



Campaign to Protect  
Rural England

# Planning for sustainable development – or letting the market rip?

**A CPRE briefing on the Government's draft policy on planning for housing (draft PPS3)**

Proposed changes to national planning policy on housing would give market forces a stronger role and increase pressure for housebuilding in areas where house prices and demand for housing are highest. The current sequential approach, which gives priority to development on urban brownfield sites over green fields, would be weakened. The Government says it wants a 'brownfield first' approach. Yet if applied unamended, the proposed new policy would threaten our countryside, damage prospects for urban regeneration and do little to meet the need for affordable housing.

We need a stronger policy which retains a strong presumption in favour of developing urban brownfield sites before green fields and increasing the proportion of affordable housing. Only then can the planning system do its job properly – of protecting the countryside, regenerating towns and cities, and fostering sustainable patterns of development.

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## Introduction

Last December, the Government published its draft planning policy statement on housing (PPS3). A key objective is to achieve ‘a better balance between demand and supply in every housing market’. Under the policy, every area will be designated as an area of low, medium or high growth. There is a presumption that demand for housing should be met where it arises. In areas where demand for housing is high regional planning bodies will designate growth areas, new settlements and ‘growth points’. CPRE is concerned that any change in approach to housing provision should not be at the expense of the countryside, quality of life or meeting local housing needs that cannot be provided for through the market.

## Planning for housing: a brief history

CPRE has strongly supported the existing national policy on housing set out in Planning Policy Guidance note 3 *Housing* (PPG3, 2000), with its emphasis on developing urban brownfield sites before green fields. Central to this policy is the sequential approach designed to address problems highlighted by the Government’s Urban Task Force, namely that the wrong type of housing was being built in the wrong place, leading to problems of greenfield sprawl and urban decline.

## Why the proposed new policy is flawed

Proposed changes aim to increase the amount of land allocated for housing, make the planning system more responsive to market demand and improve affordability. The available evidence suggests that the proposed approach is neither justified nor likely to work. Evidence from the UK and abroad suggests that demand-side factors like the price of borrowing are just as, if not more, important than supply in determining the price of housing. The majority of planning applications for housing are approved, while the number of market homes built last year (142,000) is slightly above the annual average for the past 50 years (141,000). The top housebuilders’ landbanks

with planning permission increased by nearly a third between 1998 and 2003. Rather than change a policy that has succeeded in increasing the re-use of brownfield land for housing, efforts would be better directed towards:

- > preventing excessive landbanking by developers;
- > ensuring sites with planning permission are developed within a reasonable time; and
- > improving areas of planning policy which have been less successful, such as provision of affordable housing.

## Planning should be informed, not driven, by market considerations

Planners need to understand how the housing market works, but market considerations should not drive planning policy. Decisions on how many homes should be built, of what type and where should be made in the light of broader objectives and aspirations, including those for the environment, regeneration and sustainable communities.

## Positive planning – a missed opportunity?

An approach which seeks simply to accommodate market demand is reactive and at odds with Government aspirations for planning as ‘a positive and proactive process, operating in the public interest’ (PPS1).

The proposed approach could simply stoke demand where the capacity to absorb development does not exist without damaging qualities which make places attractive, worsening problems of affordability, congestion and overheating, and placing unsustainable burdens on the environment. On the other hand, by providing a framework for renewal and investment, planning can help radically transform the prospects for run-down areas and deprived communities, ensuring we can have the homes we need while making the best use of existing resources.

## **The benefits of a sequential approach – what we stand to lose**

By steering developers to urban brownfield sites and ensuring greenfield land is used only where absolutely necessary, the sequential approach provides a catalyst for urban regeneration and helps protect the countryside. Since 2000, planning policy on housing (PPG3) has secured a welcome improvement in the efficiency with which land is developed. Last year 72% of new homes were built on brownfield land and average densities continue to rise (40 dwellings per hectare in 2004). The total amount of housebuilding is at its highest level for sixteen years (160,000 homes were built in England last year) suggesting that a brownfield first approach is no obstacle to providing new homes. By sending a strong message to developers about where development is acceptable it may even have encouraged it. These benefits would be lost should the Government take forward its draft policy statement on housing (PPS3) unamended.

