

APPENDIX 2.

Corporate Housing Strategy Manager's comments.

From: Colin McDonald
Sent: 12 May 2015 16:37
To: Simon Fox
Cc: Jo Calvert; Louise Field
Subject: RE: Moor End - Revised Affordable Housing Proposal - 15/05063/FUL

Dear Simon,

Ordinarily I would expect a site outside of the normal village envelope to demonstrate that it meets local housing needs. However this application only seeks to demonstrate that an element can be set aside as affordable housing, in the same way as any 'normal' site (within traditional development limits and not relying on SS2). The 35% requirement that applies to development within allocated land and the proportion of different tenure types within that derive from the findings of the Strategic Housing Market Assessment (SHMA).

Under normal circumstances the Council requires the affordable housing element to be a minimum of two thirds of dwellings let under the social rent regime with the remainder being an intermediate product, i.e. housing which is more expensive to occupy than that let at social rent whilst still being sub-market. Paragraph 10.21 of the newly adopted South Somerset Local Plan 2006 – 2028; March 2015 sets out the policy basis for this requirement. Only proposal C meets this requirement, hence the comments made by my team on the original application.

Neither proposal A nor proposal B come close to making the minimum contribution we would expect should this site meet all the requirements of SS2. Both of these proposals suggest that the affordable housing element be 100% intermediate product – whether that be discounted market (in perpetuity) or shared ownership. This is unacceptable as we would expect at least two thirds of the affordable housing contribution to be made available as social rented.

The only circumstances I can imagine that we would accept less than two thirds of the affordable housing being made available as social rent are the following:

- 1) The site as proposed is unviable and we are prepared to accept a reduction in the overall package of planning obligations, including a reduction in the 'value' of the affordable housing element. The applicant has not suggested that there is a viability issue here – which does not surprise me given the number of market houses proposed on a site which is outside of the village envelope. Even in the event that the applicant were to prove a viability case, it would be for the Council to determine how the affordable housing element might be changed in order to bring the site back into a viable position and in many other cases we have done so by dropping some of the requirement for the intermediate product whilst preserving as best we can the absolute number of social rented dwellings.
- 2) There is substantial local evidence proving that there is a greater need for intermediate product than social rent locally. In the case of this site such evidence has not been forthcoming. The local housing needs survey demonstrates some aspiration and desire for ownership based products such as shared ownership but does not provide a robust assessment of the respondents financial means to prove that such products would be affordable for them.

I cannot emphasise enough that whilst the NPPF sets out what the sub-categories of affordable housing might be, it does not dictate what proportions should apply in any one location. Paragraph 159 of the NPPF states that the local planning authority should have a clear understanding of the housing needs of the area. The District Councils understanding of housing needs is derived from the SHMA, which gives the strategic overview, and the current data held on the Housing Register which provides a more detailed view of the property mixes

that might be required, moderated by an understanding of prevailing vacancy rates within the existing stock. The applicant has not provided sufficient evidence to the contrary and although the local survey clearly demonstrates a desire for some intermediate products, it does not verify how realistic this desire is.

You have asked me to comment on the impact on the RP (or housing association). I agree with the applicants agent that a discounted market product can be provided in perpetuity using the mechanisms they have described, and my observation is that this does not require a housing association as an intermediary – the discounted market house can be sold directly by the developer. It is usually the case (& desirably so) that a housing association is the freeholder of a shared ownership product. In any event I would expect a housing association to be the landlord of the minimum three social rent properties. I note the comment made by the agent on one housing associations view on the minimum number of dwellings they would wish to accept. However I consider this comment to be spurious, particularly in the light of the fact that the association cited, Yarlinton, already has the critical mass required to manage a series of relatively isolated properties in a range of villages across the district inherited from the Council, at the time of stock transfer.

Whilst I would be content to consider the provision of discounted market properties in lieu of shared ownership as all or part of the one third intermediate product, I cannot endorse the discount being set at 30%. There is a lack of local evidence to suggest what level of discount is required to ensure that a discounted market product is truly affordable. Whilst discounted market housing has not been approved very often, we have some examples from other parts of the district but these do not necessarily inform us of the level of discount that needs to be set in this locality. I can currently cite two examples – discounted market housing approved in Compton Dundon at a 35% discount (i.e. 65% market value) and in Chard at a 25% discount (i.e. 75% market value). The site at Compton Dundon, although granted permission many years ago, has never been completed so we have no evidence from real sales to demonstrate whether the level of discount was set at the appropriate level. The site at Chard has only recently been granted permission and we have an agreement with the developer to review the sales to check that the level of discount set achieved meeting the housing need identified. Clearly the market values that would apply in Hardington will be closer to those that could be achieved at Compton Dundon than at Chard and, given what we do know about local earnings, the level of discount required is likely to be at the higher end.

Thank You

Colin McDonald MA FCIH
Corporate Housing Strategy Manager
South Somerset District Council