

Planning Policy Guidance 3: Housing

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Planning Policy Guidance Note 3: Housing

Planning Policy Guidance (PPG) notes set out the Government's policies on different aspects of planning. They should be taken into account by regional planning bodies and local planning authorities in preparing regional planning guidance and development plans and may also be material to decisions on individual planning applications and appeals. This guidance introduces a new approach to planning for housing which, for most authorities, will mean that their development plan will require early review and alteration in respect of housing.

This PPG provides guidance on a range of issues relating to the provision of housing. It replaces the 1992 version of PPG3. Circular 6/98 *Planning and Affordable Housing* will continue to apply, within the framework of policy set out in this guidance.

The Governments Objectives

1. The Government intends that everyone should have the opportunity of a decent home. They further intend that there should be greater choice of housing and that housing should not reinforce social distinctions. The housing needs of all in the community should be recognised, including those in need of affordable or special housing in both urban and rural areas. To promote more sustainable patterns of development and make better use of previously-developed land, the focus for additional housing should be existing towns and cities. New housing and residential environments should be well designed and should make a significant contribution to promoting urban renaissance and improving the quality of life.

2. Local planning authorities should:

- plan to meet the housing requirements of the whole community, including those in need of affordable and special needs housing;
- provide wider housing opportunity and choice and a better mix in the size, type and location of housing than is currently available, and seek to create mixed communities;
- provide sufficient housing land but give priority to re-using previously-developed land within urban areas, bringing empty homes back into use and converting existing buildings, in preference to the development of greenfield sites;
- create more sustainable patterns of development by building in ways which exploit and deliver accessibility by public transport to jobs, education and health facilities, shopping, leisure and local services;
- make more efficient use of land by reviewing planning policies and standards;
- place the needs of people before ease of traffic movement in designing the layout of residential developments;
- seek to reduce car dependence by facilitating more walking and cycling, by improving linkages by public transport between housing, jobs, local services and local amenity, and by planning for mixed use; and
- promote good design in new housing developments in order to create attractive, high-quality living environments in which people will choose to live.

Widening Housing Opportunity And Choice

Providing sufficient housing

3. One of the roles of the planning system is to ensure that new homes are provided in the right place and at the right time, whether through new development or the conversion of existing buildings. The aim is to provide a choice of sites which are both suitable and available for house building. This is important not only to ensure that everyone has the opportunity of a decent home but also to maintain the momentum of economic growth. Economic growth should not be frustrated by a lack of homes for those wishing to take up new employment opportunities: but to promote sustainable development, the need for economic growth has to be reconciled with social and environmental considerations, particularly those of conserving and enhancing the quality of our environment in both town and country.

4. The Government expects regional planning bodies (working in co-operation with other stakeholders) to prepare draft regional planning guidance (RPG), and local planning authorities to prepare development plans, which aim to provide sufficient housing to meet the likely housing requirements of their areas. Regional planning bodies (RPBs) should take a realistic and responsible approach to future housing provision, assessing both the need for housing and the capacity of the area to accommodate it. Separate arrangements for London are set out in Annex A.

5. In arriving at proposals in draft RPG as to the amount and broad distribution of housing provision, the RPBs should take account of the policy priorities set out in this guidance. In planning the provision of new housing, factors to be taken into account should include the Government's latest published household projections, the needs of the regional economy, the capacity of urban areas to accommodate more housing, the environmental implications, and the capacity of the existing or planned infrastructure. RPBs should be prepared to justify their views fully in public at the examination of the draft RPG.

6. In some regions or sub-regions there may be concentrations of previously-developed land within one authority and a lack of it in neighbouring authorities. In such circumstances, the RPBs and structure planning/UDP authorities should work together to focus new housing development in areas where previously-developed land is available (or where there are existing dwellings suitable for re-use or buildings suitable for conversion) in preference to developing greenfield sites.

7. RPG, when issued in its final form by the Secretary of State, will set the overall level of provision to be made for housing in each region and a distribution to constituent structure plan and unitary development plan (UDP) authorities. In preparing structure plans and UDPs, authorities must have regard to this guidance and should avoid, wherever possible, re-opening consideration of the level of housing provision for their areas which has been considered in full within the RPG process. Where circumstances have changed significantly since RPG was issued or where there is important new information to be taken into account, the presumption should be that RPG should be revised before development plans are reviewed. Where this is not practicable, revisions to the proposed level of housing provision in the structure plan or UDP should take place in the context of advice from the RPB, information from the RPBs' monitoring report (see paragraph 8), comments from other stakeholders and advice from the Government Office.

Plan, monitor and manage

8. It is an essential feature of the plan, monitor and manage approach that housing requirements and the ways in which they are to be met, should be kept under regular review. The planned level of

housing provision and its distribution should be based on a clear set of policy objectives, linked to measurable indicators of change. These indicators should be monitored and reported in the RPBs' annual monitoring report. Such monitoring should be the basis on which the RPB periodically reviews and rolls forward its housing strategy. Reviews should occur at least every five years and sooner, if there are signs of either under or over-provision of housing land. Advice on the indicators which can be used for monitoring is set out in paragraph 77 and in PPG11.

Creating mixed communities - influencing the type and size of housing

9. The Government's household projections indicate the projected increase in the number of new households over the longer term, a large part of which will be brought about by a change in the composition of households. The majority of the projected growth will be in one-person households. Local authorities should therefore adopt policies which take full account of changes in housing needs in their areas and which will widen the range of housing opportunities to allow these to be met.

10. The Government believes that it is important to help create mixed and inclusive communities, which offer a choice of housing and lifestyle. It does not accept that different types of housing and tenures make bad neighbours. Local planning authorities should encourage the development of mixed and balanced communities: they should ensure that new housing developments help to secure a better social mix by avoiding the creation of large areas of housing of similar characteristics.

11. 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. They should assess the composition of current and future households in their area, and of the existing housing stock, and formulate plans which:

- secure an appropriate mix of dwelling size, type and affordability in both new developments and conversions to meet the changing composition of households in their area in the light of the likely assessed need;
- encourage the provision of housing to meet the needs of specific groups (see paragraph 13);
- avoid housing development which makes inefficient use of land and provide for more intensive housing development in and around existing centres and close to public transport nodes;
- promote improved quality of developments which in their design, layout and allocation of space create a sense of community; and
- introduce greater flexibility in the application of parking standards, which the Government expects to be significantly lower than at present.

Assessing local housing needs

12. In determining housing requirements for their regions in order to meet the full range of needs, RPG may need to estimate the future balance between market and affordable housing. In deriving such estimates, RPBs and strategic planning authorities should identify and assess regional and sub-regional trends and factors which are likely to influence local housing need. The aim of RPG and structure plans/UDPs should therefore be to provide advice and information on those factors which local authorities should take into account in preparing their plans, informed by local housing need assessments. This should reflect the particular needs and circumstances of different areas, such as those of low demand for housing and rural areas. Estimates for affordable housing set out in RPG should be regarded as indicative and should not be presented as targets or quotas for local planning

authorities to achieve. RPG should also take into account links with Regional Housing Statements. These provide a regional context for local authorities in drawing up their housing strategies and support the development of more strategic approaches to tackling housing need.

13. Assessments of housing need which underpin local housing strategies and local plan policies, are matters for local authorities to undertake in the light of their local circumstances. Local planning authorities should work jointly with housing departments to assess the range of needs for different types and sizes of housing across all tenures in their area. This should include affordable housing and housing to help meet the needs of specific groups - the elderly, the disabled, students and young single people, rough sleepers, the homeless and those who need hostel accommodation, key workers, travellers and occupiers of mobile homes and houseboats. Local assessments should consider not only the need for new housing but ways in which the existing stock might be better utilised to meet the needs of the community. The Department will issue further advice to assist local authorities in preparing local housing need assessments.

Delivering affordable housing

14. A community's need for a mix of housing types, including affordable housing, is a material planning consideration which should be taken into account in formulating development plan policies and in deciding planning applications involving housing. Where there is a demonstrable lack of affordable housing to meet local needs - as assessed by up-to-date surveys and other information - local plans and UDPs should include a policy for seeking affordable housing in suitable housing developments.

15. Local plan policies for affordable housing should:

- define what the authority considers to be affordable in the local plan area in terms of the relationship between local income levels and house prices or rents for different types of households;
- indicate how many affordable homes need to be provided throughout the plan area, including the different types of affordable housing needed by households of different characteristics, taking account of rural as well as urban needs; and
- identify suitable areas and sites on which affordable housing is to be provided and the amount of provision which will be sought.

16. Decisions about the amount and types of affordable housing to be provided in individual proposals should reflect local housing need and individual site suitability and be a matter for agreement between the parties. Local planning authorities and developers should be reasonably flexible in deciding the types of affordable housing most appropriate to a particular site. The objective should be to ensure that the affordable housing secured will contribute to satisfying local housing needs as demonstrated by a rigorous assessment.

