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4 September 2008

**To: All Members of the Planning Policy Panel
Members of the Council for information**

Dear Member

PLANNING POLICY PANEL

A meeting of the Planning Policy Panel will be held in the Council Chamber, Nordon on **Friday 12 September 2008 at 10.00 am** to consider the following items:

Yours sincerely

A handwritten signature in black ink, appearing to read 'Elizabeth Goodall', is written over a white background.

**Elizabeth Goodall
Chief Executive**

A G E N D A

- 1. APOLOGIES**
- 2. DECLARATIONS OF INTEREST**

Councillors are reminded of their obligations under the Code of Conduct to declare any personal and prejudicial interests.

- 3. MINUTES**

To agree the minutes of the meeting held on 26th August 2008.

4. CONSERVATION AREA APPRAISALS: EAST AND WEST COMPTON

To inform members of the production of Conservation Area Appraisals and Management Plans for East and West Compton.

5. POTENTIAL ARTICLE 4(2) DIRECTION WITHIN THE STALBRIDGE CONSERVATION AREA

To inform members of the loss of architectural elements in one of the districts most attractive historic settlements and to propose a solution to the loss of these important features and to seek support for undertaking public consultation on the introduction of an Article 4 direction.

6. CONSIDERATION OF THE RECOMMENDATIONS OF THE POLICY REVIEW COMMITTEE'S REVIEW OF AFFORDABLE HOUSING PROVISION

To consider the recommendations of the Policy Review Committee's review of affordable housing and to consider how these recommendations could be incorporated into the Council's emerging Core Strategy.

7. UPDATE ON PROGRESS ON THE CORE STRATEGY

To receive an oral update from the Planning Policy Manager.

Members of the Panel

Chairman	Deborah Croney
	Bill Batty-Smith
	Joe Hickish
	Su Hunt
	Mervyn Jeffery
	Colin Kay
	Geoffrey Miller
	David Milsted

NORTH DORSET DISTRICT COUNCIL

PLANNING POLICY PANEL

Date of Meeting: 12 September 08

REPORT TITLE: CONSERVATION AREA APPRAISALS: EAST AND WEST COMPTON

Portfolio Holder: Cllr Deborah Croney

Report Author: Policy Manager (Environment)

Purpose of Report:	To inform members of the production of Conservation Area Appraisals and Management Plans for East and West Compton.
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Statutory Authority: Planning (Listed Buildings and Conservation Areas) Act 1990.

Financial Implications: There are no financial implications with regard to the adoption of the East and West Compton Conservation Area Appraisals and Management Plans other than officer time.

Consultations required/ undertaken: Pursuant to Planning Policy Panel a further report will be prepared for Cabinet seeking authorisation to undertake external consultation and adoption of the Conservation area Appraisal and Management Plan.

Recommendations: That Panel members note the report. A further report will be taken to Cabinet asking members to agree to the consultation of all affected residents of the East and West Compton Conservation Areas followed by the adoption of the Conservation Area Appraisal and the Management Plan.

Reason for Decision: To comply with the Local Authority's Statutory Duty, English Heritage Guidance and the Business plan 2008-2009, and to ensure the continued protection of the character and appearance of the East and West Compton Conservation Areas.

1.0 BACKGROUND

- 1.1 The East and West Conservation Areas were designated on 6th January 1995 and are two of 45 conservation areas in the North Dorset District.
- 1.2 The appraisal defines and analyses those qualities or elements that contribute to or detract from, the special interest of the area and to assess how they combine to justify their designation as a Conservation Area. The subsequent management plan will determine how the special architectural and historic interest of the conservation area will be maintained or enhanced through adopted guidelines,

2.0 INTRODUCTION

- 2.1 The character of these conservation areas is derived from:
 - Its historic development
 - The contribution of individual buildings, groups of buildings and the spaces between them
 - The relationship of the built environment with the landscape.
- 2.2 The appraisal has been formed by:
 - A survey of the buildings and landscape
 - Documentary research
 - Evaluation of the settlement
 - Literature Sources

3.0 REASONS FOR THE APPRAISAL

- 3.1 At present there are no conservation area appraisals for East and West Compton.
- 3.2 Section 69 of The Planning (Listed Buildings and Conservation Areas) Act 1990 imposes the duty on the local planning authorities to designate as conservation areas any “areas of special architectural or historic interest the character or appearance of which it is desirable to preserve or enhance.”
- 3.3 English Heritage Guidance on Conservation Area Appraisals suggests that conservation area character appraisals need to be reviewed regularly, every five years and to be adopted by the local planning authority.
- 3.4 LP1 37a, also requires appraisals to be kept up to date. In addition the North Dorset Business Plan 2008-2009, Paragraph 4.2 (III) gives a target of four Conservation Area appraisals to be adopted in this period. These are the first two.

