

Planning shapes the places where people live and work and the country we live in. It plays a key role in supporting the Government's wider social, environmental and economic objectives and for sustainable communities.



# PLANNING

Planning Policy Statement 3 (PPS3)  
Housing



## Planning Policy Statement 3 (PPS3): Housing

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# Introduction

## Background

1. Planning Policy Statements (PPS) set out the Government's national policies on aspects of planning in England. PPS3 sets out the national planning policy framework for delivering the Government's housing objectives. This complements, and should be read together with, other relevant statements of national planning and housing policy (in particular *PPS1: Delivering Sustainable Development*<sup>1</sup> and the forthcoming PPS on Climate Change<sup>2</sup>).
2. PPS3: Housing and accompanying advice and guidance have been developed in response to recommendations in the *Barker Review of Housing Supply* in March 2004.<sup>3</sup> The proposals draw on a range of research and consultation exercises since. A principal aim of the new PPS3 is to underpin the Government's response to the *Barker Review of Housing Supply* and the necessary step-change in housing delivery, through a new, more responsive approach to land supply at the local level.
3. This PPS reflects the Government's commitment to improving the affordability and supply of housing in all communities, including rural areas, informed by the findings of the Affordable Rural Housing Commission. The delivery of housing in rural areas should respect the key principles underpinning this PPS, providing high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages.
4. An assessment of the impact of the policy is set out in a Regulatory Impact Assessment (RIA) and Equality Impact Assessment (EIA).<sup>4</sup>
5. This PPS and related advice and guidance replace previous policy and guidance, in particular *Planning Policy Guidance 3: Housing*.<sup>5</sup>
6. The policies in this PPS should be taken into account by Local Planning Authorities and Regional Planning Bodies<sup>6</sup> in the preparation of their Local Development Documents and Regional Spatial Strategies (this includes the Mayor of London in preparing the Spatial Development Strategy for Greater London). They should consider the extent to which emerging Local Development Documents and Regional Spatial Strategies can have regard to the policies in this statement whilst maintaining plan-making programmes.
7. On publication of this PPS, Local Planning Authorities will need to assess and demonstrate the extent to which existing plans already fulfil the requirement set out in this statement to identify and maintain a rolling five-year supply of deliverable land for housing, particularly in connection with making planning decisions (see paragraphs 68 to 74).

<sup>1</sup> *Planning Policy Statement 1: Delivering Sustainable Development*, ODPM, 2005.

<sup>2</sup> Forthcoming consultation draft *Planning Policy Statement on Climate Change*, Communities and Local Government.

<sup>3</sup> *Review of Housing Supply, Delivering Stability: Securing our Future Housing Needs*, HM Treasury, 2004.

<sup>4</sup> See [www.communities.gov.uk](http://www.communities.gov.uk)

<sup>5</sup> See Annex A for the full list of cancelled policy and guidance.

<sup>6</sup> Regional Assemblies are recognised by the Secretary of State as the Regional Planning Body and Regional Housing Body with responsibility for preparing the Regional Spatial Strategy and Regional Housing Strategy for their region.

8. Local Planning Authorities are not required to have regard to this statement as a material consideration when making decisions on planning applications until 1st April 2007. However, this statement may be capable of being a material consideration, in particular circumstances, prior to this date.

### Strategic housing policy objectives

9. The Government's key housing policy goal is to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live. To achieve this, the Government is seeking:
- To achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community.
  - To widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need.
  - To improve affordability across the housing market, including by increasing the supply of housing.
  - To create sustainable, inclusive, mixed communities in all areas, both urban and rural.

### Planning for housing policy objectives

10. These housing policy objectives provide the context for planning for housing through development plans and planning decisions. The specific outcomes that the planning system should deliver are:
- High quality housing that is well-designed and built to a high standard.
  - A mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural.
  - A sufficient quantity of housing taking into account need and demand and seeking to improve choice.
  - Housing developments in suitable locations, which offer a good range of community facilities and with good access to jobs, key services and infrastructure.
  - A flexible, responsive supply of land – managed in a way that makes efficient and effective use of land, including re-use of previously-developed land, where appropriate.
11. PPS3 sets out policies designed to achieve these outcomes, based upon the following concepts and principles:
- **Sustainable Development** – PPS1 sets out the strategic role of planning in delivering sustainable development. Sustainability Appraisal<sup>7</sup> is a key means of ensuring housing policies help to deliver sustainable development objectives, in particular, seeking to minimise environmental impact, taking account of climate change<sup>8</sup> and flood risk.<sup>9</sup>

<sup>7</sup> For further details see *Sustainability Appraisal of Regional Spatial Strategies and Local Development Documents*, ODPM, 2005.

<sup>8</sup> See forthcoming consultation draft *Planning Policy Statement on Climate Change, Communities and Local Government*.

<sup>9</sup> See forthcoming *Planning Policy Statement 25: Development and Flood Risk, Communities and Local Government*.