17. The policy in this guidance on planning and affordable housing is set out in more detail in DETR Circular 6/98 *Planning and Affordable Housing*. Where a local planning authority has decided, having regard to the criteria set out in paragraph 10 of Circular 6/98, that an element of affordable housing should be provided in development of a site, there is a presumption that such housing should be provided as part of the proposed development of the site. Failure to apply this policy could justify the refusal of planning permission.

Providing for exception housing in rural areas

18. Local planning authorities should seek to meet the needs of local people for affordable housing in rural areas by making effective use of the affordable housing policy set out above. Rural

affordable housing provision may, however, be augmented by an 'exception' policy. This enables local planning authorities to grant planning permission for land within or adjoining existing villages which would not normally be released for housing, in order to provide affordable housing to meet local needs in perpetuity. Local plans and UDPs should make clear whether such a policy exists and how it will be applied. Details of the rural exception policy are contained in Annex B to this guidance.

Monitoring of Affordable Housing

19. Local planning authorities should monitor the operation and outputs of local plan affordable housing policies, and housing delivered on rural exception sites. They should work closely with their housing departments to establish arrangements for keeping accurate and up-to-date information on the amount of such housing, or (where this is exceptionally the case) contributions towards the provision of such housing, secured by the authority. This information should be included in the material housing authorities are required to provide to Government Regional Offices in the annual Housing Investment Programme exercise to inform the assessment of their performance in their strategic housing role.

20. Decisions involving affordable housing contributions should be transparent and accountable: all parties should know the full basis for planning decisions, including planning obligations agreed in order to make housing proposals acceptable. Therefore, in addition to the requirements set out in Article 25 of the Town and Country Planning (General Development Procedure) Order 1995, local planning authorities should ensure that full information about planning obligations involving affordable housing contributions is placed on the statutory planning register.

Maintaining A Supply Of Housing

21. The Government is committed to promoting more sustainable patterns of development, by:

- concentrating most additional housing development within urban areas;
- making more efficient use of land by maximising the re-use of previously-developed land and the conversion and re-use of existing buildings;
- assessing the capacity of urban areas to accommodate more housing;
- adopting a sequential approach to the allocation of land for housing development;
- managing the release of housing land; and
- reviewing existing allocations of housing land in plans, and planning permissions when they come up for renewal.

Re-using urban land and buildings

22. The Government is committed to maximising the re-use of previously-developed land and empty properties and the conversion of non-residential buildings for housing, in order both to promote regeneration and minimise the amount of greenfield land being taken for development.

23. The national target is that by 2008, 60% of additional housing should be provided on previously-developed land and through conversions of existing buildings. Each region will propose its own recycling target to be set in RPG, which should contribute to achieving the national target. Structure planning/UDP and local planning authorities should adopt their own land recycling targets in development plans which will contribute to attaining the regional target and which are consistent with data from their urban housing capacity studies (see below). The definition of previously-developed land is given at Annex C to this guidance.

Assessing urban housing capacity

24. Land is a finite resource. Urban land and buildings can often be significantly underused. In order to establish how much additional housing can be accommodated within urban areas and therefore how much greenfield land may be needed for development, all local planning authorities should undertake urban housing capacity studies. These should consider various options in relation to density of development, levels of parking provision, different residential layouts and the mix of housing types. In conducting urban housing capacity studies, local planning authorities may wish to follow the principles laid down in the Department's good practice guidance (see Annex D).

25. Each local authority will be responsible for evaluating the capacity of its area. RPBs should coordinate the programme of capacity studies undertaken by constituent local authorities and maintain consistency of approach by agreeing the standards to be applied. In order that resources are used most effectively, local authorities may wish to cooperate in undertaking studies or agree that these should be conducted at structure plan/UDP level.

26. RPBs should draw on urban housing capacity studies in proposing the recycling target for their region which will be set in RPG. Planning authorities will also wish to draw on these studies in seeking to ensure that housing requirements are apportioned between local authorities in a way which maximises the use of previously-developed land and buildings (see paragraph 6) and minimises greenfield land take.

27. In compiling the base data for their capacity work, local planning authorities should draw on the National Land Use Database (NLUD), which will help identify and track available sites and their potential for housing development. The intention is that as NLUD is developed, it will increasingly provide a common data set which will underpin capacity studies. They should also draw upon empty home reduction strategies which local authorities have in place.

Identifying areas and sites

28. RPG and development plans should provide clear guidance as to the location of new development so that it meets housing requirements in the most sustainable way:

- at the regional level, RPG should identify the major areas of growth in the region, and determine where housing provision is to be sought by structure plan/UDP area, taking account of assessed capacity;
- at the strategic planning level, structure plans/UDPs should identify growth areas and a distribution of the additional housing likely to be required to district level; and
- at the local level, local plans and UDPs should identify sites for housing and buildings for conversion and re-use sufficient to meet housing requirements after making an allowance for windfalls (see paragraphs 35-36), and manage the release of land over the plan period.

29. Local planning authorities in preparing development plans should adopt a systematic approach to assessing the development potential of sites, and the redevelopment potential of existing buildings, deciding which are most suitable for housing development and the sequence in which development should take place.

30. In identifying sites to be allocated for housing in local plans and UDPs, local planning authorities should follow a search sequence, starting with the re-use of previously-developed land and buildings within urban areas identified by the urban housing capacity study, then urban extensions, and finally new development around nodes in good public transport corridors. They should seek only to identify sufficient land to meet the housing requirement set as a result of the RPG and strategic planning processes. In doing so they do not need to consider all the land in their area: they should not extend the search further than required to provide sufficient capacity to meet the agreed housing requirement.

31. In deciding which sites to allocate for housing in local plans and UDPs, local planning authorities should assess their potential and suitability for development against each of the following criteria:

- the **availability of previously-developed sites** and empty or under-used buildings and their suitability for housing use;
- the **location and accessibility** of potential development sites to jobs, shops and services by modes other than the car, and the potential for improving such accessibility;
- the **capacity of existing and potential infrastructure**, including public transport, water and sewerage, other utilities and social infrastructure (such as schools and hospitals) to absorb further development and the cost of adding further infrastructure;
- the **ability to build communities** to support new physical and social infrastructure and to provide sufficient demand to sustain appropriate local services and facilities; and

- **the physical and environmental constraints on development of land**, including, for example, the level of contamination, stability and flood risk, taking into account that such risk may increase as a result of climate change.

Allocating and releasing land for development

32. In determining the order in which sites identified in accordance with the criteria set out in paragraphs 30 and 31 should be developed, the presumption will be that previously-developed sites (or buildings for re-use or conversion) should be developed before greenfield sites. The exception to this principle will be where previously-developed sites perform so poorly in relation to the criteria listed in paragraph 31 as to preclude their use for housing (within the relevant plan period or phase) before a particular greenfield site.

33. Local plans and UDPs should include policies for the release of sites for housing development according to the order of priority set out in the first sentence of paragraph 32. This should take account of the likely supply of windfall sites. Local authorities should manage the release of sites over the plan period in order to control the pattern and speed of urban growth, ensure that the new infrastructure is co-ordinated with new housing development and deliver the local authority's recycling target. It is for each local planning authority to determine the form of such phasing policies but good practice guidance will be issued. One possible approach to managing the release of land for housing is to divide the plan into three phases, allocating sites for development in accordance with the presumption in paragraph 32.

34. Sufficient sites should be shown on the plan's proposals map to accommodate at least the first five years (or the first two phases) of housing development proposed in the plan. Site allocations should be reviewed and updated as the plan is reviewed and rolled forward at least every five years. Local planning authorities should monitor closely the uptake of both previously-developed and greenfield sites and should be prepared to alter or revise their plan policies in the light of that monitoring. However, it is essential that the operation of the development process is not prejudiced by unreal expectations of the developability of particular sites nor by planning authorities seeking to prioritise development sites in an arbitrary manner.

Windfalls

35. Windfall sites are those which have not been specifically identified as available in the local plan process. They comprise previously-developed sites that have unexpectedly become available. These could include, for example, large sites such as might result from a factory closure or very small changes to the built environment, such as a residential conversion or a new flat over a shop.

36. Authorities should make specific allowances for all the different types of windfalls in their plans. Allowance should be made on the basis of examining past trends in windfalls coming forward for development and on the likely future windfall potential as assessed in a capacity study. No allowance should be made for greenfield windfalls (refer to Annex D for good practice advice on capacity studies).

Determining planning applications

37. Development plans form the framework within which decisions on proposals for development are taken. It is important that plans are kept up to date and properly reflect national policy guidance. Local planning authorities should revise their plans to take account of the guidance set out in this PPG: they should seek to do so as quickly as possible by incorporating revised policies and proposals either in replacement plans or by alteration of existing housing policies.

38. In considering planning applications for housing development in the interim, before development plans can be reviewed, local authorities should have regard to the policy contained in this PPG as material considerations which may supersede the policies in their plan (see paragraph 54 of PPG1). Where the planning application relates to development of a greenfield site allocated for housing in an adopted local plan or UDP, it should be assessed, and a decision made on the application, in the light of the policies set out in this guidance. Comparison with available previously-developed sites against the criteria in paragraph 31 and in the light of the presumption in paragraph 32 and the policies on design, layout and efficient use of land, including car parking, will be particularly relevant. Where a proposed housing development involves the use of a previously-developed site or the conversion of existing buildings, the proposal may need to be amended in accordance with this guidance, for example, in relation to design, layout, density and parking.

