



Coventry City Council

---

## **Council Meeting**

13<sup>th</sup> September, 2005

**Booklet 3**

Recommendations

# INDEX TO MINUTES

Page Nos.

Cabinet 6 <sup>th</sup> September 2005 .....	1
---	---

## **CABINET**

**9<sup>th</sup> August 2005**

Cabinet Members  
Present:-

Councillor Arrowsmith  
Councillor Blundell  
Councillor Foster  
Councillor Kelsey  
Councillor H Noonan  
Councillor O'Neill (Chair)  
Councillor Ridley

Non-Voting Opposition

Representatives present:- Councillor Duggins  
Councillor Field (Substitute for Councillor Benefield)  
Councillor Mutton  
Councillor Nellist

Other Members  
Present:-

Councillor Clifford  
Councillor Gazey  
Councillor Johnson  
Councillor Williams

Employees Present:-

J. Bolton (Director of Social Services and Housing)  
V. Buckley (Legal and Democratic Services Directorate)  
F. Collingham (Chief Executive's Directorate)  
A. French (Finance and ICT Directorate)  
M. Green (City Services Directorate)  
P. Jennings (Finance and ICT Directorate)  
L. Knight (Legal and Democratic Services Directorate)  
B. Messinger (Head of Human Resources)  
J. Murphy (Finance and ICT Directorate)  
J. Nichols (Chief Executive's Directorate)  
S. Pickering (Director of City Services)  
A. Ridgwell (Director of Finance and ICT)  
J. Russell (City Development Directorate)  
C. West (Education and Libraries Directorate)  
I. Woods (Finance and ICT Directorate)

Apologies:-

Councillor Benefield  
Councillor Matchet  
Councillor Taylor

## RECOMMEDATIONS

### Public Business

#### 88. “Planning for Housing Provision” Government Consultation Paper

The Cabinet considered a joint report of the Director of City Development and the Director of Social Services and Housing, which detailed the Council's proposed response to the Government's consultation paper on “Planning for Housing Provision”. The consultation paper sets out the Government's objectives for delivering a better supply of housing through the planning system.

The consultation paper, which was published in July 2005, proposes a new policy approach to the way housing provision is dealt with in development plans and follows the Barker Review of 2004. The paper will also be an important input to a new planning policy statement on planning for housing (PPS3), which will be consulted on in the Autumn.

The Government has also published a Consultation Draft on a new green belt direction and a new Circular on planning obligations, which is aimed at speeding up ways of dealing with planning obligations to as to support the delivery of development, including new housing. Details of the two consultation papers were detailed at Appendix 1 of the report submitted.

Appendix 2 of the report submitted, details a report to the Coventry, Solihull and Warwickshire Sub Regional Forum, to which Council employees have contributed. It is proposed that this report be endorsed as the basis for a response to the Office of the Deputy Prime Minister on the consultation paper.

The report submitted further detailed the implications of the proposals contained within the consultation paper under the areas of regeneration, growth, housing market areas and green belt direction.

The Cabinet noted that responses to the consultation paper are required by 9<sup>th</sup> September 2005 and indicated that any further comments arising from the meeting of Council, scheduled for 13<sup>th</sup> September 2005, would also be submitted to the Office of the Deputy Prime Minister.

**RESOLVED that the Council be recommended to:-**

- (1) Endorse the report being made to the Coventry, Solihull and Warwickshire Forum.**
- (2) Endorse the City Council's specific concerns, which have been sent to the Office of the Deputy Prime Minister and other appropriate bodies.**

---

Report to Council

13<sup>th</sup> September 2005

Report of  
Director of City Development and  
Director of Social Services and Housing

Title  
"Planning for Housing Provision" Consultation Paper

---

### **1 Purpose of the Report**

- 1.1 In July, the Government published a consultation paper on "Planning for Housing Provision". It sets out the Government's objectives for delivering a better supply of housing through the planning system. Responses are invited by 9 September. The purpose of this report is to set out the City Council's response.

### **2 Recommendations**

- 2.1 Council are recommended to
- endorse the report being made to the Coventry, Solihull and Warwickshire Forum and
  - approve the City Council's specific concerns for sending to the Office of the Deputy Prime Minister and other appropriate bodies.

