

West Wiltshire District Council

Planning Committee

23 October 2008

Proposed Section 106 Agreement in respect of an outline planning application for residential development of 50 to 70 dwellings at Manor Primary School, Queensway, Melksham

Changes to resolution relating to the provision of affordable housing

Reporting Officer - Robert Young, Development Control Manager (Interim)

Purpose

To consider further a proposed Section 106 Agreement in respect of the above proposal following a change in circumstances.

Background

At its meeting on 12 July 2007, the Planning Committee considered an outline planning application submitted by Wiltshire County Council for residential development for 50 to 70 dwellings at Manor Primary School, Queensway, Melksham (06/03047/OUT).

The application site is generally rectangular in shape, measures approximately 1.7 hectares, and occupies a mainly level area of land south of Clackers Brook. This northern boundary fronts onto Pembroke Road, and its western and eastern boundaries abut the rear gardens of predominately semi-detached properties in Queensway, Lambourne Crescent and Rowley Place. Currently the existing school buildings occupy the central part of the site, with playing fields lying to the south and an area of open space separating the developed area from the heavily screened Clackers Brook.

The committee agreed with the officer's recommendation that subject to the applicants entering into the Section 106 Agreement, outline planning permission should be granted subject to conditions. However, the committee felt that the requirements of the Section 106 as they then applied to the provisions of public open space should be amended, and negotiations were carried out, and subsequently agreed, on this point. At its meeting on 25 October 2007, the Committee formally resolved to grant outline planning permission for the development subject to appropriate conditions and the completion of a Legal Agreement to secure the following: -

- (a) Provision of 30% affordable housing on site on a nil subsidy basis in accordance with policy;
- (b) To offset the loss of existing open space on the site
- (i) the provision of a pedestrian footbridge to an agreed standard and design and the provision of associated footpath links and
 - (ii) a financial contribution of £50,000 towards a detailed management plan for Clackers Brook and the implementation of works identified in that plan
- (c) A financial contribution of approximately £49,000 for the provision of off-site open space facilities on the north side of Clackers Brook. In the event that the number of dwellings delivered by this permission exceeds 70, this figure shall be increased proportionately.
- (d) A financial contribution of £57,500 to secure improvements to the Town Cycle Network, bus and cycle shelters and an annual payment for bus passes for residents of the development.

Work commenced on the preparation of the draft agreement, but is currently in abeyance while the County Council reconsiders its options with regard to the disposal of the site.

The change in economic circumstances over the past twelve months has led the applicant to consider alternative arrangements for the sale of the land, the receipts from which are to support the changing education provision in Melksham.

The application site itself has become surplus to educational needs following a consolidation of the primary school facilities within the town. The Manor School was only formed in 2005 by a consolidation of the then Lowbourn Primary and St Michael's Schools, following a decision by the County Council in September 2004 to concentrate education provision on one of the two sites. The Lowbourn site was identified as the one to best meet the needs of local pupils, and its existing facilities are to be expanded and improved to serve the wider catchment. The funds from the sale of the St Michael's site (the application site) are to be invested to improve existing facilities and fund new classrooms and sports playing pitches on the retained site.

The recent market downturn has meant that the site has not attracted successful offers from the private sector, but it has been identified as being suitable for the delivery of affordable housing as part of the District Council's PFI initiative; a successful bid to acquire the site to deliver up to 70 affordable dwellings on the site has now been made by Sarsen Housing Association.

Key Issues

It is considered that this proposal, while not technically contrary to Section (a) of the Heads of Terms of the Section 106 Agreement, does require some understanding and amplification of the relevant clause, and Members' agreement to how this development will then be delivered in practice on the site.

The agreed resolution requires that the final development shall provide “30% affordable housing on site on a nil subsidy basis in accordance with policy”; the current proposal is for 100% affordable housing on site, not at nil subsidy, but with housing grant (ie. PFI credits or Housing Corporation Grant). This is equally “in accordance with policy” if the test for non-viability of nil subsidy is carried out through the Open Book appraisal process and subsequently deemed to be met. However, its delivery on site will inevitably result in an altered form of development to that which was originally envisaged – ie. up to 70 affordable units in a single cluster instead of the 18 to 21, scattered in probably two or three individual clusters in a generally mixed housing scheme.

