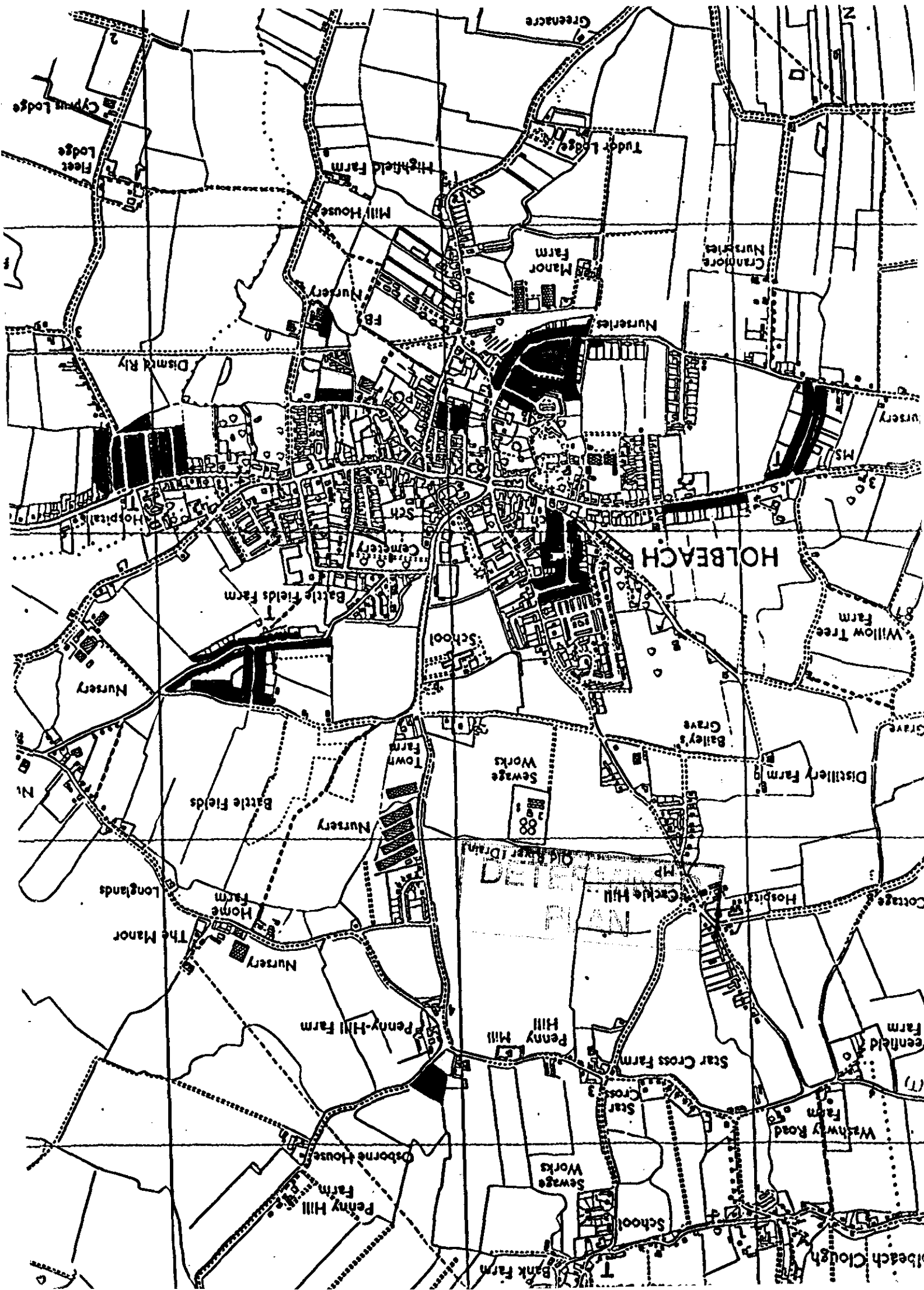




APPLICATION NO. : H09/1246/91.....

CONTENTS PAGE (30 PAGES and OVER)

	<u>PAGE</u>
CONTENTS PAGE	1
DECISION NOTICE	2-3
LOCATION PLAN	
APPLICATION FORM	MISSING
CHECK SHEETS AND FRONT FILE SHEET	4
ALL OTHER CORRESPONDENCE	5-
ALL OTHER DRAWINGS	
POST DECISION AMENDMENTS (FORMS, CORRESPONDENCE, PLANS, ETC)	

Town and Country Planning Act 1990

Refusal of Planning Permission

Reference: H09/1246/91

Received: 14-NOV-90 Type: OUTLINE

Name: Kings Quality Homes
Holbeach Manor
Fleet Road
Holbeach
Spalding Lincs

Agent: Rafe J Clowes
5 Thirlmere Close
Thorneywood Mount
Nottingham
NG3 2PX

Description: Residential development inc dwellings to let/sheltered
accomm. with amenity area/lake (Registered as H09/1239/90)

Location : Damgate Holbeach
Spalding Lincs

South Holland District Council hereby give notice that PERMISSION HAS
BEEN REFUSED for the development for the following reason(s):

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied that there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority the circumstances of this case are not sufficient to justify permission, which would be contrary to Policy 7a of the Lincolnshire Structure Plan. This policy is in accordance with national planning policies as set out in Planning Policy Guidance Note No. 7, 1992 (The Countryside and the Rural Economy), and is aimed at the conservation of agricultural land, the preservation of services. In the opinion of the Local Planning Authority the granting of permission or the development as proposed would be harmful to the purposes of this policy, because as well as its individual effect on these issues, it would encourage further similar proposals which would be difficult to resist.
- 2 In the absence of any agreement having been entered into under Section 278 of the Highway Act to carry out improvements, the development if permitted would front onto a section of Damgate which is inadequate in width and construction to serve further development on this scale.
- 3 If permitted the development would generate a large number of additional private, service and delivery vehicles along Damgate which because of its narrow width would be to the detriment of highway safety.
- 4 The development if permitted would increase the number of vehicles using the junction of Damgate and Fleet Road (B1515) where visibility is restricted to the east to the detriment of highway safety and it would also increase the turning traffic from Fleet Road to the detriment of other road users.
- 5 The Holbeach Sewage Disposal Works is at capacity level and cannot satisfactorily take sewage from the development proposed until such

time as the works have been upgraded otherwise pollution incidents are likely to occur.

- 6 Analysis of the applicants offers of "planning gain", including the offer of low cost housing land show that the benefits to the district would not be sufficiently attractive to justify overruling Structure Plan and District Council policies on development in the open countryside, to the extent that they would not conform with the advice of the Department of Environment as set out in "Planning Policy Guidance Note No. 3 - Housing."

Director of Planning and Building Control Services
01-MAR-94 H09/1246/91

This decision refers only to that required for the purposes of the Town and Country Planning Act and not for Building Regulations or any other legislation. See enclosed notes relating to rights of appeal.

FILE SHEET

1239.
NM.

~~11-12-90~~

2 1 91

COM Case Officer NM



**Last Committee
before terminal date:**

APPLICATION NO : H09/1239/90

RECEIVED : 14 11 90

TERMINAL DATE : ~~9-1-91~~

APPLICANT : Kings Quality Homes Agent:Rafe J Clowes

DESCRIPTION : Residential comprising dwellings for sale, to let
& sheltered accom., with amenity open space&lake

LOCATION : Damgate, Holbeach

TYPE : Outline	Inside IBD : N	No of dwellings	0
	Inside LP area : N	Site area	9.19
	Grid ref : 536650 324520	Floorspace	0

Last application : H09/0841/89 B Reg :

Ack : 21 November, 1990

CONSULTATIONS

**LIST OF
BACKGROUND PAPERS**
(If reported to committee)

EXEMPT *

RECONSULTATIONS

RECONSULTATIONS
Flyer Parish Council

[illegible]

--	--

[illegible]

officer's site inspection

Town and Country Planning Act etc

DRAFT REFUSAL

Reference: H09/1246/91

Received:14-NOV-90 Type:OUTLINE

Name: Kings Quality Homes
Holbeach Manor
Fleet Road
Holbeach
Spalding Lincs

Agent: Rafe J Clowes
5 Thirlmere Close
Thorneywood Mount
Nottingham
NG3 2PX

Description: Residential development inc dwellings to let/sheltered
accommodation with amenity area/lake (Registered as H09/1239/90)

Location : Damgate Holbeach
Spalding Lincs

South Holland District Council hereby give notice
that permission has been refused etc
for the following reasons:

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied that there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority the circumstances of this case are not sufficient to justify permission, which would be contrary to Policy 7a of the Lincolnshire Structure Plan. This policy is in accordance with national planning policies as set out in Planning Policy Guidance Note No. 7, 1992 (The Countryside and the Rural Economy), and is aimed at the conservation of agricultural land, the preservation of services. In the opinion of the Local Planning Authority the granting of permission or the development as proposed would be harmful to the purposes of this policy, because as well as its individual effect on these issues, it would encourage further similar proposals which would be difficult to resist.
- 2 In the absence of any agreement having been entered into under Section 278 of the Highway Act to carry out improvements, the development if permitted would front onto a section of Damgate which is inadequate in width and construction to serve further development on this scale.
- 3 If permitted the development would generate a large number of additional private, service and delivery vehicles along Damgate which because of its narrow width would be to the detriment of highway safety.
- 4 The development if permitted would increase the number of vehicles using the junction of Damgate and Fleet Road (B1515) where visibility is restricted to the east to the detriment of highway safety and it would also increase the turning traffic from Fleet Road to the detriment of other road users.
- 5 The Holbeach Sewage Disposal Works is at capacity level and cannot satisfactorily take sewage from the development proposed until such

time as the works have been upgraded otherwise pollution incidents are likely to occur.

- 6 Analysis of the applicants offers of "planning gain", including the offer of low cost housing land show that the benefits to the district would not be sufficiently attractive to justify overruling Structure Plan and District Council policies on development in the open countryside, to the extent that they would not conform with the advice of the Department of Environment as set out in "Planning Policy Guidance Note No. 3 - Housing."

18-FEB-94

AD check.....*21/2*.....

Authorised to issue (inc Delegation).....*21/2*.....

LIST OF EVENTS IN CHRONOLOGICAL ORDER

<u>Date</u>	<u>Event</u>
18 Oct 90	Planning Application Received - Invalid
14 Nov 90	Planning Application Registered - Valid
21 Nov 90	Consultations carried out
26 Nov 90	Ward Member Consult received - Support
22 Nov 90	Ltr from Highways requesting addition information
30 Nov 90	SHIDB Consult received
04 Dec 90	Parish Consult received - Support
07 Dec 90	NRA Consult received
03 Jan 91	Highways Consult received - Request Refusal
07 Jan 91	ltr from Rafe Clowes confirming meeting 16 Jan 91
15 Jan 91	Ltr from Chief Housing Offr ref previous meeting with agents
16 Jan 91	Anglian Water Consult received
16 Jan 91	MEETING WITH APPLICANTS & AGENTS
29 Jan 91	Ltr from Rafe Clowes confirming extension of time until 31 Mar 91
13 Feb 91	Ltr from KQH requesting support for application
06 Feb 91	Ltr from KQH ref legal obligation and meeting requested
21 Feb 91	Ltr from Highways re drainage problems
28 Feb 91	MEETING WITH APPLICANTS & AGENTS
25 Mar 91	Ltr from Highways re drainage problems and 278 agreement
08 Apr 91	Ltr from Rafe Clowes re social housing provision and agreement to extension of time until 31 May 91
15 Apr 91	Ltr from Longhurst Housing Assoc re social housing
16 Apr 91	Ltr from Rafe Clowes giving results of Housing Needs Survey
20 May 91	Ltr from Rafe Clowes agreeing to extension of time until 07 Jul 91.

20 May (Ltr from KQH asking if application could be brought to committee before July 91.

07 Jun 91 Memo from Planning to Housing requesting formal observations on long term housing need by 17 Jun 91 if possible.

14 Jun 91 Ltr from Rafe Clowes agreeing to extension of time until 31 Jul 91

17 Jun 91 MEETING BETWEEN HOUSING & PLANNING re affordable housing

21 Jun 91 Memo from Housing to Planning giving observations on long term housing need.

17 Jul 91 HOUSING SERVICES COMMITTEE

23 Jul 91 PLANNING COMMITTEE MEETING - Recommendation for Refusal Application Deferred to allow consult with Fleet Parish Council

25 Jul 91 Ltr from Rafe Clowes with copy of letter to Fleet Parish Council dated 9 Nov 90 and giving consent to extension of time until 31 Aug 91

(12 Aug 91 Fleet Parish Council Consult received Not Supported

28 Aug 91 PLANNING COMMITTEE MEETING - Recommendation fo Refusal Application referred to Sub-Cttee for detailed consideration and comprehensive report back to Cttee

26 Sep 91 Ltr from John H King requesting update on application and meeting with B Smith

08 Oct 91 Ltr to Rafe Clowes explaining current situation

11 Oct 91 Ltr to KQH explaining current situation

09 Dec 91 MEETING WITH AGENTS/KQH, Cllr ALCOCK & HOUSING

03 Jan 92 Memo to Housing chasing up additional details they feel necessary to access proposal

(06 Feb 92 Memo from Housing giving additional details

06 Feb 92 MEETING WITH KQH

12 Feb 92 Ltr to Rafe Clowes giving principle matters that require addressing

24 Mar 92 MEETING WITH AGENT/KQH, PLUS HOUSING & R DOUGHTY

27 Mar 92 Ltr from Rafe Clowes agreeing to extension of time until 30 Jun 92

16 Apr 92 Memo from Housing giving principles for evaluating scheme

11 Jun 92 MEETING WITH AGENTS
Ltr to Rafe Clowes requesting extension of time until 31 Oct 92

12 Jun 92 Ltr from Rafe Clowes agreeing to extension of time until 31 Oct 92 and agreeing to submit additional information prior to next meeting. Also requested copy of Dist Valuer assessment

13 Jul 92 Memo from Housing giving factors which Dist Valuer was asked to advise

16 Jul Ltr to Rafe Clowes explaining that copy of Dist Valuer assessment not appropriate but giving factors and advising additional details still awaited from them.

09 Oct 92 Ltr from Rafe Clowes giving additional information

27 Oct 92 Ltr from Rafe Clowes requesting possible committee date

06 Nov 92 Ltr to Rafe Clowes giving January 93 as possible committee date and requesting extension of time until 31 Jan 92. Also advising possibility of additional questions that may arise due to additional information received

10 Nov 92 Copy letter from Housing to Rafe Clowes requesting clarification/additional information

12 Nov 92 Ltr from Rafe Clowes agreeing to extension of time until 31 Jan 93

15 Dec 92 Ltr from Rafe Clowes attaching copy letter to Housing giving additional information as requested

22 Dec 92 Memo from Housing giving summary of position on application

26 Jan 93 Ltr from Rafe Clowes agreeing to extension of time until 31 Mar 93

05 Feb 93 Memo from Housing giving comments from Contracts Manager Parks

15 Feb 93 Ltr from Rafe Clowes attaching copy letter to Housing giving additional information as requested

08 Mar 93 Ltr from KQH giving further details

18 Mar 93 Ltr from Rafe Clowes attaching copy letters from/to Housing re Open Book accounting and asking if we require extension of time

19 Mar 93 Ltr to Rafe Clowes requesting extension of time until 12 May 93

27 Mar 93 Ltr from Rafe Clowes agreeing to extension of time until 12 May 93

14 Apr 93 Draft Appraisal Report received from Housing

29 Apr 93 Ltr from Rafe Clowes agreeing to extension of time until 30 Jun 93

02 Jun 93 SPECIAL COMMITTEE MEETING - Recommendation of Refusal/Defer if Mindfull to Grant
Deferred for Site Visit and DPBCS to advise Committee of any legal obligations and conditions considered necessary if Mindful to Grant

14 Jun (SITE VISIT - No Decision Made

23 Jun 93 Ltr to Rafe Clowes re Sub-Cttee decision and suggesting meeting and extension of time until 30 Sep 93

13 Jul 93 Ltr from Rafe Clowes agreeing to extension of time until 15 Oct 93

05 Oct 93 Ltr from Anglian Water re water distribution

12 Oct 93 MEETING WITH AGENT/KQH, ORBIT HOUSING ASSOC/COAD & Co and HOUSING

18 Oct 93 Ltr from Rafe Clowes re additional information requested and agreeing to extension of time until 21 Dec 93

26 Oct 93 Ltr from Anglian Water re drainage

28 Oct 93 Copy letter from Housing to Orbit requesting additional information

22 Nov 93 Ltr from Rafe Clowes explaining delay in forwarding draft 106 agreement and agreeing to extension of time until 31 Jan 94

06 Jan 94 Memo from Admin attaching letters from Roythorne and Housing Corporation giving additional information requested by Housing

14 Jan 94 Ltr from Rafe Clowes agreeing to extension of time until 25 Feb 94 to allow application to go on 16 Feb 94 committee

BRIAN SMITH Dip TP MRTPI
Dir of Planning & Building Control Services
Planning & Building Control Department,
Council Offices,
Priory Road, Spalding,
Lincolnshire. PE11 2XE
Telephone: (0775) 761161
Fax: (0775) 710772



Application no: H09/1246/91

Applicant: Kings Quality Homes
Holbeach Manor
Fleet Road
Holbeach
Spalding Lincs

Agent: Rafe J Clowes
5 Thirlmere Close
Thorneywood Mount
Nottingham
NG3 2PX

Description: Residential development inc dwellings to let/sheltered
accomm. with amenity area/lake (Registered as H09/1239/90)
Location: Damgate Holbeach
Spalding Lincs

Type: OUTLINE

03-MAR-94

Dear Sir/Madam,

PLANNING APPLICATION

The above application for planning permission has now been considered, together with your comments, and it has been decided that permission should be refused in this case.

The full reasons for refusal can be seen by inspecting the register of applications which is available in this Department.

Yours faithfully
B SMITH
Director of Planning and Building Control Services

①

Brian A Paul
The Sett
Fleet Road
Holbeach, Spalding
Lincolnshire, PE12 8LA

②

Jennifer A Evans
21 Damgate
Holbeach

③

B Ayres
27 Damgate Road
Holbeach

I would like to be kept informed of the outcome of this application and if it goes to the next stage myself and neighbours would like to have access to view the plans at your town planning office

Yours sincerely
Jemima Evans.

DISTRICT PLANNING OFFICE
SOUTH HOLLAND DISTRICT C.
PRIORITY RD.
SPALDING.

Brian A. Paul
The Sett,
Fleet Road,
Holbeach, Spalding,
Lincs. PE12 8LA

23-8-91

S.L.

APPLICATION NO 9/1239/90
RESIDENTIAL, DAMGATE, HOLBURN
KING'S QUALITY HOMES.

S.H.D.C. PLANNING DEPT.
RECEIVED
28 AUG 1991

Attention of: EPO DEPT
BENCH,
28/8 clba

I AM UNABLE TO BE PRESENT AT THE PLANNING MEETING OF 28TH AUGUST 1991.

MY VIEWS ON ABOVE APPLICATION ARE:- IF GRANTED WOULD SET A PRECEDENT AND WE WOULD FIND IT VERY DIFFICULT TO REFUSE ANY APPLICATION ON ADJOINING FIELD THAT IS BETWEEN THIS SITE AND BRANCHES LANE.

OUTSIDE I.B.D. AND SHOULD NOT BE
ALLOWED WITH REVIEW COMING IN NOT
TO DISTANT FUTURE.

~~faultfully~~

Brian Paul

COUNCIL FOR FLEET.

B. AYRES

BUILT UP FELT ROOFING

27 DAMGATE ROAD, **HOLBEACH**, SPALDING Lincs.
PE12 7BH

Telephone:
Holbeach 23580 — Holbeach 363663

Mr. B. Smith, District Planning Officer, 1st August 19.91.

Priory Road, Spalding, Lincolnshire,

Dear Mr. Smith,

Re:- Rented Properties Off Damgate Road, Holbeach.

I was very suprising to read in the Lincolnshire Free Press that the above project had not been approved. My employees are asking me where can I find rented accommodation and I am sure this would be an ideal site.

With best wishes.

Yours sincerely,

B. Ayres

B. Ayres.

S.H.D.C. PLANNING DEPT.	
RECEIVED	
- 2 AUG 1991	
ATTACHED BY DPO ☒ JAM DUPO ☐ ES JO ☐ ADP Action by Discuss with Copy to	File Nos. <i>file</i> Acknowledge YES/NO by date

ACCOUNTS STRICTLY NETT, UNLESS STATED. DUE MONTHLY

Total Excluding VAT	
VAT	
INVOICE TOTAL	

B. AYRES

BUILT UP FELT ROOFING

27 DAMGATE ROAD, **HOLBEACH**, SPALDING Lincs.
PE12 7BH

Telephone:
Holbeach 23580 — Holbeach 363663

Mr. B. Smith Planning Officer

19th April

19 91

S.H.D.C., Chatterton Tower, Spalding, Lincs.

DAMGATE ROAD, HOLBEACH.

I understand that Kings wish to build on the old Golf
Course adjoining my own property.

I also understand that there will be several properties
to rent to local people and this is needed very badly
in this area.

I have several people working for me who wish to rent
properties as they are not able to buy their own houses
and I have spoken with several neighbours who think it
is a good idea to help the local youngsters.

I look forward to hearing from you.

Yours sincerely,

B Ayres

Mr. B. Ayres.

1239/90

S.H.D.C. PLANNING DEPT.	
RECEIVED	
22 APR 1991	
Attention of	File nos.
DPO ☒ NRM	
DOPO BS	
JC ACP	
Action by	Acknowledge YES/NO
Discuss with	by
Copy to	Date

Total Excluding VAT

VAT

INVOICE TOTAL

ACCOUNTS STRICTLY NETT, UNLESS STATED. DUE MONTHLY

LIST OF EVENTS IN CHRONOLOGICAL ORDER

<u>Date</u>	<u>Event</u>
18 Oct 90	Planning Application Received - Invalid
14 Nov 90	Planning Application Registered - Valid
21 Nov 90	Consultations carried out
26 Nov 90	Ward Member Consult received - Support
22 Nov 90	Ltr from Highways requesting addition information
30 Nov 90	SHIDB Consult received
04 Dec 90	Parish Consult received - Support
07 Dec 90	NRA Consult received
03 Jan 91	Highways Consult received - Request Refusal
07 Jan 91	ltr from Rafe Clowes confirming meeting 16 Jan 91
15 Jan 91	Ltr from Chief Housing Offr ref previous meeting with agents
16 Jan 91	Anglian Water Consult received
16 Jan 91	MEETING WITH APPLICANTS & AGENTS
29 Jan 91	Ltr from Rafe Clowes confirming extension of time until 31 Mar 91
13 Feb 91	Ltr from KQH requesting support for application
06 Feb 91	Ltr from KQH ref legal obligation and meeting requested
21 Feb 91	Ltr from Highways re drainage problems
28 Feb 91	MEETING WITH APPLICANTS & AGENTS
25 Mar 91	Ltr from Highways re drainage problems and 278 agreement
08 Apr 91	Ltr from Rafe Clowes re social housing provision and agreement to extension of time until 31 May 91
15 Apr 91	Ltr from Longhurst Housing Assoc re social housing
16 Apr 91	Ltr from Rafe Clowes giving results of Housing Needs Survey
20 May 91	Ltr from Rafe Clowes agreeing to extension of time until 07 Jul 91.

May 91 Ltr from KQH asking if application could be brought to committee before July 91.

07 Jun 91 Memo from Planning to Housing requesting formal observations on long term housing need by 17 Jun 91 if possible.

14 Jun 91 Ltr from Rafe Clowes agreeing to extension of time until 31 Jul 91

17 Jun 91 MEETING BETWEEN HOUSING & PLANNING re affordable housing

21 Jun 91 Memo from Housing to Planning giving observations on long term housing need.

17 Jul 91 HOUSING SERVICES COMMITTEE

— 23 Jul 91 PLANNING COMMITTEE MEETING - Recommendation for Refusal Application Deferred to allow consult with Fleet Parish Council

25 Jul 91 Ltr from Rafe Clowes with copy of letter to Fleet Parish Council dated 9 Nov 90 and giving consent to extension of time until 31 Aug 91

— 12 Aug 91 Fleet Parish Council Consult received Not Supported

— 28 Aug 91 PLANNING COMMITTEE MEETING - Recommendation fo Refusal Application referred to Sub-Cttee for detailed consideration and comprehensive report back to Cttee

26 Sep 91 Ltr from John H King requesting update on application and meeting with B Smith

08 Oct 91 Ltr to Rafe Clowes explaining current situation

11 Oct 91 Ltr to KQH explaining current situation

— 09 Dec 91 MEETING WITH AGENTS/KQH, Cllr ALCOCK & HOUSING

03 Jan 92 Memo to Housing chasing up additional details they feel necessary to access proposal

06 Feb 92 Memo from Housing giving additional details

— 06 Feb 92 MEETING WITH KQH

12 Feb 92 Ltr to Rafe Clowes giving principle matters that require addressing

— 24 Mar 92 MEETING WITH AGENT/KQH, PLUS HOUSING & R DOUGHTY

27 Mar 92 Ltr from Rafe Clowes agreeing to extension of time until 30 Jun 92

16 Apr 92 Memo from Housing giving principles for evaluating scheme

— 11 Jun 92 MEETING WITH AGENTS
 Ltr to Rafe Clowes requesting extension of time until 31 Oct 92

12 Jun 92 Ltr from Rafe Clowes agreeing to extension of time until 31 Oct 92 and agreeing to submit additional information prior to next meeting. Also requested copy of Dist Valuer assessment

13 Jul 92 Memo from Housing giving factors which Dist Valuer was asked to advise

— 16 Jul Ltr to Rafe Clowes explaining that copy of Dist Valuer assessment not appropriate but giving factors and advising additional details still awaited from them.

09 Oct 92 Ltr from Rafe Clowes giving additional information

27 Oct 92 Ltr from Rafe Clowes requesting possible committee date

06 Nov 92 Ltr to Rafe Clowes giving January 93 as possible committee date and requesting extension of time until 31 Jan 92. Also advising possibility of additional questions that may arise due to additional information received

10 Nov 92 Copy letter from Housing to Rafe Clowes requesting clarification/additional information

12 Nov 92 Ltr from Rafe Clowes agreeing to extension of time until 31 Jan 93

15 Dec 92 Ltr from Rafe Clowes attaching copy letter to Housing giving additional information as requested

22 Dec 92 Memo from Housing giving summary of position on application

26 Jan 93 Ltr from Rafe Clowes agreeing to extension of time until 31 Mar 93

05 Feb 93 Memo from Housing giving comments from Contracts Manager Parks

15 Feb 93 Ltr from Rafe Clowes attaching copy letter to Housing giving additional information as requested

08 Mar 93 Ltr from KQH giving further details

18 Mar 93 Ltr from Rafe Clowes attaching copy letters from/to Housing re Open Book accounting and asking if we require extension of time

19 Mar 93 Ltr to Rafe Clowes requesting extension of time until 12 May 93

27 Mar 93 Ltr from Rafe Clowes agreeing to extension of time until 12 May 93

14 Apr 93 Draft Appraisal Report received from Housing

29 Apr 93 Ltr from Rafe Clowes agreeing to extension of time until 30 Jun 93

— 02 Jun 93 SPECIAL COMMITTEE MEETING - Recommendation of Refusal/Defer if Mindfull to Grant
Deferred for Site Visit and DPBCS to advise Committee of any legal obligations and conditions considered necessary if Mindful to Grant

- 14 Jun 93 SITE VISIT - No Decision Made
- 23 Jul 93 Ltr to Rafe Clowes re Sub-Cttee decision and suggesting meeting and extension of time until 30 Sep 93
- 13 Jul 93 Ltr from Rafe Clowes agreeing to extension of time until 15 Oct 93
- 05 Oct 93 Ltr from Anglian Water re water distribution
- 12 Oct 93 MEETING WITH AGENT/KQH, ORBIT HOUSING ASSOC/COAD & Co and HOUSING
- 18 Oct 93 Ltr from Rafe Clowes re additional information requested and agreeing to extension of time until 21 Dec 93
- 26 Oct 93 Ltr from Anglian Water re drainage
- 28 Oct 93 Copy letter from Housing to Orbit requesting additional information
- 22 Nov 93 Ltr from Rafe Clowes explaining delay in forwarding draft 106 agreement and agreeing to extension of time until 31 Jan 94
- 06 Jan 94 Memo from Admin attaching letters from Roythorne and Housing Corporation giving additional information requested by Housing
- 14 Jan 94 Ltr from Rafe Clowes agreeing to extension of time until 25 Feb 94 to allow application to go on 16 Feb 94 committee

TYPE: Outline

DESCRIPTION: Residential comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake

LOCATION: Damgate, Holbeach

APPLICANT: Kings Quality Homes

AGENT: Rafe J Clowes

BACKGROUND

This application was last considered by the Planning Committee at a special meeting held on 2 June 1993. A copy of the report to the Committee is attached as an Appendix to the report. Minute 414 of that meeting summarised the situation as follows:-

" 414 DAMGATE, HOLBEACH - RESIDENTIAL DEVELOPMENT COMPRISING DWELLINGS FOR SALE, TO LET AND SHELTERED ACCOMMODATION WITH AMENITY OPEN SPACE AND LAKE - APPLICATION REFERENCE H09/1239/90.

Detailed consideration was given to the report of the Director of Planning and Building Control Services relating to the undermentioned application, and to the reports of the Director of Housing and Property Services on the comprehensive development appraisal which had been undertaken in connection with the social housing proposal included within the application. In addition to the circulated reports the Director of Planning and Building Control Services explained with the aid of transparencies and circulated plans, details of the proposal, and identified existing residential development sites both inside and outside of the interim boundary of development for Holbeach, as well as other sites which were currently the subject of similar initiatives.

Plan No. and Applicant

Proposal

H09/1239/90
Kings Quality Homes

Residential development comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake at Damgate, Holbeach

Whilst both Directors agreed that there was a need for affordable housing in Holbeach in their views the evidence suggested that the public benefits did not outweigh the planning considerations in this case. Nevertheless, because of the urgent need for more rented accommodation in Holbeach and the applicant's confirmation that the

affordable housing would be provided without public subsidy, on the casting vote of the Chairman it was considered that further information, including a review of the interim boundary of development for Holbeach, was needed before the application was determined.

After a lengthy discussion it was

RESOLVED: Consideration of the application be deferred

- a) pending an inspection of the application site and the interim boundary of development for Holbeach and other land which lies outside, but contiguous to, the present boundary, including those areas of land which have already been identified by agents or land owners for consideration in the Draft District Plan; and
- b) to enable the Director of Planning and Building Control Services to advise the Committee on the contents of any planning obligations and conditions which would be considered necessary if the Committee was minded to grant planning permission.

(Councillor T Barker requested that his vote against the above decision be recorded.)"

ADDENDUM

- 1 The Sub-Committee inspected the site on 14 June, 1993, but decided to make no recommendation to the Committee on the basis that it would be premature to do so until the further information requested by the Planning Committee was available.
- 2 For the avoidance of doubt, the views of the two respective Parish Council's are as follows:-
 - (i) Holbeach Parish Council - "Although we acknowledge this land is not within the Interim Boundary of Development, we would nevertheless support the application".
 - (ii) Fleet Parish Council - "Cannot support, outside Interim Boundary of Development".
- 3 Since then, further discussions have been held with the applicants, their agents and the Orbit Housing Association (who the applicants propose should take over the social housing element of the scheme), in order to determine the terms of any obligations and conditions, should the Committee be minded to grant permission.
- 4 Some further changes to the proposal have been made since the previous report
 - a) owing to the unwillingness of the Council to undertake the future maintenance of the balancing lake, which was intended to aid the surface water disposal from the site,

- as well as being an amenity feature, alternative solutions for the disposal of surface water are being explored. This will leave the future of approximately a quarter of the application site uncertain (ie. 2.25 hectares).
- b) The Anglian Water Authority have advised my Department that the Holbeach sewage works is at capacity level and cannot satisfactorily take the sewage from the development. They would therefore require the development to be deferred until the sewage works has been upgraded, otherwise pollution incidents are likely to occur.
- c) There is apparently a change in the proposed tenure of the social housing element of the scheme. (See the Director of Housing and Property Services' subsequent advice as summarised in paragraph 5 (ii)).

5 The subject that the Committee would wish to be covered by obligations are considered to be as follows:

1 Social Housing

(i) Agreements:

- (a) To a commitment to the number and mix of units.
- (b) To a phasing scheme so that the social housing units are built and available prior to any private unit being built.
- (c) That the Housing Association are a party to the development and undertake not to obtain HAG funding for the development.
- (d) That the Housing Association enter into a separate nomination agreement with the Council.
- (e) That the social housing units be let in accordance with the Association standard practice.
- (f) That the rental to be changed in accordance with the Association's rent matrix.
- (g) That the Association agree to letting to local people in residence in the district, but with an override if tenants are not available.
- (h) That consultations are to be carried out with the District on letting issues, subject to non-contravention of the Association's policies

(ii) Director of Housing and Property Services:
Further Advice

- 1 Discussions with the applicants and Orbit Housing Association have focused on the provision of 56 homes for rent without benefit of public subsidy as committed by the applicants at the time the application was last considered by the Committee. No further financial evaluation has been carried out.
- 2 Orbit Housing Association confirmed that these dwellings could be provided without public subsidy. In terms of meeting housing demand, the terms of the tenancies, maintenance and repair, consultation and information and equal opportunities Orbit have confirmed that the properties will be in line with the Tenants' Guarantee which applies to publicly funded

housing. Also rents will be charged in accordance with their rent setting policy for all rented properties. If the Committee is minded to grant permission these matters will need to be covered by a S.106 Agreement. Nominations may be covered by a separate legal agreement with the Council.

- 3 On completion of this report it came to my attention through a press release issued by the applicants that it is now intended to include an element of Low Cost Home Ownership (LCHO). Orbit Housing Association have confirmed that 12 of the 56 dwellings will now be shared ownership and the scheme relies for its financial liability on the inclusion of LCHO. Their understanding was that the type of affordable housing would be negotiable after the grant of outline planning permission.
- 4 This late inclusion of LCHO raises the following concerns:
 - (i) it represents a further departure to the applicants' intentions;
 - (ii) LCHO is unlikely to be able to be tied into a S.106 Agreement because of difficulties for purchasers;
 - (iii) purchasers have a right to buy outright, therefore affordable housing to meet local needs will not be provided in perpetuity;
 - (iv) Orbit's rent levels for shared ownership are significantly higher than for shared ownership available elsewhere in the district ie. 50% share in a house selling at £40,000 the monthly rent level for an Orbit house is a minimum of a third higher (£23) than for other shared ownership. This casts doubt on the scheme in terms of viability or affordability;
 - (v) If the scheme is not viable there may be pressures to further alter its tenure.
- 5 Considerable benefits continue to accrue to the applicants in terms of more efficient development of the site and increase in asset value of the land in their ownership. The scheme proposals go against the Council's planning policies and Government advice contained in PPG3 on the provision of affordable housing. Nevertheless, if the Committee is minded to grant permission the detail of the rented housing needs to be tied into a S.106 Agreement. It is unlikely that a S.106 Agreement could be applied to the LCHO.

2 Surface Water Disposal

An agreement not to commence development until a satisfactory scheme for surface water disposal from the site has been agreed by the Local Planning Authority consultation with the Anglian Water Authority and the National Rivers Authority and the

South Holland Internal Drainage Board and arrangements for its implementation put in place.

3 Balancing Lake

An agreement that in the event that the balancing lake does not form part of the agreed surface water disposal scheme, its site will be conveyed to the District Council as a public open space.

4 Highway Improvements

An agreement not to commence development until a scheme for the improvement of Damgate (including provision of a footpath and the improvement of its junction with Fleet Road) has been agreed with the Local Planning Authority in consultation with the County Highway Department, and satisfactory arrangements for its implementation put in place.

5 Sewage Proposal

An agreement not to commence development until the Holbeach sewage works has been improved so that, in the opinion of the Local Planning Authority and after consultation with the Anglian Water Authority it is able satisfactorily to accommodate and treat the effluent from the development. (Likely to be improved by 1997).

6 These agreements leave unresolved the wish of the Committee that Holbeach Manor (the applicant's home) be retained, and that the planning permission for its redevelopment be not implemented. The applicant has offered to enter into a legal agreement not to demolish the Manor, however, the view of the Director of Administration is that a Section 106 Obligation covering this is unlikely to be legally valid.

7 From the planning viewpoint (the responsibility of this Committee) there also remains unresolved the matter of planning policy. The proposal is outside the current I. B. D. for Holbeach, and its development would at present constitute a major departure from the provisions of the Structure Plan. In addition to the Structure Plan the draft District Plan "South Holland 2000" has completed its public consultation exercise and as a consequence of which not only has the current proposal been submitted as a response but also other proposals for Holbeach from landowners and other developers involving significant departures from existing policy comprising residential and leisure/employment packages. As explained in earlier reports, the law has now changed, and Section 54A of the current Planning Act requires planning authorities to determine applications in accordance with the Development Plan for the area (i.e. the Structure Plan), unless "material considerations indicate otherwise". (In this context, this means material planning considerations).

8 In the present case, the material considerations in addition to the development plan appear to be

(a) The Retention of Holbeach Manor

It has been pointed out above that there are legal doubts if this can be ensured using a 106 Obligation, but in addition to this, the Committee accepted in renewing Outline planning permission for the redevelopment of the Manor site in 1993, that there were no planning reasons to resist the demolition of the Manor. It would be difficult in the circumstances to argue that its retention as a "quid pro quo" for granting permission contrary to policy was a valid planning consideration.

(b) The Provision of Social Housing

This has been accepted by the Department of the Environment as a planning issue and one that can be addressed in local plans. However, the granting of planning permission for private housing outside an I.B.D. as a "quid pro quo" for the developer agreeing to building an element of social housing runs directly contrary to the contents of Paragraph 23 of the Department of the Environment's Circular 7/91 "Planning and Affordable Housing". Whilst planning circulars are always couched in advisory terms, their contents have been held to be important and material planning considerations. Indeed, the disregard for their advice is a ground for an award of costs against a planning authority in the context of planning appeals.

CONCLUSION

- 1 Given that the review of the Holbeach I.B.D. in the context of South Holland 2000 is now imminent, and would enable the Authority properly to consider this proposal in the context of all material considerations, including the various sites that have been indicated to the department as available for development, and given also that it is unlikely that the sewage situation will enable development to commence until after the adoption of South Holland 2000.
 - 2 To grant planning permission at this point in time would, in my judgement, be seriously prejudicial to the Council's consideration of all the representations about future residential development in Holbeach which have been received in response to publication of the Draft Local Plan.
 - 3 I have to view this proposal therefore as premature at this stage and consequently I would advise as follows:-
- A That the application should be refused planning permission on the following grounds:-

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied that there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority the circumstances of this case are not sufficient to justify permission, which would be contrary to Policy 7a of the Lincolnshire Structure

Plan. This policy is in accordance with national planning policies as set out in Planning Policy Guidance Note No. 7, 1992 (The Countryside and the Rural Economy), and is aimed at the conservation of agricultural land, the preservation of services. In the opinion of the Local Planning Authority the granting of permission for the development as proposed would be harmful to the purposes of this policy, because as well as its individual effect on these issues, it would encourage further similar proposals which would be difficult to resist.

2 In the absence of any agreement having been entered
SCB into under Section 278 of the Highways Act to carry out improvements, the development if permitted would front onto a Section of Damgate which is inadequate in width and construction to serve further development on this scale.

3 If permitted the development would generate a large
SCC number of additional private, service and delivery vehicles along Damgate which because of its narrow width would be to the detriment of highway safety.

4 The development if permitted would increase the number
SCO of vehicles using the junction of Damgate and Fleet Road (B1515) where visibility is restricted to the east to the detriment of highway safety and it would also increase the turning traffic from Fleet Road to the detriment of other road users.

5 The Holbeach Sewage Disposal Works is at capacity
SCE level and cannot satisfactorily take sewage from the development proposed until such time as the works have been upgraded otherwise pollution incidents are likely to occur.

6 Analysis^{is} of the applicants offers of "planning gain",
SCF including the offer of low cost housing land show that the benefits to the district would not be sufficiently attractive to justify overruling Structure Plan and District Council policies on development in the open countryside, to the extent that they would not conform with the advice of the Department of Environment as set out in "Planning Policy Guidance Note No. 3 - Housing".

B That it would be more appropriate to consider the applicants proposals, which would if permitted, represent a significant departure from current policy, along with other significant proposals for Holbeach which have been received as a response to the consultation draft District Plan "South Holland 2000".

C However, in the event that Members are still minded to grant permission, it will be necessary for the application to be advertised as a Departure from the Development Plan, and then reported back to Committee.

I would recommend that in these circumstances,

- a) that the material planning considerations that have led the Committee to overrule the Structure Plan Policy in this instance be formally recorded.
 - b) the formal preparation of the 106 Agreements be pursued, but in addition.
 - c) legal advice be obtained from the Authority's solicitor:
 - a) On whether, in the circumstances of this case, the provisions of Section 54A of the Town Country Planning Act can be said to have been observed.
 - b) In the event of doubt being expressed on this point, the solicitor advise the Council on the possible consequences to the Planning Committee, should a permission be granted, which is subsequently challenged in any way.
-

APPLICATION REFERENCE: H09/1239/90

DATE RECEIVED: 14-NOV-90

TYPE: Outline

DESCRIPTION: Residential comprising dwellings for sale, to let
and sheltered accommodation, with amenity open space
and lake

LOCATION: Damgate, Holbeach

APPLICANT: Kings Quality Homes AGENT: Rafe J Clowes

BACKGROUND

This application was first reported to the Planning Committee on the 28 July 1991 when it was deferred to enable consultations with the Fleet Parish Council since part of the site falls within that parish. It was then reported to the Committee on the 28 August 1991 when it was referred to the Plans Sub-Committee for detailed consideration including your Officers undertaking further discussions with the Director of Housing and Property Services, and if necessary the Housing Corporation, and for a comprehensive report to be submitted to the Planning Committee who wish to determine the application.

The fact that it has taken some 21 months before submitting this report is testament to the fact that in the absence of any reliable precedence elsewhere, either locally or nationally, a great deal of original and detailed analysis has had to be conducted in response to the offers made by the applicant as a "quid pro quo" for allowing this development outside the Interim Boundary of Development for Holbeach. It is acknowledged that that work has been carried out with the co-operation of the applicants and their representatives requiring a demanding commitment from all parties, and on behalf of the Council especially from the Director of Housing and Property Services and her senior staff.

By way of summary the offers put forward by the applicant were: -

- (i) To retain the applicants dwelling, the Manor House, which had an outline planning permission for residential redevelopment.
- (ii) To improve the junction of Damgate and Fleet Road.
- (iii) To provide a lake and amenity area.
- (iv) To provide land for social (affordable) housing.

Members attention is drawn to the copy of the earlier report, which included all the representations then received, and which comprises Appendix I to this report.

Policy 3A of Alteration No. 1 provides for new residential development in the period 1988 - 2001 and some 6,000 dwellings were identified for the South Holland District. Of that total Policy 4A of Alteration No. 1 identified some 3,750 dwellings to be constructed in Crowland, Holbeach, Long Sutton, Spalding and Sutton Bridge.

The current IBD for Holbeach in anticipating the requirements for housing land for the period 1989 - 2001 assumed an allocation of 500 dwellings with a completion rate of just under 40 dwellings per year. Within that period and upto 1991/92 about 400 dwellings have been erected in Holbeach which accounts for 80% of the original 500 allocation.

In Holbeach there is potentially 270 dwellings not yet started based on the current outline and full permissions. On the evidence available it is likely that about 150 dwellings contained within that current total will not be started within the next three years so that realistically there is currently permission for an additional 120 dwellings within the boundary of development. The other relevant permission for residential development is the land at Wignals Gate currently owned by the Lincolnshire County Council and for which a reserved matters application is shortly to be submitted, resulting in the figure of 120 additional dwellings being increased to a total of 200 potential dwellings with the benefit of planning permission.

(iii) Primacy of the Development Plan & Planning Policy Guidance Note 3 - "Housing"

In determining this application, Members need to be aware that since the application was first considered, Section 54A of the Planning Act has come into operation. This requires Planning Authorities to determine applications in accordance with the Development Plan, "unless material considerations indicate otherwise". The Planning Policy Guidance Note 3 also advises that: - "...Ministers view is that mixed developments, consisting partly of high value housing used to offset a lower return on low cost housing on the same site would not be appropriate on "off plan" sites in rural areas..." The guidance note advises that it would be appropriate to require the provision of such social housing as part of Development Plan Policies within recognised development boundaries.

4

CONCLUSIONS

Notwithstanding the applicants offers of "planning gain", the fundamental element of the proposition is to seek planning permission for housing development outside the current Boundary of Development for Holbeach. In assessing the implications arising from that consideration, it is both important and pertinent to take into account the primacy of the Development Plan Policies; the current availability of land with the benefit of planning permission for housing, both within and outside the Boundary of Development; the appropriateness of the

application site for the fundamental proposition in relation to other land which is currently outside the Development Boundary (and for several parts of which informal submissions are already coming forward either in anticipation of the Draft District Plan or in connection with the offer of other "planning gains" for the town e.g. additional facilities for organised games. The overriding consideration is whether or not in identifying additional land for housing development "per se" within the context of the reviewing the Development Boundary for the town, the application site would be identified on its existing merits at the expense of other sites, and or in conjunction with other areas of land.

On the evidence available, there is no overriding need in terms of land availability to justify departing from the current development policy for the town, and in view of the emerging Draft District Plan, coupled with the need to ensure that all other potential additional sites are taken into account, the proposal to develop this land is, therefore, premature at this time.

Notwithstanding the advice contained in PPG3 in respect of a site's location, it is reasonable to conclude that if developed, the application site would be viewed as being part of the built-up area of Holbeach rather than a relatively remote site within a rural area.

In considering the "planning gains" on offer from the applicant, it is not unreasonable to conclude that there is an "affordable" housing need in Holbeach, but given the advice from the Director of Housing and Property Services, the overriding consideration is whether or not that need is best responded to by accepting the applicants proposition, or whether it would be more appropriate to require the provision of such social housing, not on the basis of this departure from policy, but as part of Development Plan Policies within a recognised Boundary of Development and consequently applicable to other alternative competing areas of land.

In considering the other "planning gains" on offer, especially with regard to the retention of the Manor House and the provision of the lake, it is pertinent to note that the permission for the development land within the curtilage of the Manor House has expired and an application has been submitted for the renewal of that permission. In so far as the lake is concerned, it is important to be satisfied that in the light of the Director of Environmental Services advice it is a commitment that the Committee should be confident the Council can take on. In terms of its location, the material planning consideration is whether or not given its potential for being seen (and used) as a wider recreational facility, it is in the right place.

Notwithstanding the potential attractiveness of the applicants proposition, I must conclude that, in light of the evidence available, and in consideration of the advice both from the Secretary of State for the Environment and that received from consultees, the potential benefits to the District do not justify overruling both Structure Plan

and District Council Planners Policies on development in the open countryside. Additionally given the imminence of the production of the Draft District Plan, for public consultation then it would be more appropriate to require the provision of such additional housing (including social housing) as part of the Development Plan Policies to be provided for within that Plan.

Consequently, I would advise the Committee to be very cautious in considering determining this application favourably, and very clear that the benefits to the community are such as would outweigh both Development Plan Policies and the Government's advice to Local Plan Authorities.

PLANNING OFFICER'S RECOMMENDATION

A That permission be refused for the following reasons: -

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority, the circumstances of this case are not sufficient to justify permission, which would be contrary to Policy 5 of the Lincolnshire Structure Plan and to the District Council's own planning policies. These policies are in accordance with national planning policies and set out in the Department of the Environment Policy Note 4, and are aimed at the conservation of agricultural land, the preservation of the character of the cultured site and the economic provision of services. In the opinion of the Local Planning Authority, the granting of permission for the development as proposed would be harmful to the purposes of these policies, because as well as its individual effects on these issues, it would form a precedent for further similar proposals which would be difficult to resist.
- 2 Analysis of the developers offers of "planning gain" including the offer of low cost housing land show that the benefits to the district would not be sufficiently attractive to justify overruling Structure Plan and District Council policies on development in the open countryside, and to disregard Government Circular advice on planning gain.

B In the event that the Committee resolve to support the granting of permission for the proposal, then I would recommend that before the application is determined, the following matters should be addressed: -

- (i) The Interim of Boundary for Holbeach should be inspected, together with the application site and other land which lies outside, but contiguous to the present boundary, including those areas of land which have already been identified by agents or land owners for consideration in the Draft District Plan.

- () That the Council's officers be instructed to advise the Committee as to the content of any Draft Planning obligations and the details of those planning conditions which would be imposed if permission were to be granted.
- (iii) That subsequent to the conclusions reached following consideration of the matters referred to in (i) and (ii) above, if it still the Committee's intention to grant planning permission, then before a decision is made, details of the application should be advertised as a Departure from Policy and it is suggested also that the reasons for the proposed departure and intentions of the Committee in terms of the content of any planning obligations and the details of any planning conditions should be available for inspection at that time.
-

TYPE: Outline

DESCRIPTION: Residential comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake

LOCATION: Damgate, Holbeach

Special

SOUTH HOLLAND DISTRICT COUNCIL
REPORT TO PLANNING COMMITTEE
Date = 2 JUN 1993

APPLICANT: Kings Quality Homes

AGENT: Rafe J Clowes

BACKGROUND

This application was first reported to the Planning Committee on the 28 July 1991 when it was deferred to enable consultations with the Fleet Parish Council since part of the site falls within that parish. It was then reported to the Committee on the 28 August 1991 when it was referred to the Plans Sub-Committee for detailed consideration including your Officers undertaking further discussions with the Director of Housing and Property Services, and if necessary the Housing Corporation, and for a comprehensive report to be submitted to the Committee who wish to determine the application.

The fact that it has taken some 21 months before submitting this report is testament to the fact that in the absence of any reliable precedence elsewhere, either locally or nationally, a great deal of original and detailed analysis has had to be conducted in response to the offers made by the applicant as a "quid pro quo" for allowing this development outside the Interim Boundary of Development for Holbeach. It is acknowledged that that work has been carried out with the co-operation of the applicants and their representatives requiring a demanding commitment from all parties, and on behalf of the Council especially from the Director of Housing and Property Services and her senior staff.

By way of summary the offers put forward by the applicant were:-

- (i) To retain the applicants dwelling, the Manor House, which had an outline planning permission for residential redevelopment.
- ii) To improve the junction of Damgate and Fleet Road.
- iii) To provide a lake and amenity area.
- iv) To provide land for social (affordable) housing.

Members attention is drawn to the copy of the earlier report, which included all the representations then received, and which comprises Appendix I to this report.