### **3 Information/Background**

- 3.1 This Consultation Paper proposes a new policy approach to the way housing provision is dealt with in development plans. It follows the Barker Review of 2004 and will be an important input to a new planning policy statement on planning for housing (PPS3), which will be consulted on in the Autumn.
- 3.2 The Government has also published a Consultation Draft on a New Green Belt Direction and a new Circular on Planning Obligations, which is aimed at speeding up ways of dealing with planning obligations, so as to support the delivery of development, including new housing.

3.3 More information on the two Consultation Papers is set out both in Appendix 1 and in the report to the Coventry Solihull Warwickshire Forum, which appears as Appendix 2. Cabinet is being asked to endorse that report, to which your officers have contributed. Section 4 of this report outlines the main implications for Coventry of these consultation papers.

#### 4 Proposal and Other Option(s) to be Considered

##### 4.1 Regeneration

The provision of more housing in high demand areas would be against the Regional Spatial Strategy's aim of reducing out-migration from the Major Urban Areas, such as Coventry. The proposals run counter to Government achievements in recent years. The increased use of brown-field land, the improvement in housing densities and the use of planning policy to support urban regeneration face being un-done by proposals which will mean that developers will take the easiest sites first, thus increasing urban sprawl and urban decay.

##### 4.2 Growth

Therefore, recent successes in regeneration would be short-lived. The proposed policy would lead to house-builders expecting to see housing land released in areas where there is a strong market demand, such as Solihull, Stratford, Warwick, Leamington and the Warwickshire villages, thus undermining the growth of Coventry in particular.

##### 4.3 Housing Market Areas

There is a challenge to the Sub-Region in placing "housing market areas" at the forefront of planning and housing delivery. Whilst analysis of housing demands and pressures based on Housing Market Areas is obviously sensible, using them as a structure for implementation runs the risk of subverting and marginalizing existing local authority structures and long-established voluntary arrangements such as the CSW Forum and CSW Partnership. Furthermore, work on the Regional Housing Strategy has produced a "central housing market area" which stretches from east of Coventry across to Telford. Thus, Coventry and north Warwickshire have been placed in a different housing market area from South Warwickshire.

##### 4.4 Green Belt Direction

By proposing a low threshold for Councils to refer applications for inappropriate development to the Government, the effect of the Circular would mean a greater number of referrals to Central Government.

#### 5 Other specific implications

##### 5.1

	<b>Implications (See below)</b>	<b>No Implications</b>
Area Co-ordination		◆
Best Value		◆
Children and Young People		◆
Comparable Benchmark Data		◆
Corporate Parenting		◆
Coventry Community Plan	◆	

	<b>Implications (See below)</b>	<b>No Implications</b>
Crime and Disorder		♦
Equal Opportunities		♦
Finance		♦
Health and Safety		♦
Human Resources		♦
Human Rights Act		♦
Impact on Partner Organisations		♦
Information and Communications Technology		♦
Legal Implications		♦
Property Implications		♦
Race Equality Scheme		♦
Risk Management		♦
Sustainable Development	♦	
Trade Union Consultation		♦
Voluntary Sector – The Coventry Compact		♦

5.2 As a consultation paper, there are no specific implications. However, sustainability and links to the community plan are important elements of the new planning system.

## 6 Monitoring

6.1 Monitoring is an essential part of housing provision, both in current methodology and any future changes.

## 7 Timescale and expected outcomes

7.1 The Government has asked for responses to the Consultation Paper by 9 September 2005.

	<b>Yes</b>	<b>No</b>
<b>Key Decision</b>		√
<b>Scrutiny Consideration (if yes, which Scrutiny meeting and date)</b>		√
<b>Council Consideration (if yes, date of Council meeting)</b>		√

List of background papers

Proper officer: Director of City Development

Author: Niall McChesney Telephone 7683 1312  
Senior Policy Planner, CDD

(Any enquiries should be directed to the above)

Other contributors:

James Russell Head of Planning and Transportation 7683 1210

David Lathbury Head of Development Policy 7683 1295

Geoff Smith Finance and ICT 7683 1129

Jas Bilen CDD 7683 4865

Mark Smith LDS 7683 3037

Richard Brankowski LDS 7683 3077

Papers open to Public Inspection

<b>Description of paper</b>	<b>Location</b>
File HOU 1 - Housing	CC4/6



## APPENDIX 1

### Consultation Paper on "Planning for Housing Provision" – operation of proposed approach

#### Planning for Housing Market Areas

Currently, regions distribute housing provision to strategic local authorities (such as Coventry and Warwickshire), taking account of household projections, capacity and other constraints.