4.0 RECOMMENDED OPTION AND REASONS WHY

- 4.1 The Panel is asked to agree to consultation on the draft Conservation Area Appraisals with a view to the Appraisals and subsequent Management Plan being adopted by the Local Planning in line with government guidance.

- 4.2 Consultation will be undertaken by letter and leaflet drop and public meeting. A report will be submitted to members with the results of the consultations and any proposed amendments.
- 4.3 Following this process it is intended that the appraisal process will continue, the next conservation area to be taken forward will be the Hilton Conservation Area.
- 4.4 This will be followed by those in the Tarrant Valley: Tarrant Gunville, Tarrant Hinton, Tarrant Keyneston, Tarrant Monkton and Tarrant Rushton.
- 4.5 It is intended that the process will continue with an ongoing programme of conservation area appraisals as resources allow in accordance with the Environment Business plan and local indicators.

Note: copies of the draft appraisals will be circulated separately.

Author: Kevin Morris Policy Manager Environment
Date: July 2008

Background papers:

Planning Policy Guidance 15, Guidance on Conservation Area Appraisals, Guidance on the Management of Conservation areas, Draft Conservation area Appraisals for East and West Compton.

Contact details: 01258 484276, kmorris@north-dorset.gov.uk

NORTH DORSET DISTRICT COUNCIL

PLANNING POLICY PANEL

Date of Meeting: 12th September 2008

REPORT TITLE: POTENTIAL ARTICLE 4(2) DIRECTION WITHIN THE STALBRIDGE CONSERVATION AREA

Portfolio Holder: Cllr Deborah Croney

Report Author: Policy Manager (Environment)

Purpose of Report:	<ol style="list-style-type: none">1. To inform members of the loss of architectural elements in one of the districts most attractive historic settlements and to propose a solution to the loss of these important features.2. To seek support for undertaking public consultation on the introduction of an Article 4 direction.
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Statutory Authority: Planning (Listed Buildings and Conservation Areas) Act 1900
Planning and Compulsory Purchase Act 2004

Financial Implications: There are no financial implications other than officer time in terms of preparing the Direction. Members should be aware that the need for planning applications resulting from the Direction will not generate additional income. Also, it may be possible to claim compensation from the authority if permission is refused following an application that was only required as a result of An Article 4 Direction.

Consultations required/ undertaken: Pursuant to Planning Policy Panel a further report will be prepared for Cabinet seeking authorisation to undertake external consultation.

Recommendations: That Panel members note the report and support public consultation with all affected residents of the Stalbridge Conservation Area with a view to serving an Article 4 Direction on the relevant buildings.

Reason for Decision: To ensure the continued protection of the character and appearance of the Stalbridge Conservation Area.

1.0 BACKGROUND

- 1.1 The Stalbridge Conservation Area was designated in May 1978 and is one of 45 conservation areas in the North Dorset District. The conservation area covers the entire town and includes Stalbridge Park to the north.
- 1.2 Stalbridge is particularly notable for its survival of historic fabric, particularly windows and roofs from the seventeenth, eighteenth and nineteenth centuries. Windows in particular include some fine examples of wrought iron casements with leaded lights, cast iron casements and traditional timber casements and vertical sliding sashes.
- 1.3 A survey of the buildings within the Stalbridge Conservation Area was undertaken in 2005 to determine the amount of change which has taken place to buildings within recent years. The survey which recorded the extent of original/ historic window survival in the Stalbridge Conservation Area has been reviewed to determine the extent of further loss of historic fabric. These plans will be available for members at the meeting.

2.0 INTRODUCTION

- 2.1 The character of the Stalbridge Conservation Area is a combination of the very high number of listed buildings and traditional buildings making a positive contribution and the tight urban grain of a traditional market town. The historic buildings which make such an important contribution are characterised by their modest scale, use of local stone for walling and roofs and survival of historic fabric. In this respect, windows, doors, roofs, chimneys and boundary walls form a key part of the historic and architectural importance of buildings and their environs within the conservation area.
- 2.2 This report notes results of the 2005 and 2008 surveys and places them in the context of the overall special character of the Stalbridge Conservation Area. The 2005 survey provided a benchmark from which to measure the pressure for change in relation to historic features such as historic windows in the Stalbridge Conservation Area. The recent survey work has highlighted particularly the loss of historic and traditional windows. This report outlines the problem and suggests the solution to the issue of the loss of historic fabric, particularly windows in one of the most attractive historic settlements in the district.

