

CABINET

7 FEBRUARY 2006

CONSULTATION ON GOVERNMENT RESPONSE TO THE BARKER REVIEW OF
HOUSING SUPPLY

REPORT OF THE CHIEF EXECUTIVE

Contact Officer: Margaret Kirby Tel No: 01962 848170

RECENT REFERENCES:

WDLP 47: Housing Requirements and Issues: WDLP 8 April 2004 and Cabinet 20 April 2004

CAB1059 – Consultation on Planning for Mixed Communities (Proposed Changes to PPG3) – 20 April 2005

CAB 1061: Consultation Paper on the draft Government Circular – Planning for Gypsy and Traveller Sites: Cabinet 4 April 2005

PHD24 –City Council's Response to ODPM Consultation Paper 'Planning for Housing Provision' – Portfolio Holder for Planning Decision Notice agreed 29.9.05

EXECUTIVE SUMMARY:

This report summarises the Government's response to the Barker Report, which sets out a package of measures designed to help more people into home ownership or affordable housing, within which are four main consultation documents. The report lists the consultation documents, which are Draft Planning Policy Statement 3 on Housing (PPS3), Draft Planning Policy Statement 25 on Development and Flood Risk, and the Consultations on the proposed Planning Gain Supplement and the Proposed Code for Sustainable Homes.

Each of the four Appendices summarises the content of the Government's proposals in each case, sets out the implications for the District, and concludes with comments that it is recommended are submitted either to the ODPM or HM Treasury. Whilst generally welcoming most of the Government's proposals, apart from the proposed Planning Gain Supplement, detailed comments and a number of concerns are recommended on each of the consultation papers, and Members are advised to refer to each Appendix for clarification. Draft PPS 3 on Housing covers a number of different housing issues and Appendix 1 is divided into the main sections covered for ease of reference.

RECOMMENDATIONS:

That the recommended comments set out in Appendices 1 – 4 be endorsed and forwarded to the relevant Government Department as soon as possible.

CABINET

7 FEBRUARY 2006

CONSULTATION ON GOVERNMENT RESPONSE TO THE BARKER REVIEW OF HOUSING SUPPLY

REPORT OF THE CHIEF EXECUTIVE

DETAIL:

1 Introduction

- 1.1 As part of the Government's commitment to providing more homes for future generations, it commissioned the Kate Barker Review of Housing Supply, which was published in March 2004. The Barker review Executive Summary and Recommendations were appended to report WDLP47 (Local Plan Committee 8 April 2004 and Cabinet 20 April 2004).
- 1.2 The Government's Response to the report's recommendations was published in December 2005, together with a number of consultation documents, setting out a package of measures to deliver increased housing supply. The Response can be found on the Treasury web site, and includes a response to each of Barker's 36 recommendations:

http://www.hm-treasury.gov.uk/media/F59/0D/prb05_barker_553.pdf

The measures are aimed at providing more affordable housing for ownership and rent, increased investment in infrastructure, together with new design and environmental standards. In addition, proposed changes to the planning system aim to make it more responsive to housing markets and ensure a better supply of land to meet long-term housing need.

2 The Government's Response

- 2.1 The Government's Response consists of a range of measures, including new initiatives, funding and guidance:

General measures:

- A commitment to increase the rate of house building and increase home ownership to 75%. Need for proper investment in infrastructure and affordable housing. Will set out in the Spending Review how fast aims can be achieved;
- A commitment to increase affordable housing for ownership and rent. To promote shared equity schemes, more low cost home ownership, and increase new building of social housing, a priority for the Comprehensive Spending Review;
- Consultation on a Planning Gain Supplement – a new levy to capture a portion of the land value uplift created at the grant of planning permission. To help finance infrastructure. Majority of revenue to go back into local strategic infrastructure projects;

- Cross-Government review in run up to 2007 Government spending round, to co-ordinate better the delivery of infrastructure investment necessary to support housing growth;
- Consider scope for additional housing growth points, including use of large-scale brownfield sites to deliver additional homes where local partners are in support;
- A £40million start-up fund for infrastructure projects for new growth points. A number of local authorities are actively considering applying for New Growth Point status, including the Partnership for Urban South Hampshire. The ODPM welcomes applications from local authorities in areas of high housing demand which meet the criteria;
- New draft PPS 3 on Housing to make the planning system more responsive to markets, and ensure a better supply of land to meet long-term housing need. Local and regional planning bodies need to take account of affordability and local housing market alongside other factors when deciding how many homes to build. To be supported by a new National Advice Unit. Retains priority for brownfield development, places high emphasis on high quality design, encourages local authorities to use tools such as design codes;
- Developing new incentives for local authorities delivering high levels of new homes as part of the Spending Review, including refining Planning Delivery Grant;
- Merger of regional housing and planning functions by September 2006, to ensure regions take a strategic approach to integrating housing and infrastructure requirements.

Environmental measures:

- Consultation on a new Code for Sustainable Homes, with standards for energy, water, waste and materials. All new publicly funded homes to meet the Code;
- New draft planning policies to help manage flood risk (PPS 25) including a new Flooding Direction for more rigorous scrutiny of planning applications in flood risk areas, while allowing suitable developments to proceed where the risk is acceptable after a full risk assessment;
- Commitment to develop sustainable brownfield sites for housing first and proposed new requirement for local authorities to develop a brownfield strategy;
- Reinforced commitment to preserve Green Belt , new Greenbelt Direction to strengthen scrutiny of planning applications;
- 10% funding for housing growth areas earmarked for green space projects.

2.2 The Response includes the publication of a number of consultation papers and a supporting Circular:

- Planning Policy Statement (PPS)3 Housing
- Planning Policy Statement (PPS)25 Development and Flood Risk
- Planning Gain Supplement (jointly published by HM Treasury, HM Revenue and Customs and the ODPM)
- Proposals for introducing a Code for Sustainable Homes
- Additional new final Circular 11/05 including The Town and Country Planning (Green Belt) direction 2005 – (not relevant to Winchester District, which has no statutory Green Belt)

3 The Main Consultation Documents

3.1 The main consultation documents are listed below. Summaries of each document, including comments which it is recommended that the City Council should make to Government, are set out in Appendices 1 - 4. The Government has requested responses by 27 or 28 February.

3.2 **Draft PPS3 Housing:** PPS3 will replace Planning Policy Guidance Note 3: Housing (PPG3), which was published in 2000. It covers various matters, principally:

- Allocating and releasing land for housing
- Efficient use of land, including housing density
- Affordable housing
- Rural housing
- Design codes

Appendix 1 contains a section on each of these areas and sets out recommended comments to Government on the draft PPS.

3.3 **Draft PPS 25 Development and Flood Risk:** PPS25 will replace Planning Policy Guidance Note 25 (PPG25), which was published in 2001. Appendix 2 contains a summary and sets out recommended comments to Government on the draft PPS.

