

## Lympsham Affordable Housing Project

This project is trying to increase the supply of affordable-housing for people with a strong local connection with the parish of Lympsham.

### Date – Location

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### Affordable Housing

#### Affordable Housing

Affordable housing allows local people to access a **suitable home**, at a **price they can afford**, where they were **born/grew-up/have support and social networks or work in**

Affordable housing is best described as housing provided at prices below the prevailing market value to people who are unable to find a suitable home on the open market (primarily due to its price).

Affordable housing can be provided on **rental basis**

Affordable housing **homeownership basis**.

Affordable housing can be provided by the **public sector** (the Council and-or housing associations)

Affordable housing can be provided by the **private sector** (volume house builders and private landlords)

Affordable housing can be provided by the **community** (CLT etc etc)

A household is considered to be in **housing need** if one or more of the following criteria apply and where they are incapable of resolving their housing problem in the prevailing local housing market:

People with a particular social need, which cannot be resolved except through a move.

Who cannot afford market properties and have a need to move.

Homeless people, who those living in insecure housing (this will include housing that is too expensive compared to the household's disposal income).

Where there is a mismatch between the housing need the current home (overcrowding or under occupation).

Someone with a physical (or other medical) impairment living in unsuitable housing.

Where the property lacks basic facilities and places which are subject to major repair.

A **strong local connection** can include factors such

- (1) Currently living in parish for a reasonable period of time;
- (2) Previously lived in the parish, but moved away due to problems finding a home;
- (3) Permanent employment in the parish;
- (4) Strong family connections;
- (5) Other non-specified reasons considered important to the parish. ,

The results of the HNA will alter with increasing/decreasing values of housing, policies of lenders, and the economic climate, demographic changes in the community and as individuals situations change.

### Housing Demand in Lympsham

#### Stage 1 – Understanding Affordable Housing Demand in Lympsham

SDC published the Lympsham 2016 Housing Need Assessment Report in January 2016. A copy of the full Lympsham HNA can be downloaded from the following link <http://www.sedgemoor.gov.uk/9831>

It is important to note that the Lympsham Housing Needs Assessment offers a snap shot of the housing situation in the parish at the time of the survey. These will alter with increasing/decreasing values of housing, policies of lenders, the economic climate, and demographic changes in the community and as individual's situations change.

<b>7 x Affordable Rented</b>	<b>3 x Affordable Homeownership</b>
3 x 1-bed home for rent;	2 x 2-bed houses for affordable-homeownership;
2 x 2-bed house for rent;	1 x 3-bed house for affordable homeownership;
1 x 3-bed house for rent;	
1 x 4-bed house for rent;	

Whilst the Lympsham 2016 HNA reports a need for 10 additional affordable homes, a truer reflection of unmet local need might be as high as 21 units.

Affordable-Housing need arising from Lympsham 2016 HNA 10
Non responding (to HNA) CBL applicant (Lympsham 1st choice area) 1
CBL applicant (Lympsham not 1st choice) but have Lympsham Connection 10

Further anecdotal evidence from the community consultation event held at the Pavilion on the 14-April 2016 suggested the scale of unmet affordable housing locally is likely to be greater than HNA figure.

Circa ten (10) new affordable-homes.

The new homes should ideally be built on land within the village development envelope. If this is not possible, on land well related to the village development envelope.

The affordable housing units must be on-site (off-site contributions would not be acceptable);

The development could consist entirely of affordable-housing.

Where a mixed tenure development is proposed (incorporating open-market housing), the affordable-housing provision should be a least 40% of the overall number of homes proposed.

The affordable-housing should be well integrated with the open market homes.

The affordable-housing units will be provided free from public sector investment, with some of the sales profit from the market housing subsidising the affordable homes.

The affordable housing tenure split would need to be broadly in line with the HNA.

In terms of affordable-housing unit size, minimum internal floor sizes must apply.

For clarity, Micro-flats or Live/work units or Student accommodation or Self build units will not be considered as affordable housing.

The affordable-housing units must be undistinguishable in appearance and specification from the open market units on the site.

Where affordable rented or shared ownership units are proposed, the long term management of the on-site affordable units should ideally be transferred to one of the Council's Main Development Housing Association Partners currently working in Sedgemoor. I would wish to secure the HA at the earliest possibility in order to ensure the overall development is viable and deliverable.

The affordable-housing units (in reality the OMV homes) must achieve the highest standards of energy efficiency and sustainability.

The TCPA s106 agreement must include a local letting (sale) plan for the allocation (sale) of the affordable housing units. This LLP will prioritise local people seeking an affordable home will have first refusal for new and future vacancies.

**Existing Sedgemoor Local Plan – Affordable Housing via TCPA Planning Gain**

In places such as Lympsham, the Council encourages housing provision to come forward with infill, subdivision or conversion within the settlement boundary in the first instance.

This approach would see affordable housing provided through the TCPA planning system as part of private sector lead larger open market housing project and secured by s106 agreement. The precise level of affordable housing would vary from site-to-site. This approach would typically be on land within the village development envelope and can only be used on new-build developments of 6 or more residential units.

There is no intelligence to suggest that a suitable site fitting this description will come forward in the foreseeable future.

The Council's Emerging New Local Plan (due for adoption late 2017) will retain a very similar requiring a % of affordable-housing on sites of 6 or more. There are no plans to allocate a

**Indicative Affordable Housing Requirement for Lympsham**

**Funding the Delivery of New Affordable Housing**

parcel of land for new residential development in Lympsham under the emerging LP.