The proposals are that regions distribute housing provision to sub-regional housing market areas and to local authorities within them, based on analysis of housing markets and land availability, with the regional spatial strategy deciding on the nature of growth (high, managed, low, etc) for different sub-regional housing markets.

The regional level would be expected to group local authorities within housing market areas and to co-ordinate local housing assessments. At a sub-regional level, local authorities would be expected to work together on assessments of local markets and land availability, including the preparation of joint planning documents to deliver housing.

#### Identifying Land for Housing

Currently, local authorities are expected to plan for 10 years of housing supply, 5 years of which is allocated (although some may not be available for development immediately) with windfalls playing a significant part in overall supply.

The proposals extend the plan horizon to 15 years, with the first five years being allocated and developable and with less reliance on windfalls. In high growth areas, developers will be able to bring sites forward at any time out of the 5 year supply. In managed and low-growth areas, local authorities would be able to phase release.

Local authorities are expected to plan for 15 years housing provision in their Core Strategies and should allocate sufficient developable land to meet the first five years of the planned housing provision. The Government also encourages local authorities to allocate all land suitable for development, whether or not it would exceed the first five years. Brownfield land should be given priority. Land allocations should be set out in a site allocations development plan document.

The Government recognises that, in metropolitan areas, it is not always possible to allocate enough developable land and accepts that a windfall allowance may be appropriate as part of the five year supply.

#### Plan, Monitor, Manage

Currently, local authorities are encouraged to phase land for development, but practice varies. The Government believes that, in some places, a lack of proactive management has meant that some applications for development have been rejected as premature, until brownfield sites have been developed, whilst, in other places, applications have been permitted in such a manner as to undermine regeneration strategies.

The proposals are that the 5 year supply is rolled forward as land is developed, using the 10 years longer-term supply to top up the short-term supply. If demand is higher than expected, land could be rolled forward by means of a supplementary planning document or a partial review of

the regional spatial strategy. If demand is lower than expected, local authorities would be expected to investigate why.

### **Consultation Draft on New Green Belt Direction**

In the Consultation Draft, the Government claims that there is inconsistency amongst local authorities in dealing with proposals for development in the green belt. It says the Circular is a demonstration of the continuing importance it attaches to the protection of the openness of the green belt and to the prevention of urban sprawl. The Direction would require, for the first time, the referral to the Secretary of State of some potentially harmful proposals in the green belt which local planning authorities are likely to approve. It also proposes the setting of regional targets to maintain or increase the amount of green belt land.

**Coventry, Solihull And Warwickshire Sub-Regional Forum  
9<sup>th</sup> September 2005**

**GOVERNMENT CONSULTATION PAPER ON "PLANNING FOR  
HOUSING PROVISION" and "DRAFT GREEN BELT  
DIRECTION 2005"**

**Recommendations**

*That the Forum:*

- 1. Objects to the preferred approach set out in the ODPM consultation documents "Planning for Housing" and "Draft Town & Country Planning (Green Belt) Direction, 2005" and forwards the comments detailed in Section 2 as its response.**
- 2. Encourages local authorities within the sub-region to engage with other interested parties in pressing ODPM to adopt an approach to housing policy which takes greater account of regional policy variations and the reality of delivering planning policy through local authorities.**

**1.0 Background**

- 1.1 "Planning for Housing Provision" is perhaps the most significant Government consultation on national planning policy in recent years. It contains a radical shift in the way housing is planned for, moving the balance away from planning to meet the requirements of the whole community and towards following market factors.
- 1.2 In 2003 the Government commissioned economist Kate Barker to carry out a review of issues underlying the lack of supply and responsiveness of housing supply in the UK. The Barker review of housing supply, "Delivering stability: Securing our future housing needs", published in March 2004, made a number of recommendations relevant to the planning system, in particular, that it should be able to deliver sufficient land, in the right places, to meet need and in a way that is more responsive to demand.
- 1.3 In the Consultation Paper, the Government states that consideration of housing market pressures must be part of the planning system and it accepts the argument that the best way to improve the

affordability of housing is to increase its supply. Thus, it proposes a new policy approach to ensuring that appropriate land is allocated in plans to meet the need for housing, respond more effectively to changes in demand, and promote consumer choice.

