

BRIDPORT LOCAL AREA PARTNERSHIP

The Future of Affordable Housing in the Bridport Area

Summary of recommendations from the Affordable Housing Working Group of the Bridport Local Area Partnership (BLAP), submitted to West Dorset District Council

April 2012

Introduction

Affordable housing has long been a concern in West Dorset based on the exceptional disparity between average wages and average house prices, and the fact that private sector rents are beyond the reach of those on low incomes without the support of housing benefit. As a result, demand for subsidised rental properties exceeds supply and there is a growing backlog or waiting list.

The issue led the Bridport Local Area Partnership, jointly with the Bridport Area Development Trust, to organise a well-attended seminar in Bridport to discuss possible solutions on 29 November 2011. The strongest conclusion to be drawn from the seminar was that, following recent changes in legislation and funding, without even greater efforts by West Dorset District Council (WDDC) and partners in future, the supply of housing for those who cannot afford to rent or purchase in the free market will decline.

The BLAP Affordable Housing Working Group (AHWG) has followed this up with meetings and debate, leading to the following submission to West Dorset District Council, which in the context of the emerging District Local Plan, will also be copied to the Partnership's Planning Working Group and circulated to attendees at the November 2011 Seminar.¹

The Need for Effective Intervention

We consider that WDDC has a duty to intervene to the maximum extent possible and to consider radical measures. Anything less will simply see a perpetuation of a serious and growing problem.

We accept that there are major central government constraints regarding funding for affordable housing, also as yet uncertain outcomes of the new National Planning Policy Framework (NPPF) and the Localism Bill. That makes it all the more important that WDDC misses no opportunity to use the powers available to it.

The recommendations put forward below express the general feelings of the Working Group, which hopes they will be considered in the spirit in which they are put

¹ Funding support was received from the West Dorset Partnership for the organisation of the November 2011 Seminar and subsequent distribution of the Proceedings of the Seminar and this Summary of Recommendations.

forward. In due course we propose a delegation from the Group meets with the WDDC Planning and Housing Departments and other relevant agencies to discuss more fully our views and concerns.

The matters covered are as follows:

- 1) Monitoring
- 2) Types of Tenure
- 3) Policies to increase supply of genuinely affordable housing
- 4) Extending Development Boundaries
- 5) Exception sites and community solutions
- 6) Sustainable provision of housing in villages
- 7) Other policy issues

1) Monitoring

The AHWG is of the opinion that a strengthened monitoring process is needed to underpin effective action on affordable housing. In the first instance the Council needs to define more clearly the concepts of 'need' and 'want.' In doing so it should take into account the impact of new housing legislation, funding changes and the actual affordability of both social and 'affordable' rented housing in respect of West Dorset.

We suggest the introduction of a new Housing Database that pulls together all aspects of need and supply in both in the private and public sector under one heading. This would offer greater clarity with regard to targeting need, choice based lettings and allocation of need on a West Dorset wide basis.

2) Types of Tenure

An affordable housing strategy needs to distinguish between low-cost owner occupation, equity sharing, and straightforward rental, and to set priorities between these categories of tenure.

In terms of low-cost and equity-shared housing, the working group asks the Council to recognise that properties for sale at 80% of market value will only meet the needs of better off people living in the area. They will barely impact on local people on low or average incomes, for whom they will remain unaffordable. The definition of this sort of property as 'Affordable Housing' is a serious misnomer. The Government set the definition; the Council needs to make it clear that the term serves merely to confuse.

Equity sharing arrangements at lower levels of occupier ownership are needed for local people able to afford to part-own their homes, with Community Land Trust – type arrangements to lock in the subsidy for future generations.

While equity sharing can offer a useful option for some households, and deserves support, the key priority is for rented accommodation to be made affordable through

subsidy. Therefore the main interventions should focus on increasing supply and affordability of rented accommodation.

Social housing at around 50% of private market rates and affordable rented housing at 80% of private market rates should be identified more clearly in terms of subsidy, allocation and delivery. A priority should be to focus on the urgent need for social housing, especially in the most deprived areas, and address the backlog.

In terms of tenure length, less able people and parents with children should be given long tenancies, and in general tenure lengths should be based on households' circumstances. We feel that any widespread adoption of short tenancies would undermine the stability and sustainability of families and communities. The Council should also lobby for a change to current legislation to enable private sector tenants to have longer secure tenancies, as is normal in the rest of the EU.

