



Office of the
Deputy Prime Minister

Creating sustainable communities

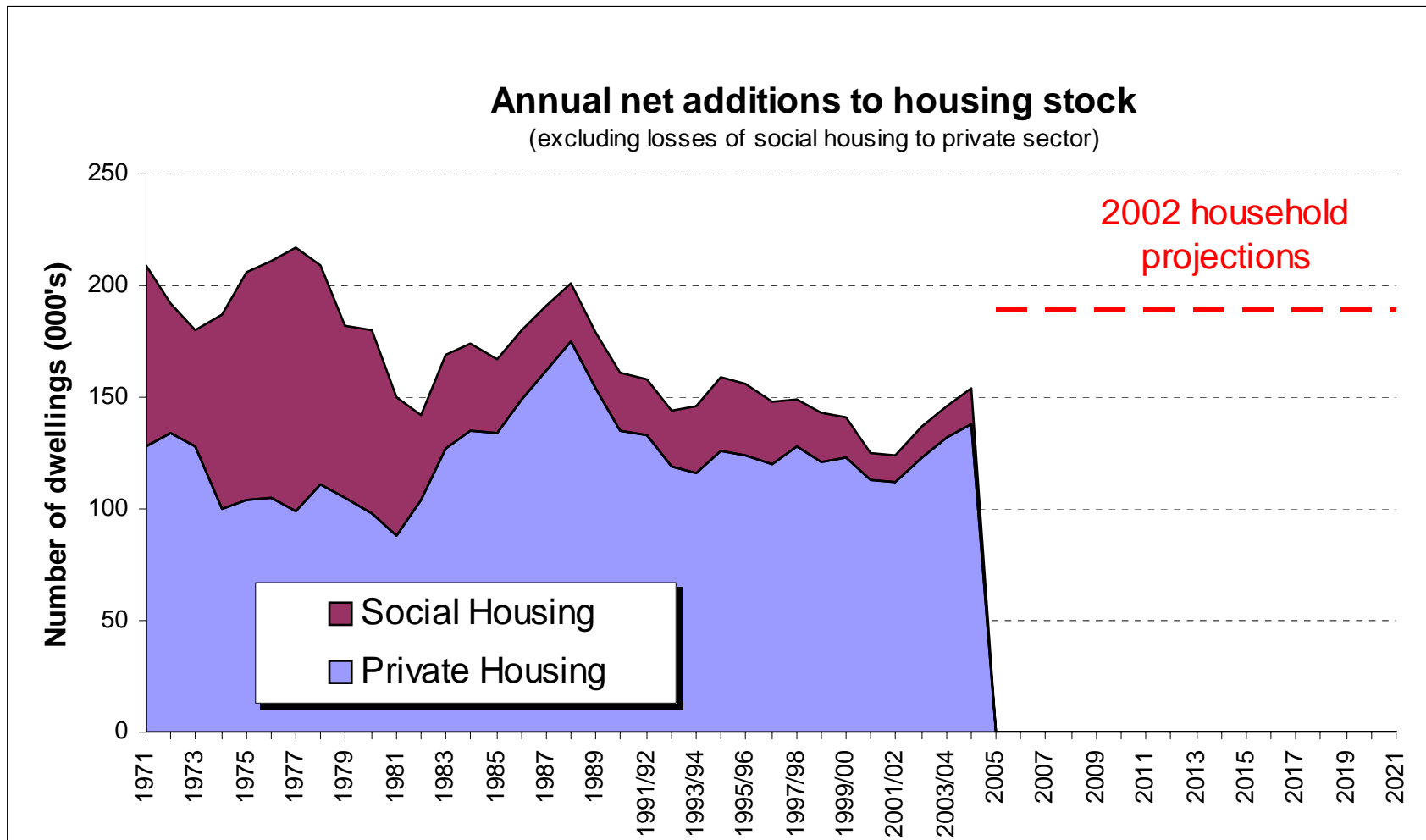
The Government's Response to Kate Barker's Review of Housing supply