- 1.4 At the same time, the Government also published a *Consultation Draft of a New Green Belt Direction*. It claims that there is inconsistency amongst local authorities in dealing with proposals for development in the Green Belt and says that the draft is a demonstration of the continuing importance it attaches to the protection of the openness of the Green Belt and to the prevention of urban sprawl. The Direction would require, for the first time, the referral to the Secretary of State of some potentially harmful applications in the Green Belt, which local planning authorities are likely to approve. It also proposes the setting of regional targets to maintain or increase the amount of Green Belt land.
- 1.5 The Government's objective is that land is allocated in development plans to ensure a more responsive housing supply, in terms of both needs and demand. The main features of the proposed new approach are:
  - assessing housing need and identifying housing land based on housing market areas, clear evidence and involving stakeholders and other local authorities;
  - allocating land on a 15 year time horizon, which ensures the delivery of planned numbers, is sustainable and is responsive to the market;
  - maintaining a 5-year rolling programme by means of monitoring and review, thus providing an increase in land supply, providing developers with the flexibility to better respond to market changes.
- 1.6 The new approach is intended to stretch local planning horizons and to force councils to make firm allocations for housing, with less reliance on windfall housing sites. If developers build quicker than expected and/or development of brownfield sites is not fast enough to meet demand, then councils would have to release other sites earlier than planned to meet the demand. The implications are that local authorities will have to release sites earlier. Thus, development would be channelled to the more popular locations and, in areas of rising house prices, more housing would be built in order to keep a check on house price rises.

## **2.0 Comments**

### General

- 2.1 In the Consultation Paper, the Government is effectively blaming the planning system for three main blockages to the improvement of the housing supply: - worsening affordability, land supply constraints; and response to housing market demand. It then uses these points as a basis to propose a planning system which would be largely market-led. Such a radical change from the more balanced approach currently being taken might be justified if there was clear evidence to lay the blame for housing shortages at the door of the planning system.
- 2.2 However, despite the voluminous analysis in the Barker Report, the Government has never satisfactorily addressed the twin facts (acknowledged in the Report) that the fall in total housing supply over the past fifty years can be wholly accounted for by the fall in the supply of publicly subsidised housing and that the private market house-building rate has remained at a fairly constant level over that period. This is illustrated graphically in Chart A1 of the Barker Review

Final Report, where the point is made that the shortfall in meeting targets for new housing is mainly composed of affordable homes.

- 2.3 Thus, the proposed new approach assumes that the release of land for housing will result in higher rates of house-building in order to meet the demand, thereby ignoring that the development industry has an interest in rationing the supply of new houses to maintain price levels and also match its productive capacity.
- 2.4 This radical change moves away from the accepted understanding that a main role of the planning system is to intervene in the market when and where it fails to reflect community objectives.

### Planning and the Market

- 2.5 The thrust of the Consultation Paper, therefore, is that the market should lead the planning system rather than the existing politically accountable process where land is released in response to needs and overall community requirements
- 2.6 Making market forces the prime determining factor shifts the balance of certainty in favour of the house-building industry and away from local communities. If Councils struggle to produce plans that keep up with housing market demand, they are likely to be faced with impossible choices, between house-builders and local residents, between brownfield sites in the wrong locations and greenfield sites in the right locations. This would result in more Government intervention, not less, and in less locally sustainable decisions.

### West Midlands RSS

- 2.7 The Government's preferred approach presents a serious challenge to the West Midlands Region and the Coventry Solihull Warwickshire Sub-Region.
- 2.8 There are substantial implications for the West Midlands RSS (which is recently-approved Government policy). The RSS promotes the regeneration of the Major Urban Areas (MUAs) of the Region, explicitly by the allocation of much higher (minimum) housing allocations in the MUAs (to take growth over and above that generated locally) and much lower (maximum) housing allocations elsewhere. The provision of more housing in high demand areas would be against the RSS's aim of reducing out-migration from the Major Urban Areas. New housing would be focused on the more popular suburban areas and rural areas, exactly the trend that the RSS attempts to prevent. In the Coventry/Solihull/Warwickshire sub-region, house-builders would want to see housing land released in areas where there is a strong market demand, such as Solihull, Stratford, Warwick, Leamington, Kenilworth and the Warwickshire villages, thus damaging the growth and regeneration of Coventry and exacerbating travelling distances and sustainability.