PLANNING ISSUES

- 1 As can be seen from the earlier report to Committee the recommendation was to refuse planning permission on policy grounds, since the site falls outside the current Interim Boundary of Development for Holbeach, and it was not considered at that time that the counter argument provided

by the applicant including the offers of "planning gain", and the quality of the details submitted in support of them justified recommending a departure from the Council's established planning policy for development in Holbeach. NB. It should be noted that an earlier outline application for residential development (H09/0841/89) submitted by the applicants in 1989 was refused on policy grounds.

In other words and as a guide to the Committee the proposition should be such that the proposal should be acceptable in planning terms before the planning gain factors are taken into account, and that those factors should not render acceptable a proposal which otherwise is unacceptable in the context of the Council's planning policies and other material planning considerations. Planning obligations in relation to the proposed development can be entered into where the circumstances are such that the benefit proposed is related to the development and necessary to the grant of planning permission. The reasonableness of the applicants proposition depends, therefore, on whether what is required and/or offered is needed to enable the fundamental development as proposed to go ahead.

(i) Applicant's Offers of "Planning Gain"

(a) The offer to improve the junction of Damgate and Fleet Road

This improvement is principally necessitated only by the development proposed, and therefore cannot be seen as a significant independent benefit.

(b) To retain, and not re-develop the Manor House which had a planning permission for residential re-development

This permission has now expired and an application for renewal will be reported to the Committee shortly. In view of the known local feeling about the desirability of retaining the Manor House and indeed the applicants own reported comments that he would wish to do so, the Department of the Environment have been requested to consider adding the property to the statutory list of buildings of special architectural and historic interest. (Members will no doubt recall that a previous request to the Department of the Environment was not supported). In the meantime, the Council's Consultant Architect has also been instructed to make an appraisal of the site and the building and to advise the Council in relation to the renewal application.

(c) Provision of a 5 acre amenity site and lake

However, whilst the lake forms a possible amenity feature - it perhaps begs the questions as to whether the town needs it or wants it, where it is proposed and for other purpose - it is also necessitated by drainage considerations. The Director of Environmental Services has considered the question of taking over the amenity area, including the lake, and

is concerned that maintenance could be between £5,000-£10,000 a year, and whilst some form of endowment could be required, the lake could in the future form a very heavy financial liability on the Council. He would therefore not advise his Committee to take it over.

(d) Provision of 1.86 acres of land for social housing (formerly 2 acres but now revised downwards)

It is considered that this is the major offer that could be attractive to the Authority given the present housing situation, and lead Members to consider overruling normal policy considerations. Consequently the Director of Housing has exhaustively analysed the proposal and her report summary are attached as Appendix 2 and 3 to this report.

The material considerations therefore against which the earlier recommendation of a refusal of planning permission on policy grounds must be assessed, are considered to be the various offers made by the applicant and their relationship to the main proposition and their benefit to the District.

Before considering her conclusions, however, Members need to be aware that the Department of Environment's Planning Policy Guidance Note 3: "Housing", advises that:- "...Ministers view is that mixed developments, consisting partly of high value housing used to off-set a lower return on low cost housing on the same site, would not be appropriate on "off-plan" sites in rural areas..." The Guidance Note advises that it would be appropriate to require the provision of such social housing as part of development plan policies within an I. B. D.

The current proposal is, therefore, directly against the Department of the Environment's advice. Such advice contained in the Guidance Notes is a material consideration that has to be taken into account in determining the application, but it does not have the force of statute law. However, it is suggested that this advice does mean that the Committee should be very cautious in considering determining this application favourably, and very clear that the benefits to the community are such as would outweigh both Development Plan policies and the Government's advice.

2 The Director of Housing and Property Services analysis of the social housing proposals

The Director of Housing and Property Services has examined this offer exhaustively, and concluded that it is by no means as attractive as it might originally have appeared. She concludes:-

- (i) That the applicants offer is limited to the provision of serviced land free of charge.
- (ii) That, contrary to the applicants original claim, provision of social housing will be dependent on £1.2 m of Housing Association Grant monies. This exceeds the whole of the Authority's annual HAG allocation for the

District, monies which have been already committed upto 1995/96.

- (iii) Even with the contribution of free land, the social housing scheme demonstrates a lesser value for money than other housing association schemes being carried out within the IBD's in the District.
- (iv) Rent levels would in addition would have to be higher than on other similar schemes.
- (v) Considerable financial benefits would accrue to the developers by the development of their site as a whole, compared with developing only those parts within the Holbeach IBD.

3 The Director of Housing and Property Services recommendation is, therefore, that the application be not supported.

(ii) Lincolnshire Structure Plan: Alteration No. 1:
Allocation of Land for Housing Development:
Land Availability in Holbeach

The allocation of land for housing development, the subsequent identification of specific sites and the availability of land for development at any time are matters which need to be considered. Such matters are based on the policies within the Lincolnshire Structure Plan including Alteration No. 1, together with the identification of specific areas of land as set out in the Interim Boundary of Development plan for Holbeach itself.

The current allocations of land as referred to in Alteration No. 1 are based on the period 1988 - 1991, and it therefore overlaps conveniently with the Council's commitment to produce for publication and consultation in September of this year the Council's District Wide Local Plan, "South Holland 2000", an objective of which is to review the overall provision of residential land.

Policy 3A of Alteration No. 1 provides for new residential development in the period 1988 - 2001 and some 6,000 dwellings were identified for the South Holland District. Of that total Policy 4A of Alteration No. 1 identified some 3,750 dwellings to be constructed in Crowland, Holbeach, Long Sutton, Spalding and Sutton Bridge.

The current IBD for Holbeach in anticipating the requirements for housing land for the period 1989 - 2001 assumed an allocation of 500 dwellings with a completion rate of just under 40 dwellings per year. Within that period and upto 1991/92 about 400 dwellings have been erected in Holbeach which accounts for 80% of the original 500 allocation.

In Holbeach there is potentially 270 dwellings not yet started based on the current outline and full permissions. On the evidence available it is likely that about 150 dwellings contained within that current total will not be started within the next three years so that realistically there is currently

permission for an additional 120 dwellings within the boundary of development. The other relevant permission for residential development is the land at Wignals Gate currently owned by the Lincolnshire County Council and for which a reserved matters application is shortly to be submitted, resulting in the figure of 120 additional dwellings being increased to a total of 200 potential dwellings with the benefit of planning permission.

(iii) Primacy of the Development Plan & Planning Policy Guidance Note 3 - "Housing"

In determining this application, Members need to be aware that since the application was first considered, Section 54A of the Planning Act has come into operation. This requires Planning Authorities to determine applications in accordance with the Development Plan, "unless material considerations indicate otherwise". The Planning Policy Guidance Note 3 also advises that: - "...Ministers view is that mixed developments, consisting partly of high value housing used to offset a lower return on low cost housing on the same site would not be appropriate on "off plan" sites in rural areas..." The guidance note advises that it would be appropriate to require the provision of such social housing as part of Development Plan Policies within recognised development boundaries.

4

CONCLUSIONS

Notwithstanding the applicants offers of "planning gain", the fundamental element of the proposition is to seek planning permission for housing development outside the current Boundary of Development for Holbeach. In assessing the implications arising from that consideration, it is both important and pertinent to take into account the primacy of the Development Plan Policies; the current availability of land with the benefit of planning permission for housing, both within and outside the Boundary of Development; the appropriateness of the application site for the fundamental proposition in relation to other land which is currently outside the Development Boundary (and for several parts of which informal submissions are already coming forward either in anticipation of the Draft District Plan or in connection with the offer of other "planning gains" for the town e.g. additional facilities for organised games. The overriding consideration is whether or not in identifying additional land for housing development "per se" within the context of the reviewing the Development Boundary for the town, the application site would be identified on its existing merits at the expense of other sites, and or in conjunction with other areas of land.

On the evidence available, there is no overriding need in terms of land availability to justify departing from the current development policy for the town, and in view of the emerging Draft District Plan, coupled with the need to ensure that all other potential additional sites are taken into account, the proposal to develop this land is, therefore, premature at this time.

Notwithstanding the advice contained in PPG3 in respect of a site's location, it is reasonable to conclude that if

developed, the application site would be viewed as being part of the built-up area of Holbeach rather than a relatively remote site within a rural area.

In considering the "planning gains" on offer from the applicant, it is not unreasonable to conclude that there is an "affordable" housing need in Holbeach, but given the advice from the Director of Housing and Property Services, the overriding consideration is whether or not that need is best responded to by accepting the applicants proposition, or whether it would be more appropriate to require the provision of such social housing, not on the basis of this departure from policy, but as part of Development Plan Policies within a recognised Boundary of Development and consequently applicable to other alternative competing areas of land.

In considering the other "planning gains" on offer, especially with regard to the retention of the Manor House and the provision of the lake, it is pertinent to note that the permission for the development land within the curtilage of the Manor House has expired and an application has been submitted for the renewal of that permission. In so far as the lake is concerned, it is important to be satisfied that in the light of the Director of Environmental Services advice it is a commitment that the Committee should be confident the Council can take on. In terms of its location, the material planning consideration is whether or not given its potential for being seen (and used) as a wider recreational facility, it is in the right place.

Notwithstanding the potential attractiveness of the applicants proposition, I must conclude that, in light of the evidence available, and in consideration of the advice both from the Secretary of State for the Environment and that received from consultees, the potential benefits to the District do not justify overruling both Structure Plan and District Council Planners Policies on development in the open countryside. Additionally given the imminence of the production of the Draft District Plan, for public consultation then it would be more appropriate to require the provision of such additional housing (including social housing) as part of the Development Plan Policies to be provided for within that Plan.

Consequently, I would advise the Committee to be very cautious in considering determining this application favourably, and very clear that the benefits to the community are such as would outweigh both Development Plan Policies and the Government's advice to Local Plan Authorities.

PLANNING OFFICER'S RECOMMENDATION

A That permission be refused for the following reasons: -

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority, the circumstances of this case are not sufficient to justify permission,

which would be contrary to Policy 5 of the Lincolnshire Structure Plan and to the District Council's own planning policies. These policies are in accordance with national planning policies and set out in the Department of the Environment Policy Note 4, and are aimed at the conservation of agricultural land, the preservation of the character of the cultured site and the economic provision of services. In the opinion of the Local Planning Authority, the granting of permission for the development as proposed would be harmful to the purposes of these policies, because as well as its individual effects on these issues, it would form a precedent for further similar proposals which would be difficult to resist.

- 2 Analysis of the developers offers of "planning gain" including the offer of low cost housing land show that the benefits to the district would not be sufficiently attractive to justify overruling Structure Plan and District Council policies on development in the open countryside, and to disregard Government Circular advice on planning gain.

B In the event that the Committee resolve to support the granting of permission for the proposal, then I would recommend that before the application is determined, the following matters should be addressed: -

- (i) The Interim of Boundary for Holbeach should be inspected, together with the application site and other land which lies outside, but contiguous to the present boundary, including those areas of land which have already been identified by agents or land owners for consideration in the Draft District Plan.
 - (ii) That the Council's officers be instructed to advise the Committee as to the content of any Draft Planning obligations and the details of those planning conditions which would be imposed if permission were to be granted.
 - (iii) That subsequent to the conclusions reached following consideration of the matters referred to in (i) and (ii) above, if it still the Committee's intention to grant planning permission, then before a decision is made, details of the application should be advertised as a Departure from Policy and it is suggested also that the reasons for the proposed departure and intentions of the Committee in terms of the content of any planning obligations and the details of any planning conditions should be available for inspection at that time.
-

APPENDIX 1

APPLICATION REFERENCE: H09/1239/90 DATE RECEIVED: 14-NOV-90

APPLICANT: Kings Quality Homes AGENT: Rafe J Clowes
Holbeach Manor 5 Thirlmere Close
Fleet Road Thorneywood Mount
Holbeach Nottingham
Spalding
Lincs

TYPE: Outline

DESCRIPTION: Residential comprising dwellings for sale, to let
and sheltered accommodation, with amenity open space
and lake

LOCATION: Damgate, Holbeach

Parish Council: Although not in I. B. D., support
application.

County Highways: Recommend refusal on the inadequacy of
Damgate to cater for the additional
traffic and the restricted access at the
junction between Damgate and Fleet Road.
If members are minded to grant
permission, would require a Section 278
Agreement to improve the roads.

Public Representations: B Ayres, Roofing Contractor, 27 Damgate
Road - summarised:
- Rented properties very badly needed in
this area, I have several people
working for me who are not able to buy
their houses.

Ex-Councillor Harrington - summarised:
- Support this application, outside the
I. B. D., but is a package which will
serve a local need.

Longhurst Housing Association Ltd -
summarised:
- Would be interesting in considering
the matter further, but only if the
Council felt the scheme to be
acceptable in planning terms and if it
would meet the priority housing needs
in the district.

Housing Department: Summarised:
- Whilst accepting that, as in most
Local Authority areas, there is a

shortage of rented housing in South Holland, I cannot support this application for the following reasons:

- (i) The concept of cross subsidy goes against Department of the Environment Circular 17/91, in other words the provision of market sale housing on land which would not otherwise received planning permission is not justified by the offer of 'free' land which itself has a lesser value than agricultural land.
- (ii) The financial information provided is inadequate and does not justify the scheme.
- (iii) The scheme would in any event have a co-op on public financial services, i.e. HAG for which the Council has other priorities.

Information from Applicant: Summarised:

- Unit costs for any development on this site would be considerably greater than the development on land for which the applicants already have planning permission.
- This is due to the fact that existing permissions could be implemented without (a) the improvement of Damgate (b) the provision of a balancing lake and associated landscaping (c) the need for vacuum and pumping sewage systems.
- Total area of application site 22.68 acres, area of application site within I.B.D. for which planning permission already exists 5.3 acres. Application lying outside I.B.D. 17.3 acres. Extended land to facilitate the retention of Holbeach Manor and its grounds of 4.5 acres. Land to be given to housing association 2 acres, balancing lake and amenity open space 5.8 acres. Total 12.3 acres. Remaining land within application site but outside I.B.D. for market sale housing 5 acres.
- A copy of result of housing survey needs from Community Council of Lincolnshire enclosed.

Community Council of Lincolnshire:

Housing Needs Survey.

Number of houses targeted 400. Number of questionnaires returned 257, 64%. Number of households who anticipated at least one member would require

2.0 THE PLANNING BACKGROUND.

2.1 The majority of the site (77%) is outside the IBD for Holbeach. Holbeach in planning terms does not fall within the definition of rural since it has over 3000 population and planning guidance (DoE PPG3) limits off-plan development of social housing to rural settlements on an exceptions basis.

2.2 The relevant planning considerations are detailed in the report of the Director of Planning & Building Control Services.

3.0 FACTORS COVERED IN THE APPRAISAL.

3.1 The factors covered in the appraisal are those identified by the applicants as benefits to the local community either in the information accompanying the application or in subsequent discussion. They perceive the benefits as:

- social housing
- retention of The Manor
- improvements to Damgate
- provision of a lake and amenity area dedicated to the Council.

3.2 Each of these factors is covered in turn in the following report.

4.0 SCHEME DETAILS.

4.1 The scheme has been amended by the applicants since it was originally submitted. The breakdown of the original scheme and the current revised scheme as detailed below.

4.2 Original Scheme

	<u>Inside IBD</u>	<u>Outside IBD</u>	<u>Total Acreage</u>
Market Sale Housing	3.6	9.5	13.1
Sheltered Housing	1.7	-	1.7
HA Housing	-	2.0	2.0
Lake & Amenity Area	-	5.8	5.8
Total	5.3	17.3	22.6

4.3 Revised Scheme

	<u>Inside IBD</u>	<u>Outside IBD</u>	<u>Total Acreage</u>
Market Sale Housing	5.3	9.24	14.54
Sheltered Housing	-	1.12	1.12
HA Housing	-	1.86	1.86
Lake & Amenity Area	-	5.08	5.08
Total	5.3	17.30	22.60

4.4 The numbers of dwellings involved are:-

	<u>Original</u>	<u>Revised</u>
Market Sale	121	121
HA Sheltered Housing	17	15
HA Housing	<u>40</u>	<u>41</u>
	<u>178</u>	<u>177</u>

4.5 Whilst the number of dwellings has remained similar in total the area of land devoted to different uses has altered:

- 11% more land is devoted to market sale housing
- 20% less is devoted to social housing
- 12% less is to be used for the lake and amenity area.

4.6 Additionally the land for the sheltered housing is to be outside the IBD rather than on the land with the benefit of planning permission. The reasons for this change are:

- preservation of the trees on the site
- enables earlier construction than on original plan
- helps to justify development as a whole if all social housing is outside the IBD.

4.7 The market sale housing covers a full range in type and price as shown below:

£	Units
35,000 - 40,000	21
40,001 - 50,000	31
50,001 - 60,000	8
60,001 - 70,000	26
70,001 - 80,000	26
80,001 - 90,000	<u>9</u>
	<u>121</u>

4.8 The most significant amendment to the scheme is with regard to social housing. The original scheme focused on entirely privately funded rented housing supported by cross-subsidy from within the scheme. This remained the case until January 1993. At this stage Orbit Housing Association became involved in the scheme proposals. The scheme is now reliant upon a significant input of public subsidy by way of Housing Association Grant (HAG). The relevance of this public sector subsidy is covered in detail in Section 11 of the report following the financial appraisal of the housing proposals.

5.0 FINANCIAL EVALUATION - THE PRINCIPLE.

5.1 In order to evaluate the scheme the applicants have been asked to provide a reasonable level of detail and their assistance in this respect is acknowledged.

5.2 In determining whether the maximum benefit is accruing to the community by way of rented dwellings the principle has been adopted that any sales profit obtained from the market sale housing on the off-plan site over and above the profit made on building those dwellings should be used to cross-subsidise social housing.

5.3 It is important to note that the applicants do not accept this principle insofar as they believe that the scheme currently shows a loss and that it would be unrealistic to attempt to cross-subsidise a higher level of social housing than currently proposed i.e. the contribution of a serviced site.

6.0 FINANCIAL EVALUATION - THE APPLICANTS' PERSPECTIVE.

6.1 The applicants' appraisal of the scheme at October 1992 shows a loss of over £300,000 as summarised below.

		£
Total Value of Sales		9,103,750
Development Costs		
Construction Cost	7,028,320	
Abnormals	700,000	
Fees	188,800	
Charges	96,120	
Land Value	620,140	
Funding	794,820	9,428,200
Developers Profit/(Loss)		(324,450)

6.2 The scheme at this time did not involve Orbit Housing Association. As such details both of building costs and selling price were provided for each unit of social housing. The scheme was to be phased over three years with a requirement that two private houses would have to be completed and sold concurrently with the provision of each unit of social housing.

6.3 Funding was based at 12.5% interest rates at a time when interest rates were varying greatly. The applicants described the projected loss as somewhat marginal since the risk element would depend on relative land and house values. Their report recognised that 'to carry out an appraisal over the period anticipated for this development is clearly to some extent crystal ball gazing it is the state of the market over next three years and the prices which can be obtained in that market which will determine whether this development is to be a worthwhile investment or not'.

7.0 REVISED SCHEME COSTS.

7.1 Scheme costings have been revised to take account of the involvement of Orbit Housing Association. The revisions include:

- amended sales income
- revised land values (provided by the applicants)
- revised building costs of the social housing (RICS Building Cost Information Service index).

7.2 These revisions produce the following evaluation of the current proposals.

Total Value of Sales		£ 8,935,550
Development Costs		
Construction Cost	7,140,261	
Abnormals	700,000	
Fees	188,800	
Charges	96,120	
Land Value	551,000	
Funding	794,820	9,471,001
Developers Profit/(Loss)		<hr/> (535,451) <hr/>

7.3 Based on these figures the scheme shows an increase in the indicative loss to in excess of £0.5 million.

8.0 ASSESSMENT OF COSTINGS.

8.1 The proposed scheme currently shows a loss but, as recognised by the applicants, a change in the housing market over the three year development period could have a significant effect on the scheme's profitability.

8.2 A further factor affecting profitability is whether the costings used by the applicants in their evaluation are reasonable. The assessment of these costs indicates:

- i. allowances for construction costs and fees are reasonable;
- ii. the allowance for abnormal costs, covering Damgate improvements, balancing lake and landscaping and the sewerage system appears high, perhaps by as much as £300,000;
- iii. the allowances for charges contains a sum of £70,000 of unidentified costs;
- iv. the land value is £79,000 more than the value placed on it by the District Valuer;
- v. the allowance of £794,820 for funding the scheme over the three year period at 12.5% appears to be far too high. It fails to take account of the lower interest rates which now prevail and the effect on cash flow through monthly or regular payments from Orbit Housing Association for a scheme on a contractual basis. Additionally regardless of interest rate levels the actual cost of funding will very much depend on a developer's ability to control cash flow. Given tight control on phasing in relation to sales it should be possible for a developer to minimise funding by turning over the investment in the initial phase of the development scheme. Together these factors cast doubt on using an allowance of this level in the development costings.

8.3 The evaluation of the costings at this stage can only be carried out on a broad basis. However, in summary, the costs of the scheme are

possibly overstated by as much as £449,000. Additionally the figure of almost £800,000 for funding is considered to be unrealistically high. Finally an increase in sales income could significantly effect profitability. Taken together these factors indicate that rather than showing a loss as claimed by the applicant, the scheme would be likely to generate a significant profit element.

9.0 APPORTIONMENT OF COSTS AND INCOME.

9.1 In order to determine the amount of cross-subsidy available in the scheme costs and income have been apportioned separately over the three parts of the scheme:

- market sale housing within the IBD - 5.3 acres
- market sale housing outside the IBD - 9.24 acres
- housing association housing outside the IBD - 2.98 acres.

9.2 The costs which have been used in the assessment are those identified in Para 7.2, with the exception of those for funding which have been excluded due to the high degree of uncertainty over their accuracy and relevance. Full details of the apportionment are shown in the appendix.

9.3 The apportionment shows the following surplus/deficit in respect of the different areas of the scheme:

- i. Market sale housing within the IBD - £71,170 deficit;
- ii. Market sale housing outside the IBD - £405,172 surplus;
- iii. Housing association development outside the IBD - £97,576 surplus.

Overall the scheme, excluding funding, shows a surplus of £431,578.

9.4 On the principle of sales profit on the off-plan site forming the available cross-subsidy to social housing (see Para 5.2) the available subsidy to the social housing should be £502,748. However the contribution that the applicants are making to the social housing is the serviced land, the assessed value of which is £172,200. This leaves a surplus of £330,548 of which £71,170 appears to subsidise the market sale housing rather than the social housing. Cross subsidy of £330,548 would equate to the grant level for 11 houses based on HAG at maximum cost levels.

9.5 It is important to note that the applicants do not accept this principle of cross-subsidy. They claim that the provision of serviced land free-of-charge is the maximum contribution the scheme can bear in the current economic climate. They value this contribution at around £200,000, almost £30,000 in excess of the District Valuer's assessment of its value.

10.0 ORBIT HOUSING ASSOCIATION'S INVOLVEMENT IN THE SCHEME.

10.1 The applicants have negotiated a selling price with Orbit Housing Association for the social housing. The negotiated price is £1.885 million for 56 dwellings, with the total scheme costs being £2.187 million inclusive of the association's on-costs.

- 10.2 The proposed scheme is based on the contribution by Kings Quality Homes of a fully serviced site at nil cost. This is valued at approximately £200,000 by Orbit and Kings Quality Homes.
- 10.3 The scheme is based on a continuous two year development programme to be planned dependent upon the availability of finance. It is assumed that it would be a Design & Build Contract and costings are based on 1993/94 Total Cost Indicator and Grant rates. No indication is given of the period for which the negotiated price remains open.
- 10.4 In order to buy the properties at levels at which rents will be affordable Orbit will require public subsidy through Housing Association Grant (HAG). The HAG required for the project is £1.2 million. The remaining part of the scheme is funded through private loan.
- 10.5 In terms of nomination rights Orbit offers 100% nominations for the first 10 years, with 50% thereafter plus 25% for homeless families i.e. 75% nomination rights in perpetuity after 10 years.
- 10.6 Indicative rent levels, at 1993/94 levels, are shown below:

<u>Dwelling</u>	<u>Floor area (m²)</u>	<u>Proposed Weekly Rent £</u>
1 bed flat	40 - 50	38
2 bed bungalow	50 - 60	45
2 bed house	70 - 80	50
2 bed house	80 - 90	54
4 bed house	90 - 100	58

- 10.7 The proposals are submitted by the Eastern Region of Orbit Housing Association which has its regional office in Norwich. The nearest local office is in Newmarket. The Association's head office is in Norwich. The Association has over 12,000 dwellings under management, of which around 2,000 are in the Eastern Region. (1992 Annual Report).
- 10.8 The proposals recommend two options for consideration: rented housing and shared ownership. However the feasibility study covers rented housing only.
- 10.9 The proposed housing association scheme is reliant upon public subsidy through Housing Association Grant (HAG) for its viability. Therefore the following sections explain HAG and the implications of HAG allocation to this scheme on the Council's Housing Strategy.
- 11.0 AN EXPLANATION OF HOUSING ASSOCIATION GRANT.
- 11.1 The Government views housing associations as the providers of social housing. This housing provision is subsidised through a capital grant system known as Housing Association Grant or HAG. The subsidy level is an average of about 70%. Associations generally take up private loans to cover the remainder of the cost. Rents are set at affordable levels to cover the loan repayments, management and maintenance allowances and provision for major repairs. Maximum limits are set on scheme costs for the purpose of grant. These are known as Total Cost Indicators or TCI. Varying levels of HAG and TCI are set according to the region and also to the type of scheme.

11.2 HAG is available in one of two ways:

- i. through the Housing Corporation - associations follow an annual bidding timetable for funding in the following year. There are generally more bids than available HAG. HAG is allocated to local authority areas according to the Housing Needs Indicator (HNI) for that area. The HNI comprises a basket of weighted indices which are a measure of housing needs for an area, including data on homelessness, house prices and income levels. At each local authority area an indicative investment level of a three year period is provided by the Corporation based on 80% of the average HNI for forward planning purposes. Bids by associations are expected to have been discussed with the local authority and to fit in with the authority's strategy. Associations are unlikely to receive an allocation unless supported by the local authority. They will also have to demonstrate value for money. An allocation is made for a particular year but it is usually spent over 2/3 years. Where a local authority and a housing association through a housing strategy have planned ahead bids for pre-allocation may be submitted which, if successful, will secure HAG for a future financial year - such schemes must be able to start quickly and, if necessary, be brought forward.
- ii. through the local authority - this is known as Local Authority HAG. LA HAG involves part of the Council's own capital programme being earmarked for housing association investment. The HAG payment is reimbursed to the local authority by the Housing Corporation as a non-usable capital receipt. Allocation is to schemes selected by the local authority. LA HAG may also be paid through special government schemes, such as the Rural Housing Programme and the Housing Partnership Fund, when Supplementary Credit Approvals are made to local authorities following a competitive bidding process.

11.3 Local Authorities may also contribute grant to a scheme by the provision of land free-of-charge or at less than market value. This contribution counts as HAG.

11.4 In summary it is important to note the following factors:

- the level of HAG investment is relatively fixed since resources are distributed according to the HNI score
- local authority support, within a housing strategy, is critical to the allocation of HAG either through the Housing Corporation or through LA HAG.

12.0 SOUTH HOLLAND'S HOUSING STRATEGY.

12.1 The Council's Housing Strategy, determined through the Housing Services Committee, has been to maximise HAG investment in the district through a programme with locally based housing associations which aims at advance planning. The strategy has focused on the contribution of the Council's land and recognition of the indicative level of HAG investment against which allocation might be realistically obtained. The annual level of HAG investment through the Housing Corporation is relatively low and the policy has been to

support as main priorities one or two sizeable schemes in the main centres of population (Eg Royce Road, Spalding, Arthurs Avenue, Holbeach) plus one rural scheme each year (village schemes Eg Gedney, Whaplode).

12.2 Additionally the Council provides £400,000 LA HAG annually to build schemes of its choice Eg Spring Gardens, Long Sutton. Also land contributed at less than market value provides an element of HAG-stretch, making the available Corporation HAG go further and hence attracting additional resources to the district.

12.3 Forward planning and close work with local housing associations enables the Council to support pre-allocation bids for funding for future years and to submit successful bids for Supplementary Credit Approvals under various Government initiatives Eg Rural Programme Housing, Housing Partnership Fund.

12.4 In 1992/93 the strategy was recognised by the DoE as 'ahead of the field'. In 1993/94 it was successful in obtaining the joint highest allocation of Corporation HAG funding in relation to HNI in the East Midlands Region.

12.5 The initial strategy covered a three year period from 1992/93. Pre-allocation bids for HAG funding in 1994/95 have been supported. Additionally through work with Parish Councils (Moulton, Lutton and Cowbit) three rural schemes are at the initial stages of development planning.

12.6 Taking the strategic approach involves forward planning and the objectives of the strategy beyond the initial three year period are due to be reviewed by the Housing Services Committee in the near future. Recommendations are likely to include:

- a change of focus from the provision of Council land to the identification of priority areas of housing need.
- continued support for at least one scheme in a priority area and one in a village annually.
- link with the Local Plan and affordable housing provision in line with PPG3 advice;
- continuation of work with local housing associations given the advantage offered by the local base in terms of management and development together with value-for-money.

13.0 IMPLICATIONS OF THE KINGS QUALITY HOMES' PROPOSALS FOR THE COUNCIL'S HOUSING STRATEGY.

13.1 In terms of meeting housing need Holbeach would rate, along with other main centres of population in the District, as a priority area. This has recently been recognised by recent housing association investment in Holbeach in the form of the purchase of 25 houses for rent under the Housing Market Package and the development of six bungalows, a hostel and follow-on accommodations through Corporation HAG. Having accepted that Holbeach is an identified area of housing need, the scheme has to be examined against two criteria

- value for money
- the Council's housing strategy.

13.2 In terms of both criteria the Planning Committee asked for further examination of the scheme proposals on the basis of the applicants' claim that social housing could be provided on the site with no call on public financial services, the scheme would be entirely funded by Kings and that there would be no implications on the provision of housing elsewhere in the District. These factors were the applicants' justification for building outside the IBD. The advice I offered to the Committee at the time was that the scheme was not viable on the contribution of the land alone and as such the scheme would require a large element of public subsidy through HAG. The scheme as now proposed by the applicants and Orbit HA prove that the initial advice offered was correct.

13.3 In their current proposals the applicants and Orbit argue that the scheme provides value-for-money in comparison with the norm levels of TCI and HAG due to the input of the serviced land and the scheme price negotiated with Kings Quality Homes. However comparison with other schemes in the district where land values are included at market price demonstrate that this is not the case, as shown in the table below:

<u>Scheme</u>	<u>Costs as % TCI</u>	<u>Grant as % Norm HAG</u>
Kings/Orbit HA	72.5	72.3
Royce Road, Spalding/ Longhurst HA	69.8	69.9
Spring Gardens, Long Sutton/Longhurst HA	68.2	68

From this table it can be seen that despite being on an off-plan site the proposed scheme demonstrates less value for money than other housing association schemes in the district which are on on-plan sites and do not have the benefit of cheap land. (The contribution of Council land 'free-of-charge' is valued as public sector grant).

13.4 Rent levels are significantly higher than those of Longhurst Housing Association. Comparative levels are shown below:

<u>Dwelling type</u>	<u>Weekly Rent</u>	
	<u>Orbit</u>	<u>Longhurst</u>
	£	£
1 bed flat	38	34
2 bed bungalow	45	40
2 bed 4 person house	54	43

Orbit operates a rent setting policy applicable to their dwellings throughout the country rather than on a scheme-by-scheme basis. As such there is not the scope for reduction of these indicative rent levels.

13.5 On nomination rights Orbit state that the norm for housing associations is to offer 50% nominations to the Council. Against this they are offering 100% for the first 10 years reducing to 50% thereafter plus 25% to homeless families. Our agreement with Longhurst is also above 50%, with arrangements for 100% on first letting and 75% thereafter with a commitment to examine a joint waiting list.

- 13.6 In summary, on a stand-alone basis the applicants' proposals do not demonstrate value for money when compared to other housing association developments in South Holland. This is despite the fact that the applicants and Orbit assess the value of the developers' subsidy as being £200,000 which is equivalent to a 10% reduction on total scheme costs. Given that the applicants justify their scheme being built outside the IBD on the basis of the ability to subsidise social housing, it must be a material fact in the Committee's consideration that greater value for money in HAG expenditure is being achieved elsewhere in the district on on-plan sites without the benefit of any cross-subsidy. Thus the value of that subsidy has to be questioned within the context of the negotiated price.
- 13.7 The implications on the Council's housing strategy have their focus on two issues:
- the limited availability of HAG
 - the role of the Council as enabler and initiator.
- 13.8 The indicative planning figures for HAG, provided by the Housing Corporation, for 1994/95 and 1995/96 are £1.1 million. If past practice is followed 80% of this figure is the indicative HAG investment for rented housing which means that £900,000 HAG would be likely to be available in each of these years, subject to any revision of the HNI. The Housing Services Committee has already supported pre-allocations bids for the majority of the likely allocation in 1994/95 and following the strategy the remainder is likely to be 'earmarked' for a rural scheme. Therefore the earliest date for HAG availability would be 1995/96.
- 13.9 The HAG requirement for the Kings/Orbit scheme is £1.2 million, £300,000 in excess of the likely total annual HAG input from the Corporation. Therefore, if submitted as a single bid, the scheme would effectively use all the HAG and exclude consideration of any rural schemes.
- 13.10 Local Authority HAG may continue to feature in the Council's strategy. Its current level is £400,000 annually. LA HAG for 1994/95 is currently committed to development of housing at Clout Drove, Crowland. Thereafter its recommended use is to be for potential redevelopment of PRC estates as part of their overall improvement programme. As such LA HAG is not likely to be available for other projects.
- 13.11 Support for HAG input into the Kings/Orbit scheme outside of planning and housing policies and strategies would weaken the role of the Council as enabler and initiator in the provision of affordable housing in the district. Other developers and associations seeking advice from the Council are advised of the policies and seek to work-up proposals within those policies. Planning and housing support for this scheme, which provides less value for money than schemes on on-plan sites not tied to proposals for market sale housing, would undermine this process. In so doing it effectively precludes other developers from submitting schemes in competition to this proposal.
- 13.12 There are in the market other developers who have sites in Holbeach who have recently visited the Housing Department about affordable

housing. They are willing to work up schemes in conjunction with Longhurst. Therefore the Kings' proposal is not the only opportunity for housing association development in Holbeach. Indeed in the current economic climate most developers would welcome the chance to work with a housing association since public subsidy through HAG is currently one of the most active sectors of housing activity. This is reflected in the competitive tendering climate which prevails.

14.0 OTHER BENEFITS OFFERED BY THE APPLICANTS.

14.1 The applicants claim the other benefits to the community which justify their scheme are:

- retention of The Manor
- improvements to the junction of Damgate Road with Fleet Road
- provision of a lake and associated amenity area dedicated to the local authority.

14.2 Since the improvement of Damgate is only necessary if the applicants' land is developed due to the consequent increase in traffic volume, it follows that if the land is not developed the improvement is not necessary. Therefore it cannot be considered to be of material significance in the overall scheme appraisal.

14.3 The other perceived benefits are considered below.

15.0 RETENTION OF THE MANOR.

15.1 The applicants justify building on part of the land outside the IBD as a 4.5 acre land swap in return for surrendering planning permission on The Manor and part of its grounds. The Manor was not thought worthy of listing by the DoE nor is it in the Holbeach Conservation Area. Therefore in planning terms it is acceptable for it to be redeveloped.

In response to the Council's view that an agreement to surrender planning permission could not be secured by a Section 106 Agreement, the applicants have suggested a lease between their client and the Council permitting their client to remain in residence. Again it is doubted whether such an arrangement would be capable of withstanding legal challenge.

15.2 It is important to note that The Manor and grounds will remain in use and occupation by the applicant. The advice of the District Valuer has been sought on whether the value of The Manor would diminish by the imposition of a quasi restrictive covenant. His advice is that there will be no decrease in current use value although it is possible that there will be a reduction in the potential for enhancement of the value attributable to future change of use to, for example, hotel, restaurant, nursing home or office use.

15.3 Given that there will be no decrease in value by surrender of the planning permission the justification for swapping land outside the IBD in return for the surrender must be questioned.

16.0 THE LAKE AND AMENITY AREA.

- 16.1 A provision is made within the scheme for a lake and amenity area taking an area of just over 5 acres outside the IBD. Provision for amenity areas throughout the development itself is nominal. The majority of the 5 acres is devoted to the lake which, as well as acting as an amenity facility, fulfils the technical function of a balancing lake for the drainage of the site. The provision of the balancing lake and associated landscaping is classed as an abnormal cost by the applicants. The costs attributed to this provision are £150,000, including £50,000 commuted sum for future maintenance, plus fees and funding. The alternative would be to upgrade the dyke system in the locality but this would be particularly extensive and expensive.
- 16.2 The Contracts Manager (Parks & Leisure) has appraised the proposals for the lake and his report is summarised below:

'The landscaped environment opportunity provided by this 'lake' proposal is worthy of serious consideration. The concept provides the opportunity to significantly add to the visual, environmental, and recreational facilities of that area of Holbeach.

The major concern regarding the proposal is the unknown maintenance cost in the longer term. In the event of the pollution problems, silting up, or water leakage, the remedial costs could be high. There is no guarantee that the suggested £50,000 developers' contribution would be adequate in the event of serious problems arising. Concern is expressed that the £100,000 allowed for construction is conservative, and could rise dramatically if sufficient clay deposits are not found. It is believed that the £50,000 commuted sum towards future maintenance costs would not realistically cover costs beyond the first ten years, after which the lake could become a severe financial liability especially in the event of failure of the waterproof tank.

The proposal is particularly difficult to assess with regard to construction costs, maintenance costs and potential amenity uses. There are too many unknown factors regarding the development to accurately predict all quantities and costs. The assessment can therefore only be an approximate guide and may be subject to future qualification and amendment as designed features are confirmed."

- 16.3 The Director of Environmental Services has expressed grave concern about the potential costs falling on the Council.

17.0 SUMMARY OF THE SCHEME PROPOSALS.

- 17.1 The applicants justify building outside the IBD contrary to Council and national planning policy as stated in PPG3 on the grounds that they will provide significant community benefits - subsidy to social housing, surrender of planning permission on The Manor, improvements to Damgate and provision of a lake and amenity area. Also they justify the extent of land required on the basis of the expensive costs related to development of the land.

- 17.2 In contrast to the original proposals the social housing will not be funded by the applicants but is reliant upon public subsidy through Housing Association Grant. Despite a contribution from the developers the proposed scheme with Orbit Housing Association provides less value-for-money than other social housing schemes within the district which do not have the benefit of subsidy through cheap land or a contribution from a developer.
- 17.3 The scheme would call upon the HAG resources available to the district and as such would need to fit in with the Council's housing strategy as determined by the Housing Services Committee. Resources under the strategy are currently committed until 1995/96. Support for this scheme would run contrary to the advice, based on policy and government guidance, currently being offered by the Housing & Property Services Department to other developers interested in social housing, and as such removes competition and effectively undermines the Council's role as enabler.
- 17.4 The proposals are not the only opportunities for social housing in Holbeach - other developers are actively interested in working up proposals within the town.
- 17.5 The development of a high proportion of market sale housing outside the IBD will contribute more financially to the market sale housing within the IBD than it will contribute to the social housing.
- 17.6 The improvements to Damgate are necessary due to the increase in traffic volume only if the applicants' site is developed. As such they are not considered of material significance in the appraisal of the scheme.
- 17.7 It is difficult to envisage a means of retaining The Manor which would be capable of withstanding legal challenge. Surrender of planning permission would not decrease the current use value of The Manor, which would remain in use and occupation by the applicant, and as such does not justify a land-swap for development of land outside the IBD.
- 17.8 The lake could provide an attractive amenity facility provided it is well constructed and designed. Concern is expressed about the costs allowed for both construction and future maintenance. There could be high costs falling on the Council in the event of failure.
- 17.9 Considerable benefits accrue to the applicants in developing the site as a whole:
- i. it makes for more efficient and economical development of their assets. The area for which they have planning permission cannot be developed without significant impact on The Manor and its grounds. It is also difficult to develop to maximum value due to the number of Tree Preservation Orders (TPOs). Thus it becomes more profitable to develop it as part of a larger scheme;
 - ii. The Manor and its asset value is retained for the applicants' use and occupation;
 - iii. The asset value of the applicants' landholding outside the IBD is enhanced by the grant of planning permission;

- iv. A significant amount of public funding is drawn into the development.

18.0 VIABILITY WITHOUT PUBLIC SUBSIDY.

18.1 Returning to the applicants' proposition that the scheme is viable without public subsidy (HAG), the Committee may wish to consider whether a social housing scheme is viable. The applicants have made it clear that the total private subsidy available is the serviced land free-of-charge which they value at £200,000. This represents a subsidy of 10% on the total negotiated scheme costs and of 7% on TCI levels. The actual subsidy on grant rate required to support affordable housing on TCI levels is 55%. The applicants have never demonstrated their original proposition that the rented housing could be privately financed. Their involvement of Orbit at a late stage of the evaluation confirms the fact that it has not been possible for them to do so.

18.2 The potential for greater in-put of private finance exists with the overall costings of the scheme and if house prices rise. However the true level of available cross-subsidy could only be determined as the scheme progressed and then only through an open-book accounting agreement. Given that Kings are the landowner and builder/developer such an agreement is not thought to be capable of effective implementation.

18.3 Should the Planning Committee wish to explore further the opportunities for cross-subsidy within this proposal I regret that due to other priorities of the Council with regard to the housing service and strategy I am not able to assist. I estimate that the time expended on this appraisal to date would have an equivalent cost of around £10,000 in the private sector and in terms of comparative time expended on other projects within the housing strategy has proved relatively costly. Should the committee wish to have further appraisal of the scheme, such advice is available in the private sector at a base cost of around £5000.

19.0 CONCLUSION.

19.1 The application falls outside local and national planning policies. Since it was submitted the publication of Circular 7/91, now superceded by PPG3, has made it clear that social housing should be permitted on off-plan sites on an exceptions basis according to local needs in rural areas only. Additionally PPG3 states that a community's need for affordable housing is a material consideration in the publication of the local plan which means that social housing may be provided by negotiation on on-plan sites.

19.2 In contrast to the original proposals the social housing scheme does rely on public subsidy. The fact that the applicants claimed the scheme would not require public funding was a material consideration in the Committee's decision to defer the application.

19.3 The social housing scheme does not demonstrate value-for-money against schemes which are not reliant on off-plan developments involving cross-subsidy. Other claimed benefits for the community are not materially justified and in the case of the lake and amenity area could potentially lead to high costs falling on the Council.

19.4 To grant permission would be in contrast to recent refusals by the Committee of other land outside the IBD for Holbeach. So far as housing association development is concerned there are regular enquiries from landowners, developers and associations seeking HAG input for particular schemes. Included in these enquiries are sites in Holbeach.

19.5 The scheme proposals are contrary to the Council's planning and housing policies and strategies which form the framework for advice to other parties interested in providing social housing. To support the application outside of this framework removes competition and undermines the Council's role as enabler and initiator in the provision of affordable housing in the district.

20.0 RECOMMENDATION:

The application be not supported on the following grounds:

1. Contrary to the applicants' assertions, the social housing provision is reliant upon public subsidy through Housing Association Grant. As such it is no different from other proposals for affordable housing available in the district and in fact demonstrates less value-for-money than other housing association schemes.
2. Other perceived benefits are not justified.
3. Together these factors do not justify departure from established local and national policy and guidance of planning and development.

Background Papers:

File- Kings Quality Homes - Damgate, Holbeach
'New Social Housing at Holbeach for Local Needs' - Joint Proposal by Orbit Housing Association and Kings Quality Homes.

Local Government (Access to Information) Act 1985

The Officer to whom reference should be made concerning inspection of the background papers is the Director of Housing & Property Services, Council Offices, Priory Road, Spalding, Lincs.
Tel: Spalding (0775) 761161.

Social Housing Outside IBD

KINGS GOLF SITE		ORBIT RICS	SHELTERED HSG ASSOCIATION	1.12 Acres 1.86 Acres	Proportion of lake			1.12 Acres				TOTALS
DWELLING TYPE	REF	4B/5P	2B/3P	2B/4P	1B/1-2P	2B/2-3P	3B/5P					113
BEDROOMS		4	2	2	1	2	3					
HOUSE TYPE		HOUSE	HOUSE	HOUSE	FLAT	BUNGALOW	BUNGALOW					
FRONTAGE		92	72	82	41	54	91					3,835
FLOOR AREA S.M.		990	775	883	441	581	980					41,280
FLOOR AREA S.F.		2	23	12	4	14	1					58
No. OF UNITS												
COSTS		£/Acre										
LAND (Lake only)		£15,000										
BUILDING WORK		Not apportioned per plot										
Cost Per S.M.		32,476	25,416	28,946	14,801	20,250	34,125	0	0	0	0	16,800
GARAGES		353	353	353	361	375	375	0	0	0	0	1,373,701
EXTERNAL WORKS		0	0	0	0	0	0	0	0	0	0	0
Unscaping around site												
ROADS & SEWERS												
UNADOPTED ROADS												
ABNORMAL SLAKE												
Sub-total		32,476	25,416	28,946	14,801	20,250	34,125	0	0	0	0	89,406
Fees												0
Charges												0
TOTAL FEES												0
TOTAL COST		32,476	25,416	28,946	14,801	20,250	34,125	0	0	0	0	1,787,983
SELLING PRICE												1,885,550
PROFIT / LOSS												97,567

Cost/Site
Cost/Site
Cost/M2

Market Sale Housing Outside IBD

KINGS GOLF SITE										2.86 Acres	
AREA OUTSIDE IBD										Proportion of lake	
										9.24 Acres	
DWELLING TYPE	3B - DET.	4B - SEMI	4B - DET.	4B - DET.	3B - DET.	3B - DET.	3B - DET.	3B - TERR	2B - TERR	3B - TERR	TOTALS
REF.	A	B	C	D	E	F	G	H	J	K	
BEDROOMS	3	4	4	4	3	3	3	2	2	3	277
HOUSE TYPE	HIGHGROVE	KENSINGTON	KENSINGTON	BELGRAVIA	THAMES CARRINGTON	KENTWELL	BELTON	HATFIELD	ASHBY	WOBURIN	
FRONTAGE	112	156	156	144	88	79	78	68	64	94	9,144
FLOOR AREA S.M.	1208	1679	1679	1550	926	850	840	732	689	320	91,608
FLOOR AREA S.F.	14	12	3	4	4	4	18	12	9	10	93
No. OF UNITS											
COSTS											
	£/Acre										
LAND	£15,000										
BUILDING WORK	33600										
Cost Per S.M.	300	300	300	300	350	350	320	320	320	320	178,500
GARAGES	3000										
EXTERNAL WKS @ KINGS COSTS	3000										
Landscaping around site											
ROADS & SEWERS											
UNADOPTED ROADS											
ABNORMAL SLAKE											
Sub-total	36600										
FEEES											
CHARGES											
TOTAL FEES	149,190										
TOTAL COST	36,600	50,710	54,310	49,800	33,135	30,755	27,960	24,760	23,320	32,920	4,596,828
SELLING PRICE	66,000	76,000	78,000	82,000	57,500	52,000	45,000	37,500	36,500	45,000	5,002,000
PROFIT / (LOSS)	405,172										

0
Cost/Site
Cost/Site
Cost/M2

Market Sale Housing within IBD

KINGS GOLF SITE		AREA INSIDE IBD		5.30 Acres		Proportion of lake		1.3 Acres			
DWELLING TYPE REF.	3B-DET. A	4B-SEMI B	4B-DET. C	4B-DET. D							
BEDROOMS	3	4	4	4							
HOUSE TYPE	HIGHGROVE	KENSINGTON	KENSINGTON	BELGRAVIA							
FRONTAGE	112	156	156	144							
FLOOR AREA S.M.	1206	1679	1679	1550							
FLOOR AREA S.F.	12	6	5	5							
No. OF UNITS											
TOTALS											

SUMMARY OF COSTS ETC

(Land & Abnormals/Acre. Roads/Site. Plot External @ Kings Costs)
(Orbit Selling Price and KINGS Costs)

KINGS ORIGINAL FIGURES
October 1992

TOTAL DWELLINGS	177	178
TOTAL ACRES DEVELOPED	17.52	17.52
TOTAL LAND COSTS	£506,300	£620,140
TOTAL CONSTRUCTION COSTS	£5,363,901	£7,012,761
TOTAL GARAGES COST	£445,380	
TOTAL EXTERNAL WORKS	£430,480	£7,028,320
TOTAL ROAD & SEWERS	£622,500	£700,000
TOTAL UNADOPTED ROADS	£150,500	
TOTAL ABNORMALS	£700,000	
TOTAL FEES	£188,800	£188,800
TOTAL CHARGES	£96,120	£96,120
TOTAL COSTS	£8,503,981	£8,633,380
TOTAL SELLING PRICE	£8,935,550	£9,103,750
TOTAL GROSS PROFIT/(LOSS)	£431,569	£470,370
FUNDING	£794,820	£794,820
TOTAL NET PROFIT/(LOSS)	(£363,251)	(£324,450)

fname : kings9.wk1
25-May-93

APPLICATION REFERENCE: H09/1239/90

DATE RECEIVED: 14 November 1990

APPLICANT: Kings Quality Homes
Holbeach Manor
Fleet Road
Holbeach
Spalding
Lincolnshire

AGENT: Rafe J Clowes
5 Thirlmere Close
Thorneywood Mount
Nottingham

TYPE: Outline

DESCRIPTION: Residential comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake

LOCATION: Damgate, Holbeach, Spalding, Lincolnshire

Parish Council: Although not in IBD, support application.

County Highways: Recommend refusal on the inadequacy of Damgate to cater for the additional traffic and the restricted access at the junction between Damgate and Fleet Road. If members are minded to grant permission, would require a Section 278 Agreement to improve the roads.

Public Representations: B Ayres, Roofing Contractor, 27 Damgate Road - summarised:
- Rented properties very badly needed in this area, I have several people working for me who are not able to buy their houses.

Ex-Councillor Harrington - summarised:
- Support this application, outside the IBD, but is a package which will serve a local need.

Longhurst Housing Association Limited - summarised:
- Would be interesting in considering the matter further, but only if the Council felt the scheme to be acceptable in planning terms and if it would meet the priority housing needs in the district.

