

South Hams
Local Development Framework

Sherford Area Action Plan

Area Action Plan Examination
Topic Paper No. 2: Housing

1. Introduction

- 1.1 This paper deals with the housing considerations relevant to the Sherford new community proposal. Initially it sets out the background to the topic, but a fuller background to the Sherford proposal is contained in Topic Paper No.1 dealing with Location.
- 1.2 The Topic Paper then goes on to deal with more detailed matters such as needs, mix, size, tenure, density, phasing and particularly affordable housing provision.

2. Background

- 2.1 The need for the Sherford development arises from the inability to meet all of the housing needs of the Plymouth Sub Region on other sites within the urban area. This is a matter which has been extensively explored and examined at examinations of the Devon Structure Plan and the South Hams Core Strategy.
- 2.2 Housing Needs Surveys over several years have confirmed high strategic levels of need. The recently completed Housing Market and Needs Assessment (HMNA) for the Plymouth Sub Region provides further confirmation and shows an overall increase above levels identified in earlier surveys.
- 2.3 Key findings of the HMNA include an analysis of the annual shortfall of affordable homes. The annual shortfall in the South Hams amounts to 606 homes and 1,648 homes in Plymouth. These shortfalls represent the amount of additional affordable housing required on an annual basis in order to address the scale of need identified and are significantly in excess of current or proposed levels of new supply.

3. Sub Regional Context

- 3.1 The Devon Structure Plan requires that Sherford provides for at least 4,000 homes by 2016 and be capable of accommodating further development beyond 2016. This level of new housing in Sherford has recently been examined as part of the Core Strategy for South Hams, the Inspector's binding report for which now reaffirms the need for 4,000 dwellings.
- 3.2 The emerging South West Regional Spatial Strategy (RSS) extends the time horizon to 2026. The RSS Examination is scheduled for April 2007 and the submitted RSS identifies a longer term requirement for 5,500 dwellings by 2026 at Sherford.

- 3.3 Policy SNC1 of the Sherford Area Action Plan requires Sherford to deliver 4,000 dwellings by 2016 and be designed to allow for further growth to 5,500 dwellings by 2026.
- 3.4 It is anticipated that Sherford will deliver 4,000 homes by 2016 and will go on to deliver nearly 5,500 by about 2021. This is considered to be an appropriate rate of delivery and will be carefully monitored to ensure that the needs of the sub-region are being met.

4. Delivery of Housing

4.1 The Sherford Area Action Plan seeks to create a balanced and sustainable community in which people will choose to live and work that provides high quality market and affordable housing.

4.2 The planning programme for Sherford is anticipated to follow a timetable similar to that below:

Sherford AAP Submission	July 2006
Planning Application	Autumn 2006
AAP Examination	January 2007
Inspector's Binding Report	May 2007
Planning Permission	Summer 2007
Development Start	Late 2007/ Early 2008

4.3 To guarantee that the initial planning procedures will enable a prompt start to development, the Council and Red Tree have resolved upon a 'hybrid' form of planning application. This will comprise an outline for a mixed use new community including 5,500 new homes plus a detailed application for the road linking to the A38 and the A379.

4.4 This hybrid approach will enable Red Tree to mobilise its land development programme with the minimum of delay. In tandem, Red Tree intends bringing forward detailed proposals for Phase One in the early part of 2007, again enabling Red Tree and the Council to confidently expect the house-building programme to commence in late 2008 with initial occupations during 2009.

4.5 Red Tree propose the commencement of work on site in early 2008. This initial phase of development will involve a major infrastructure construction programme that will see the site fully serviced, the construction of the main road network and the commencement of many of the community facilities on site. Whilst this programme will, during 2008, slightly delay house building works it will allow for an accelerated rate of build in later years.

4.6 The overall programme discussed and accepted between the parties is as follows:

2007	-	Start on site
2008	-	Initial infrastructure works
2009		300 dwellings
2010	-	400 dwellings
2011	-	500 dwellings
2012	-	550 dwellings
2013	-	550 dwellings
2014	-	550 dwellings
2015	-	550 dwellings
2016	-	600 dwellings