### Housing Market Areas

- 2.9 The challenge to the sub-region comes from placing "housing market areas" (HMAs) at the forefront of planning and housing delivery. Whilst analysis of housing demands and pressures based on Housing Market Areas is obviously sensible, using them as a structure for implementation is clearly a nonsense. HMAs recently put forward by the Regional Housing Strategy cover vast areas of the region and are no basis for distributing housing provision figures. Functional areas for housing, and other policy aspects such as employment land and transportation will all vary. Such functional matters need to be taken into account in assessing the needs of sub-regional areas, and subsequent allocations by local planning authorities, but they cannot form a

correct basis in themselves for allocating land and funding. Unfortunately, this seems to be an increasingly pervasive view from Government and runs the risk of subverting and marginalizing existing local authority structures and long-established voluntary arrangements such as the CSW Forum and CSW Partnership.

- 2.10 The identification of HMAs is also problematical. For instance, for the West Midlands Regional Housing Strategy, consultants have proposed housing market areas which are not realistic geographical areas, but areas with similar market characteristics. This work has produced the "south central housing market area" which stretches from east of Coventry across to Telford. Thus, Coventry and north Warwickshire have been placed in a different Housing Market Area from south Warwickshire.
- 2.11 Thus, the housing market areas are not the same as functioning housing markets and do not represent a practical alternative in an administrative sense. The CSW Forum raised such concerns in its recent response to the Regional Housing Strategy.

#### Focus on South-East

- 2.12 The differential effects in the West Midlands will be replicated elsewhere in the country and could lead to an expansion of housing in high demand areas, such as the South-East, with a loss of focus on the Midlands and the North. Indeed, the proposals appear to be an attempt to deal with the problems of the South-East, without taking account of their effects elsewhere.
- 2.13 This point is particularly relevant in relation to affordable housing. In high demand areas like the South-East, an increase in market housing may improve the delivery of affordable housing. However, in the West Midlands, the areas of high affordable housing need are those where the RSS strategy is to progressively reduce market housing provision.

#### Regeneration

- 2.14 These proposals run counter to Government achievements in recent years. The increased use of brown-field land, the improvement in housing densities and the use of planning policy to support urban regeneration risk being un-done by proposals which could increase urban sprawl and urban decay. It should be noted the brownfield completions nationally accounted for 70% of all completions in 2003/04. The proposals will undermine mechanisms to guide development towards previously-used land: instead developers will want to take the easiest sites first. The down-playing by the Government of urban regeneration and environmental issues is illustrated by its assessment of the costs and benefits of its proposals. It admits that there would be an increased risk of development out-of-town and on greenfield sites: this is countered by the "benefit" of land allocation being subjected to sustainability appraisal and by (the unclear) "more viable available land meaning better infrastructure".

#### Housing Allocations in Plans

- 2.15 The consultation paper misrepresents the existing methods of allocating housing in its table summary of key changes on page 17. It states that under the current arrangements local authorities provide for 5 years of housing supply, whereas the PPG 3 (2000) wording is at least five years. Also, the 10 year reference does not appear in PPG 3, as suggested. Furthermore, it also states that "many" local authorities do not actively manage their housing supply to ensure sufficiency. No evidence is provided to support this assertion.

### **3.0 Conclusions**

- 3.1 The new approach advocated in the Consultation Paper runs counter to the West Midlands Regional Spatial Strategy. Whilst this approach may be applicable to some other parts of the country, it should not be applied to the West Midlands Region, where a locally determined and Government-approved approach is still in its infancy of delivering strategic change. Alternatively, if the Government persists with a "one-size-fits-all" approach, then it will trigger an immediate need for a wholesale replacement of the RSS, overriding all other review work currently in preparation.
- 3.2 The approach does not represent the diversity of circumstances and conditions, and the different policy responses appropriate, across the English Regions, illustrated within the various Regional Spatial Strategies. In the West Midlands and in other Regions, planning authorities and partners have worked – and are working - hard to take this diversity into account in producing their strategic and local planning policies. Indeed, in promoting the principles of local development frameworks, Government advice has emphasised that policies should be specific to the area, articulating local diversity and local needs.
- 3.3 The impacts of the market driven system for the release of housing land on the basis of housing market areas in the sub-region are expected to be mainly negative – both for the regeneration of cities and other urban areas and in terms of increased uncertainty for local communities.



**Legal and Democratic  
Services Directorate**  
Council House  
Earl Street  
Coventry CV1 5RR