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Introduction

Planning to provide decent homes for all is vital. CABE have recently published reports on the quality of new housing and residents' perceptions of their homes and neighbourhoods¹. These point to some of the failures in the way PPG3 has been implemented and suggests real challenges for PPS3. It is not enough just to say we want good quality places, we must get better at delivering them.

CABE recognises that much of the policy direction in PPS3 relates to delivering an increase in the supply of homes as recommended by the first Barker review. However, increasing the number of new homes being built also requires a step change in the quality of housing being delivered.

Additionally, in the drive for increased numbers of well designed new homes, we should not lose sight of the need to ensure that our existing urban and suburban areas are effectively managed, and where necessary, renewed, to produce sustainable living environments.

We need to think carefully about the type of homes we are building and where we are putting them. If we think of housing just as numbers of homes we will not be producing the communities we want. Housing is a part of the jigsaw that creates good neighbourhoods and we need to link housing densities, facilities, services and transport accessibility very carefully. We need to acknowledge that one size does not fit all when it comes to our homes and there is a place for a range of densities, home sizes and lifestyles within our communities.

PPS3 must also consider the spaces we are creating around our homes. All too often the public realm in housing developments consists of car dominated featureless tarmac. We need to provide outside spaces that are a pleasure to spend time in and encourage walking and play.

CABE held two high level seminars to talk about the issues around PPS3. These expert seminars² were attended by leading figures from the planning, housebuilding, architecture and economics worlds and have helped us to cohere our comments on the draft PPS. These comments centre on the following policy areas:

1. Location
2. Density
3. Parking and transport
4. Design quality
5. Brownfield land
6. Mixing housing with other uses
7. Existing residential areas
8. Monitoring

¹ Housing audit: Assessing the design quality of new homes in the North East, North West and Yorkshire & Humber, CABE, November 2005

² Notes from both meetings – held on 29 November 2005 and 7 February 2006 – are attached as an appendix to this paper.

PPS3 represents a unique opportunity for building a legacy of high quality, sustainable and well designed housing that is popular now and with future generations. We need to be careful not to squander it.

1. Location

We do not believe that the market is the only mechanism to decide where housing development should go. The market should be encouraged and directed to develop in locations that are well related to existing and planned infrastructure – both physical and social.

The PPS should encourage regional spatial strategies to locate its housing allocations in areas that are well related to physical and social infrastructure. Where such infrastructure needs to be provided, the RSS should establish a clear programme of delivery to meet the proposed phasing of housing development.

PPS3 should provide a clear policy structure which sets out the linkages between location, density, mix of use and social infrastructure, accessibility and physical infrastructure and parking.

2. Density

We recognise that for many density is a central tenet of current planning practice. The introduction of a nationwide density minimum was intended to herald an urban renaissance of compact walkable neighbourhoods that helped to conserve valued countryside. Advocates point to the many city centre residential schemes that have helped breathe life back into our cities as evidence of this policy at work.

However, these schemes are not necessarily a direct consequence of the density minimum. The most successful of these high density schemes have developed out of a thorough urban design analysis of the character of the area.

The evidence from CABA's housing audit and related discussions with developers and local planning authorities suggests that one unintended consequence of the density minimum has been a detrimental impact on the quality and character of many developments in suburban and edge of settlement areas. We collected significant evidence of badly designed suburban intensification and new residential estates where houses and open space alike are squeezed in order to comply with the density minimum. This pays little respect to the character of the surrounding area or indeed the type of development the local community would like to see.

The density minimum was cited to us as causing problems in accommodating car parking, in forcing the development of units unsuited to local markets, often with an over preponderance of flatted development which was working against producing socially balanced places. While the density minimum was not the only driver behind these problems it is certainly considered by many in the industry and local government to be acting against the interests of developing well designed communities.

CABA therefore suggest that the once the location has been identified, the starting point for any residential development should be the form of development that is best suited to the constraints of the site – in terms of the layout, massing and type of housing and public realm - not a numerical target.

Instead of a density minimum - the PPS should set down clear objectives for local policy from which density levels can be derived. This should include the optimisation of land use and the creation of compact neighbourhoods whose overall densities support local services and facilities. The PPS (and its companion guide) should also set out a methodology for deriving local density targets. This should be based primarily on the built form that is expected and centred on an assessment of the existing stock type, density and character; transport accessibility; and access to services.

