

Core Strategy Review - Inspectors' Action Points

Matter 9 – 3 - Policy CSD1: Balanced
Neighbourhoods

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Matter 9 – 3 - Policy CSD1: Balanced Neighbourhoods

1. Introduction

- 1.1. During the hearing session for Matter 9, Balanced Neighbourhoods and District Residential Needs, the council undertook to provide a note on the site size thresholds used within Policy CSD1: Balanced Neighbourhoods.
- 1.2. This note should be read alongside the council’s other notes relating to Matter 9:
 - Note on Matter 9 - Housing Revenue Account (EX 054); and
 - Note on Matter 9 – Points 2 and 5 – Policy CSD1: Balanced Neighbourhoods (EX 066).
- 1.3. Policy CSD1 sets out the council’s policy for the range and type of affordable homes that should be provided in new developments to meet the needs of future residents and ensure a balanced community.
- 1.4. The policy was first introduced in the adopted Core Strategy (2013) and has been carried forward into the Review. The policy has, however, been updated to reflect latest Government guidance and the new affordable homes requirement.
- 1.5. To produce a balanced community, the policy seeks to ensure that housing developments should include a broad range of tenures incorporating market housing for sale and affordable homes, wherever practicable and subject to viability.
- 1.6. The policy then sets out three thresholds for various sizes of development and the corresponding contribution. These are:

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- Development proposing (or land capable of accommodating) 6 to 10 dwellings (net gain) within the Kent Downs Area of Outstanding Natural Beauty should provide financial contributions towards the provision of affordable housing equivalent to one affordable dwelling on-site;
- Development proposing (or land capable of accommodating) 11 to 14 dwellings (net gain) at any location within the district should provide a minimum of two affordable dwellings on-site; and
- Development proposing (or land of 0.5ha or more in size) 15 or more dwellings (net gain) at any location within the district should provide a minimum of 22 per cent affordable dwellings on-site.

1.7. The deletion of ‘a minimum’ was suggested at the Examination in Public Hearing session relating to Matter 9 and is included within the council’s note on Matter 9, Points 2 and 5, Appendix 1 (EX 066).

2. Requirement for Affordable Homes

2.1. The requirement of 139 affordable homes per year over the plan period was identified through the Strategic Housing Market Assessment Part 2 (EB 03.30). This equates to just over 2,500 new affordable homes over the 18 years of the Core Strategy Review plan period.

3. Government Policy

3.1. Paragraph 59 of the 2019 National Planning Policy Framework (NPPF) indicates that, to support the Government’s objectives of boosting the supply of new homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

3.2. Paragraph 63 of the NPPF indicates that where a need for affordable homes has been identified, provision should not be sought for residential developments that are not major developments, other than in designated rural

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areas (where policies may set out a lower threshold of 5 units or fewer). Major development is defined in the NPPF as “...where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more” for residential development.

- 3.3. Although now updated by the 2019 NPPF, a Ministerial Statement published in 2014 introduced changes national policy in relation to Section 106 obligations and small-scale developments. This stated that for sites of 10-units or fewer, and which have a maximum combined gross floor space of 1,000 square metres, affordable housing and tariff style contributions should not be sought. The new policy did, however, state that for designated rural areas under Section 157 of the Housing Act 1985, which includes national parks and Areas of Outstanding Natural Beauty (AONBs), authorities may choose to implement a lower threshold of 5-units or less, beneath which affordable housing and tariff-style contributions should not be sought. Within these designated areas, if the 5-unit threshold is implemented then payment of affordable housing and tariff style contributions on developments of between six to ten units should also be sought as a cash payment only and be commuted until after completion of units within the development.

4. Policy Threshold Requirements

- 4.1. The thresholds have been amended since the 2013 adopted policy to reflect the updated national policy.
- 4.2. The first threshold in the policy seeks financial contributions towards the provision of affordable housing equivalent to one affordable dwelling on-site for developments of 6 to 10 dwellings in the Kent Downs Area of Outstanding Natural Beauty.
- 4.3. Larger-scale developments will be more restricted in the AONB and the opportunities for the provision of affordable homes through these will be fewer. Paragraph 172 of the NPPF indicates that planning permission should be refused for major development other than in exceptional circumstances, and where it can be demonstrated that the development is in the public interest.

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The footnote regarding ‘major’ development in this paragraph stated that it was “...a matter for the decision maker, taking into account its nature, scale and setting, and whether it could have a significant adverse impact on the purposes for which the area has been designated or defined”.