TCPA Planning Gain is therefore not a realistic option in the foreseeable future to secure affordable housing.

There are no sites within the development envelope capable of delivering between 1 and 5 new homes. The opportunity for an affordable-housing provider to develop a small Windfall Project using grant is therefore not likely in the foreseeable future.

### **Existing Sedgemoor Local Plan – Affordable Housing by Exception**

Lympsham is currently designated a KRS (“Key Rural Settlement”). The existing local plan includes specific housing policies which will allow the building of new affordable housing outside the village development envelope.

Both policies are applicable. However, where a quantifiable need for affordable housing can be demonstrated, these new homes could be built by exception outside the village development envelope. These policies are designed to tackle an evidenced based shortage of affordable housing at the local level. The starting point for any project seeking to use this policy would typically be evidence from a local Housing Need Assessment.

Polices P5 and D7 would only allow the construction of affordable housing only.

By its very nature, the building of affordable housing requires some form of subsidy support in order to make the homes affordable. Gap funding has in the past almost always been provided by the public sector (central or local government). Securing sufficient levels of public funds in support of new affordable housing has proved increasingly more difficult due to reductions in government expenditure.

Funds are available to bid for but this fund is likely to be over-subscribed nationally.

SDC have recently secured funding from the Community Housing Fund (and is likely to receive further funds in the next couple of years) to support community led housing projects. There needs to be some form of community ownership or stewardship involved in the project. This type of project could be headed up by the Parish Council and or some form of CLT organisation.

A P5 / D7 type policy will be retained in the emerging LP. The complete reliance on public sector funding support (and the oversubscribed demand on such funds) might significantly delay or even hinder a project in Lympsham.

Policy P4 would allow for the construction of both affordable housing and market housing outside the village development envelope.

Unlike the earlier D7 policy, the building of these affordable housing does not require external public sector subsidy support. The gap funding is comes from the construction and sale of the open-market homes.

This approach has been the preferred option to deliver affordable homes in Lympsham.

Projects of this nature require that at least 40% of the overall new homes are affordable. So, a Lympsham is likely to be classed as a tier 3 settlement under the emerging LP, with a P4 type policy being retained in the emerging LP for places such as Lympsham.

This cross subsidy approach is still considered the best option to bring forward new affordable housing in Lympsham.

### **Other Options** (consider, but not being actively pursued at this point-in-time)

Making better use of the existing social housing stock

Empty Homes

Self-Build or Custom Build

## **Site Search**

### Stage 2 - Search for Development Site

Please refer to the map attached to the bottom of this briefing paper.

The sites in purple font have been considered and have not been pursued because they cannot satisfy one or more of the following criteria – available, suitable or achievable.

The SDC Affordable Housing Development Team (“AFHDT”) has been attempting to bring forward affordable housing for several years. The absence of a suitable parcel of land on which new homes has until recently has been a major barrier.

Recent AFHDT activity has focussed on land to the “South of Becks Farm”. This parcel of land and its development potential was the subject of the April 2016 community consultation event. Dialogue with the land owners at Becks Farm is on-going.

The proposal would have seen 24 new homes constructed on land access from South Road.

Further technical investigations have confirmed that the highway constraints associated with this parcel of land could not support the original proposed scale of mixed tenure housing. A reduced in number open market only housing project is possible here. Unfortunately, a reduced in scale mixed tenure affordable housing led project is considered financially unsound to pursue at this point in time.

The AFHDT have held positive discussions with the owners of land referred to as "**Land to the West of Becks Farm**". Architect drawings are being drawn up to provide linear style housing on land in West Road from Becks Farm on land sitting either side of the Chapel House. Initial in-principle discussions with the SDC planners have confirmed this form of development is potentially acceptable. An initial risk assessment of the West Road option suggests fewer physical constraints than were found in South Road.

West Road is certainly available, potentially suitable and achievable.

The AFHDT have also held initial exploratory discussions with the owners of land referred to as "**Land adjacent to the Boundaries**". Again, in-principle discussions with the SDC planners have confirmed this form of development is potentially acceptable. An initial risk assessment of the land suggests few physical constraints would stop a housing scheme coming forward. The land has yet to confirm whether they wish to commit themselves to a project.

This parcel of land is potentially available, suitable and achievable.

Both parcels could be brought forward under a P4 type planning (cross-subsidy) policy. The cost of carrying out a feasibility study on either could easily cost £30,000+. The Council and its development partner can commit themselves to one feasibility project, but could not commit resources to carry out two costly feasibility studies for both land parcels.

#### **Questions - Challenges**

Which site (if any)

Any interest locally for a community led initiative, thereby being eligible to bid the Community Housing Fund monies?

#### **Project Timetable**

Understanding Local Housing Need in Lympsham (Completed)

Securing land owner agreement to proceed to feasibility stage "securing confidence to invest into the feasibility study" (March 2017 at the latest)

Complete initial feasibility study on one of the potential sites (April 2017)

Feasibility study briefing to the Parish Council (April – May 2017)

Designing a detailed housing project and indicative layout (June 2017)

Community Consultation re proposed development proposals (June – July 2017)

Submission of TCPA application to SDC (August – September 2017)

Construction Phase to begin (March 2018)

New homes ready for occupation (March 2019)

**WHERE TO BUILD ANY NEW HOMES? Looking for a site for new homes in Lympsham – Updated January 2017**

