

## East Huntspill Affordable Housing Project

This project is trying to increase the supply of affordable-housing for people with a strong local connection with the parish of East Huntspill.

### East Huntspill Parish Council Briefing: Paper 2 – Presented on 14<sup>th</sup> February 2017

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#### Affordable Housing

##### Affordable Housing

Affordable housing allows local people to access a **suitable home**, at a **price they can afford**, where they were **born/grew-up/have support and social networks or work in**

Affordable housing is best described as housing provided at prices below the prevailing market value to people who are unable to find a suitable home on the open market (primarily due to its price).

Affordable housing can be provided on **rental basis**

Affordable housing **homeownership basis**.

Affordable housing can be provided by the **public sector** (the Council and-or housing associations)

Affordable housing can be provided by the **private sector** (volume house builders and private landlords)

Affordable housing can be provided by the **community** (CLT etc etc)

A household is considered to be in **housing need** if one or more of the following criteria apply and where they are incapable of resolving their housing problem in the prevailing local housing market:

People with a particular social need, which cannot be resolved except through a move.

Who cannot afford market properties and have a need to move.

Homeless people, who those living in insecure housing (this will include housing that is too expensive compared to the household's disposal income).

Where there is a mismatch between the housing need the current home (overcrowding or under occupation).

Someone with a physical (or other medical) impairment living in unsuitable housing.

Where the property lacks basic facilities and places which are subject to major repair.

A **strong local connection** can include factors such

- (1) Currently living in parish for a reasonable period of time;
- (2) Previously lived in the parish, but moved away due to problems finding a home;
- (3) Permanent employment in the parish;
- (4) Strong family connections;
- (5) Other non-specified reasons considered important to the parish. ,

The results of the HNA will alter with increasing/decreasing values of housing, policies of lenders, and the economic climate, demographic changes in the community and as individuals situations change.

## Housing Demand in East Huntspill

### Stage 1 – Understanding Affordable Housing Demand in East Huntspill

SDC published the East Huntspill 2016 Housing Need Assessment Report (“HNA”) in December 2016. A copy of the full East Huntspill HNA is attached to this paper and can also be available on the SDC website.

It is important to note that the East Huntspill Housing Needs Assessment offers a snapshot of the housing situation in the parish at the time of the survey. These will alter with increasing/decreasing values of housing, policies of lenders, the economic climate, and demographic changes in the community and as individual’s situations change.

### East Huntspill 2016 HNA Affordable Housing Recommendations

Property Type	1 Bed Flat	1 Bed Bungalow	2 Bed House	3 Bed House	4 Bed House	TOTAL
Rented	2	2	3	3	0	10
Purchase	0	0	1	3	0	4
						14

## Indicative Affordable Housing Requirement for East Huntspill

Up to Fourteen (14) new affordable-homes.

The new homes should ideally be built on land within the village development envelope. If this is not possible, on land well related to the village development envelope.

The affordable housing units must be on-site (off-site contributions would not be acceptable);

The development could consist entirely of affordable-housing.

Where a mixed tenure development is proposed (incorporating open-market housing), the affordable-housing provision should be a least 40% of the overall number of homes proposed.

The affordable-housing should be well integrated with the open market homes.

The affordable-housing units will be provided free from public sector investment, with some of the sales profit from the market housing subsidising the affordable homes.

The affordable housing tenure split would need to be broadly in line with the HNA.

In terms of affordable-housing unit size, minimum internal floor sizes must apply.

For clarity, Micro-flats or Live/work units or Student accommodation or Self build units will not be considered as affordable housing.

The affordable-housing units must be undistinguishable in appearance and specification from the open market units on the site.

Whilst it is possible to submit an initial outline TCPA application, a full (detailed) TCPA submission is strongly recommended.

Where affordable rented or shared ownership units are proposed, the long term management of the on-site affordable units should ideally be transferred to one of the Council’s Main Development Housing Association Partners currently working in Sedgemoor. I would wish to secure the HA at the earliest possibility in order to ensure the overall development is viable and deliverable.

The affordable-housing units (in reality the OMV homes) must achieve the highest standards of energy efficiency and sustainability.

The TCPA s106 agreement must include a local letting (sale) plan for the allocation (sale) of the affordable housing units. This LLP will prioritise local people seeking an affordable home will have first refusal for new and future vacancies.

## Funding the Delivery of New Affordable Housing

### Existing Sedgemoor Local Plan – Affordable Housing via TCPA Planning Gain

In places such as East Huntspill, the Council encourages housing provision to come forward with infill, subdivision or conversion within the settlement boundary in the first instance.

This approach would see affordable housing provided through the TCPA planning system as part of private sector lead larger open market housing project and secured by s106 agreement. The precise level of affordable housing would vary from site-to-site. This approach would typically be on land within the village development envelope and can only be used on new-build developments of 6 or more residential units.

There is no intelligence to suggest that a suitable site fitting this description will come forward in the foreseeable future.

The Council’s Emerging New Local Plan (due for adoption late 2017) will retain a very similar requirement a % of affordable-housing on sites of 6 or more. There are no plans to allocate a parcel of land for new residential development in East Huntspill under the emerging LP.

TCPA Planning Gain is therefore not a realistic option in the foreseeable future to secure affordable housing.