- 4.4. The policy, therefore, seeks contributions from smaller developments in line with the Ministerial Statement and the NPPF. The council has not sought the lower figure of less than five units so as not to burden small-scale developers. Contributions received could be used towards rural exception housing schemes in line with Policy HB6: Local Housing Needs in Rural Areas in the Places and Policies Local Plan (PPLP).
- 4.5. While an evidence-based allowance for windfall development has been made for the district as a whole, the council does not expect many developments of this size to come forward in the Kent Downs AONB each year (there is currently only one site in the council’s Housing Information Audit) and will be relying on other allocations and financial contributions to bring forward developments. The PPLP has identified one further site in Etchinghill (Policy ND10) for 8 dwellings.
- 4.6. Work on the PPLP has identified and allocated two sites (in Hawkinge and Stelling Minnis) within the 11 to 14 threshold (the applications are compliant with the policy and provide a total of 4 affordable dwellings) and 6 sites within the 15 or more threshold (which would total 266 dwellings of which 59 would be affordable).
- 4.7. It should be noted that two sites in Hawkinge, which is classed as a ‘service centre’ in the settlement hierarchy, would contribute 170 (37 affordable) dwellings to total. Hawkinge is also located just to the north of Folkestone.
- 4.8. The lower threshold is, therefore, considered by the council to be necessary to provide opportunities for new affordable homes to come forward in the smaller sustainable villages in the AONB to provide balanced communities.

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- 4.9. The remaining two thresholds in the policy seek a proportion of new affordable homes on major developments, as set out in the NPPF and the Ministerial Statement.
- 4.10. The second threshold seeks a minimum of two affordable dwellings on-site from developments of 11 to 14 dwellings, subject to viability. This would equate to an obligation slightly less than 22 per cent, ensuring that the small-scale developer is again not overly burdened; it also recognises that if a strict percentage was applied to very small sites it would result in fractions of dwellings and would be likely to cause confusion in the development management process.
- 4.11. Developments of 11 to 14 across the district have been historically low with an average of three sites each year being approved. Work on the PPLP has identified three additional sites which would equate to 6 affordable dwellings.
- 4.12. The third threshold seeks a contribution of 22 per cent on developments of 15 or more. It is considered that at applying this percentage to new developments identified in the Core Strategy Review and PPLP and sites with planning permission will provide the greatest opportunity in providing affordable homes to meet the district’s requirement.
- 4.13. The viability work carried out on the PPLP (EB 03.92) tested the policy requirement of 30 per cent affordable housing provision and this work indicated that that, on the whole, the developments were still viable. The updated work by Gerald Eve tested the proposal against the updated policy, together with other policy requirements, and again they were considered to be viable.

5. Conclusions

- 5.1. The thresholds for the policy have been provided to enable opportunities for the provision of affordable homes across the district to help create balanced communities without placing a burden on small-scale developers. All thresholds are subject to provision where it is practical and viable to do so.

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- 5.2. The viability on schemes applying this policy has been tested through the PPLP work (at a higher rate of 30 per cent) and through more recent work by Gerald Eve.
- 5.3. The first threshold will enable affordable developments to come forward in the AONB where provision though larger developments will be limited. Any off-site contributions could then be used towards rural exception developments in the AONB.
- 5.4. The second threshold will provide affordable homes to come forward in developments of 11 to 14 dwellings across the district without placing a burden on small-scale developers. This is considered to be in accordance with Government policy for not seeking obligations on developments of 10 dwellings or fewer, for areas not within the AONB, as set out in the Ministerial Statement and the NPPF.
- 5.5. The third threshold seeks the 22 per cent of developments over 15 dwellings to provide for affordable homes. This threshold will produce the greatest number of affordable homes through the allocated sites in the PPLP, broad locations in the Core Strategy Review and any larger developments through the planning application process.
- 5.6. Overall, through the application of the policy, the council is able to meet the identified need out in the SHMA.
- 5.7. The table below sets out how this can be achieved over the plan period, using the housing data in the appendices of the council’s Housing Paper for Matter 8: The Supply and Delivery of Housing Land.
- 5.8. As set out in the council’s note on the Housing Revenue Account (EX 054), further affordable housing will be provided through the council’s own affordable housing developments.

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Source	Total Number of Dwellings	Affordable component
<i>CSR Allocations: Without Full Planning Permission (Appendix 2)</i>		
New garden settlement	6,097 (within plan period)	1,341*
Sellindge allocation A & B (without full planning permission)	350	77*
<i>Core Strategy and PPLP Allocations: Without Full Planning Permission (Appendix 3)</i>		
2013 Core Strategy	142	31*
Places and Policies Local Plan with more than 15 dwellings (without planning permission)	1,614 5% lapse 1,533	337*
Number of Sites between 11 & 14	0	0
<i>Full Planning Permission and Under Construction (Appendix 4)</i>		
Strategic sites	3,215	707*
Sites of 15 and more (non-strategic) Under Construction	367	38**
Sites of 15 and more (non-strategic) Not Started	Total 122 5% lapse 116	26*
Number of sites between 11 & 14 dwellings (under construction and not started)	11 sites	22***
Total		2,579

* Assumes delivery at 22% of total.

** Based on Section 106 on-site provision (off-site contributions total £473,708 paid in phases).

*** Assumes 2 affordable dwellings provided on site.