- 4.7 By the end of 2016 therefore, it is expected that 4,000 dwellings can be provided in tandem with all the necessary community facilities, open space, transport, employment and retail components required.
- 4.8 The rate of build identified for Sherford was originally discussed and examined at the Devon Structure Plan EIP. There evidence was tabled that a major site at Plymouth could deliver about 500 units per year. Collectively all parties involved in the Sherford Round Table EIP discussions agreed with this view.
- 4.9 In the EIP Report, the Panel state (Para 8.45) as follows:
 “we were assured of a building rate (and selling rate) of up to 500 annually at Sherford, comparable with that at Bradley Stoke on the outskirts of Bristol. Much would depend upon not only the state of the general housing market year by year, but also on the take up of the requirement of affordable housing”.
- 4.10 The Panel independently checked the oral evidence provided to the EIP and expressed confidence with the expectation. Furthermore, the Panel also recommended increasing the 2016 target from 3,500 to 4,000 dwellings.
- 4.11 No change of circumstances has arisen since then to challenge the Panel’s conclusions and the planning process and implementation programme being addressed by the Council and Red Tree confidently expects early progress on site and delivery rates as indicated. . Indeed, the target level of housing for Sherford to 2016 is similar to what is thought to be achievable in other parts of the country, for example, Northstowe in South Cambridgeshire where the Inspector has recently endorsed the Core Strategy figure of 4,800 dwellings by 2016, with no significant completions anticipated before 2008.
- 4.12 If, through monitoring, it becomes clear that the projected delivery programme is failing, then through ‘plan, monitor and manage’ compensatory provision can be brought forward through the LDF.
- 4.13 The emphasis for housing at Sherford will be to provide an exemplar housing development by the creation of quality neighbourhoods providing for a range of local facilities including employment

opportunities. The affordable housing will be fully integrated to create a 'tenure blind' community. Housing will need to be delivered at the highest densities suitable for each part of the site. Although the AAP stated that development should be at medium to high density (an overall density of 35-40 dwellings per hectare) further discussions with the South West Regional Planning Body have led to the Council to propose the modification of that part of Policy SNC 6 (2) to read "...and achieving an overall net density of 40-50 dwellings/ha.". Low density development is not compatible with walkable neighbourhoods or the close-knit community and fine grained urban structure that is envisaged at Sherford. However, the integration of some lower density units within the urban structure would reflect traditional forms of urban development and will assist the creation of a balanced and sustainable community. Densities will vary throughout the site and the highest densities will be achieved at and around the town and neighbourhood centres.

5. Affordable Housing

- 5.1 The combination of sharp increases in house prices within the South Hams, lower than average wages and one of the highest percentages of second home ownership in the country combines to create a major affordability gap between house prices and local incomes. The Halifax English Rural Housing Index suggests that the South Hams is the second least affordable place to live in England. This has resulted in affordable housing being identified as the Council's and the Community Strategy's top priorities. Detailed and resourced Project Plans will be developed as the next stage of the Sustainable Community Strategy. These will complement the land use objectives of the LDF and the Housing Strategy, all of which together will deliver good quality affordable homes in the South Hams.
- 5.2 Affordable housing is defined as homes which are intended to provide accommodation for local people within the Plymouth sub-region and the South Hams who cannot afford to rent or buy homes on the open market. They should be designed to be indistinguishable from open market units and should be widely distributed throughout the development to achieve an integrated and balanced community.
- 5.3 The level of affordable housing required at Sherford was originally informed by the results of the joint housing needs study undertaken by South Hams District Council, Plymouth City Council and the Housing Corporation in 1998 and updated in 2002. The Housing Market and Needs Assessment (HMNA) undertaken during 2006 by David Couttie Associates reaffirms the severity of the need for affordable homes and shows that the situation has worsened significantly since the 1998/2002 study. Assessment of the viability and level of affordable housing appropriate to a new community of this size will form part of

the Housing Strategy (which incorporates the provision of affordable housing). Further evaluation of the proposed levels of affordable housing and viability will be undertaken to ensure compliance with the objectives of the AAP.

- 5.4 Based on the level of housing need demonstrated in the HMNA, the Council will seek to achieve 50% of the dwellings at Sherford to be provided as affordable homes to meet local needs. This means that approximately 2,000 affordable homes will be sought by 2016, of which about 15% [600 dwellings] should be social rented and 35% [1400 dwellings] should be intermediate affordable; of the latter 15% (600 dwellings) should be available to first time buyers on average incomes, with a target of around £70,000 for an initial share in an affordable home, and the remaining 20% (800dwellings) will provide a range of affordable housing opportunities for local people either to rent or buy depending on the local need.
- 5.5 Discussions with developers are seeking a mechanism to enhance the ability to viably deliver the highest sustainable level of affordable housing by harnessing possible future increases in valuations over the period of development beyond the estimates used in the viability calculations. In addition, means of capturing a proportion of the value of properties staircasing out of the scheme are being explored in order to maintain affordable housing within Sherford in the long term. This is intended to form part of an innovative approach to explore new ways of providing a full range of affordable housing options for local people.
- 5.6 Sherford is intended to be a mixed and balanced community and levels of affordable housing should not be so great or so little as to create an imbalance in the socio-economic groupings within the settlement. Consideration of the impact of affordable housing levels on, firstly social sustainability and, secondly viability will determine whether 50% affordable housing can be met onsite. There is currently a need for affordable homes across a wider spectrum of socio-economic groups than has been experienced previously and Sherford must respond to this in a flexible manner if it is to become a balanced community.
- 5.7 The Council will expect developers, Housing Associations and other organisations to work in partnership with the Council to ensure through planning conditions, agreements, or other mechanisms, that affordable housing remains available to meet local need in the long term. A mix of house types and sizes will be required to meet a range of local housing needs, including housing for those with special needs, and to achieve a balanced community which addresses issues of community cohesion, social inclusion, and community safety.

