

## The Sustainable Communities Act proposal form

### Using this form

This form should be used to submit proposals under the Sustainable Communities Act to the LGA for short listing. Please complete all sections and then email a copy to [selector@lga.gov.uk](mailto:selector@lga.gov.uk). These must be received by **July 31<sup>st</sup> 2009**, and you will receive confirmation that the form has been received.

Once submitted, information within this form may be made publicly available, unless you request for it to be kept private. We will treat information submitted sensitively. If you wish to attach any relevant presentations or graphs etc. please attach them separately in the email.

For questions regarding the act or the role of the Selector, please see our [FAQs](#). Any further questions can be directed to [selector@lga.gov.uk](mailto:selector@lga.gov.uk).

## Section 1: Proposal Summary

### Proposing Authority

Under the terms of the Sustainable Communities Act, all proposals must be submitted by a local authority, or group of authorities, in England. Any group, organisation or individual may originate or develop a proposal. However all proposals will require Local Authority endorsement and submission to the Selector.

Parish councils and other organisations and agencies must seek support and formal endorsement from a proposing local authority (defined in the Act as county councils, district councils (including metropolitan, non metropolitan and unitary authorities), the common council of the city of London or the Council of the Isles of Scilly).

#### 1.1 Lead Authority name

South Hams District Council

1.2 Is this proposal submitted by this authority alone, or is it a joint proposal with other local authorities? (If joint please list authorities)

1.3 Who is the lead contact (s) in the authority for this proposal? Please provide email address and telephone number - *The LGA will direct any enquiries to this contact.*

Laura Payne, Policy Implementation Officer  
[laura.payne@southhams.gov.uk](mailto:laura.payne@southhams.gov.uk)    01803 861325

## Supporting Organisations

Whilst proposals may only be submitted by a local authority, we acknowledge that local partners and outside organisations may wish to register support for the proposal. This is entirely voluntary.

**1.4 Please provide details below of supporting organisations to your proposal.** Please explain if the organisation is a charity, company, unincorporated association or other body. If a charity or company please provide registration numbers. If a local partnership please explain the relationship to the Local Strategic Partnership for the area.

This proposals was put forward by a representative of the South Devon Green Party and was supported by a representative for the Building and Housing Group of Transition Town Totnes a not for profit organisation. Both these groups attended the Community Partnership Forum event.

## Summary of your proposal

Please summarise your proposal. You may wish to include:

- The main elements of your proposal
- What issues your proposal is addressing and how it will promote the sustainability of the local community
- Who is affected by this proposal and how?
- Which public bodies might be affected?
- What are the main actions needed from Government?
- What do you expect this proposal to achieve?

**1.5 Please enter your summary below** (*word limit 1000 words*)

**Main Elements:** Private Initiative Affordable Housing. This proposal calls for Government and Local Authority housing and planning requirements to be amended to allow private individuals and non-profit groups to build affordable homes for their own use.

A key element of the proposal is that self-build affordable homes should, if necessary, be exempt from the Housing Register allocation system, dependent on Local Authority housing allocation rules. Homes developed under the policy would be considered intermediate sector affordable housing according to the official definition. To qualify, arrangements would have to be made to ensure the property remains affordable in perpetuity, precluding the possibility of it being sold or rented for profit on the open market in the future

This is a new form of affordable housing and key features of the policy include:

- Self builders or not-for-profit collectives are the initiative takers;
- The first occupants of homes built under the policy will be self-builders;
- In the case of homes developed by not-for-profit collectives, first occupants will be nominated by the collective, with approval of the local parish in the case of rural communities;
- Homes developed under the policy are to be considered 'affordable' under the official definition;

- To qualify, arrangements would have to be in place to ensure the private initiative affordable properties remain affordable in perpetuity, precluding the possibility of them being sold or rented for profit on the open market in the future;
- Agreements would need to be in place concerning finance, security of tenure and change of occupancy;
- Should the first occupant decide to move, a new occupant would then be found in the usual way through the mainstream affordable homes allocations system.

Under the policy, ownership of each private initiative affordable property would need to be vested in a Community Land Trust or Housing Association (the private initiative taker to determine which). The parties will be required to sign a deed providing the legal framework governing ownership, finance, security of tenure, change of occupancy, non-profit clause and perpetual affordability.

It is recommended that Private Initiative Affordable Housing be treated as a new form of Intermediate affordable housing. As such, the same means test that is applied to candidates signing up to shared-ownership intermediate housing should be applied to private initiative takers. Unlike shared-ownership, 'staircasing' the ownership would not be permitted. This means that the dwelling will never become available on the open market.