Housing Department

Summarised:

- Whilst accepting that, as in most Local Authority areas, there is a shortage of rented housing in South Holland, I cannot support this application for the following reasons:
 - (i) The concept of cross subsidy goes against Department of the Environment Circular 17/91, in other words the provision of market sale housing on land which would not otherwise receive planning permission is not justified by the offer of 'free' land which itself has a lesser value than agricultural land.
 - (ii) The financial information provided is inadequate and does not justify the scheme.
 - (iii) The scheme would in any event have a co-op on public financial services, ie, HAG for which the Council has other priorities.

Information from Applicant: Summarised:

- Unit costs for any development on this site would be considerably greater than the development on land for which the applicants already have planning

permission.

- This is due to the fact that existing permissions could be implemented without (a) the improvement of Damgate (b) the provision of a balancing lake and associated landscaping (c) the need for vacuum and pumping sewage systems.
- Total area of application site 22.68 acres, area of application site within IBD for which planning permission already exists 5.3 acres. Application lying outside IBD 17.3 acres. Extended land to facilitate the retention of Holbeach Manor and its grounds of 4.5 acres. Land to be given to housing association 2 acres, balancing lake and amenity open space 5.8 acres. Total 12.3 acres. Remaining land within application site but outside IBD for market sale housing 5 acres.
- A copy of result of housing survey needs from Community Council of Lincolnshire enclosed.

Community Council of Lincolnshire: Housing Needs Survey.

Number of houses targetted 400. Number of questionnaires returned 257, 64%. Number of households who anticipated at least one member would require alternative accommodation within the next five years 82, 36% (three households and more than one individual requiring special accommodation).

Total of families and individuals who express need for alternative accommodation 85. Number presently in need of alternative accommodation 39. Number requiring future alternative accommodation 43. The third location Holbeach 59.

The third tenure type:

- (i) Council rented housing 30 households (only considered option for 18).
- (ii) Private rented housing 30 households (only considered option for 18).
- (iii) Owner/occupier housing 38 households (only considered option for 36).
- (iv) Shared/ownership housing 3 households.

Main reason for inability to purchase accommodation lack of property at suitable price.

Estimated affordable rent:

Up to £20	Five households.
£20 - £30	21 households.
£30 - £40	Twelve households.
£40 and above	Three households.

PLANNING POLICIES/DOE ADVICE

- Majority of the site outside the Interim Development Boundary for Holbeach, and thus an area where normally new development would not be allowed, except agricultural.
- Report to Planning Committee 2 January 1991, recommended no extension at the present time to IBD at Holbeach. Report noted by Planning Committee.
- Department of the Environment Circular 7/91 - 'Planning and Affordable Housing' gives general advice on how to form local plan policies for affordable houses

and to assess need etc, and then states cross subsidy on off plan sites "it is important that housing schemes promoted under the policy for rural areas set out above are seen and accepted by local communities as serving local needs. Ministers view is that mixed developments, consisting partly of high value housing used to offset a lower return on low cost housing on the same site, would not be appropriate on 'off plan' sites in rural areas. The affect of such cross subsidy could be to generate hope value among landowners, dry up supply of land for purely low cost housing, and confuse local receptions of the purpose of the initiative. There may, however, be opportunities to cross subsidy between normal market development schemes on land allocated for housing in the local plan and affordable housing on 'off plan' sites nearby".

PLANNING ISSUES

- 1 This is a site on the eastern edge of Holbeach, 5.3 acres of the site is within the Interim Development Boundary and already has planning permission. The remaining 17.3 acres are outside the Interim Development Boundary.
- 2 In January of this year, the Planning Committee accepted a report recommending that at the present time no change be made in the Holbeach IBD, and consequently, this proposal is currently contrary to your planning policies for the District, and will remain so for at least the short term future.
- 3 The applicants have put forward three arguments as to why exceptions should be made to the planning policies:
 - (a) That they will agree not to develop Holbeach Manor and its grounds which currently are within the IBD and have the benefit of planning permission.
 - (b) That the site requires extensive and expensive investment to provide satisfactory services, eg. the improvement of Damgate, the provision of a balancing lake etc.
 - (c) That they will donate 2 acres of land for the purpose of low cost affordable housing.

To deal with the issues in sequence:

- (i) The agreement to retain Holbeach Manor.

Holbeach Manor is a fine substantial house set in beautiful grounds, and currently occupied by the applicant. Planning permission exists for its redevelopment, and there is a feeling in Holbeach that such a fine house should be protected. However, it was not included in the Buildings of Special Architectural and Historic Interest when the area was recently resurveyed, and representations to the Department of the Environment have failed to get them to agree to list the building, basically on the principle that it is too recently built (for Twentieth Century building to be included on the statutory list it needs to be of outstanding merit or at least designed by a famous architect). Nor is the building within the Holbeach Conservation Area, which again would give the Authority an argument that it should be retained. The basic planning principle that change is acceptable has, therefore, applied to the Manor. Even where an Authority enters into Section 106 Agreements with other parties, they have to do so for proper planning reasons, and if members are attracted by this argument, I would strongly suggest that legal opinion is sought as to whether such agreement would be enforceable.

- (ii) High price of providing services etc. Many developments require additional extents to provide sewers, suitable access roads, etc. This is not, in my view, the reason for granting additional development land outside the boundaries.
- (iii) Gift of 2 acres of land to Housing Association. In my view, this is the major issue against which the Council has to consider existing planning policy. In common with many other local authorities, the Council is very concerned that many local people have been priced out of the owner/occupation market, whilst the Council's ability directly to provide rented accommodation has been drastically curtailed. I have liaised closely with the Housing Department concerning this aspect of the proposal and the Chief Housing Officer's advice as set

out in a memorandum dated 21 June, 1991, may be further summarised as follows:-

- 1 The application has been discussed with the applicants both prior to and following formal submission; and it has been stressed that the application should be determined in the light of the Council's planning policies. At that time and in the absence of Government advice on social housing outside boundaries of development, it was recommended to the applicants that the principles advocated by the Social Housing Unit of House Builders Federation as should be used which are:-
 - (a) Prime purpose of a scheme must be to provide social housing.
 - (b) Initial consumer costs should be specified for all social housing (including shared ownership). Proposals should be based on income profile of households identified and scheme should provide affordable housing both initially and in the long term.
 - (c) The long term owner/manager of the properties should be a party to any legal agreement. The organisation should be non-profit distributing, independent and hence either a housing association or a charitable trust.
 - (d) Priority should be given to people with a local connection.
 - (e) Important to stress that these principles are designed for use in rural areas i.e. villages of no more than 3,000 inhabitants - a definition set by Central Government - Holbeach does not fall within that definition of rural.

4 That earlier advice to the applicants has now been superceded by the contents of Circular 47/91 which whilst it endorses the means of assessing local need etc., does not support the principle of cross-subsidy for social housing on land totally outside a boundary for development. X

5 Since the application is essentially and critically based on the principle of cross-subsidy - 5 acres of market-sale housing to 2 acres of social rented housing the Chief Housing Officer advises that in the light of Circular 47/91, the Housing Department cannot support the application and furthermore, is of the opinion that on the application site land alone, would not make a rented scheme viable. Consequently the scheme would make a call on the allocation of Housing Association Grant (HAG) in the District and as the applicants suggest 40 rented dwellings, it would take up at least one year's allocation which could prejudice the Council's 3 year strategy for HAG investment in the District. X

CONCLUSIONS

- 1 I have to concur with the Chief Housing Officer's view on the affordable local housing aspect of this and its likely consequences for the District Council's housing strategy allocation and the call upon the HAG allocation.
- 2 I think the crux of the matter is that the situation has now changed with the issue of the Planning & Affordable Land Circular. For the first time, authorities can require land for affordable housing within their development areas. Previously market forces tended to prevail, leaving Authorities without the means to solve this growing problem other than by such deals as are proposed here.
I think the Government's concern to prevent the cross subsidy type of deal on land which would otherwise be outside a development area is understandable, if one considers that in this instance if this application was permitted the applicants would be giving away two acres of land which otherwise would not obtain permission, and consequently must be worth only a very few thousand pounds, and getting in return many more acres of land which would have only had agricultural land value at best, (with an element of hope value), but which with the issue of planning permission could become worth perhaps ten times as much per acre. Obviously such deals offer the temptation to ignore planning principles for the sale of social objectives,

but give developers a means of obtaining profitable permission on land which otherwise would not be developed.

PLANNING OFFICER'S RECOMMENDATION - Refuse Permission.

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied that there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority the circumstances of this case are not sufficient to justify permission, which would be contrary to Policy 5 of the Lincolnshire Structure Plan. This policy is in accordance with national planning policies as set out in Department of the Environment Policy Note 4, and is aimed at the conservation of agricultural land, the preservation of the character of the countryside, and the economic provision of services. In the opinion of the Local Planning Authority the granting of permission for the development as proposed would be harmful to the purposes of this policy, because as well as its individual effect on these issues, it would form a precedent for further similar proposals which would be difficult to resist.
- 2 In addition, whilst the effect on the Council's other functions may not always be a planning issue, in this situation, where it has been suggested that planning policy should be overruled in order to help with the housing objectives, it is valid to take into account that by granting this application the Council's potential allocation of funds from HAG may have to be diverted to this development to the exclusion of other areas which may have a much greater objective need for low cost housing, and could therefore completely distort the Council's housing strategy.
- 3 Notwithstanding the developers offer to provide an area of land for low cost housing, the proposal is directly contrary to the advice given in the recent Government Circular 7/91 Planning and Affordable Housing, and could moreover seriously distort the Council's strategy for providing affordable housing for the District.

*

ADDENDUM

The determination of the application was deferred pending the receipt of a response from Fleet Parish Council who were subsequently consulted following the meeting. The Parish Council have advised that they cannot support the proposal which is outside the Boundary of Development.

* Land availability? 7/91 UC. 144
NS 580 i.e. 27% of total for hms.

APPLICATION REFERENCE: H09/1239/90

DATE RECEIVED: 14 November 1990

APPLICANT: Kings Quality Homes
Holbeach Manor
Fleet Road
Holbeach
Spalding
Lincolnshire

AGENT: Rafe J Clowes
5 Thirlmere Close
Thorneywood Mount
Nottingham

TYPE: Outline

2

DESCRIPTION: Residential comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake

LOCATION: Damgate, Holbeach, Spalding, Lincolnshire

Parish Council: Although not in IBD, support application.

County Highways: Recommend refusal on the inadequacy of Damgate to cater for the additional traffic and the restricted access at the junction between Damgate and Fleet Road. If members are minded to grant permission, would require a Section 278 Agreement to improve the roads.

Public Representations: B Ayres, Roofing Contractor, 27 Damgate Road - summarised:
- Rented properties very badly needed in this area, I have several people working for me who are not able to buy their houses.

Ex-Councillor Harrington - summarised:
- Support this application, outside the IBD, but is a package which will serve a local need.

Longhurst Housing Association Limited - summarised:
- Would be interesting in considering the matter further, but only if the Council felt the scheme to be acceptable in planning terms and if it would meet the priority housing needs in the district.

Housing Department

Summarised:
- Whilst accepting that, as in most Local Authority areas, there is a shortage of rented housing in South Holland, I cannot support this application for the following reasons:
(i) The concept of cross subsidy goes against Department of the Environment Circular 17/91, in other words the provision of market sale housing on land which would not otherwise receive planning permission is not justified by the offer of 'free' land which itself has a lesser value than agricultural land.
(ii) The financial information provided is inadequate and does not justify the scheme.
(iii) The scheme would in any event have a co-op on public financial services, ie, HAG for which the Council has other priorities.

Information from Applicant: Summarised:

- Unit costs for any development on this site would be considerably greater than the development on land for which the applicants already have planning

- permission.
- This is due to the fact that existing permissions could be implemented without (a) the improvement of Damgate (b) the provision of a balancing lake and associated landscaping (c) the need for vacuum and pumping sewage systems.
 - Total area of application site 22.68 acres, area of application site within IBD for which planning permission already exists 5.3 acres. Application lying outside IBD 17.3 acres. Extended land to facilitate the retention of Holbeach Manor and its grounds of 4.5 acres. Land to be given to housing association 2 acres, balancing lake and amenity open space 5.8 acres. Total 12.3 acres. Remaining land within application site but outside IBD for market sale housing 5 acres.
 - A copy of result of housing survey needs from Community Council of Lincolnshire enclosed.

Community Council of Lincolnshire: Housing Needs Survey.

Number of houses targetted 400. Number of questionnaires returned 257, 64%. Number of households who anticipated at least one member would require alternative accommodation within the next five years 82, 36% (three households and more than one individual requiring special accommodation).

Total of families and individuals who express need for alternative accommodation 85. Number presently in need of alternative accommodation 39. Number requiring future alternative accommodation 43. The third location Holbeach 59.

The third tenure type:

- (i) Council rented housing 30 households (only considered option for 18).
- (ii) Private rented housing 30 households (only considered option for 18).
- (iii) Owner/occupier housing 38 households (only considered option for 36).
- (iv) Shared/ownership housing 3 households.

Main reason for inability to purchase accommodation lack of property at suitable price.

Estimated affordable rent:

Up to £20	Five households.
£20 - £30	21 households.
£30 - £40	Twelve households.
£40 and above	Three households.

PLANNING POLICIES/DOE ADVICE

- Majority of the site outside the Interim Development Boundary for Holbeach, and thus an area where normally new development would not be allowed, except agricultural.
- Report to Planning Committee 2 January 1991, recommended no extension at the present time to IBD at Holbeach. Report noted by Planning Committee.
- Department of the Environment Circular 7/91 - 'Planning and Affordable Housing' gives general advice on how to form local plan policies for affordable houses

and to assess need etc, and then states cross subsidy on off plan sites "it is important that housing schemes promoted under the policy for rural areas set out above are seen and accepted by local communities as serving local needs. Ministers view is that mixed developments, consisting partly of high value housing used to offset a lower return on low cost housing on the same site, would not be appropriate on 'off plan' sites in rural areas. The affect of such cross subsidy could be to generate hope value among landowners, dry up supply of land for purely low cost housing, and confuse local receptions of the purpose of the initiative. There may, however, be opportunities to cross subsidy between normal market development schemes on land allocated for housing in the local plan and affordable housing on 'off plan' sites nearby".

PLANNING ISSUES

- 1 This is a site on the eastern edge of Holbeach, 5.3 acres of the site is within the Interim Development Boundary and already has planning permission. The remaining 17.3 acres are outside the Interim Development Boundary.
- 2 In January of this year, the Planning Committee accepted a report recommending that at the present time no change be made in the Holbeach IBD, and consequently, this proposal is currently contrary to your planning policies for the District, and will remain so for at least the short term future.
- 3 The applicants have put forward three arguments as to why exceptions should be made to the planning policies:
 - (a) That they will agree not to develop Holbeach Manor and its grounds which currently are within the IBD and have the benefit of planning permission.
 - (b) That the site requires extensive and expensive investment to provide satisfactory services, eg, the improvement of Damgate, the provision of a balancing lake etc.
 - (c) That they will donate 2 acres of land for the purpose of low cost affordable housing.

To deal with the issues in sequence:

- (i) The agreement to retain Holbeach Manor.

Holbeach Manor is a fine substantial house set in beautiful grounds, and currently occupied by the applicant. Planning permission exists for its redevelopment, and there is a feeling in Holbeach that such a fine house should be protected. However, it was not included in the Buildings of Special Architectural and Historic Interest when the area was recently resurveyed, and representations to the Department of the Environment have failed to get them to agree to list the building, basically on the principle that it is too recently built (for Twentieth Century building to be included on the statutory list it needs to be of outstanding merit or at least designed by a famous architect). Nor is the building within the Holbeach Conservation Area, which again would give the Authority an argument that it should be retained. The basic planning principle that change is acceptable has, therefore, applied to the Manor. Even where an Authority enters into Section 106 Agreements with other parties, they have to do so for proper planning reasons, and if members are attracted by this argument, I would strongly suggest that legal opinion is sought as to whether such agreement would be enforceable.

- (ii) High price of providing services etc. Many developments require additional extents to provide sewers, suitable access roads, etc. This is not, in my view, the reason for granting additional development land outside the boundaries.
- (iii) Gift of 2 acres of land to Housing Association. In my view, this is the major issue against which the Council has to consider existing planning policy. In common with many other local authorities, the Council is very concerned that many local people have been priced out of the owner/occupation market, whilst the Council's ability directly to provide rented accommodation has been drastically curtailed. I have liaised closely with the Housing Department concerning this aspect of the proposal and the Chief Housing Officer's advice as set

out in a memorandum dated 21 June, 1991, may be further summarised as follows:-

- 1 The application has been discussed with the applicants both prior to and following formal submission; and it has been stressed that the application should be determined in the light of the Council's planning policies. At that time and in the absence of Government advice on social housing outside boundaries of development, it was recommended to the applicants that the principles advocated by the Social Housing Unit of House Builders Federation as should be used which are:-
 - (a) Prime purpose of a scheme must be to provide social housing.
 - (b) Initial consumer costs should be specified for all social housing (including shared ownership). Proposals should be based on income profile of households identified and scheme should provide affordable housing both initially and in the long term.
 - (c) The long term owner/manager of the properties should be a party to any legal agreement. The organisation should be non-profit distributing, independent and hence either a housing association or a charitable trust.
 - (d) Priority should be given to people with a local connection.
 - (e) Important to stress that these principles are designed for use in rural areas i.e. villages of no more than 3,000 inhabitants - a definition set by Central Government - Holbeach does not fall within that definition of rural.

4 That earlier advice to the applicants has now been superseded by the contents of Circular 17/91 which whilst it endorses the means of assessing local need etc., does not support the principle of cross-subsidy for social housing on land totally outside a boundary for development.

5 Since the application is essentially and critically based on the principle of cross-subsidy - 5 acres of market-sale housing to 2 acres of social rented housing the Chief Housing Officer advises that in the light of Circular 17/91, the Housing Department cannot support the application and furthermore, is of the opinion that on the application site land alone, would not make a rented scheme viable. Consequently the scheme would make a call on the allocation of Housing Association Grant (HAG) in the District and as the applicants suggest 40 rented dwellings, it would take up at least one year's allocation which could prejudice the Council's 3 year strategy for HAG investment in the District.

CONCLUSIONS

1 I have to concur with the Chief Housing Officer's view on the affordable local housing aspect of this and its likely consequences for the District Council's housing strategy allocation and the call upon the HAG allocation.

2 I think the crux of the matter is that the situation has now changed with the issue of the Planning & Affordable Land Circular. For the first time, authorities can require land for affordable housing within their development areas. Previously market forces tended to prevail, leaving Authorities without the means to solve this growing problem other than by such deals as are proposed here.

I think the Government's concern to prevent the cross subsidy type of deal on land which would otherwise be outside a development area is understandable, if one considers that in this instance if this application was permitted the applicants would be giving away two acres of land which otherwise would not obtain permission, and consequently must be worth only a very few thousand pounds, and getting in return many more acres of land which would have only had agricultural land value at best, (with an element of hope value), but which with the issue of planning permission could become worth perhaps ten times as much per acre. Obviously such deals offer the temptation to ignore planning principles for the sale of social objectives,

but give developers a means of obtaining profitable permission on land which otherwise would not be developed.

PLANNING OFFICER'S RECOMMENDATION - Refuse Permission.

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied that there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority the circumstances of this case are not sufficient to justify permission, which would be contrary to Policy 5 of the Lincolnshire Structure Plan. This policy is in accordance with national planning policies as set out in Department of the Environment Policy Note 4, and is aimed at the conservation of agricultural land, the preservation of the character of the countryside, and the economic provision of services. In the opinion of the Local Planning Authority the granting of permission for the development as proposed would be harmful to the purposes of this policy, because as well as its individual effect on these issues, it would form a precedent for further similar proposals which would be difficult to resist.
 - 2 In addition, whilst the effect on the Council's other functions may not always be a planning issue, in this situation, where it has been suggested that planning policy should be overruled in order to help with the housing objectives, it is valid to take into account that by granting this application the Council's potential allocation of funds from HAG may have to be diverted to this development to the exclusion of other areas which may have a much greater objective need for low cost housing, and could therefore completely distort the Council's housing strategy.
 - 3 Notwithstanding the developers offer to provide an area of land for low cost housing, the proposal is directly contrary to the advice given in the recent Government Circular 7/91 Planning and Affordable Housing, and could moreover seriously distort the Council's strategy for providing affordable housing for the District.
-

Addendum

The determination of the application was deferred pending the receipt of a response from Fleet Parish Council who were subsequently consulted on the 26th July following the meeting. The Parish Council have advised that they cannot support the proposal which is out the boundary of development.

[Signature]

16th FEBRUARY 1994 PLANNING COMMITTEE
PLANNING APPLICATIONS - POST COMMITTEE INSTRUCTIONS

Page No	Application Number	Case Offr	Instructions/ Decision
1	H05/0209/93 D Brown Ltd	JB	Deferred for sub-cttee as recommended.
4	H02/0723/93 Mr & Mrs Speechley	DJR	DPBCS Auth subject to sect 106 legal obligation as recommended.
6	H12/0919/93 Mountains Road Haulage	JB	Deferred. Ltr to David Loveday, copy to agents, advising that onus is now on applicant to supply additional information in support of application. A thorough research is required before reporting back to committee, the updated report to contain quoted extracts from earlier reports. See DPBCS.
11	H12/1036/93 Mountains Road Haulage	JB	Deferred. To be considered with H12/0919/93.
13	H12/0938/93 Mountains Road Haulage	JB	Deferred. To be considered with H12/0919/93.
15	H08/1021/93 Miss E Ram	DJR	Grant as recommended. Note re manure storage to be added to decision notice and conditions 1 & 2 to be reworded.
17	H21/1115/93 B D Groves Tpt	JB	Deferred for site visit.
19	H16/1159/93 Mr N Wilkins	DJR	DPBCS Auth subject to meeting to discuss provision for blind alertness measures. Applicant to advise local blind association. Investigate possibility of audio tape in library.
21	H02/1166/93 Mr & Mrs Foreman	DJR	DPBCS Auth as recommended.
23	H23/1170/93 Mr & Mrs Glowcyk	DMG	Deferred for site visit.
25	H11/1178/93 L.C.C.	DMG	Grant as recommended.
27	H11/1179/93 L.C.C.	DMG	Grant as recommended.
30	H11/1180/93 L.C.C.	DMG	Grant as recommended.
32	H16/1188/93 H16/1189/93 Mr & Mrs Grimston	DJR	Deferred for site visit.
34	H16/1197/93 Adams & Sons	DJR	Grant as recommended. Amend reason for condition 3.

36	H16/1206/93 Hanson Land Development	DJR	DPBCS Auth subject to sect 278 agreement as recommended.
38	H09/1208/93 M Ayres	DMG	DPBCS Auth subject to driveway surfacing being tarmacadam instead of gravel.
40	H16/1210/93 David Parker Homes	JB	DPBCS Auth as recommended. Additional condition required re dedicated parking area and delineation of same. See DPBCS re archaeological matters. Cttee endorsed pursuit of further frontage development and rationalisation of public parking area.
42	H16/1211/93 David Parker Homes	JB	DPBCS Auth subject to sect 106 legal obligation as recommended. See DPBCS re archaeological matters.
43	H19/1223/93 N S Morris	DMG	Refused as recommended. Amend applicants name to read "Morris".
45	H11/1226/93 C R Neaverson	DMG	DPBCS Auth subject to sect 278 agreement as recommended. Amend description to read "Garden Centre".
48	H08/1227/93 Mr & Mrs Brooks	DJR	DPBCS Auth as recommended.
49	H23/0011/94 Mr D Burchnall	DMG	Grant as recommended.
50	H16/0015/94 Mr J Thurston	DJR	Refused as recommended.
52	H09/1239/90 Kings Quality Homes	NRM	Refused as recommended. Reasons on pages 57 and 58 of agenda. Amend 1st word of reason 6 on page 58 to read "Analysis".

17th Feb 94

Signed: 
 N Midlen
 Principal Planning Officer

SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO: PLANNING COMMITTEE - TUESDAY 16TH FEBRUARY 1994

BY: DIRECTOR OF HOUSING & PROPERTY SERVICES

SUBJECT: KINGS QUALITY HOMES - OUTLINE PLANNING APPLICATION -
DAMGATE, HOLBEACH

PURPOSE: To advise on the proposed rented housing scheme.

1.0 INTRODUCTION

- 1.1. In June 1993 my report on this application concerned a development appraisal of information provided to the Council by the applicants. I recommended refusal of the application on a number of grounds, one of which was that contrary to the applicants' original assertion the proposed rented housing element of the scheme would require £1.2 million public subsidy through Housing Association Grant. Late information supplied directly to the Committee by the applicants stated that this would not be the case and consideration of the application was deferred.
- 1.2 The deferral was in part to enable the Director of Planning and Building Control Services to advise the Committee on the contents of any planning obligation and conditions which would be necessary if the Committee was minded to grant planning permission (Minute 414(b)/93). To this end I have examined the rented housing proposals and this report confines itself to this aspect. No further financial evaluation has been carried out on the scheme proposals as a whole. However, I would remind members that the broad evaluation of the scheme, which then showed a loss of around £0.5 million, indicated that some of the costs might be significantly overstated and that a further change in the housing market over the development period could materially alter profit margins.

2.0 PUBLIC SUBSIDY

- 2.1 When last reported to the Committee the scheme comprised 56 dwellings for rent, owned and managed by Orbit Housing Association. Funding was to be through a contribution of private loan by Orbit and £1.2 million Housing Association Grant (HAG). The applicants contribution was limited to the provision of serviced land free-of-charge.
- 2.2 The applicants and Orbit Housing Association have since renegotiated the contract costs for the scheme and these have been significantly decreased, perhaps confirmation of the indicative findings of our evaluation of the scheme. Orbit Housing Association have confirmed that, "Subject to Contract", and other matters being satisfactorily determined with the developers, the

Board has resolved to fund this project with no Housing Association Grant requirement "the project will not be the subject of Housing Association Grant support now or in the future". It is likely that Orbit Housing Association have decided to subsidise the scheme from their own resources together with a private loan.

- 2.3 This commitment will need to be subject to a S.106 Agreement if the Committee is minded to grant permission.

3.0 SOCIAL HOUSING REQUIREMENTS

- 3.1 Housing association housing is to be distinguished from other privately rented housing. Further non-registered housing associations or societies are to be distinguished from registered housing associations. 'Registered' means registration with the Housing Corporation who regulate and fund social housing through housing associations. 'The purpose of registered housing associations is to provide accommodation for those who are inadequately housed or homeless, and for whom suitable housing 'is not available at prices within their means, or at all, elsewhere in the local market' (Housing Corporation Circular 29/91).

- 3.2 The Housing Corporation ensures that housing associations meet these social housing objectives through guidance, known as the Tenants' Guarantee. This guidance applies to the management of the accommodation in respect of:-

- meeting housing demand
- allocating accommodation on assured tenancies.
- terms of assured tenancies
- maintenance and repair
- consultation and tenant involvement
- information to tenants
- equal opportunities.

In essence the Tenants' Guarantee essentially enhances and protects tenants' right beyond private sector housing law and ensures that housing associations play a full role in meeting local housing need.

- 3.3 Since the Tenants' Guarantee applies only to registered housing associations and in respect of affordable rents applies only to schemes built with public subsidy it has been necessary to check Orbit's position on the Tenants' Guarantee and its application to the proposed scheme. Additionally, these matters will need to form part of the S.106 Agreement should the Committee be minded to grant permission.
- 3.4 In response Orbit have confirmed that the social housing will be developed on behalf of owned and managed by Orbit Housing Association as registered with the Housing Corporation under Registration No. IO 390. The Association reserves the right, as with any scheme, to charge the scheme to a Mortgage.
- 3.5 On rent levels the Association, in all its regions, works on a Common Rent Matrix. The rents for the proposed dwellings will be strictly in accordance with the Association's Matrix and the financial profile upon which the Board has, conditionally, agreed to proceed is based on Matrix rents. Future rent levels will be subject to any

revisions the Board determines in respect of the Matrix from time-to-time.

- 3.6 In respect of the Tenants' Guarantee Orbit have confirmed that this will apply in the same way as it does to similar Housing Association Grant funded schemes.
- 3.7 With regard to nomination rights Orbit are now offering 50% nominations on all rented units. This compares to their original proposal of 100% nominations for the first 10 years, reducing to 50% thereafter plus the allocation of 50% of the remainder to homeless families i.e. 75% nominations in perpetuity after the first initial 10 years. Clarification has been sought on this matter and nominations have been confirmed as 100% on first letting and 75% thereafter.
- 3.8 On a separate issue since the scheme is to be fully privately funded the Association will have to seek specific consent (Section 9) from the Housing Corporation. Orbit will apply for Section 9 Consent as soon as they are satisfied that the scheme can proceed.
- 3.9 In summary, subject to Section 9 Consent, Orbit Housing Association are willing to proceed with a scheme for 56 dwellings for rent on an equivalent basis to a publicly funded scheme. However, if the Committee is minded to grant permission, to ensure that the scheme is akin to other social housing schemes provided by housing associations the following matters will need to be part of the S.106 Agreement:-
- the social housing will be developed on behalf of, owned and managed by Orbit Housing Association as registered with the Housing Corporation under registration No. IO 390;
 - the Association will apply the Tenants' Guarantee, or any subsequent guidance issued by the Housing Corporation, to the properties in the same way as it would to publicly funded schemes;
 - the Association will set affordable rents in accordance with its rent setting policy for publicly funded schemes.
- 3.10 With regard to nomination rights the Association is willing to enter into a formal Nomination Agreement provided it is not attached to the land transfer. This is due to the difficulties in obtaining private finance where land ownership is restricted by a nomination agreement. Many associations share Orbit's concern on this matter. Where the Council has nominations agreements with other associations the Nomination Agreement is not tied to the land transfer and I see no reason to discriminate against Orbit on this matter.

4.0 BENEFITS TO THE APPLICANTS.

- 4.1 As reported previously to the Committee there are considerable benefits to the applicants in being able to develop the site as a whole with access via land outside the IBD:
- i. it makes for more efficient and economical development of their assets. The area for which they have planning permission cannot be developed without significant impact on The Manor and its

grounds. It is also difficult to develop to maximum value due to the number of Tree Preservation Orders (TPOs). Thus it becomes more profitable to develop it as part of a larger scheme;

- ii. The Manor and its asset value is retained for the applicants' use and occupation;
- iii. the asset value of the applicants' landholding outside the IBD is enhanced by the grant of planning permission.

5.0 SUMMARY.

- 5.1 The applicants' proposal to provide 56 housing association dwellings to rent without public subsidy together with the gain to the applicant has to be weighed against the Council's own planning policies and DoE Planning Policy Guidance expressed in PPG3. On the basis of that policy and advice I cannot recommend that the scheme be supported. However, if the Committee is minded to grant permission the matters identified in Para. 3.9 would need to be subject to a Section 106 Agreement. A formal Nomination Agreement between the Council, as housing authority, and Orbit Housing Association would need to be agreed separately.

ADDENDUM

1. Following completion of this report a statement by the applicants in the local press alerted me to the fact that the proposed affordable housing scheme no longer comprised wholly rented housing but is to include an element of Low Cost Home Ownership (LCHO). Follow-up enquiries have produced the following information from Orbit Housing Association:-
 - i. the scheme is not financially viable without an element of LCHO;
 - ii. the Association's main Board of Management have agreed to fund the development, subject to the Regional Committee approving the final details, within parameters set by the Board. No HAG is required. This will, however, necessitate an element of LCHO (shared ownership).
 - iii. It is now intended that the scheme will comprise 42 dwellings for rent and 12 shared ownership houses. Orbit propose, subject to further negotiation with the Council that the LCHO will comprise 8 x 2 bed units and 4 x 3 bed units at estimated selling prices ranging from £39,950 - £42,950. The rental element of the shared ownership will be in line with Orbit's rental matrix for all LCHO;
 - iv. the mixture of housing types will remain the same.
- 2.0 I have the following comment to make on the inclusion of LCHO in the scheme:
 - i. negotiations on the social housing aspect of the application have focused entirely on rented housing following the

applicants' assurance made to the Council prior to the Committee's last consideration of the application that the social housing scheme would comprise properties for rent without public subsidy.

- ii. The proposal put to the Council by the applicants and Orbit Housing Association detailed 56 homes to rent with the sole reference to shared ownership being "if included following discussion". No further proposals had been made and therefore no discussion has taken place. Orbit Housing Association have explained that they believed that this was a matter for further negotiations with the Council after the grant of outline planning permission.
 - iii. Shared ownership is a recognised form of social housing and there is an expressed demand for LCHO locally. However Orbit's rent policy on LCHO means that the proposed scheme would have a monthly rental a minimum of 30% higher than on available shared ownership elsewhere in the district. For example someone purchasing a 50% share in a house selling at £40,000 would pay a monthly rental of £85 plus building insurance compared with a monthly rental of £62 - £63.40 inclusive in schemes available elsewhere in the district. Orbit recognise across their properties that this rental element is higher than to be found elsewhere and it is to be discussed generally within the Association but the outcome is not predictable.
 - iv. Applicants buying on a LCHO basis have a right to purchase outright and then to sell on to whom they please. This means that this element of the housing will not be available in perpetuity. I envisage that a S106 Agreement on the LCHO would create problems for potential purchasers.
- 3.0 In summary the late inclusion of the LCHO element raises areas of concern not least in that it is a further departure from assurances given by the applicant. Additionally the social housing scheme is dependent for its financial viability on the inclusion of the LCHO. This leads to the question of whether the scheme might include more LCHO rather than rented housing should market conditions change. Shared ownership is a particularly sensitive area of the housing market with a degree of risk for any association. Given the relatively high rental element of the Orbit proposals and the availability of LCHO elsewhere there may be pressures to amend the scheme to ensure viability. Also LCHO in perpetuity is not guaranteed. The guidance given by PPG3 applies equally to LCHO as well as to rented housing.

KINGS QUALITY HOMES - Damgate, Holbeach.

Report by Director of Housing & Property Services - Summary.

1. Discussion with the applicants and Orbit Housing Association has focused on the provision of 56 homes for rent without benefit of public subsidy as committed by the applicants at the time the application was last considered by the Committee. No further financial evaluation has been carried out.
2. Orbit Housing Association confirmed that these dwellings could be provided without public subsidy. In terms of meeting housing demand, the terms of the tenancies, maintenance and repair, consultation and information and equal opportunities Orbit have confirmed that the properties will be in line with the Tenants' Guarantee which applies to publicly funded housing. Also rents will be charged in accordance with their rent setting policy for all rented properties. If the Committee is minded to grant permission these matters will need to be covered by a S.106 Agreement. Nominations may be covered by a separate legal agreement with the Council.
3. On completion of this report it came to my attention through a press release issued by the applicants that it is now intended to include an element of Low Cost Home Ownership (LCHO). Orbit Housing Association have confirmed that 12 of the 56 dwellings will now be shared ownership and the scheme relies for its financial liability on the inclusion of LCHO. Their understanding was that the type of affordable housing would be negotiable after the grant of outline planning permission.
4. This late inclusion of LCHO raises the following concerns:
 - i. it represents a further departure to the applicants' intentions;
 - ii. LCHO is unlikely to be able to be tied into a S.106 Agreement because of difficulties for purchasers;
 - iii. purchasers have a right to buy outright, therefore affordable housing to meet local needs will not be provided in perpetuity;
 - iv. Orbit's rent levels for shared ownership are significantly higher than for shared ownership available elsewhere in the district i.e. 50% share in a house selling at £40,000 the monthly rent level for an Orbit house is a minimum of a third higher (£23) than for other shared ownership. This casts doubt on the scheme in terms of viability or affordability;
 - v. If the scheme is not viable there may be pressures to further alter its tenure.
4. Considerable benefits continue to accrue to the applicants in terms of more efficient development of the site and increase in asset value of the land in their ownership. The scheme proposals go against the Council's planning policies and Government advice contained in PPG3 on the provision of affordable housing. Nevertheless if the Committee is minded to grant permission the detail of the rented housing needs to be tied into a S.106 Agreement. It is unlikely that a S.106 Agreement could be applied to the LCHO.

PLANS SUB-COMMITTEE - 14th June, 1993

437. PLANNING APPLICATIONS (Continued)

(b) Other planning applications referred to the Sub-Committee for determination

The following applications, which had previously been referred to the Sub-Committee for consideration, were determined as indicated:-

Plan No. and Applicant

Proposal

H16/0301/93

Stamford Construction

63 dwellings complete with roads and footpaths on land west of Woolram Wygate, Spalding.

RESOLVED: The Director of Planning and Building Control Services be authorised to grant planning permission for the above development in accordance with his recommendation.

H16/1303/92

Guttridge Services Ltd

Change of use of storage warehouse to industrial use at 23 Hawthorn Bank, Spalding.

RESOLVED: That subject to the applicants first entering into a planning obligation under the provisions of Section 106 of the Town and Country Planning Act 1990 to ensure that the building is not sold off separately or used separately from the rest of the site, the Director of Planning and Building Control Services be authorised to grant planning permission for the above development in accordance with his recommendation.

(NOTES:

1. Councillor M.C. White declared an indirect interest in the above application and left the Committee Room during consideration thereof.
2. Councillor R.C. West requested that his abstention from voting on the above application be recorded.)

438. DAMGATE, HOLBEACH - RESIDENTIAL DEVELOPMENT COMPRISING DWELLINGS FOR SALE, TO LET AND SHELTERED ACCOMMODATION WITH AMENITY OPEN SPACE AND LAKE - APPLICATION REFERENCE H09/1239/90

Consideration was given to the report of the Director of Planning and Building Control Services relating to the undermentioned application, following an inspection of the site and other areas land adjoining the current Boundary of Development for Holbeach as identified on the plan previously circulated to the Planning Committee:-

Plan No. and Applicant

Proposal

H09/1239/90

Kings Quality Homes

Residential development comprising dwellings for sale, to let and sheltered accommodation with amenity open space and lake at Damgate, Holbeach.

After a lengthy discussion it was

RESOLVED:

That until all the information requested in Min 414 of the Planning Committee meeting on 2nd June, 1993 is available, this Sub-Committee considers it would be premature to make any recommendation to the Planning Committee.

(End of Minutes)

Minutes of a special meeting of the **PLANNING COMMITTEE** held in the Council Chamber, Council Offices, Priory Road, Spalding on Wednesday, 2nd June, 1993.

PRESENT

Councillors:

Mr. B. Alcock - Chairman
Mr. T. Bray - Vice-Chairman

Mr. J.R. Pearl	Mr. C.F. Fisher	Mr. W.D. Skells
Mr. T. Barker	Mr. J. Goodley	Mr. D.A. Tennant
Mrs. P.J. Buffham	Mrs. E.O. Hall-Patch	Mr. T.G.M. Tyler
Mr. N.I. Capes	Mr. A.E. Naylor	Mr. R.C. West
Mr. J. Clark	Mr. B.A. Paul	Mr. M.C. White
Mr. B.J. Davies	Mr. N.H. Pepper	
Mr. E.N. Davies	Mr. M.S.L. Rollinson	

The Director of Planning and Building Control Services, the Director of Housing and Property Services, the Deputy Director of Administration and the Contracts Manager (Parks and Leisure).

In attendance: The Press

Apologies for absence were received from or on behalf of Councillors Mrs A.M. Newton, C.J.T.H. Brewis, J.A. Dobney, and N.P. Judge M.B.E.

414. **DAMGATE, HOLBEACH - RESIDENTIAL DEVELOPMENT COMPRISING DWELLINGS FOR SALE, TO LET AND SHELTERED ACCOMMODATION WITH AMENITY OPEN SPACE AND LAKE - APPLICATION REFERENCE H09/1239/90**

Detailed consideration was given to the report of the Director of Planning and Building Control Services relating to the undermentioned application, and to the reports of the Director of Housing and Property Services on the comprehensive development appraisal which had been undertaken in connection with the social housing proposal included within the application. In addition to the circulated reports the Director of Planning and Building Control Services explained, with the aid of transparencies and circulated plans, details of the proposal, and identified existing residential development sites both inside and outside of the interim boundary of development for Holbeach, as well as other sites which were currently the subject of similar initiatives.

Plan No. and Applicant

Proposal

H09/1239/90
Kings Quality Homes

Residential development comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake at Damgate, Holbeach.

Whilst both Directors agreed that there was a need for affordable housing in Holbeach in their views the evidence suggested that the public benefits did not outweigh the planning considerations in this case. Nevertheless, because of the urgent need for more rented accommodation in Holbeach and the applicant's confirmation that the affordable housing would be provided without public subsidy, on the casting vote of the Chairman it was considered that further information, including a review of the interim boundary of development for Holbeach, was needed before the application was determined.

After a lengthy discussion it was

PLANNING COMMITTEE - 2nd June, 1993

414. DAMGATE, HOLBEACH - RESIDENTIAL DEVELOPMENT COMPRISING DWELLINGS FOR SALE, TO LET AND SHELTERED ACCOMMODATION WITH AMENITY OPEN SPACE AND LAKE - APPLICATION REFERENCE H09/1239/90
(Continued)

RESOLVED: Consideration of the application be deferred

a) pending an inspection of the application site and the interim boundary of development for Holbeach and other land which lies outside, but contiguous to, the present boundary, including those areas of land which have already been identified by agents or land owners for consideration in the Draft District Plan; and

b) to enable the Director of Planning and Building Control Services to advise the Committee on the contents of any planning obligations and conditions which would be considered necessary if the Committee was minded to grant planning permission.

(Councillor T. Barker requested that his vote against the above decision be recorded.)

(End of Minutes)

TYPE: Outline

DESCRIPTION: Residential comprising dwellings for sale, to let
and sheltered accommodation, with amenity open space
and lake

LOCATION: Damgate, Holbeach

APPLICANT: Kings Quality Homes AGENT: Rafe J Clowes

BACKGROUND

This application was first reported to the Planning Committee on the 28 July 1991 when it was deferred to enable consultations with the Fleet Parish Council since part of the site falls within that parish. It was then reported to the Committee on the 28 August 1991 when it was referred to the Plans Sub-Committee for detailed consideration including your Officers undertaking further discussions with the Director of Housing and Property Services, and if necessary the Housing Corporation, and for a comprehensive report to be submitted to the Committee who wish to determine the application.

The fact that it has taken some 21 months before submitting this report is testament to the fact that in the absence of any reliable precedence elsewhere, either locally or nationally, a great deal of original and detailed analysis has had to be conducted in response to the offers made by the applicant as a "quid pro quo" for allowing this development outside the Interim Boundary of Development for Holbeach. It is acknowledged that that work has been carried out with the co-operation of the applicants and their representatives requiring a demanding commitment from all parties, and on behalf of the Council especially from the Director of Housing and Property Services and her senior staff.

By way of summary the offers put forward by the applicant were: -

- (i) To retain the applicants dwelling, the Manor House, which had an outline planning permission for residential redevelopment.
- ii) To improve the junction of Damgate and Fleet Road.
- iii) To provide a lake and amenity area.
- iv) To provide land for social (affordable) housing.

Members attention is drawn to the copy of the earlier report, which included all the representations then received, and which comprises Appendix I to this report.

PLANNING ISSUES

- 1 As can be seen from the earlier report to Committee the recommendation was to refuse planning permission on policy grounds, since the site falls outside the current Interim Boundary of Development for Holbeach, and it was not considered at that time that the counter argument provided

by the applicant including the offers of "planning gain", and the quality of the details submitted in support of the justified recommending a departure from the Council's established planning policy for development in Holbeach. NB. It should be noted that an earlier outline application for residential development (H09/0841/89) submitted by the applicants in 1989 was refused on policy grounds.

In other words and as a guide to the Committee the proposition should be such that the proposal should be acceptable in planning terms before the planning gain factors are taken into account, and that those factors should not render acceptable a proposal which otherwise is unacceptable in the context of the Council's planning policies and other material planning considerations. Planning obligations in relation to the proposed development can be entered into where the circumstances are such that the benefit proposed is related to the development and necessary to the grant of planning permission. The reasonableness of the applicants proposition depends, therefore, on whether what is required and/or offered is needed to enable the fundamental development as proposed to go ahead.

(i) Applicant's Offers of "Planning Gain"

(a) The offer to improve the junction of Damgate and Fleet Road

This improvement is principally necessitated only by the development proposed, and therefore cannot be seen as a significant independent benefit.

(b) To retain, and not re-develop the Manor House which had a planning permission for residential re-development

This permission has now expired and an application for renewal will be reported to the Committee shortly. In view of the known local feeling about the desirability of retaining the Manor House and indeed the applicants own reported comments that he would wish to do so, the Department of the Environment have been requested to consider adding the property to the statutory list of buildings of special architectural and historic interest. (Members will no doubt recall that a previous request to the Department of the Environment was not supported). In the meantime, the Council's Consultant Architect has also been instructed to make an appraisal of the site and the building and to advise the Council in relation to the renewal application.

(c) Provision of a 5 acre amenity site and lake

However, whilst the lake forms a possible amenity feature - it perhaps begs the questions as to whether the town needs it or wants it, where it is proposed and for other purpose - it is also necessitated by drainage considerations. The Director of Environmental Services has considered the question of taking over the amenity area, including the lake, and

is concerned that maintenance could be between £5,000-£10,000 a year, and whilst some form of endowment could be required, the lake could in the future form a very heavy financial liability on the Council. He would therefore not advise his Committee to take it over.

(d) Provision of 1.86 acres of land for social housing (formerly 2 acres but now revised downwards)

It is considered that this is the major offer that could be attractive to the Authority given the present housing situation, and lead Members to consider overruling normal policy considerations. Consequently the Director of Housing has exhaustively analysed the proposal and her report summary are attached as Appendix 2 and 3 to this report.

The material considerations therefore against which the earlier recommendation of a refusal of planning permission on policy grounds must be assessed, are considered to be the various offers made by the applicant and their relationship to the main proposition and their benefit to the District.

Before considering her conclusions, however, Members need to be aware that the Department of Environment's Planning Policy Guidance Note 3: "Housing", advises that:- "...Ministers view is that mixed developments, consisting partly of high value housing used to off-set a lower return on low cost housing on the same site, would not be appropriate on "off-plan" sites in rural areas..." The Guidance Note advises that it would be appropriate to require the provision of such social housing as part of development plan policies within an I. B. D.

The current proposal is, therefore, directly against the Department of the Environment's advice. Such advice contained in the Guidance Notes is a material consideration that has to be taken into account in determining the application, but it does not have the force of statute law. However, it is suggested that this advice does mean that the Committee should be very cautious in considering determining this application favourably, and very clear that the benefits to the community are such as would outweigh both Development Plan policies and the Government's advice.

2 The Director of Housing and Property Services analysis of the social housing proposals

The Director of Housing and Property Services has examined this offer exhaustively, and concluded that it is by no means as attractive as it might originally have appeared. She concludes:-

- (i) That the applicants offer is limited to the provision of serviced land free of charge.
- (ii) That, contrary to the applicants original claim, provision of social housing will be dependent on £1.2 m of Housing Association Grant monies. This exceeds the whole of the Authority's annual HAG allocation for the

District, monies which have been already committed upto 1995/96.

- (iii) Even with the contribution of free land, the social housing scheme demonstrates a lesser value for money than other housing association schemes being carried out within the IBD's in the District.
- (iv) Rent levels would in addition would have to be higher than on other similar schemes.
- (v) Considerable financial benefits would accrue to the developers by the development of their site as a whole, compared with developing only those parts within the Holbeach IBD.

3 The Director of Housing and Property Services recommendation is, therefore, that the application be not supported.

(ii) Lincolnshire Structure Plan: Alteration No. 1:
Allocation of Land for Housing Development:
Land Availability in Holbeach

The allocation of land for housing development, the subsequent identification of specific sites and the availability of land for development at any time are matters which need to be considered. Such matters are based on the policies within the Lincolnshire Structure Plan including Alteration No. 1, together with the identification of specific areas of land as set out in the Interim Boundary of Development plan for Holbeach itself.

The current allocations of land as referred to in Alteration No. 1 are based on the period 1988 - 1991, and it therefore overlaps conveniently with the Council's commitment to produce for publication and consultation in September of this year the Council's District Wide Local Plan, "South Holland 2000", an objective of which is to review the overall provision of residential land.

Policy 3A of Alteration No. 1 provides for new residential development in the period 1988 - 2001 and some 6,000 dwellings were identified for the South Holland District. Of that total Policy 4A of Alteration No. 1 identified some 3,750 dwellings to be constructed in Crowland, Holbeach, Long Sutton, Spalding and Sutton Bridge.

The current IBD for Holbeach in anticipating the requirements for housing land for the period 1989 - 2001 assumed an allocation of 500 dwellings with a completion rate of just under 40 dwellings per year. Within that period and upto 1991/92 about 400 dwellings have been erected in Holbeach which accounts for 80% of the original 500 allocation.

In Holbeach there is potentially 270 dwellings not yet started based on the current outline and full permissions. On the evidence available it is likely that about 150 dwellings contained within that current total will not be started within the next three years so that realistically there is currently

permission for an additional 120 dwellings within the boundary of development. The other relevant permission for residential development is the land at Wignals Gate currently owned by the Lincolnshire County Council and for which a reserved matters application is shortly to be submitted, resulting in the figure of 120 additional dwellings being increased to a total of 200 potential dwellings with the benefit of planning permission.

(iii) Primacy of the Development Plan & Planning Policy Guidance Note 3 - "Housing"

In determining this application, Members need to be aware that since the application was first considered, Section 54A of the Planning Act has come into operation. This requires Planning Authorities to determine applications in accordance with the Development Plan, "unless material considerations indicate otherwise". The Planning Policy Guidance Note 3 also advises that: - "...Ministers view is that mixed developments, consisting partly of high value housing used to offset a lower return on low cost housing on the same site would not be appropriate on "off plan" sites in rural areas..." The guidance note advises that it would be appropriate to require the provision of such social housing as part of Development Plan Policies within recognised development boundaries.

4

CONCLUSIONS

Notwithstanding the applicants offers of "planning gain", the fundamental element of the proposition is to seek planning permission for housing development outside the current Boundary of Development for Holbeach. In assessing the implications arising from that consideration, it is both important and pertinent to take into account the primacy of the Development Plan Policies; the current availability of land with the benefit of planning permission for housing, both within and outside the Boundary of Development; the appropriateness of the application site for the fundamental proposition in relation to other land which is currently outside the Development Boundary (and for several parts of which informal submissions are already coming forward either in anticipation of the Draft District Plan or in connection with the offer of other "planning gains" for the town e.g. additional facilities for organised games. The overriding consideration is whether or not in identifying additional land for housing development "per se" within the context of the reviewing the Development Boundary for the town, the application site would be identified on its existing merits at the expense of other sites, and or in conjunction with other areas of land.

On the evidence available, there is no overriding need in terms of land availability to justify departing from the current development policy for the town, and in view of the emerging Draft District Plan, coupled with the need to ensure that all other potential additional sites are taken into account, the proposal to develop this land is, therefore, premature at this time.

