

**South Hams District Council LDF
Affordable Housing DPD Examination**

**Session 1
General Provision Tests 4,
6 and 7. AH1**

**Statement on behalf of
Cavanna Homes Limited**

D2 Planning Ref: 052/08

D2 Planning Limited
1st Floor
4 Stoke Lane
Westbury on Trym
Bristol BS9 3DL

Tel: 0117 373 1659
Fax: 0117 950 4356

May 2008

D2

CONTENTS

- 1. Does the DPD make adequate provision for development viability?**
- 2. Would the DPD hinder the delivery of overall supply of housing?**
- 3. Does the DPD make allowance for the affordable housing delivered since 2002 and affordable housing provided as part of the Sherford New Community Development?**
- 4. Does the DPD need amending in the light of the Panels Report into the RSS?**
- 5. Should the DPD recognise the District as forming part of a wider Housing Market Area?**
- 6. Does Policy AH1 need clarification in respect of mixed use development?**
- 7. Would the retention of affordable housing in perpetuity and the blanket removal of permitted development rights be consistent with national planning policies?**
- 8. What circumstances would allow for a departure from policy?**
- 9. Should there be reference to the Separate Affordable Housing SPD?**

APPENDIX 1 - Minutes of Development Control Committee Meeting on 23rd April 2008 with regards to Sherford New Community Planning Application

-
- 1. Does the DPD make adequate provision for development viability?**
- 1.1. PPS3 paragraph 29 advises that LPAs need to take account of viability issues given that it fundamentally affects the delivery of not just affordable housing but open market housing. The comments of the inspector on the Core Strategy are extremely relevant but appear to have been ignored by the LPA. The DPD does not give adequate provision for development viability.
- 1.2. All sites have viability issues associated with them and this should be recognised. The DPD does not make this apparent.
- 1.3. Adams Integra were commissioned by the LPA to consider viability issues. However their report was prepared on the basis that if 50% affordable housing was to be reached that some sites would deliver in excess of 50%. This does not comply with the conclusions of the inspector who also considered the Core Strategy. He considered that one strategic target was the most realistic way to achieve delivery of affordable housing.
- 1.4. The Adam Integra report however does not consider how the impact of affordable housing provision will impact on the delivery of housing overall in South Hams in the Plan Period. The Council are already falling behind their annual housing requirement. If the delivery of market housing is marginalised which it will be through this DPD then the supply of housing will reduce overall.
- 1.5. The report is based on a number of assumptions and prepared at the time when the housing market was considerably different than it is now. The authors of the report recognise this issue, as the Report is based on a 50/50 tenure split. The DPD seeks a 60/40 tenure split. It is recognised that if additional rented accommodation is required then grant will be required. It is unclear in the DPD whether the Council will support grant applications.
- 1.6. With regards some of the assumptions made:-
- i) The report identifies that at least 15% developer profit would be the minimum level of profit for a developer to pursue a site. No evidence is provided to justify this figure and it is suggested that it is incorrect.

-
- ii) The build costs are acknowledged to be indicative only and are in any event too low;
 - iii) The report states that the Council required a 'benchmark' development land value to assist the Council's free serviced land approach. This is therefore for guidance only and must be treated with caution given the change in the housing market;
 - iv) There are numerous other assumptions e.g. application fees, legal costs etc which are too low.
- 1.7. The report is based upon notional site scenarios and various indicative assumptions. It is not appropriate to apply it on a site by site basis but is intended to provide the Council with broad viability overview. This is a dangerous assumption and the Inspector's comments on the Core Strategy are helpful in that he stated that the findings from viability assessments can be subject to wide variations.
- 1.8. It is unclear why the Council will only in "exceptional circumstances" consider high abnormal costs etc to require a reduction in the level of affordable housing. The DPD does not define what these exceptional circumstances are likely to be. This is likely to result in confusion and lengthen the period for negotiation on the sites.
- 1.9. The open book approach is unacceptable. There is no requirement under PPS3 or any other national guidance to provide such confidential information and other mechanisms needs to be considered. It is unclear why the Housing Corporation's toolkit for assessing grant cannot be used. Indeed this was the approach which the Council accepted in determining the Sherford New Community proposal. (See Appendix 1).
- 1.10. The Adams Integra report does not adequately underpin policy on affordable housing. No consultation with the development industry was undertaken. Accordingly the DPD deals with viability in a somewhat superficial and unsatisfactory manner.
- 1.11. Finally the report is based on a set of circumstances which no longer exist given the current market conditions with falling house prices. In view of the

above the DPD does not adequately deal with viability issues. It is unclear how the LPA will react to these circumstances.