**Issues Addressed:** The shortage of affordable housing is a widely recognised problem which is negatively impacting upon the economic and social strength of communities and is a real threat to their long term sustainability. The South Hams is amongst the least affordable places to live in the UK with one of the worst house price to income ratios ever matched by an ever growing council housing register. A lack of affordable housing has had significant impact on communities throughout the district. In 2006 the average house price in the South Hams was £281,818, whereas the majority of people earn less than £20,000 per year. Securing a supply of housing for local people at affordable levels is the top priority of the Council.

Even before the financial crisis hit, affordable completions were falling far short of what was required and the total affordable housing stock was actually contracting as right to buy sales and demolitions outnumbered affordable new builds. Housing Associations, making use of grant funding from the Housing Corporation (now the Homes and Communities Agency), have not been able to meet the delivery challenge.

Since the financial crisis new construction is grinding to a halt in both the market and affordable sectors. The mechanism for financing affordable housing through developer contributions (S.106) is not effective as this is largely reliant on rising property and land values. The current housing market downturn is not likely to reverse any time soon, precluding a return to 'business as usual'.

New ways of stimulating the construction of affordable homes are desperately needed.

**How does it promote sustainability:** In the South Hams many people move into the district to retire or buy a second home because of its beautiful environment. The district has the second highest proportion of rural second homes in England after the Scilly Isles, with nearly 1 in 10 properties being a second home (9.75% 2008). These factors have had the effect of pricing some local people out of their own communities. Young people have had to move away in search of cheaper houses or jobs which are no longer available closer to home. This in turn has led to an increased risk of school closures, loss of bus services, shops and other local facilities. By allowing affordable housing to be built by private individuals and non-profit collectives for their own use, this proposal will result in an increase in the overall provision of affordable housing. Securing a more permanent population will have a positive impact on local services and community wellbeing.

**Who is being affected:** Local people, generally of working age, who wish to remain living where they grew up, or where they work, who currently cannot afford to stay in the area. This change in Government policy will enable a more flexible approach to affordable housing provision and therefore greater numbers can be provided throughout England.

**Main actions from government:** This proposal would like to see the Government, together with local authorities, promote and facilitate a new policy which is termed “Private Initiative Affordable Housing”, by the South Devon Green Party. Adoption of the policy will require amendments to housing and planning regulations. In particular, in Local Authority areas where there is a requirement that affordable housing only be available through the housing register allocation system; this requirement will need to be waived, and the Homes and Communities Agency will need to be instructed to support the new policy in its operations. Amendments may need to be made to Planning Policy Statement 3 (PPS3), the Housing Act as well as local affordable housing policies (for example section 6 of the Affordable Housing Supplementary Planning Document of South Hams District Council).

**Benefits of the proposal:**

It is anticipated that this policy will result in a significant boost to the amount of new affordable housing coming forward. It will provide an alternative way for affordable homes to be built that is not reliant on contributions from development profits or traditional grant funding mechanisms. Instead it would enable highly motivated self builders and non-profit collectives to develop their own affordable housing initiatives. This would bring new financial resources to the table and, more importantly, unleash a great deal of latent energy, creativity and innovation that is currently being thwarted. It would empower and liberate those who want to take care of their own housing needs.

It would also lead to new sites coming forward, particularly rural exception sites which are not currently being offered because land owners are not prepared to do so under the current (housing register based) allocation rules. The policy would allow land owners and local people in housing need (many of which are ‘concealed households’ not on the Housing Register) to join together to address the problem. This is something they are discouraged from doing under the current system. The policy would therefore be a particularly effective response to the shortage of affordable housing in rural areas.

In urban areas and on brownfield sites the policy has the potential to generate greater diversity in the affordable housing offer. This would be the inevitable result of encouraging self-build initiatives and facilitating a ‘bottom-up’ rather than ‘top-down’ development model.

## Section 2: About your proposal

The form asks a set of questions to gather as much information as possible to allow for assessment and short-listing by the Selector. A word-limit is stated for each part of the form.

We appreciate that SCA proposals will vary in range and scope, and some questions will be more relevant than others for any one proposal. Please do not feel that answers are required for every questions or that the full word limit need be used in respect of each and every question box. If you are submitting a joint proposal, please include evidence for all areas.

### Impact on sustainability *(word limit 2000 words)*

#### 2.1 Please explain how your proposal promotes sustainability as defined locally (for example in your Sustainable Communities Strategy or LAA)

Within our SCS we have defined sustainable development as 'taking into account the future affects of our activities so that the ability of future generations to meet their own needs is not compromised'. Our SCS aims to ensure that communities in the South Hams continue to be desirable places to live and work, with good quality local public services and an environment to cherish. It also aims to reflect the local culture of South Hams, ensuring promotion of equality and diversity.