3.4 **Consultation on Planning Gain Supplement:** The Government is proposing reforms to the planning obligations system by way of a new 'Planning Gain Supplement' (PGS). Government has stated that the significant majority of PGS revenues would be recycled back to the local level but the guidance is not specific if this is to the Local Authority level or the region. A summary of the proposal, and recommended comments to Government, are attached at Appendix 3.

3.5 **Proposed Code for Sustainable Homes:** The Government is seeking to introduce a system for scoring new dwellings according to the degree of sustainability. The new system would award points for developments which go beyond the mandatory Building Regulations, but is intended that the new system will be voluntary and not enforceable through planning policy or development control. A summary of the proposal, and recommended comments to Government, are attached at Appendix 4.

3.6 **Circular 11/05 including The Town and Country Planning (Green Belt) direction 2005:** not relevant to Winchester District, so not the subject of a summary or comment.

4 Conclusion

4.1 The Government is proposing a range of measures in response to the Barker Review's recommendations. These are summarised in Appendices 1 – 4, with recommended comments to Government. Cabinet is recommended to endorse the comments on behalf of the City Council.

OTHER CONSIDERATIONS:

5 CORPORATE STRATEGY (RELEVANCE TO):

It is a key objective to provide decent affordable homes for all sectors of the community, and, as part of this, to respond to the housing needs of the District by facilitating the delivery of new housing in the light of Government targets.

5.1 RESOURCE IMPLICATIONS:

The proposals set out in the Planning Gain Supplement and Design Code consultations are likely to have resource implications, although these cannot be defined in detail at present. The most significant implications are likely to be in relation to the Planning Gain Supplement (PGS), which the Government intends should be a new tax, replacing any 'off-site' contributions which are currently sought in relation to planning applications (for example off-site open space, highway improvements, etc). If implemented, it is likely that the PGS would necessitate the winding up of the City Council's Open Space Funding System. The implications in terms of Design Codes are less significant, but there may be a need for the Council to produce new, or additional, design guidance, which would have a cost implication.

5.2 BACKGROUND DOCUMENTS:

None.

APPENDICES:

- 1 Draft Planning Policy Statement (PPS) 3: Housing
- 2 Draft Planning Policy Statement (PPS)25: Development and Flood Risk
- 3 Proposed 'Planning Gain Supplement'
- 4 Proposed Code for Sustainable Homes

APPENDIX 1**Draft Planning Policy Statement (PPS)3: Housing****Allocating and releasing land for housing****Summary**

1. The draft PPS 3 sets out a new process for allocating and releasing land for housing. The Regional Spatial Strategy (RSS) will establish the overall level of housing in the region, which will be distributed at a local level on the basis of sub-regional housing markets, identified through the RSS. In setting the overall level of housing, account will be taken of both the need and demand for market and affordable housing. In this way the development plan will be expected to be more responsive to market demand.
2. One of the new tools for setting the overall level of housing provision in a sub-region will be 'Housing Market Assessments', which to some extent will replace the existing housing needs surveys, but will include information on current and likely future market trends .
3. While generally welcoming this approach the City Council is likely to have concerns about a market-led approach to determining the level of housing in the District. While the concept of sub-regional Housing Market Assessments is sound, there are also concerns about the resource implications of ensuring that these are consistent and up to date across the various sub-regional housing markets likely to cover the Winchester District.

Main Elements

4. One of the main thrusts behind the proposed revisions to PPS 3 is the perception that the housing market has not been able to respond sufficiently to increasing demand. Since 1975 household formation has risen by approximately 30% but there has been a drop in house building of approximately 50% over the same period. Consequently the ODPM's perception is that PPG3 has not been sufficiently effective in meeting demand and delivering both market and affordable housing.
5. One of the Government's key objectives for housing is therefore, to 'deliver a better balance between housing demand and supply in every housing market and to improve affordability'. As with the present arrangements, the overall level of housing provision will be set in the Regional Spatial Strategies (RSS). These will identify sub-regional housing markets, which cut across local authority administrative boundaries. A level of housing provision will be set for each housing market area and for each local authority within those areas for the plan period. The RSS might include arrangements for managing release of land between local authorities within the market area.
6. In order to provide the evidence to set the overall levels of house building in the sub-region, both housing market and housing land availability assessments should be undertaken.
7. At the local level Local Development Frameworks will set out the level of housing provision for the plan period in accordance with the RSS. They should also set out a

housing trajectory to show how it will meet the level of housing required over the plan period.

8. One new feature is the emphasis on allocating sufficient land to deliver a five year supply of land from the date of plan adoption, which only takes into account an allowance for 'windfall sites' where it is not possible to allocate sufficient land. The first five years' supply must be developable, that is, it is available either at the time of plan adoption or capable of being developed within 5 years. It must also be suitable and viable for development. The onus therefore will be for Local Planning Authorities to market test sites before allocating them to ensure that they are developable, suitable and financially viable. In general the first five years supply should not be phased.
9. A further 10 years' supply should also be identified on allocated land where possible. The sites identified for this later round of development could be phased.
10. The emphasis is very much on identifying and allocating sites in the LDF, and making an allowance for windfall sites will only be justified 'where particular local circumstances justify it', or where Sustainability Appraisals indicate that allocating sufficient sites would have unacceptable impacts.
11. Local authorities will be expected to collaborate with their counterparts in the sub-region to produce Housing Market Assessments. The local authorities will be expected to work in partnership with key stakeholders in preparing the assessment, including housebuilders and Registered Social Landlords.
12. A sub-regional Housing Market Assessment should;
 - Contain an estimate of housing need and demand in terms of both affordable and market housing
 - Determine the distribution of need across the plan area, particularly between urban and rural areas, and
 - Identify particular needs such as key workers, Gypsies and Travellers.
13. As a companion to the draft PPS a draft practice guide has been published on undertaking Housing Market Assessments. In it is set out what local authorities must do as a minimum to produce a credible and robust assessment. These will be expected to contain an assessment of:
 - The current housing market including a description of demand pressures
 - The future housing market, which assess future demand against household projections
 - Housing need, including current unmet need, future need, and an assessment of the need for affordable housing
 - Housing requirements of different household types.
14. To accompany the Housing Market Assessments local authorities within a sub-regional housing market should produce a Housing Land Availability Assessment, which should contain:
 - The level of unimplemented permissions, and outstanding completions
 - Identify land available for development with potential for either housing or mixed-uses
 - An assessment of the level of provision on identified sites
 - Evaluate past trends in windfall sites coming forward, and estimate the likely future rate of dwellings coming forward

- Assess developability by identifying constraints that might make a site unavailable or unviable
 - Identify sustainability issues and physical constraints which might make a site unsuitable for housing development, and
 - Identify interventions that could overcome any constraints
15. To help provide relevant contextual information it is recommended that Housing Market Partnerships are established comprising; relevant local authority officers; county council officers; the housing corporation; regional housing/planning bodies; RSLs; research and intelligence experts; housebuilders; GOSE; LSPs; and Regional Development Agencies. It is hoped that these partners will be able to undertake some of the work and help provide the evidence base for Housing Market Assessments.