6. The Main Issues raised in the Submission Stage Consultation

- 6.1 The main issues raised in the representations on Housing relate principally to:
- Density (conformity to RSS Policy SD3)
 - Need for housing (Housing Market and Needs Assessment)
 - Balanced Housing market - level, mix, type and tenure of housing (inc. affordable housing).
- 6.2 The representations submitted consider that the Sherford Area Action Plan fails to meet the following Tests of Soundness;
- 4a. It is not a spatial plan, or it has not properly had regard to any other relevant plans, policies and strategies relating to the area or to the adjoining areas
- 4b. It is inconsistent with national planning policy
- 4c. It is not in general conformity with the regional spatial strategy
6. The strategies/policies/allocation in the plan are not coherent and consistent within and between Development Plan Documents (DPD's) prepared by the authority and by neighbouring authorities, where cross boundary issues are relevant.
7. The strategies/policies/allocation fail to represent the most appropriate in all the circumstances, having considered the relevant alternatives, and they are not founded on a robust and credible evidence base.
8. There are no clear mechanisms for implementation and monitoring.

7. Summary of the issues raised and the Council's position

7.1 Re: Test of Soundness 4a.

It is not a spatial plan, or it has not properly had regard to any other relevant plans, policies and strategies relating to the area or to the adjoining areas.

7.1.1 Devon County Council (rep. 920) consider that the density ranges need to be clearly justified and related to RSS, PPG3 and CABE's best practice guidance, and suggest that Policy SNC11 should not specify an upper density limit. (Applicable to Test 4a, 4b & 4c).

7.1.2 Plymouth City Council (rep. 1110) object to the requirement for housing to meet the needs 'from within the South Hams and the remainder of

the Plymouth sub-region', and state that the requirement of Sherford is based on needs from within the Plymouth PUA. (Applicable to Test 4a, 4c and 6).

The Council's Position

- 7.1.3 *The density requirements referred to in the AAP are further clarified in a change proposed by the Council to an overall net density of at least 40 dwellings per hectare which reflects discussions with the Regional Assembly and is intended to more clearly relate to the emerging RSS.*
- 7.1.4 *Devon County Council's objection to the inclusion of an upper density limit in policy SNC11 (Town Centre Neighbourhood) is understood and there is no need to limit development there to an upper limit. This can be accommodated by a change to policy that densities there should "at least" achieve ...*
- 7.1.5 *The Council does not, however, accept that the Sherford development is required only to address the needs of the Plymouth PUA. The proposal for a new community arose in response to wider needs across the sub region as a whole and in recognition of the fact that the bulk of development needs are, in line with national planning policy, best accommodated in or, failing that, adjoining urban areas.*
- 7.1.6 *The very substantial needs for affordable housing across the South Hams as a whole cannot be met or satisfactorily addressed by development proposals elsewhere in the district. Sherford must play its part in helping to address those identified needs.*

7.2 Re: Test of Soundness 4b.

It is inconsistent with national planning policy

- 7.2.1 The Home Builders Federation (rep. 1922) consider that the affordable housing % is inflexible and should allow for negotiation and tenure split on a site by site basis.
- 7.2.2 The Home Builders Federation (rep. 1922) consider that housing density is under ambitious and do not accept RSS principles for urban extensions.

The Council's Position

- 7.2.3 *The density point is addressed above in para 7.1.3. Concerns about the RSS must be dealt with at the RSS examination in April 2007. The principles of urban extension followed in the Sherford AAP accord with the approved Devon Structure Plan, the South Hams Core Strategy and the Draft RSS.*
- 7.2.4 *The affordable housing policy requirements are intended to give needed clarity for all but not to remove flexibility. However, it is*

important that the policy is also capable of securing the Council's affordable housing target across the development as a whole.

