

South Somerset District Council

Accelerating Delivery of Housing South Somerset - briefing

District Executive Committee

2 July 2020



Bespoke Property Consultants

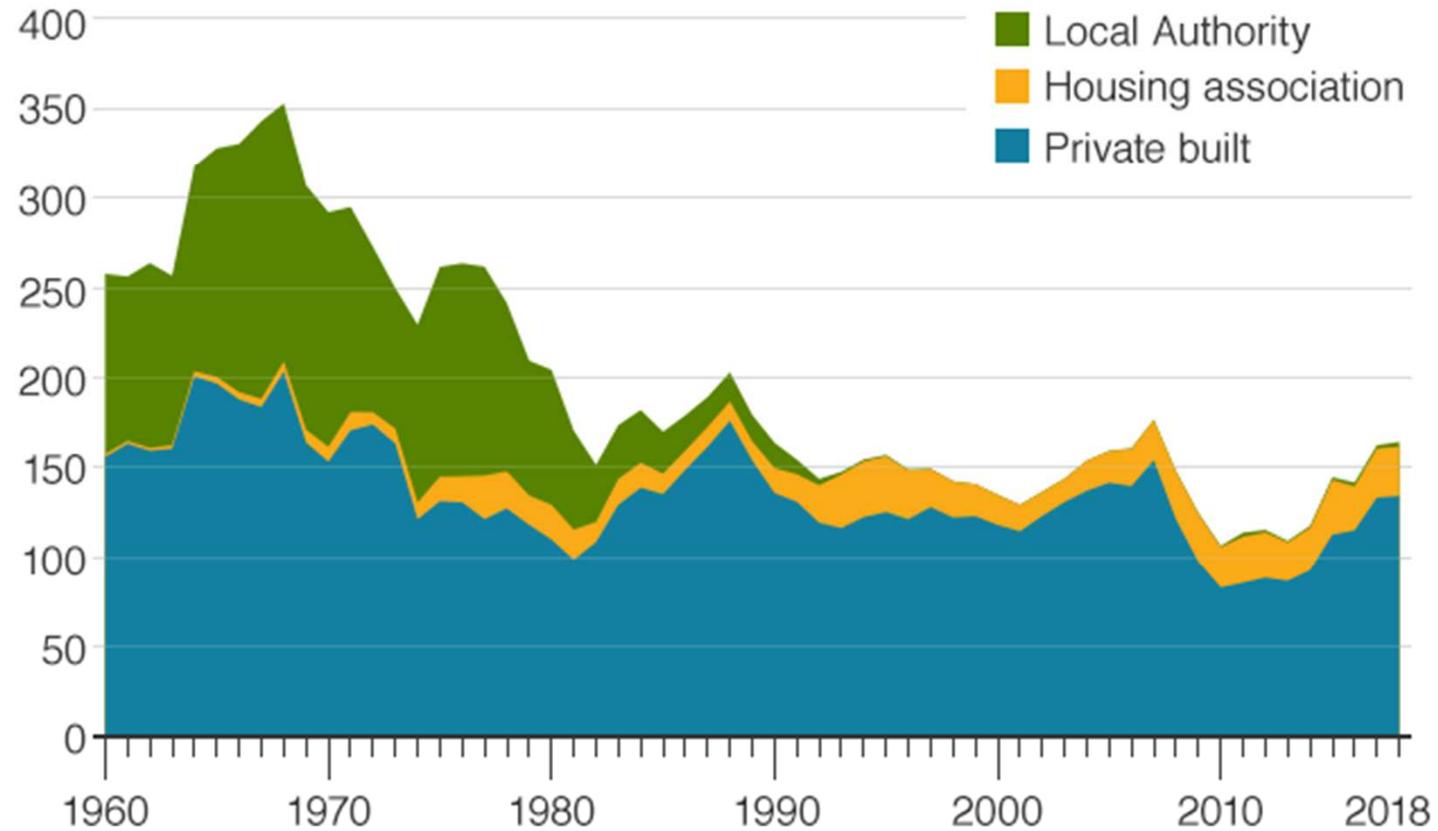
maximising development potential

1 Context of the work

Housebuilding has fallen in recent decades

Number of new houses built each year in England since 1960

Thousands



Source: Ministry of Housing, Communities & Local Government

BBC

1 Context of the work

- ▶ Housing Crisis
- ▶ Housing targets not being met
- ▶ The Council Plan - Priority Project for 2019-20 (No 5)