Implications for Winchester City Council

16. Winchester has traditionally relied heavily on windfall and urban potential sites to meet its housing requirements, along with a small number of large housing allocations (e.g. Whiteley, West of Waterlooville). Allocated sites have largely been on greenfield land. By their very nature windfall sites are impossible to allocate, and can only really be predicted on the basis of past trends and urban capacity studies. Current monitoring shows that the City expects to meet, and probably exceed, its Structure Plan housing requirement for the current plan period (1996-2011). In 2004-05 64% of all completions were on windfall and urban capacity sites.
17. The reliance on windfall sites was an issue that was raised by developers at the Local Plan Inquiry and, while the Inspector found the housing strategy basically sound, because of the element of uncertainty that current trends will continue, he recommended the inclusion in the Plan of Local Reserve sites. Under the proposed system in draft PPS3, which eschews phasing during the first five years, it may not be possible to phase, or hold in reserve, allocated sites, as the presumption is that allocations should be released in favour of windfall sites. If the first five years' supply cannot be phased then it could lead to any allocated greenfield sites being developed first and act as a disincentive to developing the often more difficult brownfield sites.
18. It is expected that LPAs will monitor changes in market conditions, and possibly bring forward a review of the LDF to ensure it retains a 5 year supply of land. In this respect it would have been helpful if the ODPM gave the LPAs greater advice on how to distinguish and respond to short term fluctuations in the market as opposed to identifying and responding to long term trends.
19. It is not clear how the delivery of housing land might be managed in a district such as Winchester. Annex D to the draft PPS set out several scenarios, and does imply that in areas of high demand and relatively poor levels of affordability, which experience environmental constraints, that there might be the option to phase the housing provision throughout the plan period, and not just the last ten years. The delivery of housing should be monitored annually, as is the current practice, but the relevant Development Plan Document should be updated every 1-3 years depending on the prevailing circumstances.
20. In future, councils will be expected to undertake Housing Market Assessments jointly with the other authorities in the sub-regional housing market. This will cover housing needs and demand in the area. However the results of the study must be capable of disaggregation to the local authority level. While this might help reduce the costs, the extra level of detail about the past and likely future performance of the housing market

will undoubtedly mean that more resources will be required to complete a Housing Market Assessment than currently is the case for Housing Needs Surveys. If, as suggested, the LPA has to revise its housing allocations on a 1-3 year basis then this will be a large and regularly recurring cost to councils. A further cost implication for Winchester is that it will probably fall within two housing market areas, so will need to contribute towards two separate studies.

21. It is by no means certain that sub-regional housing market boundaries will be contiguous with other sub-regional spatial policy areas, for example those addressing economic development issues, which in the past have been influential in allocating housing to help stimulate sustainable economic growth. It is likely that the relevant LPAs in the two Sub-regional Housing Markets covering Winchester District will be producing their LDFs to a different timescale. Getting a sound and up-to-date evidence base to underpin policy formulation will therefore be difficult with so many LPAs needing to agree a common timeframe for undertaking the assessments.
22. The alternative of each LPA undertaking their own Housing Market Assessment would create its own difficulties in establishing a sub-regional data base, not least in ensuring the compatibility of data produced by probably different consultants; disaggregating data from a district level in to the relevant sub-regional housing markets; and the differences in the base dates. Greater clarity is needed as to how these different data sources are to be collected and collated and how the Regional Planning Bodies intend to coordinate the production of Housing Market Assessments across the region to provide a sound basis for the development and monitoring of housing policy.

Efficient Use of Land

Summary

23. Local Development Frameworks should set out a local strategy to promote development of brownfield land, including a target for brownfield development over the plan period. The national target for development on brownfield land is to remain at 60%, as at present, but local targets may include consideration of local circumstances.
24. LDFs should set out a range of densities that will apply across the plan area. These should be developed with local stakeholders and local communities. The densities used will take account of the ranges given in Annex C of the guidance, which ranges from 30 – 70 ('and above') dwellings per hectare. Although some local variance from these ranges will be allowed, local authorities must justify such variance and there is still to be an overall minimum of 30 dph.
25. The PPS states that parking policies should have regard to expected levels of car ownership in different locations, the efficient use of land, and the importance of promoting good design. This subject is not elaborated on further in the PPS.
26. Local authorities should develop housing mix strategies that should reflect sub-regional housing market assessments, the Regional Spatial Strategy, the Regional Housing Strategy and Local Housing Strategies. Large sites should provide for a broad mix of different housing types and local planning authorities should set their own definition of a large site, reflecting local circumstances.

Main Elements

27. LDFs should set out a local brownfield strategy, including a target for brownfield development over the plan period. Brownfield strategies should be devised in conjunction with development partners and will be aimed at identifying and removing constraints to development. LPAs should make full use of their compulsory purchase powers and work with key stakeholders, to bring forward brownfield sites for development.
28. The national target is for 60% of additional housing to be provided on brownfield land by 2008. Regional planning bodies should set brownfield targets to be met over the plan period that contribute to the national target. LPAs should set targets that contribute to the regional target. In setting targets, regard should be had to sub-regional housing land availability assessments and relevant sustainability appraisals. The PPS also makes brief reference to targets reflecting 'local circumstances' but does not explain what this means, or how this would fit if there was a conflict with land availability assessments or the 60% target for example.
29. LDFs should set out a range of densities that will apply across the plan area. These should be developed with local stakeholders and local communities. When developing density policies, regard should be had the approach set out in Annex C, of developing a number of density ranges across the plan area. The choice of appropriate levels of density should be informed by the need for additional housing and the need to use land efficiently, whilst also taking account of the need for good design and the likely impacts on service provision, the environment and the established character of the area.
30. Annex C suggests the following hierarchy of density ranges:
 - City Centre - Above 70 dph. A City Centre could be part of the central area of a regional centre which serves a wide catchment (Winchester is defined as such a centre in the South East Plan).
 - Urban – 40-75 dph. These are relatively dense areas, which have a mixture of residential and employment uses.
 - Suburban – 35-55 dph. These are areas of medium density which are predominantly residential in character.
 - Rural – 30-40 dph. These are areas where there are no towns (i.e. a settlement over 1 sq.km. in extent) and are generally more than 10km from an urban centre (i.e. a settlement of over 2 sq.km. in extent).

Although authorities may set ranges below those suggested, this should be clearly justified and there is a presumption that the minimum density will be not less than 30 dph.