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local and regional government • housing • planning • fire • regeneration • social exclusion • neighbourhood renewal

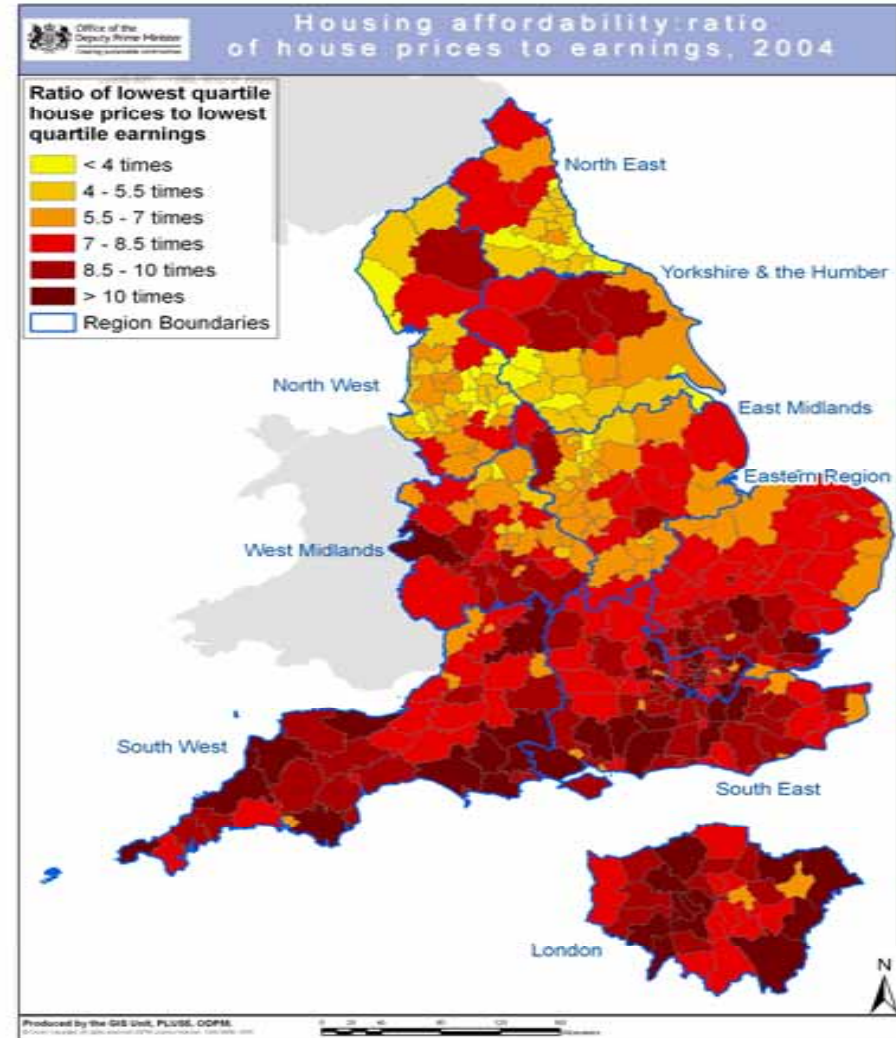
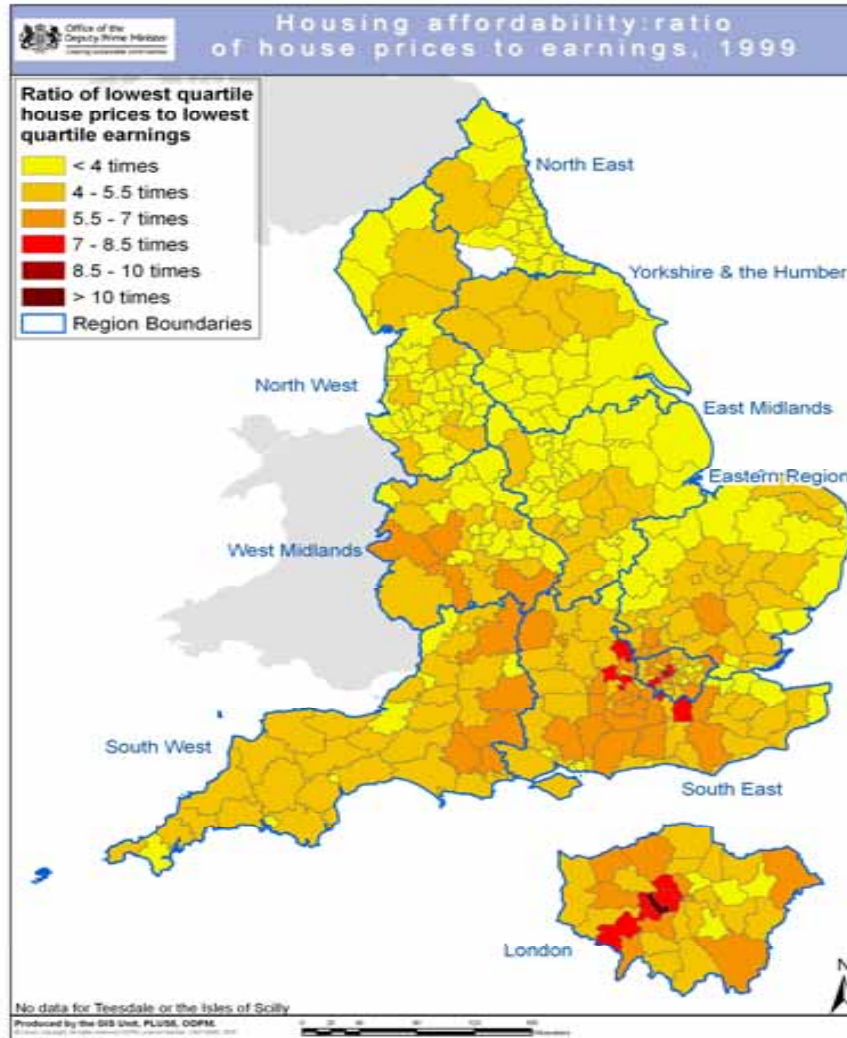


