
PLANNING FOR HOUSING PROVISION - CONSULTATION PAPER

1 SUMMARY

- 1.1 This report outlines the Government's proposed new policy approach to making the planning system more responsive to the housing market.
- 1.2 This Consultation Paper was published on 18th July and consultees have been given only until 9th September to respond. Given the very significant changes proposed by the Government, the short timescale for response over the summer recess is most unfortunate. A copy of the consultation document has been placed in the Members' Library.

2 BACKGROUND

- 2.1 The Government considers there to be three main challenges facing the planning system in dealing with housing provision.

Worsening Affordability

- 2.2 The view is that the supply of housing is one of the factors leading to rising house prices and decreasing affordability. This reflects the findings of the "Barker Review of Housing Supply" which set out the consequences of under supply for households and the wider economy.

Land Supply Constraints

- 2.3 The Government concurs with the view of the Barker Report that the effective supply of appropriate land through the planning system is fundamental to the successful delivery of its housing policies. Land is seen as a key constraint to housing supply.

Responding to the Housing Market

- 2.4 The Government expects Regions and Local Authorities to take account of the housing market when developing Strategic Plans and in planning decisions. In effect, where there is high demand, more houses should be provided.

3 THE PROPOSED POLICY APPROACH

- 3.1 In summary, the proposed Policy Approach is:

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| Planning for Housing Market Areas | Regions distribute Housing on the basis of Sub-Regional Housing Markets |
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| Identifying Land | Plan horizon extended to 15 years The first 5 years is allocated and developable with less reliance on windfall in areas where it is possible to allocate land. |
| Plan, Monitor and Manage | 5 year supply rolled forward as land is developed, in line with plans. Local Authorities required to bring forward land for their 10 year supply to ensure supply of developable land is maintained. |

Planning for Housing Markets

- 3.2 At present, Regions are required to allocate housing numbers to Local Authority areas, largely on the basis of demographic projections.
- 3.3 The Government is proposing a new approach whereby:
- At regional level, plans should use market information, in particular prices, in determining the level of housing provision within the Region.
 - Regions and Local Authorities should work together with other stakeholders to identify sub-regional housing markets.
 - The approach should be tailored to suit the needs of different housing markets, in particular, whether housing numbers should act as a floor or ceiling on housing development.
- 3.4 The aim of the new arrangements is for there to be a collaborative approach to planning for housing markets and that housing would be delivered on the basis of sub-regional housing areas and not Local Authority administrative areas.
- 3.5 Three scenarios are suggested in the consultation:
- Housing markets identified for high levels of new homes - housing trajectory to be treated as a floor, meaning that housing numbers could be met earlier than planned.
 - Housing markets identified for managed growth - trajectory as a floor with only limited additional development being allowed.
 - Housing markets identified for low growth - trajectory as a ceiling.
- 3.6 The elements of the process for identifying land would be:

- a housing land availability assessment
- a forward-looking plan horizon
- allocation of sites to meet the housing trajectory in the short term
- allocation of sites and identifying future areas sufficient to deliver in the medium to long term.

3.7 All Local Authorities will be required to look forward 15 years in their Core Strategy Development Plan documents. In the first 5 years, sites should be identified that can be brought forward immediately for development and this initial allocation should focus on urban brownfield land first.

3.8 In the following 10 years, land should be identified to fulfil the housing numbers for the Plan period, although this may have constraints. However, given the rolling nature of the housing programme, sites should be brought into the 5 year development period free of constraints.

4 DISCUSSION

4.1 The proposals in this consultation outline a very significant change to the arrangements for allocating housing land.

4.2 At the moment, Local Authorities receive a "District" allocation and the LDF Allocation Development Plan Document would then be the vehicle to identify sites to be delivered on a 'plan, monitor, manage' basis. The Local Authority would be required to ensure the delivery of pro rata housing numbers for each year of the Plan.

4.3 The new approach, on the other hand, is not based on administrative areas, but on agreed housing market areas. At the moment, the only pointer to the housing market area in South Essex comes through the Regional Housing Strategy 2005-2010. This identifies nine housing sub-regions in the East of England, including one based on the five Authorities in South Essex.

4.4 In broad terms then, it seems clear that a housing market area might, at the very least, be based on South East Essex, (Rochford, Castle Point and Southend) or, alternatively, on South Essex as a whole, as identified in the Housing Strategy.

4.5 The South Essex Districts are identified as areas for high housing growth and, as a result, there must be a serious question mark about the current housing numbers for South Essex being maintained at the level shown in the Draft East of England Plan.

4.6 The system proposed by the Government for housing markets identified for high levels of new homes would enable developers to dictate the pace and

overall numbers of houses to be developed, rather than the Local Authorities being able to control numbers through an overall allocation.

- 4.7 For example, developers might seek to ensure the five year supply is completed well ahead of schedule and this would enable more land to be brought forward immediately from the longer term 10 year supply. Local Authorities, it seems, would have little opportunity to prevent this from happening and, over a period, it would then be possible for the market to dictate the development of much greater numbers of houses.
- 4.8 Perhaps even more worryingly, the fact that housing numbers would be based on markets could mean greater numbers of houses being provided in Rochford to meet the needs in Southend - the housing market model would pay no attention to administrative boundaries, as is the case at present.
- 4.9 On the other hand, whilst there would seem to be the potential for greater numbers of houses to be developed, the Government is indicating that provision should first take place on brownfield sites. If provision is based on a housing market area, then it could be argued that housing in South East Essex should first be developed on brownfield land in Southend before any thought is given to green field, Green Belt sites in Rochford.
- 4.10 Overall, the approach outlined in the Consultation Paper seems to give far too much power to the house builders to control and manipulate housing provision.
- 4.11 The Consultation Paper does argue that the failure of the planning system to respond to the market can be damaging to those on low incomes. However, it is difficult to see that bringing forward additional houses for development in areas of high demand will actually have very much impact on affordability. Far more relevant will be to ensure that all new housing schemes provide a percentage of affordable homes. At any one time, even if many new homes are provided, these make up only a small number of the properties available.
- 4.12 In areas where Authorities have not delivered housing to planned provision levels, there can be no excuse - intervention of some description is required and justified. However, moving to an arrangement where provision is controlled by the market will result in very significant pressure for release of Green Belt land and, in Rochford, well beyond the levels proposed in the Draft East of England Plan.

5 RISK IMPLICATIONS

- 5.1 There is a significant risk that the proposed arrangement for identifying housing provision could result in many more homes being provided in Rochford than is currently envisaged: many, if not all, of those dwellings would need to be provided on Green Belt sites. Furthermore, failure to have

policies requiring a good supply of affordable homes is likely to result in failure to meet identified local need.

6 ENVIRONMENTAL IMPLICATIONS

- 6.1 Increased numbers of new homes on green field, Green Belt sites will have an impact on the environment of the District.

7 RECOMMENDATION

- 7.1 It is proposed that the Committee **RESOLVES**

That, subject to comments from Members, ODPM be informed that this Council objects strongly to the proposed methodology for housing provision, in line with the concerns outlined in the report.

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Background Papers:-

ODPM Consultation Paper "Planning for Housing Provision" July 2005

East of England Housing Strategy 2005-2010

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