrastructure implications of housing growth through the 2007 Comprehensive Spending Review. However the City Council would urge full consultation with local authorities with regards to how the outcome should be applied at the local and sub-regional level. In particular, the Government needs to recognise the importance of smaller scale local transport, community and environmental schemes, for which district councils should continue to distribute developer contribution-sourced funds as appropriate.

**The key recommendations set out in the Council's response to Government's Response to Kate Barker Review are as follows:**

29. Members are recommended to express to Government that:
- a) Oxford City Council welcomes the Government's commitment to continue to address the acute problem of high housing demand in contributing to a lack of affordable housing. The City Council recognises the need for housing supply to more closely match demand, and supports the principle of focusing on housing need on a sub-regional basis;
  - b) the City Council is concerned that seeking to locate more housing where high demand exists may often be contradicted by the Government's imposition of greater land use constraint, for example within flood zones and, potentially, within the Green Belt. The Government is thus urged to recognise the need to more closely



integrate their policy objectives, such that housing delivery in sustainable urban locations is not unduly held back;

- c) Government is urged to give unequivocal recognition to the appropriateness of locating housing land on a sequential basis, i.e. that locating housing within, or if not adjoining, major urban settlements minimises new infrastructure costs and supports sustainable travel modes.

## **Conclusion**

- 30. This report contains a summary of the consultation documents and comments on the impact the document will have upon Oxford. Recommendations are made where appropriate and summarised above.
- 31. The ODPM prefer consultees to respond to the PPS3 consultation with answers to preset questions therefore the above recommendations are incorporated in detail into the pro-forma response sheet at Appendix 1.
- 32. The Board is asked to endorse the comments in the report and Appendix 1 for forwarding to ODPM and HM Treasury as the City Council's response to the Government consultation on draft PPS3 and the Government's Response to Kate Barker's Review of Housing Supply.

### **Name and contact details of authors:**

Laura Goddard (PPS3)  
Telephone: 01865 252173  
Email: [lgoddard@oxford.gov.uk](mailto:lgoddard@oxford.gov.uk)

Matthew Bates (Government's response to Kate Barker's Review of Housing Supply)  
Telephone: 01865 252277  
Email: [mbates@oxford.gov.uk](mailto:mbates@oxford.gov.uk)

### **Background papers:**

Consultation on draft Planning Policy Statement 3: Housing  
Government's Response to Kate Barker's Review of Housing Supply