39. Proposals to develop any greenfield land for housing which, in themselves or as part of a wider but contiguous allocation for housing, relate to a site of 5 hectares or more, or comprise 150 dwellings or more regardless of size of site, and which the local planning authority resolves to approve, should be notified to the Secretary of State before permission is granted. The Secretary of State will be issuing a direction to this effect. Applications for permission which are departures from the development plan and which fall within the scope of the Town and Country Planning (Development Plans and Consultation) (Departures) Directions 1999 should be referred to the Secretary of State in the usual way.

Non-renewal of outstanding planning permissions

40. Planning permissions all have a time limit, usually five years, after which a new permission is needed. It has been common practice to renew permissions. Issues of sustainability mean that local planning authorities should review thoroughly all applications to renew permissions, particularly by comparison with available previously-developed sites against the criteria in paragraph 31 and in the light of the presumption in paragraph 32, as well as policies set out elsewhere in this guidance. They may, as a result, determine that some existing planning permissions no longer meet the requirements of current policy guidance and should not be renewed. Alternatively, where permissions for housing development are renewed, they should be revised to take account, for example, of the need for higher quality development which makes more efficient use of the available land. Where appropriate, conditions should be imposed accordingly.

Re-using buildings/conversions

41. Conversions of housing, buildings formerly in other uses and the upper-floor space over shops, can provide an important source of additional housing, particularly in town centres. Local planning authorities should adopt positive policies to:

- identify and bring into housing use empty housing, vacant commercial buildings and upper floors above shops, in conjunction with the local authority's housing programme and empty property strategy and, where appropriate, acquire properties under compulsory purchase procedures; and
- promote such conversions, by taking a more flexible approach to development plan standards with regard to densities, car parking, amenity space and overlooking.

Reallocating employment and other land to housing

42. Some local planning authorities have allocations of land for employment and other uses which cannot realistically be taken up in the quantities envisaged over the lifetime of the development plan. Equally, since planning policies may have changed since some of this land was designated for particular land uses, it is possible that the designation is no longer compatible with policy set out in

current PPGs. The Government regards this as a wasted resource, especially where such sites include previously-developed land. Local planning authorities should therefore review all their non-housing allocations when reviewing their development plan and consider whether some of this land might better be used for housing or mixed use developments.

Using compulsory purchase powers for land assembly

43. If the Government's objectives for the more efficient use of urban land and the re-use of previously-developed sites are to be achieved, local authorities will need to take a more proactive approach to facilitating site assembly. This may be particularly appropriate:

- in and around existing centres where there are vacant and under-used land, commercial property or housing;
- in suburban areas close to public transport nodes which might support more intensive use for housing; and
- to secure land for urban extensions.

44. Wherever possible, local authorities should work with landowners in order that suitable sites are brought forward for development and to secure a coherent approach to urban renewal. In some instances, the local authority may need to purchase land in order to facilitate redevelopment. Wherever possible this should be done by negotiated agreement but may involve the use of compulsory purchase powers.

Working in constructive partnership

45. Local planning authorities and house builders are encouraged to work together constructively to identify land in the most appropriate locations for development taking account of this guidance. House builders should equally take account of this guidance in bringing forward schemes for development. Applicants for planning permission to develop new housing should be able to expect expeditious and sympathetic handling of planning applications for development on recycled land in urban areas where the land has been allocated for development in the local plan, the proposed development is well designed and well planned, and it enhances the local community.

Creating Sustainable Residential Environments

46. To promote more sustainable residential environments, both within and outside existing urban areas, local planning authorities should promote:

- development that is linked to public transport;
- mixed use development;
- a greener residential environment;
- greater emphasis on quality and designing places for people; and
- the most efficient use of land.

Linking development with public transport

47. The Government places particular emphasis on the importance of integrating decisions on planning and transport in order to reduce the need for travel by car. Local planning authorities should therefore seek to exploit opportunities to locate larger housing developments around major nodes along good quality public transport corridors (both existing and those with firm proposals for improvement in local transport plans) and seek to ensure that all housing developments are accessible by a range of non-car modes. This applies to development both within and outside existing urban areas. Development proposals should be supported by a transport assessment as set out in PPG13: *Transport*.

48. Just because a potential development site is well served by public transport does not of itself mean that it is an appropriate location for development and account should be taken of the criteria set out at paragraph 31 in determining its suitability for development. Public transport should be used positively to shape the pattern of development: equally, new housing development can be used to make public transport services more viable. Further guidance on identifying the potential of public transport is given in *Planning for Sustainable Development: Towards Better Practice* (see Annex D).

Promoting mixed-use development

49. Local authorities should promote developments which combine a mix of land uses, including housing, either on a site or within individual buildings such as flats over shops. This is important not only to accommodate new households but also to bring new life into our towns and cities. To increase housing opportunities in town centres, local authorities should identify sites or areas where housing or mixed-use development will be required, including, where appropriate, specifying the proportion of floor space which should be residential within such developments.

50. Local planning authorities should facilitate mixed-use development by:

- encouraging more housing, including affordable housing, in town centres by, for example, converting space above shops and vacant commercial buildings;
- identifying appropriate sites in development plans;
- preparing development briefs for sites likely to become available for development;
- assembling sites for redevelopment; and
- adopting flexible planning standards for car parking and density which facilitate such developments.

51. Local authorities should promote additional housing in town centres within the context of their overall strategy for each centre, taking into account the existing balance of uses in the centre. Priority should be given to employment-generating uses such as shopping, offices and leisure especially at ground floor level but opportunities to add housing on upper storeys should be taken. Local planning authorities should allow housing developments with limited or no off-street car parking in areas with good public transport accessibility and where effective on-street parking control is present or can be secured.

Greening the residential environment

52. The Government attaches particular importance to the 'greening' of residential environments. Greening initiatives can enhance quality, assist the permeability of land for storm drainage and contribute to bio-diversity. Well designed layouts can also contribute to the energy efficiency of new housing. Landscaping should be an integral part of new development and opportunities should be taken for the retention of existing trees and shrubs, and for new plantings.

53. Local planning authorities should have clear policies for the protection and creation of open space and playing fields, and new housing developments should incorporate sufficient provision where such spaces are not already adequately provided within easy access of the new housing. Developing more housing within urban areas should not mean building on urban green spaces. PPG17: *Sport and Recreation* gives further guidance on the provision of open space and playing fields.

Designing for quality

54. Good design and layout of new development can help to achieve the Government's objectives of making the best use of previously-developed land and improving the quality and attractiveness of residential areas. In seeking to achieve these objectives, local planning authorities and developers should think imaginatively about designs and layouts which make more efficient use of land without compromising the quality of the environment.

55. Local planning authorities should develop a shared vision with their local communities of the types of residential environments they wish to see in their area and articulate this through their development plan policies and supplementary planning guidance.

56. New housing development of whatever scale should not be viewed in isolation. Considerations of design and layout must be informed by the wider context, having regard not just to any immediate neighbouring buildings but the townscape and landscape of the wider locality. The local pattern of streets and spaces, building traditions, materials and ecology should all help to determine the character and identity of a development, recognising that new building technologies are capable of delivering acceptable built forms and may be more efficient. Local planning authorities should adopt policies which:

- create places and spaces with the needs of people in mind, which are attractive, have their own distinctive identity but respect and enhance local character;
- promote designs and layouts which are safe and take account of public health, crime prevention and community safety considerations;
- focus on the quality of the places and living environments being created and give priority to the needs of pedestrians rather than the movement and parking of vehicles;
- avoid inflexible planning standards and reduce road widths, traffic speeds and promote safer environments for pedestrians; and

- promote the energy efficiency of new housing where possible.

Making the best use of land

57. Local planning authorities should avoid the inefficient use of land. New housing development in England is currently built at an average of 25 dwellings per hectare but more than half of all new housing is built at less than 20 dwellings per hectare. That represents a level of land take which is historically very high and which can no longer be sustained. Such development is also less likely to sustain local services or public transport, ultimately adding to social exclusion. Local planning authorities should therefore examine critically the standards they apply to new development, particularly with regard to roads, layouts and car parking, to avoid the profligate use of land. Policies which place unduly restrictive ceilings on the amount of housing that can be accommodated on a site, irrespective of its location and the type of housing envisaged or the types of households likely to occupy the housing, should be avoided.

58. Local planning authorities should therefore:

- avoid developments which make inefficient use of land (those of less than 30 dwellings per hectare net - see definitions at Annex C);
- encourage housing development which makes more efficient use of land (between 30 and 50 dwellings per hectare net); and
- seek greater intensity of development at places with good public transport accessibility such as city, town, district and local centres or around major nodes along good quality public transport corridors.

Reviewing parking standards

59. Local authority requirements for car parking, especially off-street car parking, are also a significant determinant of the amount of land required for new housing.