-
- 2. Would the DPD hinder the delivery of overall supply of housing?**
- 2.1. The annual housing completion rate in the District is considerably less (approximately 50%) than that required to meet its housing requirement up to 2016 and 2026 respectively. (Annual Monitoring Report Dec 2007 CD189). With such a backlog in housing supply and the DPD as currently drafted this will not assist the overriding objective of delivering the total levels of new housing required in the District in the period up to 2016 and 2026 respectively.
- 2.2. The overall supply of housing would be hindered by the DPD. The objections have already highlighted the viability problems with the DPD. Cavanna Homes control land at Lee Mill which they have submitted a detailed planning application for 66 dwellings of which 50% is affordable. The Council are seeking 60%. This site was secured at a time when the Inspector's recommendation on the Core Strategy was published and his binding recommendations that 50% affordable housing be sought on housing sites. Accordingly Cavanna Homes secured the site on the basis of that recommendation. They did not anticipate that the Council would subsequently request 60% affordable homes in the Rural Areas. Indeed the LPA have resolved to grant planning permission for the New Community at Sherford with at least 45% affordable housing (if grant is available). The minutes of the Committee Meeting confirm that a target of 50% affordable housing was sought not required. If the LPA seek additional affordable housing this will not be possible and so there is every likelihood that the site will not be developed.

3. Does the DPD make allowance for the affordable housing delivered since 2002 and affordable housing provided as part of the Sherford New Community Development?

- 3.1. A resolution to grant planning permission for the Sherford New Community was made by the Planning Committee on 23rd April 2008. With regards to affordable housing 36.5% is to be provided without any grant and a minimum of 45% is sought with Housing Corporation grant. Clearly the 50% sought by the DPD is not likely to be achieved (See Appendix 1). Given that this is the largest site in the District and that it is unlikely to achieve 50% then this has implications for the delivery of other sites.

4. Does the DPD need amending in the light of the Panels Report into the RSS?

- 4.1. Paragraph 3.9 of the DPD makes reference to the emerging draft RSS. The Panel's report has been published and their recommendations known. It is therefore important that their recommendations are taken into account in the DPD especially those in paragraphs 6.6 – 6.13 page 213 (CD 164). In particular the Panel's views in paragraph 6.11 are pertinent when they state:

“... Nonetheless in the Panel's view it would be wrong to seek yet higher levels of provision in these areas. Such an approach would not enjoy support from either the house building industry or the specialist providers of affordable housing not least because unrealistic high targets for affordable housing would inhibit the provision of needed market housing ...”

- 4.2. The 60% level of affordable housing in the Rural Area is unrealistic and will impinge upon the delivery of open market housing.

5. Should the DPD recognise the District as forming part of a wider Housing Market Area?

- 5.1. PPS3 paragraph 26 makes reference to Housing Market Areas. South Hams forms part of the wider Plymouth HMA and reference should be made to this in the DPD. This would also accord with the advice in the Panel who conducted the Examination in respect of the draft RSS (paragraph 6.12 page 214) (CD164).

6. Does Policy AH1 need clarification in respect of mixed use development?

- 6.1. The requirement for mixed use development sites to contribute towards meeting the affordable housing needs of the District is not clear or justified. As presently drafted the Policy is contrary to PPS1 paragraph 32(i) and PPS12 paragraph 2.2. Accordingly further clarification of the Policy is required.
- 6.2. It is recognised that the Council have suggested an amendment to this part of Policy AH1 in correspondence dated 14th May 2008. Cavanna Homes have no objections to the suggested amendment.

7. Would the retention of affordable housing in perpetuity and the blanket removal of permitted development rights be consistent with national planning policies?

- 7.1. The DPD provides no justification for the removal of permitted development rights in Policy AM1. Furthermore it is unclear by what means permitted development rights would be removed i.e. Article 4 Directions, conditions etc. It is assumed that the LPA would attempt to do this by means of condition. The legislation on permitted development rights is given in the Town and Country Planning General Permitted Development Order 1995. The guidance advises on the exclusion of permitted development rights and indicates that the imposition of a condition which removed permitted development rights would be regarded by the Secretary of State as unreasonable in line with the advice in Circular 11/95 (paragraphs 87 and 88). Accordingly this requirement should be removed from the DPD.

8. What circumstances would allow for a departure from policy?

8.1. No comment

- 9. Should there be reference to the Separate Affordable Housing SPD?**
- 9.1. It is unclear why a separate affordable housing SPD is required. It would be more sensible to include it within the DPD.