The minimum density policy was useful in getting planners and developers alike to think about the optimisation of the use of land and the relationship with accessibility and transport. Many now understand the objectives behind the drive for increased densities. This is the time to replace the nationwide minimum with a more sophisticated approach.

Abolishing the density minimum need not mean abandoning the countryside to the kind of low density executive housing which PPG3 was meant to halt. Nor does it threaten city centre living and the renewal of our urban areas. With the right policy objectives in place, we can still ensure the efficient use of land and the development of sustainable neighbourhoods. Allowing local authorities to set their own density levels based on these objectives and a proper assessment of a site or area will not only lead to higher quality outcomes, it will give a clear signal of trust in LPAs and local communities to deliver the housing we need.

The PPS should also ensure that housing densities are measured in floorspace, as well as dwellings per hectare. Density measures should also be combined with local dwelling type targets (family homes, sheltered accommodation etc). This should help to prevent unintentional consequences such as too many small units being built. It is worth noting that the forthcoming Home Information Packs require sellers – which includes housebuilders – to state the floorspace of dwellings. Since this information already exists there seems to be a strong case for including it at planning application stage so that LPAs and local communities can get a better idea of the amount of development on a site. Looking abroad, it is also worth noting that many countries, for example Germany, base their density requirements around plot ratio measures. CABE would support any further discussion around alternative density measurement tools.

Whilst PPS3 does not seem the right place to enforce space standards, requiring a floorspace measure in PPS3 will, when combined with the number of units, give LPAs an important measure of residential space. (See also CABE's response to the Code for Sustainable Homes).

3. Parking and transport

CABE supports the Government's decision to abolish the parking standards in PPG3. For similar reasons to those discussed above, setting a maximum parking standard of 1.5 spaces per unit created more problems than solutions and did not have any impact whatsoever on car ownership or use. PPG3's parking policy did help people to think about the relationship between location and accessibility by non car based transport. PPS3 must continue to encourage this.

As with density, we believe that the objective for parking should not simply be quantitative but qualitative. The PPS should set out clear policy objectives for

designing car parking into developments in a way which helps to achieve a well designed, attractive, inclusive and safe public realm.

Rather than trying to arrest the ongoing growth in car use through restrictive parking policies, the PPS should set out clear objectives for the management of travel to and from homes. This should give priority to accessible locations and link to clear objectives for locally set parking standards.

The design and layout of developments can also help to encourage non car-dependant movement. For example, a development that is more enjoyable to walk through will mean people are less inclined to use cars for small journeys. Similarly, not siting parking places on driveways directly outside people's front doors will mean that the car becomes a less obvious alternative to walking.

4. Design quality

CABE is pleased to see design quality given the prominence it deserves in the PPS. We are particularly pleased to see that the design section re-iterates the key test from PPS1 that "a development should *"positively improve local character"*.

CABE also welcomes the broad approach to the design section which encourages development which is informed by its wider context - not just to neighbouring buildings but to the townscape and landscape of the wider locality.

However, we think that the current draft of PPS3 is weak on the design of the public realm in housing developments. We need to ensure that the space between dwellings is not seen as an afterthought – but as the starting point of the process of designing a housing scheme.

The PPS should therefore establish clear objectives for a well designed public realm. These should be informed by existing urban design guidance in *By design* and *By design: better places to live*. The PPS should also permit local responsiveness to forms and layouts which contribute to an areas sense of place.

We would also like to see the PPS promote innovative design solutions to layout which permit increased densities and the efficient use of land, whilst allowing for generous space standards and greater privacy for residents.

The supply of suitable housing is a severe problem for a large number of disabled people. The new duties introduced by the Disability Discrimination Act 2005 place a specific duty on national and local government to put in place measures to overcome such areas of inequality. As a minimum, an adequate supply of new housing should be designed to "Lifetime Homes" standard. In addition, the PPS should address the nationwide shortfall of 300,000 wheelchair accessible homes as indicated in research carried out by ODPM and John Grooms.

The ODPM's 2003/4 Survey of English Housing indicates that there are an estimated 1.4 million disabled people in England in need of specially adapted accommodation. Of this total, nearly one quarter are currently living in unsuitable accommodation.

PPS3 should also require that land released for housing development be near to, or easily connected to, public transport infrastructure and land released should be in close proximity to essential services, shops and facilities. Alternatively these elements should be contained within the development proposals with guarantees

from the relevant stakeholders that they will be in place, before planning consent is granted.

