

The Development Sites and Policies Plan

Fareham Borough Council

Response to Inspector's Question (post hearings)

January 2015

DCD-30

1 Introduction

1.1 On 31st December 2014, the Inspector asked the following further question to the Council:

1.2 *“A ministerial statement was made by Brandon Lewis MP and published in early December. It sets out measures aimed at unlocking small-scale development and boosting the attractiveness of brownfield sites, particularly by making changes with regard to Section 106 planning obligations.*

I am aware that revised planning guidance will be published shortly but at this stage it would be helpful if the Council could comment on whether or not, in its view, the content of the Statement has any implications for the Local Plan Part 2: Development Sites and Policies of which I should be aware. The Statement, this question and the Council’s response should be added to the Examination Library”

1.3 A response was requested by 16th January 2015, and is set out below. The Inspector’s Question has been added to the Examination Documents (DID-13). The Ministerial Statement has been added to the Library of Submission Documents (DOE6).

2 Purpose of the Statement

2.1 The purpose of the statement was to provide hon. Members with an update on actions taken by the Coalition *“to free up the planning system the further new measures we are now implementing to support small scale developers and help hard-working people get the home they want by reducing disproportionate burdens on developer contributions.”*

2.2 The statement includes 3 main sections:

- Section 106 obligations imposed on small scale developers, custom and self-builders;
- Promoting custom and self-build housing; and
- Getting empty and redundant land and property back into use.

2.3 The statement does not set out any new policy or guidance, but instead highlights recently published, relevant, guidance. The statement also identifies upcoming guidance which is in the process of being implemented, as well as a number of future measures that are proposed to be introduced. For clarity, the Council’s response to this statement is structured using the same three headings as the statement itself.

3 Section 106 Obligations

3.1 This section of the statement highlights the recent changes to the Planning Guidance regarding Section 106 obligations on small scale developments. The revised guidance states that for sites of 10-units of less, and which have a maximum combined gross floor space of 1,000sq.m, affordable housing and tariff style contributions should not be sought. The statement clarifies that

Authorities in rural areas may choose to implement lower thresholds and these changes do not impact upon exception site policies.

- 3.2 The Local Plan Part 2 (LP2): Development Sites & Policies Plan does not include a policy on affordable housing. The affordable housing policy for the Borough is set out in the Core Strategy (Policy CS18) and whilst this does require affordable housing to be provided on schemes between 5 and 10, the Council understands that these recent amendments to the Planning Guidance supersedes this. Therefore, since this amendment, the Council no longer seeks affordable housing on schemes of 10 or less.
- 3.3 The Council is committed to delivering the level of affordable housing expected through Policy CS18 of the Core Strategy. Section 6 and Appendix 2 of the Examination Document DCD-24 (Actions arising for Issue 7) sets out in detail how the Council will ensure that sufficient affordable housing will be delivered in the Borough. Appendix 2 of DCD-24 provides a calculation of the level of affordable housing predicted through LP2, using Policy CS18, and how many are likely to be delivered. This calculation did not account for any affordable housing to be achieved on sites which may deliver 10 or less units, to coincide with the recent amendments to the Planning Guidance. Whilst this overall calculation did highlight a shortfall in predicted affordable housing delivery against what would be expected through Policy CS18, Section 6 of DCD-24 seeks to introduce a new Affordable Housing Exceptions Site Policy aimed at meeting this shortfall.
- 3.4 An “Affordable Housing Exceptions Policy” will allow for wholly affordable schemes to come forward outside of existing urban areas, where it can be demonstrated that there is unmet need and where it meets other criteria. The Council contends that this additional policy, with supporting text, will provide the opportunity for sufficient levels of affordable housing to come forward to meet any potential shortfall. This Policy will also be in line with NPPF paragraph 54, which promotes exception sites where appropriate, but would also be exempt from the recent changes to the Planning Guidance, as reaffirmed in the Ministerial Statement (DOE6).
- 3.5 One further element introduced into the Planning Guidance is the introduction of the “vacant building credit”. The Guidance defines this as *“where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions would be required for any increase in floorspace”* (Planning Guidance – Planning Obligations paragraph 21). In practice this means that where redevelopment sites include existing buildings, affordable housing can only be sought on the net gain in floorspace.
- 3.6 A review of the affordable housing calculations from Appendix 2 of DCD-24 shows that all affordable housing to be delivered through LP2 occurs either on sites that do not have existing buildings or on sites owned (in the majority) by Fareham Borough Council. On sites that are owned (or majority owned) by

the Council, there remains a greater degree of control in determining the mix of uses and the level of affordable housing provided.

- 3.7 Overall the Council believes that the amendments to the Planning Guidance do not have any impact on the ability for LP2 to deliver sufficient amounts of affordable housing, and therefore require no further modifications. The previously proposed modification to LP2, set out in section 6 and Appendix 2 of the Examination Document DCD-24, is considered to provide ample flexibility to ensuring that affordable housing requirements, in line with the Core Strategy, can be met.

4 Promoting Custom and Self-Build Housing

- 4.1 The statement pulls together various projects and funds being put together by the Coalition aimed at supporting the custom and self-build sector. This includes the exemption of this type of building from paying the Community Infrastructure Levy (CIL), allowing community-led custom projects to apply for funding through the Affordable Housing Guarantee programme and by providing financial assistance through the Builders' Finance Fund.
- 4.2 The statement also outlines the Right to Build scheme, which was consulted on in October 2014. This scheme allows prospective custom builders to register their interest in certain areas and puts emphasis on Local Authorities to provide land for purchase. This scheme is likely to be piloted in eleven Right to Build Vanguard areas to see how it will work in practice.
- 4.3 The Council believes that LP2, with recent amendments set out in Section 1 of Examination Document DCD-21 and Section 10 of the Examination Document DCD-24, alongside the Welborne Plan provides ample opportunities for custom and self-build within the Borough. The Welborne Plan, through Policy WEL21, will ensure that 1% of all homes in Welborne are delivered as custom-build plots. The amendment to section 10 of the Examination Document DCD-24 identifies two housing allocations in LP2 as having the potential for self-build, whilst the amendment to Section 1 of Document DCD-21, which allows for frontage infill in the countryside, should allow for this type of development to come forward if market demand exists. Self or custom build plots in all of these potential locations would also benefit from CIL exemption.
- 4.4 The Council does not feel that any further amendments are required to LP2 to take account of the statement with regard to custom and self-build housing. However, if the Right to Build scheme is taken forward the Council will endeavour to allocate further sites through the review of the Local Plan.

5 Getting empty and redundant land and property back into use

- 5.1 The last section in the statement highlights measures introduced to get empty, surplus land and property back into use. These include reforms to permitted development rights which encourage the conversion of existing buildings as well as changes to CIL to provide an increased incentive for brownfield developments, by exempting development involving the reuse of empty

buildings.

- 5.2 LP2 follows on from the framework set out in the Core Strategy, and so seeks to focus development in the existing urban area. This approach prioritises the reuses of brownfield land and is, therefore, considered to be consistent with the general emphasis of the statement. The amendments to permitted development rights, and changes to CIL to facilitate this are outside of the parameters of the Local Plan, and thus do not necessitate changes to LP2.