

Area North Committee – 26th November 2008

8. Addressing Local Priorities in Area North - Affordable Rural Housing

Head of Service: Charlotte Jones, Head of Area Development (North)
Lead Officer: Charlotte Jones, Head of Area Development (North)
Contact Details: Charlotte.jones@southsomerset.gov.uk or (01458) 257401

Purpose of the report

To update Members of the Area North Committee on a review of progress of schemes for affordable housing in Area North carried out by the Head of Area Development (North) in conjunction with the Planning Team Leader (North and West).

The focus of this report is on homes for local people, secured through the 'rural exception' planning policy, using the Community Council for Somerset Housing Needs Survey methodology, although reference is made to other types of affordable housing provision. 'Affordable housing' refers to housing provided outside the main housing market.

Recommendations

That Members:-

- Note and comment on the six key messages to guide further work set out in Section 9 of this report.
- Consider and endorse the proposed next steps set out in Section 9.
- Request a further update in 3 months time to include a clearer assessment of additional resources or capacity needed to support the success of schemes.

Background

The Area Committee have recently expressed strong support for the progress of schemes and projects within Area North which will help increase the quantity and quality of affordable housing. To emphasise this the provision of affordable housing has been identified as the top priority within the Area Development Plan.

Members also expressed concern at recent meetings that the range and nature of a wide variety of internal (SSDC) and external partners and interest groups can lead to confusion at a ward and parish level as to how schemes can be successfully delivered, and how to get involved in the first place.

In addition a number of published parish plans, have included the local aspiration to identify and address local needs for affordable housing (see appendix D)

During rapidly changing market conditions, several sites, which have full planning consent, and include a proportion of affordable homes, may be delayed, which in turn will affect the future supply of affordable housing.

It goes almost without saying that increasing the supply of affordable homes is a district wide priority, within a national context.

1. Scope and nature of the review

- 1.1 To assist the Area Committee in effectively supporting this priority, it was agreed that the Head of Area Development (North) would gather together information held on current schemes in progress through consultation with a variety of internal and external partners, and to conduct an initial assessment of any practical steps, which could assist with successful projects. The review and development of conclusions and next steps were carried out in conjunction with the Planning Team Leader (North/West).
- 1.2 The review and assessment which provided the information and initial conclusions in this report included:
- Consultation with Community Council for Somerset, SSDC Planning Policy and the Strategic Housing Team to gain understanding of the policy context, progress to date, and issues encountered.
 - Consideration of information from previous reports, databases and published policies and research, used to inform this report, and update on the progress of schemes
 - Limited contact with Registered Social Landlords, parishes, and councillors.
- 1.3 Review concentrated on the current position of affordable housing schemes developed under the Rural Housing Project, led by the Community Council for Somerset, or schemes developed under the Rural Exception Policy (HG9).
- 1.4 Other types of affordable housing schemes exist, with many similar partners involved. As such the review benefited from gathering information on other schemes in progress, and concluded that many of the issues raised, and conclusions apply equally to other types of scheme.
- 1.5 This review did **not** seek to assess the quality of any particular service, or the effectiveness of housing or planning policies, capacity or resources relating to affordable housing. Work to consider these aspects is ongoing through the various corporate and service improvement activity, the emerging Local Development Framework, strategic housing needs assessments and investment programmes, work undertaken by the Local Strategic Partnership (South Somerset Together), and of course the ongoing (and sometimes rapid) development of national and regional guidance and policy. Further information on these aspects can be provided on request.
- 1.6 The identification of affordable housing schemes, was made by reference to the definition of affordable housing under Planning Policy Statement 3 Housing:
- ‘Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.
- Affordable housing should:
- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
 - Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision’.

2. National and Local Policy Context

2.1 In very simple terms the role of SSDC, as a Local Authority for the provision of affordable housing falls into 3 main functions:

- Responsibility for economic, social and environmental well-being of the area (Local Government Acts), including the Sustainable Community Strategy
- Strategic Housing Authority, to address housing needs (Housing Acts a)
- Local Planning Authority, to achieve balanced housing and employment land use, spatial planning and environmental protection via the Local Development Framework. (Town and Country Planning Acts and National Planning Policy)

2.2 These are significant roles which inform and regulate the importance of SSDC' s approach and focus towards affordable housing provision. These roles can also present challenges for Councillors (and officers) when achieving a balance between local and strategic planning, or between current needs and future impact.

2.3 The importance of the role of the Local Authority is highlighted in Planning Policy Statement (PPS) 3 for Housing which confirms that “the delivery of housing in rural areas should respect the key principles underpinning [PPS3], providing high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages.”