- **Visionary and Strategic Approach** – Local Planning Authorities and Regional Planning Bodies will have a key role in defining and communicating the spatial vision for their area, determining their strategy for delivering the vision and joining up planning, housing and wider strategies including economic and community strategies. In accordance with the Local Government White Paper,<sup>10</sup> Local Planning Authorities should take a strategic lead role in their local area, ensuring that Local Development Documents provide a high quality framework for planning for housing delivery.
- **Market Responsiveness** – Local Planning Authorities and Regional Planning Bodies should take into account market information when developing planning for housing policies. In particular, they should have regard to housing market areas<sup>11</sup> in developing their spatial plans and these should be set out in the Regional Spatial Strategy.
- **Collaborative Working** – Key to the success of this new approach will be collaborative working between Local Planning Authorities and Regional Planning Bodies, as well as early engagement with local communities, stakeholders and infrastructure providers. Local Planning Authorities will need to work closely with the private sector, particularly developers and housebuilders, to achieve the Government’s strategic housing objectives.
- **Evidence-Based Policy Approach** – Local Development Documents and Regional Spatial Strategies policies should be informed by a robust, shared evidence base, in particular, of housing need and demand, through a Strategic Housing Market Assessment<sup>12</sup> and land availability, through a Strategic Housing Land Availability Assessment.<sup>13</sup>
- **Outcome and Delivery Focus** – Applying the principles of ‘Plan, Monitor, Manage’, Local Planning Authorities and Regional Planning Bodies should focus, as a priority, on managing the delivery of the key outcomes set out in paragraph 10.

<sup>10</sup> *Strong and prosperous communities – The Local Government White Paper*, Communities and Local Government, 2006.

<sup>11</sup> See forthcoming *Identifying Sub-Regional Housing Market Areas Advice Note*, Communities and Local Government.

<sup>12</sup> See Annex C and forthcoming *Strategic Housing Market Assessment Practice Guidance*, Communities and Local Government.

<sup>13</sup> See Annex C and forthcoming *Strategic Housing Land Availability Assessment Practice Guidance*, Communities and Local Government.

# National Planning Policies

## Achieving high quality housing

12. Good design is fundamental to the development of high quality new housing, which contributes to the creation of sustainable, mixed communities.
13. Reflecting policy in PPS1, good design should contribute positively to making places better for people. Design which is inappropriate in its context, or which fails to take the opportunities available for improving the character and quality of an area and the way it functions, should not be accepted.
14. Local Planning Authorities should develop a shared vision with their local communities of the type(s) of residential environments they wish to see and develop design policies that set out the quality of development that will be expected for the local area, aimed at:
  - Creating places, streets and spaces which meet the needs of people, are visually attractive, safe, accessible, functional, inclusive, have their own distinctive identity and maintain and improve local character.
  - Promoting designs and layouts which make efficient and effective use of land, including encouraging innovative approaches to help deliver high quality outcomes.
15. Local Planning Authorities should encourage applicants to bring forward sustainable and environmentally friendly new housing developments, including affordable housing developments, and in doing so should reflect the approach set out in the forthcoming PPS on climate change, including on the Code for Sustainable Homes.<sup>14</sup>
16. Matters to consider when assessing design quality include the extent to which the proposed development:
  - Is easily accessible and well-connected to public transport and community facilities and services, and is well laid out so that all the space is used efficiently, is safe, accessible and user-friendly.
  - Provides, or enables good access to, community and green and open amenity and recreational space (including play space) as well as private outdoor space such as residential gardens, patios and balconies.
  - Is well integrated with, and complements, the neighbouring buildings and the local area more generally in terms of scale, density, layout and access.
  - Facilitates the efficient use of resources, during construction and in use, and seeks to adapt to and reduce the impact of, and on, climate change.
  - Takes a design-led approach to the provision of car-parking space, that is well-integrated with a high quality public realm and streets that are pedestrian, cycle and vehicle friendly.
  - Creates, or enhances, a distinctive character that relates well to the surroundings and supports a sense of local pride and civic identity.
  - Provides for the retention or re-establishment of the biodiversity within residential environments.

<sup>14</sup> See forthcoming *Code for Sustainable Homes*, Communities and Local Government.



17. Particularly where family housing is proposed, it will be important to ensure that the needs of children are taken into account and that there is good provision of recreational areas, including private gardens, play areas and informal play space. These should be well-designed, safe, secure and stimulating areas with safe pedestrian access.
18. To facilitate efficient delivery of high quality development, Local Planning Authorities should draw on relevant guidance and standards<sup>15</sup> and promote the use of appropriate tools and techniques, such as Design Coding<sup>16</sup> alongside urban design guidelines, detailed masterplans, village design statements, site briefs and community participation techniques.
19. Local Planning Authorities should monitor progress towards achieving high quality housing and consistently good design standards using the Annual Monitoring Report process.

### **Achieving a mix of housing**

20. Key characteristics of a mixed community are a variety of housing, particularly in terms of tenure and price and a mix of different households such as families with children, single person households and older people.
21. Regional Spatial Strategies should set out the region's approach to achieving a good mix of housing. Local Planning Authorities should plan for a mix of housing on the basis of the different types of households that are likely to require housing over the plan period. This will include having particular regard to:
  - Current and future demographic trends and profiles.
  - The accommodation requirements of specific groups, in particular, families with children, older and disabled people.
  - The diverse range of requirements across the area, including the need to accommodate Gypsies and Travellers.<sup>17</sup>
22. Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:
  - The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing.
  - The likely profile of household types requiring market housing eg multi-person, including families and children (x%), single persons (y%), couples (z%).
  - The size and type of affordable housing required.

<sup>15</sup> PPS1 refers to:

- *By Design – Urban Design in the Planning System: Towards Better Practice*, DETR, 2000.
- *Safer Places – the Planning System and Crime Prevention*, ODPM, 2004.
- *Planning and Access for Disabled People: A Good Practice Guide*, ODPM, 2005.