Net Housing Additions since 1971- compared against future household projections





The problem of affordability

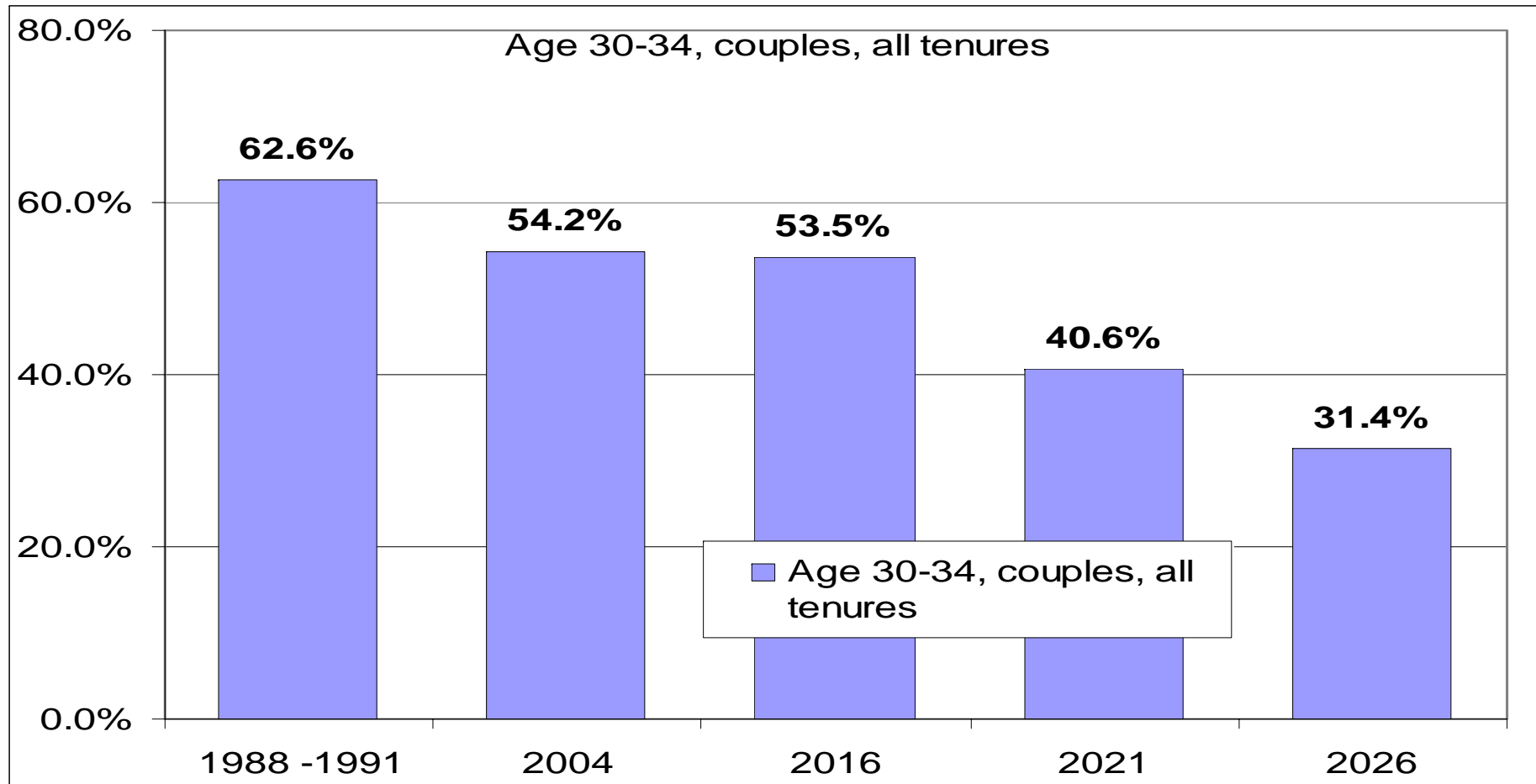


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Affordability for First Time Buyers

– showing what happens with no increase in housing supply



A step change in supply through:

- Affordability targets to drive housing numbers
- Planning reform to reflect the market
- Increasing investment in infrastructure using Planning Gain Supplement, and incentives for local authorities
- More social housing



Government's response

- Raise housing supply in England over the next decade from 150,000 to 200,000 net additions per year
- The pace of increase depends on
 - Provision of investment for infrastructure
 - Reforms to delivery mechanisms
 - And positive response from house builders
- Package of investment and reform

Affordable housing

- Increasing supply of social housing to be a priority in CSR07
- Exploring a range of new approaches for local authorities to use their assets to build more homes for social rent
- Conference with housebuilders to develop new Low Cost Home Ownership products
- Three lenders to go ahead with private financing of equity loans to help more people buy a home of their own (Homebuy scheme)
- Preferred bidders announced in the Design for Manufacture Competition
- Launch of new multi-million pound PFI bidding round to increase the supply of social rented housing and help deliver decent homes



Delivering Infrastructure

- Consultation on PGS to help finance infrastructure and ensure that communities better share in the benefits that housing growth brings
- Incentives for local authorities to deliver housing growth, including the reform of the Planning Delivery Grant
- Cross cutting review to co-ordinate across Departments the strategic delivery of the infrastructure investment necessary to support additional housing



Planning Reform - better planned growth, better use of land

- Consultation on draft PPS3
- Long term affordability objectives to be incorporated within the regional and local planning process - supported by National Advice Unit
- A £40 million fund available to support new areas volunteering for housing growth
- Inviting additional expressions of interest from local partnerships for growth point status
- Continued commitment to develop on sustainable brownfield sites first
- Will use the cross cutting review to develop proposals for large-scale brownfield sites to deliver additional homes
- New HMT/ODPM Task Force to examine options for releasing more public sector land to facilitate growth
- New Green Belt Direction, to further protect against urban sprawl