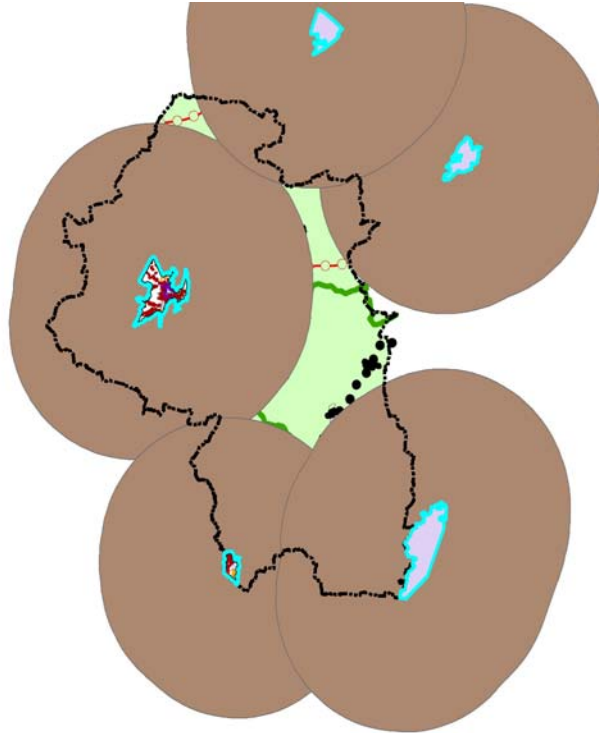
31. Parking policies should have regard to expected levels of car ownership in different locations, the efficient use of land, and the importance of promoting good design.
32. Housing mix strategies should reflect sub-regional housing market assessment, as well as the relevant RSS, Regional Housing Strategy and Local Housing Strategy. Large sites should provide for a broad mix of different housing types and local planning authorities should set out their own definition of a large site, reflecting local circumstances.

Implications for Winchester City Council

33. The Council will have to prepare a brownfield strategy with 'development partners' and stakeholders and there will be obvious resource implications of this. At present the Winchester District Local Plan Review states in paragraph 3.8, that densities should

'generally be in the range of 30-50 dwellings per hectare' and outlines some criteria where development should 'utilise the potential for higher densities'. Under Draft PPS 3, the LDF will have to contain more detail than this, breaking this density down into a range of densities for different locations. To this extent the LDF will be required to be more prescriptive than at present, leaving less flexibility, unless the ranges specified are very wide.

34. The Council will have to undertake a careful analysis of the District to develop a variety of density ranges for different parts of the area. Determining the weight to be given to different factors in the calculation will be difficult, with the need to accommodate housing targets being a very important element.
35. The issue of which areas fall within which of the categories outlined in Table 1 of Annex C of the guidance is also likely to be problematic. Winchester (town) is defined in the draft South East Plan as a Regional/Sub-Regional Town Centre. The area defined as the Town Centre of Winchester in the Local Plan could therefore be considered as a 'City Centre' in the terms used by draft PPS3. If the guidance is followed, this area could have densities 'above 70 dph' according to the guidance. It may be the case that there are other parts of Winchester and other towns within in the District – where for instance there is very good accessibility, a mixture of uses nearby and a history of high densities - that could also be suitable for a high density residential policy, although the guidance does not seem to allow for these circumstances. There are also likely to be specific sites where densities much higher than 70 dph would be appropriate.
36. It will be difficult to determine the boundaries between the 'urban' and 'suburban' areas when these situations occur side-by-side within settlements. There will be resource implications in undertaking this exercise, if LDFs need to distinguish between the different types of area.
37. The draft PPS attempts to define rural areas as those without any towns and beyond 10km of an 'urban' area. In order to assess the implications of this for Winchester District, this definition has been mapped (approximately), see diagram below. Only a small part of the centre and east of the District would be defined as 'rural' along with a very small area in the extreme north of the District. This illustrates that if this guidance is followed there would be only a small part of the District which would be defined as 'rural', suggesting a somewhat arbitrary definition of 'rural'.



38. This map shows that there would be large areas of the countryside that would not fall within the 'rural' definition, as they are within a 10km radius of Winchester, Alton, Waterlooville, or other 'urban' areas. It is not clear then whether these should be regarded as 'suburban' instead. It is also questionable whether there should in fact be a 'rural' density, particularly for development outside defined settlements. Where there are settlements where some development could be accommodated, development may be appropriate at a variety of densities. Even some small settlements have a historic core where high densities would be appropriate. However, some more modern settlements are more suburban in character and lower densities would provide a better fit with the existing character.
39. Therefore it is not considered that the 'rural' density category would be useful in its current form and lacks flexibility to accommodate local circumstances. More criteria and examples to guide local authorities and stakeholders towards appropriate densities, would be helpful rather than a straightforward zoning approach.
40. Draft PPS3 takes a more flexible approach to the provision of car parking that the current PPG3. There is no set requirement and the goal of reducing car travel is not mentioned. This would seem to be a more pragmatic approach to car parking policies, by accommodating expected levels of car ownership. However, this is likely to lead to muddled policies as priorities are not established between accommodating expected levels of car ownership and obtaining the most efficient use of land and good design. There is also a potential discrepancy with the advice in PPG13 (Transport).
41. The City Council will have to define large sites, where it should seek a wider mix of housing, taking into account a range of local circumstances, including the sub-regional housing market assessment, the Regional Spatial Strategy, the Regional Housing Strategy and the Local Housing Strategy. There will be resource implications to this and careful thought will need to be given to creating the right balance between the demands of the housing market, as reflected in the market assessment, and affordability and local housing needs.

Affordable Housing

Summary

42. This section of the draft PPS details the aspects of affordable housing to be covered in Local Development Frameworks and the main policy advice on affordable housing, which largely reflects the advice contained in previous consultations on proposed or confirmed changes to PPG 3.

Main Elements

43. A key objective of the draft PPS is to ensure that a wide choice of housing types is available, for both affordable and market housing, to meet the needs of all members of the community. Where there is a need for affordable housing, the target for affordable housing provision, the amount of affordable housing that will be sought on sites above the relevant site-size threshold, and the sizes and types of affordable housing required, are to be set out in Local Development Frameworks. Targets are to be specified for both social-rented and intermediate provision.
44. Paragraph 23 refers to definitions for social-rented and intermediate affordable housing, and they are included in the Glossary.
45. Sub-regional housing market assessments are to be used to establish whether there is a housing need and, if so, its level, type and location. Further guidance is to be included in a companion guide (currently published in draft). An additional companion guide on other aspects of affordable housing is to be published, but the text is not yet available.
46. An indicative national minimum threshold is still included, and is set at 15 dwellings or the area equivalent. A different threshold may be used where it can be justified.

Implications for Winchester City Council

47. The division of affordable housing into social-rented and intermediate housing and the inclusion of definitions for them in the draft PPS is to be welcomed, together with the clarification that low cost market housing is not considered to be affordable housing. It is currently a requirement of Circular 6/98 that local authorities should include a definition in their local plans, and therefore definitions have varied widely, leading to this being an issue at most local plan inquiries. If an acceptable national definition can be agreed, that is capable of being applied throughout the country in different housing market situations, affordable housing would be most appropriately defined in the PPS.
48. Whilst it may be more appropriate to undertake sub-regional market assessments based on housing market areas, there will be a need for consistency in methodology and timescale if they are to provide the necessary background information to District Local Development Frameworks.
49. The reference to affordable housing meeting the needs of both current and future occupiers (paragraph 25) should be strengthened. The length of time for the provision of affordable housing has been an issue in this District, where some developers have sought to provide affordable housing for a period of as little as 20 years. The PPS should be amended to clarify that this means that affordable housing needs to be provided and retained at least for as long as a housing need exists.