A sequential approach which prioritises development on urban brownfield land should apply to all stages of the planning process from the initial search for sites, through allocation and release of land, to subsequent development.

## **A developers' charter?**

Attempting to meet the demand for housing where it arises (ie. within the same market area), rather than where capacity for development exists, conflicts directly with a brownfield first approach. The proposed policy would reduce planners' ability to control the pace, scale and location of housing development. Except where they cannot find sufficient land to allocate, local planning authorities would no longer be able to make an allowance for windfall sites (unexpected brownfield sites which come forward) in calculating how much land to allocate. Nor, in many cases, would they be able to time the release and development of sites (through phasing) to ensure urban brownfield land is developed before green fields.

## **Affordable housing first**

The proposed policy contains some welcome measures, such as allowing small sites to be allocated exclusively for affordable housing and lowering the threshold (site size or number of dwellings) above which developers must provide affordable housing. These measures alone, however, are not sufficient.

Far from solving housing problems, the emphasis on meeting market demand could worsen them by squeezing out genuinely affordable housing. Kate Barker herself acknowledged that building more homes would only reduce the rate of house price inflation, not actually reduce prices. Second-hand homes dominate the housing market. New homes comprise only around 10% of homes for sale at any one time and developers will build what is most profitable for them – often larger, more expensive housing.

Priority should be given to meeting identified local housing needs rather than crude market demand, including need for affordable, subsidised homes for rent or part-ownership and for cheaper homes for sale, for example, to meet the needs of first time buyers or key workers. More resources and stronger planning policies are needed to ensure that more of the homes built are genuinely affordable.

## **Design and quality of development**

We agree with the Government that a key test should be whether development positively improves the character and environmental quality of an area and the way it functions. For this to become a reality policy needs to set out more clearly Government aspirations for the places where we live, particularly concerning traffic management, parking controls and sustaining a high quality public realm. It is not good enough simply to 'plan for appropriate levels of car ownership'. Policy should state unequivocally that pedestrians' needs should always take priority over the needs of cars in the design and layout of developments, and that new housing should be built

where people can meet their needs easily by walking, cycling and public transport. As under the current policy, preference should be given to providing housing in locations which reduce the need to travel.

Policy should also recognise the contribution our older housing makes to sense of place, character and community and should seek to realise its full potential before deciding whether it should be replaced by something inferior.

### **Don't trash the environment**

The environment must not be seen as an optional extra in meeting the nation's housing needs – the costs of ignoring it are too high. Yet the proposed policy is silent on issues of environmental capacity, promoting sustainable patterns of development, reducing the need to travel by car and encouraging urban renaissance. The serious inadequacy of the draft Code for Sustainable Homes has been noted by many, including in the report of the Environmental Audit Select Committee (*Sustainable Housing: a follow-up report, Fifth Report of Session 2005-06*). The proposed policy relies on the relatively new technique of Sustainability Appraisal and a largely voluntary code to deliver housing development which protects the environment and contributes to sustainable development. These measures are not enough.

Environmental factors should be at the heart of the planning process, not considered as a separate exercise. The Government's flagship planning policy (PPS1) clearly states that environmental, social and economic objectives should be pursued together, not traded off against one another. It is vital that robust assessments of environmental capacity guide the location and scale of new housing. We need a Code for Sustainable Homes that requires all new housing to incorporate higher standards of sustainable design and construction, and that also covers the use of aggregates and other construction materials, ecological impact and accessibility by public transport.

### **What you can do**

Add your voice to the campaign to strengthen the proposed new planning policy on housing.

- > Sign the 'Brownfield First' Early Day Motion 1770.
- > Sponsor a Ten Minute Rule Bill or Adjournment Debate on the subject – CPRE will be pleased to provide a briefing.
- > Make the Minister for Housing and Planning, Yvette Cooper MP, aware of your concerns. Ask how she plans to respond to issues raised in this briefing. Tell us what she says.

#### **For further information, please contact:**

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