

*Policy Guidance Note - March 2013*

## **Housing**

### **Introduction**

CPRE believes that a healthy, thriving countryside is important for everyone, no matter where they live. Our approach to housing policy embodies this belief. Good planning should provide everyone with a decent home they can afford. While housing development can have a significant landscape impact we believe it is possible to avoid sporadic development in the countryside and the unsustainable sprawl of our towns and cities. Meeting the housing needs of rural communities is particularly important if they are to thrive.

### **A summary of our approach**

In the national context of a growing and changing population it is important to meet the need for new housing in England. This document outlines how CPRE believes this can be done without unnecessarily damaging the countryside. In summary these principles, which are expanded later, are:

1. the amount, type and location of new housing development should be agreed through a democratic and transparent plan-led system, and phasing policies should be used to ensure that brownfield sites are developed before greenfield ones wherever possible;
2. need should be assessed using a robust and up to date evidence base, which includes realistic and regularly updated economic and demographic forecasts;
3. the best use should be made of our existing building stock;
4. the value of the countryside for its own sake should be recognised and land used effectively and efficiently. Additionally, the location of new development should respect any local, national and international environmental designations, and also the landscape, historic and neighbourhood character of the area;
5. new housing stock should reflect household need in terms of location, size, type, tenure and affordability, and be designed to support diverse communities;
6. new developments should take account of environmental, social, service and infrastructure capacity and be based on 'Smart Growth' principles;
7. new homes should achieve the highest possible standards of design and environmental performance; and,
8. priority should be given to the provision of homes, and particularly affordable homes, to help maintain thriving rural communities.

Taken together these principles amount to a 'plan, monitor and manage' approach. New homes should not be provided simply on the basis of a crude 'predict and provide' policy, which uses past trends to determine future projections. Planning for housing, nationally and locally, should not be seen as a simplistic numbers game.

Measures and incentives which support more balanced economic development throughout England could assist in relieving some areas under high pressure for development, while supporting regeneration in other areas where the market is less strong.

Because the housing market behaves differently across the country, the exact approach to housing policy taken by individual CPRE regions and branches should reflect this and therefore may need to vary.

## 1. A plan-led approach

1.1 New homes should be provided through the **plan-led system**. This is the best means we have of ensuring that development decisions are based on democratic and transparent policies, and that environmental, social and economic needs are met.

1.2 **Forecasting housing need is uncertain** and so the plan-led system should be based on the principle of ‘plan, monitor, and manage’. This means that needs, demand and supply are continually monitored, and plans reviewed to take account of changes in circumstance. Effective phasing policies are essential to make sure that the most sustainable sites are used first. Local planning authorities therefore need regularly to assess changing local market conditions and use this information to inform their decisions about releasing land for development. Where monitoring shows that potential allocations are no longer needed reviews should formally remove them from the Local Plan.

1.3 **The plan-led system should not be abandoned because of a weak development market.** Local planning authorities should seek to meet need in their areas by allocating the most sustainable sites and granting planning permission on these. Where they have done this they should not be forced to release or phase sooner than planned, further less sustainable, often greenfield, sites just because in the short term the market is unable to deliver on those sites allocated in a plan or with existing planning permission.

1.4 **Plan-led decisions should be strategic.** Housing and job markets do not stop at local authority boundaries, and therefore a more strategic view is often necessary. In meeting the housing challenge local planning authorities should make the most of working together and use the Duty to Co-operate to assist in meeting need and resolving cross-boundary issues. Co-operation with a wide range of organisations from business, the environment and social sectors will also be essential. Because Local Enterprise Partnerships have a narrow economic focus it is important that other bodies including Local Nature Partnerships and individual environmental organisations are given a strong voice.

1.5 **Neighbourhood planning** can offer a way for communities to assess and support provision for their own housing need. As well as identifying the scale, type of need and appropriate sites for development, neighbourhood planning resulting from a formal process can also assist communities in securing greater control over the design and quality of new homes.

1.6 Other **community planning tools** such as Village Appraisals that don’t require the statutory neighbourhood planning process, can also be helpful in more rapidly and effectively informing the local authority of local concerns and positive suggestions as how best to meet local needs. Tools such as **Community Land Trusts, Community Right to Buy and self-build** should also be supported as they can help communities to retain ‘ownership’ of the development process as proposals move from planning to building and ultimately occupation and maintenance.

## 2. Assessing Housing Need

2.1 **Estimating the scale and type of housing need is central** to all good plan making. The evidence base must therefore include all up-to-date information, especially concerning the relationships between local household formation and structure, demand, economic forecasts and employment prospects. Crucially, before converting potential household formation into housing need affordability must be explicitly taken into account.

2.2 If a local plan is to be declared ‘sound’ factors such as **environmental, infrastructure and service constraints must also be fully taken into account** when setting targets for house building. Household targets that simply seek to project and perpetuate the continued development of an area without any consideration of whether such growth is ‘sustainable’ clearly fail to meet the National Planning Policy Framework’s (NPPF) test for ‘soundness’.