60. Car parking standards for housing have become increasingly demanding and have been applied too rigidly, often as minimum standards. Developers should not be required to provide more car parking than they or potential occupiers might want, nor to provide off-street parking when there is no need, particularly in urban areas where public transport is available or where there is a demand for car-free housing. Parking policies should be framed with good design in mind, recognising that car ownership varies with income, age, household type, and the type of housing and its location. They should not be expressed as minimum standards.

61. Local authorities should revise their parking standards to allow for significantly lower levels of off-street parking provision, particularly for developments:

- in locations, such as town centres, where services are readily accessible by walking, cycling or public transport;
- which provide housing for elderly people, students and single people where the demand for car parking is likely to be less than for family housing; and
- involving the conversion of housing or non-residential buildings where off-street parking is less likely to be successfully designed into the scheme.

62. Car parking standards that result, on average, in development with more than 1.5 off-street car parking spaces per dwelling are unlikely to reflect the Government's emphasis on securing sustainable residential environments. Policies which would result in higher levels of off-street parking, especially in urban areas, should not be adopted.

Rejecting poor design

63. In determining planning applications, local planning authorities should reject poor design particularly where their decisions are supported by clear plan policies and adopted supplementary planning guidance, including village design statements. Applicants for planning permission for housing development should be able to demonstrate how they have taken account of the need for good layout and design and how their proposals reflect the guidance set out in this PPG.

64. Annex D includes references to sources of good practice guidance on the layout and design of new development and on the positive role of development briefs.

Developing Outside Urban Areas

65. Not all development can take place within urban areas. How much development should take place outside existing areas will depend on the overall need for housing land, the capacity of existing urban areas to accommodate additional housing and the efficiency with which land is developed. Where development has to take place outside urban areas, the Government is looking to local planning authorities to utilise the most sustainable option.

66. Any substantial new development, whether a town extension, village expansion or new settlement should not consist exclusively of housing but must be planned as a community with a mix of land uses, including adequate shops, employment and services.

Creating urban extensions

67. Planned extensions to existing urban areas are likely to prove the next most sustainable option after building on appropriate sites within urban areas, especially where it is possible to utilise existing physical and social infrastructure, there is good access to public transport (or where new public transport provision can be planned into the development), and there is good access to jobs, schools, shopping and leisure facilities.

68. The Government is strongly in favour of maintaining the Green Belt. There may be occasions however, where Green Belt boundaries have been tightly drawn and there may be a case for reviewing these boundaries and planning for development where this would be the most sustainable of the available options. An extension of an urban area into the Green Belt may, for example, be preferable to new development taking place on a greenfield in a less sustainable location. Nonetheless, the Government regards this as an exceptional policy that should not compromise the objectives for which Green Belts were designated.

Rural housing - village expansion and infill

69. In terms of overall housing provision, only a limited amount of housing can be expected to be accommodated in expanded villages. Whilst occasionally a village could be the basis for a new settlement where, for example, the development accords with the policy of developing around major nodes in transport corridors, most proposals for additional housing will involve infill development or peripheral expansion.

70. Villages will only be suitable locations for accommodating significant additional housing where:

- it can be demonstrated that additional housing will support local services, such as schools or shops, which could become unviable without some modest growth. This may particularly be the case where the village has been identified as a local service centre in the development plan;

- additional houses are needed to meet local needs, such as affordable housing, which will help secure a mixed and balanced community (see Annex B); and
- the development can be designed sympathetically and laid out in keeping with the character of the village using such techniques as village design statements.

71. The Government is concerned, however, that there should be adequate housing provision in rural areas to meet the needs of local people. Local planning authorities should therefore make sufficient land available either within or adjoining existing villages to enable these local requirements to be met. The needs of local people for affordable housing may often be best met by the exception policy (see paragraph 18 and Annex B).

New settlements

72. The Government believes that, in the right location and with the right concept, new settlements can make a contribution to meeting the need for housing. However, the cost of developing a new community from scratch, including the full range of new services and infrastructure, means that they will only infrequently be a viable option due to their scale and the time required to develop them. New settlements will not be acceptable if they will simply function as a dormitory of an existing larger settlement.

73. New settlements, whether large-scale additions to existing settlements or freestanding, may under certain circumstances prove to be a sustainable development option where:

- having undertaken a regional capacity study, there is a significant shortfall in the provision of housing that needs to be met in the region;
- they are large enough to support a range of local services, including schools, shops and employment;
- they can make use of previously-developed land;
- they exploit and improve existing or proposed public transport by locating around a major node along a good quality public transport corridor;
- use of public transport is encouraged through the design and layout of the new settlement; and
- there is no more sustainable alternative.

74. Proposals for new settlements which will have a significant impact on the sub-regional pattern of development and transport should be brought forward through regional or sub-regional planning guidance. Smaller schemes should be brought forward as structure, local plan or UDP proposals. Speculative proposals should be discouraged.

75. Detailed proposals should be brought forward through development plans. All new developments should be planned to high standards of layout and design, which should maximise opportunities for walking, cycling and using public transport and should follow guidance set out in paragraphs 57-58 in respect of efficiency in the use of land.

Monitoring And Review

76. Effective monitoring is essential to the strategy of maintaining an adequate supply of land and buildings for housing and to enable its managed release. Further advice on monitoring is contained in good practice guidance referenced at Annex D.

77. Monitoring should include the:

- numbers of dwellings provided in a plan area;
- proportion of dwellings provided on previously-developed land or by re-use of existing buildings;
- numbers of dwellings provided on windfall sites;
- numbers of affordable dwellings provided;
- the variety of types and mix of sizes of housing;
- density of new development; and
- car parking provision.

Information obtained from monitoring these indicators should be used to track progress in respect of local planning authorities' own policies and to contribute to the RPB's annual monitoring report.

Annex A: London

In London, new arrangements for a directly elected Mayor, who will prepare a Spatial Development Strategy, mean that the current arrangements for setting the overall level of housing provision in London and the distribution of provision between boroughs will change. As the new arrangements for strategic planning in the capital are unique to London, further guidance on these arrangements will be set out in a separate Circular. Guidance in this PPG must be read together with the guidance in the Circular.

Annex B: Providing for rural exception housing

1. Many rural areas face particular difficulties in securing an adequate supply of land for affordable housing for local needs. Local planning authorities should adopt the plan-led approach set out in this guidance to identify areas and sites for housing to meet their rural housing requirements, including that required to meet affordable housing needs in rural areas. Where there remains a lack of affordable housing to meet local needs (as demonstrated by up-to-date assessments of local housing need) which cannot otherwise be met by means of provision in the plan, local planning authorities in rural areas should consider including a 'rural exception policy' in their plans.

2. An exception policy enables the authority to grant planning permission for small sites, within and adjoining existing villages, which may be subject to policies of restraint, such as Green Belt, and which the local plan would not otherwise release for housing, in order to provide affordable housing to meet local needs in perpetuity. Local plan policies should make clear that such sites would be released as an exception to normal policies for general housing provision in rural areas. Policies should clearly set out the circumstances where sites may be released and criteria against which proposals will be considered, including:

- what the local authority considers to be 'affordable' housing for the purpose of the policy; and
- the area within which needs will be considered 'local', for example, in terms of groups of villages or parishes or even a single parish. In some areas it may be possible to name particular settlements where there is evidence of need and where opportunities for affordable housing on exception sites will be explored.

General market housing, or mixed developments consisting of high-value housing used to cross-subsidise affordable housing on the same site, are inappropriate on exception sites.

3. The case for releasing exception sites in order to secure provision of affordable housing for local needs will be a matter for the judgement of the local planning authority. In preparing plan policies, local planning authorities should consider the benefits of preparing village appraisals, which encompass assessments of housing, economic and environmental profiles of parishes and villages. In doing so, they should work closely with their local communities, landowners, housing providers and enablers to prepare strategies for implementing exception schemes, including identifying possible sites.

4. The basis of the policy is essentially one of permitting very limited exceptions to established policies of restraint. It will be inappropriate for policies to identify particular sites and allocate them for affordable housing in the local plan or to reserve land allocated in the plan to meet general housing demand for local needs only. The amount of exception sites that will be released cannot be predicted at the start of the plan period and, therefore, housing provided on exception sites should be regarded as additional to the provision in the development plan.

5. The exceptional release of land for low-cost housing should take full account of environmental considerations. It is also of great importance that the style and character of such housing should be in keeping with its surroundings, and particularly with local building styles. This guidance does not alter the general presumption against inappropriate development in the Green Belt. Green Belt policy remains as set out in Planning Policy Guidance note 2. The policy is not intended to apply in most Green Belt areas, which are by their nature close to the main conurbations where conditions are not typical of the generality of rural areas. However, exceptionally very limited development of affordable housing within or adjoining existing villages or other small settlements may be acceptable and consistent with the function of the Green Belt.

6. Where planning permission is granted for affordable housing on exception sites, the local planning authority should satisfy itself that adequate arrangements are in place to reserve the housing in question for local needs, both initially and in perpetuity. Both planning conditions and planning obligations may be used for this purpose. The inclusion of clauses in planning obligations which would enable lenders of private finance to dispose of property on the open market as a last resort if a borrower were to get into financial difficulties, are unacceptable in respect of housing schemes on exception sites. Such clauses should also be unnecessary in the case of loans to registered social landlords, in part, because of the safeguards to private lenders offered by the Housing Act 1996. See also paragraphs 27 to 29 of Circular 6/98.