Within the South Hams house prices leapt from £115,000 in 2000 to £262,000 in 2004, peaking at £280,000 in 2007. Current prices (May 2009) indicate that an average property in the South Hams is just over 13% higher than the national average\* at £254,703, likely to be pushed up due to the high percentage of second homes currently at 9.75% (2008), where nearly one in ten houses is a second home. Local workers/first time buyers are regularly priced-out of the market in South Hams. By changing Government policy to increase the amount of affordable housing being delivered relates directly to our definition of sustainable. By providing affordable housing we are not hindering future generations but allowing them to live and enjoy living in the local area for the long term.

\* (£224,064 May 2009)

#### 2.2 Over which geographic area will your proposal impact? (e.g. neighbourhood, town, city, sub-region)?

This proposal will benefit all local authority areas throughout England who are struggling to deliver affordable housing in the current economic downturn. It has been widely reported that the Government will miss its affordable housing target of building 70,000 affordable homes by 2010/11, this is likely to be by at least 13,000 (Guardian 2009).

#### 2.3 Who would benefit from your proposal?

Those who would benefit the most from this proposal are local families, key workers and young first-time buyers who are being priced out of the market. The South Hams has one of the worst house price: wage ratios outside of the South East, this forces young people away from the area in which they grew up in and causes a gap in the employment market. By providing more affordable housing, this vital section of the demographic will have opportunity to stay in the local area.

2.4 What steps will you take to mitigate any adverse affects on sustainability from your proposal (if relevant)?

We do not believe the proposal will cause any adverse effects on sustainability. Part of the proposal requires the normal affordable housing allocation rules to be wavered for new homes built under the scheme. However because these new homes are likely to be additional to those produced through existing mechanisms, priority Housing Register candidates will not be disadvantaged.

2.5 What project, activities and changes would take place in your area if your proposal was successful?

We anticipate that Private Initiative Affordable Housing would lead to new sites becoming available for affordable new builds, and therefore increase house building activity in general. This would in itself offer more employment opportunities and stimulate the local economy in general. By offering households with low and modest incomes a home they can afford, these households would not be compelled to move away to other places where cheaper market housing is available. This would strengthen local communities by making them more diverse and improving the workforce and demand base necessary to support a greater range of local services and amenities.

2.6 Does your proposal involve transfers of responsibilities between public bodies in the area? If so what are these? What budgetary implications might be involved?

This proposal does not require any transfer of responsibilities between public bodies.

Local authorities are required to 'have regard' to a set of specific issues when deciding whether to support SCA proposals. These are matters listed in Schedule 1 of the Act, as passed by Parliament<sup>1</sup>. It is worth noting that the issues listed in the Act are not supposed to be exhaustive and that ideas can cover anything that promotes the sustainability of the local area.

Many of these matters may not be relevant to any one proposal. If you are submitting a joint proposal please include evidence for all areas.

**2.7 Please identify which, if any, of the issues authorities are required to have regard to, are relevant to this proposal and include any data and information which you feel would be helpful in the assessment process.**

a) the provision of local services

By providing a new means of delivering affordable housing, provision can be increased. This proposal will have a knock-on affect of increasing the sustainability of local services by providing a greater number of permanent users of services such as the local bus, school and shops.

b) the extent to which the volume and value of goods and services that are- i) offered for sale, ii) procured by public bodies, and are produced within 30 miles (or any lesser distance as may be specified by a local authority in respect of its area) of their place of sale of the boundary of the public body.

c) the rate of increase in the growth and marketing of organic forms of food production and the local economy

d) measures to promote reasonable access by all local people to a supply of food is adequate in terms of both amount and nutritional value

e) the number of local jobs

The potential to increase the number of affordable homes in an area resulting from this proposal will mean that a greater number of the economically active section of the demographic can live within areas that used to be unaffordable. This will create a more viable local working environment where those that work in the local area can live close to their job.

f) measures to conserve energy and increase the quantity of energy supplies which are produced from sustainable sources within a 30 mile radius of the region in which they are consumed

g) measure taken to reduce the level of road traffic including, but not restricted to, local public transport provision, measures to promote walking and cycling and measures to decrease the amount of product miles

h) the increase in social inclusion, including an increase in involvement in local democracy

i) measures to increase mutual aid and other community projects

This proposal provides an alternative way for affordable housing to be delivered, enabling not-for-profit collectives to develop affordable housing initiatives. This proposal will directly result in an increase in community projects, as well as improved community well-being

j) measures designed to decrease emissions of greenhouse gases

k) measures designed to increase community health and wellbeing

In areas where affordable housing is low and there are high numbers of rented properties or second homes, community cohesion and the social integration of a community can suffer as the permanent population is reduced. By increasing affordable housing particularly through self-build and not for profit initiatives, will not only increase the permanent population but will create a sense of 'ownership' for a place that community well-being and social inclusion can stem from.

