

Effectively Implementing SHDC DP11: Housing Mix & Tenure

Report to: **Executive**

Date: **4th February 2016**

Title: **Effectively Implementing SHDC DP11:
Housing Mix & Tenure**

Portfolio Area: **Strategy & Commissioning**

Wards Affected: **All Wards**

Relevant Scrutiny Committee: **Overview & Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **11 February 2016
after Council**

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Recommendations:

That Council be RECOMMENDED that:

1. When applying policy SHDC DP11: Housing Mix, use the following indicative housing size mix to inform housing proposals:
 - 35% - 1 and 2 bed dwellings
 - 35% - 3 bed dwellings
 - 30% - 4 + bed dwellings
2. Approve the use of Office for National Statistics (ONS) Neighbourhood Statistics to inform the mix of housing type for housing proposals.

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1. Executive summary

As a Local Planning and Housing Authority, South Hams District Council (SHDC) has a duty to ensure the various needs and aspirations of our communities are met through the provision of new housing. Our duty as a planning authority is to create sustainable places for all, with resilient communities that can live near and provide support for their families.

When proposals for new housing come to SHDC for planning permission, we need to be sure that the houses being proposed meet the varied needs of our communities.

SHDC DP11 is a planning policy designed to ensure that new proposals offer an 'appropriate mix'. It requires up-to-date evidence to be used by developers, housebuilders and planning officers in order to suggest what would be 'appropriate' on a site-by-site basis. DP11 was adopted in 2010, and informed by evidence obtained in 2006. This has now been superseded by a 2013 assessment, and this report is guided by this more recent piece of work.

SHDC continues to pursue a corporate objective of delivering more 'affordable' housing, available in a mix of tenures, to provide a range of housing to meet different needs, and to support inclusive communities. None of these will be achieved by allowing a disproportionately high amount of detached dwellings with a large number of bedrooms. The report proposes that the following mix is used to provide a guide to developers and housebuilders regarding the housing mix required by our communities:

35% - 1 and 2 bed dwellings
35% - 3 bed dwellings
30% - 4 + bed dwellings

This will allow us to make greater provision for young people, working age families and older people seeking to downsize. This housing mix is expected to be delivered across tenure types. It will not be acceptable for all the 'affordable' housing to be of the smaller size, whilst the open market are the larger, detached dwellings, as this will not meet the aims of the policy.

If ONS Neighbourhood Statistics data shows that the settlement or parish has different than SH average for each housing type (38.5% detached, 25.5% semi-detached, 22% terraced or 14% flats) the Development Management (DM) and Placemaking Specialists may make a case for further adjusting the required housing mix. This will be made clear to the applicant at the pre-application stage.

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Using this methodology we are able to better supply what is needed by our communities, rather than what a developer wants to deliver, or what is considered to be most profitable in the open market.

2. Background

In 2010 SHDC adopted policy SHDC DP11 to achieve 'an appropriate mix' of new dwellings across all housing schemes. The original policy suggested using the most up to date Strategic Housing Market Needs Assessment (SHMNA) as providing guidance as to what the mix should be.

At the time policy DP11 was adopted, it was informed by a 2006 SHMNA. A new SHMNA was commissioned and received in 2013, but has yet to be fully interpreted to identify what housing mix would be appropriate.

The lack of interpretation from the 2013 SHMNA has led to policy DP11 not being applied as effectively as was intended. It is proposed to use a combination of the 2013 SHMNA and Parish level Office of National Statistics (ONS) data to inform the housing mix required by the Council as part of a planning application.

The 2013 SHMNA provides a useful examination of the housing stock of the South Hams. For example there are more properties in the South Hams with 4 bedrooms or more (9,746), than 2 bedroom properties (9,577), and that 38% of all properties are detached, with 25% semi-detached and 21% terraced. The attached appendix provides more information taken from the 2013 SHMNA.

This report seeks to provide a suggested house mix that SHDC would like to achieve on housing sites, in order to provide a mix of housing that meets the particular needs of young people, young families and older people. The mix of housing sizes and types will be formulated on a parish by parish basis by using housing stock and demographic data from the ONS to better identify what is needed by communities across the District.

The proposed methodology will increase the effectiveness of how DP11 is applied, and is entirely consistent with national planning policy and the corporate objectives of the council. In recent months it has become apparent that new housing proposals are including a high proportion of large, detached dwellings that does not meet the broad needs of the communities of the South Hams. Whilst there is undoubtedly a market for these properties, policy DP11 seeks to deliver an appropriate housing mix for all members of the communities of the South Hams, not only those who can afford to buy large detached dwellings.

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The improved interpretation of policy DP11 will greatly benefit the communities of the South Hams, creating a more appropriate mix of housing that meets the needs of our communities, and in particular helping to provide suitable housing for young families and older people.

3. Outcomes/outputs

More effective implementation of policy DP11 will result in a greater variety of house sizes, types, tenures and prices being delivered on housing sites within the South Hams.