50. The draft PPS includes a presumption that affordable housing should be provided on the application sites, but it does not say that off-site provision should only be made in exceptional circumstances, as in the current PPG3. The wording should be strengthened to clarify this.
51. There is concern that an indicative national site size threshold has been retained and that it is set at 15 dwellings or the area equivalent. It is also of concern that it does not specifically apply only to larger settlements, as in the current Circular 6/98, and that it could apply to all sites. The PPS allows for different thresholds (not just lower thresholds) to be used where they can be justified. However, this can be done without an indicative national minimum threshold, and local authorities will be in the best position to tailor them to local circumstances, reflecting the factors set out in the PPS and the sizes of sites coming forward. It is therefore concluded that objection should be raised in the recommended comments on this issue.

Rural Housing

Summary

52. The Rural Housing section of draft PPS 3 relates to the provision of housing in rural areas. It largely reflects the advice in confirmed changes to the existing PPG 3, which relate to affordable housing in rural housing, although the scope of the advice has been extended to cover all housing provided in rural communities. As previously intended, the PPS when published in its final form will supersede both PPG 3 and Circular 6/98 on Planning and Affordable Housing.
53. Paragraph 12 (l) and (m) of the draft PPS details the aspects of rural housing and provision for gypsies and travellers to be covered in Local Development Frameworks. Paragraphs 30 - 33 set out the main policy advice on rural housing, covering both market and affordable provision.

Main elements

54. The draft PPS requires Local Development Frameworks to set out the approach to meeting rural housing and rural affordable housing needs, with policies to address the accommodation needs of specific groups, including Gypsies and Travellers. Guidance on planning for Gypsy and Traveller provision is to be set out in a forthcoming Circular Planning for Gypsy and Traveller Caravan Sites (already published in draft).
55. Sufficient land is to be made available within or adjoining market towns or villages, for both affordable and market housing, in order to sustain rural communities.
56. To determine the approach to planning for housing and affordable housing in rural communities, regard must be had to relevant sub-regional housing market and land availability assessments, the relevant Regional Spatial Strategy, Regional Housing Strategy and Local Housing Strategy.
57. The draft PPS continues to stress that most development should be focused on market towns or local service centres that are well-served by public transport and other facilities. However, it also allows development to be provided in villages and other small rural communities where needed to contribute to their sustainability, giving priority to developable brownfield land.

58. Local development documents are to set out the approach to affordable housing in rural communities. This may include lower site-size thresholds or higher proportions of affordable housing than those that apply elsewhere, or the allocation of small sites solely for affordable housing in larger villages or market towns (those not provided for by the exception site policy).
59. Authorities with small rural communities should include a rural exception site policy in relevant development plan documents, to enable authorities to allocate or release small sites within and adjoining such communities which would not be released for market housing. Development plan documents are to set out the criteria against which sites not allocated will be considered.
60. In applying the rural exception site policy, the needs of the rural economy are to be considered, to retain sustainable, mixed, and inclusive communities. Sites are only to be released for affordable housing in perpetuity.

Implications for WCC

61. The Circular on Gypsies and Travellers has not yet been published in its final form, but it is likely to require local authorities to identify sites in their local development frameworks, where a need is identified. This will require close co-ordination with the Council's Strategic Housing Division.
62. The draft PPS, like changes to PPG3 published in 2005, is still unclear about what is meant by 'small rural communities', including a footnote relating to 'small rural settlements', which appears to define them as settlements under 3000 population. The City Council's Strategic Planning Division and Legal Division has sought clarification from GOSE on the issue without success.
63. If the intention is to limit the advice on rural housing to settlements under 3000 population, this would be unacceptable as it would be inconsistent with the advice to concentrate most development in market towns and service centres. The draft PPS allows the allocation of sites for affordable housing within those settlements, and therefore it should also allow the rural exception policy to apply to those settlements, as they may be the most appropriate solution in some circumstances. Most of the District's settlements over 3000 population have similar problems of inadequate land coming forward for affordable housing within the settlements, and therefore would benefit from the provision of exception housing sites. The Council's Local Plan Inquiry Inspector supported the provision of exception sites adjacent to both small and larger settlements (including those over 3000 population).
64. To avoid confusion, the footnote relating to the size of rural settlements should be deleted, and the responsibility of defining the settlements to which the rural housing policies would apply given to the local authority concerned.
65. The comments relating to the indicative national minimum site-size threshold in the Affordable Housing section of the draft PPS apply equally to rural housing, as it would apply throughout the District and lower thresholds would need to be justified through the Local Development Framework. This would mean that the threshold of 5 dwellings currently operating in most of the District's smaller rural settlements, through the adopted Plan's policies and those of the Local Plan Review, may need to be reviewed through the Local Development Framework (LDF) process. Objection should therefore also be raised to the setting of national minimum site-size thresholds in relation to the provision of rural housing.

Designing for Quality: The Future of Design Codes

Summary

66. Draft PPS3 includes a commitment to improving design quality in new development. One mechanism for helping to achieve this is the use of Design Codes.

Main elements

67. A key objective of draft PPS 3 is 'to create sustainable, inclusive, mixed communities in all areas. Developments should be attractive, safe and designed and built to a high quality'.
68. The draft PPS makes it clear that securing quality design is applicable to all scales of development, including conversions and the redevelopment of existing housing and gardens. 'The key consideration should be whether a development positively improves the character and environmental quality of an area and the way it functions'.
69. The draft PPS devotes a section on how design quality might be achieved, and in this respect it is consistent with earlier advice set out in PPS1. It also refers to the companion document 'the Future for Design Codes'.
70. 'The Future for Design Codes' provides further information and advice to support draft PPS 3, and the commitment to raising the quality of new development in all areas. It therefore forms part of the Government's response to the Barker Report and draws on the conclusions of a nation-wide programme to assess the potential of design coding.
71. It defines a Design Code as 'a set of specific rules or requirements to guide the physical development of a site or place. The aim of design coding is to provide clarity as to what constitutes acceptable design quality and thereby a level of certainty for developers and the local community alike that can help facilitate the delivery of good quality new development'.
72. Design Codes are seen to be particularly applicable to large scale or strategic sites. They can form part of Action Area Plans, Supplementary Planning Documents, or conditions on planning applications

Implications for WCC

73. The City Council has always taken design seriously, and should therefore welcome the continued commitment to securing the highest standards of design throughout the District.
74. It is anticipated that the commitment to achieving higher quality designs will help improve the acceptability of some forms of development to local communities.
75. The draft PPS reiterates the point that gardens are defined as brownfield land, although 'not all are suitable for development'. However LPAs are reminded of the positive contribution intensification can make, for example in terms of minimising the pressure on greenfield sites.
76. The paper on the Future for Design Codes states that 'although design codes can play an important role in delivering better quality development this is only possible if other factors are also in place, including high quality designers and architects, a willingness to

invest appropriate resources in design up front, and in particular, the commitment to quality from all stakeholders from the outset and throughout the project'. The implication here is that raising the quality of design should not rest solely with the design professional, but that other stakeholders have a role to play. There may therefore be resource implications in both ensuring that the City Council has access to adequate design skills, but that key stakeholders and decision makers are also competent in addressing the design agenda.