2.4 With regard to affordable housing in rural areas PPS 3 states:

In providing for **affordable housing in rural communities**, where opportunities for delivering affordable housing tend to be more limited, the aim should be to deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages. This requires planning at local and regional level adopting a positive and pro-active approach which is informed by evidence, with clear targets for the delivery of rural affordable housing. Where viable and practical, Local Planning Authorities should consider allocating and releasing sites solely for affordable housing, including using a **Rural Exception Site Policy**. This enables small sites to be used, specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint.

Rural exception sites should only be used for affordable housing **in perpetuity**. A Rural Exception Site policy should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection, whilst also ensuring that rural areas continue to develop as sustainable, mixed, inclusive communities.

2.5 The development of the 'rural exception' policy HG9, within the South Somerset Local Plan was encouraged by national planning guidance. The policy provides a mechanism for a site outside of a development limit to be released for affordable housing.

2.6 Policy HG9 of the South Somerset Local Plan:

“The District Council may relax normal restrictive open countryside development policies to permit affordable housing within and adjoining settlements of less than 3,000 population, where there is no suitable site within the development area of the settlement and subject to the suitability of identified site in terms of environmental impact and the availability of necessary infrastructure.

A local need (as defined in the notes to this policy*) for such housing must be proven and appropriate management arrangements will be sought to ensure the long term availability of affordable housing. Such provision will be additional to the overall district housing allocation.” (*see Appendix A)

- 2.7 “Mixed development consisting of high value market housing used to offset a lower return on social housing on the same site is not appropriate for exception sites.” (paragraph 10.57, South Somerset Local Plan)

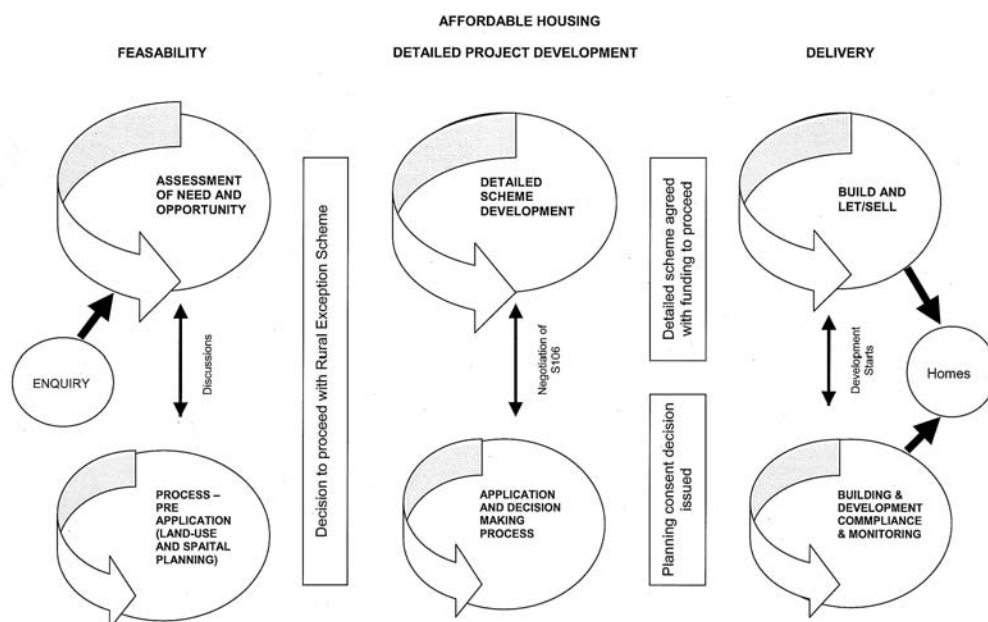
3. Types of affordable housing schemes

- 3.1 Schemes for local people under the Rural Exception Sites policy.
- 3.2 Redevelopment of existing housing stock, to increase total units. Includes current South Somerset Homes schemes to redevelop pre-cast reinforced concrete units in Curry Rivel, Compton Dundon, and Ilton. Other schemes come forward, prioritised by South Somerset Homes to redevelop existing schemes of former SSDC housing stock. (See *Social Housing Programme update report from Strategic Housing Service*)
- 3.3 Affordable housing units achieved through planning obligations from market housing developments.
- 3.4 Additional housing units through the re-use of empty properties or previously developed land. For example, through the Langport Heritage Economic Regeneration Scheme

4. How is a scheme developed and completed?

- 4.1 In simple terms there are 2 main processes involved in the successful completion of a scheme for affordable housing (any type). The two processes are 1) the land-use planning and development process, leading to a planning permission, and other building consents 2) the housing development process leading to homes for living in. These two aspects can run as parallel processes and are ultimately tied together by the section 106.
- 4.2 Each process follows a typical cycle, as shown in the diagram below:

Feasibility – Detailed development – Delivery.