Policy DP11 will help the council meet its stated objectives of providing 'a range of housing to meet different needs'. Policy DP11 also accords strongly with paragraph 50 of the National Planning Policy Framework (NPPF):

50. To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

Benefits will be achieved immediately with housing proposals needing to accord more closely with the prescribed housing mix from SHDC. In recent months housing mix has tended to be influenced more by housing market data from estate agents than by objective data prepared by SHDC. This report seeks to remedy the situation by providing much clearer guidance on what is expected to be achieved.

4. Options available and consideration of risk

Before policy DP11 was examined and adopted, alternative policies would have been considered by strategic planning officers. The approach of DP11 was considered the best method of achieving an appropriate housing mix, providing that the right supporting evidence is used to justify the recommendations of planning officers. The only other alternative is what has been happening in recent months, and that sees developers and agents justifying their proposed mix by looking at house sales and searches within a given area.

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Allowing the market to dictate an appropriate mix will only perpetuate problems of an imbalanced housing stock and compound the issues around affordability for many members of our communities who are not in a position to buy a large detached dwelling.

Policy DP11 was subject to public consultation prior to being adopted in 2010, and also deemed to be a sound planning policy by a Planning Inspector. The policy is still considered compliant with the National Planning Policy Framework. This report seeks only to update and endorse the evidence used to apply the policy. Members have been involved in discussing the correct evidence to use, as have specialists in the Development Management Community of Practice.

Members and specialists from Place & Strategy and Development Management are confident that the 2013 SHMNA, ONS Neighbourhood Statistics and the judgement of DM Specialists will allow DP11 to be more effectively implemented.

5. Proposed Way Forward

Use the 2013 SHMNA to inform the preferred housing mix for future housing schemes. ONS Neighbourhood Statistics to be used to further refine the mix if Development Management and Placemaking Specialists feel it is necessary to rebalance the housing mix and type in specific settlements and locations. The preferred housing mix will be:

- 35% - 1 and 2 bed dwellings
- 35% - 3 bed dwellings
- 30% - 4 + bed dwellings

These will be provided in a mix of flats, terraced, semi-detached and detached dwellings. A mix of tenure types will apply to all house sizes and types.

If ONS Neighbourhood Statistics data shows that the settlement or parish has different than SH average for each housing type (38.5% detached, 25.5% semi-detached, 22% terraced or 14% flats) the Placemaking and DM Specialists may make a case for further adjusting the required housing mix. This will be made clear to the applicant at the pre-application stage.

A housing mix informed more by community need will meet a number of council objectives, including providing more affordable housing, a range of housing to meet different needs and promoting inclusive communities. Without being able to apply the right evidence and justification, housing mix will be informed by the market and business plans of major housebuilders.

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6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	<p>The proposed method for applying our adopted planning policy will have no legal implications.</p> <p>The policy has been subject to independent examination prior to approval. The policy wording states that the most up-to-date evidence will be used to inform the policy requirement.</p> <p>This report simply clarifies what evidence will be used, and how.</p>
Financial	N	<p>This recommendation will not have any financial implications for the council.</p> <p>The wording of the policy commits the council to ensuring that up-to-date evidence is available, but this is also required by national planning policy, so there is no additional financial burden created.</p>
Risk	Y	<p>There is a risk that developers and housebuilders try to challenge the implementation of this methodology, as it may result in a housing mix that is not market-led.</p> <p>This risk is partially mitigated by taking this report to Executive, and being clear and transparent about SHDC intends to apply policy DP11 in the future. All DM Specialists will provide an expectation of required housing mix during the pre-application stage, allowing developers and landowners to provide a scheme that meets these needs.</p> <p>By providing a clearer expectation on housing mix, policy DP11 could result in impacting the overall viability of housing scheme, with potential consequences for affordable housing. Viability is often an area of negotiation between the LPA and the applicant/developer. However, by adopting a recognised starting position SHDC is in a stronger position from which to negotiate on all aspects of proposed housing schemes, and have more control over the agreed outcome.</p>

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		DP11 is not a new policy, and developers and housebuilders should be aware of the need to provide a wide range of house types and sizes.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	The recommendations of this report are intended to increase accessibility to housing for a wider cross-section of our communities than we may otherwise achieve.
Safeguarding	N	There are no safeguarding implications.
Community Safety, Crime and Disorder	N	There are no community safety, or Crime and Disorder implications as a result of these recommendations.
Health, Safety and Wellbeing	Y	The broader wellbeing of all communities in the South Hams relies in part on equitable access to housing. This report will allow a more appropriate mix of house sizes, types and tenures to be provided in the future, improving access to housing for a broader cross-section of our communities.
Other implications	N	

Supporting Information

Appendices:

A report detailing the exact wording of Policy DP11, and relevant information regarding South Hams housing stock and demographic profile.

Background Papers:

None

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	Yes

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