Notwithstanding the advice contained in PPG3 in respect of a site's location, it is reasonable to conclude that if

developed, the application site would be viewed as being part of the built-up area of Holbeach rather than a relatively remote site within a rural area.

In considering the "planning gains" on offer from the applicant, it is not unreasonable to conclude that there is an "affordable" housing need in Holbeach, but given the advice from the Director of Housing and Property Services, the overriding consideration is whether or not that need is best responded to by accepting the applicants proposition, or whether it would be more appropriate to require the provision of such social housing, not on the basis of this departure from policy, but as part of Development Plan Policies within a recognised Boundary of Development and consequently applicable to other alternative competing areas of land.

In considering the other "planning gains" on offer, especially with regard to the retention of the Manor House and the provision of the lake, it is pertinent to note that the permission for the development land within the curtilage of the Manor House has expired and an application has been submitted for the renewal of that permission. In so far as the lake is concerned, it is important to be satisfied that in the light of the Director of Environmental Services advice it is a commitment that the Committee should be confident the Council can take on. In terms of its location, the material planning consideration is whether or not given its potential for being seen (and used) as a wider recreational facility, it is in the right place.

Notwithstanding the potential attractiveness of the applicants proposition, I must conclude that, in light of the evidence available, and in consideration of the advice both from the Secretary of State for the Environment and that received from consultees, the potential benefits to the District do not justify overruling both Structure Plan and District Council Planners Policies on development in the open countryside. Additionally given the imminence of the production of the Draft District Plan, for public consultation then it would be more appropriate to require the provision of such additional housing (including social housing) as part of the Development Plan Policies to be provided for within that Plan.

Consequently, I would advise the Committee to be very cautious in considering determining this application favourably, and very clear that the benefits to the community are such as would outweigh both Development Plan Policies and the Government's advice to Local Plan Authorities.

PLANNING OFFICER'S RECOMMENDATION

A That permission be refused for the following reasons:-

- 1 The site is outside the confines of a settlement in an area of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority, the circumstances of this case are not sufficient to justify permission,

which would be contrary to Policy 5 of the Lincolnshire Structure Plan and to the District Council's own planning policies. These policies are in accordance with national planning policies and set out in the Department of the Environment Policy Note 4, and are aimed at the conservation of agricultural land, the preservation of the character of the cultured site and the economic provision of services. In the opinion of the Local Planning Authority, the granting of permission for the development as proposed would be harmful to the purposes of these policies, because as well as its individual effects on these issues, it would form a precedent for further similar proposals which would be difficult to resist.

2 Analysis of the developers offers of "planning gain" including the offer of low cost housing land show that the benefits to the district would not be sufficiently attractive to justify overruling Structure Plan and District Council policies on development in the open countryside, and to disregard Government Circular advice on planning gain.

B In the event that the Committee resolve to support the granting of permission for the proposal, then I would recommend that before the application is determined, the following matters should be addressed: -

- (i) The Interim of Boundary for Holbeach should be inspected, together with the application site and other land which lies outside, but contiguous to the present boundary, including those areas of land which have already been identified by agents or land owners for consideration in the Draft District Plan.
 - (ii) That the Council's officers be instructed to advise the Committee as to the content of any Draft Planning obligations and the details of those planning conditions which would be imposed if permission were to be granted.
 - (iii) That subsequent to the conclusions reached following consideration of the matters referred to in (i) and (ii) above, if it still the Committee's intention to grant planning permission, then before a decision is made, details of the application should be advertised as a Departure from Policy and it is suggested also that the reasons for the proposed departure and intentions of the Committee in terms of the content of any planning obligations and the details of any planning conditions should be available for inspection at that time.
-

APPENDIX 1

APPLICATION REFERENCE: H09/1239/90 DATE RECEIVED: 14-NOV-90

APPLICANT:	Kings Quality Homes	AGENT:	Rafe J Clowes
	Holbeach Manor		5 Thirlmere Close
	Fleet Road		Thorneywood Mount
	Holbeach		Nottingham
	Spalding		
	Lincs		

TYPE: Outline

DESCRIPTION: Residential comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake

LOCATION: Damgate, Holbeach

Parish Council: Although not in I. B. D., support application.

County Highways: Recommend refusal on the inadequacy of Damgate to cater for the additional traffic and the restricted access at the junction between Damgate and Fleet Road. If members are minded to grant permission, would require a Section 278 Agreement to improve the roads.

Public Representations: B Ayres, Roofing Contractor, 27 Damgate Road - summarised:
- Rented properties very badly needed in this area, I have several people working for me who are not able to buy their houses.

Ex-Councillor Harrington - summarised:
- Support this application, outside the I. B. D., but is a package which will serve a local need.

Longhurst Housing Association Ltd - summarised:
- Would be interesting in considering the matter further, but only if the Council felt the scheme to be acceptable in planning terms and if it would meet the priority housing needs in the district.

Housing Department: Summarised:
- Whilst accepting that, as in most Local Authority areas, there is a

shortage of rented housing in South Holland, I cannot support this application for the following reasons.

- (i) The concept of cross subsidy goes against Department of the Environment Circular 17/91, in other words the provision of market sale housing on land which would not otherwise received planning permission is not justified by the offer of 'free' land which itself has a lesser value than agricultural land.
- (ii) The financial information provided is inadequate and does not justify the scheme.
- (iii) The scheme would in any event have a co-op on public financial services, i.e. HAG for which the Council has other priorities.

Information from Applicant: Summarised:

- Unit costs for any development on this site would be considerably greater than the development on land for which the applicants already have planning permission.
- This is due to the fact that existing permissions could be implemented without (a) the improvement of Damgate (b) the provision of a balancing lake and associated landscaping (c) the need for vacuum and pumping sewage systems.
- Total area of application site 22.68 acres, area of application site within I.B.D. for which planning permission already exists 5.3 acres. Application lying outside I.B.D. 17.3 acres. Extended land to facilitate the retention of Holbeach Manor and its grounds of 4.5 acres. Land to be given to housing association 2 acres, balancing lake and amenity open space 5.8 acres. Total 12.3 acres. Remaining land within application site but outside I.B.D. for market sale housing 5 acres.
- A copy of result of housing survey needs from Community Council of Lincolnshire enclosed.

Community Council of Lincolnshire:

Housing Needs Survey.

Number of houses targeted 400. Number of questionnaires returned 257, 64%. Number of households who anticipated at least one member would require

alternative accommodation within the next five years 82, 36% (three households and more than one individual requiring special accommodation).

Total of families and individuals who express need for alternative accommodation 85. Number presently in need of alternative accommodation 39. Number requiring future alternative accommodation 43. The third location Holbeach 59.

The third tenure type:

- (i) Council rented housing 30 households (only considered option for 18).
- (ii) Private rented housing 30 households (only considered option for 18).
- (iii) Owner/occupier housing 38 households (only considered option for 36).
- (iv) Shared/ownership housing 3 households.

Main reason for inability to purchase accommodation lack of property at suitable price.

Estimated affordable rent:

Up to £20	Five households
£20 - £30	21 households
£30 - £40	Twelve households
£40 and above	Three households

PLANNING POLICIES/DOE ADVICE

- Majority of the site outside the Interim Development Boundary for Holbeach, and thus an area where normally new development would not be allowed, except agricultural.
- Report to Planning Committee 2 January, 1991, recommended no extension at the present time to I. B. D. at Holbeach. Report noted by Planning Committee.
- Department of the Environment Circular 7/91 - 'Planning and Affordable Housing' gives general advice on how to form local plan policies for affordable houses and to assess need, etc, and then states cross subsidy on off plan sites "it is important that housing schemes promoted under the policy for rural area set out above are seen and accepted by local communities as serving local needs. Ministers view is that mixed developments, consisting partly of high value housing used to offset a lower return on low cost housing on the same site, would not be appropriate on 'off plan' sites in rural areas. The affect of such cross subsidy could be to generate hope value among landowners, dry up supply of land for purely low cost housing, and confuse local receptions of the purpose of the initiative. There may, however, be opportunities to cross subsidy between normal market development schemes on land allocated for housing in the local plan and affordable housing on 'off plan' sites nearby.

PLANNING ISSUES

- 1 This is a site on the eastern edge of Holbeach, 5.3 acres of the site is within the Interim Development Boundary and already has planning permission. The remaining 17.3 acres are outside the Interim Development Boundary.
- 2 In January of this year, the Planning Committee accepted a report recommending that at the present time no change be made in the Holbeach I. B. D., and consequently, this proposal is currently contrary to your planning policies for the District, and will remain so for at least the short term future.
- 3 The applicants have put forward three arguments as to why exceptions should be made to the planning policies:
 - (a) That they will agree not to develop Holbeach Manor and its grounds which currently are within the I. B. D. and have the benefit of planning permission.
 - (b) That the site requires extensive and expensive investment to provide satisfactory services, e.g. the improvement of Damgate, the provision of a balancing lake, etc.
 - (c) That they will donate 2 acres of land for the purpose of low cost affordable housing.To deal with the issues in sequence:
 - (i) The agreement to retain Holbeach Manor.

Holbeach Manor is a fine substantial house set in beautiful grounds, and currently occupied by the applicant. Planning permission exists for its redevelopment, and there is a feeling in Holbeach that such a fine house should be protected. However, it was not included in the Buildings of Special Architectural and Historic Interest when the area was recently surveyed, and representations to the Department of the Environment have failed to get them to agree to list the building, basically on the principle that it is too recently built (for Twentieth Century building to be included on the statutory list it needs to be of outstanding merit or at least designed by a famous architect). Nor is the building within the Holbeach Conservation Area, which again would give the Authority an argument that it should be retained. The basic planning principle that change is acceptable has, therefore, applied to the Manor. Even where an Authority enters into Section 106 Agreements with other parties, they have to do so for proper planning reasons, and if members are attracted by this argument, I would strongly suggest that legal opinion is sought as to whether such agreement would be enforceable.

- (ii) High price of providing services etc. Many developments require additional extents to provide sewers, suitable access roads, etc. This is not, in my view, the reason for granting additional development land outside the boundaries.
- (iii) Gift of 2 acres of land to Housing Association. In my view, this is the major issue against which the Council has to consider existing planning policy. In common with many other local

authorities, the Council is very concerned that many local people have been priced out of the owner/occupation market, whilst the Council's ability directly to provide rented accommodation has been drastically curtailed. I have liaised closely with the Housing Department concerning this aspect of the proposal and the Chief Housing Officer's advice as set out in a memorandum dated 21 June, 1991, may be further summarised as follows: -

- 1 The application has been discussed with the applicants both prior to and following submission; and it has been stressed that the application should be determined in the light of the Council's planning policies. At that time and in the absence of Government advice on social housing outside boundaries of development, it was recommended to the applicants that the principles advocated by the Social Housing Unit of House Builders Federation as should be used which are: -
 - (a) Prime purpose of a scheme must be to provide social housing.
 - (b) Initial consumer costs should be specified for all social housing (including shared ownership). Proposals should be based on income profile of households identified and scheme should provide affordable housing both initially and in the long term.
 - (c) The long term owner/manager of the properties should be a party to any legal agreement. The organisation should be non-profit distributing, independent and hence either a housing association or a charitable trust.
 - (d) Priority should be given to people with a local connection.
 - (e) Important to stress that these principles are designed for use in rural areas i.e. villages of no more than 3,000 inhabitants - a definition set by Central Government - Holbeach does not fall within that definition of rural.
- 4 That earlier advice to the applicants has now been superseded by the contents of Circular 7/91 which whilst it endorses the means of assessing local need etc., does not support the principle of cross-subsidy for social housing on land totally outside a boundary for development.
- 5 Since the application is essentially and critically based on the principle of cross-subsidy - 5 acres of market-sale housing to 2 acres of social rented housing the Chief Housing Officer advises that in the light of Circular 7/91, the Housing Department cannot support the application and furthermore, is of the opinion that on the application site land alone, would not make a rented scheme viable. Consequently the scheme would make a call on the allocation of

Housing Association Grant (HAG) in the District and as the applicants suggest 40 rented dwellings, it would take up at least one year's allocation which could prejudice the Council's 3 year strategy for HAG investment in the District.

CONCLUSIONS

- 1 I have to concur with the Chief Housing Officer's view on the affordable local housing aspect of this and its likely consequences for the District Council's housing strategy allocation and the call upon the HAG allocation.
- 2 I think the crux of the matter is that the situation has now changed with the issue of the Planning & Affordable Land Circular. For the first time, authorities can require land for affordable housing within their development areas. Previously market forces tended to prevail, leaving Authorities without the means to solve this growing problem other than by such deals as are proposed here. I think the Government's concern to prevent the cross subsidy type of deal on land which would otherwise be outside a development area is understandable, if one considers that in this instance if this application was permitted the applicants would be giving away two acres of land which otherwise would not obtain permission, and consequently must be worth only a very few thousand pounds, and getting in return many more acres of land which would have only had agricultural land value at best, (with an element of hope value), but which with the issue of planning permission could become worth perhaps ten times as much per acres. Obviously such deals offer the temptation to ignore planning principles for the sale of social objectives, but give developers a means of obtaining profitable permission on land which otherwise would not be developed.

PLANNING OFFICER'S RECOMMENDATION - Refuse permission.

- 1 The site is outside the confines of a settlement in an are of open countryside where it is the policy of the Local Planning Authority to permit new development only in exceptional cases where it is satisfied that there is a special need, particularly in connection with agriculture. In the opinion of the Local Planning Authority, the circumstances of this case are not sufficient to justify permission, which would be contrary to Policy 5 of the Lincolnshire Structure Plan. This policy is in accordance with national planning policies as set out in Department of the Environment Policy Note 4, and is aimed at the conservation of agricultural land, the preservation of the character of the countryside, and the economic provision of services. In the opinion of the Local Planning Authority the granting of permission for the development as proposed would be harmful to the purposes of this policy, because as well as its individual effect on these issues, it would form a precedent for further similar proposals which would be difficult to resist.
- 2 In addition, whilst the effect on the Council's other functions may not always be a planning issue, in this situation, where it has been suggested that planning policy should be overruled in order to help with the housing objectives, it is valid to take into account that by granting this application the Council's potential allocation of funds from HAG may have to be diverted to this development to the exclusion of other areas which may have a much greater objective need for low cost housing, and could therefore

- completely distort the Council's housing strategy.
- 3 Notwithstanding the developers offer to provide an area of land for low cost housing, the proposal is directly contrary to the advice given in the recent Government Circular 7/91 Planning and Affordable Housing, and could moreover seriously distort the Council's strategy for providing affordable housing for the District.
-

AGENDA
ITEM NO.

SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO PLANNING COMMITTEE - WEDNESDAY 2ND JUNE 1993

BY: DIRECTOR OF HOUSING & PROPERTY SERVICES

SUBJECT: KINGS QUALITY HOMES - OUTLINE PLANNING APPLICATION -
DAMGATE, HOLBEACH.

PURPOSE: DEVELOPMENT APPRAISAL.

EXECUTIVE SUMMARY

- 1.0 The development appraisal is carried out to determine whether affordable housing for rent can be provided entirely through private finance, as contended by the applicants. Other benefits of the scheme to the community claimed by the applicants are also assessed.
- 2.0 In planning terms the proposals fall outside local and national policy guidelines. The applicants argue that the benefits offered by their scheme outweigh planning considerations. The perceived benefits are:
 - provision of social housing
 - retention of The Manor
 - improvement of the junction of Damgate with Fleet Road
 - provision of lake and associated amenity area.
- 3.0 The scheme comprises 121 dwellings for market sale and 56 housing association dwellings for rent. The site is 22.6 acres in area, 5.3 acres of which is inside the IBD.
- 4.0 The applicants claim the need to develop outside the IBD is to support social housing and to cover other scheme costs. Their development appraisal demonstrates an overall financial loss on the scheme which they accept over the period of development might be turned into a profit.
- 5.0 The appraisal has found that some costs submitted by the applicants are not reasonable. These are significant in scale and could affect the viability of the scheme and hence the amount of cross-subsidy, or alternatively profit, available. Only open-book accounting as the scheme progressed could determine actual levels of cross-subsidy/profit. However such an agreement is not thought to be capable of effective implementation.
- 6.0 Apportioning costs and income across the three main components of the scheme - social housing and market sale housing outside the IBD and market sale within the IBD - it is demonstrated that building outside

the IBD will contribute more financially to the market sale housing within the IBD than it will to the social housing.

- 7.0 The developers' contribution to social housing is limited to serviced land free-of-charge. This contribution alone will not produce a viable social housing scheme. This has been recognised by the applicants at a late stage of the appraisal by their involvement of Orbit Housing Association through a negotiated scheme reliant upon public subsidy through Housing Association Grant (HAG).
- 8.0 Thus contrary to the applicants' original assertion that the scheme would be entirely privately financed, there is now of a requirement for HAG of £1.2 million, a sum in excess of the annual HAG investment in the district by the Housing Corporation. Under the Council's Housing Strategy HAG resources are committed until 1995/96.
- 9.0 Even with the contribution of the land the negotiated social housing scheme demonstrates less value-for-money than other housing association schemes being built in the district without the benefit of any such contribution. Also rent levels are higher than those on similar scheme.
- 10.0 Other perceived benefits are not materially justified in planning terms. In the case of the lake potentially high maintenance costs could fall on the Council.
- 11.0 Considerable financial benefits accrue to the applicants in development of the site as a whole including more efficient and economical development of their assets, retention of The Manor for use and occupation, enhancement of asset value of their landholding outside the IBD due to grant of planning permission, and a significant amount of public funding is drawn into the development.
- 12.0 There are regular enquiries from developers, landowners and housing associations about the possibility of obtaining HAG for social housing proposals. Such enquiries include land in Holbeach. Advice to those making enquiries is given within the framework of planning and housing policies both locally and nationally. To depart from that framework by supporting this scheme removes competition, distorts the Council's policies and undermines the Council's role as enabler and initiator of social housing in the district.

13.0 RECOMMENDATION:

The application be not supported on the following grounds:

1. Contrary to the applicants' assertions, the social housing provision is reliant upon public subsidy through Housing Association Grant. As such it is no different from other proposals for affordable housing available in the district and in fact demonstrates less value-for-money than other housing association schemes.
2. Other perceived benefits are not justified.
3. Together these factors do not justify departure from established local and national policy and guidance of planning and development.

AGENDA
ITEM NO.

SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO PLANNING COMMITTEE - WEDNESDAY 2ND JUNE 1993

BY: DIRECTOR OF HOUSING & PROPERTY SERVICES

SUBJECT: KINGS QUALITY HOMES - OUTLINE PLANNING APPLICATION -
DAMGATE, HOLBEACH.

PURPOSE: DEVELOPMENT APPRAISAL.

1.0 PURPOSE OF THE APPRAISAL.

- 1.1 In August 1991 the Planning Committee deferred consideration of this application for the following reason: 'For reference to the Plans Sub-Committee for detailed consideration including the Planning Officer undertaking further discussions with the applicants, the Chief Housing Officer and, if necessary, the Housing Corporation in the light of the additional information received from the applicant and a comprehensive report be submitted to the Committee who wish to determine this application'. (Minute 653(c)/91).
- 1.2 The additional information to which the minute refers is the applicants' claim that the benefits offered to the community by the proposal had not been adequately explored and that, in particular, with regard to social housing for rent the scheme would not require any public funding but would be entirely funded privately by themselves. This information was in contrast with my advice offered to the Committee that the provision of free land alone would not make for a viable affordable rented housing scheme.
- 1.3 The purpose of this development appraisal is to determine:
- i) whether the scheme does provide social housing without public subsidy;
 - ii) the maximum numbers of rented dwellings which might be afforded under the proposals; and
 - iii) taken together with other areas of planning gain whether there is sufficient justification to depart from national and local planning policies and guidance about building in open countryside.
- 1.4 This appraisal offers advice to the Council in its capacity as Planning Committee. As such it does not bind the Housing Services Committee which would, if the Planning Committee were to grant permission, have to consider the proposals against its housing strategy.

2.0 THE PLANNING BACKGROUND.

- 2.1 The majority of the site (77%) is outside the IBD for Holbeach. Holbeach in planning terms does not fall within the definition of rural since it has over 3000 population and planning guidance (DoE PPG3) limits off-plan development of social housing to rural settlements on an exceptions basis.
- 2.2 The relevant planning considerations are detailed in the report of the Director of Planning & Building Control Services.

3.0 FACTORS COVERED IN THE APPRAISAL.

- 3.1 The factors covered in the appraisal are those identified by the applicants as benefits to the local community either in the information accompanying the application or in subsequent discussion. They perceive the benefits as:

- social housing
- retention of The Manor
- improvements to Damgate
- provision of a lake and amenity area dedicated to the Council.

- 3.2 Each of these factors is covered in turn in the following report.

4.0 SCHEME DETAILS.

- 4.1 The scheme has been amended by the applicants since it was originally submitted. The breakdown of the original scheme and the current revised scheme as detailed below.

4.2 Original Scheme

	<u>Inside IBD</u>	<u>Outside IBD</u>	<u>Total Acreage</u>
Market Sale Housing	3.6	9.5	13.1
Sheltered Housing	1.7	-	1.7
HA Housing	-	2.0	2.0
Lake & Amenity Area	-	5.8	5.8
Total	5.3	17.3	22.6

4.3 Revised Scheme

	<u>Inside IBD</u>	<u>Outside IBD</u>	<u>Total Acreage</u>
Market Sale Housing	5.3	9.24	14.54
Sheltered Housing	-	1.12	1.12
HA Housing	-	1.86	1.86
Lake & Amenity Area	-	5.08	5.08
Total	5.3	17.30	22.60

4.4 The numbers of dwellings involved are:-

	<u>Original</u>	<u>Revised</u>
Market Sale	121	121
HA Sheltered Housing	17	15
HA Housing	<u>40</u>	<u>41</u>
	<u>178</u>	<u>177</u>

4.5 Whilst the number of dwellings has remained similar in total the area of land devoted to different uses has altered:

- 11% more land is devoted to market sale housing
- 20% less is devoted to social housing
- 12% less is to be used for the lake and amenity area.

4.6 Additionally the land for the sheltered housing is to be outside the IBD rather than on the land with the benefit of planning permission. The reasons for this change are:

- preservation of the trees on the site
- enables earlier construction than on original plan
- helps to justify development as a whole if all social housing is outside the IBD.

4.7 The market sale housing covers a full range in type and price as shown below:

£	Units
35,000 - 40,000	21
40,001 - 50,000	31
50,001 - 60,000	8
60,001 - 70,000	26
70,001 - 80,000	26
80,001 - 90,000	<u>9</u>
	<u>121</u>

4.8 The most significant amendment to the scheme is with regard to social housing. The original scheme focused on entirely privately funded rented housing supported by cross-subsidy from within the scheme. This remained the case until January 1993. At this stage Orbit Housing Association became involved in the scheme proposals. The scheme is now reliant upon a significant input of public subsidy by way of Housing Association Grant (HAG). The relevance of this public sector subsidy is covered in detail in Section 11 of the report following the financial appraisal of the housing proposals.

5.0 FINANCIAL EVALUATION - THE PRINCIPLE.

5.1 In order to evaluate the scheme the applicants have been asked to provide a reasonable level of detail and their assistance in this respect is acknowledged.

5.2 In determining whether the maximum benefit is accruing to the community by way of rented dwellings the principle has been adopted that any sales profit obtained from the market sale housing on the off-plan site over and above the profit made on building those dwellings should be used to cross-subsidise social housing.

5.3 It is important to note that the applicants do not accept this principle insofar as they believe that the scheme currently shows a loss and that it would be unrealistic to attempt to cross-subsidise a higher level of social housing than currently proposed i.e. the contribution of a serviced site.

6.0 FINANCIAL EVALUATION - THE APPLICANTS' PERSPECTIVE.

6.1 The applicants' appraisal of the scheme at October 1992 shows a loss of over £300,000 as summarised below.

Total Value of Sales		£ 9,103,750
Development Costs		
Construction Cost	7,028,320	
Abnormals	700,000	
Fees	188,800	
Charges	96,120	
Land Value	620,140	
Funding	794,820	9,428,200
Developers Profit/(Loss)		<hr/> (324,450) <hr/>

6.2 The scheme at this time did not involve Orbit Housing Association. As such details both of building costs and selling price were provided for each unit of social housing. The scheme was to be phased over three years with a requirement that two private houses would have to be completed and sold concurrently with the provision of each unit of social housing.

6.3 Funding was based at 12.5% interest rates at a time when interest rates were varying greatly. The applicants described the projected loss as somewhat marginal since the risk element would depend on relative land and house values. Their report recognised that 'to carry out an appraisal over the period anticipated for this development is clearly to some extent crystal ball gazing it is the state of the market over next three years and the prices which can be obtained in that market which will determine whether this development is to be a worthwhile investment or not'.

7.0 REVISED SCHEME COSTS.

7.1 Scheme costings have been revised to take account of the involvement of Orbit Housing Association. The revisions include:

- amended sales income
- revised land values (provided by the applicants)
- revised building costs of the social housing (RICS Building Cost Information Service index).

7.2 These revisions produce the following evaluation of the current proposals.

Total Value of Sales		£ 8,935,550
Development Costs		
Construction Cost	7,140,261	
Abnormals	700,000	
Fees	188,800	
Charges	96,120	
Land Value	551,000	
Funding	794,820	9,471,001
Developers Profit/(Loss)		<u>(535,451)</u>

7.3 Based on these figures the scheme shows an increase in the indicative loss to in excess of £0.5 million.

8.0 ASSESSMENT OF COSTINGS.

8.1 The proposed scheme currently shows a loss but, as recognised by the applicants, a change in the housing market over the three year development period could have a significant effect on the scheme's profitability.

8.2 A further factor affecting profitability is whether the costings used by the applicants in their evaluation are reasonable. The assessment of these costs indicates:

- i. allowances for construction costs and fees are reasonable;
- ii. the allowance for abnormal costs, covering Damgate improvements, balancing lake and landscaping and the sewerage system appears high, perhaps by as much as £300,000;
- iii. the allowances for charges contains a sum of £70,000 of unidentified costs;
- iv. the land value is £79,000 more than the value placed on it by the District Valuer;
- v. the allowance of £794,820 for funding the scheme over the three year period at 12.5% appears to be far too high. It fails to take account of the lower interest rates which now prevail and the effect on cash flow through monthly or regular payments from Orbit Housing Association for a scheme on a contractual basis. Additionally regardless of interest rate levels the actual cost of funding will very much depend on a developer's ability to control cash flow. Given tight control on phasing in relation to sales it should be possible for a developer to minimise funding by turning over the investment in the initial phase of the development scheme. Together these factors cast doubt on using an allowance of this level in the development costings.

8.3 The evaluation of the costings at this stage can only be carried out on a broad basis. However, in summary, the costs of the scheme are

possibly overstated by as much as £449,000. Additionally the figure of almost £800,000 for funding is considered to be unrealistically high. Finally an increase in sales income could significantly effect profitability. Taken together these factors indicate that rather than showing a loss as claimed by the applicant, the scheme would be likely to generate a significant profit element.

9.0 APPORTIONMENT OF COSTS AND INCOME.

9.1 In order to determine the amount of cross-subsidy available in the scheme costs and income have been apportioned separately over the three parts of the scheme:

- market sale housing within the IBD - 5.3 acres
- market sale housing outside the IBD - 9.24 acres
- housing association housing outside the IBD - 2.98 acres.

9.2 The costs which have been used in the assessment are those identified in Para 7.2, with the exception of those for funding which have been excluded due to the high degree of uncertainty over their accuracy and relevance. Full details of the apportionment are shown in the appendix.

9.3 The apportionment shows the following surplus/deficit in respect of the different areas of the scheme:

- i. Market sale housing within the IBD - £71,170 deficit;
- ii. Market sale housing outside the IBD - £405,172 surplus;
- iii. Housing association development outside the IBD - £97,576 surplus.

Overall the scheme, excluding funding, shows a surplus of £431,578.

9.4 On the principle of sales profit on the off-plan site forming the available cross-subsidy to social housing (see Para 5.2) the available subsidy to the social housing should be £502,748. However the contribution that the applicants are making to the social housing is the serviced land, the assessed value of which is £172,200. This leaves a surplus of £330,548 of which £71,170 appears to subsidise the market sale housing rather than the social housing. Cross subsidy of £330,548 would equate to the grant level for 11 houses based on HAG at maximum cost levels.

9.5 It is important to note that the applicants do not accept this principle of cross-subsidy. They claim that the provision of serviced land free-of-charge is the maximum contribution the scheme can bear in the current economic climate. They value this contribution at around £200,000, almost £30,000 in excess of the District Valuer's assessment of its value.

10.0 ORBIT HOUSING ASSOCIATION'S INVOLVEMENT IN THE SCHEME.

10.1 The applicants have negotiated a selling price with Orbit Housing Association for the social housing. The negotiated price is £1.885 million for 56 dwellings, with the total scheme costs being £2.187 million inclusive of the association's on-costs.

- 10.2 The proposed scheme is based on the contribution by Kings Quality Homes of a fully serviced site at nil cost. This is valued at approximately £200,000 by Orbit and Kings Quality Homes.
- 10.3 The scheme is based on a continuous two year development programme to be planned dependent upon the availability of finance. It is assumed that it would be a Design & Build Contract and costings are based on 1993/94 Total Cost Indicator and Grant rates. No indication is given of the period for which the negotiated price remains open.
- 10.4 In order to buy the properties at levels at which rents will be affordable Orbit will require public subsidy through Housing Association Grant (HAG). The HAG required for the project is £1.2 million. The remaining part of the scheme is funded through private loan.
- 10.5 In terms of nomination rights Orbit offers 100% nominations for the first 10 years, with 50% thereafter plus 25% for homeless families i.e. 75% nomination rights in perpetuity after 10 years.
- 10.6 Indicative rent levels, at 1993/94 levels, are shown below:

<u>Dwelling</u>	<u>Floor area (m²)</u>	<u>Proposed Weekly Rent £</u>
1 bed flat	40 - 50	38
2 bed bungalow	50 - 60	45
2 bed house	70 - 80	50
2 bed house	80 - 90	54
4 bed house	90 - 100	58

- 10.7 The proposals are submitted by the Eastern Region of Orbit Housing Association which has its regional office in Norwich. The nearest local office is in Newmarket. The Association's head office is in Norwich. The Association has over 12,000 dwellings under management, of which around 2,000 are in the Eastern Region. (1992 Annual Report).
- 10.8 The proposals recommend two options for consideration: rented housing and shared ownership. However the feasibility study covers rented housing only.
- 10.9 The proposed housing association scheme is reliant upon public subsidy through Housing Association Grant (HAG) for its viability. Therefore the following sections explain HAG and the implications of HAG allocation to this scheme on the Council's Housing Strategy.

11.0 AN EXPLANATION OF HOUSING ASSOCIATION GRANT.

- 11.1 The Government views housing associations as the providers of social housing. This housing provision is subsidised through a capital grant system known as Housing Association Grant or HAG. The subsidy level is an average of about 70%. Associations generally take up private loans to cover the remainder of the cost. Rents are set at affordable levels to cover the loan repayments, management and maintenance allowances and provision for major repairs. Maximum limits are set on scheme costs for the purpose of grant. These are known as Total Cost Indicators or TCI. Varying levels of HAG and TCI are set according to the region and also to the type of scheme.

11.2 HAG is available in one of two ways:

- i. through the Housing Corporation - associations follow an annual bidding timetable for funding in the following year. There are generally more bids than available HAG. HAG is allocated to local authority areas according to the Housing Needs Indicator (HNI) for that area. The HNI comprises a basket of weighted indices which are a measure of housing needs for an area, including data on homelessness, house prices and income levels. At each local authority area an indicative investment level of a three year period is provided by the Corporation based on 80% of the average HNI for forward planning purposes. Bids by associations are expected to have been discussed with the local authority and to fit in with the authority's strategy. Associations are unlikely to receive an allocation unless supported by the local authority. They will also have to demonstrate value for money. An allocation is made for a particular year but it is usually spent over 2/3 years. Where a local authority and a housing association through a housing strategy have planned ahead bids for pre-allocation may be submitted which, if successful, will secure HAG for a future financial year - such schemes must be able to start quickly and, if necessary, be brought forward.
- ii. through the local authority - this is known as Local Authority HAG. LA HAG involves part of the Council's own capital programme being earmarked for housing association investment. The HAG payment is reimbursed to the local authority by the Housing Corporation as a non-usable capital receipt. Allocation is to schemes selected by the local authority. LA HAG may also be paid through special government schemes, such as the Rural Housing Programme and the Housing Partnership Fund, when Supplementary Credit Approvals are made to local authorities following a competitive bidding process.

11.3 Local Authorities may also contribute grant to a scheme by the provision of land free-of-charge or at less than market value. This contribution counts as HAG.

11.4 In summary it is important to note the following factors:

- the level of HAG investment is relatively fixed since resources are distributed according to the HNI score
- local authority support, within a housing strategy, is critical to the allocation of HAG either through the Housing Corporation or through LA HAG.

12.0 SOUTH HOLLAND'S HOUSING STRATEGY.

12.1 The Council's Housing Strategy, determined through the Housing Services Committee, has been to maximise HAG investment in the district through a programme with locally based housing associations which aims at advance planning. The strategy has focused on the contribution of the Council's land and recognition of the indicative level of HAG investment against which allocation might be realistically obtained. The annual level of HAG investment through the Housing Corporation is relatively low and the policy has been to

support as main priorities one or two sizeable schemes in the main centres of population (Eg Royce Road, Spalding, Arthurs Avenue, Holbeach) plus one rural scheme each year (village schemes Eg Gedney, Whaplode).

- 12.2 Additionally the Council provides £400,000 LA HAG annually to build schemes of its choice Eg Spring Gardens, Long Sutton. Also land contributed at less than market value provides an element of HAG-stretch, making the available Corporation HAG go further and hence attracting additional resources to the district.
- 12.3 Forward planning and close work with local housing associations enables the Council to support pre-allocation bids for funding for future years and to submit successful bids for Supplementary Credit Approvals under various Government initiatives Eg Rural Programme Housing, Housing Partnership Fund.
- 12.4 In 1992/93 the strategy was recognised by the DoE as 'ahead of the field'. In 1993/94 it was successful in obtaining the joint highest allocation of Corporation HAG funding in relation to HNI in the East Midlands Region.
- 12.5 The initial strategy covered a three year period from 1992/93. Pre-allocation bids for HAG funding in 1994/95 have been supported. Additionally through work with Parish Councils (Moulton, Lutton and Cowbit) three rural schemes are at the initial stages of development planning.
- 12.6 Taking the strategic approach involves forward planning and the objectives of the strategy beyond the initial three year period are due to be reviewed by the Housing Services Committee in the near future. Recommendations are likely to include:
 - a change of focus from the provision of Council land to the identification of priority areas of housing need.
 - continued support for at least one scheme in a priority area and one in a village annually.
 - link with the Local Plan and affordable housing provision in line with PPG3 advice;
 - continuation of work with local housing associations given the advantage offered by the local base in terms of management and development together with value-for-money.
- 13.0 IMPLICATIONS OF THE KINGS QUALITY HOMES' PROPOSALS FOR THE COUNCIL'S HOUSING STRATEGY.
- 13.1 In terms of meeting housing need Holbeach would rate, along with other main centres of population in the District, as a priority area. This has recently been recognised by recent housing association investment in Holbeach in the form of the purchase of 25 houses for rent under the Housing Market Package and the development of six bungalows, a hostel and follow-on accommodations through Corporation HAG. Having accepted that Holbeach is an identified area of housing need, the scheme has to be examined against two criteria
 - value for money
 - the Council's housing strategy.

13.2 In terms of both criteria the Planning Committee asked for further examination of the scheme proposals on the basis of the applicants' claim that social housing could be provided on the site with no call on public financial services, the scheme would be entirely funded by Kings and that there would be no implications on the provision of housing elsewhere in the District. These factors were the applicants' justification for building outside the IBD. The advice I offered to the Committee at the time was that the scheme was not viable on the contribution of the land alone and as such the scheme would require a large element of public subsidy through HAG. The scheme as now proposed by the applicants and Orbit HA prove that the initial advice offered was correct.

13.3 In their current proposals the applicants and Orbit argue that the scheme provides value-for-money in comparison with the norm levels of TCI and HAG due to the input of the serviced land and the scheme price negotiated with Kings Quality Homes. However comparison with other schemes in the district where land values are included at market price demonstrate that this is not the case, as shown in the table below:

<u>Scheme</u>	<u>Costs as % TCI</u>	<u>Grant as % Norm HAG</u>
Kings/Orbit HA	72.5	72.3
Royce Road, Spalding/ Longhurst HA	69.8	69.9
Spring Gardens, Long Sutton/Longhurst HA	68.2	68

From this table it can be seen that despite being on an off-plan site the proposed scheme demonstrates less value for money than other housing association schemes in the district which are on on-plan sites and do not have the benefit of cheap land. (The contribution of Council land 'free-of-charge' is valued as public sector grant).

13.4 Rent levels are significantly higher than those of Longhurst Housing Association. Comparative levels are shown below:

<u>Dwelling type</u>	<u>Weekly Rent</u>	
	<u>Orbit</u>	<u>Longhurst</u>
	£	£
1 bed flat	38	34
2 bed bungalow	45	40
2 bed 4 person house	54	43

Orbit operates a rent setting policy applicable to their dwellings throughout the country rather than on a scheme-by-scheme basis. As such there is not the scope for reduction of these indicative rent levels.

13.5 On nomination rights Orbit state that the norm for housing associations is to offer 50% nominations to the Council. Against this they are offering 100% for the first 10 years reducing to 50% thereafter plus 25% to homeless families. Our agreement with Longhurst is also above 50%, with arrangements for 100% on first letting and 75% thereafter with a commitment to examine a joint waiting list.

- 13.6 In summary, on a stand-alone basis the applicants' proposals do not demonstrate value for money when compared to other housing association developments in South Holland. This is despite the fact that the applicants and Orbit assess the value of the developers' subsidy as being £200,000 which is equivalent to a 10% reduction on total scheme costs. Given that the applicants justify their scheme being built outside the IBD on the basis of the ability to subsidise social housing, it must be a material fact in the Committee's consideration that greater value for money in HAG expenditure is being achieved elsewhere in the district on on-plan sites without the benefit of any cross-subsidy. Thus the value of that subsidy has to be questioned within the context of the negotiated price.
- 13.7 The implications on the Council's housing strategy have their focus on two issues:
- the limited availability of HAG
 - the role of the Council as enabler and initiator.
- 13.8 The indicative planning figures for HAG, provided by the Housing Corporation, for 1994/95 and 1995/96 are £1.1 million. If past practice is followed 80% of this figure is the indicative HAG investment for rented housing which means that £900,000 HAG would be likely to be available in each of these years, subject to any revision of the HNI. The Housing Services Committee has already supported pre-allocations bids for the majority of the likely allocation in 1994/95 and following the strategy the remainder is likely to be 'earmarked' for a rural scheme. Therefore the earliest date for HAG availability would be 1995/96.
- 13.9 The HAG requirement for the Kings/Orbit scheme is £1.2 million, £300,000 in excess of the likely total annual HAG input from the Corporation. Therefore, if submitted as a single bid, the scheme would effectively use all the HAG and exclude consideration of any rural schemes.
- 13.10 Local Authority HAG may continue to feature in the Council's strategy. Its current level is £400,000 annually. LA HAG for 1994/95 is currently committed to development of housing at Clout Drove, Crowland. Thereafter its recommended use is to be for potential redevelopment of PRC estates as part of their overall improvement programme. As such LA HAG is not likely to be available for other projects.
- 13.11 Support for HAG input into the Kings/Orbit scheme outside of planning and housing policies and strategies would weaken the role of the Council as enabler and initiator in the provision of affordable housing in the district. Other developers and associations seeking advice from the Council are advised of the policies and seek to work-up proposals within those policies. Planning and housing support for this scheme, which provides less value for money than schemes on on-plan sites not tied to proposals for market sale housing, would undermine this process. In so doing it effectively precludes other developers from submitting schemes in competition to this proposal.
- 13.12 There are in the market other developers who have sites in Holbeach who have recently visited the Housing Department about affordable

housing. They are willing to work up schemes in conjunction with Longhurst. Therefore the Kings' proposal is not the only opportunity for housing association development in Holbeach. Indeed in the current economic climate most developers would welcome the chance to work with a housing association since public subsidy through HAG is currently one of the most active sectors of housing activity. This is reflected in the competitive tendering climate which prevails.

14.0 OTHER BENEFITS OFFERED BY THE APPLICANTS.

14.1 The applicants claim the other benefits to the community which justify their scheme are:

- retention of The Manor
- improvements to the junction of Damgate Road with Fleet Road
- provision of a lake and associated amenity area dedicated to the local authority.

14.2 Since the improvement of Damgate is only necessary if the applicants' land is developed due to the consequent increase in traffic volume, it follows that if the land is not developed the improvement is not necessary. Therefore it cannot be considered to be of material significance in the overall scheme appraisal.

14.3 The other perceived benefits are considered below.

15.0 RETENTION OF THE MANOR.

15.1 The applicants justify building on part of the land outside the IBD as a 4.5 acre land swap in return for surrendering planning permission on The Manor and part of its grounds. The Manor was not thought worthy of listing by the DoE nor is it in the Holbeach Conservation Area. Therefore in planning terms it is acceptable for it to be redeveloped.

In response to the Council's view that an agreement to surrender planning permission could not be secured by a Section 106 Agreement, the applicants have suggested a lease between their client and the Council permitting their client to remain in residence. Again it is doubted whether such an arrangement would be capable of withstanding legal challenge.

15.2 It is important to note that The Manor and grounds will remain in use and occupation by the applicant. The advice of the District Valuer has been sought on whether the value of The Manor would diminish by the imposition of a quasi restrictive covenant. His advice is that there will be no decrease in current use value although it is possible that there will be a reduction in the potential for enhancement of the value attributable to future change of use to, for example, hotel, restaurant, nursing home or office use.

15.3 Given that there will be no decrease in value by surrender of the planning permission the justification for swapping land outside the IBD in return for the surrender must be questioned.

16.0 THE LAKE AND AMENITY AREA.

- 16.1 A provision is made within the scheme for a lake and amenity area taking an area of just over 5 acres outside the IBD. Provision for amenity areas throughout the development itself is nominal. The majority of the 5 acres is devoted to the lake which, as well as acting as an amenity facility, fulfils the technical function of a balancing lake for the drainage of the site. The provision of the balancing lake and associated landscaping is classed an abnormal cost by the applicants. The costs attributed to this provision are £150,000, including £50,000 commuted sum for future maintenance, plus fees and funding. The alternative would be to upgrade the dyke system in the locality but this would be particularly extensive and expensive.
- 16.2 The Contracts Manager (Parks & Leisure) has appraised the proposals for the lake and his report is summarised below:

'The landscaped environment opportunity provided by this 'lake' proposal is worthy of serious consideration. The concept provides the opportunity to significantly add to the visual, environmental, and recreational facilities of that area of Holbeach.

The major concern regarding the proposal is the unknown maintenance cost in the longer term. In the event of the pollution problems, silting up, or water leakage, the remedial costs could be high. There is no guarantee that the suggested £50,000 developers' contribution would be adequate in the event of serious problems arising. Concern is expressed that the £100,000 allowed for construction is conservative, and could rise dramatically if sufficient clay deposits are not found. It is believed that the £50,000 commuted sum towards future maintenance costs would not realistically cover costs beyond the first ten years, after which the lake could become a severe financial liability especially in the event of failure of the waterproof tank.

The proposal is particularly difficult to assess with regard to construction costs, maintenance costs and potential amenity uses. There are too many unknown factors regarding the development to accurately predict all quantities and costs. The assessment can therefore only be an approximate guide and may be subject to future qualification and amendment as designed features are confirmed."

- 16.3 The Director of Environmental Services has expressed grave concern about the potential costs falling on the Council.

17.0 SUMMARY OF THE SCHEME PROPOSALS.

- 17.1 The applicants justify building outside the IBD contrary to Council and national planning policy as stated in PPG3 on the grounds that they will provide significant community benefits - subsidy to social housing, surrender of planning permission on The Manor, improvements to Damgate and provision of a lake and amenity area. Also they justify the extent of land required on the basis of the expensive costs related to development of the land.

- 17.2 In contrast to the original proposals the social housing will not be funded by the applicants but is reliant upon public subsidy through Housing Association Grant. Despite a contribution from the developers the proposed scheme with Orbit Housing Association provides less value-for-money than other social housing schemes within the district which do not have the benefit of subsidy through cheap land or a contribution from a developer.
- 17.3 The scheme would call upon the HAG resources available to the district and as such would need to fit in with the Council's housing strategy as determined by the Housing Services Committee. Resources under the strategy are currently committed until 1995/96. Support for this scheme would run contrary to the advice, based on policy and government guidance, currently being offered by the Housing & Property Services Department to other developers interested in social housing, and as such removes competition and effectively undermines the Council's role as enabler.
- 17.4 The proposals are not the only opportunities for social housing in Holbeach - other developers are actively interested in working up proposals within the town.
- 17.5 The development of a high proportion of market sale housing outside the IBD will contribute more financially to the market sale housing within the IBD than it will contribute to the social housing.
- 17.6 The improvements to Damgate are necessary due to the increase in traffic volume only if the applicants' site is developed. As such they are not considered of material significance in the appraisal of the scheme.
- 17.7 It is difficult to envisage a means of retaining The Manor which would be capable of withstanding legal challenge. Surrender of planning permission would not decrease the current use value of The Manor, which would remain in use and occupation by the applicant, and as such does not justify a land-swap for development of land outside the IBD.
- 17.8 The lake could provide an attractive amenity facility provided it is well constructed and designed. Concern is expressed about the costs allowed for both construction and future maintenance. There could be high costs falling on the Council in the event of failure.
- 17.9 Considerable benefits accrue to the applicants in developing the site as a whole:
- i. it makes for more efficient and economical development of their assets. The area for which they have planning permission cannot be developed without significant impact on The Manor and its grounds. It is also difficult to develop to maximum value due to the number of Tree Preservation Orders (TPOs). Thus it becomes more profitable to develop it as part of a larger scheme;
 - ii. The Manor and its asset value is retained for the applicants' use and occupation;
 - iii. The asset value of the applicants' landholding outside the IBD is enhanced by the grant of planning permission;

- iv. A significant amount of public funding is drawn into the development.

18.0 VIABILITY WITHOUT PUBLIC SUBSIDY.

- 18.1 Returning to the applicants' proposition that the scheme is viable without public subsidy (HAG), the Committee may wish to consider whether a social housing scheme is viable. The applicants have made it clear that the total private subsidy available is the serviced land free-of-charge which they value at £200,000. This represents a subsidy of 10% on the total negotiated scheme costs and of 7% on TCI levels. The actual subsidy on grant rate required to support affordable housing on TCI levels is 55%. The applicants have never demonstrated their original proposition that the rented housing could be privately financed. Their involvement of Orbit at a late stage of the evaluation confirms the fact that it has not been possible for them to do so.
- 18.2 The potential for greater in-put of private finance exists with the overall costings of the scheme and if house prices rise. However the true level of available cross-subsidy could only be determined as the scheme progressed and then only through an open-book accounting agreement. Given that Kings are the landowner and builder/developer such an agreement is not thought to be capable of effective implementation.
- 18.3 Should the Planning Committee wish to explore further the opportunities for cross-subsidy within this proposal I regret that due to other priorities of the Council with regard to the housing service and strategy I am not able to assist. I estimate that the time expended on this appraisal to date would have an equivalent cost of around £10,000 in the private sector and in terms of comparative time expended on other projects within the housing strategy has proved relatively costly. Should the committee wish to have further appraisal of the scheme, such advice is available in the private sector at a base cost of around £5000.

19.0 CONCLUSION.

- 19.1 The application falls outside local and national planning policies. Since it was submitted the publication of Circular 7/91, now superseded by PPG3, has made it clear that social housing should be permitted on off-plan sites on an exceptions basis according to local needs in rural areas only. Additionally PPG3 states that a community's need for affordable housing is a material consideration in the publication of the local plan which means that social housing may be provided by negotiation on on-plan sites.
- 19.2 In contrast to the original proposals the social housing scheme does rely on public subsidy. The fact that the applicants claimed the scheme would not require public funding was a material consideration in the Committee's decision to defer the application.
- 19.3 The social housing scheme does not demonstrate value-for-money against schemes which are not reliant on off-plan developments involving cross-subsidy. Other claimed benefits for the community are not materially justified and in the case of the lake and amenity area could potentially lead to high costs falling on the Council.

19.4 To grant permission would be in contrast to recent refusals by the Committee of other land outside the IBD for Holbeach. So far as housing association development is concerned there are regular enquiries from landowners, developers and associations seeking HAG input for particular schemes. Included in these enquiries are sites in Holbeach.

19.5 The scheme proposals are contrary to the Council's planning and housing policies and strategies which form the framework for advice to other parties interested in providing social housing. To support the application outside of this framework removes competition and undermines the Council's role as enabler and initiator in the provision of affordable housing in the district.

20.0 RECOMMENDATION:

The application be not supported on the following grounds:

1. Contrary to the applicants' assertions, the social housing provision is reliant upon public subsidy through Housing Association Grant. As such it is no different from other proposals for affordable housing available in the district and in fact demonstrates less value-for-money than other housing association schemes.
2. Other perceived benefits are not justified.
3. Together these factors do not justify departure from established local and national policy and guidance of planning and development.

Background Papers:

File- Kings Quality Homes - Damgate, Holbeach
'New Social Housing at Holbeach for Local Needs' - Joint Proposal by Orbit Housing Association and Kings Quality Homes.

Local Government (Access to Information) Act 1985

The Officer to whom reference should be made concerning inspection of the background papers is the Director of Housing & Property Services, Council Offices, Priory Road, Spalding, Lincs.
Tel: Spalding (0775) 761161.