Also relevant is:

- *Better Places to Live By Design: A Companion Guide to PPG3*, DTLR, 2001.
- *Secured by Design*, see [www.securedbydesign.com](http://www.securedbydesign.com)
- *Building for Life Standards*, see [www.buildingforlife.org](http://www.buildingforlife.org)
- *Design Quality Indicator toolkit*, see [www.dqi.org.uk/DQI](http://www.dqi.org.uk/DQI)
- *Forthcoming Manual for Streets Guidance* (DfT/Communities and Local Government).

<sup>16</sup> See *Preparing Design Codes – A Practice Manual*, Communities and Local Government 2006.

<sup>17</sup> Circular 01/06 *Planning for Gypsy and Traveller Caravan Sites*, ODPM, 2006.

23. Developers should bring forward proposals for market housing which reflect demand and the profile of households requiring market housing, in order to sustain mixed communities. Proposals for affordable housing should reflect the size and type of affordable housing required.
24. In planning at site level, Local Planning Authorities should ensure that the proposed mix of housing on large strategic sites reflects the proportions of households that require market or affordable housing and achieves a mix of households as well as a mix of tenure and price. For smaller sites, the mix of housing should contribute to the creation of mixed communities having regard to the proportions of households that require market or affordable housing and the existing mix of housing in the locality.

### **Market housing**

25. One of the Government's key objectives is to provide a variety of high quality market housing. This includes addressing any shortfalls in the supply of market housing and encouraging the managed replacement of housing, where appropriate.
26. Local Planning Authorities should plan for the full range of market housing. In particular, they should take account of the need to deliver low-cost market housing as part of the housing mix.

### **Affordable housing**

27. The Government is committed to providing high quality housing for people who are unable to access or afford market housing, for example, vulnerable people and key workers as well as helping people make the step from social-rented housing to home ownership. This section should be read together with the Government's Affordable Housing Policy Statement.<sup>18</sup> The Government defines affordable housing as including social-rented and intermediate housing.
28. In the context of creating mixed communities, Regional Spatial Strategies should set out the regional approach to addressing affordable housing needs, including the affordable housing target for the region and each housing market area.
29. In Local Development Documents, Local Planning Authorities should:
  - Set an overall (ie plan-wide) **target** for the amount of affordable housing to be provided. The target should reflect the new definition of affordable housing in this PPS.<sup>19</sup> It should also reflect an assessment of the likely economic viability of land for housing within the area, taking account of risks to delivery and drawing on informed assessments of the likely levels of finance available for affordable housing, including public subsidy and the level of developer contribution that can reasonably be secured. Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, taking into account information from the Strategic Housing Market Assessment.

<sup>18</sup> See *Delivering Affordable Housing* Policy Statement, Communities and Local Government, November 2006.

<sup>19</sup> See new definition at Annex B.

- **Set separate targets for social-rented and intermediate affordable housing** where appropriate. A sufficient supply of intermediate affordable housing can help address the needs of key workers and those seeking to gain a first step on the housing ladder, reduce the call on social-rented housing, free up existing social-rented homes, provide wider choice for households and ensure that sites have a mix of tenures.
  - **Specify the size and type of affordable housing** that, in their judgement, is likely to be needed in particular locations and, where appropriate, on specific sites. This will include considering the findings of the Strategic Housing Market Assessment and any specific requirements, such as the provision of amenity and play space for family housing, and, where relevant, the need to integrate the affordable housing into the existing immediate neighbourhood and wider surrounding area.
  - **Set out the range of circumstances in which affordable housing will be required.** The national indicative minimum site size threshold is 15 dwellings. However, Local Planning Authorities can set lower minimum thresholds, where viable and practicable, including in rural areas. This could include setting different proportions of affordable housing to be sought for a series of site-size thresholds over the plan area. Local Planning Authorities will need to undertake an informed assessment of the economic viability of any thresholds and proportions of affordable housing proposed, including their likely impact upon overall levels of housing delivery and creating mixed communities. In particular, as the new definition of affordable housing excludes low-cost market housing, in deciding proportions of affordable housing to be sought in different circumstances, Local Planning Authorities should take account of the need to deliver low cost market housing as part of the overall housing mix.
  - Set out the **approach to seeking developer contributions** to facilitate the provision of affordable housing. In seeking developer contributions, the presumption is that affordable housing will be provided on the application site so that it contributes towards creating a mix of housing. However, where it can be robustly justified, off-site provision or a financial contribution in lieu of on-site provision (of broadly equivalent value) may be accepted as long as the agreed approach contributes to the creation of mixed communities in the local authority area.
30. In providing for **affordable housing in rural communities**, where opportunities for delivering affordable housing tend to be more limited, the aim should be to deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages. This requires planning at local and regional level adopting a positive and pro-active approach which is informed by evidence, with clear targets for the delivery of rural affordable housing. Where viable and practical, Local Planning Authorities should consider allocating and releasing sites solely for affordable housing, including using a **Rural Exception Site Policy**. This enables small sites to be used, specifically for affordable housing in small rural communities<sup>20</sup> that would not normally be used for housing because, for example, they are subject to policies of restraint.

<sup>20</sup> Small rural settlements have been designated for enfranchisement and right to acquire purposes (under Section 17 of the *Housing Act 1996*) by SI 1997/620-25 inclusive and 1999/1307.

Rural exception sites should only be used for affordable housing in perpetuity. A Rural Exception Site policy should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection, whilst also ensuring that rural areas continue to develop as sustainable, mixed, inclusive communities.