3) Policies to increase supply of genuinely affordable housing

With land prices a major factor in the cost of housing development two approaches should be followed. First the Council must make use of public assets in the form of land it owns within current development boundaries. It should make available those sites it owns which are clearly appropriate for housing, at peppercorn cost, for affordable housing unless there is a clear and specific reason for retaining them. The sites should only be used for affordable housing and the land subsidy should be 'locked in' for perpetuity.

In addition the Council must confront the current problem that extending development boundaries is, in the main, a massive financial benefit to developers and landowners if planning permission is subsequently granted. This makes the land too expensive for housing associations to build genuinely affordable rented accommodation.

A solution would be to negotiate with landowners offering them the option to sell suitable land to the Council at a premium above its agricultural value on the understanding that only Council-owned land may fall within extended boundaries when the final Local Plan is adopted.

We appreciate that landowners might decline and gamble that a future administration would reverse the policy, but if all the major Parties on the Council jointly pledged to follow this policy it would certainly incentivise landowners to take up the offer. Such sites could then be used for affordable housing and, if no organisation expressed a desire to develop the site for this purpose the Council could sell the site to a private development company and ring-fence the profit for affordable housing subsidies.

An alternative approach to the problem would be to limit the profit gained from securing residential planning permission to a modest level by demanding high levels of subsidised affordable housing on site, or very substantial financial contributions in lieu of such housing.

4) Extending Development Boundaries

In an area like West Dorset a Development Boundary extension almost inevitably means loss of greenfield land, generally within the AONB. Where this occurs, the retention of Green Corridors should be a priority. The AHWG believes that the local community should be directly involved in proposing changes to development boundaries in pursuit of affordable housing, in line with the spirit of the Localism Bill. The Neighbourhood Plan process could enable this.

The AHWG does favour a properly defined low impact rural dwellings policy outside development boundaries. This would enable, for instance, very low impact affordable housing, including self-build, for those seeking land-based businesses and livelihoods. Careful monitoring would be required to prevent any abuse of the policy and to secure future affordability of the dwellings produced.

5) Exception sites and Community solutions

Exception sites should be purely for affordable housing and proposals should be agreed by the local community. While they might include rented and equity shared properties, they should be provided using Community Land/Property Trust-type arrangements to preserve a pool of similarly subsidised housing for the future.

6) Sustainable provision of housing in villages

In rural areas without development boundaries the AHWG considers that no market housing development is required, nor should it be permitted unless it is part of a Neighbourhood Plan.

There could be both need and opportunity to provide genuinely affordable housing in villages but for sustainability reasons adequate services must be seen as a priority to achieve planning permission.

7) Other policy issues

The AHWG supports the minimum of 35% affordable housing in new developments as set out in the draft District Local Plan. It believes that this should be an absolute minimum with no exceptions [even where costly infrastructure/ remediation of contamination is necessary].

In many cases the AHWG believes that through restraining the profit from residential planning permission greater levels of affordable housing might be achieved, and urges WDDC to maximise community benefit by restraining land-owner/ developer profits in this way.

The Council should adopt a policy that makes provision in any commercial development of over 99 houses for adapted, sheltered, supported and other special housing needs for the vulnerable and elderly in our community.

The Council should make full use of its powers to bring empty properties into use and we favour moving as many of these properties as possible into Housing Association stock.

We regret the prospect of tenant purchase of housing association property at a discount since these properties are effectively being removed from the stock of social housing forever. To mitigate the loss any receipts must be used to help fund new provision of affordable housing, which is in accordance with Government policy.

However the AHWG notes that where the supply of residential land is scarce, the replacement housing is unlikely to serve the same local need, and so such sales should be avoided wherever possible. In order to not lose properties from and indeed to maximise the increase in the pool of affordable housing, the AHWG believes that the Council should use all opportunities, such as those presented by Community Land Trusts, to lock in subsidy for future generations.

Postscript

As would be expected, discussions at the meetings of the Affordable Housing Working Group covered a wide area of policy matters, and the above simply cover the aspects where a general consensus was reached. As such there may still be differences of opinion not mentioned but these will be a matter for the individual Parishes or individual groups to raise.²

² The Affordable Housing Working Group is made up of volunteer members of the local community of Bridport and surrounding parishes in the Bridport area.