KINGS GOLF SITE		AREA INSIDE IBD		5.30 Acres		Proportion of lake		1.3 Acres			
DWELLING TYPE	REF.	3B-DET.	4B-SEMI	4B-DET.	4B-DET.	4B-DET.	4B-DET.	4B-DET.	4B-DET.	TOTALS	
BEDROOMS		A	B	C	D					118	
HOUSE TYPE		3	4	4	4						
FRONTAGE		HIGHGROVE	KENSINGTON	KENSINGTON	BELGRAVIA						
FLOOR AREA S.M.		112	156	156	144					4,484	
FLOOR AREA S.F.		1206	1679	1679	1550					48,266	
No. OF UNITS		12	6	5	5					28	
COSTS		£/Acre									
LAND		Not apportioned per plot									
BUILDING WORK		33600	46800	46800	43200					311,000	
Cost Per S.M.		300	300	300	300					1,134,000	
GARAGES		3000	3910	7510	6600					130,010	
EXTERNAL WKS @ KINGS COSTS										103,756	
L/accepting around site										9,000	
ROADS & SEWERS										165,000	
UNADOPTED ROADS										13,545	
ABNORMALS/LAKE										179,700	
Sub-total		36800	50710	54310	49800					2,046,011	
FEEES											
CHARGES											
										48,478	
										24,681	
TOTAL FEES										73,159	
TOTAL COST		36,800	50,710	54,310	49,800					2,119,170	
SELLING PRICE		66,000	76,000	78,000	82,000					2,048,000	
PROFIT / (LOSS)										(71,170)	

0
Cost/Site
Cost/Site
Cost/ M2

SUMMARY OF COSTS ETC

(Land & Abnormal/Acre. Roads/Site. Plot External @ Kings Costs)
(Orbit Selling Price and KINGS Costs)

KINGS ORIGINAL FIGURES October 1992

TOTAL DWELLINGS	177	178
TOTAL ACRES DEVELOPED	17.52	17.52
TOTAL LAND COSTS	£506,300	£620,140
TOTAL CONSTRUCTION COSTS	£5,363,901	
TOTAL GARAGES COST	£445,380	
TOTAL EXTERNAL WORKS	£430,480	£7,012,761
TOTAL ROAD & SEWERS	£622,500	
TOTAL UNADOPTED ROADS	£150,500	
TOTAL ABNORMALS	£700,000	£700,000
TOTAL FEES	£188,800	£188,800
TOTAL CHARGES	£96,120	£96,120
TOTAL COSTS	£8,503,981	£8,633,380
TOTAL SELLING PRICE	£8,935,550	£9,103,750
TOTAL GROSS PROFIT/(LOSS)	£431,569	£470,370
FUNDING	£794,820	£794,820
TOTAL NET PROFIT/(LOSS)	(£363,251)	(£324,450)

fname : kings9.wk1
25-May-93

	0	Cost/Site	Cost/Site	Cost/M2
--	---	-----------	-----------	---------

which would be contrary to Policy 5 of the Lincolnshire Structure Plan and to the District Council's own planning policies. These policies are in accordance with national planning policies and set out in the Department of the Environment Policy Note 4, and are aimed at the conservation of agricultural land, the preservation of the character of the cultured site and the economic provision of services. In the opinion of the Local Planning Authority, the granting of permission for the development as proposed would be harmful to the purposes of these policies, because as well as its individual effects on these issues, it would form a precedent for further similar proposals which would be difficult to resist.

2 Analysis of the developers offers of "planning gain" including the offer of low cost housing land show that the benefits to the district would not be sufficiently attractive to justify overruling Structure Plan and District Council policies on development in the open countryside, and to disregard Government Circular advice on planning gain.

B In the event that the Committee resolve to support the granting of permission for the proposal, then I would recommend that before the application is determined, the following matters should be addressed:-

- (i) The Interim of Boundary for Holbeach should be inspected, together with the application site and other land which lies outside, but contiguous to the present boundary, including those areas of land which have already been identified by agents or land owners for consideration in the Draft District Plan.
- (ii) That the Council's officers be instructed to advise the Committee as to the content of any Draft Planning obligations and the details of those planning conditions which would be imposed if permission were to be granted.
- (iii) That subsequent to the conclusions reached following consideration of the matters referred to in (i) and (ii) above, if it still the Committee's intention to grant planning permission, then before a decision is made, details of the application should be advertised as a Departure from Policy and it is suggested also that the reasons for the proposed departure and intentions of the Committee in terms of the content of any planning obligations and the details of any planning conditions should be available for inspection at that time.

ADDENDUM

- 1 At the ^{meeting} ~~Planning Committee~~ on 2 June, 1993, the Planning Committee resolved a) that the Sub-Committee inspect the site and the current I.B.D. for Holbeach and b) that the Director of Planning & Building Control Services report back to the Committee on the terms of any planning obligations and conditions that would need to be imposed should the Committee be minded to grant permission.
- 2 The Sub-Committee inspected the site on 14 June, 1993, but decided to make no recommendation to the Committee on the basis that it would be premature to do so until the further

information requested by the Planning Committee was available.

3 Since then, further discussions have been held with the applicants, their agents and the Orbit Housing Association that the applicants propose should take over the social housing element of the scheme, in order to determine the terms of any obligations and conditions, should the Committee be minded to grant permission.

4 Some further changes to the proposal have been made since the previous report

- a) owing to the unwillingness of the Council to undertake the future maintenance of the balancing lake, which was intended to aid the surface water disposal from the site, as well as being an amenity feature, alternative solutions for the disposal of surface water are being explored. This will leave the future of approximately ¼ of the application site uncertain.
- b) The Anglia Water Authority have advised my Department that the Holbeach sewage works is at capacity level and cannot satisfactorily take the sewage from the development. They would therefore require the development to be deferred until the sewage work has been upgraded, otherwise pollution incidents are likely to occur.
- c) There is apparently a change in the proposed tenure of the social housing element of the scheme. The Director of Housing will be able to explain this more fully to the Committee.

5 The subjects that the Committee would wish to be covered by obligations are considered to be as follows:

1 Social Housing

- Agreements:*
- (a) A commitment to the number and mix of units.
 - (b) A phasing scheme so that the social housing units are built and available prior to any private unit being built.
 - (c) That Housing Association are a party to the development and undertaken not to obtain HAG funding for the development.
 - (d) That the Housing Association enter into a separate nomination agreement with the Council.
 - (e) That the social housing unit be let in accordance with the Association standard practice.
 - (f) That rent to be changed in accordance with the Association's rent matrix.
 - (g) The Association to agree to letting to local people in residence of the district, but with an override if tenants are not available.
 - (h) Consultations to be carried out with the district on letting issues, subject to non-contravention of the Association's policies

(The above details are subject to any comments from the Director of Housing).

2 Surface Water Disposal

An agreement not to commence development until a satisfactory scheme for surface water disposal from the site has been agreed by the Local Planning Authority consultation with the Anglian Water Authority and the National Rivers Authority and the South Holland Internal Drainage Board and arrangements

for its implementation put in place.

3 Balancing Lake

An agreement that in the event that the balancing lake does not form part of the agreed surface water disposal scheme, its site will be conveyed to the District Council as a public open space.

4 Highway Improvements

An agreement not to commence development until a scheme for the improvement of Damgate (including provision of a footpath and the improvement of its junction with Fleet Road) has been agreed with the Local Planning Authority in consultation with the County Highway Department, and satisfactory arrangements for its implementation put in place.

5 Sewage Proposal

An agreement not to commence development until the Holbeach sewage works has been improved so that, in the opinion of the Local Planning Authority and consultation with the Anglian Water Authority it is able satisfactorily to accommodate and treat the effluent from the development.

With such agreement, no unusual planning conditions are felt to be necessary.

- 6 These agreements leave unresolved the wish of the Committee that Holbeach Manor (the applicants home) be retained, and that the planning permission for its redevelopment be not implemented. The applicant has offered to enter into a legal agreement not to demolish the Manor, however, the view of the Administrative Department is that a Section 106 Obligation covering this is unlikely to be legally valid.
- 7 From the planning viewpoint (the responsibility of this Committee) there also remains unresolved the matter of planning policy. The proposal is inside the current I. B. D. for Holbeach, and its development would at present constitute a major departure from the provisions of the Structure Plan. As explained in earlier reports, the law has now changed, and Section 54A of the current Planning Act requires planning authorities to determine applications in accordance with the Development Plan for the area (i.e. the Structure Plan), unless "material considerations indicate otherwise". (In this context, this means material planning considerations).

68 In the present case, the considerations that may be making Members consider approving the proposal contrary to Structure Plan Policy would seem to be as follows:

(a) The Retention of Holbeach Manor

It has been pointed out above that there are legal doubts if this can be ensured using a 106 Obligation, but in addition to this, the Committee accepted in renewing Outline planning permission for the redevelopment of the Manor site in 1993, that there were no planning reasons to resist the demolition of the Manor. It would be difficult in the circumstances to argue that its retention was a "quid pro quo" for granting permission contrary to policy was a ~~invalid~~ planning consideration.

(b) The Provision of Social Housing

x *concluded*

This has been accepted by the Department of the Environment and a planning issue and one that can be addressed in local plans. However, the granting of planning permission for private housing outside an I.B.D. as a "quid pro quo" for the developer agreeing to building an element of social housing runs directly contrary to the contents of Paragraph 23 of the Department of the Environment's Circular 7/91 "Planning and Affordable Housing". Whilst planning circulars are always ~~issued~~ *referred to* in advisory terms, their contents have been held to be important planning considerations. Indeed, the disregard for their advice is a ground for an award of costs against a planning authority in the context of planning appeals.

CONCLUSION

- 1 Given that the review of the Holbeach I.B.D. in the context of South Holland 2000 is now ~~imminent~~ *imminent*, and would enable the Authority properly to consider this proposal in the context of all material considerations, including the various sites that have been indicated to the department as available for development, and given also that it is unlikely that the sewage situation will enable development to commence until after the adoption of South Holland 2000, I have to reiterate my earlier advice that the application should be refused on the grounds stated in earlier reports. ² However, in the event that Members are still minded to grant permission, it will be necessary for the application to be advertised as a Departure from the Development Plan, and then reported back to Committee. // I would recommend that in these circumstances, the formal preparation of the 106 Agreements be pursued, but in addition legal advice be obtained from the Authority's solicitor a) on whether, in the circumstances of this case, the provisions of Section 54A of the Town Country Planning Act can be said to have been observed, // b) in the event of doubt being expressed on this point, the solicitor advise the Council on the possible consequences to the Planning Committee, should a permission be granted, which is subsequently challenged in any way.

Handwritten signature

SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO: THE PLANNING COMMITTEE 12TH MAY 1993

BY: THE DIRECTOR OF PLANNING AND BUILDING CONTROL
SERVICES

1.0 SUBJECT: PLANNING APPLICATION H09/1239/90 - OUTLINE
APPLICATION, RESIDENTIAL, COMPRISING DWELLINGS FOR
SALE, TO LET AND SHELTERED ACCOMMODATION, WITH
AMENITY OPEN SPACE AND LAKE AT DAMGATE, HOLBEACH.

PURPOSE: To advise the Committee of a special meeting
being arranged to consider this application.

1.1 At the meeting on the 28th August 1991, this application was deferred for further consideration of the applicants offer to supply a site for affordable housing. The Director of Housing has now assessed all the information supplied by the applicant supporting this offer, and the Chairman of the Planning Committee has asked for a special Committee meeting to be arranged on the 2nd June 1993 to consider the matter.

2.0 RECOMMENDATION

- (1) That the Committee agree to the holding of a special meeting of the Planning Committee on the 2nd June 1993 at 6.30 p.m. to determine the application.
- (2) That the applicants' agents be advised of the details.

Background papers: H09/1239/90

Local Government (Access to Information) Act 1985

The Officer to whom reference should be made concerning inspection of the background papers is the Director of Planning and Building Control Services, Council Offices, Priory Road, Spalding, Lincs. Tel: (0775) 761161

PLANNING COMMITTEE - 12th May 1993

354. APPEALS BY HEY & CROFT LIMITED - RESIDENTIAL DEVELOPMENT OF LAND AT MARSH LANE, HOLBEACH HURN

The Director of Planning and Building Control Services submitted a report on the Local Public Inquiry held on the 23rd March 1993 into appeals by Messrs Hey & Croft Limited in respect of their proposed residential development on land at Marsh Road, Holbeach Hurn, and the Inspector's decision thereupon. During the course of the Inquiry, the appeals in respect of applications H09/0773/91, H09/0267/92 and H09/1109/91 had been withdrawn and it was therefore necessary to determine these applications. In respect of application H09/0773/91, the Inspector had left it to this Authority to determine the application, following assurances at the Inquiry that a determination notice would be issued if considered necessary. In view of previous Committee decisions and the fact that there was no advantage to the Authority in further negotiations, it was recommended that the application should now be refused, in accordance with the decision under Minute 849(g)/92.

As a result of the Inspector's decision, a number of issues detailed in the report needed to be addressed and it would also be necessary to incorporate into the development brief for Holbeach Hurn the implications of the Inspector's comments concerning the necessary elements of an acceptable layout for the appeal site.

- RESOLVED:
- a) Applications H09/1101/91 and H09/0267/92 be treated as non-determined;
 - b) Application H09/0773/91 be refused for the reasons detailed in paragraph 1.4(b) of the report;
 - c) Any future development applications for outline planning permission for the residential development of the site be accepted only on the basis that the number of dwellings is clearly specified and their positioning on the site is shown as an integral part (siting) of the application; and
 - d) That future applications for the residential development of the site be assessed in accordance with the criteria identified in the Director of Planning and Building Control Services' report which it is hereby agreed should be treated as complementary to the Authority's existing policies.

355. RESIDENTIAL DEVELOPMENT AT KINGSGATE, GEDNEY - KINGS QUALITY HOMES (903/92)

Further to the above Minute, the Director of Planning and Building Control Services advised the Committee that two further discrepancies had come to light on this development, granted under planning application H06/0442/92, between the approved plans and the development as built, the plots concerned being numbers 7 & 8. A further planning application had been received in order to regularise the position, but in view of the history of the site it was

- RESOLVED:
- That a decision on the proposed amendments be deferred and the Plans Sub-Committee inspect the site.

(Councillor A.E. Naylor left the meeting during consideration of this item and Councillor J.T. Davis left the meeting following consideration of this item.)

PLANNING COMMITTEE - 12th May 1993

356. APPLICATION H09/1239/90 - OUTLINE APPLICATION FOR DWELLINGS FOR SALE TO LET AND SHELTERED ACCOMMODATION WITH AMENITY OPEN SPACE AND LAKE AT DAMGATE, HOLBEACH

The Director of Planning and Building Control Services reported that a special meeting of the Planning Committee would be held on 2nd June 1993 at 6.30 p.m. in the Council Chamber, Council Offices, Priory Road, in order to consider and determine planning application H09/1239/90.

RESOLVED:

- a) That the report be noted; and
- b) The applicants' agents be advised of the meeting.

357. UNAUTHORISED DEVELOPMENT, FORMER MACHINS SITE, NORTH PARADE, HOLBEACH (166/93 and 232/93)

The Director of Planning and Building Control Services reported that the Plans Sub-Committee on 5th April 1993 had considered the unauthorised development at the former Machins site, North Parade, Holbeach, following a site inspection and had recommended that the Committee endorse the following course of action:-

- (i) With regard to the unauthorised changes to the properties themselves, the developer be asked to submit a full retrospective application within 28 days, in order to regularise the position for the benefit of owners/occupiers and that consequent upon the response of the developer a decision to take appropriate enforcement action be deferred for the time being;
- (ii) With regard to the areas for parking provision, the developer be advised that these should be constructed in accordance with the approved plans, including the private parking areas and that failure to do so would result in the Council taking the appropriate enforcement action to achieve compliance with the approved details;
- (iii) The owners/occupiers of the properties involved be advised that the above action has been taken, be informed of the reasons why there is no alternative and consulted on the planning applications required under (i) above if and when received; and
- (iv) The planning application submitted in respect of landscaping stand deferred pending the receipt of the applications referred to at (i) above.

The Director of Planning and Building Control Services also detailed the action that had been taken since the meeting of the Plans Sub-Committee.

RESOLVED:

That the action taken be endorsed

SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO: THE PLANNING COMMITTEE 12TH MAY 1993

BY: THE DIRECTOR OF PLANNING AND BUILDING CONTROL
SERVICES

1.0 SUBJECT: PLANNING APPLICATION H09/1239/90 - OUTLINE
APPLICATION, RESIDENTIAL, COMPRISING DWELLINGS FOR
SALE, TO LET AND SHELTERED ACCOMMODATION, WITH
AMENITY OPEN SPACE AND LAKE AT DAMGATE, HOLBEACH.

PURPOSE: To advise the Committee of a special meeting
being arranged to consider this application.

1.1 At the meeting on the 28th August 1991, this application was deferred for further consideration of the applicants offer to supply a site for affordable housing. The Director of Housing has now assessed all the information supplied by the applicant supporting this offer, and the Chairman of the Planning Committee has asked for a special Committee meeting to be arranged on the 2nd June 1993 to consider the matter.

2.0 RECOMMENDATION

- (1) That the Committee agree to the holding of a special meeting of the Planning Committee on the 2nd June 1993 at 6.30 p.m. to determine the application.
- (2) That the applicants' agents be advised of the details.

Background papers: H09/1239/90

Local Government (Access to Information) Act 1985

The Officer to whom reference should be made concerning inspection of the background papers is the Director of Planning and Building Control Services, Council Offices, Priory Road, Spalding, Lincs. Tel: (0775) 761161

SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO: THE PLANNING COMMITTEE 12TH MAY 1993

BY: THE DIRECTOR OF PLANNING AND BUILDING CONTROL
SERVICES

1.0 SUBJECT: PLANNING APPLICATION H09/1239/90 - OUTLINE
APPLICATION, RESIDENTIAL, COMPRISING DWELLINGS FOR
SALE, TO LET AND SHELTERED ACCOMMODATION, WITH
AMENITY OPEN SPACE AND LAKE AT DAMGATE, HOLBEACH.

PURPOSE: To advise the Committee of a special meeting
being arranged to consider this application.

1.1 At the meeting on the 28th August 1991, this application was deferred for further consideration of the applicants' offer to supply a site for affordable housing. The Director of Housing has now assessed all the information supplied by the applicant supporting this offer, and the Chairman of the Planning Committee has asked for a special Committee meeting to be arranged on the 2nd June 1993 to consider the matter.

2.0 RECOMMENDATION

- (1) That the Committee agree to the holding of a special meeting of the Planning Committee on the 2nd June 1993 to determine the application. *at 6.30pm*
- (2) That the applicants *agents* be advised of the details.

Background papers: H09/1239/90

Local Government (Access to Information) Act 1985

The Officer to whom reference should be made concerning inspection of the background papers is the Director of Planning and Building Control Services, Council Offices, Priory Road, Spalding, Lincs. Tel: (0775) 761161

28/5/93

PLANNING COMMITTEE - 28th August, 1991

653. PLANNING APPLICATIONS (Continued)

(c) Applications Deferred

Consideration of the following applications be deferred for the reasons indicated:-

NM

<u>Plan No. and Applicant</u>	<u>Proposal</u>
H09/1239/90 Kings Quality Homes	O.A. Residential comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake at Damgate, Holbeach.

(For reference to the Plans Sub-Committee for detailed consideration including the Planning Officer undertaking further discussions with the applicants, the Chief Housing Officer and, if necessary, the Housing Corporation in light of the additional information received from the applicant and a comprehensive report be submitted to the Committee who wish to determine this application.)

H16/0426/91 A P Sales	Change of use to private guest house at Elloe Lodge, West Elloe Avenue, Spalding.
--------------------------	---

(Pending a site inspection to assess the likely impact of the proposal on adjoining residential properties.)

H09/0569/91 Mr J Benton	O.A. Siting of two caravans (tourers) at "Norpeg", Roman Bank, Holbeach Bank.
----------------------------	---

(Pending a site inspection to assess the suitability of the site for the proposal.)

H20/0674/91 Mr & Mrs J Griffiths	O.A. Barn/warehouse and dwelling including car parking/unloading area at Priory Cottage, Broadgate, Sutton St James.
-------------------------------------	--

(Pending a site inspection to assess the suitability of the site for the proposed development.)

H16/0672/91 Mr N Chowdhury Mr M Ahmad	Indian takeaway at 26 Winsover Road, Spalding.
---	--

(Pending a site inspection to assess the suitability of the premises for the use proposed.)

(d) Application Approved Subject to Section 106 Agreement

Subject to the applicants first entering into an Agreement with the Council under Section 106 of the Town and Country Planning Act 1990 restricting the use of the building hereby permitted to the occupants of the adjoining dwelling (Bridge House Farm), the Planning Officer be authorised to grant planning permission for the undermentioned development in accordance with his recommendation:-

<u>Plan No. and Applicant</u>	<u>Proposal</u>
H06/0073/91 Mr G Jarmany	Erection of steel framed light industrial building at Bridge House Farm, Cliftons Bridge, Sutton St James.

PLANNING COMMITTEE - 23rd July, 1991

3. **PLANNING APPLICATIONS** (Continued)

(b) Applications Refused (Continued)

<u>Plan No. and Applicant</u>	<u>Proposal</u>
H09/0439/91 D Brown Ltd	Offices and storage building without restricted working hours and surfacing of loading/parking areas.

(It was also agreed to advise the applicant that the Committee would be prepared to consider a revised application for modified hours on weekdays and Saturdays, and a reduced area of surfacing.)

H13/0456/91 Dr A I & Mrs C Bell	O.A. Dwelling on plot adjacent to 21 River Lane, Moulton.
H06/0450/91 Kings Quality Homes	Reserved matters relating to three houses with garages and vehicular accesses at Mill House, Gedney Drove End.
H14/0500/91 Mrs A Hall	O.A. Dwelling and garage with access off Wardentree Lane on part of garden at Blue Gowt House, Wardentree Lane, Pinchbeck.
H23/0491/91 Mr & Mrs I McFadden	O.A. 10 no. dwellings with garages, estate road, improve vehicular access adjacent to Thistle Moor House, Gypsy Lane, Shepeau Stow.
H15/0506/91 Kings Quality Homes	Two houses with garages and joint vehicular access at Main Road, Quadring.

(c) Applications Deferred

Consideration of the following applications be deferred for the reasons indicated:-

<u>Plan No. and Applicant</u>	<u>Proposal</u>
H09/1239/90 Kings Quality Homes	O.A. Residential development, with amenity open space and lake at Damgate, Holbeach.

(To enable the Planning Officer to consult the Fleet Parish Council on the proposals.)

H02/0099/91 Mr B Alcock	O.A. Four dwellings, including details of siting and means of access at Reed's Yard, North Street, Crowland.
----------------------------	--

(Pending a site inspection to enable Members to appreciate fully the nature and balance of the issues raised in the Planning Officer's report, the Planning Officer to be authorised to grant planning permission in accordance with his recommendation subject to the views of the Plans Sub-Committee.)

(Councillor B. Alcock declared an interest in the above application, and left the meeting during consideration thereof. The Vice-Chairman took the Chair in his absence.)

HOUSING SERVICES COMMITTEE - 17th July, 1991

593. REQUESTS TO PURCHASE LAND - EAST ELLOE ESTATE, HOLBEACH (Continued)

RESOLVED:

- (d) The sales be subject to the prospective purchasers paying the Council's legal and valuation costs and erecting and maintaining fencing along the boundary line;
- (e) The purchasers be made aware of the Internal Drainage Board byelaws; and
- (f) In respect of (a) and (b) above, the Council's normal sale requirements, e.g. erection of a notice board and public advertisement etc., be not required.

594. PROPOSED MINISTERIAL VISIT

The Chief Housing Officer reported, for information, that due to a heavy programme of visits organised elsewhere in Lincolnshire, the proposed visit to the district by the Parliamentary Under Secretary of State had been cancelled.

595. INQUIRY INTO BRITISH HOUSING - SECOND REPORT

The Chief Housing Officer reported, for information, that in 1985 an Inquiry had been launched which provided an overview of British Housing and had made recommendations for change. The Inquiry had recently reconvened to consider continuing housing problems and a second report had now been issued. The aim of the report was to seek solutions to the underlying problems of housing with an interest in long term sustainable changes. The Inquiry's main recommendations were:-

- i) the phased withdrawal of mortgage interest tax relief;
- ii) the conversion of all personal housing subsidies, especially housing benefit, into a needs related housing allowance;
- iii) the introduction of a nationwide rent setting system based on the capital values of property; and
- iv) new measures to reverse the continuing decline of the rented sector in respect of local authority, private landlord and housing association provision.

596. AFFORDABLE HOUSING - THE ENABLING ROLE OF THE DISTRICT COUNCIL

Reminding the Committee that £581,000 had been set aside in the current year's estimates to allow the Council's enabling role to be developed, the Chief Housing Officer submitted a report, the purpose of which was to determine the role of the District Council in the provision of affordable housing in South Holland. The report detailed the need for affordable housing, outlined Central Government policy in housing and its implications for local authorities, distinguished between the Council's enabling and strategic roles, identified solutions to the shortage of affordable housing and provided a framework for an initial three year housing strategy for the district.

There was a distinction between the Council's enabling and strategic roles. The strategic role involved the District Council taking an overall corporate view of the housing needs of the community and the resources available and required to meet that need, for example land, finance, in house skills and other Council services. As part of its strategic role the District Council could act as a catalyst and orchestrator of the contributions of various agencies in the district, for example, county and parish councils, other public agencies and departments, housing associations, voluntary organisations, developers and builders. To this end, the Council might consider forming a housing forum comprising these agencies.

HOUSING SERVICES COMMITTEE - 17th July, 1991

596. AFFORDABLE HOUSING - THE ENABLING ROLE OF THE DISTRICT COUNCIL
(Continued)

The enabling role was the direct provision of help to these agencies, particularly housing associations and builders/developers, within the overall housing strategy. This could be divided into three main categories:-

- i) the provision of land at less than market value;
- ii) the provision of capital and/or revenue financial aid;
- iii) the use of the planning system, for example Section 106 Agreements, to achieve housing objectives.

The report then considered how the Council's strategic and enabling roles could be developed in the district, in particular it could consider contributing finance to housing associations through local authority sponsored housing association grant (HAG). The Council could use part of its borrowing approval to pay HAG direct to a housing association scheme which would immediately be reimbursed to the Council by the Housing Corporation. This could be done from the reserve of £581,000 set aside for the enabling role in the current year's estimates. As a result, the Council's ability to borrow for the purposes of capital schemes such as modernisations would be reduced unless the DoE increased the basic credit approval to take account of the Council's enabling role. Combining this mechanism with the sale of land at less than market value, and in conjunction with housing corporation HAG, it could result in an annual building programme of approximately 50 to 60 dwellings in the district.

These proposals were based on the assumption that there would be £800,000 per year investment of HAG paid directly from the Housing Corporation to housing associations sponsored by the Council together with an annual investment of £400,000 local authority HAG. It was proposed that priority be given to the phased development of rented and shared ownership housing at the Royce Road estate, Spalding (approximately 70 dwellings) on the grounds that this scheme addressed the greatest housing need in the district.

Experience suggested that Longhurst Housing Association and Lincolnshire Rural Housing Association should be chosen by the Council in order to carry out the strategy.

RESOLVED:

That for an initial three year period commencing on 1st April, 1992:-

- (a) The reserve of £581,000 set aside for the enabling role in the current year's estimates be utilised for the phased development of rented and shared ownership housing, initially at the Royce Road estate, Spalding, as outlined above, on the grounds that this met the greatest housing need in the district;
- (b) Following the commencement of the Royce Road estate scheme, social housing be developed in the following areas in descending order of priority:-

Spring Gardens, Long Sutton
Clout Drove, Crowland
Arthurs Avenue, Holbeach

HOUSING SERVICES COMMITTEE - 17th July, 1991

596.

AFFORDABLE HOUSING - THE ENABLING ROLE OF THE DISTRICT COUNCIL
(Continued)

RESOLVED:

- (c) Outside of these priorities, bids for rural housing be supported and advantage taken of any special credit approvals available and, subject to being satisfied with the scheme details, the St Matthews Society Hostel Project at Holbeach continue to be supported;
- (d) Bids which do not meet the Council's housing strategy or its allocations policy be not supported regardless of whether finance is available;
- (e) Development briefs be drawn up in respect of the land identified at (b) above and £10,000 be set aside from the reserve fund to finance soil tests, etc;
- (f) The Council pursue a policy of land assembly for its enabling role;
- (g) The Council work in partnership with Longhurst Housing Association, at the Royce Road estate, in conjunction with Nene Housing Society;
- (h) With regard to rural bids the Council indicate its preference to work with Lincolnshire Rural Housing Association;
- (i) That Councillor M.D. Booth be appointed representative on the Management Committee of Longhurst Housing Association;
- (j) The Council consider the feasibility of acting as design consultants for Longhurst Housing Association;
- (k) Development briefs in respect of the Royce Road estate and Spring Gardens, Long Sutton schemes be presented to the September meeting of the Committee;
- (l) Low cost home ownership initiatives, including shared ownership, be investigated on land in areas of lesser demand based on the objective of maintaining the low cost element after the initial purchase once the initial housing association schemes have commenced;

HOUSING SERVICES COMMITTEE - 17th July, 1991

596.

AFFORDABLE HOUSING - THE ENABLING ROLE OF THE DISTRICT COUNCIL
(Continued)

RESOLVED:

- (m) The introduction of a tenants' incentive scheme be considered further in conjunction with low cost home ownership initiatives on Council owned land;
- (n) A further report be presented to the Committee on the proposed local housing forum;
- (o) Questions on housing need and affordability be incorporated into the housing application forms following the review of the allocations policy;
- (p) The strategy be subject to a rolling review in the light of central Government housing policies; and
- (q) The enabling role through the use of the planning system be the subject of a joint report by the Chief Housing Officer and the District Planning Officer to a joint meeting of the Housing Services and Planning Committees.

597.

SPALDING AND PINCHBECK LOCAL PLAN REVIEW

The Chief Housing Officer reminded the Committee that the present Spalding and Pinchbeck local plan had been adopted in 1985 and in order for that document to remain both up to date and relevant the Council was preparing a review covering the period to the year 2001. Following a meeting of the Spalding and Pinchbeck Local Plan Sub-Committee, service committees had been invited to consider the draft review and the Chief Housing Officer therefore submitted her comments on the draft for the Committee's consideration.

One of the major aims of the plan was "to provide for housing sufficient land to meet existing and future needs, with an adequate choice of location and a range of house types." The draft plan had been produced before the issue of DoE circular 7/91 "Planning and Affordable Housing" and therefore was not able to take into account this advice. The circular was particularly relevant to policies R1 and R2 in seeking to ensure that affordable housing was available within Spalding, both within the boundary of development and outside.

The Chief Housing Officer considered that the decisions of the joint meeting of the Housing and Planning Committees to consider the enabling role through planning policies should be incorporated into chapter 3 of the local plan.

The Chief Housing Officer welcomed policy E4(iii) which stated that the District Council would investigate the feasibility of implementing an "over the shop" project in Spalding town centre and Pinchbeck village centre. However this policy should apply to all underused space above shops and offices and not just older buildings.

SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO: PLANNING COMMITTEE 2ND JANUARY 1991

BY: DISTRICT PLANNING OFFICER

1.0 SUBJECT: THE SOUTH HOLLAND DISTRICT DEVELOPMENT PLAN

PURPOSE: Information up-date

1.1 Progress

- 1.2 By minute 277/90 you gave increased priority to the preparation of a Local Plan for the whole District, in response to the requirement of the Department of the Environment.
- 1.3 Formal and informal advice from the DoE emphasises that any District Development Plan should include policies on all material planning issues relevant to the determination of planning applications, and to the application of Planning Policy Guidance and the strategic policies of the Structure Plan in more specific terms to the development of the District.
- 1.4 The South Holland District Development Plan will therefore be a very comprehensive plan providing the context for the development of the District to 2001. It will include policies and proposals for the use and development of land for housing, industrial and other business uses, and for the safeguarding and improvement of the environment. Because this plan will give statutory local plan coverage to the whole District for the first time, emphasis will be given not only to the development of built-up areas, but also to the environment and economy of the countryside.
- 1.5 Preparation of the plan will be partly new work, and partly the elevation and up-dating of existing non-statutory policies (e.g. Interim Boundaries of Development) to statutory status.
- 1.6 This is clearly an exciting and challenging project for Members and Officers alike, and work is now underway in the Planning Department. I am hopeful that it will prove possible to present a draft for the Committee's consideration (with a view to authorising public participation) before the end of 1991.

2.1 Review of Major Settlements

- 2.2 As part of the preparation of the District Development Plan, a review is being undertaken of the major settlements in the District not already included in Statutory Local Plans. This includes the two towns, Holbeach and Crowland and the main villages of Gosberton, Weston, Cowbit, Moulton and Donington.
- 2.3 For each settlement a detailed assessment is being made of past development trends and future expansion potential. Each settlement is being judged on its past and recent housing completion rate and a projection made of its ability to meet the targets likely to be established in the current alteration of the Lincolnshire Structure Plan.

- 2.4 The population of each settlement is being considered and the impact of expansion on the nature of each town or village assessed. The provision of schools, shops, health care facilities, public open space, community facilities and employment is being examined and the extent to which these are adequate to meet existing needs and those of an increased population.
- 2.5 A study is also being made of the infrastructure of each settlement and the extent to which road, drainage for both sewerage and surface water run-off, and the provision of public utility services can accommodate or be extended to serve expansion areas.
- 2.6 As an example of this work, some observations on the review of Holbeach are set out below.

3.1 Holbeach

- 3.2 The study of Holbeach is nearing completion although as yet there has been no consultation with the statutory undertakers or other Government or Council departments. The Parish Council has been consulted on the implications of the scale of potential expansion.

- 3.3 In recent years Holbeach has developed rapidly with a building rate of about 100 dwellings a year in the last 2 years. The Review of the County Structure Plan allocates 500 dwellings for development at Holbeach during the plan period from the end of 1988 to 2001. Known housing figures for this period are:-

House completions from end 1988 to September, 1990	158
Houses under construction in September, 1990	91
Outstanding planning permissions in September, 1990	609
	<u>858</u>

- 3.4 These include deemed consents for 80 dwellings on land adjacent to Fleet Hospital which is inside the I.B.D., and 90 on the County Council land outside the I.B.D. The total figure of 858 is obviously considerably in excess of the 500 allocated in the County Structure Plan Review.
- 3.5 The Parish Council is keen to see two areas of extension to the I.B.D to the south of Holbeach, and there is considerable pressure from developers to include other large areas on the fringes of the existing town. If all outstanding planning permissions were taken up and the I.B.D. extended to include all the areas in which there is interest from developers, the population of Holbeach could be almost doubled, with serious implications on the nature of the town and on the adequacy of all facilities and infrastructure.
- 3.6 In contrast to housing land there is a need for a new industrial site serving Holbeach. Fleet Road Industrial Estate is nearly fully developed and the local response to the provision of small advance factory units in the last few years has been good. As a matter of some urgency a new industrial site should be allocated and the possibility of further provision of advance factories considered.
- 3.7 The implications of three alternative expansion programmes are being considered and these will be assessed in conjunction with the findings of similar studies on the other major settlements in the District. Until the results of all settlement studies are completed and an overall policy established in the District Development Plan, there would seem to be no justification for extending the I.B.D. at Holbeach.

- 4.1 The Countryside Commission and Nature Conservancy Council
- 4.2 As already stated, the South Holland District Development Plan will deal with rural issues, as well as the planning of built-up areas and new development.
- 4.3 The Countryside Commission and Nature Conservancy Council have published jointly a booklet of practical advice to local planning authorities about issues which they would wish to see included in District Development Plans.
- 4.4 A summary leaflet has also been published, and, as requested by the two organisations, a copy of this is enclosed for each Councillor.

5.1 PLANNING OFFICER'S RECOMMENDATION

That the report be noted.

Background Papers:- File 1706

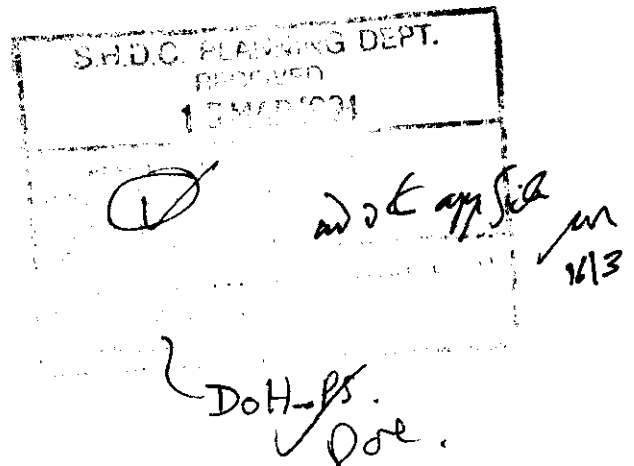
Local Government (Access to Information) Act 1985

The Officer to whom reference should be made concerning inspection of the background papers is The District Planning Officer, Chatterton Tower, Winfrey Avenue, Spalding, Lincolnshire. Tel.. Spalding (0775) 761161

81 Postland Road
Crowland
Peterborough
PE6 0JB

14th March 1994

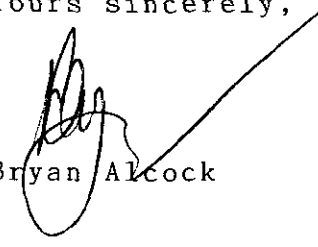
B. Smith Esq
Director of Planning
South Holland District Council
Council Offices
Priory Road
Spalding
PE11 2XE



Dear Brian,

Just in case you haven't had a copy, I enclose
a letter received from Kings.

Yours sincerely,


Bryan Alcock



Mr J King
Messrs Kings Quality Homes
Holbeach Manor
Fleet Road
Holbeach
Lincs

Development Dept. (Eastern Region)
The Studio
63b Thorpe Road
Norwich NR1 1UD
Tel: (0603) 767286
Tel: (0603) 763404 (DIYSO)
Fax: (0603) 763412

Date: 7 March 1994

Our Ref: BAE/BB

Your Ref:

Dear John

Damgate, Holbeach

Thank you for your letter dated 19 February 1994, together with enclosures.

The only conclusions I can come to is that these Court of Appeal decisions must have caused great concern at South Holland (assuming they were aware of them) and, in the circumstances, I can understand them wishing to pass the responsibility of a decision elsewhere.

I do not, however, believe that this would suggest that an Appeal on Damgate is doomed to failure. The only thing you have in your favour is the provision of social housing, where a housing need has already been established and, albeit later rescinded, a Committee decision to grant, although qualified, a permission subject to certain assurances.

It seems to me that there are conflicting views being expressed.

On the one hand the DOE are expressly encouraging Councils to use the PPG 3 guides to obtain low cost social housing through the planning system whereas, on the other, any planning gain obtained as a direct result of an incentive to Councillors to grant permission could result in their being surcharged.

Surely at the end of the day, common sense must prevail?

Yours sincerely

A handwritten signature in dark ink, appearing to read "B A Edwards".

B A Edwards
Regional Development Manager

cc Mike Corbin

PLANNING COMMITTEE - 16th February, 1994

78. PLANNING APPLICATIONS

(a) Applications Granted (Continued)

(Subject to a note being added regarding the appropriate siting of the manure storage areas in order to minimise nuisance to nearby dwellings.)

H11/1178/93 Lincolnshire County Council	Dwellings and construct accesses (renewal of deemed consent H11/1061/90) at rear of former primary school, Bull Lane, Long Sutton.
--	--

H11/1179/93 Lincolnshire County Council	Convert former primary school to 7 residential units/construct accesses/car park (deemed consent H11/1851/88) at former Primary School, Market Street, Long Sutton.
--	---

H11/1180/93 Lincolnshire County Council	Buildings for use as residential institution (Use Class C2) (renewal of deemed consent H11/1395/90) at former Primary School, Bull Lane, Long Sutton.
--	---

H16/1197/93 Geo. Adams & Son	Continuation of use for car parking at Crescent Gardens, Spalding
---------------------------------	---

(Subject to the inclusion of reference to the access onto Francis Street in the schedule of conditions indicating it is the main pedestrian route into the town centre.)

H23/0011/94 Mr D R Burchnall	O.A. Two dwellings and garages at Broadgate, Whaplode Drove.
---------------------------------	--

(b) Applications Refused

The undermentioned applications be refused planning permission in accordance with the recommendations of the Director of Planning and Building Control Services, as amended, where indicated:-

<u>Plan No. and Applicant</u>	<u>Proposal</u>
H19/1223/93 N.S. Morris	O.A. Residential development at Broadgate Road, Sutton St Edmund.
H16/0015/94 Mr J A S Thurston	O.A. Demolish existing 16 lock-up garages and erect four flats for senior single persons at rear of 154 & 156 Pennygate, Spalding.

(The Director of Planning and Building Control Services reported that four further objections had been received in relation to the above application.)

<i>Ind</i> H09/1239/90 Kings Quality Homes	O.A. Residential comprising dwellings for sale, to let and sheltered accommodation, with amenity open space and lake at Damgate, Holbeach.
---	--

PLANNING COMMITTEE - 16th February, 1994

78. PLANNING APPLICATIONS

(b) Applications Refused (Continued)

(In respect of the above application it was moved and seconded that the application be refused in accordance with recommendation 1 of the Director of Planning and Building Control Services and prior to voting it had been requisitioned under Standing Order No. 15 that the matter be the subject of a recorded vote so as to show how each member present and voting gave his or her vote. The voting was as follows:-

FOR

Councillors:-

Mr. T. Barker
Mr. T. Bray
Mr. C.J.T.H. Brewis
Mrs P.J. Buffham
Mr. J. Clark
Mr. B.J. Davies
Mr. J.A. Dobney
Mr J. Goodley
Mrs E.O. Hall-Patch
Mr. N.P. Judge, MBE
Mr. N.H. Pepper
Mr. W.D. Skells
Mr. T.G.M. Tyler
Mr. R.C. West

AGAINST

Councillors:-

Mrs. D.F. Davies
Mr. E.N. Davies
Mr. J.R. Pearl
Mr. D.A. Tennant
Mr. M.C. White

ABSTAINING

Councillors:-

Mr. N.I. Capes
Mr. C.F. Fisher
Mr. A.E. Naylor

(The motion was therefore won by 14 votes to 5.)

(During the discussion on the above application the Committee was informed (1) that the Housing Association could not enter into a covenant requiring the permanent retention of the affordable rented housing units as this would not be acceptable to private mortgagees who would be funding the scheme and of the advice from the Housing Corporation on the unlikelihood of those properties passing out of public control in the future and (2) if an article drawing attention to a Court of Appeal decision which had held that the provision of low cost rented housing was not a material consideration which could be taken into account in determining a planning application.)

(c) Applications Deferred

Consideration of the following applications be deferred for the reasons indicated:-

Plan No. and Applicant

H05/0209/93
D Brown (Building Contractor)

Proposal

Residential development (25 dwellings) and associated estate road layout at Fleet Road/Cherry Lane, Fleet Hargate.

(To enable the application to be referred to the Plans Sub-Committee for more detailed consideration.)

RESIDENTIAL DEVELOPMENT APPRAISAL

AT

HOLBEACH, LINCOLNSHIRE

FOR

KING QUALITY HOMES

***B Middleton BSc ARICS
October 1992***

CONTENTS

	Page
Introduction	1
Development Appraisal	3
Conclusion	4

Introduction

The original appraisal was commissioned by Kings Quality Homes in April 1992. This revised appraisal was commissioned subsequent to a meeting held at South Holland District Council in June 1992 where more detailed information regarding House types together with floor areas etc. was requested.

Assumptions and Basis for the Appraisal

1. It has been assumed that a start on site will be made in June 1993 and that the development will be completed by June 1996. It has also been assumed that the sales of the properties will be completed by December 1996.

2. The site areas included in this appraisal are as follows:-

Private Housing	11.82 Acres
Sheltered Housing	1.12 Acres
Housing Association	1.86 Acres

The Housing Association Housing and the Sheltered Housing will be sold to a Housing Association at Contractors prices.

3. Finance costs have been included at 12.5%.

The information regarding House types is shown in the table below.

<i>House Type</i>	<i>Approx. Floor Area (m2)</i>	<i>*Building Cost £ (£/m2)</i>	<i>Sales income</i>	<i>Nos to be Built</i>
<i>Highgrove 3B</i>	<i>112</i>	<i>36600 (£300/m2)</i>	<i>66000</i>	<i>26</i>
<i>Kensington(s) 4B</i>	<i>156</i>	<i>50710 (£300/m2)</i>	<i>76000</i>	<i>18</i>
<i>Kensington(d) 4B</i>	<i>156</i>	<i>54310 (£300/m2)</i>	<i>78000</i>	<i>8</i>
<i>Belgravia 4B</i>	<i>144</i>	<i>49800 (£300/m2)</i>	<i>82000</i>	<i>9</i>
<i>Thames 3B</i>	<i>86</i>	<i>33135 (£350/m2)</i>	<i>57500</i>	<i>4</i>
<i>Carrington 3B</i>	<i>79</i>	<i>30755 (£350/m2)</i>	<i>52000</i>	<i>4</i>
<i>Kentwell 3B</i>	<i>78</i>	<i>27960 (£320/m2)</i>	<i>45000</i>	<i>18</i>
<i>Belton 2B</i>	<i>68</i>	<i>24760 (£320/m2)</i>	<i>37500</i>	<i>12</i>
<i>Hatfield 3B</i>	<i>88</i>	<i>31160 (£320/m2)</i>	<i>42500</i>	<i>3</i>
<i>Ashby 2B</i>	<i>64</i>	<i>23320 (£320/m2)</i>	<i>36500</i>	<i>9</i>
<i>Woburn 3B</i>	<i>94</i>	<i>32920 (£320/m2)</i>	<i>45000</i>	<i>10</i>
<u>Sheltered</u>				
<i>Bungalow A 2B</i>	<i>58</i>	<i>23080 (£400/m2)</i>	<i>40250</i>	<i>7</i>
<i>Bungalow B 2B</i>	<i>58</i>	<i>23280 (£400/m2)</i>	<i>40250</i>	<i>6</i>
<i>Bungalow C 2B</i>	<i>50</i>	<i>19880 (£400/m2)</i>	<i>35000</i>	<i>2</i>
<i>Bungalow D / Common Room</i>	<i>153</i>	<i>61200 (£400/m2)</i>	<i>46000</i>	<i>1</i>
<i>Bungalow E 2B</i>	<i>50</i>	<i>20160 (£400/m2)</i>	<i>35000</i>	<i>1</i>
<u>Housing Association</u>				
<i>House Type F 3B</i>	<i>68</i>	<i>20400 (300/m2)</i>	<i>34000</i>	<i>1</i>
<i>House Type G 3B</i>	<i>70</i>	<i>21000 (£300/m2)</i>	<i>34500</i>	<i>39</i>

** The Building Cost is purely the cost of the buildings, it does not include external works etc.*

5. The amount included for Roads and Drainage in respect of this development is £900,500.00. It must be noted however that this does not include for any abnormal drainage costs involved in developing this site; these are shown as part of a separate evaluation of the total abnormal costs of this site.

6. This appraisal does not include any evaluation of the social gains or losses arising from the development, deriving from the provision of social Housing, retention of the Manor House, the improvement to roads, provision of the lake and the amenity land surrounding it or the work created in constructing this development.

Development Appraisal

£

Total Value of Sales	9,103,750
----------------------	-----------

Development Costs

Construction Cost	7,028,320	
* Abnormals	700,000	
Fees	188,800	
Charges	96,120	
Land Value	620,140	
Funding	794,820	9,428,200

Developers Profit/Loss	-324,450
------------------------	----------

* Abnormals involved with this development are as shown on page 2 of Rafe Clowes' letter to the District Planning Officer Mr B. Smith which is dated 15th April 1991.

Conclusion

The Development is showing a loss of some Three Hundred Thousand pounds and on a project of this size indicates that it is clearly somewhat marginal, although it must be stated that a rise of a few percentage points in house prices would remove this deficit. It is the case however that at the present time both land prices and house prices are continuing to fall which would clearly make the situation worse should it continue.

Over the time I have spent working on this appraisal base rates have gone from 10 % to 12% with a further rise promised to 15%. They then went back to 12% and then to 10% and finally to 9%. Apart from the great uncertainty that this situation has created in the market the banks are now extremely wary of Development especially residential development and I feel the interest rate charged by the banks on this type of development may in fact prove to be higher than the 12.5% included in this appraisal, irrespective of what happens to base rates.

To carry out an appraisal over the period anticipated for this development is clearly to some extent crystal ball gazing. The macro economic climate is now more confused than ever and it is the state of the market over the next three years and the prices which can be obtained in that market which will determine whether this development is to be worthwhile investment or not.

ENCLOSURE NO 3(b)

ASSOCIATION OF DISTRICT COUNCILS

REPORT OF THE SECRETARY

**AFFORDABLE HOUSING, PLANNING AND LAND:
THE ENABLING ROLE OF THE DISTRICT
COUNCIL**

A discussion paper prepared jointly by the Housing and Planning Sections of the ADC Secretariat for consideration at the Housing, Planning, Environment and Transport Assembly on 14 November 1990.

ASSOCIATION OF DISTRICT COUNCILS

REPORT OF THE SECRETARY

AFFORDABLE HOUSING, PLANNING AND LAND: THE ENABLING ROLE OF THE DISTRICT COUNCIL

A discussion paper prepared jointly by the Housing and Planning Sections of the ADC Secretariat for consideration at the Housing, Planning, Environment and Transport Assembly on 14 November 1990.

PREFACE

1. The purpose of this report is to stimulate discussion within the Association - particularly the Housing, Planning, Environment and Transport Assembly at its meeting on 14 November 1990, and the Housing and Planning Committees at their meetings on 28 November 1990 and 10 January 1991 respectively - about the lack of affordable housing, particularly social rented housing, in England and Wales.
2. Many commentators, including the Association - most notably in its joint publication with the House Builders Federation, *"Bridging the Affordability Gap"* (February 1990) - have drawn attention to what a recent report (CHiCL/CPRE, *Home Truths*, 1990) has described as the "housing paradox" of the 1980s: for most of the decade, a boom in private house building, with over 1.1 million houses built in the shire counties between 1981 and 1988, and a major increase in the proportion of households in owner-occupation, contrasted with increasing numbers of people unable to buy a house, a shortage of social housing to rent, and a sharp rise in homelessness, with an increase in statutory homelessness of 85% between 1981 and 1988.
3. There is now very clear evidence - from resolutions to the ADC's Annual Conferences, letters from County Branches and individual districts, and debates at both Housing and Planning Committees - that there is a great concern among the Association's member authorities about the lack of affordable housing, whether to buy (e.g. low cost home ownership schemes, and shared ownership particularly) or to rent (whether from district councils or housing associations).
4. Both within the ADC, and outside of it, most attention concerning the lack of affordable housing has in recent years been focussed on rural areas. The major policy initiative so far announced by Government concerning the lack of affordable housing, the so-called "exceptions policy" (dealing with the development of social housing on "unallocated" land outside the village planning envelope) is exclusively related to providing a solution to rural housing need. Likewise, a major recent research project and report by Action for Communities in Rural England (ACRE), entitled *Involving the Private Sector in Rural Social Housing*, is concerned solely with the rural dimension of the problem.
5. It is important to stress, however, that the problem of the lack of sufficient affordable housing is one which affects urban areas and cities every bit as much as it does rural areas. Indeed, the estimates provided in Part One of this report suggest that, of the 100,000 new units of social housing required each year, about 30,000 need to be provided in the rural areas, and 70,000 in towns and cities. The reasons for the disproportionate attention paid to the rural social housing problem are probably the

"surprise value" of there being such an acute problem of housing in the "green and pleasant" rural areas, and the absence of any imaginative policy initiative equivalent to the "exceptions policy" for urban areas.