There are no sites within the development envelope capable of delivering between 1 and 5 new homes. The opportunity for an affordable-housing provider to develop a small Windfall Project using grant is therefore not likely in the foreseeable future.

### **Existing Sedgemoor Local Plan – Affordable Housing by Exception**

East Huntspill is currently designated a KRS (“Key Rural Settlement”). The existing local plan includes specific housing policies which will allow the building of new affordable housing outside the village development envelope.

Both policies are applicable. However, where a quantifiable need for affordable housing can be demonstrated, these new homes could be built by exception outside the village development envelope. These policies are designed to tackle an evidenced based shortage of affordable housing at the local level. The starting point for any project seeking to use this policy would typically be evidence from a local Housing Need Assessment.

Polices P5 and D7 would only allow the construction of affordable housing only.

By its very nature, the building of affordable housing requires some form of subsidy support in order to make the homes affordable. Gap funding has in the past almost always been provided by the public sector (central or local government). Securing sufficient levels of public funds in support of new affordable housing has proved increasingly more difficult due to reductions in government expenditure.

Funds are available to bid for but this fund is likely to be over-subscribed nationally.

SDC have recently secured funding from the Community Housing Fund (and is likely to receive further funds in the next couple of years) to support community led housing projects. There needs to be some form of community ownership or stewardship involved in the project. This type of project could be headed up by the Parish Council and or some form of CLT organisation.

A P5 / D7 type policy will be retained in the emerging LP. The complete reliance on public sector funding support (and the oversubscribed demand on such funds) might significantly delay or even hinder a project in East Huntspill.

Policy P4 would allow for the construction of both affordable housing and market housing outside the village development envelope.

Unlike the earlier D7 policy, the building of these affordable housing does not require external public sector subsidy support. The gap funding is comes from the construction and sale of the open-market homes.

This approach has been the preferred option to deliver affordable homes in East Huntspill.

Projects of this nature require that at least 40% of the overall new homes are affordable. So, a East Huntspill is likely to be classed as a tier 3 settlement under the emerging LP, with a P4 type policy being retained in the emerging LP for places such as East Huntspill.

This cross subsidy approach is still considered the best option to bring forward new affordable housing in East Huntspill.

Open Market Homes at 60%	Affordable Homes at 40%	Total Homes
21	14	35
15	10	25
12	8	20
9	6	15

Note: We are working in another village where we hope to deliver a cross-subsidy P4 type project that will deliver 60% affordable-housing, funded from a 40% open market provision.

### **Other Options** (consider, but not being actively pursued at this point-in-time)

Making better use of the existing social housing stock

Empty Homes

Self-Build or Custom Build

### **Potential Project Leads**

The SDC Affordable Housing Development Team (“AFHDT”) will be able to co-ordinate any future East Huntspill AH Project. A project can be brought forward via a number of potential

project leads. These include:

- Community Led Initiative (for example, Community Led Trust)
- Landowner Led
- Developer Led
- Contractor Led
- Affordable Housing Provider Led (Housing Association or SDC) – only realistic way of achieving an “above 40%” affordable housing provision under a cross-subsidy approach.

All have benefits and drawbacks which need careful consideration. A clear statement of local priorities and expectations from the PC from the outset will be essential.

## Site Search

### Stage 2 - Search for Development Site

Please refer to the map(s) attached to the bottom of this briefing paper.

Finding and securing a suitable parcel of land on which new affordable homes could be built is the next stage in the process. The AFHDT will carry-out a desktop sequential investigation into potential development opportunities.

### Sequential Site Search: Stage 1

Sedgemoor District Council Planning Policy first requires that any sites inside the East Huntspill settlement boundary are explored for their potential to deliver affordable housing. It soon became apparent that there were no available, suitable and achievable parcels of land fitting this description.

### Sequential Site Search: Stage 2

Given the apparent absence of any suitable, available and achievable parcels of land within the settlement boundary, the site search exercise expanded its search to include parcels of land outside the settlement boundary. Sedgemoor District Council Planning Policies (D7 & P4) allows for sites outside the settlement boundary to be delivered for affordable housing if there is a demonstrable local need and support from the community.

### Assessment Criteria 1: Site Availability for Housing

A site is considered available for development, when, on the best information available, there is confidence that there are no legal or ownership problems, such as multiple ownerships, ransom strips, tenancies or operational requirements of landowners. The key question asked under this assessment was a simple one. Did the land owner wish to dispose of their land to support the provision of affordable housing?

### Assessment Criteria 2: Site Suitability for Housing

Factors such as planning policy restrictions and limitations (designations, protected areas, existing planning policy and corporate, or community strategy policy), any physical problems or limitations (access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination), any potential Impacts (upon landscape features and conservation) and any environmental conditions

### Assessment Criteria 3: Site Achievability for Housing

A site is considered achievable for development where there is a reasonable prospect that housing will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the financial capacity of the affordable housing provider to actually build the new homes.

## Project Timetable

~~Stage 1: Understanding local housing need for affordable housing~~

Stage 2: Finding and securing a suitable site for the new affordable housing.

Stage 3: Designing and agreeing a housing project.

Stage 4: Identify development partners

Stage 5: Agree funding options, followed by securing funding and planning permission

Stage 6: Construction phase

Stage 7: Occupation stage





Sites considered during 2009 East Huntspill Housing Project