### **Making effective use of existing housing stock**

31. Conversions of existing housing can provide an important source of new housing. Local Planning Authorities should develop positive policies to identify and bring into residential use empty housing and buildings in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase procedures.

### **Assessing an appropriate level of housing**

32. The level of housing provision should be determined taking a strategic, evidence-based approach that takes into account relevant local, sub-regional, regional and national policies and strategies achieved through widespread collaboration with stakeholders.
33. In determining the local, sub-regional and regional level of housing provision, Local Planning Authorities and Regional Planning Bodies, working together, should take into account:
  - Evidence of current and future levels of need and demand for housing and affordability levels based upon:
    - Local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments and other relevant market information such as long term house prices.
    - Advice from the National Housing and Planning Advice Unit (NHPAU)<sup>21</sup> on the impact of the proposals for affordability in the region.
    - The Government’s latest published household projections and the needs of the regional economy, having regard to economic growth forecasts.
  - Local and sub-regional evidence of the availability of suitable land for housing using Strategic Housing Land Availability Assessments and drawing on other relevant information such as the National Land Use Database<sup>22</sup> and the Register of Surplus Public Sector Land.
  - The Government’s overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply.
  - A Sustainability Appraisal of the environmental, social and economic implications, including costs, benefits and risks of development. This will include considering the most sustainable pattern of housing, including in urban and rural areas.

<sup>21</sup> Established 2006.

<sup>22</sup> National Land Use Database, see [www.nlud.org.uk](http://www.nlud.org.uk)

- An assessment of the impact of development upon existing or planned infrastructure and of any new infrastructure required.
34. Regional Spatial Strategies should set out the level of overall housing provision<sup>23</sup> for the region, broadly illustrated in a housing delivery trajectory, for a sufficient period to enable Local Planning Authorities to plan for housing over a period of at least 15 years. This should be distributed amongst constituent housing market and Local Planning Authority areas.<sup>24</sup>
35. Regional Spatial Strategies should also set out the approach to co-ordinating housing provision across the region. This may include arrangements for managing the release of land both within and across housing market areas. It will involve monitoring and reviewing housing performance across the region and taking appropriate action where it becomes apparent that regional housing provision is not or is at risk of not being achieved.

## **Providing housing in suitable locations**

### **Identifying suitable locations for housing development**

36. In support of its objective of creating mixed and sustainable communities, the Government's policy is to ensure that housing is developed in suitable locations which offer a range of community facilities and with good access to jobs, key services and infrastructure. This should be achieved by making effective use of land, existing infrastructure and available public and private investment, and include consideration of the opportunity for housing provision on surplus public sector land (including land owned by Central Government and its bodies or Local Authorities) to create mixed use developments. The priority for development should be previously developed land,<sup>25</sup> in particular vacant and derelict sites and buildings.
37. At the regional level, the Regional Spatial Strategy should identify broad strategic locations for new housing developments so that the need and demand for housing can be addressed in a way that reflects sustainable development principles. Regional Planning Bodies should, working with stakeholders, set out the criteria to be used for selecting suitable broad locations for new housing, taking into account:
- Evidence of current and future levels of need and demand for housing, at the local, sub-regional, regional and national level, as well as the availability of suitable land.
  - The contribution to be made to cutting carbon emissions from focusing new development in locations with good public transport accessibility and/or by means other than the private car and where it can readily and viably draw its energy supply from decentralised energy supply systems based on renewable and low-carbon forms of energy supply, or where there is clear potential for this to be realised.

<sup>23</sup> Expressed as net additional dwellings (and gross if appropriate).

<sup>24</sup> *Regional Spatial Strategy Monitoring: A Good Practice Guide* (ODPM, 2005).

<sup>25</sup> See definition in Annex B.

- The objectives of relevant national policies and programmes that seek to support the provision of new housing developments for example, Growth Areas.
  - Particular circumstances across the regional or sub-regional housing market that may influence the distribution of housing development. For example:
    - Where need and demand are high, it will be necessary to identify and explore a range of options for distributing housing including consideration of the role of growth areas, growth points<sup>26</sup>, new free-standing settlements, major urban extensions and the managed growth of settlements in urban and rural areas and/or where necessary, review of any policy constraints.
    - Where need and demand are low, it may be necessary to renew or replace the existing housing stock in particular locations in both urban and rural areas.
  - The availability and capacity of, and accessibility to, existing major strategic infrastructure, including public and other transport services, and/or feasibility of delivering the required level of new infrastructure to support the proposed distribution of development.
  - The need to create and maintain sustainable, mixed and inclusive communities in all areas, both urban and rural.
38. At the local level, Local Development Documents should set out a strategy for the planned location of new housing which contributes to the achievement of sustainable development. Local Planning Authorities should, working with stakeholders, set out the criteria to be used for identifying broad locations and specific sites taking into account:
- The spatial vision for the local area (having regard to relevant documents such as the Sustainable Community Strategy) and objectives set out in the relevant Regional Spatial Strategy.
  - Evidence of current and future levels of need and demand for housing as well as the availability of suitable, viable sites for housing development.
  - The contribution to be made to cutting carbon emissions from focusing new development in locations with good public transport accessibility and/or by means other than the private car and where it can readily and viably draw its energy supply from decentralised energy supply systems based on renewable and low-carbon forms of energy supply, or where there is clear potential for this to be realised.
  - Any physical, environmental, land ownership, land-use, investment constraints or risks associated with broad locations or specific sites, such as physical access restrictions, contamination, stability, flood risk, the need to protect natural resources eg water and biodiversity and complex land ownership issues.