6. This paper is a joint housing/planning document. Its origin is not simply the recognition that there is a shortage of affordable housing, but that this issue is closely interwoven with the availability and cost of land, and the operation of the planning system in "setting the framework" within which housing development can take place, in detailed development control, and in "positive" mechanisms by which certain kinds of housing development and tenure can be helped into being (e.g. Section 52 agreements, land assembly, social housing "quotas", and possible changes to the Use Classes Order). Individual district councils, particularly in areas of high development pressure, and the ADC itself, with separate Housing and Planning Committees within the Housing, Planning, Environment and Transport Assembly, are only too aware of the tension between the two competing policy goals of, on the one hand, building - or enabling other agencies to build - substantially more social housing, and, on the other, of protecting the countryside, the "Green Belt", and townscapes from unacceptable development. Both are important objectives; both cannot be pursued beyond a certain point without threatening the other; some balance has to be struck.
7. The purpose of this paper is, then, to stimulate discussion along the interface between the development of more social housing and the role of the planning system in regulating such development. Part One will set out the nature of the affordability problem and the lack of sufficient new social housing, contrasting evidence about need/"demand" with the current position on the "supply" side of the equation. Part Two will look at some of the solutions which are being offered to this problem, some of which relate to the local authority's "enabling role" in housing (e.g. use of financial powers provided by the Local Government Act 1988) and which are fairly strictly the province of housing departments, others which involve the use of the planning system, such as the "exceptions policy" (including one of the major expressions of the "tension" referred to above, namely, the controversial use of "cross-subsidy" in such schemes), the use of Section 52 agreements, and the possible introduction of either a new Use Class or a quota system for social housing.
8. Reference has already been made on two occasions to "Section 52 agreements". These refer to agreements made under Section 52 of the Town and Country Planning Act 1971. In 1990, a consolidation Act was passed, the Town and Country Planning Act 1990, under which the old Section 52 became the new Section 106. For the purposes of this report, such agreements will continue to be known by their traditional name i.e. Section 52 Agreements.

PART ONE

THE PROBLEM: THE AFFORDABILITY GAP AND THE LACK OF NEW SOCIAL HOUSING

1. INTRODUCTION

- 1.1 As indicated in the Introduction, it is now almost universally acknowledged that there is a serious social problem concerning the lack of affordable housing, both in terms of low-cost home ownership schemes (e.g. shared ownership) and social rented housing. Part One of this report will review the evidence about the nature and extent of this problem, by comparing the demand, or need, for new social housing with the current and likely future supply of this type of accommodation.

2. THE DEMAND FOR SOCIAL HOUSING

- 2.1 A number of studies have attempted to analyse and measure the extent of this "affordability gap", that is, the unsatisfied need for social rented (and shared ownership) provision. The best known of these is the work of Dr Glen Bramley, of the School of Advanced Urban Studies at the University of Bristol. In a number of studies commissioned by the ADC, Bramley explored the relationship between house prices and incomes, and showed that there was an acute problem of access to home-ownership in many parts of the country (Bramley and Paice, 1987; Bramley 1989a; Bramley 1989b).
- 2.2 In 1990, Dr Bramley published *"Bridging the Affordability Gap"*, a report of research on access to a range of housing options, commissioned jointly by the ADC and the House Builders Federation (HBF). It was concerned with access to both owner occupation and renting, and focussed particularly on housing options which attempt to bridge the gap between full owner occupation and renting. The research was based on a "snap shot" of consumer costs and incomes in April 1989, based on two types of houses: a new build 3 bedroom, 5 person family house, and a new build 1 bedroom, 2 person property. Four types of tenure were examined: market sale (assuming a 100% conventional mortgage); low cost sale (using either an equity mortgage or discounted land value to provide a 30% discount); shared ownership (based on a 25% purchase, 75% rental scheme using Housing Association Grant (HAG) and low start finance to fund the rental element); and renting (a mixed funded, housing association scheme using HAG and low start finance).
- 2.3 On the income side of the equation, the analysis looked at the two household groups which were most likely to be seeking accommodation: existing households where the head of household was under 30 (used as a proxy for new households), and tenants in the private rented sector. Comparison of consumer incomes and costs cannot avoid the very difficult issue of what constitutes "affordability". Bramley assumed that for market and low cost sale, the relevant multiplier for determining mortgage borrowing was three times single income, or two and a half times joint incomes, producing figures for typical households of between 30% and 50% of net income being spent on housing costs; for shared ownership, he assumed a maximum of 38% of net income spent on housing costs; and for housing association rental, 33% of net income, a figure substantially higher than the National Federation of Housing Associations' target of 20%.

- 2.4 What were the conclusions? The research showed that, in the case of a new 3 bedroom house, 22% of new households could afford to buy on the open market, this proportion rising to 41% for low cost sale, and to 68% for shared ownership. However, this still left 32% of such households for whom renting was the only realistic option (of which four-fifths would require assistance from Housing Benefit). In the case of new 1 bedroom, starter homes, the picture was, inevitably, a good deal better: 55% could afford market sale, 69% low cost sale, and 80% shared ownership, leaving 20% with incomes so low that renting was the only option available.
- 2.5 These national figures conceal some very significant regional variations, which are shown in Table One, below. Bramley also undertook a further analysis of the figures at individual district level, which showed market variations *within* regions. In Yorkshire and Humberside, for example, 59% of new households could afford to buy a 3 bedroom house in Scunthorpe, compared to only 17% able to do so in Harrogate.

Table One: Affordability Summaries, by regions

One bedroom house

	(% of new households affording)			
	Market sale	Low Cost sale	Shared ownership	HA rent*
North	64	75	84	16
Yorks & H	60	73	82	18
N West	66	78	86	14
E Midlands	61	75	83	17
W Midlands	59	72	81	19
E Anglia	50	66	78	22
S East	40	59	73	27
G London	33	51	67	33
S West	53	68	79	21
National Average	55	69	80	20

* Residual after allowing for demand for shared ownership.

Three bedroom house

	(% of new households affording)			
	Market sale	Low Cost sale	Shared ownership	HA rent*
North	36	57	78	22
Yorks & H	29	51	74	26
N West	38	58	79	21
E Midlands	28	51	76	24
W Midlands	25	48	72	28
E Anglia	8	30	63	37
S East	10	24	55	45
G London	9	20	49	51
S West	16	37	66	34
National Average	22	41	68	32

* Residual after allowing for demand for shared ownership.

2.6 From all of the data gathered for the study, Bramley compared the demand for social rented and shared ownership housing (i.e. those unable to afford either new build or second-hand sale housing in the open market) with the supply of rental relets from local authorities and housing associations, measured the "gap" between supply and demand, and concluded that between 100,000 and 150,000 new units of social housing would be required per annum for the foreseeable future.

2.7 Bramley's research is about to be updated. The update will extend the analysis to Wales for the first time, and will include a third house type which some commentators have argued is more relevant to the needs of the new family household, namely, a two bedroom home. The research is likely to be published early in 1991. It is expected that the drop in house prices in much of England in the period since April 1989 will be reflected in a slight narrowing of the affordability gap, and some larger changes in regional differentials, but it is unlikely to change the overall conclusion that *about 100,000 new units of social housing need to be built each year through the 1990s*.

2.8 Another study which arrived at the same conclusion, namely, that

"despite continuing growth in owner occupation, the provision for additional social rented housing in England needs to be more than doubled throughout the 1990s, to support a programme of some 100,000 new homes per annum"

is that by Steve Wilcox for the Institute of Housing. The study, *The Need for Social Rented Housing in England in the 1990s*, arrived at this figure by a somewhat different route than Bramley. By analysing household formation projections, and their tenure implications, Wilcox estimated that two million additional owner occupied households will be created between 1986 and 2001. A further 1,325,000 households are likely to exercise the right to buy during that period, with owner occupation rising to 74% of the total dwelling stock by 2001.

- 2.9 The private rented sector will continue to decline, but more slowly than in the 1980s, from 1,675,000 dwellings in 1986 to 1,200,000 by 2001. There will, therefore, be a need for investment in new social rented housing to make good the shortage of dwellings already existing in 1986, the decline in the private rented sector, and the growth in households, to the extent that these are not met through the growth in owner occupation. Allowing for a void rate of 2% in the social rented sector, the combination of all these factors means that about 100,000 new social rented homes will be needed each year through the 1990s.
- 2.10 Pat Niner's 1989 study for the National Housing Forum, *Housing Needs in the 1990s*, does not attempt to estimate the need for new social rented and shared ownership housing as Bramley's and Wilcox's do, but her conclusions about the overall level of need for new dwellings up to 2001 support the case made in the other studies for a substantial programme of building of social housing for those unable to afford owner-occupation.
- 2.11 Taking the rural areas of England only, estimates prepared by Action for Communities in Rural England (ACRE) for the Rural Development Commission, based on recent local housing needs surveys, suggest a figure of about 375,000 households with a need for social housing in the next five years, of which somewhere between 190,000 and 260,000 can expect to be satisfied by relets of existing social housing during that period. This leaves between 115,000 and 185,000 new social housing units needed over the next five years, or between 23,000 and 37,000 per annum.
- 2.12 Two recent studies carried out for Tai Cymru (the Housing Corporation for Wales) by the Rural Surveys Research Unit at the University College of Wales, Aberystwyth, have shown that there is a very similar rural social housing problem in Wales. The major of the two studies, *The Demand for Social Housing in Rural Wales*, is an impressively comprehensive document, based on research in 17 districts deemed to be essentially rural in character. Chapter 7 examines the provision of social housing and the role of local authorities as enablers.

3. THE SUPPLY OF SOCIAL HOUSING

- 3.1 The previous section showed evidence of demand for social housing of approximately 100,000 new units per year, of which between 30,000 and 40,000 would be needed in the rural areas of England. What is the current, and projected future, level of supply of this type of housing?
- 3.2 The 1980s witnessed a sharp decline in the construction of social rented housing, which was particularly marked in the local authority sector. Restrictions on the use of capital receipts (mainly raised by the sale of council houses under the Right to Buy policy), other borrowing restrictions, and government policy strongly favouring the replacement of the local authority by housing associations as the main vehicle for building and managing new social housing, have combined to reduce local authority completions to about 10,000 units in 1989-90, 8,000 units in 1990-91, with an expected further drop to 6,000 in 1991-92. The ADC's survey on Council House Rents, Housing Subsidy and Capital Expenditure, published in May 1990, showed that the effect of the new capital financial regime introduced by the Local Government and Housing Act 1989, which came into effect in April 1990, together with a reduction in council house sales and a fall in the price of houses sold, had led district councils to predict a very significant reduction in investment in social housing between 1989-90 and 1992-93.
- 3.3 The Government has, during the last decade, made it increasingly clear that it wishes to see housing associations, with the support of the Housing Corporation, take the major role in providing new social housing. The most recent expression of this view was the DoE paper "Local Authorities' Housing Role" (June 1990) which was attached to the 1990 HIP papers. This paper stressed the importance of the enabling role of district council housing authorities:

"Local authorities are ceasing to be the main providers of new subsidised housing for rent; but they retain their statutory duties under housing legislation and will remain responsible for ensuring, so far as resources permit, that needs for housing in their areas are met, by the private sector alone where possible, with public sector subsidy where necessary."

(Paragraph 3)

"Where new subsidised housing for rent is the only way of meeting need, Ministers intend that *housing associations* should be the main providers, relying to the maximum practical degree on private finance. Authorities should maintain regular close consultation with the regional office of the Housing Corporation, and with local housing associations, about the extent and nature of local needs and about new investment proposed for their area. Authorities may wish to consider supplementing the Corporation's allocation by using their own resources to sponsor housing association schemes."

(Paragraph 17)

- 3.4 It is important to recognise that the Government does not accept the arguments put forward by the ADC in the Bramley reports, or by other commentators, that there is a need for about 100,000 new units of social housing per year. The "Local Authorities' Housing Role" paper is openly sceptical about this shortage and is at pains to point to alternative solutions in circumstances where there is an "apparent shortage": better utilisation of the existing stock (e.g. reducing under-occupation, reducing turnaround times on reletting, use of short-life property etc); cash-incentive schemes to assist

tenants to purchase a property in the private sector; encouragement of the private rented sector using powers provided by the Local Government Act 1988; and the encouragement of voluntary transfer.

- 3.5 Substantially increased resources have been promised to the Housing Corporation over the next few years to help it fund the planned expansion in development programmes of housing associations. Table Two sets out the Government's public expenditure plans for housing investment for 1990-91 to 1992-93, as announced in the Autumn Statement 1989 and modified by the Public Expenditure White Paper in January 1990. In addition to the capital grants and borrowing permissions shown in the table, local authorities will, of course, be able to use 25% of capital receipts generated in any year to finance investment activity, and spend monies from the Housing Revenue Account to supplement their capital programme. It can be seen from the Table that the proportion of total public expenditure on housing investment accounted for by the Housing Corporation is set to increase substantially, from 36.6% in 1990-91, to 43.0% in 1991/92 and to 47.7% in 1992-93.

*Table Two: Public Expenditure on Housing Investment
1990-91 to 1992-93*

	(£ million)		
	1990-91	1991-92	1992-93
Housing Corporation			
All programmes (gross)	1221	1563	1736
Local Authority funding of housing associations	127	83	7
Local Authorities			
Specific Grants	468	450	440
Credit Approvals	1428	1450	1380
New Towns (gross)	46	31	18
HATs	42	55	67
Total	3332	3632	3648

- 3.6 Unfortunately, the beginning of the new era of rapidly expanding housing association development, based on the new financial regime for housing associations established by the Housing Act 1988, has been badly shaken by the Housing Corporation's "cash-flow crisis" which developed in the autumn of 1989 and came to prominence in the first half of 1990. Briefly, the cause of the problem was the Corporation's failure to predict fully the cash-flow impact of the new regime, which meant that schemes were completed more quickly (and therefore called on their cash allocations more quickly), such that by the autumn of 1989 the Corporation was running out of money, and in January 1990 had to bring forward £120 million from its 1990-91 Approved Development Programme (ADP) to prevent overspending. This had the knock-on effect of delaying the announcement of the 1990-91 ADP until late June, when it became clear that there would be no cash available for new approvals during this year,

and that only £56 million would be available for three special schemes (out of a total gross provision of £1563 million).

- 3.7 The Corporation's cash-flow problem, and the effective moratorium on new development which it has produced, caused many housing associations considerable difficulties, involving the under-employment and redundancy of development staff, and problems with contracts with local authorities, developers and builders, and has shaken the confidence of many local authorities preparing to develop their new enabling role by establishing partnership arrangements with housing associations, and relying on housing associations and the Corporation to deliver new social housing to meet the needs of their area.
- 3.8 The Housing Corporation's News Special in January 1990 set out its ADP for 1990-91, and its plans for 1991-93. These are reproduced in Table 3, and include both forecast completions, and new programmes/approvals. The Table also shows the revisions which had to be made as early as April, as the full extent of the cash-flow problem unfolded, and which were published in another News Special in May. The Corporation's original target of new approvals for rented housing (in the January White Paper) was 24,500; by the January News Special this had been cut to 19,550, and by April to 13,870. Since then, the estimate has fallen to as little as 8,280. It needs to be recognised that this shortfall - which will translate through, in two years time, to lower completions - is offset to some extent by the faster completion rate in 1989-90 and 1990-91 (i.e. the very cause of the cash-flow problem itself), but the *net loss* of completions over the period 1989-90 to 1992-93 is likely to be at least 4,000 units (and probably a good deal higher, since the more recent revision of the starts in 1990-91 to 8,280).

Table 3: Housing Corporation ADP 1990-91 and Plans 1991-93

Figures in brackets show downward revision due to cash flow crisis and reprogramming (April).

	1990-91	1991-92	1992-93
A. FORECAST COMPLETIONS			
RENT			
Public Funding	1,400	4,700	5,050
Mixed Funding	4,600	11,450	20,750
Total New Rent	6,000	16,150	25,800
Transitional/Pipeline	11,250	7,300	3,800
TICs	2,400	2,500	2,500
Mini HAG	1,300	1,300	1,350
TOTAL RENT	20,950	27,250	33,450
Housing for Sale	2,850	3,500	5,250
TOTAL COMPLETIONS	23,800	30,750	38,700
	(23,500)	(27,700)	(34,250)
B. NEW PROGRAMMES			
RENT			
Public Funding	5,050	4,000	3,600
Mixed Funding	14,500	26,000	28,500
Total New Rent	19,550	30,000	32,100
	(13,870)	(27,000)	(30,050)
Other	3,850	3,850	3,850
TOTAL RENT	23,400	33,850	35,950
	(17,720)	(30,850)	(33,900)
Housing for Sale	4,000	5,800	6,850
TOTAL NEW PROGRAMME	27,400	39,650	42,800
	(21,320)	(36,050)	(40,000)

3.9 To summarise the likely supply side of the social housing equation, Table 4 shows the projected completions in the housing association and local authority sectors over the next few years.

Table 4: Projected Completions of Social Rented Housing

	1989-90	1990-91	1991-92	1992-93
Local Authorities	10,000	8,000	6,000	5,000?
Housing Associations	21,300	26,700	27,830	34,070*
Total	31,300	34,700	33,830	39,070*

* These figures may be subject to considerable downward revision because of the very low approvals for 1990/91.

- 3.10 What this table does show is that, whatever the variations over the next few years in completions of housing association homes, the total completions in the social rented housing sector will remain far short of the level of need identified in the previous section of this report; indeed, *supply will be only just over one third of demand*. The affordability gap is, in fact, a wide and deep chasm.

PART TWO

SOME SOLUTIONS

4. INTRODUCTION

- 4.1 Part Two of this report is a brief review of some of the solutions - or partial solutions - which have been developed in relation to the problem of affordability, and the need to build more social housing, as identified in Part One.
- 4.2 The ADC has argued consistently for a number of years that the only fully satisfactory solution to the affordability gap, to the lack of sufficient social rented housing, and to homelessness, is for local authorities and housing associations to be allowed to build more homes for rent and shared ownership. To this end, the Association has called for the current restrictions on the spending of capital receipts (introduced by the 1989 Local Government and Housing Act, and implemented from 1 April 1990) to be relaxed, perhaps by allowing local authorities to spend 50% of their capital receipts (rather than the 25% now allowed) and/or for the Government to allocate substantially larger borrowing permissions (Basic Credit Approvals) to local authorities to allow them to fund a higher level of investment.
- 4.3 However, the Government has made it increasingly clear through the last decade, and particularly in the last two or three years, that it wishes to see responsibility for the production of new social housing pass from local authorities to housing associations, backed by the Housing Corporation. Indeed, some features of Government policy - such as Tenants' Choice, Voluntary Transfer, the Right to Buy, and Rents to Mortgages - envisage local authorities progressively losing responsibility for the management of existing stock (as opposed to the building of new properties) to owner occupation and to housing associations, leaving the local authority to perform an exclusively enabling role, together with some limited statutory responsibilities (e.g. homelessness).
- 4.4 The Association has given its support to the increased emphasis on the district councils' enabling role, and has therefore called not only for an increase in resources to be available to districts but also for more funds to be made available to housing associations through the Housing Corporation (and through district councils performing their enabling role). The Association has emphasised, however, that it does not support the compulsory removal of the direct provision role, in part because - however much it supports housing associations as alternative providers of both general and specialised social housing - it is not convinced that the housing association movement is either capable of or even willing to take on the pre-eminent role which the Government wishes it to have in the future production of social housing.
- 4.5 The assumption of this report, therefore, is that solutions have to be found which do not involve a major increase in the allocation of funds to local authorities; it does assume, however, that the economics of housing are such that there will continue to be the need for a large social housing sector, and for a large new building programme for social housing: market forces will continue to be unable to deliver affordable housing, to rent and to buy, to large numbers of individuals and families, such that public subsidy will continue to be needed, whether through Government subsidy to local authority Housing Revenue Accounts, Housing Association Grant (HAG) paid by the Housing Corporation to housing associations, or other forms of subsidy such as

land at discounted prices, or grants paid by the local authority to private sector rental schemes under the 1988 Local Government Act.

- 4.6 A recent report from the Housing Manager of Cambridge City Council, David Poole, to his Housing Services Committee (27 June 1990), provides a good illustration of how member districts are having to confront the reality of the affordability problem, and identify a range of solutions. The example is particularly apposite in that the subject of the report was the affordability of housing association rents, an issue which is bound to be of increasing concern to district councils in the future.
- 4.7 The report begins by indicating that Cambridge's HAG rate for new build is 75%. The application of that rate to new build costs in the City produces rents far in excess of the National Federation of Housing Associations (NFHA) 20% guideline (i.e. that people should not have to pay more than 20% of their net income on housing costs). In Cambridge, to get rents down to this 20% guideline or "indicator rent", for a three bedroom house, additional subsidy of between £10,000 and £12,000 in capital terms, or a permanent revenue subsidy of about £19 per week per house, would be needed. One possibility would be for HAG rates to rise from 75% to 90% in order to provide that additional subsidy, but this is most unlikely to occur.
- 4.8 The report then helpfully goes on to identify some of the possible alternative sources of additional subsidy:
- "i) capital subsidy from reserves
 - ii) revenue subsidy from income
 - iii) cross subsidy from mixed tenure schemes
 - iv) subsidy from sales of older stock
 - v) rent pooling
 - vi) reducing standards
 - vii) buying off the shelf - particularly during downturns in the property market [may also include an element of (vi)]
 - viii) below market value land costs - it has been established that land being sold by local authorities to housing associations may be discounted to reflect the value of nominations
 - ix) cutting management and maintenance standards."
- 4.9 Many of the items on this list will be explored further in the sections of this report which follow; as the Cambridge report itself acknowledges, some of them (e.g. (vi) and (ix)) are unacceptable for sound, long-term management reasons, while the ability to use others is severely constrained by the financial position of both the housing associations and the local authority.

5. THE STRATEGIC AND ENABLING ROLES OF THE DISTRICT COUNCIL

- 5.1 As was argued in the previous section, the Government has been strongly encouraging district council housing authorities to reduce (or drop entirely) their new provision and stock management roles, and to develop instead their "enabling" role. This "encouragement" has, of course, been given teeth, in the form of the new financial regime (capital and revenue) which allows districts very little scope for building new social housing themselves.
- 5.2 There is, however, considerable confusion amongst district councils about what exactly this enabling role involves. This section will attempt, albeit briefly, to set out some of the key features not only of the enabling role, but also of the closely related yet separate *strategic* housing role performed by district councils.
- 5.3 It is important to stress at the outset that, although the concept of the enabling role has come to prominence in local authority circles in the last two or three years, district councils have - in the case of housing and other services - *always* performed a strategic and enabling role. What is new is that, for the first time, they are being looked to perform this role to the exclusion of any other.
- 5.4 Insofar as it is useful to separate the district council's strategic and enabling roles in housing, what is involved in the former? The concept of the *strategic role* involves the district council taking an overall, *corporate view* of
- i) the housing needs of the community, and
 - ii) the resources available, and required to meet that need - land, capital, revenue, skills, other council services, and services outside of the local authority.
- 5.5 It recognises that the district council, as the statutory housing authority, is the agency best placed - indeed, the only agency able - to provide a detailed *assessment of the housing needs* of the district.
- 5.6 The strategic housing role is underpinned by the importance of the district council's role as the *planning authority* (although in non-metropolitan districts this is shared with the county council) and by the importance of the district or local plan. This planning role involves not only development control, but also the more "positive", developmental use of the planning system, such as land assembly, Section 52 agreements, and so on (see below, Chapter 7).
- 5.7 Finally, central to the strategic role is the idea of the district council as a *catalyst*, and an "*orchestrator*" of the contribution of various agencies to meeting community need, involving links with
- * neighbouring councils, and, for non-metropolitan districts, the county council and parish councils

- * the National Health Service (particularly in relation to community care)
 - * Government departments and agencies (including the Regional Controller of the DoE, the Regional Director of the Housing Corporation, the local manager of the DSS etc)
 - * housing associations active in the area, village trusts etc
 - * a wide range of voluntary organisations with direct and indirect interests in housing (e.g. MIND, Mencap, Citizens Advice Bureaux etc)
 - * developers and builders
- 5.8 If the strategic role is about the district council "holding the ring" amongst these players, acting as a catalyst and orchestrating their various contributions to the meeting of local housing need, the *enabling role* is the *direct provision of help* to these other agencies - particularly housing associations and builder/developers - within the overall housing strategic plan drawn up by the district council in conjunction with the other partners.
- 5.9 This help takes many forms, but it falls into three main categories: the provision of land at less than market value, and the provision of capital and/or revenue financial aid (see below, Chapter 6), and the use of the planning system to achieve housing objectives (see Chapters 7 and 8).
- 5.10 How does all of this work out in practice, in schemes which the local authority might undertake in partnership with the private sector? One example will be worked through by way of illustration. Further examples can be found in a useful publication by the House Builders Federation's Social Housing Unit, *Partnership Housing and the '89 Local Government and Housing Act*, which also reviews the legislation relevant to partnership deals.
- 5.11 The example which will be examined is the partnership between a private landlord (which could be a housing association) and a local authority, to produce a shared ownership housing scheme. The local authority sells the land to the landlord at less than market value, in exchange for nomination rights. Assuming the land is being sold for less than "best consideration", specific consent is required from the DoE under Section 32 of the Housing Act 1985. Assuming further that the council receives a cash payment, 50% of the receipt has to be set aside for debt-redemption (Section 59, Local Government and Housing Act; 50% because it is land which is sold; in the case of sale of housing, it would be 75%). Because public subsidy is involved in financing this scheme - the discounted land counts as subsidy, regardless of any other subsidy which might be provided - the lessees have the right to "staircase" (i.e. increase the proportion of the equity in the property which they own) right up to full ownership. Additional subsidy may be provided in order to keep the cost to the consumer down to an affordable level, either by the local authority providing a grant (under Section 25 of the Local Government Act 1988; such a grant has no maximum limit in the case of shared ownership housing) or, if the development partner is a registered housing association, by the Housing Corporation providing Housing Association Grant (HAG).

- 5.12 In conclusion, district councils have a critically important strategic and enabling role in respect of housing, as they have had for many decades past. One of the most important expressions of this role is the production of an annual *Housing Strategy Statement* which accompanies the district's HIP bid. Traditionally, this document focuses primarily on the district's own housing programmes, but many district councils have for years adopted an explicitly strategic approach in the document by assessing the whole range of housing needs and provision in the public, housing association and private sectors. More districts are today adopting this approach, and many are involving other agencies - particularly housing associations - in formal discussions when preparing the Housing Strategy Statement.
- 5.13 The National Federation of Housing Associations (NFHA) recently published the report of its Towards 2000 Working Party, *Towards 2000: the Housing Association Agenda*. This report encouraged closer co-operation between districts and housing associations through the establishment of liaison machinery:

"There has recently been a growing revival of local authority/housing association liaison groups . . . The working party believes that local authorities should develop and publish local housing planning strategy statements in co-operation with the housing association, voluntary and private sectors operating in their areas . . . Such strategy statements could embrace a range of planning, development and management issues relevant to the wider responsibilities of local authorities and cognisant of the new forms of working relationships between associations and other agencies of social provision - health authorities and social services."
(Pages 28-29)

As the report adds prophetically a little later on, locally defined strategies

"could become an important yardstick against which to measure Housing Corporation decisions on the allocation of capital resources."
(page 29)

6. ENABLING THROUGH FINANCE AND LAND

6.1 District councils possess a number of powers - some of them surprisingly little used so far - which enable them to assist in the production of new social housing. In broad terms, these powers fall into three categories:

- i) financial help
- ii) mechanisms involving land
- iii) the use of planning legislation

The three categories - particularly (ii) and (iii) - are closely inter-related. In this Chapter, financial and land mechanisms will be examined; in the following two Chapters the focus shifts to the use of the planning system.

6.2 The *Local Government Act 1988*, Part III, enables local authorities to financially assist private sector (including housing association) developments. Section 24 gives local authorities the general power to provide financial assistance in the form of grants and loans to private rented and shared ownership housing. There is a general consent for assistance to private shared ownership schemes but, oddly, not for private rental schemes, for which specific DoE approval is required under Section 25. The maximum assistance allowed for rental schemes varies by district council group and by type of scheme, and is equal to the HAG level for that district as set by the Housing Corporation. Shared ownership schemes are not, however, subject to a maximum limit of local authority assistance.

6.3 Grants made by a local authority do count as "prescribed expenditure" for the purposes of the capital control system, and are therefore deducted from the local authority's total credit approval (or opening "credit ceiling"), but the actual money spent is re-imbursed by the DoE. "HAG funding" of private sector schemes by the local authority - because that is, in effect, what this involves - can be particularly useful when a scheme includes the sale of local authority land because it allows the use of the spending approval conveyed by the land sale without financial loss to the local authority. As such, it is an alternative to the more frequently used provision by the local authority of "free land" to the housing association.

6.4 A district council is also allowed to spend up to £1 per head of population per annum from its General Fund - either in the form of a one-off capital grant, or a revenue grant - to support the provision of private rented housing.

6.5 While the above financial powers can be valuable, particularly the use of a local authority's capital receipts to HAG fund a housing association scheme, it is the role of land disposal in enabling social housing schemes to be developed which has attracted most attention in the last few years.

6.6 Powers have long existed for local authorities to dispose of land at less than its full market value. The *Local Government Act 1972*, Section 123, allows local authorities to dispose of land and/or buildings not held for housing purposes, but it may not be disposed of for less than the "best consideration reasonably obtainable" ("best consideration", for short) without the Secretary of State's permission. Section 32 of the *Housing Act 1985* requires the Secretary of State's permission to be obtained for the sale of housing land or dwellings, although there is a general consent for the sale of land at "best consideration" (i.e. the market value reflecting any restrictive covenants

and/or conditions of sale). If the test of "best consideration" is not met, therefore, specific consent is required.

- 6.7 There is a further general consent allowing local authorities to sell vacant dwellings (new or existing) to first time buyers and other priority groups at a discount of up to 30% of market value; the same applies where a local authority sells shared ownership housing to a purchaser in a priority group, when the discount can be up to 30% of the market value of the share.
- 6.8 Prior to the *Local Government and Housing Act 1989* local authorities enjoyed considerable freedom to use a range of enabling mechanisms in respect of land disposal without incurring any penalty within the capital control system then obtaining. As a consequence of this, many local authorities actively pursued an enabling role by disposing of land under leases, building under licence and disposing of land for low cost home ownership and shared ownership schemes. Clause 58 of the Bill (Section 61 of the Act) posed a major threat to this freedom by requiring that where a non-monetary consideration is received by a local authority in exchange for the disposal of land, the local authority is obliged to set aside 75% of the value of that consideration (50% in the case of land) as though it had been received in monetary form. The local authority is then required to make this provision from either usable capital receipts or revenue. Following intense lobbying about the detrimental effect which Clause 58 would have had on local authorities performing their enabling role, an amendment was made which allowed the Secretary of State to make regulations which would permit certain exceptions to the debt-redemption (or set-aside) rule. The amendment was Section 61 (6), and the regulations were published as the *Local Authorities (Capital Finance) Regulations 1990*.
- 6.9 The most important exception provided for under these Regulations concerns nomination rights. Regulation 20 (4) is as follows:
- "(4) In the case of non-monetary consideration which is received by a local authority in respect of the disposal of an area of land and which consists of -
- (a) the grant of a right to nominate persons either to acquire the freehold of or a leasehold interest in dwellings on land within that area or to occupy such dwellings; or
 - (b) an obligation to restrict the acquisition of a freehold of or a leasehold interest in dwellings on land within that area or the occupation of such dwellings to persons of a particular description;
- the reserved part of the notional capital receipt shall be nil."
- 6.10 In the case of building for sale, or building under licence (Regulation 16), improvement for sale (Regulation 17) and replacement of assets (Regulation 18), the approach adopted was to require redemption on the *net* value of the receipt, by allowing the local authority to offset its expenditure against the sale proceeds. While an improvement on what was the position under Clause 58, this is much less favourable than the position which obtained prior to the 1989 Act.

7. ENABLING THROUGH THE USE OF THE PLANNING SYSTEM, I: THE EXCEPTIONS POLICY IN RURAL AREAS

- 7.1 The most significant change in recent years in the use of the planning system to help in the provision of an adequate supply of rural social housing was the announcement in February 1989 by the then Secretary of State for the Environment, Nicholas Ridley MP, that

"sites which would not normally be released for housing development can exceptionally be released for low cost schemes if the planning authority is satisfied that there is a need for such housing and that arrangements will be made to reserve it for local people".

- 7.2 In fact, some district councils had, from the mid 1980s, pioneered this approach, by including within their Local Plans policy statements indicating the circumstances under which planning permission might be granted for land not designated for housing ("unallocated land"). However, these policy statements had not been widely introduced, because it was feared that the Secretary of State might not approve Local Plans containing them. This worry was largely removed by the February 1989 announcement which was widely welcomed.

- 7.3 Further details of this approach were given in the draft Planning Policy Guidance Note on Housing ("PPG3") issued as a consultation paper by the DoE in October 1989, the final version of which is expected to be published very shortly. The guidance note referred to the release of sites "within or adjoining existing villages which would not otherwise be allocated for housing". In practice, this has been taken to mean sites just outside the village planning "envelope". The two key paragraphs in PPG3 are 26 and 27, and they are reproduced below in full:

"26. Since planning conditions cannot normally be used to impose restrictions on tenure or occupancy, the planning authority would need to satisfy itself before granting planning permission that other secure arrangements to that effect would be made. Examples of such arrangements might be the involvement of a village trust or housing association with a suitable lettings policy; or covenants designed to give priority to first-time buyers from the locality; or an agreement between the planning authority and the developer under Section 52 of the Town and Country Planning Act 1971. It would be important for schemes to ensure that the benefits of low cost provision pass not only to the initial occupants but to subsequent occupants as well.

27. Local plan policies should make clear that the release of such sites to secure provision of low cost housing for local needs will be additional to the provision made in the plan for general housing demand, recognising that particular local needs may justify the release of land that would not normally be allocated to meet general housing demand. It should be made clear that land allocated in the plan to meet general housing demand will not be confined to local needs only, and planning permission for allocated land should not be refused on the grounds that the developers or landowners are not prepared to enter into such arrangements."

- 7.4 The "exceptions policy" outlined above has attracted a lot of publicity in the last eighteen months, and many district councils and National Park Authorities have adopted planning policy statements about the circumstances under which they would consider the development of social housing on "unallocated" land. However, a recent

report suggested that relatively few schemes (60) have actually been started (ACRE/RDC, 1990). The major reason for this is probably that the development of such schemes is time-consuming, sensitive and requires the co-operation and co-ordination of a large number of different parties: the Parish Council; the District Council, as planning authority, and as the strategic and enabling housing authority; the landowner; a housing association, or village trust, which will own and manage the properties once built; and, possibly, a developer/builder (unless the housing association acts as developer, merely employing a builder to carry out the work).

- 7.5 How does such a scheme work in practice? Land is the key to the whole enterprise. The only way of widening the opportunity to provide affordable housing, to rent, or to buy on a shared ownership basis, in most rural areas is for the land to be made available more cheaply than at full market, development value. As will be made clear later, it may still not be possible to produce affordable housing, particularly for rent, without additional subsidy, or cross-subsidy (see below, paragraphs 7.15 - 7.26). The reason why the land can be obtained cheaper under the exceptions policy is precisely because the planning permission is *exceptional*, i.e. the landowner has no chance - and, just as important, believes that he has no chance - of getting planning permission for open market housing, or speculative development. Typically, a local landowner will provide a piece of land at somewhere between agricultural value and five (or even ten) times agricultural value; in exceptional circumstances, the land may be given free of charge. However, - even at five or ten times agricultural value, the price of the land is very substantially less than if the land had full development value.
- 7.6 The next feature of the policy is that the social housing on the site is intended for local people in known need. This is a requirement of the exceptions policy from a DoE and local planning point of view - it is this which is seen to justify the exception being made, precisely because the need is small, measured (i.e. not speculative) and local - and it is likely that the landowner would only be interested in providing the land at nil or very low cost if he could be assured that it would go only to local people. This requirement has given rise to a well-established practice of conducting a *local housing needs survey* to identify the extent and nature of local housing need, and the amount which people could afford to pay. The survey can be carried out by the Parish Council, possibly with the help of the Rural Community Council (a county-level organisation providing advice and assistance to the parish councils within the county), or by the District Council, in which case the evidence from the survey can be supplemented by the housing department's other sources of knowledge about local housing need (e.g. waiting lists). The survey should then lead on to the production by the District Council of a *housing needs statement* which will specify the need which is to be met, the minimum and maximum size of development, the maximum distance from services and existing communities which will be allowed, and other relevant matters.
- 7.7 The scheme must include adequate safeguards to ensure that the new social housing is properly managed, that it will continue to meet the needs of the local community, and that it will remain affordable in perpetuity. The most effective way of doing this is through an agreement between the district council as planning authority; the landowner, who is the freehold owner of the land, together with any other party with an interest in the land; the developer, who is the contracting purchaser of the land, and who will normally be the applicant for planning permission; and the housing association or Village Trust which will be the owner and manager of the social housing. Such an agreement is provided for under *Section 52 of the Town and Country Planning*

Act 1971 (now consolidated as Section 106 of the Town and Country Planning Act 1990 - as explained in the Preface).

- 7.8 It is important to stress that it is the district council, as planning authority, which has to be satisfied with the "rules of the game" which are established. It needs to lay down in its planning brief the details of the arrangements which it will regard as satisfactory: for example, it may include a statement to the effect that it will only consider applications from housing associations or charitable trusts, or more specifically, only those which have the prior support of the relevant parish council. The council will need to specify whether it is only prepared to agree to rental housing, or - as is more usual - a mixture of rental and shared equity housing. It will, at this stage, need to consider whether it is prepared to countenance any degree of housing for sale on a cross-subsidy basis, a controversial matter which is examined more closely below (see paragraphs 7.15 - 7.26).
- 7.9 The Social Housing Unit of the House Builders Federation has issued a Guidance Note which sets out the broad principles which it believes should be taken into account when putting together a Section 52 Agreement for rural social housing. These include
- "i) The purpose of the scheme is to provide social housing. Sale housing will only be permitted to the extent that its existence can be demonstrated to be clearly necessary to subsidise the social housing.
 - ii) Initial consumer costs should be specified for all social housing (including shared ownership). In preparing a social housing scheme developers should base their proposals on the income profile of those households identified by the village housing needs survey as requiring social housing and should demonstrate that affordable housing is being provided both initially and in the long term.
 - iii) The long-term owner/manager of the properties should be party to the Section 52 Agreement. This organisation should be independent, non-profit distributing and subject to external scrutiny. It should therefore be either a housing association registered with the Housing Corporation or a charitable trust.
 - iv) Priority will be given to people with a local connection who meet the housing association's normal criteria for letting or selling shared ownership housing to persons in housing need."
- (HBF, "Safeguarding Rural Social Housing Through Section 52 Agreements: an HBF Guidance Note", 1990)
- 7.10 The Section 52 Agreement will include covenants binding the initial signatories and their successors in perpetuity: this may require a clause allowing the signatories to nominate a successor in title, subject to the agreement of the others. The covenants will need to cover issues such as the number of units to be provided and on what tenure basis; target consumer costs for the rent and shared ownership housing; details of the priority groups who will have first access to the social housing; the definition of "local"; the method by which the social housing will be allocated, and any information on nomination rights offered to the local authority and to any other agency (e.g. the landowner); and, where sale housing is involved, the phasing of the sale and social

housing, and any rules about the first option going to local people on the housing waiting list, and only then to other local people (i.e. a "cascade" system).

- 7.11 One of the key features of the exceptions policy is the requirement, or at least wish, to retain the social housing for local people in perpetuity, and to ensure that any benefit provided to the initial occupiers of any property (by, for example, the provision of discounted or free land) is passed on to subsequent occupiers. Landowners are understandably reluctant to see their generosity taken advantage of by either developers or builders making large profits from an exceptions site development, or first time shared ownership purchasers "staircasing" up to full ownership, selling at full market value, and the initial low-cost advantage provided by the land discount being entirely lost to subsequent purchasers.
- 7.12 There is relatively little problem in the case of social rented housing provided by a housing association: although it is, of course, possible that rents will be increased over time, and that external factors may force rents up to a level that threatens their affordability by local people, this is generally thought not to be a serious danger, and can to some extent be covered in the Section 52 Agreement.
- 7.13 Most concern regarding this matter has focussed on shared ownership housing. Legally, if public subsidy (including discounted land, if owned by a local authority), is used to help provide a shared ownership scheme, the lessees are entitled to increase their equity stake (i.e. "staircase") up to full ownership. During the passage of the 1989 Local Government and Housing Bill, the ADC and others attempted to get amendments included which would have limited the ability to staircase (in the ADC's amendment, a limit of 62.5% of the equity was specified), thereby ensuring that second and subsequent purchasers would continue to receive some benefit. The Government opposed this approach, on the grounds of not wishing to prevent progression to full home ownership, but offered instead, through the Housing Corporation, a buy-back scheme which would have the same effect.
- 7.14 Appendix 1 to this report is the Housing Corporation Circular, issued in September 1990, which sets out the details of the repurchase scheme. Basically, it involves the Housing Corporation guaranteeing that it will provide HAG to allow a housing association to reduce the level of equity to be sold, to the level purchased initially by the previous shared owner (or, in exceptional circumstances, enough HAG to allow the new purchaser to acquire an even lower initial share of equity). The scheme is primarily intended to apply to villages with a population of less than 1000, but paragraphs 2.2(b) and (c) are very important qualifications to this general rule.
- 7.15 Reference was made in the Preface to an important consultative document issued in July 1990 by Action with Communities in Rural England (ACRE) entitled *Involving the Private Sector in Rural Social Housing*. This document was the outcome of a research project funded by the Joseph Rowntree Memorial Trust. It covers much of the ground covered in this report, particularly the issues raised in this Chapter, but is distinctive in two important respects. First, it puts forward a detailed "model" or development "process" involving an *enabler* actively co-ordinating the contributions of the various parties previously identified in this report (i.e. district and parish councils, landowner, housing association, and developer/builder) with a view to improving communications and increasing the speed at which schemes can be delivered. Second, it argues that

"planning authorities and local communities should be prepared, despite their natural cautions, to consider the merits of each individual proposal for mixed tenure development where it is clearly demonstrated that cross-subsidy offers the best possible means of generating the surplus necessary to finance the range of social housing to match local need" (page 15).

- 7.16 How is it that a rural lobbying organisation such as ACRE, which might have been expected to be opposed to the development of sale housing on exceptions land, has come out in favour, albeit cautiously and with qualifications, of cross-subsidy through mixed tenure development? The main reason is its recognition that funding is simply insufficient to meet the level of housing need identified. ACRE and the Rural Development Commission have (as was noted in paragraph 2.11 of this report) estimated that about 30,000 units of rural social housing are needed each year for the next five years, whereas the likely level of supply is the 1850 units per annum provided for under the Housing Corporation's special rural programme, and about 3,000 shared ownership units per annum, i.e. about 5,000 units in total. By allowing a degree of cross-subsidy, ACRE believes that more units can be provided from a given level of public subsidy (mainly HAG, plus local authority assistance through grants under the 1988 Local Government Act, and land).
- 7.17 Appendix 2 shows three examples provided in the ACRE report which help illustrate the problem of providing affordable social housing schemes even when land has been included at low cost (£15,000 per acre). Example 1 shows a rental scheme which cannot be made affordable for local people without the addition of considerable public subsidy. Example 2 shows one form of cross-subsidy, not normally thought to be controversial, involving a package scheme on a low cost site where some of the houses are sold on a shared ownership basis at percentage shares which are higher than actual development costs (thereby providing the cross-subsidy), and which are much higher than most shared ownership schemes (in Bramley's study, *Bridging the Affordability Gap*, it was assumed that the ownership: rental ratio was 25:75.)
- 7.18 Example 3 shows some houses on an exceptions site being sold at full market value, generating more surplus than those sold on a shared equity basis, thereby requiring fewer units of sale housing to cross-subsidise the provision of more rented housing.
- 7.19 As indicated above, the ACRE report develops a model based on the concept of an Enabling Agency, which would employ a professional officer as an "enabler" to act as an initiator and co-ordinator of rural social housing schemes. The report proposes that, in most cases, the enabling agency would operate within a district, although National Parks and Rural Development Areas would provide alternative coherent areas; in more urban areas, an agency might cover two or more districts. The report suggests that the enabling agency should be based on the Rural Community Council; it would employ the enabler, who might be seconded by the district council, or from the private sector. A number of pilot projects are to be established on an experimental basis, with funding from the Joseph Rowntree Memorial Trust and the Rural Development Commission, and these will be closely monitored over the next eighteen months to two years. Three areas have been chosen for the pilot schemes: Devon (Teignbridge, West Devon and South Hams); West Lindsey District Council, Lincolnshire; and Sussex (Mid Sussex and Rother).
- 7.20 The ADC is represented on the Advisory Group which will monitor the pilot projects. The Association's Rural Panel, and its Housing Committee, have both commented

- 7.24 Perhaps the most vigorous opponent of cross-subsidy is the National Agricultural Centre Rural Trust (NACRT) and its Chief Executive, Moira Constable. NACRT played an important part in persuading the Government to adopt the exceptions policy, and has been involved in a large number of districts in directly providing low cost village housing schemes (particularly through English Villages Housing Association) and indirectly in helping them formulate a local policy. In 1989 NACRT published an excellent, comprehensive manual, *A Practical Guide to Providing Affordable Village Housing*.
- 7.25 So strongly does NACRT feel about the danger of cross-subsidy through market sale housing on exceptions sites that it has declined to be involved in the Advisory Group set up by ACRE to monitor the "enabling agency" experimental schemes (see above, paragraph 7.19) because of ACRE's preparedness to countenance cross-subsidy. NACRT also recently provided evidence to South Oxfordshire District Council's Western Area Planning Sub-Committee, which was considering a proposal for a mixed tenure scheme at Warborough, opposing the scheme because of its cross-subsidy element.
- 7.26 NACRT's letter opposing the scheme included the following passages:
- "In no case have we ever found it necessary to include in any of our schemes housing which falls outside the strict criteria of being permanently reserved for local people at low cost or at affordable rents."
- "The precedent which would be created would have repercussions far beyond South Oxfordshire and most agents would advise landowners never to part with the small sites necessary for social housing in villages, without extracting the high price of some open market housing at the same time. This would drive a coach and horses through the intention behind the exceptional relaxation of planning controls, which is to provide cheap land solely for the purpose of providing affordable housing for local people."
- The Council resolved not to allow sale housing on exceptional sites.
- 7.27 The other controversial aspect of the exceptions policy which needs to be examined here is the issue of "additionality". The DoE is quite clear in PPG3, paragraph 27 (see above, paragraph 7.3) that
- "the release of such sites to secure provision of low cost housing for local needs will be *additional* to the provision made in the plan for general housing demand . . ."
- (emphasis added).
- The DoE's stress on additionality is intended to underline the small-scale, local and exceptional nature of any such development.
- 7.28 However, it can be argued - and has been argued by some planning officers - that this position is illogical. If it is right to grant special permission on exceptions sites, that allocation should nevertheless be regarded as part of the general allocation for housing development made in the Structure Plan (and, possibly, Local Plan). As the DoE paper referred to above asks:

that the district council, not the Rural Community Council (which operates at county rather than district level), is the natural locus for the enabling agency; that district councils are already being required increasingly by Government to play precisely this role; and that some districts (e.g. Malvern Hills in Hereford and Worcestershire) are already employing enabling officers very similar in concept to those proposed by ACRE. While the ADC believes that district councils are best placed to provide this service, it is hoped that the pilot projects will be successful, and it is recognised that there might be some value in a district council officer being seconded to another agency and acting at "arms length" from the council. Whatever the exact nature of the relationship, it is clear that the role of the district council, as the planning authority, and as the strategic and enabling housing authority, is critical to the success of any such venture.

- 7.21 The proponents of allowing market sale housing to cross-subsidise social rented housing - including ACRE and the House Builders Federation - accept that, if this approach is to have any chance of being supported by the local community, the landowner, and the district council Planning Committee, a number of conditions must apply. First, as indicated in paragraph 7.9 above, sale housing should only be permitted to the extent that it is necessary to subsidise the social housing. Second, developers and landowners will need to demonstrate that the price paid for the land is comparable with that being paid for "exceptional" social housing land in that district, and that no "windfall" profits will be received by either the developer, the landowner, or both.

- 7.22 What are the arguments against cross-subsidy of this sort? The most obvious, and strongest, is that the whole purpose of the exceptions policy is to allow the development of social housing, for local, proven need, on land which has not already been - and would not be - allocated for speculative, market sale housing. As a DoE discussion paper on this matter put it:

"The stronger the normal restraints on development, the better a policy of exceptions can work."

(DoE, "Land Use Planning and the Provision of Affordable Housing", May 1990.)

The danger is that, once it is seen that a district council is prepared to make exceptions to the exceptions policy, it will undermine public confidence in it, and, very importantly, may lead local landowners either to look for a higher price for the land, or to hold on to the land in the hope that if the district council is this year prepared to allow a proportion of an exceptions site to go for sale housing, then perhaps next year, or in five years time, planning permission will be given for full market sale housing.

- 7.23 The opponents of cross-subsidy also point to the fact that, whereas the retention of social housing (and its initial low cost advantage) for local people in perpetuity is perfectly possible in the case of rented housing, and difficult but not impossible in the case of shared ownership housing, it is virtually impossible to use Section 52 Agreements or other covenants to exercise direct control over the ownership of freehold property and the price at which it is sold. The best that can be achieved in the case of sale housing (but only on the *first* sale) on an exceptions site is the cascade approach mentioned briefly in paragraph 7.10 in which the sale housing must be offered to local people in housing need for a period, then to other local people if no buyer is found, and only then to people from a wider locality.

"Why should low cost provision be additional to planned provision, when development plans seek to make full provision for local housing requirements?"

A recent survey by the County Planning Officers' Society, *Structure Plans and Housing Land* (1989), has shown that there is a 23% surplus of land identified by local planners for new house building (n.b. *all* new house building, including social housing) when compared to the requirements provided for in County Structure Plans for the next five years.