In broad terms this might be considered to conflict with the ‘spirit’ of both PPS3 and the Council’s own policy H24, which generally support the principle of mixed developments rather than those of a single type or tenure.

Advice on the policy implications of this scenario (which will need to be applied to other PFI proposals as they come before the Council), has therefore been sought from the Planning Policy Manager who has prepared a paper which considers this issue. The full text is attached as an appendix to this report but the conclusion is as follows: -

5.1 From the point of view of planning policy, it is important to integrate social housing into the overall provision of housing. This is best achieved by dispersal. The evidence from existing studies suggests that too large blocks of social housing in a given area, unless carefully designed and managed, will lead to an adverse impact on neighbouring market housing.

5.2 That said, it is easier to plan for social housing in substantial new developments, for example sustainable urban extensions, than it is to incorporate social housing into existing urban areas as and when sites become available. It is therefore of great importance that such developments, when they do occur, should reflect high standards of both design and subsequent management.

5.3 It is seldom possible on planning grounds to refuse applications for social, as opposed to market housing. The problem is usually to ensure adequate provision of affordable housing in order to reflect local need. *If the need can be demonstrated, and the site is suitable for housing, then social housing will normally be acceptable in principle. However, it is clear from the research mentioned above that design quality will be of paramount importance in such schemes.*’ (my italics)

In summary, if the need can be demonstrated, and the site is suitable for housing, then social housing will normally be acceptable in principle, subject to an appropriate design quality. In applying these three elements of need, principle of land use and design to the current proposal, the following conclusions can be drawn.

1. Demonstration of Need

The Housing Enabling Manager has provided the following information: -

(a) The current figure (2008) on the housing waiting list for Melksham is 2014.

(b) The figures for social rented housing, broken down by ward, are tabled below

	Owner Occupied	Owned-Shared Ownership	Social Rented	Private Rented	Rent Free	Total Households	AH as a % of Total
Melksham Town	618	43	155	133	22	971	16
Melksham Forest	610	4	264	57	26	961	27
Melksham Lambourne	357	3	347	27	42	776	45
Melksham North	1570	7	541	198	58	2374	23
Melksham Roundpond	717	0	48	119	12	896	5
Melksham Spa	1948	48	291	157	43	2487	12
Melksham Without	1589	20	235	89	32	1965	12
Melksham Woodrow	1019	3	10	56	5	1093	1
	8428	128	1891	836	240	11523	16

This information, sourced from the 2001 Census, shows that within the Melksham Town ward, 16% of the total housing accommodation falls within the Council's definition of affordable housing (ie. socially rented). This figure, coincidentally, is the same percentage calculated across Melksham as a whole. An additional 70 units, as a result of the current proposal, would increase the ward proportion to 23%, but the overall town percentage to only 17%.

Comparison across the wards shows that the proposed increase would still be no higher than is currently found in the North (23%), Lambourne (45%) and Forest (27%) wards, while a 17% figure for the Town as a whole is still a long way short of the 30% affordable/private ratio required by the Council's own policy H2. It is also below the 20% figure identified in the research as being the 'benchmark' for any adverse effect on nearby market housing. (para 4.2 in Appendix paper)

It is a further point to note, that the development site itself is set within a relatively large built-up area with community facilities and services already readily available. In terms of its impact on the overall social fabric of the town, therefore, a figure which represents less than one fifth of the total housing stock would be comparatively insignificant.

However, when set against a figure of 2014 on the housing waiting list in Melksham, the demand for affordable units is not insignificant. The impact on the waiting list as a result of 70 additional affordable dwellings cannot be precisely measured at this stage. The statistics do make it clear, however, that there is a considerable gap between overall supply and demand for affordable housing in Melksham, and a case of 'demonstrable need' would seem to be clearly evident.