3.0 THE PROBLEM

- 3.1 Within the present planning system, there is a duty placed on local authorities to preserve or enhance the character or appearance of conservation areas (para 2.13 Planning Policy Guidance Note 15) through the implementation of the planning system.

- 3.2 The problem at present is that the removal of original windows, doors, roofs and replacement with modern inappropriate materials in historic buildings which are not statutory listed (ie grade I or II* or II) does not require planning permission where the building in question is a private dwelling house (i.e. not a flat or commercial premises or combination of these two). In essence this means that at present many of the occupiers of buildings which are not listed but make a positive contribution towards the character and appearance of the conservation area can change their traditional windows for modern replacements often using inappropriate materials and finishes. This has a significant impact on both the character and appearance of the buildings destroying the very features which give the house their historic character and heritage value and the wider area.
- 3.3 The recent surveys have revealed that within the space of two/three years many houses have lost their original windows to modern inappropriate replacements.
- 3.4 In addition, the character of these traditional houses is also being damaged as a result of changes to doors, roofs and boundary walls. There is also a problem of painting traditional brick or stonework. At present these changes can also be carried out under permitted development without any planning permission or other consent.

4.0 POTENTIAL SOLUTION

4.1 A way of halting the rate of erosion of the historic fabric in the Stalbridge Conservation Area is to introduce what is known as an Article 4 Direction. This is made under Article 4 of the Town and Country Planning (General Permitted Development) Order 1995.

4.2 What is an Article 4 Direction?

4.21 There are two types of article 4 direction. Article 4(1) relates to the removal of a wide range of permitted development rights and might require the consent of the Secretary of State depending on what is proposed. Article 4(2) directions relate to removal of certain permitted development rights within Conservation Areas and does not require Secretary of State approval.

4.3 Article 4(2) Directions

4.3.1 Where there is not a Direction, owners of houses within a conservation area have rights to undertake considerable alterations to their property without the need for planning permission (Permitted Development Rights). Where these rights are unchecked they can undermine and erode the 'special interest' of any conservation area.

4.3.2 Article 4(2) Directions are restricted to a circumstance where it would "front a relevant location" (where "relevant location" means a highway, waterway or open space – this includes permitted development under Class A or Part 1 of Schedule 2 in respect of the enlargement, improvement or other alteration of a dwelling house).

Accordingly, if other areas, such as works wholly to the rear of a building, then it would be necessary to use the powers under article 4(1) as opposed to 4(2). The surveys undertaken have not considered the rear of properties as neither time nor resources were available to do this. As a result this report is only concerned with the possible serving of an Article 4(2) Direction and will not need the approval of the Secretary of State.

- 4.3.3 The aim of an Article 4(2) Direction is to encourage the retention of high quality architectural features on buildings and to preserve and enhance the conservation area of which they are part. 'Like for like' repairs and reinstatement of architectural features will be encouraged, along with the removal of previously unsympathetic changes to buildings.
- 4.3.4 Permitted development rights have been granted by Parliament and Government policy is that they should be withdrawn only in exceptional circumstances, including evidence of a real and specific threat that permitted development is likely to take place which could damage an interest of acknowledged importance. There is a requirement within Government advice contained in Circular 9/95 and Planning Policy Guidance Note 15; that authorities should publicise their proposals in advance and have regard to the views of local people.
- 4.3.5 This will mean that a private dwelling house owner would have to submit a planning application for work that normally does not need one.

4.4 Fees

- 4.4.1 No fee is paid where an application for planning permission is required as a result of an Article 4 Direction.
- 4.4.2 It should be noted that in the Stalbridge conservation area, only a selected area has been identified for the application of an Article 4(2) direction (appendix B) and for each address there is a schedule which identifies which type of article 4(2) is required. They fall into the following categories:

4.5 Doors and windows

- 4.5.1 The original period design of doors and windows contributes greatly to the character of the Conservation Area and they should be retained. The installation of replacement doors and windows in aluminium, in plastic, or in designs other than that which existed on principal elevations, would not receive permission, other than in exceptional circumstances.

4.6 Alterations to elevations

- 4.6.1 Under this section material alterations to elevations will require planning permission. Applications for porches, removal of architectural details, extensions and other works materially affecting the appearance of the building including satellite dishes will be treated on their merits. The Direction is not meant to cover very minor alterations such as burglar alarms (n.b. different controls apply to listed

buildings). It should be noted that this will only apply to elevations fronting the highway. In Stalbridge, this is unlikely to amount to more than the erection of a small porch extension.