Recommended Response

Allocating and releasing land for housing

77. It is recommended that Winchester City Council generally welcomes;
- The proposal to assess and distribute housing levels on a sub-regional housing market basis. The Council would also welcome the enhanced ability to plan to meet local needs and ensure sustainable growth.
 - The emphasis on cooperation throughout the sub-regional housing market and joint working and evidence gathering
78. But it is recommended that the City Council expresses the following concerns/objections;
- The heavy emphasis on a market led response to setting the level of housing provision at a local level. The Council does not support the expectation that increases in supply of market housing in an area such as Winchester which experiences exceptionally high levels of demand would make any significant impact on improving affordability.
 - Given that the supply of new housing will only be a small proportion of the overall supply, and the premium that is attached to new build (which ironically is likely to be increased if the Government's agenda to improve the quality and sustainability of new dwellings is successful), increases in supply in areas of high demand are not likely to make a significant contribution towards improving affordability.
 - The Council believes that the level of housing provision in the District should certainly reflect local needs, and take into account current and future market demands, but that this should be balanced against the District's physical and environmental capacity and constraints.
 - The Council strongly objects to the suggestion that windfall sites should not normally be taken into account in meeting housing requirements. Windfall sites are particularly important in the Winchester context where allocated sites would predominantly be on greenfield land. These would inevitably come forward for development at a faster rate than the more complex brownfield sites. The consequence of this is that the 'brownfield first, greenfield last' principle would be reversed. In the Winchester context it may mean that the Council fails to meet its targets for developing brownfield sites in preference to greenfield sites and it could also trigger a need to review the LDF in response to the allocated greenfield sites coming forward at a faster rate than anticipated. This problem would be exacerbated if it was not possible to include phasing policies for the first five years allocations.
 - The housing market can be fickle and is responsive to macro-economic policy at a National level. Housebuilders have their own strategies for dealing with short term drops in demand, which would rarely include increasing the volume of houses built. Therefore, greater guidance would be welcome as to how LPAs might distinguish long term trends in the housing market from short term fluctuations, and how they should respond to them.
 - While welcoming the principle of Housing Market Assessments, concern would be expressed about ensuring up to date, consistent and accurate data is available at

both the sub-regional and distinct level, particularly in view of the different timescales to which LDFs are being produced across the region. Greater clarification should be given on the role of the Regional Planning Body in monitoring and coordinating this work.

- Greater clarification would also be welcome as to whether housing completions will be monitored on a sub-regional basis so that if the sub-region as a whole is performing well, there will be no compelling need to trigger the release of additional housing land in an individual district, or whether the situation could arise that while across the sub-region the housing market is performing well a review of the relevant LDF is triggered in response to either short term local market fluctuations or small pockets within a district where need or demand is not being met. In other words if housing provision is to continue to be allocated and monitored on a district-wide basis, what is the point in establishing sub-regional housing markets?

Efficient Use of Land

79. It is recommended that Winchester City Council supports the continuing emphasis on the development of brownfield sites for housing and the notion of having a range of developable densities. However, the City Council should express reservations about some of the details of the derivations of the new density ranges.
80. There may be situations which fall outside the definition of the 'City Centre' location, where it may be desirable to seek densities of over 70 dph, for example where a site is highly accessible, with a good mixture of uses nearby. Similarly, it should be possible for local authorities to accept densities lower than 30 dph in specific circumstances, reflecting the desirability to retain and enhance important local characteristics, across the wider area and subject to fulfilling housing requirements.
81. Although a range of densities is considered desirable, it is not clear how the distinction between certain areas (e.g. 'urban' and 'suburban') would be made in practice, where these situations may occur side-by-side. More criteria and examples to guide local authorities and stakeholders towards appropriate densities would be helpful rather than a straightforward zoning approach. It is hoped that further guidance or good practice advice will be developed on this subject.
82. Although the guidance states that authorities can set different ranges to those listed in Annex C, it implies that this should be exceptional. There should be more flexibility for local authorities to determine their own range of densities for suitable locations to reflect local circumstances.
83. It is recommended that Winchester City Council welcomes the development of a more flexible approach to car parking provision in general, but expresses concern that there is no reference to sustainability and the desirability of reducing motor traffic where possible. It is not clear whether paragraph 20 should be interpreted as superseding previous advice on developing minimum car parking standards. The City Council considers that the lack of emphasis on reducing car parking provision is disappointing and appears to conflict with PPG13.
84. It is recommended that the City Council welcomes the support for a mix of housing types and sizes on large sites and the flexibility for local authorities to be able to determine the extent of large sites within their area. However, concern should be expressed at the emphasis placed on housing market assessments in determining types and sizes of houses, as there should be more emphasis on assessments of local need.

Affordable Housing

85. It is recommended that the City Council generally welcomes the majority of the proposed advice on affordable housing. In particular the Council should support:
- The inclusion of a definition of affordable housing and its division into social-rented and intermediate housing;
 - The clarification that low cost market housing is no longer considered to be affordable housing;
 - A co-ordinating role for regional bodies for housing market assessments, if this can be readily achieved;
 - The setting of targets by Local Planning Authorities for the provision social-rented and intermediate affordable housing in their areas;
 - The ability to set thresholds below 15 dwellings if this can be justified;
86. It is, however, considered that the draft PPS 3 fails to meet Government objectives in full for the following reasons, which should be addressed by appropriate amendments to paragraphs 23 -29 of draft PPS3:
- More emphasis should be given to the creation of mixed communities at a local level, in particular that (as in PPG3) different types/tenures of housing are not considered to make bad neighbours;
 - Affordable housing targets should be driven primarily by housing need and the objective of creating sustainable communities. The availability of public subsidy should not be an issue in relation to setting local affordable housing targets.
 - The reference in paragraph 25 to meeting the needs of current and future occupiers needs to be strengthened. Perpetuity (80 years) should be the default position (subject to Right to Acquire, etc) for the length of time affordable housing is provided on all sites (as it is with rural exception sites) where a long term need can be demonstrated, irrespective of whether the site is a rural exception site. Increasingly developers are arguing that provision only need be for, say, 20 years and acceptance of this position would store up affordable housing problems for the future.
 - While the presumption that affordable housing provision should be on-site is welcomed, it should be more strongly expressed. Off-site provision should only be permitted if this better meets housing needs. If provision is not on-site the next preference should be off-site provision by the construction (not acquisition) of dwellings, rather than the making of a financial contribution in lieu.
 - Objection is raised to the inclusion of an indicative national minimum site size threshold of 15 dwellings and its application to all sizes of settlements. It serves no useful purpose as the draft PPS allows different thresholds to be used where they can be justified, and it creates a perverse incentive for developers to build just under the threshold. Thresholds should be determined locally through needs and viability studies, taking account of site sizes coming forward in the locality.
 - The companion guides providing further detailed guidance should be published with urgency.