7.3 Re: Test of Soundness 4c

It is not in general conformity with the regional spatial strategy

- 7.3.1 Plymouth City Council (rep. 1110) object to delivery of affordable housing outside the PUA (Applicable to Test 4c and 6).
- 7.3.2 The South West Regional Assembly (rep 1250) consider that density proposals are not in conformity with Policy H2: (Housing densities) of the Draft RSS, and Annex 3 of draft PPG3. Densities should be increased from 35-40dph to 50dph.
- 7.3.3 GOSW (rep. 1) commented that the Housing Strategy is a process to achieve criterion 1 – 7 of policy SNC6, and does not need to be subject to 'upper case' policy.
Criterion 1) Reference to Devon Supporting People strategy creates ambiguity over the status of the strategy and could simply refer to 'vulnerable groups' and move ref to strategy to the RJ.
Criterion 2) Overall density is ambiguous. PPG3 refers average net density.
Criterion 4) 'Required' conflicts with guidance in circular 6/98 which advises affordable housing may be 'sought'. This change was accepted during the CS Examination.
- 7.3.4 RPS Planning (on behalf of Plymouth City Council Asset Management) (rep. 1936) object to exclusion of "PCC's agreement" in respect of the Housing Strategy (Applicable to Tests 4, 6 and 7).
- 7.3.5 GOSW (rep. 1) asks for 'housing mix' or 'mixed use' to be clarified, and consider that identifying a rough mix of housing in the open market should be identified in the Plan as per the affordable housing, and that developing policy and guidance to achieve objectives is the job of the LPA rather than the applicants.
- 7.3.6 Plymouth City Council ask for clarification of the 15% intermediate key worker target, and asks does it form part of the 20% defined in intermediate housing.

The Council's Position

- 7.3.7 *The Council does not accept that the Sherford development is required only to address the needs of the Plymouth PUA. The proposal for a new community arose in response to wider needs across the sub region as a whole and in recognition of the fact that the bulk of development needs are, in line with national planning policy, best accommodated in or, failing that, adjoining urban areas.*

- 7.3.8 *The density point is addressed by a change proposed by the Council which reflects discussions with the Regional Assembly.*
- 7.3.9 *The suggestion that the policy might better refer to 'vulnerable groups' and that reference to the Devon Supporting People Strategy be moved to the RJ is acceptable and could assist the clarity of the plan.*
- 7.3.10 *It is considered that the distinction between 'housing mix' and 'mixed use' is already made clear in criteria 5 of policy SNC6 but could be made clearer in the Reasoned Justification. It is accepted that the requirement for affordable homes to be 'widely distributed and well integrated into the overall development' is also applicable as an objective for open market homes and that the policy could say so explicitly. The addition of a rough mix of open market housing could also be helpful.*
- 7.3.11 *The 15% key worker provision stated in the AAP is a percentage of the overall intermediate provision i.e., 15% of the 35%. In terms of properties this would equate to 210 key worker homes (15% of the 1,400 intermediate homes).*

7.4 Re: Test of Soundness 6.

The strategies/policies/allocation in the plan are not coherent and consistent within and between Development Plan Documents (DPD's) prepared by the authority and by neighbouring authorities, where cross boundary issues are relevant.

- 7.4.1 *Plymouth City Council (rep. 1110) object to delivery of affordable housing outside the PUA (Applicable to Test 4c and 6).*

The Council's Position

- 7.4.2 *The Council does not accept that the Sherford development is required only to address the needs of the Plymouth PUA and this has been addressed above.*

7.5 Re: Test of Soundness 7.

The strategies/policies/allocation fail to represent the most appropriate in all the circumstances, having considered the relevant alternatives, and they are not founded on a robust and credible evidence base.

- 7.5.1 *The House Builders Federation (rep. 1922) consider that Policy SNC6 is not founded on robust and credible evidence base, and that it should be based on housing market assessments not housing needs assessments.*
- 7.5.2 *Plymstock Community Forum (rep. 1222) consider that off site delivery of affordable housing must include Elburton and Plymstock, and that*

the proportion of affordable housing for elderly people should be increased to 15% and 2 beds reduced to 30%.