4.7 Roofs

4.7.1 A change of roof material will almost certainly require planning permission. If a roof is a pitched roof in a terrace or a group of buildings where natural slates dominate, re-roofing in natural slate will be called for. Where a roof is prominent, man-made (fibrous cement type) slates are not acceptable as an alternative to natural slate. Generally the retention of natural and locally distinctive roofing materials is sought.

4.8 Painting facades

4.8.1 Good quality building stone; Greensand and others from the Marnhull quarries and good quality facing bricks (from Gillingham and other local brick fields) were used throughout the area and it is appropriate that they should remain exposed for this reason. Permission would not be granted for exterior painting of stone work or brickwork in areas covered by the Direction. Where a facade has already been painted, planning permission would not be required for repainting, unless there was a change of colour which materially alters the character or appearance of the building.

4.9 Textured paint and render

4.9.1 Textured paint or render would not normally receive planning permission in areas where stone or brick prevails.

4.10 Hardstandings and curtilage walls

4.10.1 Some control is necessary to prevent cars from dominating the street scene and the setting of buildings. Proposals for vehicle hard standings should be refused unless they could be located or screened to minimise the impact on the surrounding area. Careful attention to paving and landscaping is required. Permission to erect a fence, wall or railing on the front curtilage boundary, would normally be approved if it was of a type which prevailed in the Stalbridge Conservation Area. Please note that the prevalent material within the proposed Article 4(2) Direction area is stone walling.

5.0 OPTIONS

5.1 Do nothing – accept the gradual erosion of one of the most important conservation areas in the district.

5.2 Consult householders and local businesses on the options for Imposing A4(2) directions on windows, doors, roofs, painting of front facades, loss of boundary walls and chimneys and extensions to front elevations and combinations thereof within the identified Article 4(2) Direction area within the conservation area (appendix B).

6.0 COSTS

6.1 Compensation issues

On taking legal advice, there is very little case law or guidance available on this matter. There is none that can be readily found on amounts that have been payable in relation to article 4(2) directions. Compensation could apply where an application has been refused as a direct result of an application resulting from the imposition of an Article 4(2) Direction. This could be in relation to:

- i. expenditure in carrying out work which is rendered abortive (and for the purposes of this provision, any expenditure incurred in the preparation of plans for the purposes of any work, or upon similar matters preparatory to it, shall be taken to be included the expenditure incurred in carrying out that work); and
- ii. other sustained loss or damage directly attributable, by the refusal of a permission / imposition of conditions.

6.1.1 If permission is refused following an application that was only required as a result of an Article 4 direction, it may possible to claim compensation under section 108 of the Planning Act.

6.1.2 Accordingly, if for example, costs were incurred in the preparation of abortive plans, or perhaps the inability to use UPVC forced the use of an alternative to be used, then there could potentially be a compensation claim.

6.1.3 This is unlikely to be the case with respect to replacement of windows, doors and roofs, particularly where the survival of this type of historic fabric often attracts a premium to that property to make them more valuable than if they had say modern plastic windows.

6.1.4 A sum may be payable by the authority for any works rendered abortive by the making of a direction. The calculation of the sum is a complex matter often requiring specialist legal and valuation advice.

6.2. Additional workload

By removing permitted development rights, it is possible that there may be a slight increase in the number of applications for planning permission, however it is not envisaged that this will be a significant number.

7.0 DIVERSITY AND CUSTOMER FOCUS

- 7.1 The adoption of Article 4(2) Directions for Stalbridge will ensure the continued protection of important historic features which contribute to the character and appearance of the Stalbridge Conservation Area. The special character of the area is something for all to enjoy and entails the careful stewardship of heritage assets both individually and collectively.
- 7.2 Ensuring the long term preservation of the historic character of Stalbridge will encourage self policing of the conservation area and a pride in the historic built environment. This will maintain the attractive qualities of this small town, contributing to the local economy through a demand for housing within this attractive area which in turn will continue to support local businesses and infrastructure.

8.0 HUMAN RIGHTS IMPLICATIONS

- 8.1 There are no human rights implications other than those embodied within the planning system at present.

9.0 RISK MANAGEMENT

- 9.1 The absence of Article 4(2) Directions will lead to the slow erosion of the historic character of the conservation area. This could ultimately lead to the de-designation of the conservation area.
- 9.2 There is potential for compensation relating to whether as the direct result of the imposition of an Article 4(2) Direction the applicant has incurred an unnecessary cost or costs. In reality, this would be extremely difficult to quantify and would only apply as a direct result of making an application not in the imposition of an Article 4(2) Direction alone.