5. Brownfield land

CABE recognises the need to deliver more housing in certain areas. However, we are concerned that abandoning the sequential test will mean that many brownfield sites will lose out in favour of easier to develop greenfield sites and that this will undermine the regeneration of brownfield land.

CABE welcomes the requirement of PPS3 to encourage LPAs to draw up a brownfield strategy and make full use of their compulsory purchase powers, but we think this section could be strengthened so that the PPS promotes the use of the most accessible and well served land before other areas. We would also welcome a discussion about how LPAs could be incentivised to deliver brownfield development in the absence of the sequential test, for example through fiscal measures.

6. Mixing housing with other land uses

We are concerned that the focus on delivering housing numbers may undermine the objective of creating successful places, not least in terms of adequate services, facilities and infrastructure to ensure this housing is successful, sustainable and creates places people will choose to live in.

Therefore the objective of mixed use within residential areas should be endorsed by the PPS. It should ensure that the land take, location, amount, financing, delivery and quality of non residential uses should be well planned. In the same way as the PPS promotes higher density housing in the most accessible places, it should recognise that the most highly used facilities, such as schools or shops, should be in the most convenient sites within housing developments. Similarly it should acknowledge that mixed use buildings, for example with homes above shops, can help optimise land use and improve the viability of residential area

There is a potential link between the number of homes that land can accommodate, and the amount of space non residential uses will need. Therefore assessing housing capacity and setting targets on the basis of net site residential densities can be unrealistic. Gross figures, which take into account the open spaces, roads, schools etc homes need, but which fall outside site boundaries, should also be considered. To ensure robust linkages between planning for housing and planning for other land uses we suggest the PPS requires local authorities to estimate, and take into account, the amount of land needed for supporting services and facilities.

7. Existing residential areas

One of the unintended consequences of PPG3 has been the creation of a market for replacing single large houses with more, smaller houses or apartments. On the whole, such development has been piecemeal and the outcomes are often not of the quality that should be expected. This has led to many calls for a halt to these forms of development.

The intensification of existing residential areas can help to create better neighbourhoods by ensuring there are enough people to support essential services

and create vital neighbourhoods. However, we need to ensure that there is a strategic intent behind such development for it to be successful.

We therefore welcome the requirement for LPAs to set a strategy for existing residential areas but think that this policy should be refined to set out clear policy objectives for suburban areas.

Local authorities should be required to set out long term management objectives for existing residential areas. These should indicate how infill development proposals will be assessed and how any restructuring of the areas will be managed over time. There should also be clear links to the overall policy objectives on density, mixed use and transport.

8. Monitoring and incentives

CABE is concerned that the existing system of monitoring and incentivisation for LPAs is based too heavily on quantitative returns rather than the quality of either planning processes or built outcomes. We believe that the current system can have perverse effects which jeopardise the successful delivery of high quality housing. We understand that much of this system falls outside the PPS's remit, but consider that the document could usefully set out the objectives for a future housing monitoring and incentivisation system, and that such objectives should include the quality of homes built as well as the number, density and location.

At present, Building for Life is the best standard by which housing quality can be judged. It has been used successfully by CABE for housing audits in six regions of England with the final three to follow in 2006. It therefore provides a good baseline against which to measure progress. It commands the support of the housebuilding industry through the Home Builders Federation. We are currently developing this standard into a proactive tool that can be used in planning and we consider that elements of this standard would work well as a basis for housing quality monitoring returns.

We would therefore propose a discussion between ODPM and CABE on how best to enable Building for Life to be used as a simple, accessible quality monitoring standard. Developing this existing standard will offer significant benefits in terms of value for money and support of relevant stakeholders.

CABE is also developing a work stream for 06/07 to identify a housing design measure that would be suitable for use in monitoring returns. We would be happy to discuss this work further to ensure it meets ODPM's monitoring requirements.

It is interesting to note that the recent Audit Commission report '*The planning system, matching expectations and capacity*' (2006) suggests changing the monitoring target from 13 weeks to decision for major applications to compliance with planning delivery agreements. We see this as a potential step forward to monitoring the quality of the planning process, and see synergy between this recommendation and the future use of building quality targets.

Conclusion

CABE believes that PPS3 should clearly set out policy objectives from which locally responsive decisions can be made at the most appropriate level. If local authorities are to be expected to deliver greater numbers of housing, they need greater autonomy over the type of housing that is being delivered.

