

Report to: **Overview & Scrutiny Panel**
Date: **7th November 2017**
Title: **Village Housing Initiative Review**
Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee:

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

Date next steps can be taken:
(e.g. referral on of recommendation or implementation of substantive decision)

Author: **Alex Rehaag** Role: **Senior Specialist, Affordable Housing, Place & Strategy**

Contact: **Telephone/email: 01822 813722**
Alex.Rehaag@swdevon.gov.uk

Recommendations:

1. To recommend to Executive to continue promoting and utilising the Village Housing Initiative model and to include this model of delivery within the Supplementary Planning Document (SPD) once the Joint Local Plan (JLP) is adopted.

2. Members to agree to the inclusion of Band E following the cascade for Village Housing Initiative schemes as set out in the report

1. Executive summary

- 1.1. This report asks the Panel to recommend to Executive that the Village Housing initiative continues to be utilised in the South Hams. The previous report on the VHI is attached at appendix 1.
- 1.2. Feedback to the review is included at appendix 2, these are the survey monkey results. Members to note the feedback to the survey at Appendix 2. However some responses were emailed and these can also be viewed if requested. The

email responses accord with the survey monkey results but add further written detail.

- 1.3. Changes proposed as a result of the review will allow for a cascade to band E applicants. Allocations for the VHI will be considered in the following way:
 - a) to allow applicants in band A-D from the parish to be considered for an allocation.
 - b) to then cascade to applicants in the immediately neighbouring parishes in band A-D to be considered for an allocation.

For a) and b) applicants must meet the local connection criteria set out in the s106. As this will be included in the s106, this criteria will be expected on initial allocation and on all subsequent re-lets.

Once a) and b) have been exhausted, Applicants in Band E from the parish of provision only to be considered for an allocation of accommodation before cascading out to the district.

- 1.4 This will address member concerns about the operation of the VHI and local connection issues around tenants.
- 1.5 The report highlights the survey's findings and concerns about timescales and delays which have occurred within the VHI schemes.

2. **Background**

- 2.1. The VHI has been used within the District since 2010 to allow the delivery of up to four open market homes on non-allocated sites. The Initiative did not seek to replace the Council's adopted Exception sites policy which has remained in operation alongside the VHI.
- 2.2. The aim of the VHI is to increase the supply of affordable housing sites in rural villages by allowing small scale affordable housing developments on sites which might not otherwise be allocated for housing. The initiative responds to the clear message received from landowners over recent years that they would be willingly provide their site in return for a house, either for themselves, their children or employees.
- 2.3. The Overview & Scrutiny committee have requested a review of this scheme. This is timely as once the JLP has been approved, the VHI scheme is intended to be included in the SPD, any relevant issues and changes can be addressed now in preparation for the SPD. The results of the review include responses from communities, elected members and RP's.
- 2.4. The VHI was intended to speed up delivery and the projects were intended to take no more than 12 months from initiation to start on site.
- 2.5. The schemes mentioned below which have been a success have encountered issues which have resulted in delays. This review seeks to

identify solutions and safeguards that can be implemented to ensure delivery happens in a timely manner.

- 2.6. A number of successful schemes have been delivered in the area, but there have been issues and lessons have been learnt:
- Rattery
 - Newton Ferrers
 - Churchstow
 - Frogmore
- 2.6. A number of communities have sought to deliver schemes but issues around suitability of land, landowner expectations and timescales have prevented development in some communities from progressing. The recent schemes that did not come to fruition were:
- Dittisham
 - Staverton
 - Sparkwell
- 2.7 Since the introduction of the VHI, Neighbourhood Plans were introduced. Many of our communities who are developing a plan see the VHI as the most fitting delivery mechanism. This will satisfy the aspirations and needs of the communities who do not want large scale development but wish to meet the affordable housing needs of their communities.

3. Outcomes/outputs

3.1.1 Band E

The amendment will provide communities with greater certainty that tenants who occupy VHI houses will have a local connection to the parish of provision and the immediately surrounding area before this cascades out to the district as a whole. It is proposed to follow the allocations process set out below in order of priority:

- a) to allow applicants in band A-D from the parish to be considered for an allocation.
- b) to then cascade to applicants in the immediately neighbouring parishes in band A-D to be considered for an allocation.
For a) and b) applicants must meet the local connection criteria set out in the s106. As this will be included in the s106, this criteria will be expected on initial allocation and on subsequent re-lets.
- c) Once a) and b) have been exhausted, Applicants in Band E from the parish of provision only to be considered for an allocation of accommodation before cascading out to the district.

3.1.2 Officers will ensure that awareness raising events and information will be available to Parish Councils and Neighbourhood Planning Groups to highlight the availability of affordable housing in an area.

3.2 Timescales

3.2.1 Officers will re-issue guidance to Neighbourhood Planning Groups, Parish Councils and landowners about the expectations of delivery in particular timescales of the VHI.

3.2.2 Timescales were highlighted as a particular concern for communities and it is anticipated that this can be reduced particularly once Neighbourhood Plans have been adopted and from the outset of any VHI's being initiated by the community.

3.2.3 Additional concerns linked to timescales were the issues around small scale developers going in to liquidation, bringing delays to the scheme. This should now be resolved when working with and RP as they have additional safeguards in place due to the procurement of their contractors.

3.3 Funding

3.3.1 The council has funding streams which can be accessed to assist in land purchase on behalf of a Neighbourhood Planning Group. This could be achieved through Section 106 monies, agreed capital programme and the Community Housing Fund (CHF). Community involvement in the planning and development process will be key.

3.3.2 Section 106 funding can be accessed by communities as a result of the 6th July O&S report to councillors attached at appendix 3.

4. Options available and consideration of risk

4.1. The VHI could be reviewed in another 2 years to measure its success. This delivery mechanism is intended to be within the emerging SPD post JLP examination. This would also give adequate time for Neighbourhood Plans to be ratified by the planning inspectorate.

4.2. There will always be risks in terms of slippage in development terms but the council's intervention through funding land options could reduce this risk.

Proposed Way Forward

4.3. It is recommended that South Hams District Council do not make any fundamental changes to the existing Village Housing Initiative, but to agree to continue to promote the model and allow the inclusion of Band E as per the recommendation and paragraph 3.1.

4.4. Members will have a further opportunity for changes prior to agreement of the SPD after the JLP has been approved however the review and

subsequent report is intended to address fundamental issues now rather than at a later date.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Individual s106 agreements for each scheme
Financial	N	None. Schemes which apply for funding will be assessed on a scheme by scheme basis which will be supported by viability information.
Risk	N	Delays to individual scheme, not included in 5yr land supply issues
Comprehensive Impact Assessment Implications		
Equality and Diversity		This is addresses on each individual scheme.
Safeguarding		No direct safeguarding concerns with regard to this policy.
Community Safety, Crime and Disorder		<ul style="list-style-type: none"> • No direct implications • Police liaison consulted on individual applications
Health, Safety and Wellbeing		None
Other implications		None

Appendices:

Appendix 1 – VHI report 2010

Appendix 2 – Survey Monkey results

Appendix 3 – S106 report