- 7.5.3 Respondents in Appendix 15 consider that the level and mix of affordable housing is wrong. M Carter (rep. 2621) and D Brown (rep. 2636) consider that there is not enough affordable housing for young couples / first time buyers. Respondents in Appendix 16 consider there is a lack of information on retaining affordable housing, to prevent it being sold on to second home buyers and inflate local house prices. Mrs Varney (rep. 515) considers that the proportion of rentable accommodation should be increased. Mr R Skinner (rep. 2238) considers the planning application should not be submitted until the Housing Market Assessment is published.
- 7.5.4 AW Simper (rep.2251) and James Brophy (rep. 2241) consider that housing is being provided not where the need is.
- 7.5.5 Mrs Daw (rep. 997) considers the density is too high.
- 7.5.6 Red Tree (rep 913) considers there is inconsistency between SNC6 (4) referring to 15% intermediate housing reserved for key workers, and para 7.54 referring to first time buyers on average incomes.
- 7.5.7 Steve Meila (SHARD) (rep. 1213) supports Policy SNC6 (4), but objects to para 7.55 and suggests that it should be replaced with *'appropriate legal mechanisms should be used to ensure that all affordable housing provided within Sherford cannot be sold on the open market, and remains reserved for local people based on appropriate residency qualifications in perpetuity'*.

The Council's Position

- 7.5.8 *The new HMNA more than bears out the Council's position, demonstrating that the need for affordable housing in the sub region has continued to escalate and across South Hams has almost doubled since the last survey.*
- 7.5.9 *The HMNA also enables a fuller, clearer and more up-to-date picture of needs to be derived. Any off site affordable housing provision will be directed to meet the needs of the sub region, including the type and size of provision as identified in the HMNA.*
- 7.5.10 *The level and mix of affordable housing reflects the findings of the recent Housing Need Surveys, including the new HMNA. A degree of flexibility will be available to respond to changing patterns of need as identified over the life of the development. A principle highlighted in the AAP is to ensure a range of housing is provided to meet a range of housing needs. The affordable housing provision will include affordable rented homes and intermediate provision to enable people on a range of incomes to access home ownership and other forms of*

intermediate provision such as homes for rent and sale at sub-market levels. The mechanisms for delivering the affordable housing will seek to ensure that affordable homes provided at Sherford will remain affordable in perpetuity. This will be achieved through the application of covenants and other mechanisms. The proportion of affordable rented homes has been proposed having given consideration to the need to provide a range of other tenures and to ensure a balanced sustainable community. The proposed level of 15% exceeds the current level of 10.7% present in the existing stock across the South Hams district and is considered appropriate to achieve the aim of a balanced community.

7.5.11 Housing, including affordable housing, is being provided in locations across the sub region to meet local needs. The scope however to meet the scale of need identified within existing settlements, including Plymouth and particularly in rural settlements, is limited. Further information on the location is available in Topic Paper No.1.

7.5.12 The 15% key worker provision stated in the AAP is a percentage of the overall intermediate provision i.e., 15% of the 35%. In terms of properties this would equate to 210 key worker homes (15% of the 1,400 intermediate homes). This could be amended to include numbers for further clarity in the Plan.

7.5.13 The view expressed reflects the intention of the AAP to meet the housing needs of local people within the Plymouth sub-region and the South Hams. It is accepted that the AAP could be modified to provide further clarity on this point

7.6 Re: Test of Soundness 8.

There are no clear mechanisms for implementation and monitoring.

7.6.1 Mr A Eden (rep. 1659) considers that there are no clear mechanisms for delivery of affordable housing

The Council's Position

7.6.2 The AAP sets out a clear set of objectives for affordable housing which must be achieved. The mechanisms for delivery are complex and will be more appropriately detailed in the Housing Strategy and information provided in support of any potential planning application. The Council will consider the proposed mechanisms which must ultimately be sufficient to deliver the objectives of the AAP.

7.7 Other representations

7.7.1 Plymouth City Council generally supports Policy SNC6, with the exception of criterion 3.

7.7.2 Steve Melia (SHARD) supports Policy SNC6(4) but objects to para 7.55 (see above).

7.7.3 South West Regional Assembly (rep.1250) supports the affordable housing target, but state that evidence of deliverability is required.

The Council's Position

7.7.4 *These expressions of support are welcomed. The detailed concerns raised are dealt with above. The matter of deliverability is addressed in the Deliverability Topic Paper.*

8. Summary

8.1 The Council is committed to delivering a high quality, locally distinctive, mixed use and sustainable new community development at Sherford which meets strategic and local needs, in accordance with the requirements of the Devon Structure Plan and the South Hams Core Strategy.

8.2 To be successful in housing terms the Sherford new community must deliver mixed housing which is well designed, well integrated and in gear with local needs. In its policies and proposals the Sherford AAP sets out to establish a robust and clear policy framework to both assure and assist the attainment of that goal.