This housing should be based on local authorities' and local communities' vision for their area in terms of the form and type of development they would want to see. This should be informed by thorough urban design analysis of the local area and the high level policy objectives set out in PPS3.

Code for sustainable homes

CABE's response to consultation

Code for sustainable homes

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Introduction

CABE welcomes the development of the Code as an important step forward in ensuring wider adoption of environmentally sustainable design in new homes

We are particularly pleased by the commitment by the Housing Corporation, English Partnerships and ODPM to ensure that all homes funded through their programmes comply with the Code – thereby acting as exemplars and increasing housebuilder familiarity with the issues. However – it should be recognised that both EP and the HC already use a higher standard - EcoHomes Very Good. We would therefore welcome a commitment from EP and the HC that the higher Code standard is to be used.

We are disappointed that there is no provision for greater incentives to motivate compliance with the Code, other than the ability to use it as a marketing tool. We would therefore welcome further discussion on this.

We are also concerned that the Code does not promote the wider elements of sustainability alongside the environmental aspect. We are particularly disappointed that building adaptability or internal space standards are not compulsory elements. We know these can contribute to the inclusivity and long term sustainability of buildings.

Incentivisation

CABE is concerned that unless significantly incentivised, private sector housebuilders are unlikely to widely adopt the Code. Whilst we acknowledge that the housebuying public are better informed about environmental issues, we are unsure whether that will translate in the short term into significant consumer demand for homes that meet the Code.

It could be argued that meeting the Code will make houses more expensive. We are not convinced that this is necessarily the case, for example a number of studies have been undertaken in the past showing that meeting the Lifetime Homes standard does not increase costs. But for the Code to work properly it may be necessary to ensure homes meeting the Code are no more expensive than homes which do not.

Examples of how uptake of the Code could be helped, include:

- Applying a lower planning gain supplement rate for homes which meet the Code to incentivise developers.
- Waiving stamp duty on Code compliant homes to incentivise consumers.
- Permitting LPAs to retain 100 per cent of revenues generated by Code compliant homes in their area.

Does the code contain the right things?

CABE is concerned that the Code does not represent the full spectrum of elements that contribute to sustainable homes. Whilst we are supportive of the Code promoting environmental sustainability, we would welcome a broader approach which pays just as much attention to social sustainability.

CABE believes that everyone should have the opportunity of living in a decent well designed home which is capable of meeting their needs throughout their lives. That means homes should be built to a high standard, be well located, and be adaptable.

We are therefore concerned that elements that we strongly believe contribute to peoples' quality of life, as well as the long term sustainability of buildings, have been relegated to the list of optional elements. These include soundproofing, daylighting, and in particular, Lifetime Homes (LTH).

We have strong concerns about LTH being an optional element – especially, as it would appear this standard is no longer proposed to be included in Part M of the building regulations.

Not including LTH as a core element in the Code also risks confusion and potential conflict with existing standards. For example the Housing Corporation uses development standards that include many of the LTH and wheelchair housing standards, so buildings could potentially meet the Code but not the Housing Corporations requirements.

It is understood that the Code will be monitored by a team of assessors. It will be very important that these people have the skills necessary to test all elements of the Code. For example they will need to be trained in inclusive design and disability equality.

CABE would also welcome the inclusion of residential space standards in the Code. We are currently developing a programme of work to look at ways in which residential space standards can be used to ensure a decent home for all. We would strongly recommend that the Code include a space standards requirement. CABE would welcome further discussion with government on this important issue.

Planning-gain supplement

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Introduction

CABE welcomes the broad objective of recouping the uplift in land values deriving from planning permission to provide for community infrastructure.

Planning obligations, or section 106 funding, have proven inadequate for delivering all the infrastructure that developments need to grow into successful communities. In particular they cannot ensure infrastructure outside the development site. S106s are often ad hoc, involve protracted negotiations and lack certainty for developers and local authorities alike. There is also anecdotal evidence to suggest that S106s are responsible for helping to reduce money spent on the developments themselves – both because of the resources used in negotiating agreements and the lack of transparency and certainty. We would therefore welcome a new funding arrangement based on openly set costs which can be passed onto landowners.

However, we are not convinced that PGS is necessarily the most effective alternative to the existing S106 model. The tariff, or 'roof tax', model currently being trialled by Milton Keynes and Ashford does, we believe, merit further examination.