<sup>26</sup> See *Sustainable Communities – Building for the Future*, ODPM, 2003.

- Options for accommodating new housing growth (or renewal of existing housing stock), taking into account opportunities for, and constraints on, development. Options may include, for example, re-use of vacant and derelict sites or industrial and commercial sites for providing housing as part of mixed-use town centre development<sup>27</sup>, additional housing in established residential areas, large scale redevelopment and re-design of existing areas, expansion of existing settlements through urban extensions and creation of new freestanding settlements.
  - Accessibility of proposed development to existing local community facilities, infrastructure and services, including public transport. The location of housing should facilitate the creation of communities of sufficient size and mix to justify the development of, and sustain, community facilities, infrastructure and services.
  - The need to provide housing in rural areas, not only in market towns and local service centres but also in villages in order to enhance or maintain their sustainability. This should include, particularly in small rural settlements, considering the relationship between settlements so as to ensure that growth is distributed in a way that supports informal social support networks, assists people to live near their work and benefit from key services, minimise environmental impact and, where possible, encourage environmental benefits.
  - The need to develop mixed, sustainable communities across the wider local authority area as well as at neighbourhood level.
39. Reflecting the above considerations, Local Planning Authorities will be responsible for determining, in consultation with developers, infrastructure providers and the wider community, the most appropriate strategy and policies for addressing current and future need and demand for housing in their local areas within the context of delivering the overall spatial vision. They should undertake Sustainability Appraisal to develop and test various options, considering, for each, the social, economic and environmental implications, including costs, benefits and risks.

### Effective use of land

40. A key objective is that Local Planning Authorities should continue to make effective use of land by re-using land that has been previously developed.
41. The national annual target is that at least 60 per cent of new housing should be provided on previously developed land. This includes land and buildings that are vacant or derelict as well as land that is currently in use but which has potential for re-development. When identifying previously-developed land for housing development, Local Planning Authorities and Regional Planning Bodies will, in particular, need to consider sustainability issues as some sites will not necessarily be suitable for housing. There is no presumption that land that is previously-developed is necessarily suitable for housing development nor that the whole of the curtilage should be developed.

<sup>27</sup> See *Planning Policy Statement 6: Planning for Town Centres*, ODPM, 2005.



42. At the regional level, Regional Spatial Strategies should set a target for the proportion of housing development that will be on previously-developed land over the plan period. The regional target should contribute towards meeting the national target, taking into account evidence from Strategic Housing Land Availability Assessments and sustainability appraisals.
43. At the local level, Local Development Documents should include a local previously-developed land target and trajectory (having regard to the national and regional previously-developed land target in the Regional Spatial Strategy) and strategies for bringing previously-developed land into housing use. Where appropriate, this could also include dividing up the trajectory to reflect the contribution expected from different categories of previously developed land, for example, vacant and derelict sites, in order to deliver the spatial vision for the area in the most sustainable way.
44. In developing their previously-developed land strategies, Local Planning Authorities should consider a range of incentives or interventions that could help to ensure that previously-developed land is developed in line with the trajectory/ies. This should include:
  - Planning to address obstacles to the development of vacant and derelict sites and buildings, for example, use of compulsory purchase powers where that would help resolve land ownership or assembly issues.
  - Considering whether sites that are currently allocated for industrial or commercial use could be more appropriately re-allocated for housing development.<sup>28</sup>
  - Encouraging innovative housing schemes that make effective use of public sector previously-developed land.

#### Efficient use of land

45. Using land efficiently is a key consideration in planning for housing. Regional Spatial Strategies should set out the region's housing density policies, including any target.
46. Local Planning Authorities should develop housing density policies having regard to:
  - The spatial vision and strategy for housing development in their area, including the level of housing demand and need and the availability of suitable land in the area.
  - The current and future level and capacity of infrastructure, services and facilities such as public and private amenity space, in particular green and open space.
  - The desirability of using land efficiently and reducing, and adapting to, the impacts of climate change.
  - The current and future levels of accessibility, particularly public transport accessibility.
  - The characteristics of the area, including the current and proposed mix of uses.
  - The desirability of achieving high quality, well-designed housing having regard to the considerations in paragraph 16.

<sup>28</sup> Guidance on reviewing employment land is set out in *Employment Land Reviews: Guidance Note*, ODP, 2004.



47. Reflecting the above, Local Planning Authorities may wish to set out a range of densities across the plan area rather than one broad density range.
48. Good design is fundamental to using land efficiently. Local Planning Authorities should facilitate good design by identifying the distinctive features that define the character of a particular local area.
49. Careful attention to design is particularly important where the chosen local strategy involves intensification of the existing urban fabric. More intensive development is not always appropriate. However, when well designed and built in the right location, it can enhance the character and quality of an area. Successful intensification need not mean high rise development or low quality accommodation with inappropriate space. Similarly, in Conservation Areas and other local areas of special character where, if proper attention is paid to achieving good design, new development opportunities can be taken without adverse impacts on their character and appearance.
50. Density is a measure of the number of dwellings which can be accommodated on a site or in an area. The density of existing development should not dictate that of new housing by stifling change or requiring replication of existing style or form. If done well, imaginative design and layout of new development can lead to a more efficient use of land without compromising the quality of the local environment.
51. Local Planning Authorities should, with stakeholders and communities, develop residential parking policies for their areas, taking account of expected levels of car ownership, the importance of promoting good design and the need to use land efficiently.

