

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 4 APRIL 2007

REPORT OF THE FORWARD PLAN MANAGER

PROPOSED REDUCTION IN THE THRESHOLD FOR AFFORDABLE HOUSING PROVISION

(This matter is the responsibility of Executive Councillor Bishop)

1.0 PURPOSE OF REPORT

- 1.1 To secure the Executive's approval of a reduction in the threshold size of housing sites on which affordable housing will be sought through Section 106 agreements in Taunton and Wellington, following the introduction of a lower threshold by the Government in Planning Policy Statement 3: Housing (PPS3).

2.0 SUMMARY

- 2.1 PPS3, which replaced the previous PPG3, was published by the Government in November 2006 and becomes operational on 1 April 2007. Among the many changes that it introduces to the Government's policies on planning for housing is a reduction in the national indicative site size threshold for the provision of affordable housing through Section 106 Agreements to 15 dwellings. Although the Council has a lower rural threshold, our current threshold in Taunton and Wellington is 25 dwellings. As we have been unable to secure the required amount of new affordable dwellings in recent years, and it will be several years before new thresholds can be incorporated formally in the Local Development Framework, this report proposes the adoption of the new national threshold for Taunton and Wellington as an interim measure.
- 2.2 This report was considered on 8 March 2007 by the Strategic Planning, Transportation and Economic Development Review Panel (SPTED), which supported the principle of a threshold of 15 dwellings and commended it to the Executive.

3.0 BACKGROUND

- 3.1 In April 2005 the Government consulted on the possible reduction, in its national planning policy guidance (PPG3), of the site size threshold of housing sites on which a proportion of affordable housing could be sought through the use of Section 106 Agreements. The matter was reported to SPTED at the time. A copy of that report is appended, as its analysis of the general situation and reasons for using a lower threshold if introduced by the Government are still relevant.
- 3.2 The Government subsequently decided not to proceed with the changes to PPG3 outlined in the earlier report. However, it has now, through the replacement of PPG3 with PPS3, introduced a similar change. PPS3 was published in November 2006, but becomes effective from 1 April 2007.

4.0 THE NEW THRESHOLD

- 4.1 Paragraph 29 of PPS3 states that ‘the national indicative minimum site size threshold is 15 dwellings’. As with the proposed change detailed in the appended report, it also allows for the setting of lower minimum thresholds by local authorities.

5.0 THE ISSUE FOR CONSIDERATION

- 5.1 The issue for consideration is essentially unchanged from that deliberated by SPTED, and supported, in April 2005: whether to adopt the lower threshold being introduced by the Government in new planning guidance as a short term measure to increase the supply of affordable housing.
- 5.2 In the meantime the justification for doing so has become stronger because:
- We have been unable to secure the delivery of the required number of affordable dwellings each year (131) identified in the 2002 Taunton Deane Housing Needs Survey.
 - In the meantime the Somerset Housing Market Assessment (January 2006) has estimated that there is now a need for some 564 affordable dwellings a year in the Borough.
 - There have been a significant number of housing developments of between 15 and 25 dwellings in the last 2-3 years, especially in Taunton, which between them could have provided many units of affordable housing had a 15 dwelling threshold been in place.
 - Early experience with the production of the Local Development Framework, and the decision to prioritise the production of the Taunton Town Centre Area Action Plan, mean that the production of the Core Strategy, which will contain updated policies and thresholds for the provision of affordable housing, will be later than anticipated originally.

6.0 CORPORATE PRIORITIES

- 6.1 The measures proposed in this report will help to improve the delivery of affordable housing, which is one of the Council’s top priorities, together with the delivery of the Corporate Priorities of Health and Economy.

7.0 CONSIDERATION BY REVIEW PANEL

- 7.1 This report was considered by the Strategic Planning, Transportation and Economic Development Review Panel on 8 March, which resolved to support the recommendation below and to commend this course of action to the Executive.

8.0 RECOMMENDATION

- 8.1 It is **recommended** that from the 1 April 2007 the lower site size threshold of 15 dwellings contained in PPS3 for seeking affordable housing be adopted as the threshold for sites in Taunton and Wellington, pending the formal review and amendment of thresholds in the Core Strategy DPD of the Council’s Local Development Framework.

Background papers

The following documents have informed the content of this report:

- Planning Policy Statement 3 (PPS3): Housing, DCLG, November 2006
- Taunton Deane Local Plan, November 2004
- Somerset Housing Market Assessment, Ark Consultancy, January 2006
- Taunton Deane Borough Council Local Development Scheme, October 2006

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APPENDIX

TAUNTON DEANE BOROUGH COUNCIL

STRATEGIC PLANNING, TRANSPORTATION AND ECONOMIC DEVELOPMENT REVIEW PANEL – 12 APRIL 2005

REPORT OF THE FORWARD PLAN MANAGER

PLANNING FOR MIXED COMMUNITIES – PROPOSED REDUCTION IN THRESHOLD FOR AFFORDABLE HOUSING PROVISION

(This matter is the responsibility of Executive Councillor Bishop)

PURPOSE OF REPORT

To consider the early implementation of a proposed reduction in the threshold size of housing sites on which affordable housing can be sought through Section 106 agreements, if such a change is introduced by the Government.

