

**SOUTH HAMS LOCAL DEVELOPMENT FRAMEWORK**

**Public Examination of the Affordable Housing Development Plan Document**

**STATEMENT OF SOUTH HAMS DISTRICT COUNCIL**

**Session 3 – Unallocated / Windfall Sites Tests 6 & 7 – Policy AH3**

**1. What evidence demonstrates that a ‘no threshold’ approach would be viable and is this evidence robust and credible?**

1.1 There are two evidential elements to the ‘no threshold’ approach taken. One is founded on the seriousness and scale of needs, which supports the view that all housing developments should contribute towards meeting the needs. The other is based on viability assessment, which has concluded that a sliding scale would represent a viable and deliverable approach whereby all new housing developments, even for a single unit, will make a contribution to help address the issue.

1.2 To ask single unit developments to contribute at 10% FSLE is considered reasonable and is a direct response to a recommendation of the Adams Integra (AI) viability study (CD173) and its recent update (CD200). The alternative is that a good deal of new development across the district will make no direct contribution to addressing the problem apart from adding to the overall stock. A 20% FSLE contribution from windfall sites of 2 – 5 units is similarly considered to be reasonable and not unduly constraining.

1.3 Analysis of data over the last 3 years (CD206) shows that a site threshold of 15 dwellings would have meant that contributions towards affordable housing would only have been forthcoming from:

1 out of 61 sites in 2007/08,  
2 out of 73 sites in 2006/07, and  
4 out of 76 sites in 2005/06.

The Council considers that this would represent a very poor basis on which to found the DPD.

1.4 Paragraph 105 of the Annual Monitoring Report 2007 (CD189) states that 48% of completions between April 06 and March 07 were for 5 dwellings or more. Therefore 52% of completions were on sites of less than 5 dwellings. Directly comparable figures are not included in the AMRs for 2005-06 or 2004-05. However, analysis of available data (completion data) shows that in 2005-2006, 59% of new units were provided on sites of 5 units or more and therefore 41% were on sites of under 5 dwellings. The Council considers this to be a significant

proportion of all housing, and that similar numbers of small sites will continue to come forward in future.

1.5 A zero threshold provides an opportunity for all development to contribute towards meeting the scale of need identified. The level of affordable housing sought on sites below 5 units reflects the Council's viability assessment and equates to 10% for 1 unit and 20% for 2 – 5 units. For sites of 1 – 4 units the actual on site requirement would equate to less than a whole unit (i.e 20% of 2 units = 0.4). Any rounding up or down would actually result in an affordable housing requirement in excess of the levels considered viable. For this reason, and for reasons of management and maintenance efficiency, it is considered that off site contributions is the appropriate approach to securing a viable level of contribution.

1.6 GOSW (response to Submission Stage DPD Rep1) have set out concerns about the policy and suggested an alteration. The Council considers that the suggested alteration would be unsound – it is not supported by the available evidence and would result in a complicated policy which would be difficult for all users.

1.7 GOSW also observes that the Rural White Paper supported a one-for-one affordable / market housing provision in rural areas in 1999.

**2. What evidence demonstrates that commuted sums will be used to deliver affordable housing in a timely manner and assesses the availability of such land? Is this evidence robust and credible?**

2.1 Since 2002 the Council has received ten commuted sums in respect of affordable housing totalling just over £1m. To date over £700,000 has been allocated to affordable housing developments across the district. Part of the remaining balance has been notionally allocated to current affordable housing schemes with an amount held in reserve against future schemes.

2.2 Such funds have been applied where, for a number of reasons, additional subsidy has been required to deliver the scheme. The Housing Corporation has very ambitious regional grant rates which require increasing levels of subsidy, either through the planning system or through other public subsidy. It is considered that FSLE is a reasonable approach to developer subsidy. It is however it is recognised that in certain circumstances additional subsidy may be required. In such circumstances the use of commuted sums provides an opportunity to meet such funding gaps.

2.3 Opportunities to apply commuted sum receipts are not solely dependent on new build. The Council is currently operating a market acquisition programme with a partner housing association to provide sub-market rent properties across the district. This initiative draws on

commuted sums and provides an additional source of housing which responds to a strategic recommendation of the HMNA.

**3. Is there a risk that commuted sums would not be used in the areas of greatest need?**

3.1 The Council's approach to the calculation and application of commuted sums takes account of government guidance, particularly Circular 05/2005.

3.2 It is recognised that levels of housing need vary geographically and also that housing need is dynamic and can change over time. For these reasons, and in order to deliver housing in the areas of highest need and meet our statutory housing duties, the Council will apply commuted sums in accordance with the housing need priorities at the time together with the priorities set out in the Council's Housing Strategy. In practice this may mean that a contribution received in one location may be applied to meet housing need elsewhere within the district. For these reasons, albeit that it might seem attractive, it is not always possible or appropriate to ring fence contributions by location, as some representors have suggested.

3.3 This approach will enable the Council to apply contributions in a timely and targeted way in order to respond to housing need strategically.

**4. Is paragraph 7.10 contradictory?**

4.1 The Council accepts that paragraph 7.10 could be considered to be contradictory as currently written. To resolve this point we would suggest adding the following sentence as a new sentence two to paragraph 7.10:

“However, for reasons of viability and housing management, on-site provision of affordable homes on sites of 5 or less dwellings can be problematic”.

And the following addition wording to the end of the final sentence of paragraph 7.10:

“whereas off-site contributions will be sought on sites of 5 dwellings or less”.

4.2 Whilst national guidance (PPS 3, para 29, 5<sup>th</sup> bullet) includes the presumption for on site delivery, it also includes the provision for off-site provision or financial contributions where robustly justified. The Council agrees with GOSW's view that 'other arrangements should be made on the basis of site or locality specific grounds' and would assert that in the context of the very rural nature of South Hams it is necessary to consider the practicability and desirability of providing a

small number of affordable housing units (one or two) in dispersed locations, from a housing management perspective.

4.3 The Council has suggested this amendment in its Statement of Common Ground.

**Respondents' suggested changes to AH3**

5.1 The Council does not consider that any of the respondents' suggested changes would add to the soundness of the plan. Indeed, they would rather be likely to result in an unsound policy. The Council's policy is informed by the evidence base whereas many of the respondents' suggested changes would conflict with that evidence. For example, the suggestion that only sites above 5 or 6 dwellings should contribute would fail to:

- a) respond to the recommendations of the AI viability study (CD173);
- b) reflect the local characteristics of the district; and
- c) respond as adequately as possible to the identified levels of need.