### **Delivering a flexible supply of land for housing**

52. The Government's objective is to ensure that the planning system delivers a flexible, responsive supply of land. Reflecting the principles of 'Plan, Monitor, Manage', Local Planning Authorities and Regional Planning Bodies should develop policies and implementation strategies to ensure that sufficient, suitable land is available to achieve their housing and previously-developed land delivery objectives.

53. At the local level, Local Planning Authorities should set out in Local Development Documents their policies and strategies for delivering the level of housing provision, including identifying broad locations and specific sites that will enable continuous delivery of housing for at least 15 years from the date of adoption,<sup>29</sup> taking account of the level of housing provision set out in the Regional Spatial Strategy. In circumstances where Regional Spatial Strategies are in development, or subject to review, Local Planning Authorities should also have regard to the level of housing provision as proposed in the relevant emerging Regional Spatial Strategy.
54. Drawing on information from the Strategic Housing Land Availability Assessment and or other relevant evidence, Local Planning Authorities should identify sufficient specific **deliverable** sites to deliver housing in the first five years. To be considered deliverable, sites should, at the point of adoption of the relevant Local Development Document:
- Be **Available** – the site is available now.
  - Be **Suitable** – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities.
  - Be **Achievable** – there is a reasonable prospect that housing will be delivered on the site within five years.
55. Local Planning Authorities should also:
- Identify a further supply of specific, developable sites for years 6-10 and, where possible, for years 11-15. Where it is not possible to identify specific sites for years 11-15, broad locations for future growth should be indicated.
  - Linked to above, identify those strategic sites which are critical to the delivery of the housing strategy over the plan period.
  - Show broad locations on a key diagram and locations of specific sites on a proposals map.
  - Illustrate the expected rate of housing delivery through a housing trajectory<sup>30</sup> for the plan period.
56. To be considered **developable**, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available for, and could be developed at the point envisaged.
57. Once identified, the supply of land should be managed in a way that ensures that a continuous five year supply of **deliverable** sites is maintained ie at least enough sites to deliver the housing requirements over the next five years of the housing trajectory.

<sup>29</sup> Expressed as net additional dwellings (and gross if appropriate).

<sup>30</sup> See *Local Development Framework Monitoring: A Good Practice Guide* (ODPM, 2005).

### Determining how much land is required

58. In determining how much land is required, Local Planning Authorities should not include sites for which they have granted planning permission unless they can demonstrate, based upon robust evidence, that the sites are developable and are likely to contribute to housing delivery at the point envisaged.
59. Allowances for windfalls<sup>31</sup> should not be included in the first 10 years of land supply unless Local Planning Authorities can provide robust evidence of genuine local circumstances that prevent specific sites being identified. In these circumstances, an allowance should be included but should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends.

### Maintaining a flexible, responsive supply of land

60. To ensure that there is a continuous five year supply of deliverable sites available for housing, Local Planning Authorities should monitor the supply of deliverable sites on an annual basis, linked to the Annual Monitoring Report review process, including:
  - Setting out in Local Development Documents the approach by which allocated sites will be advanced into the five year supply of deliverable sites.
  - Monitoring how many sites from the five year supply of deliverable sites have been delivered annually.
  - Drawing upon allocated sites, as necessary, to update the five years supply of deliverable sites, setting out in the Annual Monitoring Report the revised list of specific deliverable sites.
  - Considering whether it is necessary to update the housing market and land availability evidence bases and initiate a review of relevant Local Development Documents in order to be able to continue to maintain an up-to-date five year supply of deliverable sites.
61. Local Development Documents should set out the arrangements for managing the release of land, having regard to the need to set the local approach within the context of that at the sub-regional and regional level, having regard to market conditions and the considerations in paragraph 33.

<sup>31</sup> 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 resulting from, for example, a factory closure or small sites such as a residential conversion or a new flat over a shop.

# Managing Delivery

## Implementation strategy

62. Reflecting the principles of 'Plan, Monitor, Manage', Local Development Documents should set out a housing implementation strategy that describes the approach to managing delivery of the housing and previously-developed land targets and trajectories. This should include:
  - Scenario and contingency planning to identify different delivery options, in the event that actual housing delivery does not occur at the rate expected.
  - A risk assessment to identify obstacles and constraints to housing delivery and development of management strategies to address any risks.
  - The approach to engaging with housebuilders and other key stakeholders to ensure that housing delivery objectives are widely understood and accepted, including positive engagement through pre-application discussions.
  - The approach to regular monitoring and review of actual housing delivery performance against the housing and previously-developed land trajectories.
  - An indication of the circumstances in which specific management actions may be introduced should monitoring and review demonstrate that objectives are either not being met or risk not being met.
  - An indication of management actions that may need to be taken in these circumstances.
63. In particular, Local Planning Authorities should set out the circumstances in which action will be needed to ensure performance is achieved in line with the housing and previously-developed land trajectories. Local Planning Authorities should indicate what ranges of housing delivery and previously-developed land performance are acceptable and what action may be taken in what circumstances, so that there are clear and transparent points that will trigger management action.
64. Policies and proposed management actions should reflect the degree to which actual performance varies from expected performance, as indicated in the housing and previously developed land trajectories. Where actual performance, compared with the trajectories, is within the acceptable ranges (for example within 10-20 per cent), and future performance is still expected to achieve the rates set out in the trajectories, there may be no need for specific management actions at that time. In such circumstances, Local Planning Authorities will wish to continue to monitor and review performance closely and consider the need to update the five year supply, of deliverable sites where appropriate.

