

## **Swale Borough Council Local Plan Examination Statement**

### **Matter 7: Housing matters**

This statement has been produced as part of the examination of the Swale Borough Local Plan: Bearing Fruits 2013 and its Proposed Main Modifications June 2016. It answers the Inspector's questions relating to Matters 7.1 - 7.3

Any queries about the report should be sent to the programme officer:

Lynette Duncan, Programme Officer,

Swale Borough Council,

Swale House, East Street,

Sittingbourne.

ME10 3HT.

Tel: 07855 649904

Email: [lynetteljdassoc@aol.com](mailto:lynetteljdassoc@aol.com)

Website: <http://www.swale.gov.uk/local-plan-submission-and-examination/>



## 7. Housing Matters

### **Matter 7.1 Is the approach to requirements for affordable housing in terms of the percentages sought and the tenure consistent with national planning policy and with the up to date SHMA?**

1. Paragraph 50 of the NPPF requires local planning authorities to plan for a mix of housing including size, type and tenure range. The National Planning Practice Guidance (NPPG) on Housing and Economic Needs Assessments (paragraph 021 Reference ID: 3-021-20140306) also requires local planning authorities to look at household types, sizes and tenure and identify the need for different types of housing. The Strategic Housing Market Assessment (2015) (SBC/PS/025g) does this and sets the overall needs and types for housing, including an annual requirement of 190 affordable homes.
2. The NPPG (paragraph 005 Reference ID: 10-005-20140306) requires policies to reflect the viability of the development within the plan period and give consideration to the range of costs imposed on development by local policies and CIL, as well as a realistic understanding of the likely cost related to affordable housing. The NPPG (paragraph 007 Reference ID: 10-007-20140306) states that the cumulative cost of policies and likely obligations should not cause development to be unviable. The NPPG goes on to state that emerging policy requirements may need to be adjusted to ensure that the plan is able to deliver sustainable development. Paragraph 7.3.7 (MM247) of the Local Plan states *'The Local Plan Viability Testing – Addendum (2015) (CD/013a) recommends affordable housing percentages having considered the viability picture for the Borough. These are reflected within Policy DM8 and will be the starting point for decision making on development proposals.'* Therefore the Council considers the Local Plan (and supporting SHMA 2015) is in accordance with national policy and practice guidance.
3. Below is Table 1 demonstrating that the Local Plan reflects the most recent needs assessment SHMA (2015) (SBC/PS/025).

Affordable Housing Provision	What does the SHMA say?	What does the Local Plan say?		Additional comments
Need	190 dwelling per annum	190 dwellings per annum Policy DM8 pre-policy text.		(MM244) Policy DM8 – Pre-policy text para 7.3.3 reports findings of the SHMA
Percentage	25% of all developments	Isle of Sheppey	0%	The Local Plan Viability Study and Addendum (CD/013 and CD/013a) recommends percentages having considered the viability picture for the Borough.
		Sittingbourne town, urban extensions and Iwade	10%	
		NW Sitt (MU1)	10%	
		Faversham town and urban extensions	35%	

		All other rural areas	40%	
Tenure	<p>The Local Plan Viability Study Addendum (CD/013a para 2.5.4) “Finally, following a revised assessment of housing needs, the approach to housing tenure for affordable housing has also changed. The assessment now considers an increased level of rented products from the originally tested 70% to 90% and a consequential reduction in intermediate product from 30% down to 10%.”</p> <p>Assumptions and findings of the SHMA indicate 90% social rent and 10% intermediate product and recommend a high proportion/emphasis on social rent.</p>	<p>Policy DM8 pre-policy text (MM249 para 7.3.9) Seeks an indicative target of 90% affordable/social rent and 10% intermediate housing.</p>		<p>The Local Plan Viability Study and Addendum (CD/013 and CD/013a) found these tenure splits to be viable and refer to the latest needs assessment (SHMA 2015) using this split in the assumptions.</p>
Mix	<p>4+ bed – 36% 3 bed – 36% 2 bed – 20% 1 bed – 8%</p>	<p>4+ bed – 36% 3 bed – 36% 2 bed – 20% 1 bed – 8% Policy CP3 pre-policy text and Figure 5.3.1</p>		<p>Policy CP3 pre-policy text and Figure 5.3.1 represent the findings of the SHMA.</p>

