



Report To: Cabinet
Lead Officer: Director of Housing

15 September 2016

5 Year Land Supply Sites and Local Connection Criteria for Affordable Housing

Purpose

1. To agree an approach as a starting point for the consideration at Planning Committee for the allocation of affordable housing on 5 year land supply sites with regards to local connection.
2. This is a key decision because it is significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority and it was first published in the July 2016 Forward Plan.

Recommendations

3. It is recommended that Cabinet approves Option 1 below as a starting point for discussions on the requirement for a local connection criteria on 5 year land supply sites:
4. **Option 1** - The first 8 affordable homes on each 5 year land supply site will be occupied by those with a local connection, the occupation of any additional affordable homes thereafter will be split 50/50 between local connection and on a District wide basis.
5. If there are no households in the local community in housing need at the stage of letting or selling a property and a local connection applies, it will be made available to other households in need on a cascade basis looking next at adjoining parishes and then to need in the wider district, in accordance with the normal lettings policy for affordable housing. The number of homes identified for local people within a scheme will always remain for those with a local connection when properties become available to re-let.

Reasons for Recommendations

6. To ensure the consideration of 5 year land supply sites by Planning Committee have a consistent and measured approach in determining how a local connection criteria is applied on individual sites.

Background

7. Planning applications that have been determined under the lack of 5 year land supply have generally to date had a local connection criteria applied to them for allocating the affordable housing contribution. The reasoning for this being it would seem only fair that local people should benefit from the development (as would have been appropriate under the rural exception sites policy).

8. Under the rural exception sites policy, affordable housing schemes can be brought forward where a local housing need can be demonstrated usually by way of a housing needs survey. The site must be well related to facilities and services and the scale of the development must be appropriate to the size and character of the village and the housing need identified. Typically, rural exception sites range in size from 6 – 20 dwellings.
9. However, the sites coming forward under the 5 year land supply are much larger than general rural exception site schemes, they are predominantly market housing and are not specifically brought forward with the intention of addressing an identified local affordable housing need. This means that properties are allocated to those with the highest housing need, often families living in unsuitable accommodation or those found to be homeless. This allocation mirrors that provided in developments within village frameworks and in new Local Plan housing site village allocations where the affordable housing provided is to address the housing needs of the District.

Considerations

10. There is a financial cost to the Council for providing temporary accommodation and the Council has a duty to secure settled accommodation to those accepted as homeless and in priority need. It is therefore important that there is sufficient stock available to help households move on from temporary accommodation. If lettings on 5 year land supply sites were to be restricted to those with a 'local connection' this may mean that many households who are in urgent need of housing will be overlooked to those with a lower priority who have the relevant connection.
11. To illustrate this point, the distribution of priority groups of past allocations is as follows:

Banding Criteria for household assessment	Exception Sites (allocated to those with a local connection to the village)	Developer led Schemes within the Village Framework / Local Plan village site allocations (allocated according to priority need across the District)
Band A <i>(Urgent Housing Need)</i>	13 (19%)	24 (48%)
Band B <i>(High Housing Need)</i>	14 (21%)	24 (48%)
Band C <i>(Medium Need)</i>	28 (42%)	1 (2%)
Band D <i>(Low Housing Need)</i>	12 (18%)	1 (2%)
Band A - Urgent housing need (including those that the Council has a homeless duty to house, require an urgent transfer, are current supported housing residents, urgent health & safety risk or urgent medical need, or are lacking/under-occupying two or more bedrooms).		
Band B - High housing need (including those with a high medical need or have a high health and safety risk, are victims of harassment, violence or abuse, to prevent homelessness or rough sleeping, or are lacking/under-occupying one bedroom)		
Band C - Medium need (including those with a medium medical need, or need to move for social reasons or their housing conditions, such as sharing facilities and other homelessness such as those not in priority need)		
Band D - Low housing need (those that do not meet any of the above criteria above)		