“To develop proposals to accelerate the delivery of key housing sites and associated infrastructure”

Desired 2019/20 project outcomes*:

- Sufficient housing of all tenures available to those who need it
- Stalled sites are brought forward
- Associated Infrastructure improves connectivity

*In year outcomes to be confirmed

2 What did we do?

- ▶ Commission research to understand :
- ▶ National context
- ▶ Local housing delivery patterns and market
Discussions with key players locally - developers,
land promoters, housing associations, Homes
England, council officers
- ▶ Exploration of local authority approaches elsewhere
- ▶ the best road map to achieve South Somerset's
housing outcomes

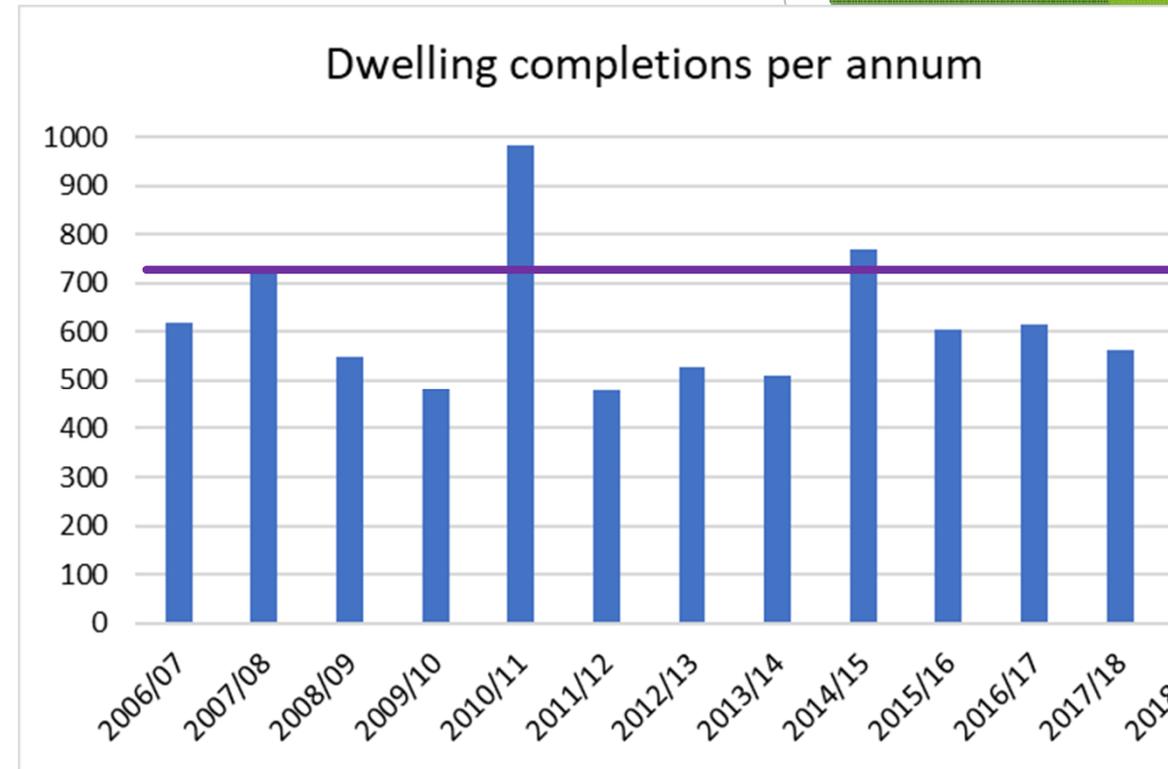


What did we find ?