Annex C: Definitions

Previously-developed land

There are various definitions of previously-developed land in use. For the purposes of this guidance, such land is defined as follows:

Previously-developed land is that which is or was occupied by a permanent structure (excluding agricultural or forestry buildings), and associated fixed surface infrastructure¹. The definition covers the curtilage of the development². Previously-developed land may occur in both built-up and rural settings. The definition includes defence buildings and land used for mineral extraction and waste disposal³ where provision for restoration has not been made through development control procedures⁴.

The definition excludes land and buildings that are currently in use for agricultural or forestry purposes, and land in built-up areas which has not been developed previously (e.g. parks, recreation grounds, and allotments - even though these areas may contain certain urban features such as paths, pavilions and other buildings). Also excluded is land that was previously developed but where the remains of any structure or activity have blended into the landscape in the process of time (to the extent that it can reasonably be considered as part of the natural surroundings), and where there is a clear reason that could outweigh the re-use of the site - such as its contribution to nature conservation - or it has subsequently been put to an amenity use and cannot be regarded as requiring redevelopment⁵.

Net housing development

There is no commonly used definition of net housing density but advice is contained in *The Use of Density in Urban Planning* (see Annex D) paragraphs 8.19 - 8.27.

¹ In other words, the urban land uses as defined by the DETR's Land-Use Change Statistics (excluding 'urban land not previously developed'). See Annex B of *Land Use Change in England No 14* which is available at http://www.odpm.gov.uk/groups/odpm_planning/documents/page/odpm_plan_607174.hcsp

² The curtilage is defined as the area of land attached to a building. All of the land within the curtilage of the site (as defined above) will also be defined as previously-developed.

However, this does not mean that the whole area of the curtilage should therefore be redeveloped. For example, where the footprint of a building only occupies a proportion of a site of which the remainder is open land (such as at an airfield or a hospital) the whole site should not normally be developed to the boundary of the curtilage. The local planning authority should make a judgement about site layout in this context, bearing in mind other planning considerations, such as policies for the protection of open space and playing fields or development in the countryside, how the site relates to the surrounding area, and requirements for on-site open space, buffer strips, landscaped areas, etc.

³ These land uses are in addition to the Land-Use Change Statistics 'urban' groups.

⁴ This relates to minerals and waste sites which are to remain unrestored after use because the planning permission allowing them did not include a restoration condition. All other such sites will be restored to 'greenfield' status, by virtue of the planning condition.

⁵ The definition does not supersede or in any way change the policy in respect of the redevelopment of major developed sites in the Green Belt set out in Annex C to Planning Policy Guidance note 2: *Green Belts*.

For the purposes of PPG3, local authorities should adopt the approach to "net site density" set out in that document. Paragraphs 8.19 - 8.22 states:

8.19 A "net site density" is a more refined estimate than a gross site density and includes only those areas which will be developed for housing and directly associated uses. This will include:

- access roads within the site;
- private garden space;
- car parking areas;
- incidental open space and landscaping; and
- children's play areas where these are to be provided.

8.20 It therefore excludes:

- major distributor roads;
- primary schools;
- open spaces serving a wider area; and
- significant landscape buffer strips.

8.21 A net site density is the most commonly used approach in allocating housing land in development plans and is appropriate for development on infill sites where the boundaries of the site are clearly defined and where only residential uses are proposed. It is also appropriate where phased development is taking place in a major development area (perhaps spanning different plan periods) and individual housing sites have been identified.

8.22 Unlike gross, neighbourhood and town/district densities, the density assumption used does not need to reflect the inclusion of non-residential uses, but is solely based on the form of housing development envisaged.

Annex D: Bibliography

Further guidance and advice published by the Department for Transport, Local Government and the Regions which is relevant to implementing this guidance includes:

Sustainable Development

- *Planning for Sustainable Development: Towards Better Practice* (1998)

Layout and design of new development

- *Better places to live: by design. A companion guide to PPG3* (2001)
- *Planning Policy Guidance note 1: General Policy and Principles, especially Annex 1 on design* (1997)
- *By Design: urban design in the planning system towards better practice* (2000)
- *Places, Streets and Movement: a Companion Guide to Design Bulletin 32 (Residential Roads and Footpaths)* (1998) Contact the **DTLR Publication Sale Centre** on **01709 891 318**
- *Planning and Development Briefs: A Guide to Better Practice* (1998)

Density

- *The Use of Density in Urban Planning* (1998) Contact the **DTLR Publication Sale Centre** on **01709 891 318**
- *Sustainable Residential Quality: New Approaches to Urban Living* (1997) Contact the **GLA** on **020 7983 4323**
- *Sustainable Residential Quality: An Approach and Method Statement* (1999) Contact the **GLA** on **020 7983 4323**
- *Sustainable Residential Quality: Exploring the Housing Potential of Large Sites* (2000) Contact the **GLA** on **020 7983 4323**

Urban Housing Capacity Studies

- *Tapping the Potential. Assessing urban housing capacity: towards better practice* (2000)

Managing the release of sites

- *Planning to deliver. The managed release of housing sites: towards better practice* (2001)

Monitoring

- *Monitoring Provision of Housing through the Planning System: towards better practice* (2000)

With permission Madam Speaker, I should like to make a statement about national planning guidance for housing and about regional planning guidance for the South East.

Honourable Members will have seen press reports relating to this statement over the weekend. Much of what was reported has already been announced to the House, but I regret and denounce the leaks and as I have said to you, Madam Speaker, I am doing all I can to prevent them.

Madam Speaker, I am today putting in place policies, which will radically alter the way in which we build new homes in this country.

I want to see an end to the wasteful, badly located and poorly designed house building which has gone on over the last 20 years.

New housing developments can be well designed, attractive, well located and sustainable places to live. They do not have to take up endless acres of our beautiful countryside.

We have already set out a clear set of principles, in my statement to the House on 'Planning for the Communities of the Future' in February 1998. Let me remind the House of these.

- Everyone should have the opportunity of a decent home.
- We want to see thriving communities in our towns and cities - what Lord Rogers calls an Urban Renaissance.
- Our housing plans should support sustainable economic growth in all our regions.
- We need to make efficient use of land. Land is a finite and precious resource which we must conserve wherever possible.
- We must respect our countryside. That is why we have set a national target that 60% of new homes should use recycled land or buildings. This compares to the last Government's target of 50%.
- Finally, we must seek to reduce car dependence by facilitating more walking and cycling and improve access between housing, jobs, local services and local amenities by planning for mixed use.

Madam Speaker, I am today publishing our new Planning Policy Guidance Note 3 on Housing and our response to the Environment Transport and Regional Affairs Select Committee's Report on the draft guidance note.

Today's new planning guidance for England is not just for individuals, but for thriving communities.

Important changes in lifestyles are taking place in England and throughout Europe which are leading to an increase in households. No-one is asking members of the public to change their existing home.

But new homes for additional households must provide the variety and choice to meet the needs of the future. I want to emphasise to the House that 70% of new households over the next 20 years will be single person households.

Some of these will be youngsters setting up home.

Some will be people living independently of their families.

Some will be elderly people living longer.

They will not all want, or be able to afford, executive houses in the countryside. Many will need well-designed, well-located homes for rent or to buy which are affordable and which give them a range of choice and a better quality of life.

We must therefore plan for these changes.

First of all, the new sequential approach which is central to our new Guidance means that planning authorities must in future give preference to recycling previously developed sites and empty properties. Brownfield first, greenfield last.

Second we must make more efficient use of land if we are to preserve our countryside and make the best use of spare capacity in our towns.

Third, housing must be more affordable. Too many developments make no provision for people on modest incomes.

We will enable local authorities to secure a proportion of affordable housing in larger housing developments - both in urban and rural areas. This will benefit many single people, low-income families and key workers such as nurses, teachers and others.

Finally, we must promote mixed use developments. This will integrate housing with shops, local services, transport and jobs sustainable communities, not just bricks and mortar.

Madam Speaker, these are policies which will apply throughout all the Regions of England. Regional Planning Guidance will put these principles into practice.

The first of the Regional Planning Guidance will be for the South East of England. Others will follow in due course.

The South East is relatively well-off. But it lags behind the most prosperous European regions. And just like other regions, there are significant areas of unemployment and deprivation within London and the South East itself.

This Government, unlike the last, is determined to see a fairer share in the benefits of growth both between and within regions. One reason we have established Regional Development Agencies in England's regions is to tackle such disparities.

While I am on this subject, can I just lay to rest one myth perpetuated by the Opposition today and repeated by the BBC. Let there be no doubt, the demand for additional housing in the South East is not the result of massive North-South migration. It is mainly the result of migration within the South East, in particular from London to surrounding towns and villages.

Madam Speaker, in deciding how many additional homes need to be provided, I have had to weigh very carefully the different views presented to me.