10. RECOMMENDED OPTION AND REASONS WHY

- 10.1 The Panel is asked to support the principle of consultation with householders and local businesses on the options for Imposing A4(2) directions on windows, doors, roofs, painting of front facades, loss of boundary walls and chimneys and extensions to front elevations and combinations there-of within the identified Article 4(2) Direction area within the conservation area.
- 10.2 Consultation will be undertaken by letter, leaflet drop and public meeting. A report will be submitted to members with the results of the consultations and recommendations.
- 10.3 The imposition of Article 4(2) Directions will be an important management tool in safeguarding the historic character and appearance of the Stalbridge Conservation Area.

Author: Hazel Brushett Conservation and Design Officer
Date: July 2008

Background papers:

Planning Policy Guidance 15

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NORTH DORSET DISTRICT COUNCIL

Planning Policy Panel

12th September 2008

REPORT TITLE: CONSIDERATION OF THE RECOMMENDATIONS OF THE POLICY REVIEW COMMITTEE'S REVIEW OF AFFORDABLE HOUSING PROVISION

Portfolio Holder: Cllr Deborah Croney

Report Author: Trevor Warrick, Policy Manager (Planning)

Purpose of Report:	To consider the recommendations of the Policy Review Committee's review of affordable housing and to consider how these recommendations could be incorporated into the Council's emerging Core Strategy
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Statutory Authority: Planning and Compulsory Purchase Act 2004

Financial Implications: No direct financial implications

Consultations required/undertaken: The Policy Review Committee heard evidence from a number of witnesses on the issue of affordable housing and produced a report of their findings, with recommendations, in May 2008.

Recommendations: That members note the contents of this report.

BACKGROUND AND REASON DECISION NEEDED

The Policy Review Committee Recommendations

1. The Policy Review Committee has investigated ways of providing non-traditional, non-open market methods of housing provision, especially for local people, including housing that would not always be categorised as 'affordable' in the conventional sense. The Committee put forward a number of recommendations, number 4 being that *"a substantive response to the whole of the report be given, within the next 3 months, to the Planning Policy Panel of NDDC"*.
2. The other three recommendations were:
 - **Recommendation 1:** That this Council's LDF Planning Policies widen the definition of 'Affordable Housing' beyond the current RSL model in order to encourage innovation in Affordable Housing supply, as outlined above,

and flexibility to accommodate changing lifestyles and housing needs, subject to NDDC retaining allocation rights in all cases;

- **Recommendation 2:** That this Council's LDF builds in a 'Sustainability Test', based on the criteria outlined above, of all applications to develop Affordable Housing under the wider definition proposed in Recommendation 1;
- **Recommendation 3:** That this Council's Planning Policy Officers and Development Control Officers consult on the basis of this report with the Rural Regeneration Manager, the Housing Policy Manager, and the General Manager (Policy) in order to ensure that the proposed LDF policies form a seamless fit with the Community Planning and Affordable Housing policies of this Council.

3. These recommendations, and the implications for planning policy, are discussed below.

Widening the Definition of Affordable Housing

4. Until very recently local authorities were advised to define the term 'affordable housing' for their own area (within certain limits) in their planning policy documents, but this is no longer the case, because the term has now been defined in national policy. This national definition is also used in the draft Regional Spatial Strategy (RSS) and will almost certainly find its way into the final version. In the light of this situation, it would be difficult for the Council to adopt a definition for North Dorset that was wider than the national definition. However, it should be noted that the national definition differs significantly from the definition in the current Local Plan, so some changes to current policy will be required when the Local Development Framework (LDF) is taken forward. The background to this situation is explained in more detail below and possible alternative policy approaches are discussed.
5. Prior to the publication of Planning Policy Statement 3 (PPS 3): Housing in November 2006, there was no formal definition of 'affordable housing' in national planning policy, although Circular 6/98 made it clear that the term included 'low cost market housing'. The term 'affordable housing' was used *"to encompass both low-cost market and subsidised housing (irrespective of tenure, ownership – whether exclusive or shared – or financial arrangements) that will be available to people who cannot afford to rent or buy houses generally available on the open market."* (paragraph 4).
6. Paragraph 9 of the Circular stated that each local planning authority should include in their local plan *"a policy for seeking an element of affordable housing on suitable sites"* and that *"the policy should define what the authority regards as affordable, but this should include both low-cost market and subsidised housing, as both will have some role to play in providing for local needs"*.
7. Planning Policy Guidance Note 3 (PPG3): Housing (published in 2000) also stressed the importance of local planning authorities defining 'affordable housing' on the basis of local market conditions and housing need. Paragraph 12 of PPG 3 emphasised the need to define 'affordability' with specific reference to incomes, house prices and rents, stating that *"Local plan policies for affordable housing should ... define what the authority considers to be affordable in the local plan"*

area in terms of the relationship between local income levels and house prices or rents for different types of households”.