Delivery falling behind target
(725 in the 2015 Local Plan -
716 in 2019 Preferred Options)

No clear trend over time

Affordable housing at c18% pa
of the total - policy = 35%



4 Delivery patterns

- ▶ c 78% of approvals over a 5-year period translate into actual completions;
 - ▶ Annual completions averaging c 52% of approvals
 - ▶ Implies both need for more approvals and higher 'translation' rate
- ▶ Patterns of permissions/delivery varies:
 - ▶ **Delivery lags behind** in Yeovil, Chard, Crewkerne in particular
 - ▶ **Sufficient planning permissions** in Crewkerne, Ansford & Castle Cary, Somerton and Ilchester.
 - ▶ **Exceeding housing requirement** - Wincanton, Langport & Huish Episcopi, Milborne Port and South Petherton.

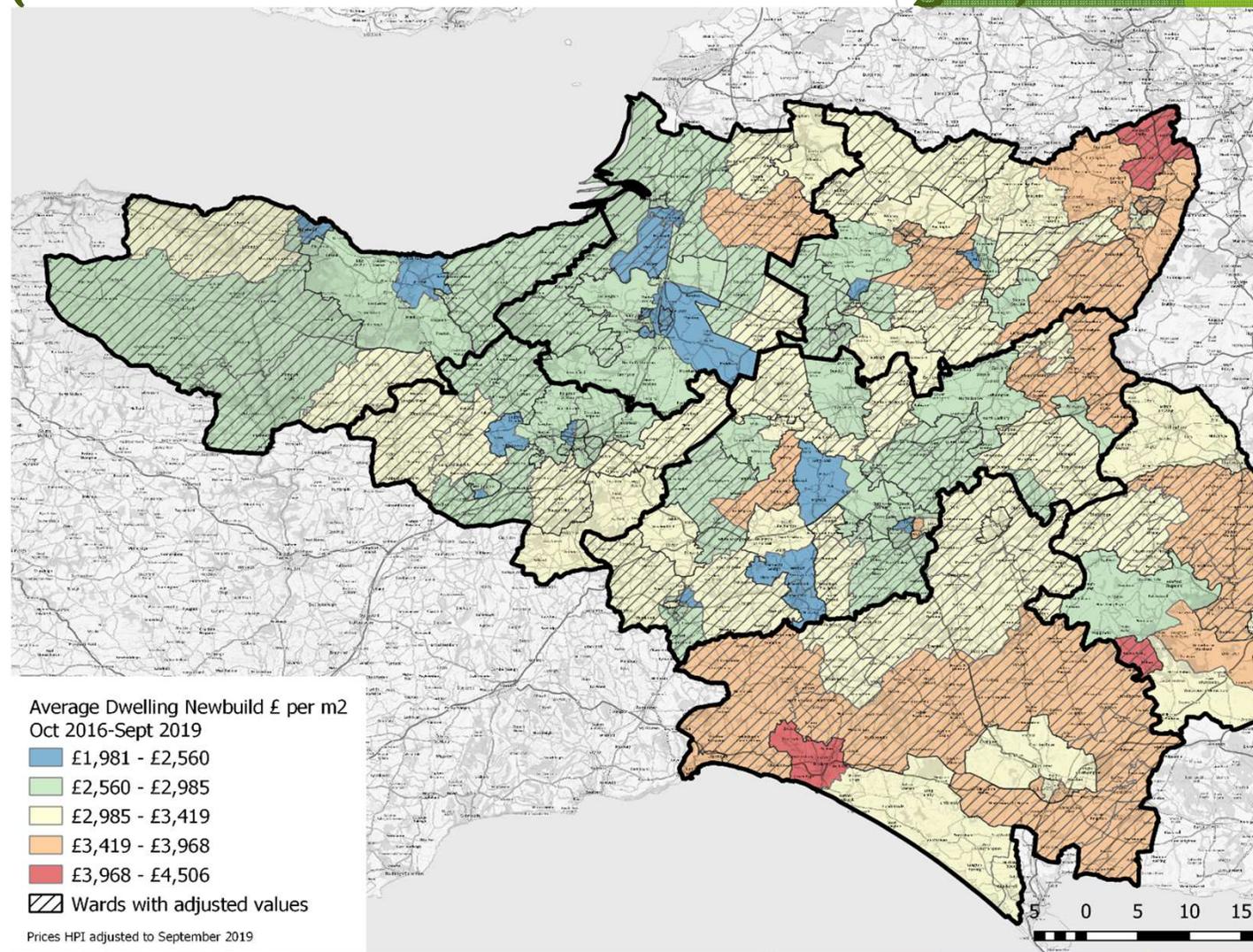
Viability and market (blue = weaker to red = stronger)