8. ENABLING THROUGH THE USE OF THE PLANNING SYSTEM, II: A SPECIAL USE CLASS ORDER FOR SOCIAL HOUSING, AND SOCIAL HOUSING QUOTAS

- 8.1 During the last two years or so, as the limitations of the exceptions policy have come to be recognised - its exclusively rural application; the small number of units it delivers, sometimes after a long period of difficult negotiation between numerous parties; the problems of finding suitable sites usually outside areas allocated for development; and the controversy surrounding cross subsidy - interest has steadily grown in two possible alternative uses of the planning system to help produce significant amounts of social housing. This chapter will briefly examine both of them: the idea of a new Use Class for social housing, and the use of "quotas" for social housing on development sites of more than a certain size. PPG3, which is due to be published very soon, is expected to comment on both of these proposed methods.
- 8.2 At its Annual Conference at Harrogate in June 1990, the ADC supported a motion from Winchester City Council in the following terms:
- "This Conference calls upon the Government to amend planning legislation in order to enable land to be designated in local plans to provide for specific affordable housing needs within the plan area which would not otherwise be met by the provision of general housing."
- 8.3 The strongest advocacy so far for a policy of establishing a new Use Class for social housing can be found in a document recently published by Communities and Homes in Central London (CHiCL) and the Council for the Protection of Rural England (CPRE), entitled *Home Truths: A New Solution to the Provision of Affordable Housing in Urban and Rural England* (1990). The report is critical of the exceptions policy (regardless of whether or not it involves cross-subsidy) because of the damage which it believes it does to the countryside:
- "The irony of the Government's proposals is that they will encourage housing development in the most environmentally sensitive locations since these are precisely the areas where planning permission would not normally be available. The sensitive boundary between England's villages and the countryside, which has been firmly protected for decades, is where new development is now being officially steered."
(Page 29)
- 8.4 What the report proposes instead is a model which, it is claimed, would allow the planning system to define the location of affordable housing developments of different housing types and tenures through the development plan process. This would involve a reform of the Use Classes Order, and the introduction of a new Social Housing Use Class, allowing district councils to identify a proportion of the land they allocate for housing development to meet the needs of those unable to afford housing on the open market and to grant separate planning permissions for affordable and for open market housing.
- 8.5 Under the present Use Class system, district council planning authorities can use the classes defined in the Order either when giving planning permission or, more relevantly for the present argument, when identifying land for development in Local Plans, or Unitary Development Plans (UDPs) in metropolitan areas, and there would

be no important difference in principle to extending this to a new Use Class for social housing.

- 8.6 The whole point of adopting this approach, of allocating land specifically for social housing rather than for market sale housing (or, indeed, for any other use), would be to *reduce the price of the land*.
- 8.7 This approach would also have the advantage of refining the development plan process by encouraging a better "fit" between different types of housing need within a county or district and the allocation of land with specific types of permission to meet that need.
- 8.8 The idea appears to have much to commend it. If so, why has it not been adopted before, and what are perceived to be its drawbacks? The first question to be answered is whether there is sufficient unallocated land available which could be allocated to the new social housing Use Class. It would be unrealistic to expect district councils to designate land for *social* housing which has already been allocated to some other Use Class, including housing. The resulting decrease in the value of the land - the very reason for doing so - would be likely to lead to the owner of the land seeking from the district council a Certificate of Appropriate Alternative Development (under Section 17 of the Land Compensation Act, 1961) and claiming substantial compensation to make good the loss of value of his land. More generally, such redesignation would almost certainly lead to a sustainable challenge to the Local Plan or UDP.
- 8.9 It might be argued by some that the planning system is not supposed to concern itself with the nature of the occupants of any development, but should have regard only to the physical and aesthetic characteristics of the buildings for which planning permission is being sought. As PPG3 itself states:

"... planning conditions cannot normally be used to impose restrictions on tenure or occupancy ..."
(Paragraph 26)

According to this view, the establishment of a separate Use Class for social housing, involving as it does judgements about relative affordability, would smack of "social engineering" rather than environmental protection.

- 8.10 However, this view is open to serious challenge. In the first place, the very purpose of the Use Class Order is to allow the planning authority to make distinctions about the *use* of a building, rather than merely its physical characteristics. This allows the planning authority to earmark a site for, say, shops rather than offices in a particular part of the town or city, in order to prevent the loss of shopping facilities which might otherwise occur because of commercial pressures favouring office development. This is, in itself, a form of social engineering, attempting to protect or bring about a "balanced" town centre community. It is difficult to see that a Use Class distinction between social housing and more expensive, open market housing is qualitatively very different from this situation. A recent editorial in a housing and planning journal was also sceptical about the validity of the view reported in 8.9:

"... control of housing occupancy is particularly well established in planning policy. Special exemptions can exist for agricultural workers, under Circular 24/73. Whilst the

Welsh Office Circular 30/86 on *Housing for Senior Management* urges planning authorities to make particular provision for this needy group."
(Housing and Planning Review, Vol 45, No 6,
October/November 1990, Page 2)

Finally, the Government has already accepted the principle of making a distinction between market sale housing and social housing for local people in the exceptions policy, allowing the use of a *planning* mechanism, a Section 52 Agreement, to ensure that certain conditions are met.

- 8.11 Another argument against the Use Class proposal is that it would be very difficult in practice, and in equity, for a district council, when faced with the need to designate an area of land for housing, both social and open-market, to establish objective criteria by which it could decide that one part of the total site would be for social housing (thereby immediately depressing the value/price), and another should be for market sale housing, particularly if different landowners were involved. The scope for accusations of inequitable treatment would be considerable.
- 8.12 The proposal to allow district councils to specify "quotas" of social housing in Local Plans, indicating a requirement for, say, 15% of housing on all sites of more than a certain size to be low cost units to meet local need, is not very different to the Use Class approach examined above.
- 8.13 The Government's view on the quota approach has recently been restated in a letter from the DoE to Scarborough Borough Council:
- "... it is out of accord with Government policy to *require* a developer to include an element of social housing in a proposal on land allocated for open market housing. An attempt to impose such a condition would be likely to be held unreasonable, in the event of an appeal. It would be reasonable, however, for a planning authority to *seek* to enter into appropriate agreement with developers on particular sites, as no coercion is involved."

It is generally expected that PPG3 will clarify but confirm this view of the matter.

BIBLIOGRAPHY AND REFERENCES

ACRE (1990), *Involving the Private Sector in Rural Social Housing*

ACRE and Rural Development Commission (1990), *Affordable Rural Housing - Challenge for the Nineties*

Bate, R (1990), "Planning for affordable housing", *Housing and Planning Review*, Vol 45, No 6

Beresford, M (1989), *Affordable Housing in Welsh Villages* (for Brecon Beacons National Park Committee)

Bramley, G (1989a), *Meeting Housing Needs* (for ADC)

Bramley, G (1989b), *Access to Owner Occupation: Update to 1989* (for ADC)

Bramley, G (1990), *Bridging the Affordability Gap* (for ADC and HBF)

Bramley, G and Paice, D (1987), *Housing Needs in Non-Metropolitan Areas* (for ADC)

Clark, D (1990a), *Affordable Rural Housing: A National Survey of Needs and Supply* (for ACRE)

Clark, D (1990b), *Affordable Rural Homes: The Builders' Guide* (for HBF)

Communities and Homes in Central London (CHiCL) and CPRE (1990), *Structure Plans and Housing Land*

County Planning Officers Society (1989), *Structure Plans and Housing Land*

DoE (1989), "Draft Planning Policy Guidance: Housing" (PPG3)

DoE (1990a), "Local Authorities' Housing Role" (Note accompanying the 1990 Housing Investment Programme Round)

DoE (1990b), "Land Use Planning and the Provision of Affordable Housing". (Paper presented to seminar on affordable housing, SAUS, University of Bristol, 31 May 1990)

House Builders Federation (HBF) (1990a), *Partnership and the '89 Local Government and Housing Act*

HBF (1990b), *Safeguarding Rural Social Housing Through Section 52 Agreements*

HBF (1989), *Meeting Community Housing Need: The New Challenge*

National Agricultural Centre Rural Trust (1989), *A Practical Guide to Providing Affordable Village Housing*

National Federation of Housing Associations (1990), *Towards 2000: the Housing Association Agenda*

9. CONCLUSIONS

- 9.1 This report has ranged over a very wide canvas. It has shown that, all over the country, in urban and rural areas, district councils are grappling with great difficulty with the problem of how to directly provide, or enable other agencies to provide, much-needed new social housing. For councils which have been active in this area, most or all of the contents of this report will be very familiar; for others which are developing enabling strategies at the moment, it is hoped that the report will point the way to some of the options which have been tried and some ideas and proposals for the future.
- 9.2 The Bibliography at the end of the report contains a number of references to valuable guides and manuals which districts may find very useful in developing their affordable housing strategies; particular attention is drawn to ACRE (1990); ACRE and RDC (1990); Clark, D (1990b); HBF (1990a); HBF (1990b); and NACRT (1989). These provide detailed, practical help rather than merely analyses of the problem.
- 9.3 The report makes no recommendations about the key issues discussed in Chapters 7 and 8, such as cross-subsidy, additionality, a new Use Class for social housing, and social housing quotas in Local Plans, but merely rehearses the arguments for and against these approaches to the problem of providing affordable housing. It is for the Assembly to advise, and for the Planning and Housing Committees to make decisions, on these matters.

- New Homes Environmental Group (1989), *More Homes and A Better Environment*
- Niner, P (1989), *Housing Needs in the 1990s* (for the National Housing Forum)
- Tai Cymru (1990a), *The Demand for Social Housing in Rural Wales*
- Tai Cymru (1990b), *Housing Aspirations of Young People in Rural Wales*
- Wilcox, S (1989), *The Need for Social Rented Housing in England in the 1990s*

Circular



HC34/90

September 1990

Published to: Registered housing associations which undertake Housing for Sale projects, panel solicitors and local authorities in England.

149 Tottenham Court Road
London W1P 0BN
Tel: 071 387 9466
Fax: 071 383 4022

Shared Ownership in Rural Areas Housing Association Repurchase Scheme

Summary: Gives details of the introduction of the Housing Association Repurchase Scheme for Shared Ownership in Rural Areas.

Subject Code: 0/PRC.HO

1. Introduction

- 1.1 This Circular introduces a scheme to enable housing associations to retain as low cost housing, for the benefit of local people on low or modest incomes, shared ownership properties which have received grant-funding from the Corporation and which are located in certain rural areas where the provision of replacement housing would otherwise be difficult.
- 1.2 The scheme will allow a registered housing association to repurchase, at full market value, the equity sold in a relevant shared ownership property, for the purpose of selling it to another local person. If necessary, the association may, with the benefit of HAG, reduce the level of equity to be sold, to the level purchased initially by the previous shared owner. Also, in appropriate cases, the Corporation will be prepared to consider making additional HAG available so that the new purchaser can acquire an even lower initial share of equity.
- 1.3 Shared owners will still retain the right to progress to full ownership. The only restriction is an obligation on the shared owners to offer the dwelling back to the association when proposing to sell.
- 1.4 When a scheme is first accepted into the repurchase scheme at project approval stage (paragraph 6.2 refers) the Corporation will confirm that sufficient funds will be made available to the association, if and when it subsequently exercises its option to repurchase any of the properties. The Corporation will make funds available for these repurchases will be from its Approved Development Programme, which will be in addition to the amounts set aside within the Approved Development Programme for the rural housing schemes for rent and housing for sale.

2. Properties eligible for the Scheme

2.1 Eligibility for these repurchase arrangements is limited to properties in new housing association shared ownership schemes which meet all the following criteria:

- a) They are being developed as part of the Corporation's Approved Development Programme;
- b) They are in qualifying rural localities (see paragraph 2.2. below);

and

- c) i) Project approval has been given on or after 1st April 1990;

or

- ii) Project approval was given prior to 1st April 1990, but the shared ownership leases will not be granted until after the date of this Circular.

2.2 A qualifying locality is defined as:-

- a) A site in a rural settlement with a population of less than 1,000. The Corporation will also be prepared to consider on their merits a limited number of sites in slightly larger settlements;

or

- b) Any rural site which has received planning permission for the development of low-cost housing for local needs,

or

- c) Any rural site supplied by a private landowner at below market value on condition that it is used for low-cost housing.

3. Assignment or Repurchase

3.1 If, when an eligible property is offered back to an association, a local person, who meets the association's sales criteria, is able to afford the market value of the equity being offered for sale, the association may nominate that buyer for a simple assignment of the shared ownership lease. In such circumstances no equity repurchase is involved and no grant is required. Where the market value of the equity being sold is beyond the ability of a local qualifying resident to acquire, then the repurchase funding arrangements will apply.

4. The Repurchase Scheme

4.1 On legal advice it has been decided to introduce option to purchase arrangements for this scheme.

- 4.2 An association's option to repurchase will be achieved by inserting an appropriate clause in the shared ownership lease. A similar clause will be included in the form of transfer which is annexed to the shared ownership lease when an occupier progresses to full ownership. The draft clauses are in Appendix 1 to this Circular.
- 4.3 The draft clauses require the shared owner to serve notice on the association when he or she intends to sell the property.
- 4.4 If the association does not confirm its intention to exercise its option to purchase within six weeks of receiving the shared owner's notice that the dwelling is for sale, then the shared owner will be free to sell on the open market.

5. Funding a Repurchase

- 5.1 When the association decides to repurchase a dwelling it will obtain an estimate of the current open market value from an independent qualified valuer, if possible the same valuer who valued the dwelling at initial sale.
- 5.2 The price to be paid for the dwelling will be the full market value where the freehold or full lease is being acquired or the proportion of the full market value equivalent to the shared owner's current equity stake in the property.
- 5.3 The association will then offer a shared ownership lease to a qualifying local resident. The level of equity to be purchased by the new shared owner will normally be the same as that initially purchased by the previous shared owner, but in appropriate cases additional grant may be provided (at the discretion of the Corporation) to enable a lower level of equity to be acquired. If a new shared owner is able to afford a larger equity stake than that originally purchased by the previous shared owner, that will also be possible. The premium paid for the new shared ownership lease will be the proportion of the market value equivalent to the equity stake being purchased by the incoming shared owner.
- 5.4 The total eligible costs for repurchase grant purposes will be calculated by adding to the price of the repurchased equity the same percentage on-cost as applies to DIYSO purchases (see Circular HC14/90 Appendix 6), and then deducting from the result the premium paid by the new shared owner.
- 5.5 The amount of HAG payable on a repurchase transaction will be calculated by applying the current mixed-funded shared ownership grant rate to the total eligible costs, calculated as above, and then deducting from the result the amount of any surpluses made by the association in respect of previous staircasing sales for that particular property.
- 5.6 The association will need to cover the balance of the cost of repurchase by a private long-term loan.
- 5.7 An example of how the funding arrangements will apply is given at Appendix 2.

6. Applications for Project Approval and Grant for the Repurchase

- 6.1 An association will need to apply for a scheme to be included in the rural repurchase arrangements when the scheme is first submitted at project approval stage. The association should certify that the model option to purchase clauses at Appendix 1 of this circular will be incorporated in the leases to be granted. This will enable the Corporation to identify possible future commitments.
- 6.2 When a scheme is first accepted into the rural repurchase scheme at project approval stage, the Corporation will issue the association with a site specific assurance that the repurchase arrangements will apply, if required, when the shared owners wish to sell any of the properties.
- 6.3 Schemes in a qualifying locality which have received Project Approval prior to the date of this Circular will also be included in the repurchase arrangements where the following conditions are met:
- a) The association has not granted any shared ownership leases in the scheme.
- and
- b) The association notifies the Corporation's Regional Office by 1st November 1990 of those schemes already approved, where it is proposed to include the option to purchase Clauses in the leases.
7. Any enquiries regarding this Circular should be addressed to the Corporation's Regional Office. Enquiries regarding the detail of the clauses should be addressed to the Equity Section at the Housing Corporation's Headquarters.

EXAMPLE 1

A scheme of 10 units built on privately owned unallocated land at the edge of a village

10 dwellings for rent

- a) At rents of £50 per week (£40 after allowing for management and maintenance)
- b) At rents of £40 per week (£30 after allowing for management and maintenance)

Construction cost	£400,000		Notes
Land value	£ 15,000		(1)
TOTAL	£415,000		
	a)	b)	
Development cost	£415,000	£415,000	
Loan supported by net rental income	£250,000	£187,500	(2)
Additional subsidy required	£165,000	£227,500	(3)
% of total scheme costs	40%	55%	

(1) 10 dwellings per acre. Land valued at £15,000 per acre.

(2) Net rental income

a) $(£40 \times 52 \times 10)$ £20,800

b) $(£30 \times 52 \times 10)$ £15,600

Assuming low start finance available at Year 1 cost of £80 per £1,000.

(3) From either the local authority or the housing corporation

(Reproduced by kind permission of ACRE)

EXAMPLE 2

The same scheme with a mix of rent and shared ownership

5 dwellings for rent at £50 per week

5 dwellings for shared ownership (76% share)

Market value of shared-ownership dwellings	£76,000	
Net monthly cost of conventional mortgage on shared-ownership properties (£76,000 x 76% = £58,000)	£ 650	(1)
Minimum annual income required	£23,250	
Construction cost	£400,000	
Land value	£ 15,000	(2)
Total	£415,000	
Development cost	£415,000	
Less sale proceeds (£58,000 x 5)	£290,000	

	£125,000	
Loan supported by net rental income	£125,000	(3)
Additional subsidy required	nil	

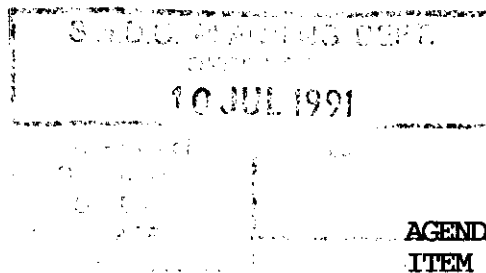
(1) Assuming mortgage rate of 15%, 30 year term and allowing for tax relief at the basic rate on the first £30,000 of the loan

(2) 10 dwellings per acre. Land valued at £15,000 per acre.

(3) Net rental income
(£40 x 52 x 5) = £10,400

Assumes low start finance available at Yr 1 cost of £50 per £1,000.

(Reproduced by kind permission of ACRE)



SOUTH HOLLAND DISTRICT COUNCIL

REPORT TO: HOUSING SERVICES COMMITTEE - 17TH JULY 1991

BY: CHIEF HOUSING OFFICER.

SUBJECT: AFFORDABLE HOUSING - THE ENABLING ROLE OF THE DISTRICT COUNCIL

PURPOSE: to determine the Council's enabling policy.

1.0 INTRODUCTION

- 1.1 The purpose of this report is to determine the role of the District Council in the provision of affordable housing in South Holland. The report will cover the following areas: detail the need for affordable housing, outline central government policy in housing and its implications for local authorities, distinguish the Council's enabling and strategic roles, identify solutions to the shortage of affordable housing and provide a framework for a three year housing strategy in the district.
- 1.2 The enabling role involves the Council not only as a housing authority but also through use of the planning system. A comprehensive enabling policy will need to cover both of these aspects of the Council's activity and this is reflected in this report. However with regard to the planning aspects the policy will need to be adopted jointly by the Housing Services and Planning Committees.

SECTION A

2.0 THE NEED FOR SOCIAL HOUSING

- 2.1 Social housing or affordable housing may be broadly defined as housing which falls outside of housing which is available at market sale levels. As such it covers low-cost home ownership schemes, such as shared ownership, or social rented housing.
- 2.2 Although there has been much written and spoken about affordable housing there is no precise definition of what is affordable. However the best recognised study of this area is the research work of Dr. Glen Bramley particularly the publication 'Bridging the Affordability Gap' commissioned jointly by the ADC and the National House Builders Federation (HBF). The report looked at the total demand for social housing and asked the question, 'What types of social housing should we be providing in order to meet that need?'. The report has recently been updated taking account of consumer costs and incomes at June 1990 - 'Bridging the Affordability Gap in 1990'.
- 2.3 The focus of the research is on new households under 30 who are coming onto the housing market for the first time. It does not address the housing needs of those requiring specialist accommodation, such as elderly people or of older households, such as divorcees, who may have difficulty in competing in the sale housing market.

2.4 The report looks at the cost of new and secondhand housing for sale and of new housing for rent, shared ownership and low cost sale. Consumer costs of different sizes of property are then compared with housing requirements of potential occupants. From this comparison it is possible to draw a picture of potential demand if all of these housing options were available. The report makes the following assumptions about affordability:

- * renters - 33% (max) net income on housing
- * shared owners - 38% (max) net income on housing
- * low cost sale/market sale - between 30%-50% of income on housing.

2.5 The research indicated that nationally 61% of all new households under 30 years were able to afford some form of home ownership if shared ownership were to be taken into account. However 32% of new households required rented housing. Household type was a critical factor in determining affordability (see Figure 1). Regional variation was also apparent (see Figure 2), but local variation in affordability showed greater significance (see Figure 3).

- 2.6 Bramley's study also measured the gap between supply and demand of social housing and concluded that between 75,000 and 115,000 new homes would be required per annum for the foreseeable future. An Institute of Housing study 'The Need for Social Rented Housing in England in the 1990s' also identified the need at 100,000 new homes per annum.

Taking rural areas of England alone the estimated need for new social housing units over the next five years is between 23,000 and 37,000 per annum (estimates by Action for Communities in Rural England (ACRE) for the Rural Development Commission).

3.0 MEETING THE NEED

- 3.1 The last decade has seen a sharp decline in the provision of new social rented housing. Central government housing policy has focused on owner/occupation and this sector of housing tenure has increased from 56.5% in 1981 to 66.2% in 1989.

The right to buy, restriction on the reinvestment of capital receipts and increasing emphasis on housing association replacing local authorities as the main providers of social rented housing have all combined to reduce local authority building from 37,000 dwellings in 1981 to 14,000 in 1989. Public expenditure on housing has fallen from £4.5 billion in 1980/81 to £1.4 billion in 1991/92 (constant at 1980/81 prices).

- 3.2 The Government does not accept that there is a need for 100,000 new homes each year. The DoE paper 'The Local Authorities' Housing Role (1990) identified alternative solutions to 'apparent shortages': better use of the existing stock, for example minimising voids, reducing under-occupation; cash-incentive schemes to enable tenants to buy in the private sector; encouragement of the private sector; and voluntary transfer.
- 3.3 Increased resources are being put into housing associations through Government investment in the Housing Corporation. However this is likely to produce only about 30,000 new homes per year - a third of the need identified by the ADC and others.

- 3.4 Given central Government policy it is unlikely that there will be major investment in housing through local authorities at least in the immediately foreseeable future. Thus, any impetus local authorities may give towards meeting housing needs in their districts relies upon their enabling role.

4.0 THE ENABLING ROLE

- 4.1 Government policy is to encourage district council housing authorities to reduce their new provision and stock management role, and to develop instead their enabling role. The distinction may be drawn between the enabling role and the strategic role of the local authority, although the two are closely related.

- 4.2 The strategic role involves the district council taking an overall, corporate view of:

- i) the housing needs of the community and
- ii) the resources available, and required to meet that need - land, capital, revenue, skills, other council services, and services outside of the local authority.

The district council, as the statutory housing authority, is the only body able to provide a detailed assessment of housing needs. As a planning authority the strategic housing role comes to the fore in the district or local plan.

- 4.3 As part of its strategic role the district council acts as a catalyst and orchestrator of the contribution of various agencies in meeting the needs of the district. These agencies include the county council and parish councils, other public agencies and departments, housing associations, voluntary organisations, developers and builders.

- 4.4 The enabling role is the direct provision of help to these agencies - particularly housing associations and builder/developers within the overall housing strategic plan drawn up by the district council. This help may be divided into three main categories:

- the provision of land at less than market value
- the provision of capital and/or revenue financial aid
- the use of the planning system to achieve housing objectives.

- 4.5 The Council's strategic and enabling role should find in its expression in the annual Housing Strategy Statement which accompanies the Housing Investment Programme. Traditionally the statement has not been used for this purpose but has reflected the needs of the Council's own stock. In the future such statements are likely to take a broader brush approach involving the housing association, voluntary and private sectors operating in the district. Both the DoE and Housing Corporation are increasingly likely to make allocations on the basis on a locally co-ordinated strategy.

5.0 ENABLING THROUGH FINANCE AND LAND

- 5.1 The Local Government Act 1988 Part III enables local authorities to financially assist private sector, including housing association,

developments. The assistance may be by way of grants and loans to private rented and shared ownership housing.

- 5.2 With regard to grants for rented housing approval must be gained from the Secretary of State. The maximum assistance allowed to rental schemes varies by district council group and by type of scheme, and is equal to the Housing Association Grant (HAG) level for that district as set by the Housing Corporation.
- 5.3 Assistance to shared ownership schemes does not require specific approval from the Secretary of State nor are they subject to any maximum limit of local authority assistance.
- 5.4 A grant of finance made by a local authority, counts as 'prescribed expenditure' for the purposes of the capital control system and is therefore deducted from the local authority's total credit approval. However if the grant is made to a housing association, known as local authority sponsored HAG, the actual money spent is reimbursed to the local authority by the DoE through the Housing Corporation. Unlike HAG paid directly to housing associations by the Corporation these monies are not cash-limited. The local authority's initiative is automatically funded although, of course, its borrowing powers are constrained by the equivalent amount. However if the scheme included the sale of local authority land it would produce a usable capital receipt in respect of the land. Reimbursement of the HAG payment does not constitute a usable capital receipt.
- 5.5 Local authorities have general consent to sell housing land or dwellings at best consideration i.e. unfettered market value. However to sell at less than value, specific consent of the Secretary of State is required under Housing Act 1985 S.32. Local authorities also have general consent to sell vacant dwellings (new or existing) to first time buyers and other priority groups at a discount of up to 30% of market value. The same applies to shared ownership.
- 5.6 A district council is also allowed to spend up to £1 per head of population per annum from its General Fund - either in the form of a one-off capital grant, or a revenue grant - to support the provision of private rented housing.
- 5.7 Of these enabling methods land disposal at less than best consideration has been favoured in the past by local authorities since it did not incur any financial penalty within the capital control system which applied before 1990. This position was altered by the capital control system introduced under the Local Government & Housing Act 1989 which required local authorities to set-aside from usable capital receipts or revenue an amount equivalent to 50% (75% in the case of houses) of this value of land which it had disposed of for a non-monetary consideration. However, regulations make certain exceptions to this set-aside rule where the non-monetary consideration is nomination rights or an obligation to restrict occupation of dwellings to certain categories of persons.

However in the case of building for sale or building under licence, set-aside is required on the net value of the receipt after expenditure has been set against sale proceeds.

6.0 ENABLING THROUGH THE USE OF THE PLANNING SYSTEM

- 6.1 One of the key functions of the planning system is to provide an

adequate and continuous supply of land for housing development. Land costs normally represent between 25%-50% overall development costs. Reduced land costs will:

- save on public subsidy to housing associations
- produce cheaper housing costs for tenants or shared owners
- enable development to take place, in some cases, even if no Housing Corporation funding is available.

- 6.2 The potential for using planning powers for social housing has to be set against the framework of current government thinking. In the past few years more emphasis has been placed on the use of planning policy in this way in respect of providing an adequate supply of rural housing. This approach has now received formal endorsement from the DoE in Circular 7/91 'Planning & Affordable Housing'.
- 6.3 Circular 7/91 endorses the concept that a community's need for affordable housing is a material planning consideration which may be properly taken into account in formulating local plan policies. However the precise amount of social housing must be freely negotiated between the developer and the local authority on a site-by-site basis. The DoE will not support the inclusion of fixed quotas for social housing on land allocated for general needs housing in local plans. The voluntary agreement between the Council and the developers may be secured through the use of S.106 Agreements under the Town & Country Planning Act 1990 (formerly S.52 Agreements under the 1971 Act).
- 6.4 The circular also endorses the principle of the use of the exceptions policy in rural areas. The allocation of land for general needs housing will generally inflate its development value. In many areas, it is difficult for housing associations to produce affordable housing on general needs housing land. However by granting exceptional planning permission on sites which have not been allocated for general needs housing local authorities can help housing associations to buy land which is less expensive.
- 6.5 The use of exceptions policies are restricted to rural areas. These include settlements with a population of 1000 and under, and may include settlements with a population of up to 3000.
- 6.6 The whole essence of this concept is cheap land - the reason why the land can be obtained cheaper under the exceptions policy is because the planning permission is exceptional i.e. the landowner has no chance - and, just as important, believes he has no chance - of getting planning permission for open market housing or speculative development.
- 6.7 Equally important the land released must be to meet local need. Therefore, where land is granted permission under the exceptions policy the local authority must specify that the development must produce low cost housing for local people. The development may be for outright owner-occupation, shared ownership or housing for rent. It will be for the local authority to judge whether there is a local need, the use of a local needs survey may be the appropriate means. It is also important that the development continues to meet local

needs after the initial occupiers have left. This may be achieved by:

- the involvement of a village trust or housing association with a local lettings policy
- restrictive covenants imposed by the vendor which are designed to give priority to local people
- the use of S.106 Agreements.

- 6.8 The ability of authorities to ensure that shared ownership schemes remained available for local people has in the past been constrained by the fact that legally if public subsidy (including local authority discounted land) was used to help to provide a shared ownership scheme, the lessees were entitled to increase their equity stake i.e. 'staircase' up to full ownership. Circular 7/91 has removed this constraint in settlements of less than 3000 population. Here the Secretary of State will not withhold his consent to the disposal of local authority land solely on account of an intention to restrict staircasing, provided the limit is not less than 80%.
- 6.9 Cheap land, released through an exceptions policy, may not be sufficient subsidy to produce affordable housing, particularly rented housing. There has been an on-going debate about the merits of allowing market sale housing to cross-subsidise social rented housing. Proponents, including ACRE and the House Builders Federation, accept that a number of conditions should apply including that sale housing should be permitted to the extent that it is necessary to subsidise social housing and also that no 'windfall' profits will be received by either the developer or the landowner. The argument against cross-subsidy in this way is that the whole purpose of the exceptions policy is to allow the development of social housing for local proven need on land which would not be allocated for speculative market sale housing. This view is endorsed by the DoE in Circular 7/91 which states that the effect of cross-subsidy could be to generate hope value among land owners, dry up the supply of land for purely low-cost housing and confuse local perceptions of the purpose of the initiative.
- 6.10 Whilst the exceptions policy is to be welcomed, it is confined to rural areas and is unlikely to produce the required amount of social housing. Some organisations have suggested the introduction of a new 'social use class' for housing which would allow authorities to earmark a proportion of the land they allocate for housing development to meet the needs of those unable to afford housing on the open market. This approach has not been endorsed by the DoE who do not support the proposal on the basis that there could be no objective criteria for determining the use of particular pieces of land.

7.0 SUMMARY

Section A provides an overview of the powers available to local authorities in their enabling role. The report draws heavily on the ADC paper on this subject. Section B proposes an enabling policy and role for South Holland.

SECTION B

THE ENABLING ROLE IN SOUTH HOLLAND

8.0 SOCIAL HOUSING PROVISION IN SOUTH HOLLAND

- 8.1 The problems of social housing provision identified in Section A of this report are readily apparent in South Holland. Indeed it was the early recognition of these factors and the restricted ability of the Council to provide solutions which led the Council to pursue the voluntary transfer option.
- 8.2 Glen Bramley's report 'Bridging the Affordability Gap in 1990' provides a guide to the housing need in individual districts based on the level of house prices relative to incomes in those areas. The figures for South Holland are given below:

Median Income £pw	% of under-30 yrs households able to afford		
	Buy 2nd hand	Shared Ownership	Rent Only
248.60	56.5	73.3	26.7

Note: Based on cheaper secondhand prices (buy) or modern secondhand prices (shared ownership) for 1990.

- 8.3 The tenants' vote to remain with the Council may be viewed as a vote of confidence in their landlord but the problem remains about the supply of social housing in the district. Transfer would have enabled a major programme of housebuilding in the district. This opportunity has gone but the Council still has an important role to play in influencing how investment in housing is made in the district as well as providing direct assistance. This section of the report suggests the means by which this may be achieved.

9.0 THE STRATEGIC ROLE

- 9.1 As explained earlier a distinction needs to be drawn between the Council's strategic role whereby it acts as a means of bringing together the various bodies and organisations which are concerned with meeting housing need and the enabling role which is concerned with providing direct assistance to enable others to provide housing.
- 9.2 It is important that whilst the Council should respond to initiatives on housing it should ensure that it gives direction to meeting housing needs in the district. Without a clear sense of corporate direction about its housing policy, the Council is open to various organisations and bodies seeking support for their own proposals and expecting that support to be given without question of whether it meets the greatest or most appropriate need, or whether it is at an affordable price, or whether it meets with the Council's planning policies. This is likely to lead to confusion, false hope and fruitless effort. If the Council can set the framework through its housing and planning policies, resources can be better targeted to meeting need and be capable of implementation. This will primarily be the function of the Council's District Plan and its Housing Strategy Statement.
- 9.3 The Council does have an important advisory role in assisting those organisations involved in housing in terms of providing information.

It is recommended that, following review of the allocations policy, questions are incorporated in the housing application form to determine more exactly the type of housing need. For instance household type, income, ability to resolve housing need through purchase, shared ownership and rented housing are all types of information which would contribute to forming a more comprehensive assessment of need in the district not only for the Council but also for housing associations and developers.

- 9.4 Finally in determining its housing and planning for housing policies the Council may wish to form a housing forum comprising local authorities, housing associations, developers and other interested parties to discuss housing needs in the district. This concept requires consideration of the detail if the Committee wish to pursue it.

10.0 UTILISATION OF THE HOUSING STOCK

- 10.1 The DoE advocate various measures to better utilise the housing stock to meet housing need. The prime measure of voluntary transfer has been pursued unsuccessfully. Other measures include encouragement of Tenants Choice transfer, reducing under-occupation, reducing turnaround times on reletting and cash incentive schemes to assist tenants to purchase a property in the private sector.
- 10.2 Turnaround times on reletting are already low - voids at 1 April 1990 were 0.82% as compared with 1.85% in the East Midlands generally.
- 10.3 There is no indication that tenants are turning to Tenants' Choice. The Council's view on this matter is that it would accept the verdict of the majority as expressed through the voluntary transfer vote. On this basis Tenants' Choice is not an option I would expect to be encouraged.
- 10.4 The release of under-occupied Council houses is encouraged through the award of additional points to Council tenants through the allocations policy. However the real problem is the lack of ability to offer suitable smaller alternative accommodation to tenants who wish to move. For this reason it is often advantageous to encourage the building of bungalows rather than houses in order to release family-sized houses for younger applicants.
- 10.5 The Council has not considered whether to introduce cash-incentive schemes to assist tenants to purchase a property in the private sector. The basic principle behind such a scheme, also known as portable discount, is that a tenant is given a cash grant to help them obtain other accommodation thereby releasing a rented house. Schemes are locally determined but must receive the consent of the Secretary of State. The scheme requires some testing of means, and needs to be related to local house prices. The scheme has to be funded out of the Council's own financial resources. To give an indication of likely levels of expenditure involved the scheme operated by South Kesteven District Council provides a sliding discount of between £5,000 - £8,000 based on a minimum two year tenancy and a maximum purchase price of £8,000. The budget allowed for 1990/91 was £500,000 but I understand that it has been reduced to £200,000 for the current year.

The objective of portable discount schemes is to release rented housing which would not otherwise become available, primarily to assist homeless families. The scheme particularly has merit if linked to low-cost home ownership initiatives.

11.0 ENABLING THROUGH LAND AND FINANCE

- 11.1 The Council has assisted individual housing association schemes through the provision of land at less than market value. The Housing Corporation has asked that the Council prepare a three year strategy for housing association investment on a likely level of investment of £800,000 grant per year. Any finance and/or land the Council is able to add will add to these resources. This grant is not made to the Council but direct to housing associations bidding for allocation to schemes in the district.
- 11.2 Housing Associations are able to provide affordable housing of various tenure with the assistance of public subsidy paid through the Housing Corporation. The remainder of the finance generally comes from private sector loan. The grant varies according to the type of housing but in South Holland it is approximately 60% for a one bedroom bungalow and the same rate for a family house. This means that £800,000 could provide in the range of 20-30 dwellings per year.
- 11.3 Housing Associations do not need to have local authority support to bid for funds although the Corporation will expect them to have consulted the Council about schemes. It is important that the Council play its enabling role to the full in prioritising housing association bids if central government funds are to be targeted to meeting the needs of South Holland. The Council receives 50% nomination rights over each scheme.
- 11.4 If the Council is able to provide land at less than value the Housing Association Grant will go further enabling more homes to be built. For instance at Gosberton five bungalows will be built rather than four.
- 11.5 The Council could also consider contributing finance to housing associations through local authority sponsored HAG as outlined in Paragraph 5.4. In essence the Council uses part of its borrowing powers or Basic Credit Approval to pay HAG direct to a housing association scheme and is immediately reimbursed by the Housing Corporation. The Council has the opportunity to do so from the reserve of £581,000 it set aside for the enabling role in the current year's reserves. Approximately £400,000 originates from the Council's decision to repay loan debt at the minimum level. An amount equivalent to this sum could be earmarked within the Council's Basic Credit Approval for Local Authority HAG from 1992/93. This would mean that the Council's ability to borrow for the purpose of capital schemes such as modernisation and central heating would be reduced by £400,000 (unless the DoE increased the BCA to take account of the Council's positive enabling role - it has been indicated that this is a possibility).

The advantages to this proposal are severalfold:

- new homes are provided
- the Council is reimbursed

- the Council's capital programme is maintained without an increase in the Housing Revenue Account budget and an associated rent increase
- local authority HAG is automatically paid thus leaving the Council in control of a development programme.

11.6 It is of course possible for the Council to use the remainder of its reserve for HAG but to do so year-on-year will lead to a rent increase after the initial year.

11.7 Land at less than value combined with Corporation HAG and local authority HAG at, say, £400,000 could mean an annual building programme of approximately 50-60 dwellings. This is an indicative figure - actual numbers would depend on dwelling type, land values and building costs.

12.0 TARGETING RESOURCES

12.1 The demand for social housing in the district varies in proportion to the size of the town or village with Spalding showing the highest demand. A distinction should be drawn between need and demand. Anyone with a local connection may register on the Council's waiting list for housing - they may be satisfactorily housed and therefore have little need of housing. In reviewing the allocations policy it may be possible to incorporate some distinguishing factor between need and demand but in the meantime the best indication is that the highest level of need is likely to coincide with the highest registered demand. From this perspective, it is my belief that housing resources should be targeted towards areas demonstrating the highest demand.

12.2 Additionally in accordance with the Council's allocations policy it is important that social housing is open to anyone in the district according to their points entitlement with restricted allocations policies being endorsed only where they meet recognised defined special needs, for example rural schemes, hostel schemes, frail elderly developments. I believe that the Council should support only those bids for public finance which fall in with the Council's assessment of need through its allocations policy, unless they fall into a special need recognised by the Housing Corporation and for which there is substantiated housing need.

12.3 In areas of greatest demand I believe that the Council should reserve its land primarily for housing association schemes to rent. Contribution of land at less than value permits the use of 100% of the value of the land to subsidise affordable housing - a capital receipt means that only 50% may be reinvested in housing. Where demand is lower the case for social housing development or outright sale will depend on local circumstances - the best solution may be low-cost or shared ownership schemes producing both a capital receipt and social housing. A shared ownership scheme, with a private developer, embracing restrictive covenants about resale to purchasers nominated by the Council will help to maintain the value of this form of tenure to subsequent purchasers.

12.4 The Council also has to decide with which association(s) it wishes to work. The report 'Housing Needs in Lincolnshire' identifies 16 housing associations or trusts operating in the County. However only

three associations - Longhurst, Lincolnshire Rural and, to a lesser extent, LACE - work on a County-wide basis. Nene Housing has a strong base in South Kesteven. Historically housing association activity in South Holland has until recently been virtually non-existent. Recent developments have been carried out by Longhurst and Lincolnshire Rural. The Council has also supported bids by Nene Housing Society and the St. Matthews Society. Larger associations see considerable development opportunity in the County and are likely to look to expand their areas of operations.

12.5 In my view it is preferable and less wasteful in terms of resources to work with associations which have a local base and knowledge. This view has recently been expounded by the Institute of Housing. Longhurst in particular are recognised as the Lincolnshire association and have been at the forefront of lobbying the Corporation to bring more resources into the County. They have the advantage of being a tariff association which means that the Corporation allocates resources for a three year programme rather than through the more usual annual bidding cycle, although they may still take advantage of this cycle. They have indicated that the Council could have a representative on their management committee. They have also indicated that they are willing to employ the Council, on a fee-earning basis, as design consultants on schemes in the district. Current resources would be stretched to carry out this service but it may be worthy of consideration at a later date. A leaflet on Longhurst's activities is attached.

12.6 Lincolnshire Rural Housing Association are specialists in meeting rural housing need and are suited to managing smaller village developments. Longhurst are currently acting as development agents for Lincolnshire Rural on a number of sites, including Gedney. A leaflet on Lincolnshire Rural is attached.

13.0 PROPOSED SOCIAL HOUSING STRATEGY

13.1 These proposals are based on the assumption that there will be £800,000 per year investment of Housing Association Grant paid directly from the Corporation to associations sponsored by the Council backed up by an annual investment of £400,000 local authority HAG, together with land at less than value. The strategy is for a three year period with development commencing from 1st April 1992.

13.2 It is proposed that the £800,000 HAG and land at less than value be prioritised to the phased development of rented and shared ownership housing at the Royce Road Estate, Spalding, approximately 70 dwellings, on the grounds that this meets greatest housing need in the district and fulfils the objectives of the Royce Road Estate scheme. It is recommended that the scheme is worked up through Longhurst's tariff programme.

13.3 It is further proposed that the £400,000 local authority HAG and land at less than value will be used to develop social housing in the following areas, in descending order of priority:

Spring Gardens, Long Sutton (c. 28 dwellings)
Cloot Drove, Crowland (16-22 dwellings)
Arthurs Avenue, Holbeach (c. 8 dwellings).

- 13.4 Outside of these priorities bids for rural housing are supported, and advantage taken of any Special Credit Approvals available in the respect. Potential schemes at Whaplode and Sutton Bridge have previously been identified. Also, subject to being satisfied to scheme details, the St. Matthews Society hostel project continues to be supported.
- 13.5 Bids which do not meet the Council's housing strategy or its allocations policy be not supported regardless of whether the Council has financial input.
- 13.6 Development briefs be drawn up in respect of the land identified above and £10,000 be set-aside from the reserve fund to finance soil tests, tree surveys and the like.
- 13.7 The Council pursue a policy of land assembly for its enabling role (Clout Drove is a test case for this policy).
- 13.8 In its priority areas for investment the Council commits itself to work in partnership with Longhurst Housing Association. At the Royce Road Estate this would be in conjunction with the Nene Housing Society. With regard to rural bids the Council indicates a preference to work with Lincolnshire Rural Housing Association.
- 13.9 Longhurst Housing Association be asked to provide a place for a Council representative on its committee of management.
- 13.10 At a later date the Council consider the feasibility of acting as design consultants for Longhurst.
- 13.11 If the Committee agrees with these proposals development briefs in respect of the Royce Road Estate and Spring Gardens will be brought back to the September meeting of the Committee.
- 13.12 Once the initial housing association schemes are underway low cost home ownership initiatives including shared ownership be pursued on land in areas of lesser demand based on the objective of maintaining the low-cost element after the initial purchase. (In the present market conditions these projects are unlikely to be viable).
- 13.13 The introduction of a Tenants Incentive Scheme be considered further in conjunction with low cost home ownership initiatives on Council-owned land.
- 13.14 A further report be brought back to the Committee on the formation of a local housing forum.
- 13.15 Following review of the allocations policy questions on housing need and affordability be incorporated in housing application forms.
- 13.16 The strategy be subject to rolling review in the light of central government housing policies.
- 14.0 ENABLING THROUGH PLANNING POLICY
- 14.1 The recently issued government circular 'Planning and Affordable Housing' marks a watershed in permitting the local need for affordable housing to be a material consideration in planning policies. As detailed in Para. 6.3 there are two areas the circular covers:

- the need for affordable housing being a material consideration in formulating local plan policies;
- exceptions planning permission to meet rural housing need.

14.2 To be effective both of these areas require the Council to define local needs and the means of achieving affordable housing. Rather than go into detailed recommendations in this respect, since the enabling role is a corporate function I propose that the District Planning Officer and I should submit a joint report on the enabling role through planning to a joint meeting of the Housing Services and Planning Committees.

15.0 CONCLUSION

If the enabling role is to have real meaning the Council must be prepared to give commitment and direction through its policies and investment to provide a framework for others to provide housing to meet the needs of the district as determined by the Council. There will still be a shortage of social housing but through adopting the proposals in this report the Council will have maximised the limited resources available.

16.0 RECOMMENDATION

- 16.1 The Committee adopt a three year social housing strategy as detailed in Section 13.
- 16.2 The enabling role through planning be the subject of a report by the Chief Housing Officer and the District Planning Officer to a joint meeting of the Housing Services and Planning Committees.

Background Papers:

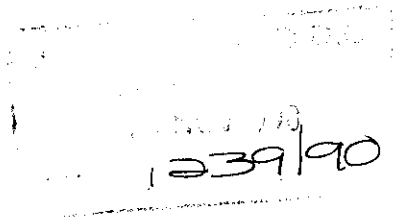
'Affordable Housing, Planning and Land: the Enabling Role of the District Council' - ADC Discussion Paper (Nov. 1990)
 'Planning & Affordable Housing' DoE Circular 7/91
 'Social Housing in the 1990s: Challenges, Choices & Change' - Institute of Housing (1990)
 'Access to Owner Occupation - Research Note' - Glen Bramley (ADC 1988)
 'Bridging the Affordability Gap in 1990' - Glen Bramley (ADC 1991)
 'Safeguarding Rural Social Housing - Through Section 52 Agreements - House Builders Federation (1990)
 'Partnership Housing & the '89 Local Government & Housing Act' - House Builders Federation (1990)
 'Local Authorities' Housing Role' - Note by DoE (1990 HIP Round)
 'Housing Needs in Lincolnshire' - Raynsford & Morris (1990)
 'Inquiry into British Housing' - Second Report June 1991.

Local Government (Access to Information) Act 1985

The Officer to whom reference should be made concerning inspection of the background papers is the Chief Housing Officer, Housing Department, Council Offices, Priory Road, Spalding, Lincs.
 Tel: Spalding (0775) 761161.

Proposed Residential Development off Damgate, Holbeach
for Kings Quality Homes

OUTLINE PLANNING APPLICATION



Report by Applicants' Planning Consultant
and Consulting Engineer

INTRODUCTION

The purpose of this report and the accompanying 1/1250 scale Land Identification Plan is to supplement the information given on the application form and the 1/2500 scale application plan. Additional supporting information, which does not form part of the application, is also submitted in the form of a Notional Layout Plan. The report and plans together provide an explanation of the proposed development in sufficient detail to show that:-

1. its acceptance would be justified notwithstanding that a major part of the application site lies outside the Interim Boundary of Development for Holbeach as approved in 1984.
2. access to the site could and would be provided to the satisfaction of the Highway Authority.
3. foul and surface water drainage could and would be provided to the satisfaction of the Council's Technical Services Officer and the South Holland Internal Drainage Board respectively.

These criteria are dealt with in turn, as follows:-

1. JUSTIFICATION FOR THE PROPOSAL

- a) The site as a logical and suitable area for development.
 - i) none of the land to which the application relates is agricultural land. It consists of a disused golf course and part of the grounds of Holbeach Manor.
 - ii) lying to the north of, and adjacent to, the site is an existing residential area to which the development now proposed would form a logical extension.
 - iii) the southern boundary of the site is defined by the line of the now dismantled railway which acts as the demarcation line between the disused golf course and the open countryside to the south (Holbeach Fen).

iii) (continued)

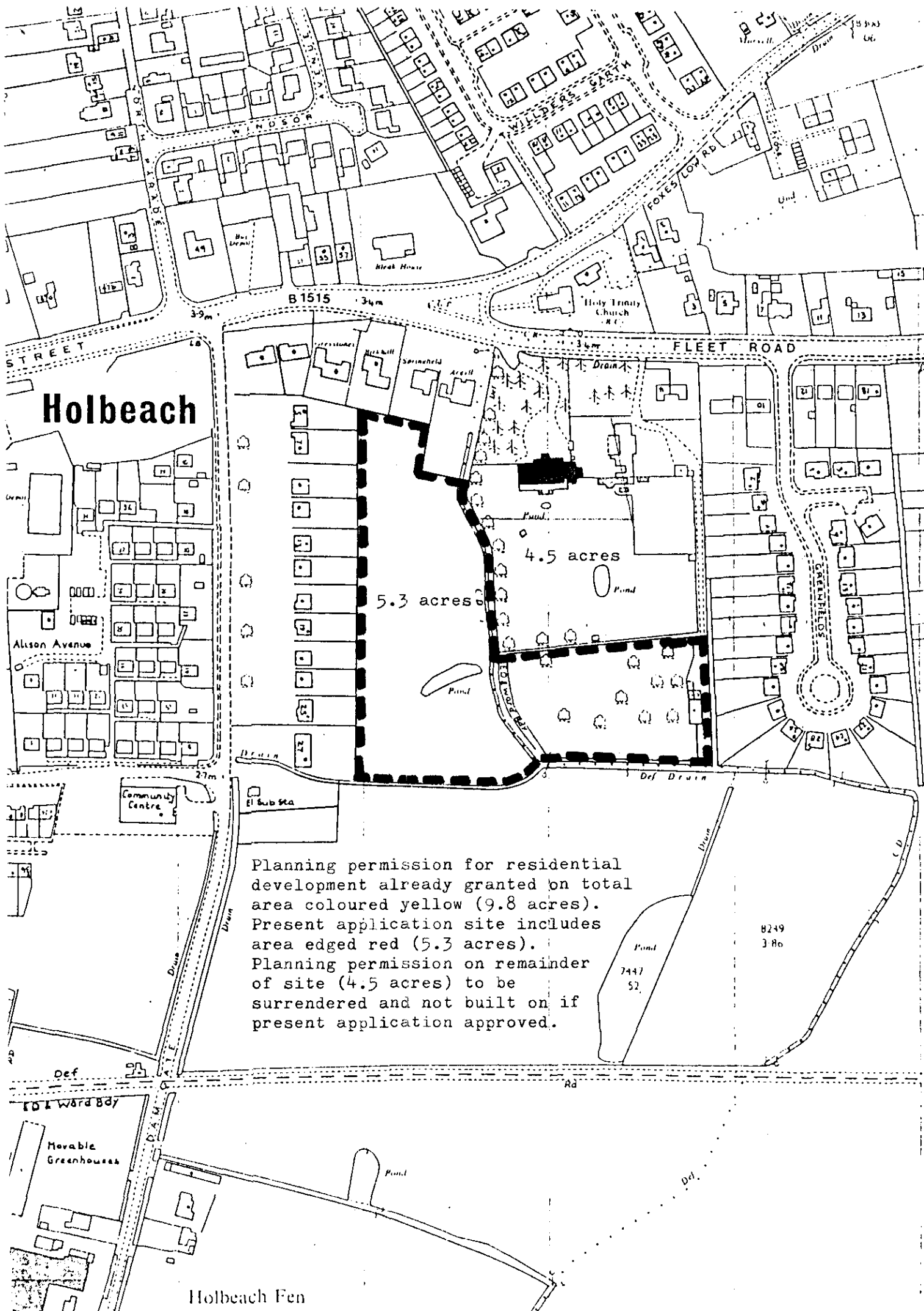
The landscape characteristics of the application site and those of the fenland are distinctly different, a difference which alone would be sufficient to render the former railway line as the place of transition between town and countryside. In addition, however, there is a substantial physical and visual barrier along the southern boundary of the former golf course in the form of a belt of closely spaced mature poplar trees which strengthens considerably the rôle of the dismantled railway as the logical limit for development in this part of the town. Furthermore, the poplars, which also extend along the Damgate frontage of the site, would provide a very real sense of enclosure for a considerable part of the development now proposed. This, combined with the planting around the proposed amenity open space at the eastern end of the site, as shown on the Notional Layout Plan, would result in the entire development being visually and physically contained within the town. In addition to this, the fact that the existing development to the west of Damgate already extends slightly beyond the former railway, means that the development now proposed would not protrude into open countryside but would constitute a logical rounding off of this part of Holbeach.