4.3 Explanation of key stages

STAGE	Land Use and Spatial aspects	Housing Development
1.	<p>Site assessments and options identified (desk top, on-site assessments)</p> <p>Key output: site assessments Key outcome: preferred site options proposed</p>	<p>Housing needs survey* Preferred sites and scheme selected</p> <p>Key output: housing needs survey report Key outcome: assessment of (local) housing need, preferred sites identified</p>
2.	<p>Detailed design work and planning application (inc s106)</p> <p>Key output: planning decisions and s106 agreements Key outcome: scheme with consent to build and able to be maintained in perpetuity.</p>	<p>Final site negotiations; Scheme development – tenure mix, funding applications – RSL** on board</p> <p>Key output: RSL agreement; funding approvals, site secured Key outcome: deliverable scheme in place</p>
3.	<p>Construction / refurbishment Building control and monitoring</p> <p>Key output: build completed Key outcome: ready for occupation</p>	<p>Client activity to build and let / sell; implement models of tenure / ownership</p> <p>Key output: available houses for sale / let Key outcome: (local) housing needs met</p>

***Housing needs survey** – this is required where an accurate assessment of **local** housing needs is needed as a material consideration in the planning process; further information sought as to whether it is a requirement within the housing process.

** **Registered Social Landlord**

4.4 Who else is involved, or is affected by affordable housing schemes?

- People / households with housing need
- A developer (which may also be a registered social landlord) to acquire land, build and transfer to housing body to own and manage.
- Housing Corporation for funding into social housing programme
- A housing body to attract subsidy and maintain sales / letting in perpetuity as affordable housing
- Landowners
- Others involved in community and land-use planning processes
- Parish Councils and local elected members
- Rural Housing Enabler (Community Council for Somerset) (A programme established to provide support and facilitation to the development of local affordable housing schemes)
- Planning and Housing Officers
- Area Committee and Area Development Service
- Relevant portfolio holders and corporate directors.

5. Role of Parish Council

- 5.1 The role of the parish council is emphasised by many as being the first point of enquiry for developing a new affordable housing scheme for local people. The parish council will often act, as the project champion for the local housing needs survey, host public meetings, assist with sites assessments and monitor the progress of the scheme.
- 5.2 Parish Councils are a consultee during the planning process to determine an application for a new housing scheme.
- 5.3 For affordable housing schemes secured for local people (see Appendix A), the parish council may have a role to help validate the nomination for local housing.

6. Some of the challenges and risks to delivering successful schemes

- 6.1 During discussions held in the course of the recent review for this report, the main challenges highlighted are:
- Limitations of availability, affordability and suitability of **land** (NB: note current strategic land assessment commissioned by South Somerset Together)
 - **Potential for conflicts** of local or policy opinion or fact, regarding the above

- Schemes are relatively complex and time-consuming projects – typical reasons for **project failure** are likely eg: break down of negotiations, loss of focus, continuity of leadership (sponsorship); resources issues; capacity of project management function; loss of stakeholder support or energy

7. Current affordable housing schemes in progress in Area North

Appendix C includes the following tables:

Table 1 List of parishes where a Housing Needs Survey has been completed by the Community Council for Somerset and their summary of progress to develop a scheme.

Table 2 Summary of results taken from Parish and Community Plans

Table 3 Social Housing programme (presented to Area North June 2007)

8. Initial review and assessment – towards some guiding principles for successful schemes

- 8.1 From the work described in section 1 of this report, the review has produced five key messages as an initial response to guide future efforts of the Area North Committee to increase the availability of affordable homes in Area North:

The assessment of housing needs (Local Housing Needs Survey) – Establishing local needs under the Rural Exception Policy acts as the material consideration needed for the policy to apply, which it is assumed this methodology was designed for. For other schemes, which seek permission under planning policies, the nature of the requirement for a Local Housing Needs Survey is less clear. **Its use and function as part of the planning and housing development processes is worth further consideration to better understand how it helps success.**

The use of 'models' for tenure and ownership in scheme development – When starting a new project (regardless of what its for) it is common sense to build on what is known to be successful. The need to know what works leads to the development of 'models' which can be shared and adapted / adopted. Over time 'traditional models' can be replaced with new versions. In between times there are usually a series of pilots and initiatives to trial and test 'new' models. In the case of affordable housing schemes, the 'models' which people tend to seek are for forms of tenure and ownership. The traditional model being to place ownership with a registered social landlord (or previously local authorities) and offer rent based long term tenancies. Some new models emerged during the latter part of the last century, for tenure and ownership developed under changing social and political times. **Understanding the significance of the advantages and limitations – if any – of traditional and newer models should drive the choice of model (for tenure and ownership), in addition to the demand from need and aspiration.**

Despite a policy framework to allow the provision of affordable housing, and the means to assess local needs and secure it in perpetuity, the single most significant factor, affecting the likelihood of achieving affordable housing **is the supply and affordability of land.** Whilst open market land values are lower for

agricultural land than for open market housing, there often still remains some 'hope value' for the future in the minds of landowners. Coupled with the need for the site to be suitable for the purpose, finding a site appears the biggest barrier to success – and the hardest to overcome.