<sup>1</sup> The Sustainable Communities Act is available here : [http://www.opsi.gov.uk/acts/acts2007/ukpga\\_20070023\\_en\\_1](http://www.opsi.gov.uk/acts/acts2007/ukpga_20070023_en_1)

- l) planning policies which would assist with the purposes of this Act, including new arrangements for the provision of affordable housing

Adoption of this proposal will require amendments to housing and planning regulations. In particular, the current requirement that affordable housing only be available through the housing register allocation system will need to be wavered, and the Homes and Communities Agency will need to be instructed to support the new policy in its operations. Amendments may need to be made to Planning Policy Statement 3 (PPS3), the Housing Act as well as local affordable housing policies (for example section 6 of the Affordable Housing Supplementary Planning Document of South Hams District Council).

- m) measures to increase the use of local waste materials for the benefit of the community

## Existing Barriers

*(Please do not write more than 1000 words for 2.8 and 2.9)*

### 2.8 What are the existing barriers to implementing your proposal?

There are many individuals and groups who are extremely keen to do something about the lack of affordable housing, but are being thwarted by three factors in particular:

- a lack of (reasonably priced) development land;
- inflexible funding, housing policy and planning structures which discourage initiatives from anyone other than housing associations and traditional developers;
- the requirement that affordable housing only be available to individuals prioritised through the Council Housing Register Allocation System.

Another potential barrier to implementing the proposal is inertia from housing professionals who are not open to new ways of delivering affordable housing beyond the traditional delivery mechanisms.

### 2.9 What actions are needed by Government to make your proposal possible?

Adoption of this new policy will require amendments to housing and planning regulations. In particular, in Local Authority areas where there is a requirement that affordable housing only be available through the housing register allocation system; this requirement will need to be wavered. The Homes and Communities Agency will need to be instructed to support the new policy in its operations. Amendments may need to be made to Planning Policy Statement 3 (PPS3), the Housing Act as well as local affordable housing policies (for example section 6 of the Affordable Housing Supplementary Planning Document of South Hams District Council).

Having made the necessary changes to allow the policy to be implemented, central and local government is urged to actively publicise and promote the policy to help ensure its potential to maximise affordable housing supply is achieved. The policy would need to be imbedded at the local council level and so that private initiative takers are advised and assisted effectively. Advance preparation of a model legal framework would avoid the necessity of 'reinventing the wheel' each time a new scheme comes forward.

## Part 3: Local Authority Endorsement

This section should be completed by the proposing local authority. (Under the terms of the act this means a county council in England, a district council (including metropolitan, non metropolitan and unitary authorities), a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly)

### 3.1 Have consultation requirements been met? (500 words max)

Please confirm that your authority has met the statutory requirements for consultation on this proposal, via one or more panels of local representatives and persons from under-represented groups constituted in accordance with the Act and statutory guidance as set out in [\*Strong Safe and Prosperous Communities\*](#).

You may wish to describe who has been involved in discussions and development of the proposal (*e.g. council, local community organisations and residents groups, parish or town councils, local partnership bodies, local or national organisations, political parties, church and faith organisations, local businesses or chambers of commerce and others.*)

If you have not done so already please give brief details of relevant panel meetings.

Please note if you are submitting a joint application please provide details of consultation and local support across all areas.

South Hams District Council developed the scope of our implementation plan by taking into account the requirements of the Act, as well as the viability of successful implementation with limited time and resources.

Our proposals were raised at a special Sustainable Communities Act event for the Community Partnership Forum (CPF) and all South Hams District Council Members on 23<sup>rd</sup> February. The CPF exists under the South Hams Strategic Partnership (SHSP) and consists of close to 200 organisations including voluntary, community, church and faith, statutory organisations and charities, as well as all of our local town and parish councils. Members of the SHSP and other interested local district councils and Devon County Council were also invited to attend. Members of the CPF include organisations that represent under-represented groups within the district such as BME and young people. Both these groups were able to attend the event.