65. If at any time, actual performance is outside the acceptable ranges or is at risk of not being met in future, for either the housing or previously developed land trajectories (or specific categories within the previously-developed land trajectory, where appropriate), Local Planning Authorities will need to establish the reason for these performance issues and take appropriate management action. In particular, appropriate action could be to update the quantity and mix of different categories of land within the five year supply of deliverable sites to redress the balance of land available for development.
66. In circumstances where market conditions have changed, it may also be necessary to re-assess need and demand, considering a review of approach across the housing market area and/or initiating a partial review of the Regional Spatial Strategy to update the local level of housing provision.
67. Where there is significant underperformance against the previously-developed land trajectory/ies and where Local Planning Authorities have already taken steps aimed at removing obstacles to the development of allocated previously-developed sites without success, Local Planning Authorities may consider invoking development control polices in relation to development on particular categories of land, for example, rejecting applications on greenfield sites until evidence demonstrates that the underperformance issue has been addressed and actual performance is within acceptable ranges. In considering whether to introduce such an approach Local Planning Authorities will need to assess and manage the risk to housing delivery, to ensure that their approach does not jeopardise delivery against the housing trajectory.

### **Determining planning applications**

68. Local Planning Authorities should take into consideration the policies set out in Regional Spatial Strategies and Development Plan Documents, as the Development Plan, as well as other material considerations. When making planning decisions for housing developments after 1st April 2007, Local Planning Authorities should have regard to the policies in this statement as material considerations which may supersede the policies in existing Development Plans.
69. In general, in deciding planning applications, Local Planning Authorities should have regard to:
  - Achieving high quality housing.
  - Ensuring developments achieve a good mix of housing reflecting the accommodation requirements of specific groups, in particular, families and older people.
  - The suitability of a site for housing, including its environmental sustainability.
  - Using land effectively and efficiently.

- Ensuring the proposed development is in line with planning for housing objectives, reflecting the need and demand for housing in, and the spatial vision for, the area and does not undermine wider policy objectives eg addressing housing market renewal issues.
70. Where Local Planning Authorities have an up-to-date five year supply of deliverable sites and applications come forward for sites that are allocated in the overall land supply, but which are not yet in the up-to-date five year supply, Local Planning Authorities will need to consider whether granting permission would undermine achievement of their policy objectives.
  71. Where Local Planning Authorities cannot demonstrate an up-to-date five year supply of deliverable sites, for example, where Local Development Documents have not been reviewed to take into account policies in this PPS or there is less than five years supply of deliverable sites, they should consider favourably planning applications for housing, having regard to the policies in this PPS including the considerations in paragraph 69.
  72. Local Planning Authorities should not refuse applications solely on the grounds of prematurity.
  73. When considering applications relating to sites for which planning permission has been previously granted for a similar proposal, but where the development has not been implemented, Local Planning Authorities should consider, based upon robust evidence provided by applicants, whether the site is likely to be developed. There is no presumption that planning permission should be granted because of a previous approval, particularly if the original permission proposal did not deliver the policy objectives of this PPS.
  74. The Town and Country Planning (Residential Development on Greenfield Land) (England) Direction 2000 and The Town and Country Planning (Residential Density) (London, South East England, South West England, East of England and Northamptonshire) Direction 2005 will be cancelled with effect from 1 April 2007.

### **Monitoring and review**

75. Regular monitoring and review of housing delivery performance through Annual Monitoring Reports is key to achieving the outcomes set out in paragraph 10 of this PPS.

### **Local monitoring and review**

76. Local Planning Authorities must provide information on their housing performance.<sup>32</sup> As part of preparing Annual Monitoring Reports, Local Planning Authorities should:
  - On a regular and frequent basis, monitor housing planning permissions granted, completions, whether on previously-developed land or greenfield in both urban and rural communities.<sup>33</sup>

<sup>32</sup> Regulation 48 of the 2004 Planning and Compulsory Purchase Act requires Local Development Documents to include information on housing policy and performance, particularly in terms of net additional dwellings.

<sup>33</sup> To achieve consistency of approach, Local Planning Authorities and Regional Planning Bodies should use the Rural and Urban Area Classification 2004.

- Report on progress against the housing and previously-developed land trajectories and where relevant targets and design quality objectives.
- Set out the actions to be undertaken where actual performance does not reflect the housing and previously-developed land trajectories and, where relevant, target, and is outside of the specified acceptable ranges.
- Consider delivery performance in the context of the objectives for the housing market area and region as a whole, as set out in the Regional Spatial Strategy.

#### **Regional monitoring and review**

77. As part of preparing Annual Monitoring Reports, Regional Planning Bodies should:
- On a regular and frequent basis, monitor progress across the region in terms of housing planning permissions granted, completions, whether on previously-developed land or greenfield and in both urban or rural communities.
  - Report on progress against the housing and previously-developed land trajectories and, where relevant, targets and design quality objectives.
  - Set out the actions to be undertaken at the regional level where actual performance does not reflect the regional housing and previously-developed land trajectories, and where relevant, targets.
  - Consider delivery performance in the context of the relevant national policy objectives.