Local authorities in the South East - known collectively as SERPLAN - proposed up to 718,000 additional homes outside London, over 20 years.

These proposals were examined in Public by a Panel led by Professor Stephen Crow which concluded that provision should be made for 1.1 million additional homes outside London.

All governments have to make judgements on strategic issues like this.

SERPLAN were understandably concerned about the number of new homes to be built in the South East.

But they failed to take account of future housing needs. They did not make provision for affordable housing or account for the growth of single person households. And they assumed the same wasteful use of land as in the recent past.

The Crow Panel, for their part, applied a rigid 'predict and provide' approach. And they didn't pay enough attention to the capacity of London and the South East to absorb and plan for growth sustainably.

I believe we must take a different approach. I shall consult local authorities in the South East on the basis that they should **plan, monitor and manage** housing provision in their region.

First they should *plan* to provide 43,000 additional dwellings a year outside London, subject to regular review no less than every 5 years.

Under the old 20 year 'predict and provide' system, it is clear that 43,000 homes adds up to 860,000 new homes.

But we have moved away from a 20 year plan to our new plan, monitor and manage approach. No-one can with certainty predict how many extra households will exist in 20 years' time.

Our benchmark of 43,000 a year is approximately 10% more than the current rate of construction in the South East. Professor Crow implied a 40% increase.

Based on the advice of the London Planning Advisory Committee, London should plan to provide 23,000 new homes a year, the vast majority of which will be on brownfield sites. That is a 22% increase on current build rates and is, I believe, accepted by all parties.

So local authorities should plan for this level of building.

Second, planning authorities should *monitor* against a series of indicators.

Third, they should *manage*, and if necessary adjust, the rate of development in the light of monitoring.

In addition I propose that 60% of all new homes in the South East should be provided on brownfield sites.

I am determined that we should take as little greenfield land as is necessary to provide the new homes that will be needed. Compared with Professor Crow our proposals will save 42 square miles of countryside enough to build a city the size of Manchester.

Our proposals will provide homes for more people, but because of our policies for less land-take, they will use no more land than SERPLAN proposals.

Our new guidance makes clear that the Thames Gateway will remain a focus for development. I pay tribute to the Rt Hon Member for Henley for his vision of a thriving Thames Gateway.

Under our plans, which will include an extension of the Thames Gateway area and new delivery mechanisms, the Thames Gateway will become a hub for development and regeneration with fast links to London and Europe.

After brownfield development, the most sustainable greenfield option is to build town extensions.

In the South East I therefore propose that we should investigate the potential for high quality, well-planned development in two main areas Milton Keynes and Ashford in Kent. I want to emphasise that this will all be subject to further studies which will be taken into account in the next review of planning guidance.

For the longer term, consideration will also be given to the possibility of growth in the M11 corridor, including Stansted.

Madam Speaker, I believe my statement today strikes the right balance between competing demands.

We are proposing the most radical changes since the 1947 Town and Country Planning Act.

The old 'predict and provide' approach to housing which under the Tories gave us urban sprawl, out-of-town shopping and pepper-pot development is dead.

We have adopted a new, more flexible approach which will conserve greenfield land and improve the quality and design of housing developments.

It provides for good quality housing, good design and a range of choice which meets people's needs.

I commend these proposals to the House.

1. The Government welcomes the Select Committee's report on the consultation draft of PPG3. It has provided an important contribution to finalising the guidance note.
2. The Government welcomes the strong endorsement that the Committee has given to the policies set out in the draft of PPG3. In almost all cases, the Government has been able to accept the Committee's recommendations. In those few instances where this has not been possible, the reasons have been set out.
3. The Government's Response has been structured in the same way as the Committee's report with responses to each of the Committee's recommendations.

Summary of Conclusions and Recommendations

Specific Guidance:

We welcome the draft PPG as an important step in promoting urban regeneration, encouraging housing development in appropriate locations and protecting the countryside (paragraph 7).

We need more creative planning. The Government must take steps to ensure the planning system is able to provide it. However, we do not consider that at present the system is capable of providing the proactive planning the Minister seeks. We are concerned that without more specific guidance local authorities and planners would be unable to implement the PPG, or they would use its vagueness as an excuse for not taking the necessary action. We welcome the Minister's agreement to provide more specific guidance on a number of matters (paragraph 12).

4. The Government is committed to a more creative and positive approach to planning. The new PPG3 seeks both to clarify the Government's objectives in planning for housing but also the means by which local planning authorities should seek to secure them. The Select Committee's wish to see more specific guidance on implementation was also expressed by a significant number of respondents to consultation and the PPG3 in its final form has reflected this. A number of good practice guides will be issued to accompany PPG3, covering urban housing capacity studies, monitoring, phasing and design.

Providing housing opportunities and choice:

We recommend that the final PPG outlines how the plan, monitor and manage system will operate.

5. This is set out in paragraph 8 of PPG3. The process for arriving at regional housing requirements, how they are incorporated into development plans, and how they should be monitored and reviewed is set out in paragraphs 3 to 7.

The PPG should make clear that each region's housing requirement should not simply be cascaded down to local authorities, but should take into account environmental constraints and the availability of brownfield land throughout the region. As a result, a higher percentage of the region's housing might be built in one local authority area, a lower percentage in another, while ensuring that overall requirements are met. We cannot support the final publication of the PPG unless it is changed to put this proposal into effect (paragraph 16).

6. PPG3 advises that local planning authorities should undertake urban housing capacity studies to establish their ability to accommodate development (paragraphs 24-27). Such information should be co-ordinated by regional planning bodies. It further advises that regional planning bodies and structure planning/UDP authorities should work together to ensure that best use is made of previously-developed land across regions and sub-regions (paragraph 6).

We support the objective of enabling local authorities to influence the type and size of housing, but are concerned that the draft PPG does not indicate how it is to be achieved and what powers local authorities have to achieve it. We recommend it does (paragraph 18).

7. PPG3 advises local planning authorities to formulate development plan policies, based on assessments of the current composition of their housing stock and future needs. Policies should seek to secure an appropriate mix of dwelling size, type and affordability both generally and to meet special housing needs of particular groups (paragraphs 9-11). They are advised to assess housing needs taking into account Regional Housing Statements, and local housing needs assessments (paragraphs 12-13). PPG3 reflects the Government's wish therefore that there should be greater co-ordination at regional and local level between planning and housing departments.

We support mixed-use developments, and planning authorities must support them. However, the planning system is not the major obstacle. There are powerful objections from financial institutions and developers to such developments which must be addressed (paragraph 21).

8. The Government agrees that mixed-use developments are beneficial and this is covered in paragraphs 49-51 of PPG3. The financing of such developments is not a planning issue but the Government believes that the development industry will increasingly recognise the potential value of such developments.

There are prosperous areas where a large increase in the amount of social housing is needed. There are also areas with high levels of social housing where more homes for purchase are required. However, local authorities will find it difficult to achieve these aims because they cannot specify tenure. The Government should indicate, in general terms what local authorities should say in their development plans and for what type of proposals they would subsequently be allowed to refuse planning permission. The guidance as it stands will be inadequate to overcome economic, social and political obstructions (paragraph 25).

We approve the PPGs encouragement to have affordable housing on the site of proposed developments. This is not always possible and in some circumstances it should be located within the neighbourhood; but it is important that the neighbourhood should be narrowly drawn (paragraph 27).

9. Paragraphs 14-20 of PPG3 cover planning for affordable housing.

10. Both the policy and legal position is that tenure is not a material planning consideration. Whilst planning policy can require an element of affordable housing in circumstances where there is an established need and on appropriate sites, its purpose should be to ensure a mix of housing types, including affordable housing. Local planning authorities may not specify tenure of housing because it is the Government's policy, set out in PPG3, to seek a mix of tenures. The Government does not accept that different types of housing and tenures make bad neighbours (paragraph 10). Nor should local planning authorities preclude the change of tenure during the lifetime of a property.

11. Paragraph 17 of PPG3 sets out the Government's policy in respect of the provision of affordable housing on the site of proposed developments.

We welcome the recent shift in the Housing Corporation rules, but are concerned that the existing financial rules for social housing still appear to encourage development on greenfield sites (paragraph 28).

12. The Housing Corporation's financial rules are neutral between developments on previously-developed and greenfield sites. However, the Corporation has a target to allocate 65% of Approved Development Programme expenditure to schemes which contribute to regeneration objectives. This gives strong encouragement to the delivery of schemes on previously-developed sites. The Corporation regularly reviews its framework of Total Cost Indicators and Grant Rates which is used to allocate funds to Registered Social Landlords and this takes into account the extent to which the framework assists in achieving current investment priorities.

In its last report on Housing this Committee recommended that targets, for the amount of social housing to be provided, should be established in Regional Planning Guidance and in development plans to ensure that the release of land was related to the provision of affordable housing. In its response to that report the Government agreed with the Committee, but appears to have subsequently changed its mind. We re-iterate our recommendation (paragraph 29).