2. Suitability of Site for Housing

That the site is suitable for housing, has already been determined by the Council's Resolution to grant outline planning permission for residential development in both July and October 2007.

3. Design

The existing permission is in outline form only, with layout, scale, appearance and the other reserved matters for future consideration. Condition 4 of the outline permission, however, requires that 'Notwithstanding the illustrative nature of the plan incorporated within the Design and Access Statement, the development shall broadly be carried out in accordance with that plan'.

It is considered that this illustrative layout is the most appropriate for this site in terms of overall layout and design, access arrangements, impact on existing residential properties and Public Open Space provision, irrespective of the tenure or general housing type. Clearly the precise details have yet to be determined via a formal Reserved Matters application, but the generally agreed pattern of development is one which would meet the test of 'design quality' as measured by the Council's own policies (H24 and C31A) and supplementary planning guidance (Residential Design Guides), and the Government's more general guidance in the form of PPS1 and PPS3.

Conclusion

In resolving to grant outline permission for development on this site in July 2007, Members agreed with the conclusion in the Planning Officer's report that:

"This scheme would ultimately secure an appropriate and efficient new development of a surplus educational site. It would further deliver significant benefits in terms of existing recreational facilities, wider ecological objectives for the area, sustainable highway improvements and possible 21 units of affordable housing. While it is disappointing that this figure is not ultimately higher, it nonetheless accords with policy and is recommended for permission."

The proposed development of the site for 100% affordable housing would now deliver this “ultimately higher” figure, while still complying with housing policy in terms of viability and need, and planning policy in terms of land use - the site is suitable for housing; there is evidence of sufficient need; the provision of affordable housing in the suggested quantity is not excessive in the context of Melksham as a whole. The design and management of the scheme remain the crucial factors but adherence to the existing outline conditions and the principles of policy H24 and supplementary planning guidance will deliver an appropriate scheme in its context.

Sections (b) to (d) of the Heads of Terms of the Section 106 Agreement will remain unchanged from those previously approved by Committee on 12 July and 25 October 2007, to deliver contributions to open space, recreational facilities, landscape and ecological improvements, and highway improvements. All previously recommended conditions and informatives will continue to apply to deliver an appropriate form of development.

Recommendation

That section (a) of the Heads of Terms for the S106 Agreement referred to in the Planning Committee’s Resolutions of 12 July 2007 and 25 October 2007 be amended as follows:

(a) Provision of either 30% affordable housing on site on a nil subsidy basis, or 100% affordable housing on a grant subsidy basis in accordance with policy.;

Legal Implications

The approach advocated above is considered to accord with both national guidelines and the Council’s Local Development Framework policies. It will ensure a full range of marketing options in what are difficult economic circumstances. If the Committee is not minded to accept the recommendation, then the original Resolution of 25 October requiring 30% affordable housing on site on a nil subsidy basis will remain in place.

Human Rights

None

Background Papers

Planning application file 06/03047/OUT

Planning Committee Papers for meeting on 12 July 2007 – Agenda Item no 6, planning application no 3

Planning Committee Papers for meeting on 25 October 2007 – Agenda item no 8

**WEST WILTSHIRE DISTRICT COUNCIL
PLANNING POLICY ON AFFORDABLE HOUSING**

1. Introduction

- 1.1 This short paper considers the planning policy stance on the provision of affordable housing in response to the PFI proposals currently before the Council. Clearly there is a pressing need for such provision, both nationally and throughout West Wiltshire. As things stand, there is no distinction in terms of Use Classes between affordable and market housing. However, there are a number of policy statements and implementation mechanisms which have a bearing on affordable housing.
- 1.2 A particular issue has also been identified with regard to the site at Slag Lane, Westbury, where a PFI proposal has been received for 90 affordable housing units. This site is considered in Section 4 below.