## 3. Making best use of existing stock

3.1 **The best use of our existing stock is essential** to achieving ‘sustainable development’. It minimises resource use of both land and materials, before new homes need to be built. National and local policies, both planning and fiscal, should incentivise and prioritise getting empty homes back into use and encourage mobility in the housing market. In particular the charging of VAT for refurbishment but not new development is currently a constraint. Measures that assist in the conversion of unused or underused buildings to residential use therefore should be supported, as long as they do not compromise essential facilities, services and workplaces in rural communities.

3.2 **Town centres** provide a special opportunity to re-use existing buildings for homes and to make use of existing infrastructure. Vibrant retail and commercial opportunities are clearly the top priority for town centres. Nevertheless, town centre strategies should also explore every opportunity for the conversion of surplus commercial buildings to new homes to create mixed developments and to encourage ‘living above the shop’.

#### 4. Land supply

4.1 **Our countryside is a priceless** national non-renewable resource. CPRE’s core objective is to protect and enhance the beauty and tranquillity of the English countryside. This shapes our approach to land supply for new homes. At the most basic level, the value of the countryside for its own sake should be recognised. New development must not compromise national and local designations, such as but not limited to National Parks, Areas of Outstanding Natural Beauty and Green Belts. The loss of ‘Best and Most Versatile Agricultural’ land, vital to protecting our future food supply, and the loss of areas of high ecological value should be seen as a last resort.

4.2 New developments should not just provide homes, but should **create new ‘places’**: Compact communities with easy access to community facilities, jobs and services in proportion to the number of homes. This mix of uses, not dependent on car travel for access, can help a new community to thrive.

4.3 Using **brownfield land before greenfield** clearly helps to achieve environmental, social and economic objectives: the key test for sustainable development. Local plans should include locally appropriate initiatives, including use of the Community Infrastructure Levy, to maximise the reuse of brownfield land.

4.4 **Well planned and creative urban regeneration is essential** in order to secure a vibrant future for our towns and cities and to protect the countryside from unnecessary development.

4.5 **Windfall sites** contribute a sustainable source of land for new homes. We therefore strongly support the NPPF’s acceptance that windfall sites, based on evidence of past availability, should be included in Local Plans as part of a local authority’s future land supply for housing, including the first five years.

4.6 **Housing density policies** should be set to ensure the efficient use of land and support sustainable travel. Targets should maximise densities as far as possible without damaging local open spaces and the existing character of neighbourhoods. Development should be well designed to avoid ‘town cramming’.

4.7 **Urban extensions** potentially provide the most sustainable option for new development where existing towns and cities don’t have capacity to meet need. In addition to the above CPRE’s support for this type of allocation should be dependent on a number of Smart Growth criteria being satisfied. These are where:

- housing need has been properly evidenced and justified;
- alternative sites in the urban area are not available;
- a place is created which is of high quality in its own right, and has a sympathetic relationship with its surroundings;
- best use is made of spare infrastructure capacity in the adjacent urban area, while ensuring that new development will not overburden it;
- water resources and treatment facilities are sufficient to support the development;
- areas liable to flood or likely to increase the risk of flooding are avoided;
- the site does not conflict with any local environmental objectives, formally designated areas or their settings;
- infrastructure provision, including green spaces, is comprehensively planned and provided, with facilities and services available when the first homes are occupied. Historically there has been a failure to meet the needs of new development, imposing burdens upon and creating a poorer environment for residents in existing urban areas. This must also be addressed;
- development is compact and planned properly to secure sustainable travel from the outset, with first priority given to walking, cycling and easy access to public transport; and,
- urban green spaces, green infrastructure and the character and quality of the urban environment are protected, maintained and where possible enhanced. Town and Village Green and the Local Green Space Designation should be used when preparing local plans to help achieve this.

4.8 **Green Belt boundaries** should only be modified where there is compelling evidence of exceptional circumstances to justify a change to boundaries. The defining feature of formally designated Green Belts is their permanence. Any boundary review should be based upon the five purposes of the Green Belt outlined in paragraph 80 of the NPPF as well as a locally agreed set of criteria, arrived at by engagement with the local community. Any resultant changes should be kept to a minimum. The designation of additional Green Belt areas will be supported where it can be demonstrated that they meet one or more of the Green Belt purposes but not where they merely provide a substitute for deleted areas.

4.9 **New settlements** can provide new homes on a large scale where all other options for development in existing towns and cities, or sustainable urban extensions, are exhausted. To do so, their locations must be carefully chosen to ensure they are capable of providing self-sustaining new communities, with local jobs and facilities. They should be firmly resisted where they propose using countryside for low density or dormitory town development in close proximity to an urban area, as this will not meet any test for 'sustainable development'. Their design and delivery should reflect the same principles to those described above in paragraph 4.7 for urban extensions.

4.10 **Incentives** are essential to encourage the development of good quality new homes in the right places. The market does not always value the long term economic, environmental and social benefits of, for example, redeveloping brownfield land in towns and cities before greenfield sites. Incentives should be aimed at correcting this. Tools such as the New Homes Bonus could assist in relieving some of the private costs of regeneration and fiscal incentives can assist in making best use of our existing housing stock, particularly getting empty homes back into use.