Rural housing

87. It is recommended that the City Council generally welcomes the majority of the proposed advice on rural housing. In particular the Council should support:
- The ability to allocate sites solely for affordable housing;
 - The retained inclusion of criteria-based rural exception polices.

88. The Council should point out, however, that draft PPS 3 fails to meet Government objectives in full for the following reasons, which should be addressed by appropriate amendments to paragraphs 30 – 33 of draft PPS 3:
- Paragraph 33 as drafted, together with Footnote⁷, appears to limit the provision of exception sites to settlements under 3000 population. This is unacceptable, and inconsistent with the advice to concentrate most development in market towns and service centres. Rural exception sites may often be an appropriate solution in the larger rural settlements as well as smaller settlements, and this would allow them to be provided in the most sustainable locations. The approach of providing exception sites adjacent to the larger as well as small settlements was also recently supported by the Council's Local Plan Inquiry Inspector. It is therefore suggested that, to avoid confusion, Footnote⁷ relating to rural settlements is deleted, and the responsibility of defining the settlements to which the rural housing policies would apply should be given to the local authority concerned, based on local circumstances.
 - The comments relating to the indicative national minimum site-size threshold in the Affordable Housing section of the draft PPS apply equally to rural housing, as the national threshold would apply throughout the District and lower thresholds would need to be justified through the Local Development Framework. Objection is therefore also raised to the imposition of a national threshold relating to rural settlements as it is likely to limit the Council's ability to achieve affordable housing in the rural areas.

The Future of Design Codes

89. It is recommended that the City Council welcomes the renewed emphasis on securing high quality design in all new development, while expressing concern that the City Council and other relevant stakeholders might have insufficient skills and resources to deliver this agenda.

APPENDIX 2

Draft Planning Policy Statement (PPS)25: Development and Flood Risk

Summary

1. Planning Policy Statement 25: Development & Flood Risk (PPS25) will update previous planning policy, and is accompanied by other changes to planning processes. This Appendix identifies the principal changes to planning policy arising from PPS 25 and the associated components of the consultation, and assesses their effects on Winchester City Council.

Main Elements

2. The draft PPS is largely a re-working of the existing PPG25, which was introduced in July 2001. The principal change introduced by PPS25 is that it clarifies the requirement for strategic flood risk assessments (SFRAs) to inform a 'sequential approach' to site allocations and for SFRAs to form part of the Sustainability Appraisal of Local Development Frameworks.
3. A further change addresses the main weakness regarding development control processes relating to Flood Risk Assessments (FRAs), emphasising to developers that FRAs should form part of planning application submissions from the outset. As part of the consultation document, more detailed guidance to the content of FRAs is provided, together with a general assessment of the acceptability of possible mitigation measures.
4. An 'Exception Test' is proposed, which is directed mainly towards those LPAs whose land largely or wholly lies within Flood Zone 3 (areas at higher risk of flooding). This test allows such LPAs to address the issue of redevelopment of brownfield land located in floodplains.
5. Importantly, accompanying the PPS is a draft Flooding Direction, which, if adopted, will require LPAs to notify the Secretary of State of any application for major development where it is minded to grant permission over a sustained objection from the Environment Agency on flood risk grounds. This is a potentially significant change for development control processes. In this context 'major' development is defined as:
 - Residential Development – on sites of 10 or more units (regardless of the site size, or of 0.5 hectare and above.
 - Non-Residential Development – on sites of more than 1000 m² floorspace or of 1 hectare and above.

Implications for Winchester City Council

6. In so far as Local Plan process, and local plan allocations, are concerned, there are little additional workload implications resulting from the draft PPS itself, as most procedural changes have already been identified as a result of the recent changes to the development plan system. The PPS25 changes affecting local plan process (the undertaking of a SFRA) will integrate with the production of the Sustainability

Assessment and Strategic Environmental Assessment of the Local Development Framework and inform the allocation of sites.

7. The draft PPS adds support to the approach taken by WCC with respect to flood risk relating to the Silver Hill redevelopment and the West of Waterlooville MDA. Both these significant developments will incorporate flood mitigation measures as part of the overall development proposal. Such an approach is in line with the draft PPS. For information, the draft PPS25 indicates that where section 106 agreements are entered into regarding the provision of flood defences, there should be a commuted sum set aside for 30 years of maintenance, after which time it would be assumed that defence structures would become a public asset.
8. The most significant of the proposed changes affects development control process. As part of the consultation, it is proposed to extend the statutory consultation regime of the Town and Country Planning (General Development Procedure) Order (GDPO) 1995. These changes would mean the Environment Agency would become a statutory consultee for:
 - all non-householder applications within floodplains;
 - all developments over 1ha in area; and
 - all developments directly affecting a watercourse or within 20m of a main river
9. It is expected that, in practice, the changes to the GDPO will not result in significant additional workload for DC teams and Planning Administration, as most, if not all, of the applications affected by these changes are already referred to the Environment Agency under existing discretionary powers.
10. However, the effect on Council practices resulting from the draft changes to the GDPO together with the draft Flood Risk Direction is potentially more significant. Should the Environment Agency sustain an objection to a major development (as defined above) which the Council is minded to approve, it will be necessary for the application to be referred to the First Secretary of State prior to a decision being issued.
11. In order to give an idea of the implications of this new provision, residential applications over recent years have been reviewed. In 2005 the Council received 55 'Major' residential applications, 2 of which were in/partly in floodplain. In 2004 the Council received 50 Major residential applications, 2 of which were in/partly in floodplain. In 2003 the Council received 45 Major residential applications, only 1 of which was partly in floodplain. Of these 5 applications since Jan 2003, only the 2003 application was approved, the others were either refused or withdrawn.
12. Therefore, it would at first appear that the effects of PPS25 are minimal on the Councils' current working practices. However, it should be noted that both the Silver Hill redevelopment area and that of the West of Waterlooville MDA incorporate flood risk areas, and could therefore potentially become subject to the Flood Risk Direction. However, in practice the prospective developers of both schemes have been in close contact with the Environment Agency and the risk of such a Direction would seem very low.
13. In addition there remains a difficulty regarding householder applications in floodplain: paragraph D13 of the draft PPS reads:
 - 'Minor developments are unlikely to raise significant issues unless they would:
 - a) have an adverse effect on a watercourse, floodplain or its flood defences;
 - b) impede access to flood defence and management facilities; or

- c) where the cumulative impact of such developments would have a significant effect on local flood storage capacity or flood flows.
14. Clause c) causes the difficulty as it is clear that throughout PPS25 it is supposed that small scale development would not cause an increased level of flood risk. However, the inclusion of this clause, together with the proposed changes to the GDPO is likely to result in additional workload for Council staff in terms of consulting the Environment Agency on minor developments. The GDPO changes now require the EA to be consulted on such applications. Individually, these applications are low risk, but cumulatively may reduce floodplain storage capacity. The method by which the cumulative impact would be assessed is currently unclear, as is the Environment Agency's approach to this issue.