12. It is clear from this analysis that where a local connection criteria is applied, often those in highest housing need (Band A & B) are being by-passed for those with medium to low priority because they have a local connection to the village.
13. Schemes being approved through the 5 year land supply offer a window of opportunity to maximise the supply of affordable housing against a backdrop of policy changes which will see the decrease in affordable rented homes (such as sale of high value council homes, right to buy for housing associations and Starter Homes).
14. The Council has a good track record of providing affordable housing for local people through its rural exceptions site policy and continues to work with both parish councils, housing providers and Cambridgeshire Acre to bring these forward. We are currently looking at 14 villages for potential exception sites but some of these may not be able to progress if a 5 year land supply scheme is also approved within the village that meets the local housing need.
15. Members are therefore asked to consider the following implications if all the affordable homes were to have a local connection criteria applied to 5 year land supply sites:
 - (a) Inability to allocate homes to those in highest housing need, which could lead to additional costs to the Council in providing temporary accommodation.
 - (b) Fairness to those that are suffering due to their housing situation (high priority need) but are unable to apply for homes as they do not meet the relevant local connection.
 - (c) Where villages are deemed to have met their affordable housing need through the 5 years land supply, it will not be possible to bring forward a rural exception site in that village
16. In considering the options below, the Greater Cambridge City Deal Executive Board has agreed that due consideration should be given to the housing needs of local people as part of its commitment to the delivery of 1,000 extra new homes on rural exception sites. It was further agreed that '*all affordable homes (as defined by the National Planning Policy Framework) constructed on rural exception sites, and on sites not allocated for development in the local plans and outside of a defined settlement boundary*' should be counted towards the 1,000 extra new homes target. It is therefore the intention of the Greater Cambridge City Deal Executive Board that due consideration is given to the housing needs of local people on five year land supply sites.

Options

Option 1	Rationale
<p>The first 8 affordable homes on each 5 year land supply site will be occupied by those with a local connection. The occupation of any additional affordable homes thereafter will be split 50/50 between local connection and on a Districtwide basis.</p> <p>If there are no households in the local community in housing need at the stage of letting or selling a property and a local connection applies, it will be made available to other households in need on a cascade basis looking next at adjoining parishes and</p>	<p>This option provides a balanced approach to meeting the housing needs of the village and those of the District.</p> <p>The reason for setting the level at 8 affordable homes is that this equates to the 40% affordable housing contribution on schemes totalling 20 homes. It was felt that a development of over 20 homes was considered to be large and therefore should also cater for the wider District too. Exception site schemes completed over the last 10 years have on average</p>

<p>then to need in the wider district in accordance with the normal lettings policy for affordable housing. The number of homes identified for local people within a scheme will always remain for those with a local connection when properties become available for re-let.</p>	<p>accommodated 14 homes, with smaller villages ranging between 3 and 10 homes.</p> <p>Worked example: Total scheme = 64 units Affordable @ 40% = 26 units Of which local connection = 17</p> <p>The first 8 of the 26 affordable units are local. The remaining 18 are then split 50/50 meaning 9 additional local connection homes and 9 homes to address districtwide needs.</p>
<p>Option 2 Require all affordable homes to have a local connection for 5 year land supply sites. This has been done on some sites to date.</p>	<p>Rationale This option would address more local need but does not provide a balance or recognise those that do not have a local connection but have a high housing need for accommodation, including those accepted as homeless, for which the Council has a duty to provide accommodation.</p> <p>There is also unlikely to be sufficient local need in many villages to take up all of the affordable housing provided on the 5 year land supply sites which are often much larger than a typical rural exception site scheme.</p> <p>The exception site policy remains an additional option for villages to provide for local people and where possible the Council wants to promote these schemes in working with the parishes.</p>
<p>Option 3 All affordable homes on 5 year supply sites to be available Districtwide with no priority given to local connection criteria other than to the District.</p>	<p>Rationale Although this would accord with the housing development policies of the Local Plan, there should be a balance between benefiting the village and the district needs where a 5 year land supply site is approved. This option fails to take account of the way that the supply of traditional rural exception site schemes has declined recently as some landowners prefer to see their sites developed predominantly for market housing as this yields a higher land value.</p> <p>This option would not be in accordance with the agreement of the Greater Cambridge City Deal Executive Board.</p>

Implications

17. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Risk Management

18. The highest risk to the Council identified is the 'increasing cost of managing homeless'. If Option 2 is the preferred option, this will adversely impact on the Council's ability to benefit from the additional affordable homes provided in helping to meet its duties with regards to homelessness.

Consultation responses (including from the Youth Council)

19. This matter has been discussed with both Councillor Harford, Housing Portfolio Holder, and Councillor Turner (Planning Portfolio Holder). They were both supportive, in principle, to Option 1. Councillor Harford requested that there should be a threshold in applying a local connection. This has been taken into account at Option 1, with a threshold of 20 homes (8 affordable at 40%)

Effect on Strategic Aims

Aim 1 – Homes for our Future

20. Secure the delivery of a wide range of housing to meet the needs of existing and future communities.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

Report Author: Julie Fletcher – Head of Housing Strategy
Telephone: (01954) 713352