At the event, close to 200 proposals were raised and discussed and a shortlist was created by attendees voting on the proposals they would like to see taken forward. The shortlist of eleven proposals was formulated into a survey for our Community Sounding Board. Our Sounding Board is a panel of close to 1,000 local residents that are demographically and geographically representative of our whole community, this Panel also included under represented groups. We felt it was necessary for our wider community to rank the shortlist in order of importance to the local community, as at the time of planning we were uncertain of the time available and resources required to write proposals up for submission due to the unknown publication date and style of the LGA Submission Form. We felt that as there was a risk not all of our proposals would be written-up in time, we had to focus our resources on those of most importance to our community.

We believe that by involving more than one 'panel' both containing under represented groups/individuals and agreeing our proposals with a large number of our community, South Hams District Council has met the requirements of the Act.

**3.2 What are the views from this consultation? You may wish to provide evidence of local support for your proposal?** This might include petitions or letters of support from the public, local councillors, Members of Parliament, businesses, public bodies and agencies? Please describe this evidence below. (*The local authority submitting the proposal is likely to wish to review such material and to summarise its content. Onward submission to the Selector of all original documentation will not normally be required.*)

This proposal was put forward by a representative of the South Devon Green Party and was supported by a representative of the Building and Housing Group of Transition Town Totnes, at our Sustainable Communities Act event for the Community Partnership Forum (CPF). This proposal, alongside close to 200 other proposals put forward at the CPF event was voted on by all who attended. The proposal received 36 votes and was ranked second of all the proposals raised (it received the greatest number of **first** votes). The Community Sounding Board voted this proposal as their third priority out of eleven shortlisted, receiving 15% of the total votes.

Proposals may include a change/transfer of functions from one person to another. If this is relevant to your proposal please confirm that the duties under clause 2, subsection 3 of the act (consulting with organisations affected by a change in location of a function) have been carried out.

### 3.3 Please give brief details of consultation with any affected organisations

N/A

### 3.4 Confirmation of council support

The process for formal endorsement is a matter for local discretion; however we anticipate that authorities will wish to gain political endorsement and clearance for the proposal through the relevant processes at local level. Please give details of how formal approval has been attained.

A report detailing all eleven proposals short-listed from our CPF event and ranked by our Sounding Board was taken to the South Hams District Council Executive Committee on 16th July 2009. The Executive resolved to endorse/approve this proposal for submission to the LGA for consideration for implementation under the Sustainable Communities Act.

### 3.5 General comments

This is an opportunity for the local authority to express any additional comments or views on the proposal: This may include: *(1500 words max)*

- the council's view of levels of local support for the proposal
- any local opposition or objections that the Selector should be aware of
- relevance of the proposal to the area's Sustainable Community Strategy and Local Area Agreement
- outcome of any local authority discussions with agencies or public bodies affected
- potential regional/national significance of the proposal, if replicated elsewhere
- any major resource implications for the council or its local partners
- any other factors influencing viability and achievability of the proposal

The lack of affordable housing repeatedly tops the list of concerns expressed by local people in South Hams District at consultation events and in communications with elected representatives. It is therefore accorded a high priority in local policy documents. Private Initiative Affordable Housing would address this issue. The proposal could be implemented throughout the country. If successful it has the potential to make a nationally significant contribution to affordable housing provision.

Private Initiative Affordable Housing would also open up the opportunity for local people up and down the county, to proactively address their housing problems themselves. By enabling self-

builders to become “masters of their own destiny” in the housing sphere the scheme would be empowering. This would be of inestimable benefit to the collective psyche at a time when many feel they are being deprived of the freedom to act by the systems now in place.

## Part 4: Assessment by the Selector

SCA proposals will be assessed by the LGA as Selector. This will include consideration, short listing and negotiation with the Secretary of State via the LGA Selector panel made up of councillors from the four parties represented on the LGA

The LGA Selector Panel is committed to undertaking the role in a transparent manner; as such reasons for decisions on proposals will be made available.

There will be no appeals process in relation to decisions of the Selector Panel.

**4.1 Do you confirm your agreement to abide by the outcome of the Selector's assessment and decision-making processes?**

Yes, South Hams District Council confirms to abide by the outcome of the Selector's assessment and decision-making processes.

**4.2 Would your council, accompanied by the originators of the proposal, wish to make a short verbal presentation to the Selector Panel, should this opportunity be available?**

Yes. The proposal was put forward by Peter Smith of the South Devon Green Party. He would welcome the opportunity to make a short verbal presentation to the Selector Panel.

Thank you for completing this form.

Please email it to [selector@lga.gov.uk](mailto:selector@lga.gov.uk) by 31 July 2009.