Environmental sustainability

- Launch of new draft Code for Sustainable Homes covering energy, water, materials and liveability.
- All new publicly funded buildings to meet level Three of the Code
- New planning policies to help manage flood risk (PPS25) and a new Flooding Direction to call-in proposals with inadequate flood risk assessment
- Commitment to regulate to achieve water efficiency savings
- Commitment to make Site Waste Management Plans statutory from 2007 (consult in 2006)



Challenge to industry

- Raising levels of customer satisfaction
- Modern methods of construction
- Keeping the industry's progress and the level of overall competition in the sector under review



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Focus on draft PPS3...

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Objectives

- Everyone has the opportunity of a decent home, which they can afford, within a community they want to live
- Ensure that a wide choice of housing types is available, for both affordable housing and market housing, to meet the needs of all members of the community
- Deliver a better balance between housing demand and supply in every housing market and to improve affordability where necessary
- Create sustainable, inclusive and mixed communities in all areas. Developments should be attractive, safe and design and built to a high quality. They should be allocated in areas with good access to jobs, key services and infrastructure



Determining housing numbers

- To take into account the Government's affordability ambitions and advice of the proposed NAU
- Sustainability appraisal to balance social, economic and environmental concerns
- In distributing housing numbers, sub-regional housing market areas to consume own smoke where possible



Allocating and releasing land

- 15 year local plan horizon
- At least a 5 year supply of developable land
- Further 10 years supply to be identified as broad areas for future growth
- Authorities to roll forward 5 year supply regularly to maintain a sufficient forward look
- RSS can set out arrangements between authorities to more effectively manage the release of land



Efficient use of land

- Reinforced commitment to prioritise brownfield, when allocating sites and renewing the 5 year land supply
- Retained regional and local brownfield targets
- Requires authorities to prepare brownfield strategies and work proactively with development partners to ensure brownfield sites get developed
- Plus considering other incentives – such as lower PGS
- Retained minimum density of 30 dph
- More flexible approach to density above 30dph, that takes better account of local circumstances
- Authorities to develop local policies having regard to car ownership, efficient use of land and importance of promoting good design



Mixed communities

- Reinforced commitment for wide choice of housing
- Retained ability for authorities to prescribe size and type for affordable housing
- Size and type of market housing to be proposed by developers, and determined in discussions with authorities
- Large sites should be mixed, small sites should contribute towards mixed communities



Affordable housing

- RSS can set affordable housing targets for sub-region
- Local affordable housing targets retained
- Separate targets for social-rented and intermediate
- Retained on-site presumption
- Single indicative minimum threshold of 15 dwellings
- Flexibility to set different thresholds / range of thresholds



Rural housing

- Required to provide sufficient affordable and market housing to sustain rural communities
- Significant development focussed on larger rural communities, but recognises that development in smaller rural communities may improve their sustainability
- Retained rural exception policy
- Flexible policies on affordable housing provision e.g. lower site thresholds and higher affordable housing targets



Designing for quality

- Reinforced commitment to high quality design
- Encourages use of design tools, including design codes
- Encourages sustainable and environmentally-friendly design and construction including application of the Code for Sustainable Homes on large sites

- Annual Monitoring Reports have a key role
- Authorities to act if land is being used up much faster or slower than necessary depending on market circumstances
- Local brownfield strategies
- In advance of plan reviews, LPAs should treat applications favourably, for example where there are affordability pressures
- LPAs should not grant applications where demonstrable impact on development of allocated developable brownfield sites

Draft practice guidance

- New sub-regional housing land availability assessment - to identify developable land and constraints
- New sub-regional housing market assessment - to assess need and demand across the whole housing market
- Preparation in partnership with local stakeholders and local communities a key requirement
- Further explanation of design codes

Companion guide to follow in the new year...

- Will cover identifying market areas, planning for mixed communities and managing delivery
- Will discuss the draft guide with stakeholders during the PPS3 consultation period