13. The Government believes that targets for affordable housing should be based on assessments of need which can only properly be carried out by local housing authorities. PPG3 advises (paragraph 12) that regional planning bodies may make estimates of the future balance between market and affordable housing but that such estimates should be regarded as indicative and should not be presented as targets or quotas for local planning authorities to achieve.

We are concerned about the lack of certainty in arrangements in respect of planning gain. We recommend that the Government issue guidance on how negotiations on section 106 agreements should be entered into (paragraph 30).

14. The Government will consult on the reform of planning obligations later this year. The issue of guidance on negotiating section 106 agreements in advance of that consultation exercise would be premature.

Promoting a supply of land for housing:

There also need to be better mechanisms for ensuring the speedy release of brownfield sites and measures to improve the clean up of contamination. The Urban Task Force stressed the need for a streamlined planning process, accelerated compulsory purchase powers and fiscal incentives. The Government should state how it intends to achieve its 60 per cent target (paragraph 35).

In *Planning for Communities of the Future*, the Government proposed setting a target for urban areas. The Government should set national and regional targets for the percentage of dwellings to be built on brownfield land in urban areas (paragraph 36).

15. The Urban Task Force's recommendations for accelerated compulsory purchase powers are being considered as part of the Fundamental Review of the laws and procedures relating to compulsory purchase and compensation, which is now nearing completion. See the response to the Committee's other main recommendation on this issue for more details (paragraph 28).

16. The Government's target is that, by 2008, 60% of additional housing in England should be provided on previously-developed land or by re-using existing buildings. PPG3 (paragraph 23) advises that Regional Planning Guidance should set a recycling target for each region and that, in

turn, each planning authority should set targets which will contribute to the achievement of the regional target.

17. The effect of undertaking urban housing capacity studies, together with the use of data from the National Land Use Database and the application of the sequential approach set out in the PPG, will be that the majority of previously-developed land that will be recycled will be within urban areas. The Government does not therefore consider that separate targets for urban areas are necessary.

Some regions, such as the North West, could achieve a target of building almost 100 per cent of new homes on brownfield land. We recommend that the wording in paragraph 21 indicate that the share of a region's homes to be built in each local authority area should reflect the amount of brownfield land in that area (paragraph 39).

18. It is the Government's intention that the recycling target should reflect the amount of land and building available for recycling. The 60% target is national; regions with significant amounts of previously developed land should aspire to higher rates of recycling.

We welcome the fact that the Department has now agreed to issue guidance on how to operate the sequential approach when the PPG3 is finally issued. A particular problem remains the retention of the five-year requirement. We recommend that the five-year housing requirement be deleted and that local authorities phase the release of land, providing a rolling programme of land for building. This should ensure that there is certainty, that there is a sufficient supply of housing and that building takes place in the most appropriate locations (paragraph 44).

19. Local planning authorities are advised to manage the release of sites for development and may use a phasing approach if they choose. They are required to show sufficient sites in their plans to accommodate at least the first five years of housing development proposed in their plan (paragraph 34). Good practice guidance on phasing will be issued by the Department. The sequential approach and the managed release of land is covered in paragraphs 29-34 of PPG3.

We consider the words in paragraph 26 from 'accessibility' in line 3 to the end should be deleted since they are superfluous. In a deregulated bus system, nowhere in the urban footprint need be inaccessible by bus (paragraph 45).

20. This wording does not appear in the final version of PPG3. However, paragraph 33 states that some previously-developed sites may perform so poorly against the assessment criteria - including accessibility - as to preclude their use for housing before other, greenfield sites.

Policy has changed and the reference to the size of site has been dropped. Accordingly it is possible to allow for large sites as well as small ones. If the five-year requirement is kept by the Government, it is essential it explicitly includes an allowance for windfall sites (paragraph 47).

21. PPG3 defines windfall sites as including only previously-developed land. Paragraph 36 advises local planning authorities to make specific allowance for windfall sites in their plans and refers them to good practice guidance on urban housing capacity studies which includes advice on planning for windfalls.

We support the proposals in the paragraph for local authorities to review their allocation of employment land (paragraph 49).

We consider that there is still a problem that many local authorities keep land allocated for employment purposes in the hope of attracting one of the few major inward investments. The Department must ensure that local authorities cease to hoard superfluous employment land (paragraph 50).

22. The need to review employment land allocations is described in paragraph 42 of the new guidance. The Government wishes to emphasise the importance of this element of the guidance.

The present unequal tax rates which apply to conversions and to building new houses are unsatisfactory and work against Government policy. This should be re-examined by the Government as a matter of urgency. We will look at this again (paragraph 54).

23. The Government notes the Committee's recommendation. The Chancellor in his last Pre-Budget Report stated that the Government "will give consideration to the merits of using fiscal instruments to support sustainable development of our towns and cities".

Promoting sustainable patterns of development:

We support the Government's proposals for urban capacity studies. They are central to the effective working of the sequential approach. We agree with witnesses that additional guidance needs to be issued indicating how these studies should be undertaken (paragraph 59).

24. Good practice guidance on urban housing capacity studies has been completed and will be published very shortly.

We consider that local authorities are unlikely to increase densities, unless they are forced to. We support the PPG's paragraphs 38 to 40, but recommend that to meet concerns about local flexibility the phrase except in exceptional circumstances be inserted in paragraph 39, bullet point 3. The Government should indicate that it expects local authorities to meet average densities, but they should build in a way which is appropriate to the location within this average. For most authorities the average density should be not less than 30 dwellings per hectare overall (paragraph 62).

25. The Government believes that the quality of housing development and the efficiency with which land is developed must both be radically improved. Paragraph 58 therefore advises local planning authorities to:

- avoid developments which make inefficient use of land (those of less than 30 dwellings per hectare net);
- encourage housing development which makes more efficient use of land (between 30 and 50 dwellings per hectare net); and
- seek greater intensity of development around places with good public transport accessibility.

We support the proposals in the PPG in respect of car parking. Local authorities and developers should adopt the imaginative solutions to car parking outlined in the report of the Urban Task Force and the Companion Guide to Design Bulletin 32. The provision of car parking should follow good urban design; in many urban areas, on street provision may be the best solution. The PPG should state that local authorities should ensure that they and developers provide good facilities for pedestrians and cyclists as well as appropriate bus services, subsidised where appropriate by Section 106 money in order to reduce car use and, in some circumstances, car ownership (paragraph 68).

26. Guidance on car parking standards is at paragraphs 59 to 62 of PPG3. Paragraph 51 advises that local planning authorities should allow housing developments with little or no off-street car parking in areas with good public transport accessibility.

We support the Government's proposal [on the non-renewal of planning permissions], but consider it should be stressed more forcefully, indicating that there should be a requirement on local authorities to review the conditions imposed when renewing planning permissions (paragraph 70).

27. The guidance given in PPG3 on non-renewal of outstanding planning permissions (paragraph 40) proposes that all applications should be reassessed against the criteria in paragraph 31 and in the light of the presumption at paragraph 32, as well as policies set out elsewhere in the guidance. Where existing permissions no longer meet the requirements of current policy guidance they should not be renewed. Where permissions are renewed, PPG3 advises that they should be revised to take account, for example, of the need for higher quality development and, where appropriate, conditions imposed accordingly.

The review [on compulsory purchase powers] is much needed; the Government must publish it as a matter of urgency (paragraph 72).

28. The Fundamental Review of the laws and procedures relating to compulsory purchase and compensation began in June 1998. The Compulsory Purchase Policy Review Advisory Group published an interim report in January 1999 and, having considered evidence from a number of sources, expects to be in a position to make a final report to DETR Ministers before the end of April 2000. Ministers will then decide whether and when it should be published. The Group's aim is to make recommendations which strike the appropriate balance between streamlining procedures, protecting the public purse and safeguarding the rights and interests of those from whom land is being acquired.

This section of PPG 3 [on creating a more attractive residential environment] is of the utmost importance, but should be worded more powerfully. In particular, the PPG should express with greater clarity how the needs of pedestrians are to be given priority in residential areas, what is to be done to achieve this policy and how it links to other Government policies, such as Home Zones. Guidance on how to create an attractive residential environment should be attached to PPG3. PPG3 states that account should be taken of guidance on design set out in *Design in the Planning System*. This document has not yet been published. It must be issued by the end of October at the latest, outlining how to combine good design with higher densities, and taking account of the recommendations of the Urban Task Force. The RTPI stressed that the Planning Inspectorate and the Secretary of State must support local authorities which reject developments on the grounds that they are badly designed. We agree. The Department must give clear guidance to the Planning Inspectorate that bad designs and layouts are to be rejected. The Secretary of State must support this policy on appeal (paragraph 74).

29. The Government agrees with the Committee that creating better-designed places where people will want to live is crucially important. It is therefore one of the main messages in the new PPG3. PPG3 makes clear that planning authorities should promote developments that bring together environmental, transport and planning best practice to create places with their own distinct identity and which are safe and attractive. Local planning authorities will be expected to reject poor design, particularly where their decisions are supported by clear plan policies and adopted supplementary planning guidance. Applicants for planning permission for housing development when applying for planning permission will have to demonstrate how they have taken the need for good layout and design into account.