A brief inspection of the site is all that is required to appreciate the points made in the foregoing comments and to confirm the locational appropriateness of the land for the purpose now proposed.

b) Site Area

This part of the report should be read in conjunction with the plan overleaf and with the 1/1250 scale Land Identification Plan.

Although the area of the application site, excluding the proposed visibility splay at the junction of Damgate and Fleet Street, amounts to 22.6 acres, outline planning permission for the residential development of 5.3 acres of the site already exists (part of Application No. H09/0252/90).



Holbeach

Planning permission for residential development already granted on total area coloured yellow (9.8 acres). Present application site includes area edged red (5.3 acres). Planning permission on remainder of site (4.5 acres) to be surrendered and not built on if present application approved.

b) Site Area (continued)

Furthermore, the applicants also have a valid planning permission for housing development on a further 4.5 acres of adjoining land (H05/0245/90 and the remainder of H09/0252/90) which they would surrender by agreement under Section 106 of the Town and Country Planning Act 1990 subject to the present application being favourably determined.

The effect of the foregoing considerations is to reduce the amount of additional land required from 22.6 acres to 12.8 acres. Of this residual area, 6.8 acres would be taken up by the amenity open space and balancing lake at the eastern end of the site as shown on the Notional Layout Plan LEAVING A NET AREA OF ADDITIONAL RESIDENTIAL BUILDING LAND OF ONLY 6.0 ACRES.

c) Housing Mix

A range of housing accommodation comprising dwellings to let and to sell is proposed with the aim of:-

- i) helping to meet the pressing need for rented accommodation including sheltered housing for which there is an existing and growing demand.
- ii) providing a variety of houses for sale ranging from small homes to higher income group dwellings.
- iii) creating an environment for living which would be both visually and socially interesting, i.e. something rather more than a single purpose housing estate. This is reflected in the Notional Layout where care has been taken to achieve a satisfactory balance by avoiding an over-concentration of any single category of dwelling.
- iv) ensuring sufficient flexibility in the site development programme to adjust to fluctuating pressures for different kinds of accommodation. This is an essential requirement for a single developer undertaking a house building programme at a time when fluctuations in demand are occurring. Continuity of work is not only important to a developer's business interests but also to the labour force employed which in this instance would be local. It goes without saying that the latter consideration is always important but it is vitally so at a time when

iv) (continued)

private house building is at a low ebb and unemployment in the construction industry is accelerating.

The following information is submitted in respect of the categories of housing to be provided.

RENTED ACCOMMODATION - GENERAL AND SHELTERED

In paragraph 1 of Planning Policy Guidance Note 3 (PPG3) entitled Land for Housing, four major objectives of the Government's housing and planning policies are set out. These include "the encouragement of the provision of rented housing by the independent sector." This objective is elaborated upon in paragraph 3 of the Guidance Note which states:-

"The Government wishes to encourage home ownership and to bring it within the reach of as many people as possible. In the provision of rented accommodation, local authorities should increasingly see themselves as enabling others to provide the accommodation required. It is a pre-condition of effective housing policies that there should be sufficient land available in areas where people want to live. It is essential therefore that the planning system should cater effectively for the demand for land both for owner-occupation and for the independent rented sector."

In the development now proposed, the provision of rented accommodation would be made in close cooperation with the District Council's Housing Department from which details of the need for such accommodation in Holbeach has been obtained and are reproduced in ANNEX 1 of this report.

The applicants have also discussed this provision with Mrs. Sally Waltham (Chief Housing Officer), Councillor Michael Booth (Housing Committee Chairman) and Councillor Brian Fines who expressed considerable support for the inclusion of rented accommodation in the development subject to the following requirements being met:-

- an agreement under Section 106 of the Town and Country Planning Act 1990 giving long term Assured Tenancies under the Housing Act 1988.
- the maximum weekly rents to be stipulated by the Housing Department.
- the type of properties to relate to those for which there is most need.

RENTED ACCOMMODATION - GENERAL AND SHELTERED (Continued)

Particular interest was shown in the provision of sheltered accommodation for the aged and disabled as there is none available in Holbeach at the present time.

All the foregoing conditions are acceptable to the applicants who would enter into the Section 106 Agreement prior to planning permission being granted.

The degree of control which your Council would thus have over the rented accommodation would bring the provision into the category of 'low cost housing for local needs' which, as you are aware, was the subject of a News Release by the Department of the Environment in February 1989, a copy of which is reproduced as Annex 2 of this report. The significance of that policy document for the current proposal is the statement by the then Secretary of State that:-

"Local plan policies should make clear that the release of such sites to secure provision of low cost housing for local needs will be additional to the provision made in the plan for general housing demand, recognising that particular local needs may justify the release of land that would not normally be allocated to meet general housing demand."

It will be noted that the sheltered accommodation shown on the Notional Layout Plan occupies a site of some 1.7 acres within the area for which planning permission for general housing has already been granted. To compensate for this loss of approved general housing land, an equivalent area is assumed in the proposed 'housing for sale' provision lying outside the limits of the existing planning permissions. The remaining rented accommodation, which on the Notional Layout Plan is situated in the south-western corner of the application site, occupies some 2.4 acres giving a total land allocation for 'special' (rented) housing of some 4.1 acres.

HOUSING FOR SALE

One of the four major objectives of the Government's housing and planning policies as expressed in PPG3, i.e. the one relating to rented accommodation, has already been referred to. Another objective quoted in the Guidance Note is "the encouragement and extension of home ownership."

HOUSING FOR SALE (continued)

It has already been shown that out of a total site area of 22.6 acres, the net area of additional residential building land which would result from the grant of planning permission for the present proposal would be 6.0 acres. Allowing for the 4.1 acres of rented accommodation, THE AMOUNT OF ADDITIONAL LAND FOR GENERAL HOUSING, i.e. HOUSES FOR SALE, WOULD BE 1.9 (say) 2.0 ACRES.

It is assumed that this provision will be judged against the background of the recent and present housebuilding and completion rates and the number of outstanding planning permissions in the context of the recent County Structure Plan Review which allocates about 500 houses for Holbeach from the end of 1988 to the year 2001.

It is understood that the planning policy for Holbeach is currently under review and that for this purpose the following statistics have been compiled:-

- new house completions since the end of 1988	.	158
- houses at present under construction	.	91
- outstanding planning permissions	.	439
		<hr/>
	TOTAL	688
		<hr/>

These figures, of course, simply reflect the number of dwellings which theoretically could be built during the next decade if all existing permissions were to be implemented. This is by no means certain as there is no guarantee that all land which has the benefit of planning permission will in fact become available for development. For example, of the existing planning permissions in Holbeach which have not been implemented, some 220 plots are on land which may not develop for reasons of poor building ground (66 plots) and land which has now been leased and is not available for building (154 plots)

In view of the uncertainty that all existing planning permissions will be implemented and that the present application site is genuinely available for immediate development, it is considered that it would be perfectly reasonable for an additional 2.0 acres of land for general housing to be released as part of a wider scheme in which housing for sale is integrated with desperately needed rented accommodation

d) Retention of Holbeach Manor

The surrender of planning permission for general housing on the 4.5 acres of land which lie outside the present application site (page 3, paragraph 1) is particularly significant as, in addition to the effect it would have on the net increase in residential land, Holbeach Manor and the majority of its grounds would be retained. This building, set in mature landscaped grounds containing many fine trees, provides an extremely attractive feature in the townscape and is certainly worth retaining.

e) Existing Tree Preservation Order

Trees within the area edged red on the plan overleaf from page 2 of this report are subject to the provisions of the Fleet (Fleet & Holbeach) Tree Preservation Order No. 1, 1987. The siting of buildings within this area would be such as to ensure that the effect on the trees would be kept to an absolute minimum as indicated on the Notional Layout Plan.

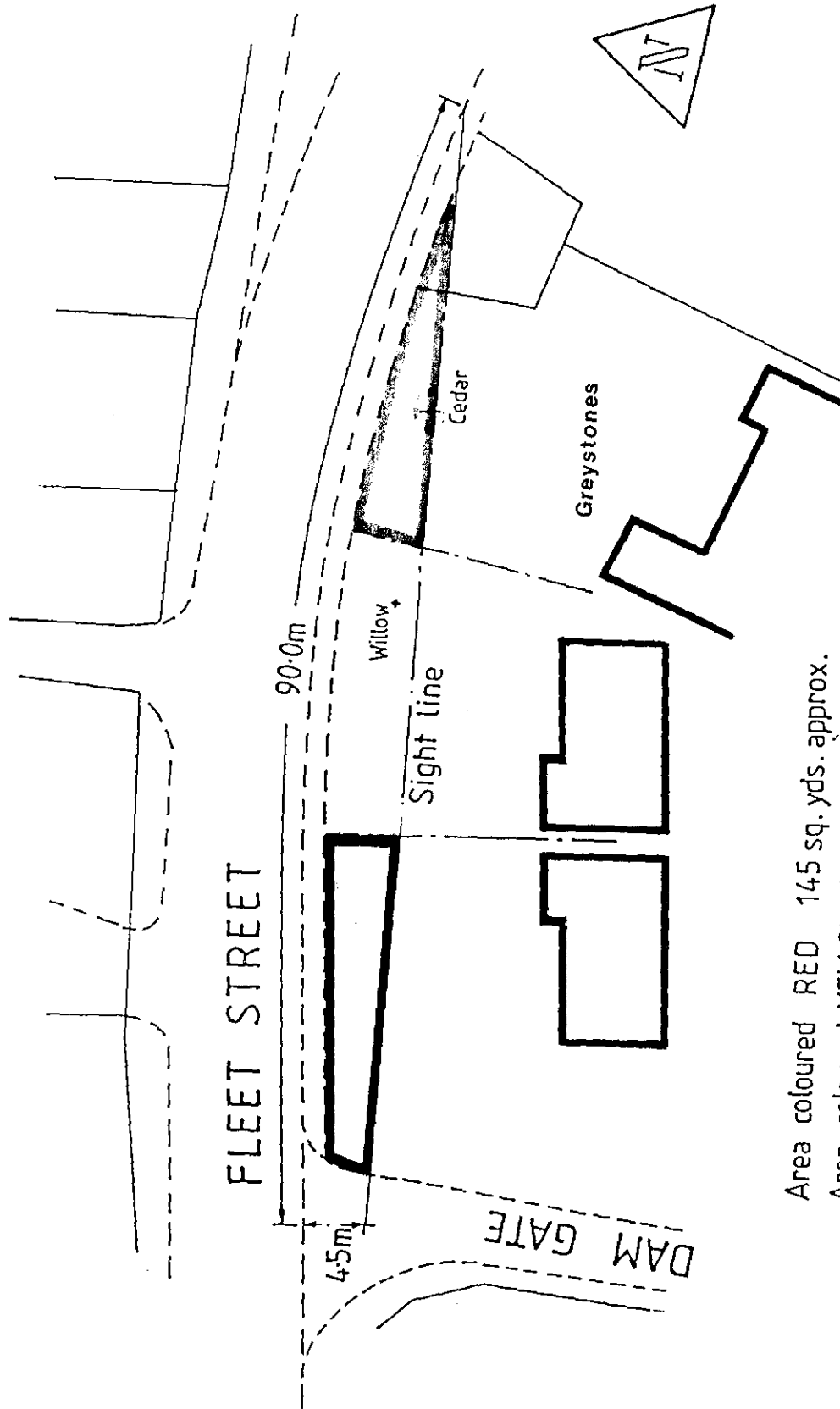
2. HIGHWAY CONSIDERATIONS

Consultations have been undertaken with the Lincolnshire County Council as Highway Authority to overcome the several problems arising from the development now proposed, as follows:-

a) Damgate-Fleet Street Junction

A visibility splay 4.5 metres x 90 metres is required on the eastern side. The necessary land has been acquired to construct the splay and is shown coloured red on the 1/2500 scale application plan to enable it to be subject to planning conditions as appropriate. Prior to the determination of the application a suitable Agreement will be made with the Highway Authority to clear the necessary area, to construct it as a grassed area only and to dedicate it to the highway. Within that part of the area acquired from 'Greystones' an existing cedar tree will be retained. For clarity, a sketch plan at approximately 1/500 scale is incorporated overleaf showing the individual areas which have been acquired from the three properties on Fleet Street to provide the land area necessary to achieve the visibility splay.

KINGS QUALITY HOMES



Area coloured RED 145 sq. yds. approx.
 Area coloured YELLOW 161 sq. yds. approx.
 Area coloured BLUE 112 sq. yds. approx.

SCALE 1:5000
 DWG 145/10/A

a) Damgate-Fleet Street Junction (continued)

Also in connection with this junction, a facility for right turning traffic is required. This is simply a ghost island marked within the existing carriageway limits, and no other construction or alterations are necessary to the highway.

b) Damgate south of property No. 27

From Fleet Street to the southern boundary of property No. 27, Damgate is satisfactory. To serve the proposed development area, however, the carriageway south of No. 27 requires widening to 5.5 metres until the second of the new estate road access points referred to in paragraph (c) below is reached. In addition, a footway is also required on the eastern side of Damgate from that second access point northwards to property No. 27 to form a link to the existing footway on the western side of Damgate which extends northwards from the Community Hall. To achieve these highway works it will be necessary for the Brick Pits Drain to be culverted from property No. 27 to a point south of the second estate access road. Provisional agreement has already been reached with the South Holland Internal Drainage Board regarding the culverting, and is covered in the report of the Consulting Civil Engineer, as is the disposal of highway surface water. A copy of that report is appended hereto. Notice under Section 66 of the Town and Country Planning Act 1990 has been served on East Midlands Electricity as riparian owners of a short length of the open Brick Pits Drain which runs past their sub-station site.

c) Estate Road Access Points

To facilitate internal circulation within the development area now proposed, two estate road access points will be provided from Damgate with a minimum spacing of 50 metres and with 5.5 metres wide carriageways and 10.5 metres radius kerbs.

The ghost island at the Fleet Street junction with Damgate, the carriageway widening, footway and ancillary works required to Damgate, will all form the subject of an Agreement and bonded. This will be made under Section 278 of the Highways Act, 1980 prior to the determination of the present application.

2. HIGHWAY CONSIDERATIONS (continued)

It will be recalled that a new estate street access point on Fleet Road was agreed when outline permission was granted for the area coloured yellow on the plan incorporated overleaf from page 2 of this report. The access would, of course, no longer be required if the present proposal receives planning permission and is implemented.

3. FOUL AND SURFACE WATER DRAINAGE

The report of the Consulting Civil Engineer retained by the applicants to investigate this aspect of the proposal is appended hereto.

4. CONCLUSION

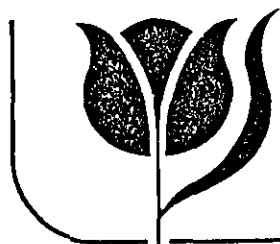
It has already been pointed out that one of the benefits resulting from the development of the application site as now proposed would be continuity in the building programme of the applicants and the consequent security of jobs for their local labour force. However, the wider community would also gain in a number of ways including:-

- a) the provision of general and sheltered low cost rented accommodation to meet a very real local need.
- b) increased road safety at the junction of Fleet Street and Damgate resulting from the provision of an adequate visibility splay.
- c) the removal of the need for a new estate street access point on Fleet Road.
- d) the retention of Holbeach Manor.

In consequence, and bearing in mind the undoubted suitability of the application site as a logical development area having regard to its relationship to the town and its visual characteristics, it is considered that an additional area of land for general housing amounting to as little as 2 acres (less than 1/10 of the application site) is a perfectly reasonable proposal. It is requested therefore that the outline planning permission now sought be granted.

RAFE J CLOWES

November 1990



South Holland District Council

Chief Housing Officer
Mrs Sally Waltham BA (Hons) MHI

Housing Department,
Town Hall,
Churchgate,
Spalding,
Lincolnshire. PE11 2RB.
Tel. Spalding (0775) 76116
Fax No. (0775) 723496

4.0 HOUSING NEED - HOLBEACH

- 4.1 An analysis of all transfer applications, and all other housing applications having been registered for the required minimum period of six months, has been carried out. The list was analysed according to the applicants stated preference as to accommodation type. Where more than one preference was stated, the applicant was classified according to the accommodation which appeared best suited to their requirements. The results are as follows:-

4.2 Transfer Applications (20 total)

Those requiring:

2 bedroom house	5	(25%)
3 bedroom house	12	(60%)
4 bedroom house	3	(15%)

4.3 Elderly And Disabled - Holbeach First Choice (150 total)

Those requiring:

Warden controlled 1 bedroom bungalow	24	(16%)
Warden controlled 2 bedroom bungalow	27	(18%)
Non-warden controlled 1 bedroom bungalow	36	(24%)
Non-warden controlled 2 bedroom bungalow	63	(42%)

4.4 Elderly And Disabled - Holbeach Second Choice (40 total)

Those requiring:

Warden controlled 1 bedroom bungalow	7	(17.5%)
Warden controlled 2 bedroom bungalow	4	(10%)
Non-warden controlled 1 bedroom bungalow	6	(15%)
Non-warden controlled 2 bedroom bungalow	23	(57.5%)

4.5 General Waiting List - Holbeach First Choice (81 total)

1 bedroom flat	8	(9.9%)
2 bedroom flat	13	(16%)
2 bedroom house	35	(43.2%)
3 bedroom house	24	(29.7%)
4 bedroom house	1	(1.2%)

4.6 General Waiting List - Holbeach Second Choice (38 total)

1 bedroom flat	13	(34.2%)
2 bedroom flat	5	(13.2%)
2 bedroom house	7	(18.4%)
3 bedroom house	13	(34.2%)
4 bedroom house	0	

4.7 Overall Demand

Combining the overall demand for all general needs accommodation gives the following results:

Total number of applications (first choice, second choice and transfers) 139

1 bedroom flat	21	(15.1%)
2 bedroom flat	18	(13%)
2 bedroom house	47	(33.8%)
3 bedroom house	49	(35.2%)
4 bedroom house	4	(2.9%)

4.8 The following demand for aged/disabled accommodation is assessed by combining first and second choice applications (total 190)

Warden controlled 1 bedroom bungalow	31	(16.3%)
Warden controlled 2 bedroom bungalow	31	(16.3%)
Non-warden controlled 1 bedroom bungalow	42	(22.1%)
Non-warden controlled 2 bedroom bungalow	86	(45.3%)

4.9 There are a total of 27 applications on the 'pointed' Holbeach general waiting list from single persons, although the vast majority will not require the type of accommodation provided by a Carr-Gomm Hostel, hoping instead to obtain secure self-contained accommodation of various sizes.

WAITING LIST ANALYSIS
30th September 1990

	<u>POINTED</u>	<u>NOT POINTED</u>	<u>TOTAL</u>
GENERAL WAITING LIST	912	218	1130
AGED & DISABLED WAITING LIST	854	140	994
TRANSFERS	170		170
	----	----	----
TOTAL	1936	358	2294
	=====	=====	=====

WAITING LIST TRENDS

	<u>30 Sept.</u> <u>1987</u>	<u>30 Sept.</u> <u>1988</u>	<u>30 Sept.</u> <u>1989</u>	<u>30 Sept.</u> <u>1990</u>	<u>% increase</u> <u>Sep 87-Sep 90</u>
GENERAL	705	1009	1029	1130	60%
AGED & DISABLED	916	1012	1077	994	8.5%
TRANSFER	198	222	149	170	-11%
	----	----	----	----	----
TOTAL	1819	2243	2255	2294	26%
	=====	=====	=====	=====	=====

GENERAL WAITING LIST ANALYSISas at 30th September 1990.

<u>PARISH</u>	<u>POINTED</u>	<u>NOT-POINTED</u>	<u>TOTAL</u>
Cowbit	13	1	14
Crowland	50	11	61
Deeping St Nicholas	28	3	31
Donington	32	16	48
Fleet	12	1	13
Gedney Hill	8	1	9
Gedney North	3	2	5
Gedney South	13	3	16
Gosberton	16	6	22
Gosberton Risegate/Clough	10	3	13
Holbeach Town	90	29	119
Holbeach Bank	7	3	10
Holbeach Drove	1	0	1
Holbeach St Johns	2	0	2
Holbeach St Marks	8	0	8
Little Sutton	3	0	3
Long Sutton	50	9	59
Lutton	11	1	12
Moulton	24	1	25
Moulton Chapel	3	2	5
Moulton Seas End	6	2	8
Pinchbeck East	39	8	47
Pinchbeck West	20	2	22
Quadring	7	2	9
Spalding	298	77	375
Surfleet	27	6	33
Sutton Bridge	59	10	69
Sutton St Edmunds	2	1	3
Sutton St James	11	1	12
Tongue End	3	3	6
Tydd	8	3	11
Weston	14	3	17
Weston Hills	10	2	12
Whaplode	14	1	15
Whaplode Drove	6	2	8
Whaplode St Catherines	4	3	7
<u>TOTAL</u>	<u>912</u>	<u>218</u>	<u>1130</u>

AGED & DISABLED PERSONS WAITING LIST ANALYSIS
as at 30th September 1990

<u>PARISH</u>	<u>POINTED</u>	<u>NOT POINTED</u>	<u>TOTAL</u>
Cowbit	1	0	1
Crowland	59	9	68
Deeping St Nicholas	9	1	10
Donington	28	1	29
Fleet	8	2	10
Gedney Hill	4	2	6
Gedney North	4	0	4
Gedney South	6	1	7
Gosberton	25	3	28
Gosberton Risegate/Clough	0	0	0
Holbeach Town	153	19	172
Holbeach Drove	1	0	1
Holbeach Hurn	0	1	1
Holbeach St Johns	5	0	5
Holbeach St Marks	1	1	2
Long Sutton	67	13	80
Lutton	4	2	6
Moulton	15	2	17
Moulton Chapel	1	0	1
Moulton Seas End	0	0	0
Pinchbeck East	41	9	50
Pinchbeck West	3	0	3
Quadring	6	2	8
Spalding	332	56	388
Surfleet	9	1	10
Sutton Bridge	35	6	41
Sutton St Edmunds	1	0	1
Sutton St James	3	1	4
Tongue End	0	0	0
Tydd	3	1	4
Weston	12	1	13
Weston Hills	0	1	1
Whaplode	13	0	13
Whaplode Drove	5	5	10
Whaplode St Catherines	0	0	0
<u>TOTAL</u>	<u>854</u>	<u>140</u>	<u>994</u>

TRANSFER LIST ANALYSIS
as at 30th September 1990.

<u>PARISH</u>	<u>POINTED</u>
Cowbit	0
Crowland	6
Deeping St Nicholas	4
Donington	4
Fleet	0
Gedney Hill	3
Gedney North	1
Gedney South	6
Gosberton	4
Gosberton Risegate/Clough	1
Holbeach Town	21
Holbeach Bank	2
Holbeach Drove	1
Holbeach St Johns	0
Holbeach St Marks	1
Little Sutton	0
Long Sutton	9
Lutton	0
Moulton	2
Moulton Chapel	1
Moulton Seas End	1
Pinchbeck East	8
Pinchbeck West	1
Quadring	3
Spalding	63
Surfleet	2
Sutton Bridge	10
Sutton St Edmunds	1
Sutton St James	2
Tongue End	0
Tydd	0
Weston	4
Weston Hills	1
Whaplode	3
Whaplode Drove	3
Whaplode St Catherines	2

TOTAL 170

J. R. Hogarth

B.Sc.(Hons.) C.Eng. M.I.C.E. M.I.W.E.M.

*Chartered Civil Engineer
Incorporated Public Health Engineer*

Home: 16, Castleton Ave. Carlton Nottingham NG4 3NZ

Office: Surton Place 49 Stoney St. Nottingham NG1 1LX

Tel: Office (0602) 415043 Home (0602) 612039

Fax: 0602 483102

A REPORT INTO THE METHOD OF DISPOSAL
OF FOUL AND SURFACE WATER FROM THE
PROPOSED DEVELOPMENT OFF DAMGATE.
HOLBEACH.

The Site.

The site comprises some 23 acres of rough pasture. Of this 5.3 acres forms part of an area of 9.8 acres which has planning permission. The residual 4.5 acres will be surrendered and not developed if the present application is approved. The site is bounded on the west by Damgate, on the east by the Torringtons West Drain, on the south by the disused railway line and in the north by the existing development off Fleet Road.

There are two watercourses, which are the responsibility of the South Holland Internal Drainage Board, affecting the site. These are the Brick Pits Drain on the western boundary and the Torringtons West Drain on the eastern boundary of the site.

The Brick Pits Drain gravitates to the Little Holland Drain and is then pumped into the South Holland Main Drain.

The Torringtons West Drain gravitates to the South Holland Main Drain.

The flood level in this area is taken as 2.0 metres AOD.

Foul Water Drainage.

Due to the lack of spare capacity in the public foul sewerage system adjacent to the site to cater for a development of this magnitude the South Holland District Council have stated that the total flow must be discharged to the manhole in Fox's Low Road NWC ref:-mh 7803 to the north of the site.

Since the site is low lying with a high water table it is anticipated that foul drainage will utilise the Vacuum System on site and then discharge via a pumping main to the designated manhole in Fox's Low Road.

An agreement under Section 18 of the Public Health Act 1936 will be entered into for the future adoption of the foul drainage system.

Surface Water Disposal.

Land Drainage.

The Highway Authority have requested that the Brick Pits Drain be culverted to a point to the south of the southern access into the site. It may be necessary, from a development

point of view, for the Torringtons West Drain to be culverted. This decision will not be made until the detailed design of the site is undertaken.

The design of the culverts will be undertaken by the South Holland Internal Drainage Board and the developer will be responsible for paying for and installing them.

Subject to the payment of a commuted sum the Board will accept responsibility for the culverts.

All existing land drains and sub-soil drains on the site will be piped and backfilled with porous material and discharged to a suitable outfall.

Any discharges from the proposed surface water sewers and highway drains to any adjacent watercourses will have to be limited to the existing agricultural run-off that is 1.4 l/s/ha. Any increase in this permitted flow will necessitate the improvement of some 14 kilometres of watercourse. This work would have to be financed by the developer and would take at least two years to design and to obtain Ministerial approval.

It is understood that the South Holland Internal Drainage Board Byelaws will apply to the watercourses on and downstream of the application site which may receive discharges from the site.

Surface Water Drainage.

There are no public surface water sewers serving the site.

It is proposed that all the domestic surface water run-off will be discharged to soakaways. A copy of the soakaway tests undertaken by Soils Engineering Limited of Peterborough is appended. In the location where a soakaway will be unsatisfactory further investigation is required and either an enlarged soakaway installed or the properties involved connected to the proposed sewer.

The highways which will drain to the Brick Pits Drain will utilise a piped system with adequate capacity for storage to enable a storm of thirty minutes duration to be discharged at a rate not to exceed the 1.4 l/s/ha as previously detailed.

The remaining drains on the site will be designed to discharge to the proposed lake at the south eastern part of the site. This lake will act as a large flow balancing area and it

will have an overflow to the Torringtons West Drain which will be designed to have a discharge rate not to exceed the 1.4 l/s/ha.

The method of controlling the rate of discharge to the two watercourses will be the Hydro-brake as manufactured by Hydro Research and Development Ltd of Clevedon. Two or possibly three of these devices will be required.

If no domestic run-off is discharged to the pipeline it will become a highway drain when the highway is adopted and be the responsibility of the County Council.

If it becomes necessary to discharge domestic run-off then the pipe line will be put forward for inclusion in the Section 18 Agreement under the Public Health Act 1936 for the future adoption as public sewers.

The future maintenance of the proposed lake will be the subject of negotiation with all the interested parties and it is anticipated that it will be adopted subject to the payment of a commuted sum to cover the costs of its future maintenance.



Soils Engineering Limited

Newark Road
Peterborough PE1 5UF
Peterborough (0733) 68153

Our Ref: KMP/ALB/C.4648
Your Ref: 148/13RD

Rafe J Clowes, Esq.,
Planning Consultant & Surveyor.
5 Thirlmere Close,
Thorneywood Mount,
NOTTINGHAM,
NG3 2PX

19th July 1989

Dear Sir,

Holbeach Golf Course

Attached are the results of the ten soakaway tests carried out on your clients site at Holbeach Golf Course.

The boreholes were sunk by 150mm diameter hand auger to a depth of 1m on the 6th July 1989 during a dry spell in a reasonably fine summer. The borehole logs are presented alongside the results of the in-situ permeability tests.

The tests were performed to B.R.E. Digest 151 specifications by pouring water into each borehole until it filled up to a depth of 0.70m. The fall in level was then recorded over a period of time and the B.R.E. 'Test Time' is expressed in minutes.

At eight of the test positions, the seepage rate was relatively fast, the water draining away within 61 to 111 minutes into the silt and silty clay subsoil. At locations 5 and 9 the permeability of the clay was less, although the B.R.E. Test Time of 480 and 1020 indicate a still useful seepage rate.

The Percolation Value, V_p , has also been calculated for each borehole, this being the time in seconds for the water level to drop 1mm. The upper limit for soakaways to work successfully is a Percolation Value of 140 seconds. Only borehole 5, at 164 seconds, fell outside this limit, suggesting the remaining nine positions are suitable for successful soakaway operation.

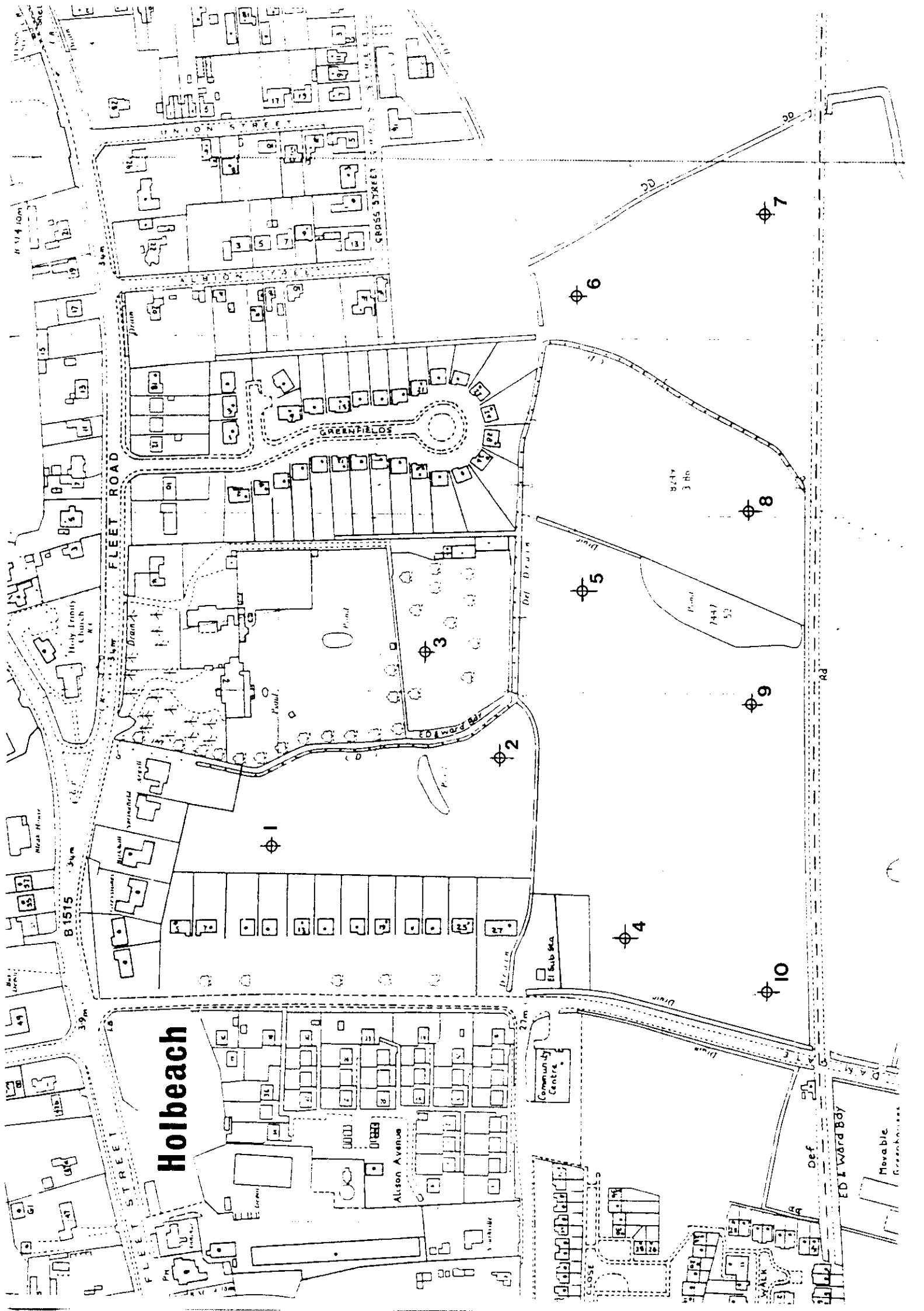
We trust you will be able to design suitable soakaways for the houses using this information making some allowance for the favourable time of year in which the tests were made.

Yours faithfully

K.M.PARE

Managing Director

Directors:
K.M. PARE, M.Sc. C.Eng. MICE. MAEG. FGS.
W. DAVIDSON, F.C.I.S.
I.A. REDHOUSE, C.Eng. MICE.
V.N. CARTER, F.A.I. M.M.H.A.M. M.B.I.M.
M.X. BENT, M.Sc. F.G.S.



Holbeach

Alston Avenue

Community Centre

Sub Sea

WALK

Def

EDWARD BOY

Movable Greenhouse

Pond

Pond

Pond

Pond

FLEET ROAD

GREENFIELD

CROSS STREET

UNION STREET

B1515

3.9m

3.4m

3.4m

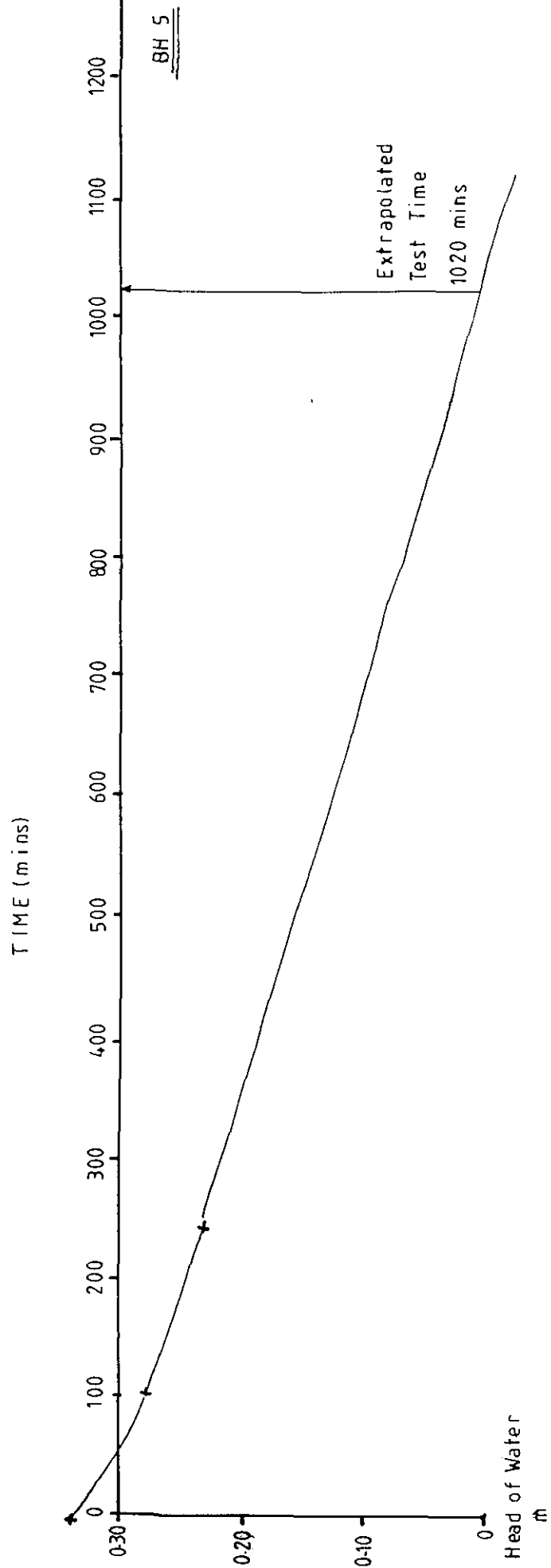
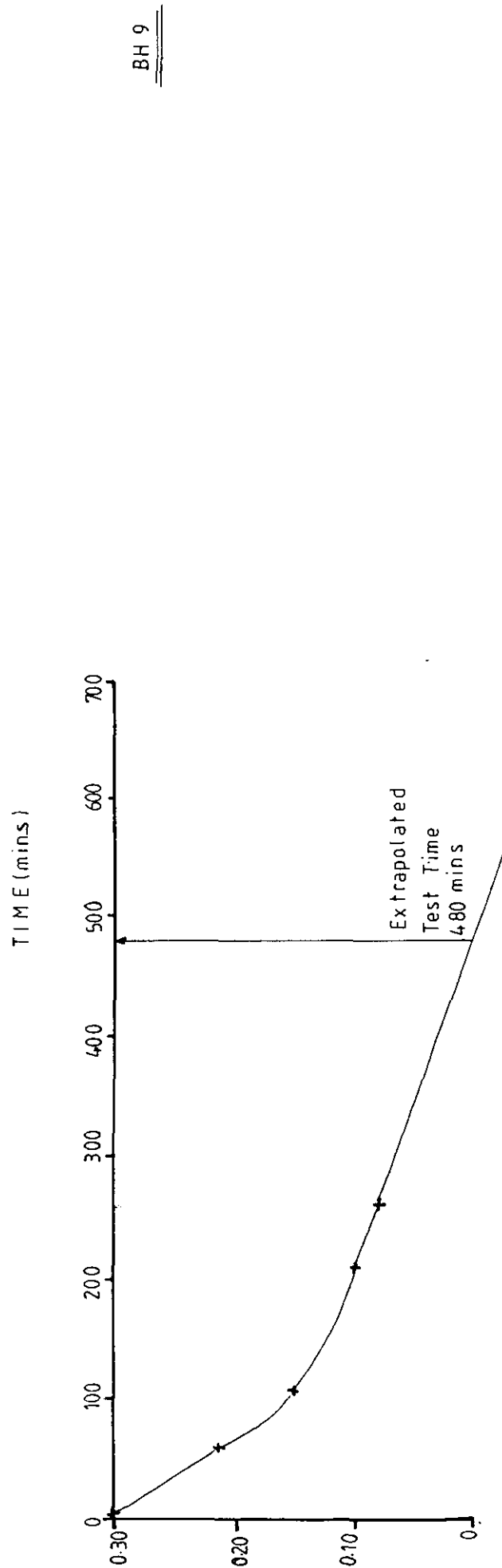
3.4m

3.4m

3.4m

11.14 10m

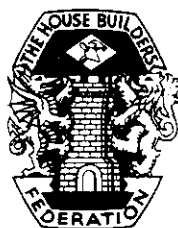
11.14 10m



Safeguarding Rural Social Housing

**Through
Section 52 Agreements**

a guidance note



**SOCIAL
HOUSING UNIT**

Meeting Rural Housing Need

Meeting the need for social housing is one of the most crucial problems facing rural communities today. The Rural Development Commission estimates that around 30,000 units a year are needed over the next five years in order to meet existing need.

The Government has recognised the urgency of the problem by increasing Housing Corporation funding for rural areas and by introducing a special exceptions planning policy for rural social housing schemes. This policy states that:

"...the need for low cost housing and the existence of arrangements made by the developer, or between the developer, the landowner and the local authority, to ensure that new low cost housing would be made available for local needs are material considerations which the authority should take into account in deciding whether to grant planning permission.

Local plan policies should make clear that the release of such sites to secure provision of low cost housing for local needs will be additional to the provision made in the plan for general housing demand, recognising that particular local need may justify the release of land that would not normally be allocated to meet general housing demand."

Draft Planning Policy Guidance 3 DoE

This policy allows local planning authorities to release 'unallocated' land for social housing provision, where they are sure that there is genuine local need and that the development will provide long term social housing for local people.

Local communities are now working with planning authorities, housing associations and developers to provide affordable housing for local people in housing need. There are a number of ways in which this can be done:

- Provision of low cost land alone is often sufficient to allow the development of shared ownership housing without any other form of subsidy.

- Where additional public funding is available, either from the Housing Corporation or from the local authority, rented housing can be provided to meet the needs of local people on low incomes.
- If public subsidy is not available rental housing can still be provided within a mixed tenure scheme, whereby the profits from the provision of sale or shared ownership housing can be used to help finance the rental dwellings.

The level of subsidy required and the tenure will depend on the income levels of those in need and hence on the amount they can afford to pay for social housing.

The Role of Section 52 Agreements

Whatever type of scheme is provided there should be adequate safeguards to ensure that the social housing is properly managed, will remain affordable in perpetuity and will continue to meet the needs of the local community. *The most effective way to do this is through an agreement between the planning authority, the developer and other interested parties under Section 52 of the Town and Country Planning Act 1971:*

The House Builders Federation has therefore prepared this Guidance Note which sets out the broad principles which should normally be taken into account when framing a Section 52 Agreement for rural social housing. These include:

- The purpose of the scheme is to provide social housing in the context of the local authority's policy requirements for low cost housing for local needs (as set out in the Local Plan). Sale housing should only be included to the extent that its existence can be demonstrated to be clearly necessary to subsidise the social housing.
- Target initial consumer costs should be specified for all social housing (including shared ownership). In preparing a social housing scheme developers should base their proposals on the income profile of those households identified by the village housing needs survey as requiring social housing and should demonstrate that affordable housing is being provided both initially and in the long term.

- The long term owner/manager of the properties should be party to the Section 52 Agreement. This organisation should be independent, non-profit distributing and subject to external scrutiny. It should therefore normally be either a housing association registered with the Housing Corporation or a Charitable Trust.
- Priority should be given to people with a local connection who meet the housing association's or the Trust's normal criteria for letting or selling shared ownership housing to persons in housing need.

Individual Section 52 Agreements will vary to reflect the needs of the local community and any special requirements of the parties to the contract, but any proposed agreement should cover the key points identified above.

Suggested Heads of Terms

Signatories

The Agreement should be made between the following parties:

- THE COUNCIL which is the local planning authority.
- THE LANDOWNER who is the freehold owner of the land (Land may be held on a long lease or subject to a mortgage. Where this is the case anyone who has an interest in the land will need to be party to the Agreement).
- THE DEVELOPER who is the contracting purchaser of the land and will normally be the applicant for planning permission.
- THE HOUSING ASSOCIATION/CHARITABLE TRUST which is the long term owner/manager of the social housing.

Relevant Legislation

Reference should be made to the relevant legislation:

- Section 52 of the Town and Country Planning Act 1971.

133 of the Local Government (Miscellaneous
Provisions) Act 1982.

- Section 111 of the Local Government Act 1972.

Covenants

The document should state that:

The Planning Authority is disposed to grant Planning Permission provided that the development is regulated according to the agreed covenants governing the provision of social housing.

The covenants should cover the following points:

- The total number of units to be provided, with details of the breakdown between rent, sale and shared-ownership.
- Information on target consumer costs for the rent and shared ownership housing. The local authority will normally require information on both initial costs and on anticipated changes over time.
- Details of the priority groups who will have first access to the social housing (these will normally be local people in housing need and the document should set out an agreed formula for the definition of the terms 'local' and 'housing need').
- Information on how the social housing will be allocated and on nomination rights offered to the local authority and to any other agency (eg the landowner).
- Where sale housing is involved, the phasing of the sale and the social housing should be as agreed between the parties.

Supporting evidence

The Planning Committee will feel more comfortable in making its decision if it has a clear understanding of the logic behind the proposed scheme. The developer should therefore provide full supporting evidence with the offer of a Section 52 Agreement. This should normally include:

1. Evidence of housing need in the village in question. This will normally take the form of a housing needs survey, undertaken by either the parish council or the local

authority, which shows the number of households in housing need and the price which they can afford to pay for accommodation. (A specimen housing needs survey is given at Appendix 1)

2. A financial appraisal for the scheme. This should show the overall development cost and should specify the land value, target consumer costs for the social housing and the use made of subsidy from either the public purse or the land value. (A specimen financial appraisal is given at Appendix 2)
3. A statement outlining the availability of public funding from all sources (including the Housing Corporation) and confirming that all possible steps have been taken to bring public funding into the scheme.
4. A copy of the housing association's or Trust's lettings policy and, if appropriate, of its shared ownership sale policy.
5. Copies of the tenancy agreement and, if appropriate, of the shared ownership lease.
6. A summary of the overall planning policy context, with details of the local authority's exceptions policy as set out in the Local Plan.

Legal Advice

This Guidance Note provides outline advice only. Proper legal guidance should be sought and engaged during the course of any particular negotiations and individual agreements.

Appendix 1

Specimen Local Housing Survey

Please complete this survey on behalf of all members of your household. For most questions you need only tick the appropriate box.

Completed questionnaires will be dealt with in strictest confidence.

1. Household Characteristics

Household member & relationship to self ie wife/child/lodger	Male/ Female	Age							Employed/Part-time worker/Housewife/Out of Employment/Student/Retired/Other-please give details
		0-15	16-24	25-44	45-59	60-74	75-84	85+	

How long have you lived:

In this house?

In this village?

In this county?

Less than 1 year

1-5 years

6-15 years

over 15 years

born here

2. Housing Need

- (i) Have any former members of your household left the parish in the last few years? If so, please state how many (.....) and indicate the reason.

Lack of affordable housing

--

Employment

--

Other (specify)

- (ii) Is any member of your household, or any member of your family who may have moved away, currently looking for accommodation in your village/parish, or likely to be looking for accommodation within the next five years?

No

--

Yes, now

--

Yes, within five years

--

- (iii) What type of accommodation do they require?

Family home

--

Single person accommodation

--

Sheltered housing for the elderly

--

Other: please specify

Continued

(iv) What housing tenure do they require?

(a) rent ☐ (b) buy ☐ (c) shared ownership ☐

(v) How much of their weekly/monthly income can they afford to pay on rent/mortgage?

Please tick the box to show the maximum affordable either weekly or monthly.

Weekly	£20-£30 ☐	£31-£40 ☐	£41-£50 ☐	£51-£60 ☐	£61-£70 ☐	£71-£80 ☐
Monthly	£90-£130 ☐	£131-£170 ☐	£171-£220 ☐	£221-£260 ☐	£261-£300 ☐	£301-£350 ☐

(vi) It would help in planning an affordable housing scheme to have some indication of income levels of those in housing need. (Please give more than one income if appropriate.)

Annual Income	Below £8,000	£8-£9,999	£10-£11,999	£12-13,999	£14,000+
1.	☐	☐	☐	☐	☐
2.	☐	☐	☐	☐	☐

3. Attitudes to Development

Would you have any objections to a development which would help to meet local needs? YES/NO

If 'YES' could you briefly explain your concern:

4. Any Other Comments

.....

.....

.....

.....

.....

If you wish to add your name/address, please do so here:

.....

.....

Thank you for completing this questionnaire.

Appendix 2

Specimen Financial Appraisal

1.

A rental scheme built on privately owned unallocated land at the edge of a village.
10 dwellings for rent at £50 per week (£40 after allowing for management and maintenance).

Construction cost	£350,000	
Land value	£10,000	
TOTAL	£360,000	
Development cost		£360,000
Net rental income (£40 x 52 x 10)	£20,800	
Loan supported by net rental income		£250,000 (1)
Public subsidy required		£110,000

(1) Assuming low-start finance available at year 1 cost equivalent to 8% (14.5% deferred interest loan with 7% annual escalator).

2.

A rental scheme with cross subsidy.
8 dwellings for rent at £50 per week (£40 after allowing for management and maintenance).
2 dwellings for sale

Construction cost	£350,000	
Land value	£10,000	
TOTAL	£360,000	
Market value of sale dwellings	£80,000	
Development cost		£360,000
Less sale proceeds (£80,000 x 2)		£160,000
		<hr/> £200,000
Net rental income (£40 x 52 x 8)	£16,640	
Loan supported by net rental income		£200,000 (1)
Public subsidy required		nil

(1) Assuming low-start finance available at year 1 cost equivalent to 8% (14.5% deferred interest loan with 7% annual escalator).

3.

A mixed tenure scheme of rent and shared ownership.

5 dwellings for rent at £50 per week (£40 after allowing for management and maintenance).

5 dwellings for shared ownership (50% share)

Net monthly cost of conventional mortgage (£80,000 x 50% = £40,000)	£435	(1)
--	------	-----

Rent:

£60 per month gross

£50 per month nett	£60
--------------------	-----

Total monthly cost	£495
--------------------	------

Minimum annual income required	£16,650
--------------------------------	---------

Construction cost	£350,000
-------------------	----------

Land value	£10,000
------------	---------

TOTAL	£360,000
-------	----------

Market value of shared-ownership dwellings	£80,000
--	---------

Development cost	£360,000
------------------	----------

Less sale proceeds (£80,000 x 5 x 50%)	£200,000
--	----------

£160,000

Net rental income

Rental dwellings (£40 x 52 x 5)	£10,400
---------------------------------	---------

Shared ownership (£50 x 12 x 5)	£3,400
---------------------------------	--------

£13,400

Loan supported by net rental income	£161,000	(2)
-------------------------------------	----------	-----

Surplus	£1,000
---------	--------

(1) Assuming mortgage rate of 15% and allowing for tax relief at the basic rate.

(2) Assuming low start finance available at year 1 cost equivalent to 8% (14.5% deferred interest loan with 7% annual escalator).