The tariff model provides greater certainty by setting out required contributions for an area. Developers are able to build these costs into their negotiations on the purchase of land. Although indirect, this effectively acts as a localised tax on uplift in land value. The core benefit of tariffs over PGS is that they can be based on local infrastructure need – not local land values. As well as better reflecting local infrastructure priorities, being locally set means that LPAs can adjust tariffs to incentivise forms or locations of development they would like to see. CABE would value a further discussion around tariffs in the near future.

Turning to the current consultation, we are concerned that PGS contains significant flaws as currently proposed. If it were to be retained as a model we suggest that the following issues be considered.

The right development?

Since one of the core objectives of PGS is to help stimulate development, it will be judged to have failed if it actually provides a barrier to building or distorts the planning system.

For example, although CABE welcomes the suggestion that the rate should be set lower for brownfield sites, we would urge caution in this area. Depending on how PGS is recycled; a lower rate may act as a disincentive to LPAs to promote brownfield development. It is also likely that the difference between current use value and value deriving from planning permission may be slight for brownfield sites – affecting likely receipts for LPAs.

In order to balance the likelihood of a lower PGS rate discouraging LPAs from bringing forward brownfield sites, CABE would suggest that LPAs be allowed to retain more PGS revenue generated from brownfield land development than from other sites. Such a measure would act to provide a powerful financial incentive to both LPA and developers to take on brownfield sites.

The issues relating to brownfield land should also be seen in relation to the weakening of the sequential test in the draft PPS3. CABI would not wish to see a situation where the PPS3 and PGS worked together to discourage brownfield development and the renewal of our urban areas.

If there is scope for PGS to be utilised as a tax to promote 'goods', as suggested by the proposed lower rate for brownfield development, CABI would also suggest that a lower PGS rate might be introduced for homes which meet the Code for Sustainable Homes.

Right funding, right place, right time.

Dependant on the revenue recycling method, the PGS could help to create an important new funding stream for new and improved community infrastructure and open space. Additionally, it presents an opportunity to increase community support for new development and move the debate on from arguments about numbers, helping to promote a more sophisticated discussion about quality and impact.

CABI believes that a careful balance needs to be struck between how much PGS revenue would be recycled directly back to the local authority and how much is redistributed on the basis of infrastructural and community need.

If the balance is tipped to heavily in favour of the source local authority, funding would be unfairly distributed to authorities that are capable of generating it, and where there would already be good infrastructure provision, which helps produce the high land value uplift in the first place. Conversely, areas where the difference in land value between existing and proposed use is small would not generate adequate funding to improve the quality and economic success of the area. Such a system would leave many authorities in clear need of infrastructure funding but without the means to provide it.

Additionally, permitting LPAs to keep PGS revenues they are responsible for generating might lead to authorities promoting sites on the basis of how much PGS might be generated, not the most sustainable option. Examples might include prioritising greenfield over brownfield sites or favouring housing development over important supporting uses including those that create employment.

Alternatively, a system which was based solely on the redistribution of revenues would provide insufficient incentive to local authorities and communities alike to bring development forward.

Although a redistributive system would provide for the funding of infrastructure in a strategic and well planned manner, based on need rather than the ability to generate funding, it would be unlikely to receive popular support. Drawing such funding up into the exchequer would risk it being mined for uses other than that originally intended which were unrelated to the delivery of development or enabling infrastructure.

Potential hazards

The government needs to ensure that PGS is calculated in such a way as to take account of hope value, or the potential for uplift in value when land is allocated for

development. This means that the calculations would have to be based on the value of the land at its current permitted use – not any potential development value.

However, doing so may act as a potential brake on development sites coming forwards as many developers will have agreed a price for land which includes some element of hope value. It would be rare for a landowner sitting on farmland allocated for development to agree to sell it for agricultural use value.

There is also an issue surrounding the 'banking' of planning permissions by developers and/or landowner in a rising land market – ie gaining planning permissions before 2008 for land they have no intention of developing in order to minimise the gain for an application post-2008. Whilst developments have to be commenced within 3 years, they may even decide to make a technical start, pay any PGS due and wait until development values increase to a level where profits can be maximised. There is even some chatter in property and development circles about a market emerging in trading pre-2008 planning permissions or sites where a technical start has been made and PGS paid. This will clearly not help the delivery of development and this loophole will need to be addressed in order for the system to work properly.