8. Both Circular 6/98 and PPG 3 were cancelled with the publication of PPS 3 in November 2006 and a national planning policy definition of ‘affordable housing’ was introduced for the first time. This definition, which now excludes low cost market housing, is set out in Annex B. It states: *“Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:*
 - *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;*
 - *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.”*
9. The same Annex goes on to provide: *“...those homes that do not meet the definition, for example, ‘low cost market’ housing, may not be considered for planning purposes as affordable housing.”*
10. The draft RSS was published in June 2006 and its glossary shows that in the region the definition of ‘affordable’ is *“as given in Annex A of the Consultation Paper on a New Planning Policy Statement 3 (PPS 3) – Housing (ODPM, December 2005)”*. The glossary in the Secretary of State’s Proposed Changes to the RSS, published in July 2008 includes the same definition. Clearly the RSS glossary needs to be updated to reflect the definition in the published version of PPS 3 and it seems highly likely that this definition will be used in the final version of RSS.
11. PPS 12: Local Spatial Planning points out that it is a legal requirement for Core Strategies and other Development Plan Documents (DPDs) to have regard to national policy (paragraphs 4.50 and 5.2). It also points out that to be considered sound at examination, core strategies and other DPDs should be consistent with national policy (boxes following paragraphs 4.50 and 5.2). If the Council were to widen the definition of affordable housing beyond that in PPS 3, it would run the risk of the Core Strategy being found unsound at examination.
12. It is also a legal requirement for Core Strategies and other DPDs to be in general conformity with the RSS and since this is highly likely to use the PPS 3 definition of affordable housing in the final version, using a wider definition of affordable housing in North Dorset would run the risk of the Core Strategy not meeting the legal compliance tests at examination.
13. Paragraph 29 of PPS 3 indicates that in their Local Development Documents (LDDs), local authorities should *“set an overall (i.e. plan-wide) target for the amount of affordable housing to be provided”*. It also states that *“The target should reflect the new definition of affordable housing in this PPS”*. Widening the definition of affordable housing would run counter to this advice, increasing the risk that the Core Strategy could be found unsound at examination.
14. Adopting a wider definition of affordable housing in the Core Strategy may make it easier for the Council to permit innovative schemes which would not accord with

current policy, but there is also a danger that such an approach would make it more difficult to deliver 'classic' affordable housing. Developers could argue that certain elements of housing provision that were not available to everyone on the open market (for example competitively priced sheltered housing for the elderly or very small properties for first time buyers) should fall within the wider definition of affordable. They might seek to provide such 'niche market' housing as the 'affordable' element of a larger scheme.

15. A wider definition of affordable housing might also add weight to a developer's argument that their scheme should be exempt from providing 'classic' affordable housing. In 2007 there was an appeal relating to the Royal Hotel site in Gillingham where the developer argued that their sheltered housing scheme should be exempt from providing affordable housing, because it was not fully open market and met a particular housing need. The Inspector closely examined the policy framework and noted that *"neither the Local Plan nor national policy suggests that sheltered housing schemes are exempt from this requirement or advice to provide affordable housing"*. He also concluded that *"there is a need and justification for the provision of affordable housing on the site which the proposal does not make. Nor is there an adequate alternative offer for off-site provision. The proposal would therefore conflict with Structure Plan Housing Policy D and Local Plan Policies 2.12 and 2.13"*.
16. In reaching his decision, the Inspector was able to rely on a very clear policy position in the Structure and Local Plan. A wider definition of affordable housing in the Core Strategy would make the Council's policy position less clear and could potentially make it more difficult for Inspector's to take a firm line in cases such as this.
17. Due to these risks, it is considered unwise to seek to widen the definition of affordable housing beyond the definition in PPS 3.

What Forms of Affordable Housing Could be Permitted under the National Definition of Affordable Housing

18. One of the concerns expressed in the Policy Review Committee's report was that the current Local Plan policy on affordable housing does not permit anything other than 'classic' affordable housing (RSL housing to rent or under shared equity). If, as suggested, the Core Strategy uses the new national definition, it is worth considering what forms of affordable housing provision could be permissible within this definition.
19. The Policy Review Committee's report focuses on three particular types of innovative 'affordable' housing, although the report itself recognises that other forms are likely to come forward over the next twenty years. These are:
 - The shared equity model put forward by Affordable Homes UK (AHUK). AHUK aims to provide a shared equity model where no rent is paid on the un-owned portion of equity ensuring that the property is genuinely affordable;
 - The co-housing model, which combines independent dwelling units with a number of shared facilities and support with resident participation in the development and management of the site; and

- Community Land Trusts where land is owned by the local community and used to provide affordable housing and also workspace, allotments etc. for the benefit of local people.