Whilst the planning policy and development control processes are highly significant to success, a successful process will ultimately 'produce': the permission to build on a certain site; the means to secure accommodation in perpetuity in the form agreed, and the assurance of compliance with planning and building regulations. It does not by itself provide homes with people living in them, which is the ultimate goal. **The importance of the inter-relationship of housing and planning processes was consistently emphasised throughout this review, which is also the conclusion of national guidance.**

Whilst some barriers to success relate directly to the nature of the project (building houses for local people), other challenges and risks apply to any project of a similar complexity. Principles of service improvement suggest that redesign should not be undertaken without first checking that current ways of working are outdated, rather than under performing. **In addition to the effectiveness of each process, the quality of project and programme management skills to progress through each stage will be highly relevant to success, and merits further review by constituent parts, rather than the whole. The importance of continuous learning and evaluation from prior schemes is essential.**

9. Recommended future actions and next steps

9.1 The following conclusions largely relate to those actions under the direct control or influence of the Area Committee – namely actions undertaken by the Committee itself, the Head of Area Development and the Head of Development and Building Control. Additional actions and strategic work by other services, partners and stakeholders (see section 5.4) are needed to most effectively support the successful provision of affordable housing.

9.2 The Area Committee should:

Encourage and support work between all involved in affordable housing (section 5.4), address the challenges and risks (7.1), and promote successful schemes in Area North

Monitor progress to develop schemes in Area North, including those under the Rural Housing Project (see Appendix C)

Continue to target (or influence) available resources against priorities requiring additional capacity

Continue to promote sustainable rural communities, by maintaining due regard for the balance of social and economic objectives, whilst protecting the environment for future generations

Monitor progress either directly or via representatives on the District Executive and Local Strategic Partnership, of future strategies or policy initiatives for affordable housing determined at a national, regional, or district level.

9.3 **The Head of Development and Building Control should:**

Take steps to ensure the appropriate and timely involvement of the planning authority in a scheme development. (The Planning Team Leader for North to act as the single point of contact for the planning service for future enquiries to discuss site suitability and policy objectives)

Work with internal and external partners, including Strategic Housing, Area Development, Planning Policy, Registered Social Landlords, developers and agents, and the Rural Housing Enabler project.

Undertake a further discussion with representatives of Planning Policy and Strategic Housing, to clarify the land-use and housing requirements for the local Housing Needs Survey.

9.4 **The Head of Area Development should:**

Promote and support a strong local focus, including the quality of project management of schemes, to identify and address local priorities for affordable housing

Assess service levels or other capacity requirements from internal and external partners and secure or recommend agreements to meet these

Continue to monitor the progress of schemes on behalf of the Area Committee

Work with partners to identify and address any training needs for parishes, officers or members

9.5 **The following next steps are proposed:**

The Head of Area Development and Area North Planning Team Leader to establish a working group to monitor and support progress of affordable housing schemes, through the planning process (with a special focus on small rural schemes for local people). The working group to extend an invitation to the Strategic Housing Team, Rural Housing Enabler (Community Council for Somerset) and Register Social Landlords as required. Feedback from the working group to inform a regular update report to the Area North Committee, with a review of its success in 12 months.

Complete the parish database of all known schemes, and ensure that information is collated from Registered Social Landlords

From current schemes in progress, identify any issues, which may affect success, on a case by case basis and where possible address these issues.

Check and discuss the current and planned programme for Housing Needs Surveys in Area North with the Strategic Housing Manager and the Rural Housing Enabler

10. **Resource implications to implement conclusions and next steps**

- 10.1 A stronger focus on this priority is required. To some extent this can be achieved by prioritising over other work requirements. The challenges faced are not all to do with lack of resources and to simply add more may not produce results. For at

least the short term, time to better analyse what will make the most difference, supporting the working group and completing and maintaining the database to monitor progress, can be provided by the Area Development North team.

Financial Implications

None from this report

Implications for Corporate Priorities

Corporate Aim 3 – Improve the health & well-being of our citizens

Corporate Priority 13 – Achieve an appropriate balance of new housing provision by 2011

Other Implications

Addressing affordable housing in Area North is the top priority within the Area Development Plan

Sustainable Community Strategy

Local Area Agreement

Background Papers: *Area North Committee Rural Housing update June 2008*

Planning Policy Statement 3 Housing 2006 Communities and Local Government

Details of the rural exception project available from the Community Council for Somerset