Yeovil generally weaker than surrounding areas

Outside Yeovil - comparable with surrounding areas

Implication = limited 'viability room' to pay for infrastructure/community benefit

Impact of pandemic on the market - entirely uncertain



6 Issues from the research

- Over estimating delivery of a supply of homes
- Limited competition in the market in some towns
- High infrastructure costs to be met from development
 - ▶ Chard/Crewkerne/Yeovil - c£6,300-£9,500 per dw on strategic sites
 - ▶ Plus potential future national requirements - Biodiversity net gain, Zero carbon
- Affordable Housing options - social rent (about 25% of AH - less viable, no HE grant)
- Uncertainties around infrastructure costs
- Process issues' including:
 - ▶ Highways processes to accept road designs
 - ▶ s106 process (legal matters externalised, non standard agreements)
 - ▶ planning/delivery resources have a wide range of demands
 - ▶ Approval process committee system - said to slow things down



7 What can we learn from elsewhere ?

- ▶ Step change needed but no single solution - range of measures
- ▶ Engagement with stakeholders and developers in advance of planning applications
- ▶ More planning and guidance for development industry
- ▶ Local strategy for Homes England to support with ££
- ▶ Project teams to enable major sites to progress
- ▶ Use of PPA's to fund planning time
- ▶ Simpler systems - e.g. s106 templates,
- ▶ Nudging development e.g. s106 include delivery timetable
- ▶ Direct intervention

8 Housing market intervention

► Direct intervention - a spectrum of approaches:

- Own developments (via a wholly owned development company)
- Opportunistic/one off JVs where LA is an investor
- Continuous rolling programme of development / single project

But common messages:

- i) having own land is big advantage
- ii) can 'make a start' through investment in land
- iii) requires new skills and appetite for risk
- iv) takes time to build up a meaningful programme - with limited short term gains and numbers overall can be limited

9 Accelerating delivery in South Somerset

Way Forwards

Process

- ▶ Focus planning and legal officer resources available to progress housing applications.
- ▶ Team based approach to accelerate delivery on the major sites/strengthen relationships with developers.
- ▶ Review working of committee structure and member training
- ▶ Delegation around s106 reviews

Viability and funding

- ▶ Greater flexibility in the S106 process
- ▶ More informed decisions re trade-off between housing (social rent) and other planning obligations
- ▶ Greater clarity about infrastructure requirements and costs and funding priorities (Heads of Terms before Committee)

10 Accelerating delivery in South Somerset

Direct intervention

- ▶ Yes to direct intervention
- ▶ Opportunistic JV approach - mix of smaller and larger developments
- ▶ Identify potential partners and funding opportunities - 'open for business' approach

Local Plan review

- ▶ Opportunity to tackle longer term issues - including
 - ▶ Updated viability evidence - tying policy choices to deliverability
 - ▶ Reviewing affordable housing targets and approaches
 - ▶ Measures to tie permissions to delivery targets

Recommendation

- ▶ Consider and note the 3 Dragons report 'Accelerating Housing (Appendix A)
- ▶ Approve the use of £250,000 from the Business Rates Retention Fund - 'Unlocking Growth' to finance the Housing Delivery Programme Manager and budget for a period of 2 years
- ▶ Note that officers will prepare a Priority Project Action Plan based on recommendations in the report (table 8.3, pages 49-52 of the report and table 8.3, pages 54-58 of the report)
- ▶ Note that progress on delivery will be monitored by the Strategic Development Board and District Executive as part of the quarterly monitoring arrangements for Priority projects
- ▶ Approve an allocation of further £100,000 revenue balance to supplement specific work to support housing delivery in the market towns