20. How these uses fit with the national definition of affordable housing and the implications for planning policy in North Dorset are discussed below, both in terms of general affordable housing policy and rural exceptions.

The Affordable Homes UK Shared Equity Model

21. The AHUK model is a variant of the traditional shared equity model offered by RSLs. The main advantage with this model is that no rent is payable on the un-owned portion of equity, making it more affordable and consequently available to a greater proportion of those in housing need. The homes are secured in perpetuity by limiting the proportion of equity that can be purchased to 50% and ensuring that the unsold retained fixed equity share and freehold in the land is held by a local charitably aimed body.

22. AHUK's properties have all been built without public funding, typically as part of larger schemes where their provision had been secured through a planning agreement. The absence of grant funding meant that they did not have to conform to Housing Corporation standards.

23. This model clearly falls within the national definition as a form of intermediate housing and is probably most suited to be provided as part of larger schemes. It would not, therefore, be necessary to widen the definition of affordable housing in the Core Strategy beyond the national definition to support such schemes.

24. This model could meet national policy criteria for rural exception schemes. However, there are potentially issues about retention in perpetuity and meeting local needs.

25. The long-term security of such schemes could be threatened in the event that AHUK, or another body offering a similar product, got into financial difficulty. There are likely to be mortgagee in possession clauses that could be brought into effect in such circumstances, enabling lenders to sell on the open market, in order to recoup loans. Alternatively, such properties could potentially be passed to a RSL, but because the homes may not be built to Housing Corporation standards, there may be additional costs associated with such a transaction, increasing the risk that this may not be a viable solution.

26. Typically in North Dorset rural exception schemes have been aimed at those most in need and provision has been in the form of rental properties delivered by RSLs. The Council has tended not to promote shared equity housing on rural exceptions sites, as this meets more of an intermediate need. The AHUK model could potentially make shared equity an option for a wider range of people in housing need, but it still may not be an acceptable substitute for rental units.

27. As a strategic document, the Core Strategy will include a general policy on affordable housing and a policy on rural exceptions schemes, which will both need to reflect national policy. The rural exceptions policy will have to focus on meeting local needs and securing such properties in perpetuity. The AHUK model is capable of meeting the relevant criteria and therefore such schemes

could fall within the remit of such a policy, if the issues of retention in perpetuity and meeting local need are satisfactorily addressed. It seems highly desirable that schemes such as the AHUK shared equity model should be tested against such criteria through the planning application process and consequently it seems highly undesirable to widen definitions or broaden policy so that such assessments would not be necessary for schemes of this nature.

The Co-Housing Model

- 28.** The co-housing model seeks to deliver a more community-based, sustainable approach to living, which also has the benefit of reducing costs for all. A scheme has been granted permission in North Dorset, subject to a planning agreement being finalised, at Cole Street Farm, near Gillingham. This site is outside any settlement boundary in the countryside, as defined in the Local Plan. On this scheme some of the units meet the national definition of affordable, but others do not and this has given rise to a debate about how such schemes should be addressed in policy.
- 29.** Any co-housing scheme proposed within a settlement boundary would be capable of meeting a policy that used the national definition of affordable housing. Such a scheme would need to include a proportion of units that met the national definition of affordable, in the same way that any other housing scheme above a defined size threshold would. There are however, issues if the scheme is proposed outside a settlement boundary, as is the case with the Cole Street Farm scheme. Three possible approaches are discussed below which are:
- To widen the remit of a rural exceptions policy;
 - To adapt countryside policy to allow co-housing (or other innovative forms of housing provision) as exceptions to the general policy of restraint; or
 - For the Core Strategy to remain silent on this issue and for such schemes to be considered as departures through the development control process (i.e. the current situation).
- 30.** Widening the remit of a rural exceptions policy is not an appropriate way forward for a variety of reasons, which are explained below. PPS 3 indicates that a rural exception site policy should *“enable small sites to be used specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint. Rural exception sites should only be used for affordable housing in perpetuity. A Rural Exception Site policy should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection, whilst also ensuring that rural areas continue to develop as sustainable, mixed, inclusive communities”*. In this context ‘small rural community’ means a settlement with a population of 3,000 or less inhabitants. Rural exception sites also need to be either within or adjacent to such settlements.
- 31.** A co-housing scheme would not meet the criteria outlined above. Firstly, such schemes are not 100% affordable within the national definition and secondly, such schemes would not meet strictly local needs. It seems highly unlikely that a co-housing scheme on the edge of a particular village would have sufficient residents from that particular village that were interested in the co-housing way of life to occupy the affordable units on offer. This is borne out by the evidence in the Policy Review Committee’s report, which shows that of the 650 people in