Recommended Response

15. It is recommended that the City Council makes the following comments to Government on draft PPS25:
16. Winchester City Council generally welcomes the draft PPS, especially the simplified way of expressing flood risk areas.
17. The City Council expresses concern about the reference to the cumulative impact of minor developments (paragraph D13) which, depending on how it is interpreted by the Environment Agency, could generate considerable additional work in consulting the Agency on very small schemes.

APPENDIX 3**Proposed 'Planning Gain Supplement'****Summary**

1. In order to help finance new infrastructure such as schools, health centres and transport facilities the Government is proposing reforms to the planning obligations system. These are currently negotiated on a site by site basis and implemented thorough 'Section 106' agreements. The Government has recognised that there are variations across the country in the implementation of S106 agreements and are suggesting that they are scaled down to relate to 'on-site' provision only, e.g. on-site open space, affordable housing, etc.
2. To provide for other planning obligations they are proposing a new Planning Gain Supplement (PGS) which will be paid at a rate calculated on the uplift in land value when consent is implemented. The valuations would be based upon a self-assessment, with the Valuation Office undertaking a risk-based assessment of the returns, with payments made to HM Revenue and Customs.
3. Government has stated that the significant majority of PGS revenues would be recycled back to the local level but the guidance is not specific if this is to the Local Authority level or the region. There is a case for both, if the intention is to pay for both local and strategic infrastructure, and the expansion of the Community Infrastructure Fund is suggested as an appropriate vehicle.

Recommended Response

4. No tax is popular and PGS would be no exception. Whilst the proposed system to capture land value uplift would need to be carefully crafted to prevent it becoming overly complex the main concern of the Council should be the variations in local control.
5. There are currently a large number of detailed matters which the consultation proposals do not provide information on. Nevertheless, it is recommended that the following concerns be highlighted to Government:
 - The proposals break the link between the actual site and the infrastructure required and rely upon the pool of revenue being sufficient and well enough planned and programmed to match the demand;
 - Infrastructure is often provided early in a development whereas the PGS is only collected when the development starts, the public authority undertaking infrastructure works has no control of the development start date. This is likely to lead to a lag between development happening and off-site infrastructure provision /improvements being made and, at worst, no off-site infrastructure works being achieved. This may happen if funds are prioritised and directed to projects which have a higher priority at the local or regional level;
 - Land, for example for a school or open space, is often taken in lieu of a financial contribution, this is not provided for and it is not clear whether such contributions (or remaining S106 requirements) would be taken into account in calculating the PGS contribution for a site;

- Existing schemes like the Open Space Funding System would need to be varied or abandoned, with no guarantee that there would be funding from the PGS or that it would offset the loss;
- There are no details as to how the PGS would impact upon developments either directly by Registered Social Landlords or on land provided free or at less than market value by local authorities;
- Local priorities are likely to be overridden by regional ones;
- Additional resources would be required by Local Planning authorities to provide details of development start dates and to ensure that priority infrastructure is provided.

APPENDIX 4**Proposed Code for Sustainable Homes****Summary**

1. The Government is seeking to introduce a system for Coding new dwellings, where between one and five stars will be awarded according to the degree of sustainability. This will replace the current system of evaluating new dwellings against a range of sustainability indicators, under the 'EcoHomes' initiative.
2. The new system will award points for developments which go beyond the mandatory requirements on insulation and energy efficiency set out in the Building Regulations. However it is intended that the new system will be voluntary and not enforceable through planning policy or development control.

Main Elements

3. While progress has been made in recent years in improving the sustainability of new dwellings, (it is estimated that a building built today would be 40% more energy efficient than one built in 1999), more could be done. One aspect that has lagged behind these improvements in energy efficiency is public perception and appreciation of the environmental benefits this brings, as well as cost savings.
4. One of the drivers of improved energy efficiency is the Building Regulations; another is the system of grading homes according to their sustainability, such as the EcoHomes system developed by the Building Research Establishment. The former is mandatory the latter only advisory.
5. Draft PPS3 has a section on 'greening the residential environment', which seeks to encourage bio-diversity in residential environments; easy access to sufficient good quality open space; and the application of the principles of sustainable design and construction to new developments. The draft PPS advises LPAs to encourage applicants take account of the 'Code for Sustainable Homes', particularly on large strategic sites. The Government's approach therefore is to move away from more regulation to a voluntary approach in which housebuilders respond to an increased demand from house buyers for a more sustainable product.
6. The Code for Sustainable Homes will have six essential elements
 - Energy efficiency
 - Water efficiency
 - Surface water management, including SUDs
 - Site waste management
 - Household waste management, and
 - Use of materials
7. Minimum standards will be set for each element which must be met. Where there is a relevant Building Regulation the standard would at least match it or exceed it. In addition extra points will be awarded for the following elements.
 - Lifetime homes

- Additional sound insulation
 - Private external space
 - Higher daylighting standards
 - Improved security
 - A home user's guide.
8. It is proposed to award new dwellings between one and five stars, one star meeting the minimum standards and five the highest. In this way the government believe it will be easy for purchasers to make a judgement on how sustainable their new dwellings are. It is proposed that over time this code will supersede the EcoHomes accreditation system of Good, Very Good, and Excellent.
9. The accreditation will be awarded by external assessors. It is expected that new dwellings funded through the Housing Corporation or other government agencies such as the Regional Development Agency will meet these standards. But they would only be voluntary as far as the development industry is concerned, and the draft explicitly states that meeting the Code should not be a condition of planning consent.

Implications for Winchester City Council

10. The role for the LPAs is unclear, on the one hand sustainable development is placed at the heart of the planning system (PPS 1) but they are not being encouraged to secure more sustainable design, and construction (apart from fulfilling their role under the Building Regulations), either through policy formulation or development control.
11. No sanctions are envisaged for those developers who chose to ignore the Code, which will potentially create a two tier housing market, with some dwellings failing to meet even the more basic standards of sustainability except where they are covered in the Building Regulations.
12. Several of the 'additional' sustainability elements are not really indicators of sustainability but rather good planning or building practice, i.e. meeting improved daylighting standards, providing private external space and improved security. Under the proposed scoring a detached house would probably achieve a higher score than flat in a mixed-use town centre development, given the scoring that would be given to factors such as private external space and daylighting.

Recommended Response

13. The Government is seeking the public sector's response on two key questions, to which the following responses are recommended;
- A) Do they basically welcome the concept of the Code? Yes
- B) Are the workings of the Code broadly right?
- In parts, but the voluntary aspect will create a fragmented housing market, particularly if meeting higher standards of sustainability is only advisory. Certain basic standards of sustainability, which go beyond the Building Regulations, should be made mandatory, including the provision of private external space and a user's manual.
 - Security and improved daylighting should be a basic objective of all high quality design, but are not suitable criteria for assessing sustainability.

- Local Planning authorities should be encouraged to produce policies in their Local Development Frameworks in consultation with key stakeholders to help deliver sustainable development in their area. Meeting the required standard should be a material consideration in determining planning applications.
- Gaining community acceptance of large scale strategic housing developments will be more difficult if there are no guarantees that they will meet more than the basic standards of sustainability.