

CABINET – 3 SEPTEMBER 2003

**SITE THRESHOLDS FOR PROVISION OF AFFORDABLE HOUSING****Proposed Changes to PPG3 Housing: Consultation Paper on Influencing the size, type and affordability of housing.**

1. The Government is consulting on changes it proposes to make to its current planning guidance relating to the provision of affordable housing through the planning process. The aim of the proposed change is a policy framework that will secure more affordable housing as part of the timely delivery of agreed housing numbers.
2. The closing date for comments and responses to the Consultation Paper is 31<sup>st</sup> October 2003, and a full response by this Council to the consultation will be drafted and agreed with Members in due course. However, there is a matter arising from the contents of the proposed revised guidance that needs immediate attention in view of the forthcoming public inquiry into Alterations to the New Forest District Local Plan, and on which officers seek the Cabinet's guidance.
3. The matter concerns the site threshold for requiring the provision of affordable housing as part of new residential or mixed-use developments. Changes to the current guidance are proposed which reduce normal site thresholds to 15 dwellings or more, or 0.5 hectares or more, and also enable local planning authorities to seek affordable housing thresholds below this level. However, this must be done through the local plan, having regard to:
  - the size and type of sites likely to come forward for development derived from an urban housing capacity study, or other assessment;
  - the contribution to be made from smaller sites to meeting the target for affordable housing provision.
4. In simple terms, the lower the site threshold, the greater the number of sites which are required to make a contribution towards affordable housing provision and consequently, the greater the overall numbers of affordable dwellings that can be secured through the planning process.
5. This Council has been anticipating the above change in guidance for some time. Policy AH-1 of the First Alterations states:

***“In considering schemes for, or including, residential development in the built-up areas (excluding Sandleheath), the Local Planning Authority will seek to negotiate with developers the inclusion of an element of affordable housing on all suitable sites where:***

***i) 15 or more dwellings are proposed; or***

***ii) the site is 0.5 of a hectare or more, irrespective of the number of dwellings.***

***If Government Guidance is revised to allow local planning authorities to negotiate an element of affordable housing on sites smaller than the thresholds set out above, the new minimum thresholds permissible under revised Government Guidance will be applied.”***

6. The new draft guidance does not set a new minimum threshold that can be established through a local plan, but allows any threshold under the new 'normal' threshold of 15/0.5ha to be considered. For the purposes of the Local Plan Inquiry, it would be of great advantage to the Council if officers were able to indicate what site threshold the Council believes would be appropriate to apply in New Forest District once the new Government Guidance allowed thresholds of under 15 dwellings/ 0.5ha to be considered. By doing so this matter can be examined at the Local Plan Inquiry and the Inspector can give this matter consideration when writing his report.
7. It is officers' view that the Council should be seeking to establish a site threshold of 5 dwellings (0.17 hectares) through the Local Plan. This was the Council's policy when it published the deposit New Forest District Local Plan in 1995 and before Government Guidance was introduced in 1996 pushing the site threshold up to 40 dwellings. (Subsequent revisions of Government Guidance have successively reduced the site threshold sizes.)
8. Locally, Southampton City Council has already established a threshold of 5 dwellings in their adopted Local Plan. Both Test Valley Borough Council and Winchester City Council are seeking reduced site thresholds (of 6 and 5 dwellings respectively) in their current local plan reviews.
9. Based on development rates over the past three years, if the site threshold in New Forest District had been set at 5 rather than 15 dwellings, it is estimated that around 25-30 extra affordable dwellings per annum could have been secured through the planning process.
10. Officers believe that a good case can be made at the local plan inquiry for applying a reduced site threshold throughout the District in view of:
  - the very high level of local need for affordable housing,
  - the significant environmental constraints that limit development opportunities within the District, and
  - the high proportion of development that comes forward on smaller sites which currently make no provision towards meeting the local need for affordable housing.

## **FINANCIAL IMPLICATIONS**

11. No immediate implications. However, if the site thresholds are lowered, an additional number of planning applications may be subject to S.106 agreements and additional funding for affordable housing may be secured in some circumstances.

## **ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS**

12. No direct implications, but it would be of benefit to the District if a greater proportion of new housing were directed towards meeting the District's need for affordable housing.

## **PORTFOLIO HOLDERS' COMMENTS**

13. The Housing and Economy & Planning Portfolio Holders support the change to the number thresholds suggested in this report. However, the Economy & Planning Portfolio Holder feels the area threshold will inhibit general development and should be deleted.

## **RECOMMENDATION:**

14. That the Council be recommended to agree that at the Inquiry into the First Alterations to the New Forest District Local Plan, the Inspector be advised that the Council would wish to revise policy AH-1, replacing the current site thresholds of 15 or more dwellings, or 0.5 of a hectare or more, with a threshold of 5 or more dwellings, or 0.17 of a hectare or more, when this is permitted by revisions to PPG3: Housing.

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### **Background Papers:**

Government Consultation on revisions to PPG3  
Background Paper 5: Affordable Housing, for  
Local Plan Inquiry NFDC June 2003