## 5. Meeting need and supporting mixed communities

5.1 **Targets** for a range of types and sizes of home, to meet different needs in the community are essential in local plans. Importantly, separate targets should be set for market and affordable housing. When planning for a range of dwelling types and facilities the needs of key workers and of an increasingly elderly population will require particular attention.

5.2 **Clear definitions of what constitutes 'affordable' housing** should be included in local plans. Local authorities should prioritise delivering subsidised housing for those excluded from the market by price. In doing so they should aim to plan for mixed communities, where affordable homes are provided on the same sites as new homes for open market sale.

5.3 **Market housing should not be seen as a substitute for affordable homes** in an attempt to meet simple numerical targets for new housing when market conditions are difficult. Where planning agreements aimed at providing affordable homes are renegotiated, these negotiations must be transparent. As far as commercial confidentiality allows, they should be based on 'open book accounting' or should follow the recommendation of an independent consultant appointed by the local authority and funded by the developer.

## 6. Jobs, transport, other infrastructure and services

6.1 It is essential that future house building rates **take account of environmental, infrastructure, and service capacity**. The aim of good planning is to find the most appropriate means to meet needs and this may not always be by doing what has been done in the past. As the Chinese proverb says 'If we do not change our direction, we are likely to end up where we are headed'. Where there is doubt about capacity, the 'precautionary principle' should apply, with development limited accordingly and the duty to co-operate used to consider other ways of meeting need.

6.2 New housing should be **located close to a range of employment**. Historically, far too little thought appears to have been given to the relationship between housing, jobs, infrastructure and environment when local plans are being prepared. It is too often the case that housing sites are allocated just because they happen to be available for development not because their location is the most suitable and sustainable. This can result in dispersed development, increased travel distances, urban sprawl and unsustainable development.

6.3 The **viability tests** now required by the NPPF for local plans should consider a full range of issues, such as travel, infrastructure and service costs, including the timing of their provision. Viability is about much more than short term financial issues.

## 7. Design and environmental performance standards

7.1 New homes should be designed to **respect the local vernacular style** and where possible make use of local materials. Using design in this way can help new buildings to enhance rather than detract from their context.

7.2 **High quality design, however, is not just about appearance; new housing should be future proofed.** To secure the truly ‘sustainable’ development sought by the NPPF, local and national policies should seek the highest possible standards of flexibility and environmental performance for new homes. This is essential if housing is to play its part in mitigating and accommodating the challenges of climate change. High performance standards also have significant potential either to provide affordable energy or reduce energy bills for households.

7.3 Good design in town and cities can create **vibrant and pleasant places to live and a sense of place**, while outside of towns it can help to minimise the impact of new development on the landscape. In both cases, importantly, it can assist in securing the support of existing residents for proposals for new development.

## 8. Thriving and sustainable rural communities

8.1 **Affordable housing** is needed in many rural areas for those who work or have family ties in our market towns, villages and hamlets. Without it our rural areas will become merely commuter or retirement ghettos. Priority access to affordable housing in rural areas should be given to those with strong employment or family ties to the area.

8.2 **Plans to meet rural housing needs** should be based, wherever possible, upon a community-led process which identifies suitable sites, located as near as possible to essential services, for inclusion in local and neighbourhood plans. Without this process, development is less likely to be supported and could be sporadic and unsustainable.

8.3 **Rural Exception Sites** can provide affordable housing in smaller settlements to meet robustly evidenced local needs where specific allocations are not possible. The main advantage of exception sites is that lower land prices can be achieved, providing a form of subsidy for the provision of affordable homes. CPRE recognises, however, that securing funding for affordable housing is becoming ever more challenging. The cross-subsidy resulting from a small number of market homes on exception sites is therefore an increasingly significant means of delivering rural affordable homes. Each case should be judged on its merits and care needs to be taken to ensure that the potential to provide market housing on an exception site does not increase its value, thereby undermining its potential to provide affordable homes and again undermining its support from the community.

8.4 To ensure that new **rural affordable homes are available to those in need and with ties to rural communities in perpetuity**, affordable homes in rural areas should continue to be excluded from the Right to Buy and Right to Acquire.

8.5 Tourism is clearly an important part of many rural economies. However, **excessive levels of second home ownership** in some popular tourist destinations can price local people out of the housing market. As a result, many of our villages and towns can be almost deserted for much of the year. Local authorities should use the tools available to them, especially the ability to charge up to 100% Council Tax on second homes, to try and achieve a balance in their areas.

8.6 **New isolated houses** in the countryside generally will not be supported, as they can damage openness and lead to unnecessary unsustainable travel. The only exceptions to this general policy should be where an isolated home is well designed and would:

- be a home for a rural worker who has to live near their workplace; and/or
- secure a future for a currently redundant building worthy of retention.

## 9. How do we get there?

9.1 This policy guidance note provides a checklist for all CPRE branches and districts to promote a planned approach to meeting the challenges of changing household needs. Having set out our Policy approach, importantly, it also highlights a number of current barriers to the provision of new homes whose solution requires further research and campaigning.