4. Paragraph 7.3.9 (MM249) of the Local Plan refers to ‘*current needs assessment*’ recognising that exact sizes and types of affordable housing may change through the production of subsequent SHMA’s or needs assessments. Paragraphs 5.3.23-5.3.26 (MM109) makes it clear that housing types and sizes presented in Figure 5.3.1 are a starting point and not prescriptive, furthermore the paragraph 5.3.24 acknowledges that mix and size of dwellings likely to be delivered could be affected by new national policy initiatives such as Starter Homes.
5. Policy DM8 (MM254) criterion 2 refers to ‘*the needs of the area*’ – which could change over time. The Council feels it is appropriate to include the current SHMA findings and types/sizes/tenures to guide development on the mix of housing that planning applications will be expected to reflect, not rigidly adhere to, at this current time. The pre-policy text for Policy CP3 (paragraphs 5.3.23-5.3.26) is explicit, using language such as ‘starting point’, ‘should be’, or ‘ideally be’ instead of ‘must’ and that the mix of housing type sought will be flexible to accommodate viability, national policy initiatives and other changes in the policy’s context. The Council considers that the in combination effect of Policies CP3 and DM8 is the most effective and flexible approach to delivery of local affordable housing need in

the context of changing national policy and variable local viability. Furthermore Policy DM8 criterion 6 provides the mechanism by which the Council can seek affordable housing closer to the assessed level of need (25%), or higher, if economic conditions have positively changed the effect on viability or if the characteristics/location of the development indicate.

6. The Council acknowledges that there have been proposals on changes to the definition of affordable housing via the Housing and Planning Act 2016. However the starting point for establishing the need for different tenures of affordable housing in the borough is the Strategic Housing Market Assessment (SHMA 2015) (SBC/PS/025a-g) which identifies a borough-wide mix target of around 10% intermediate and 90% rent (comprised of both social rent and affordable rent) therefore the modification is trying to meet the identified need within the borough.
7. Since the introduction of the national policy changes affecting rent caps and Registered Providers funding, the social rented affordable housing tenure has been largely replaced by the affordable rented or intermediate tenure. The Council's Housing Department has confirmed that interest from Registered Providers in procuring/developing new social rented properties is currently limited. However this may soon change due the Government's recent announcements on increased funding for affordable housing and the reintroduction of some grant funding for social rent affordable housing as well as the awaited White Paper.
8. The modifications and Policy DM8 make clear that in the first instance an *'indicative target'* of tenure split reflecting the latest needs assessment will be sought. The language used makes it clear that this is a starting point not a definitive rigid target. The modification goes on to state that when tenure split would affect viability, an alternative tenure split can be accepted. The Council's Spatial Planning and Housing Teams are currently negotiating on this basis on applications.
9. However, the Plan is a long term strategic document and should be seeking to address the identified need over the plan period. The Council considers that the modification provides enough flexibility to accommodate negotiations on tenure split. However, the Council considers that the starting point for development should be to address the evidenced need from the SHMA. It is not yet known whether the changes in definition to affordable housing will broaden to make specific reference to rent-to-buy as affordable rent or as an alternative intermediate product. At this stage it would be unrealistic for the Council to pre-empt changes in national policy that may occur during or after the examination of the Local Plan.
10. In relation to responses on criterion 6 of Policy DM8 - Even taking into account the possibility that affordable housing targets can be reviewed by a local plan review, the affordable housing target will be in place for a minimum of five years. The respondent (LP2228) notes that provision for both Sheppey and Sittingbourne is low and there will be considerable challenges in meeting the total affordable housing provision for the Borough. The high level viability evidence that has dictated the affordable housing percentages is not sufficiently sensitive to deal with

more localised issues where developers are likely to be able to provide a greater percentage of affordable housing.

11. Without this flexibility, the Council is unlikely to continue to meet its affordable housing needs for the foreseeable future. The Council understands that developers require some certainty and, for the most part, the policy targets of DM8 will be the primary driver of development management discussions, however, the third bullet of para. 50 of the NPPF states that: "*Such policies should be sufficiently flexible to take account of changing market conditions over time.*" Without criterion 6 inflexible affordable housing targets will remain in place and the Council will be unable to respond to improving viability across the Borough and/or the individual circumstances of certain sites which may indicate that higher provision could be made. This would be a missed opportunity and a potential failure by the Council to maximise the number of affordable homes that are badly needed in the Borough.
12. The Council considers the Local Plan appropriately reflects the SHMA and is therefore in accordance with national policy and practice guidance.

**Matter 7.2 Does the Plan provide a flexible approach to allow for the provision of starter homes when regulation and guidance is published?**

13. The Council considers that the Local Plan does provide a flexible approach to allow for the provision of Starter Homes. The Housing and Planning Act 2016 introduces new duties for Councils to pursue the government's starter homes initiative. The Act introduces a general duty to promote Starter Homes through Councils' planning functions.
14. The Council recognises that in the future starter homes may form an element of housing delivery; however, until the regulatory context is published it is unclear what the precise requirements for Starter Homes will be or who will be eligible. The necessary regulations which are crucial to implementing the Starter Homes Initiative have not been published at time of writing the Main Modifications or this statement.
15. The secondary legislation enacting the commencement of Part 1 of the Housing and Planning Act 2016 will be important to how policy is implemented in Swale, where viability is still variable across the Borough. The progress of the Housing and Planning Act during 2016 indicated that Starter Homes would replace other forms of affordable housing and that only after the requirement has been provided can other forms of affordable housing such as social rent be considered and that the 20% requirement would not be based on local viability or needs assessment. Swale is an area with some areas of challenging viability where 20% affordable housing in the form of Starter Homes may not be sustainable. The Government consulted (March 2016 Starter Homes Regulations – Technical consultation) upon a number of questions related to the secondary legislation but not on any firm technical regulations. During this consultation concerns from the development industry and local authorities, including Swale Borough Council, were raised on