2. National Policy

- 2.1 National policy on housing provision is contained in PPS3 (2006). The provision of affordable housing is a strategic policy objective, both in widening the choice of housing available, and in ensuring a high quality of affordable housing in terms of standards and design.
- 2.2 PPS3 goes on to state that the specific outcomes that the planning system should deliver include: *“a mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural.”* National policy is therefore about the delivery of a mix of housing types, rather than simply the delivery of housing numbers.
- 2.3 Planning authorities are required to set out in their Local Development Documents the likely overall proportions of market and affordable housing, and the size and type of affordable housing required. While local authorities are also required to set out the range of circumstances in which affordable housing will be required, PPS3 notes that *“the national minimum site size threshold is 15 dwellings”*.
- 2.4 PPS3 also states that *“The Government is committed to providing high quality housing for people who are unable to access or afford market housing....”* This clearly suggests that affordable housing should be built to a high standard.

3. Development Plan Policy

- 3.1 The existing Wiltshire and Swindon Structure Plan 2016 does not prescribe a proportion of affordable housing to be provided, although the West Wiltshire District Plan First Alteration (2004) includes the requirement in Policy H2 of up to 30% affordable housing on all allocated and windfall sites within the five main towns, and up to 50% on sites within villages, subject to site by site negotiation.
- 3.2 The emerging Regional Spatial Strategy for the South West (RSS), as proposed to be amended by the Government, will require provision to be area for *“at least 35% of all housing development annually across each Local Authority area and Housing Market Area to be affordable housing.”*
- 3.3 Existing Local Plan Policy 22 makes an important point with regard to affordable housing on rural exception sites. That is *“the aim of maintaining a socially balanced community”* in such locations.
- 3.4 The overall intention of affordable housing policy in existing development plans, therefore, is to provide a sufficient supply, related to identifiable need, and in proportion to overall housing development.

4. Impact

- 4.1 There are a number of studies on the effects of affordable housing on market housing in the vicinity (see reference list). The principal conclusions from these studies may be summarised as follows:
- affordable housing can lower adjacent property values;
 - the likelihood of this happening increases when the quality, design and management of the affordable housing is poor, when the housing is located in dilapidated neighbourhoods which contain disadvantaged populations, and when affordable housing residents are clustered;
 - however, there appears to be no adverse effect when affordable housing is located in healthy and vibrant neighbourhoods, when the structure of the affordable housing does not change the quality or character of the neighbourhood, when the management of affordable housing is responsive to problems and concerns, and when affordable housing is dispersed;
 - areas with substantial proportions of both owner occupation and private renting perform reasonably well in terms of neighbourhood problems, but areas dominated by social rented housing perform worst in terms of neighbourhood problems and desired improvements to facilities and services;
 - social renters appear to gain a great deal in neighbourhood environment terms from living in areas of high owner occupation, whereas owner occupiers have a lot to lose from living in areas with an above-average proportion of social renting;
 - for both social renters and owner occupiers, the identification of problems in areas where social renting makes up around a quarter of the housing market is double or treble that in areas where owner occupation comprises the vast majority of the housing market and social housing is at half this level or less;

- although the PPG3 requirement (for mixed tenures) will, in principle, create mixed-tenure development, whether it will also create “mixed communities” is much more questionable;
 - proximity stimulates only a relatively superficial form of social interaction; more meaningful and enduring interaction requires people to have “something in common”.
- 4.2 More than 20% social housing in a given area will tend to have an adverse effect on nearby market housing. The key to successful social housing appears to be good design and management.

5. Conclusions

- 5.1 From the point of view of planning policy, it is important to integrate social housing into the overall provision of housing. This is best achieved by dispersal. The evidence from existing studies suggests that too large blocks of social housing in a given area, unless carefully designed and managed, will lead to an adverse impact on neighbouring market housing.
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References

Does affordable housing detrimentally affect property values? A review of literature, Mai Thi Nguyen, Journal of Planning Literature, August 2005

Mixed tenure communities and neighbourhood quality, Ade Kearns and Phil Mason, Housing Studies, September 2007

Integrating affordable housing within market-rate developments: the design dimension, Steven Tiesdell, Environment and Planning B: Planning and Design, Volume 31, 2004

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