# Annex A: List of Cancelled Previous Policy and Guidance

## **Policy**

The following policy is cancelled:

- Planning Policy Guidance Note 3: Housing (2000)
- Planning Policy Guidance Note 3: Housing Update Supporting the Delivery of New Housing (2005)
- Planning Policy Guidance Note 3: Housing Update Planning for Sustainable Communities in Rural Areas (2005)
- Circular 6/98: Planning and Affordable Housing (1998)
- Keith Hill's Parliamentary Statement Planning for Housing (2003)
- PPG13 – Paragraphs 12-17

## **Guidance**

The following guidance is cancelled:

- Planning to Deliver: The Managed Release of Housing Sites: Towards Better Practice (2001)
- Monitoring Provision of Housing through the Planning System: Towards Better Practice (2000)



## Annex B: Definitions

### **Affordable housing**

Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

### **Social rented housing is:**

Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.

### **Affordable rented housing is:**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime<sup>34</sup> but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.<sup>35,36</sup>

### **Intermediate affordable housing is:**

Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.

*These definitions replace those given in previous editions of PPS3 (2006 and 2010) and related guidance such as Delivering Affordable Housing 2006.*

The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as affordable housing. Whereas, those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as affordable housing.

<sup>34</sup> The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001).

<sup>35</sup> Including service charges, where applicable.

<sup>36</sup> Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods. The Tenant Services Authority has issued an explanatory note on these: [www.tenantservicesauthority.org/upload/doc/RICS\\_rental\\_valuation\\_note\\_20110118140714.doc](http://www.tenantservicesauthority.org/upload/doc/RICS_rental_valuation_note_20110118140714.doc)

*There is further guidance on Affordable Rent in the Homes and Communities Agency Affordable Homes Rent Framework document.*

The terms ‘affordability’ and ‘affordable housing’ have different meanings. ‘Affordability’ is a measure of whether housing may be afforded by certain groups of households.

‘Affordable housing’ refers to particular products outside the main housing market.

### **Previously-developed land (often referred to as brownfield land)**

‘Previously-developed land is that which is or was occupied by a permanent structure, including the curtilage of the developed land and any associated fixed surface infrastructure.’

The definition includes defence buildings, but excludes:

- Land that is or has been occupied by agricultural or forestry buildings.
- Land that has been developed for minerals extraction or waste disposal by landfill purposes where provision for restoration has been made through development control procedures.
- Land in built-up areas such as private residential gardens, parks, recreation grounds and allotments, which, although it may feature paths, pavilions and other buildings, has not been previously developed.
- Land that was previously-developed but where the remains of the permanent structure or fixed surface structure 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).

There is no presumption that land that is previously-developed is necessarily suitable for housing development nor that the whole of the curtilage should be developed.

### **Market housing**

Private housing for rent or for sale, where the price is set in the open market.

### **Net dwelling density**

Net dwelling density is calculated by including only those site areas which will be developed for housing and directly associated uses, including access roads within the site, private garden space, car parking areas, incidental open space and landscaping and children’s play areas, where these are provided.

**Housing demand**

The quantity of housing that households are willing and able to buy or rent.

**Housing need**

The quantity of housing required for households who are unable to access suitable housing without financial assistance.

**Key worker**

The Government's definition of key workers includes those groups eligible for the Housing Corporation funded Key Worker Living programme and others employed within the public sector (ie outside of this programme) identified by the Regional Housing Board for assistance.

**Housing market areas**

Geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work. See the *Identifying Sub-Regional Housing Market Areas Advice Note* for further details.

**Design code**

A design code is a set of illustrated design rules and requirements which instruct and may advise on the physical development of a site or area. The graphic and written components of the code are detailed and precise, and build upon a design vision such as a masterplan or other design framework for a site or area.

## Annex C: Evidence Base – Strategic Housing Market Assessments and Strategic Housing Land Availability Assessments

Strategic Housing Market Assessments and Strategic Land Availability Assessments are an important part of the policy process. They provide information on the level of need and demand for housing and the opportunities that exist to meet it.

Assessments should be prepared collaboratively with stakeholders. Where two or more Local Planning Authorities form a housing market area, Local Planning Authorities should work together either by preparing joint assessments or by ensuring consistency in methodology.

Practice guidance will set out detailed methodologies for carrying out these assessments.

A Strategic Housing Market Assessment should:

- Estimate housing need and demand in terms of affordable and market housing.
- Determine how the distribution of need and demand varies across the plan area, for example, as between the urban and rural areas.
- Consider future demographic trends and identify the accommodation requirements of specific groups such as, homeless households, Black and Minority Ethnic groups, first time buyers, disabled people, older people, Gypsies and Travellers and occupational groups such as key workers, students and operational defence personnel.<sup>37</sup>

A Strategic Housing Land Availability Assessment should:

- Assess the likely level of housing that could be provided if unimplemented planning permissions were brought into development.
- Assess land availability by identifying buildings or areas of land (including previously-developed land and greenfield) that have development potential for housing, including within mixed use developments.
- Assess the potential level of housing that can be provided on identified land.
- Where appropriate, evaluate past trends in windfall land coming forward for development and estimate the likely future implementation rate.
- Identify constraints that might make a particular site unavailable and/or unviable for development.
- Identify sustainability issues and physical constraints that might make a site unsuitable for development.
- Identify what action could be taken to overcome constraints on particular sites.

<sup>37</sup> Required by S225 of the *Housing Act 2004*, see [www.opsi.gov.uk](http://www.opsi.gov.uk).

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