how the initiative would work in areas where viability showed affordable housing was not viable at levels at or below 20% or indeed at all in some locations. A Housing White Paper is expected early in 2017 and until such time as a clear new national context has been set which resolves how the Starter Homes or any potential alternative initiative may work practice, the Council has little option but to ensure that it is compliant with existing policy and practice to meet assessed local needs as far as possible.

16. Should the Starter Home initiative proceed as previously proposed, Policy DM8 (MM254) criterion 4 states that development proposals for affordable housing will be made as follows '*where possible, by supporting Starter Homes in appropriate circumstances and locations*'. The wording of the criterion is intentionally flexible to cover any circumstances which the secondary regulations could introduce. The Main Modification to Policy DM8 is also designed to deal with any exceptional circumstances where Starter Homes may be delivered where they would not normally be permitted such as a regeneration scheme or delivery by a public body (e.g. Homes and Communities Agency or Local Authority).
17. Should the secondary legislation be published or any national policy changes that may affect Policy DM8 prior to the conclusion of the examination and final reporting, which cannot be adequately accommodated by the flexible wording of Policy DM8, and supporting then there may be a case for an early targeted review of the approach to Starter Homes and affordable housing.

**Matter 7.3 Is the approach to providing sites and pitches for Gypsies and Travellers consistent with up to date national planning policy?**

18. The Main Modifications within the Local Plan reflect the Council's response to the change in definition of Gypsies and Travellers in the National Planning Policy for Traveller Sites (PPTS 2015). This was presented to the Examination in 2015 (SBC/PS/038) and accepted as a robust approach by the Inspector in her interim Findings (para 14 ID/9d). The Inspector (para. 13 ID/9d) has also confirmed that Local Plan Part 2 is no longer needed and it has been deleted from the Local Development Scheme (CD/010 and CD/010a). Consequently the Modified Plan reflects both current policy and the Inspector's Interim Findings. There has been no further change to national policy to warrant the Council taking further action on this matter at this time.
19. The Council does not accept objectors points raised (for e.g. LP2239) criticising the GTAA (CD/037) on the following issues.
  - 1) The Council's GTAA surveys did include questions on travelling, albeit with limitations on the data collected and this was set out in the methodology for the re-assessment of need. Any future needs assessment would be conducted in-line with any new national guidance on establishing a nomadic lifestyle.
  - 2) The GTAA could not establish a specific need for affordable accommodation and this was presented as part of the Council's approach to the Inspector.

- 3) The methodology for the re-assessment of need (SBC/PS/038) sets out that any immediate need within the GTAA such as temporary permissions remained within the revised need figure.
20. The Council does not agree with the criticism over sites included within the supply presented to the Inspector last year (SBC/PS/017). The Council considers that sites granted permanent planning permission which have a planning condition restricting their occupation to Gypsies and Travellers are reasonable to be counted as part of supply.
21. The GTTA need figure is a guide for the need for provision of overall pitch numbers rather than an absolute limit on delivery. Policy DM10 sets the framework for other suitable sites to come forward. In the event, Swale has delivered most of its need through this route and has a high degree of confidence that any remaining need can be met in the same way. It is therefore not necessary to allocate land for this purpose.
22. The Council does not agree with the suggestions that a new needs assessment should be done immediately for this Local Plan. Section 124 of the Housing and Planning Act 2016 has removed Section 225 of the Housing Act 2004 which required local planning authorities to produce GTAA's. However the Council acknowledges the Housing and Planning Act 2016 contains a requirement to consider the needs of people residing in or resorting to their district with respect of caravans sites and houseboats. Guidance on how to assess need for those meeting the PPTS definition; and the provisions of the 2016 has not yet been adopted by government and there is no indication of when it will be. In light of the deletion of the Housing Act requirement for GTAAs, the Council remains of the opinion that its approach is a pragmatic response endorsed by the Inspector's IF to the current policy; and the guidance vacuum on needs assessments. Given the stage which the Local Plan has now reached, even if this should be issued in the near future, the Council considers that this would be more appropriately undertaken in the context of a Local Plan review.
23. The national planning policy context relating to Gypsies and Travellers and the policy void relating to the assessment of needs remains unchanged since the previous examination hearings. The Councils position was found sound and endorsed by the Inspector on the basis that the Local Plan aligns with up to date policy on Gypsy and Traveller Sites. The Council considers this position is unchanged and that the Main Modifications are consistent with up to date national policy.