SUMMARY

The Government is consulting on a proposal to reduce the site size threshold for housing sites on which a proportion of affordable housing can be sought through the use of Section 106 agreements. This is welcomed, and should help to increase the provision of affordable housing from this source. It will be several years before new thresholds can be incorporated formally in the Local Development Framework. This report proposes that in the meantime, and with immediate effect following its adoption by the Government, the lower threshold be employed by the Council, and that landowners and developers be advised accordingly.

BACKGROUND

On 24 January the Government published a consultation document entitled 'Planning for Mixed Communities'.

The document contains draft proposals to replace paragraphs 9 to 17 of Planning Policy Guidance Note 3: Housing, which relate to the question of planning for a mix of housing.

One of the proposals is to amend the guidance in relation to the minimum site size threshold above which affordable housing can be sought on housing sites. Currently, the general threshold (which is set down in Circular 06/98) is developments of 25 or more dwellings or sites of 1 hectare or more, although the Circular allows for different thresholds in Inner London and on sites in settlements with a population of 3,000 or less.

The Borough Council's thresholds, which are contained in the Taunton Deane Local Plan, are in line with the general threshold of 25 dwellings/1 hectare in Taunton and Wellington, and 3 dwellings elsewhere (all other settlements having populations below 3,000).

THE PROPOSED THRESHOLDS

The proposal in the consultation document is that the minimum site size threshold should not normally be **above** developments of 15 dwellings or sites of more than 0.5 hectare.

It is also proposed that planning authorities may adopt lower thresholds where circumstances justify it, such as areas where the majority of housing supply comes from sites smaller than the 15 dwellings/0.5 hectare threshold. Generally speaking, this would apply to villages and rural areas.

The proposed change is to be welcomed. The delivery of affordable housing is now relying heavily on the use of Section 106 agreements on open market developments. Lowering the threshold will bring a larger number of housing sites within the scope of the affordable housing requirement, thus potentially increasing supply and also spreading the burden of provision more widely among open market developments. Also, we are receiving a number of applications or enquiries for developments falling just below the 25 dwelling threshold. Whilst it is inevitable that there will always be a tendency for developers to design schemes that fall just below the threshold, whatever it is, the proposed reduction will certainly increase the number of developments on which affordable housing can be sought.

It should be noted, however, that the provision of affordable housing on any site will continue to be dependent upon the consideration of its effect on the economic viability of the proposed development. On the smaller sites that will come under consideration as a result of the proposed change, most of which will have been previously developed, this is likely to be a significant issue that may well limit the quantity of affordable housing that can be provided.

THE ISSUE FOR CONSIDERATION

If the proposed changes to the guidance on site size thresholds are adopted by the Government they will, eventually, be reflected in the housing policies in the Council's Local Development Framework (LDF). It will, however, be several years before that can be achieved, given the length of time needed for the preparation of development plan documents.

In the meantime, in order that opportunities for the provision of affordable housing can be maximised, it is proposed that the new threshold be implemented in Taunton and Wellington immediately upon its formal inclusion within PPG3. As a piece of recently adopted national policy guidance it is considered that it will be of sufficient weight to supersede the threshold contained in the Taunton Deane Local Plan. This view is being taken because the new threshold is being put forward as a **maximum** level by the Government, so there should be no question of the amendment of the Council's threshold to that level being challengeable. When the LDF is being prepared it is possible that in view of the circumstances within the Borough the Council decides to take advantage of the opportunity presented by the consultation document (if it is carried forward into PPG3) to seek to establish a threshold that is lower than 15 dwellings/0.5 hectare. In that case the evidence underpinning the Council's proposal would have to be made public, and subjected to potential challenge through the formal procedures of development plan document production. Use of the proposed maximum threshold in the interim would not preclude this option.

However, in order to be able to seek the provision of affordable housing on sites falling between the existing and new thresholds, it is important that landowners and developers have been made aware of the Council's intention to implement the new threshold immediately upon its adoption, from the outset of any negotiations. It is proposed therefore that such advice be given in respect of any new sites coming forward following the Council's formal decision to adopt this course of action.

The delivery of affordable housing is also of significant concern to Housing Review Panel, which considered this issue at its last meeting. It resolved to support the measures proposed in this report, and to request the Executive Councillor with responsibility for housing to do likewise.

CORPORATE PRIORITIES

The measures proposed in this report will help to improve the delivery of affordable housing, which is one of the Council's top priorities, together with the delivery of the Corporate Priorities of Health and Economy.

RECOMMENDATION

It is **recommended** that the Panel:

- (a) supports the principle of the immediate implementation of the lower threshold proposed in the consultation document 'Planning for Mixed Communities' on its formal adoption by the Government; and
- (b) requests Executive Councillor Bishop to commit the Council formally to this course of action.

Background papers

The following documents have informed the content of this report:

- Planning for Mixed Communities, ODPM, January 2005
- Taunton Deane Local Plan, November 2004
- Circular 06/98, Planning and Affordable Housing, DETR, April 1998

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