30. The Department recognises the need to provide sound practical advice about the role of design in the planning system. DETR is working in partnership with the Commission for Architecture and the Built Environment on the preparation of the good practice guide on design to which the Select Committee refers. The aim remains to publish the guide as soon as possible but only when it is capable of doing the demanding job being asked of it.

We recommend that the DETR hold a series of publicity events to promote the Companion Guide to Design Bulletin 32 and that local planning authorities and developers should show on their planning applications how they have made use of it. We recommend that a replacement to Design Bulletin 32 be commissioned (paragraph 75).

31. The Government welcomes the Committee's support for the Companion Guide. It has been widely disseminated: copies have been sent to all local planning authorities, its aims have been highlighted by Ministers in speaking engagements and the authors have spoken about the guide at a number of conferences and seminars. Its principles are reflected in PPG3 and planning applications should be drawn up in the light of the good practice guidance it contains. Before commissioning a replacement for the Design Bulletin, the Department would wish to look at how well DB32 and its companion guide are working together in practice and the lessons to be learnt from their application on the ground.

There should be specific reference to public parks and gardens as well as playing fields in paragraph 52. The section should be entitled "Protecting and improving parks, other open spaces and sports provision" (paragraph 77).

The PPG should stress that new developments should provide open space of high quality; where appropriate, Section 106 monies should be negotiated to provide an endowment to ensure the space is properly maintained (paragraph 79).

32. PPG3 advises (paragraphs 52-53) that local planning authorities should have clear policies for the protection and creation of open spaces and playing fields, and that new housing developments should incorporate sufficient provision where such spaces are not already adequately provided within easy access of the new housing. Developing more housing within urban areas should not mean building on urban green spaces.

33. The Government agrees that there should be appropriate arrangements in place to secure the adequate management and maintenance of public open spaces. The Government will be consulting about the reform of planning obligations later this year.

Developing outside urban areas:

We recommend that the Government publish an Urban Extension Code which will provide practical guidance to local planning authorities on how to undertake urban extensions. It should address issues such as "sustainable development", density, collaboration between adjacent authorities and public transport, cycle and pedestrian links to the city centre (paragraph 84).

34. The Government recognises that good practice guidance in this field would be useful. As a first step DETR has collaborated with the Prince of Wales' Foundation to explore the opportunities for urban extensions through a seminar held in February 1999 and a series of "Enquiry by Design" workshops held jointly with English Partnerships last July in Basildon and Northampton. A first publication, funded by DETR, will be issued shortly.

Housing development in public transport corridors is the one objective of the PPG which we do not support. We note the caution expressed in paragraph 60 that just because a potential development location is well served by public transport will not mean by itself that it is an appropriate location for development. We agree. Development should take account of the availability of public transport but it should be concentrated near public transport nodes and interchanges. It would for example be particularly appropriate to have higher density developments near major railway, underground and bus stations in the suburbs, where they would be least likely to generate private car trips (paragraph 87).

35. The Government recognises the Select Committee's caution about encouraging ribbon development and PPG3 is clear that major development should be located where it can be served by good quality public transport (paragraph 47). Paragraph 73 advises that one of the criteria for locating new settlements is around major nodes along good quality transport corridors (also see paragraph 69).

We endorse paragraph 61, but recommend that it clarify what is meant by a 'modest growth' in the number of houses. We support the proposal to build additional houses for local need, particularly affordable housing. However, executive-style housing, which is likely to be bought by commuters, should not be built in villages. Housing development must take account of access to public transport and other services. The Civic Trust pointed out that the draft PPG omits to refer to the importance of small rural towns as locations for rural housing. We recommend that paragraph 61 include such a reference (paragraph 89).

36. The PPG (paragraph 70) suggests that "modest growth" may be appropriate in some villages to ensure that local services can remain viable, particularly where the village has been identified as a local service centre in the development plan. But ultimately this will be a decision for each individual local authority. Local authorities through assessments of local need may also ensure that a contribution is made to meeting rural housing need via the affordable housing and rural exception policies.

We strongly approve the proposal that new development should be in keeping with the character of the village, but the Government needs to clarify what this means. It must apply to the overall design and layout of new developments. We recommend that the Government indicate the value of a Village Design Statement of the type promoted by the Countryside Agency (paragraph 90).

37. The Committee's recommendation is accepted in paragraph 70 of the new PPG3 which states "the development can be designed sympathetically and laid out in keeping with the character of the village using such techniques as village design statements."

We support the Government's proposals in respect of new settlements (paragraph 92).

38. The Government welcomes the Committee's support for these policy proposals.

The Government should:

- define the system of plan, monitor and manage: this system is essential to achieving the Government's policies in respect of housing; the PPG must show how it should be done, and, in particular, what is to be monitored, and what 'managing' should take place;
- clarify the relationship between the PPG and the National Land Use Database;
- require Regional Planning Conferences to set affordable housing targets;

- underline in the PPG the need to protect the environment; local authorities should assess the environmental capacity of areas to take additional housing; housing development near to SSSIs, which might damage them, should be avoided; the threat to wetlands and rivers from developing in areas where there are water shortages should also be emphasised in the PPG; and
- underline the importance of the relationship between housing development and public transport (paragraph 98).

Supporting measures:

The draft PPG is an ambitious document. It has the potential to produce significant improvements in planning. With amendments and additions, it will be a clearer and more useful document, providing the practical guidance witnesses called for. In particular, clear guidance should be issued on:

- how the sequential approach will work;
- how to undertake urban capacity studies;
- how s106 agreements should be negotiated;
- how local authorities are to influence the type, size and tenure of housing;
- how to create attractive residential areas; and
- how urban extensions should be done, by publishing an Urban Extension Code (paragraph 99).

39. These points have largely been addressed in the Government's response above.

PPG3:

- clarifies 'plan, monitor and manage' (paragraph 8);
- makes clear that the National Land Use Database should be used in support of urban housing capacity studies (paragraph 27);
- indicates how affordable housing should be planned at local and regional level (paragraphs 12,13);
- advises local authorities to take account of physical and environmental constraints on the development of land (paragraph 31);
- underlines the important relationship between housing development and public transport (paragraphs 47,48);
- sets out how the sequential approach will work (paragraphs 30-34);
- indicates how to undertake urban housing capacity studies (paragraphs 24-27) and refers to forthcoming good practice guidance;
- advises local authorities on how to influence the type and size of housing (paragraphs 9-11);
- advises on how to create attractive residential areas and sustainable residential environments (paragraphs 52-64) and refers to forthcoming good practice guidance; and
- advises on the creation of urban extensions (paragraphs 67,68).

The new PPG could lead to the design of new housing developments of much higher quality; limit the suburbanisation of the countryside; and assist the regeneration of our cities. However, these goals can only be achieved in the long run, if:

- **planning professionals, developers and others come to share the vision of the DETR, of Lord Roger's Urban Task Force and of the Prince of Wales for a more creative approach to planning and urban design;**
- **effective and sensible use of the available powers is made; and**
- **planners and others in local authorities have the skills and resources to implement a more creative approach (paragraph 100).**

40. The Government is committed to achieving higher quality in the design and layout of new housing development, to making efficient use of land and giving preference to the redevelopment of previously developed land and buildings before encroaching on the countryside. It is committed to achieving an urban renaissance. It agrees with the Committee that guidance alone will not produce the change that the Committee seeks and the Government will work with professional institutions and the development industry to raise standards, particularly in urban design skills. The Commission for Architecture and the Built Environment (CABE), with its remit to promote high-quality design and architecture, will have an important role to play in this area.

In our report last year, we stated: "A significant transfer of tasks and responsibilities to regional planning bodies is proposed. We are concerned that they will neither have the staff nor the skills to undertake them". The evidence we received confirms that conclusion. HRH the Prince of Wales told us that the 60s mind set of professionals, such as planners and highway engineers, was a major obstacle to improvement. The Minister told us that there was a need for a change of culture (paragraph 101).

There has to be a significant shift in the culture of planners, highway engineers, volume house builders and others (paragraph 101).

41. The Government recognises that the new PPG3 and forthcoming PPG11 will mean that regional planning bodies and individual local planning authorities will require additional resources to undertake their enhanced role. The Government has recognised this by allocating an additional £6m as part of the local government finance settlement for 2000/2001. These additional funds for regional planning have been allocated to all local planning authorities in England on an unhypothecated basis. In addition to this the Government Offices have seconded staff to a number of the regional planning bodies and DETR has ear-marked over £1m in 1999/2000 and 2000/2001 for research in support of RPG.

42. The Government recognises that for PPG3 to be implemented effectively the Government, the house building industry, professional institutions and local authorities will need to promote and disseminate the new policy to all practitioners supported by relevant good practice guidance to raise the quality of current practice.

43. There may well be a need for additional training for several professional groups, and the Government looks to the professional institutions and other professional training organisations to raise their focus and implement continuing professional development programmes on updating skills to deliver the new approach to planning for housing development.

How to obtain copies:

The Government's Response to the Environment, Transport and Regional Affairs: Seventeenth Report - Housing PPG3. Cm 4667

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