housing need contacted only 50 (7.7%) expressed an initial interest. This means that in any scheme, it is highly likely that people would be brought in from a wider area to occupy the dwellings. The fact that only 1 in 10 of those in housing need in North Dorset expressed even an initial interest in co-housing also means that it would certainly not be an acceptable substitute for 'classic' rural exceptions housing.

- 32.** There would also be other issues with trying to widen the scope of a rural exceptions scheme to allow a scheme such as that at Cole Street Farm. Firstly, the site is not adjacent to a settlement boundary. It is about 450 metres away from the nearest point of the Gillingham settlement boundary as defined in the Local Plan. Secondly, the settlement it is closest to, is not a small rural community (i.e. Gillingham is not a settlement with a population of less than 3,000) and thirdly, the affordable element is available on a traditional shared equity basis and therefore would not be available to those in greatest housing need.
- 33.** This report has already identified that seeking to widen the definition of affordable housing in the Core Strategy would give rise to issues of legal compliance and soundness. Seeking to widen the remit of a rural exception site policy to support co-housing outside settlement boundaries would give rise to similar issues. It would also make it more difficult to secure 'classic' rural exceptions housing. The wider remit of the policy would mean that there would be competition for sites between 'classic' rural exceptions housing schemes and co-housing schemes, which would probably be able to afford to pay higher land values because of their 'market' housing element.
- 34.** The Core Strategy will include an overarching policy on the countryside, which will establish a general policy of restraint outside settlement boundaries. The policy will also need to set out different types of uses that may be acceptable in the countryside (such as agricultural workers' dwellings for example), in the same way that Policy 1.6 of the current Local Plan does. Either the policy could list co-housing (or other similar schemes) as one of the uses that may be acceptable in the countryside, or the supporting text to the policy could outline that exceptionally the Council might permit such schemes, in certain circumstances (for example, if they had certain sustainability credentials).
- 35.** This approach does not try to argue that co-housing (or any other similar type of scheme) fits within the national definitions of affordable or rural exceptions housing. Instead it seeks to give legitimacy to developments proposing sustainable forms of living outside settlement boundaries in their own right. The fundamental drawback with such an approach is that it would effectively create a 'loophole' in the District's' countryside policy. Whilst it might make it easier for schemes with high sustainability credentials to gain permission, it is inevitable that developers would seek to exploit this loophole potentially giving rise to the submission of many speculative schemes which otherwise would not be put forward.
- 36.** Whilst there has been a lot of discussion at the national level about co-housing, there is no support for it, as yet, in national planning policy or in the emerging Regional Spatial Strategy (RSS). It is highly unlikely, therefore, that the Core Strategy would be found unsound for not addressing this matter in policy.

37. National policy (PPS 7) is very clear that local planning authorities should “*strictly control new house building (including single dwellings) in the countryside, away from established settlements*”. The draft RSS is also seeking greater concentration in towns and key villages noting that “*the scale and nature of development in rural communities needs to be managed more carefully than has been the case over the last 20 years if the most sustainable approach to development is to be delivered across the region*”. A local policy that allowed schemes with a proportion of ‘market’ housing in the countryside would seem to run counter to the thrust of national and regional policy. It is not clear how such a policy would be viewed at examination but, in the light of the thrust of national and regional policy, there is a risk that an Inspector may find it unsound.
38. The third option would be to not refer to the possibility of co-housing (or similar schemes) being permitted in the countryside in the Core Strategy. Any such scheme would then need to be considered as a departure from the Development Plan, as is the case now. Under this approach, such schemes would be contrary to policy, but they could still be permitted (as a departure from policy) if it was considered that the material planning benefits outweighed the policy considerations. Whilst this approach would not make life any easier for those seeking planning permission, it would put the Council in a very strong position to negotiate on key points, such as the delivery of the affordable housing element and securing sustainability benefits.

Community Land Trusts

39. The Policy Review Committee report includes a lot of information on Community Land Trusts (CLTs) and the Committee were informed about the scheme in Buckland Newton. The evidence submitted showed that such schemes would be located on sites either within settlement boundaries or on sites just outside and adjacent to them. Clearly schemes within settlement boundaries would be unlikely to conflict with planning policy and those on sites just outside would need to conform to a rural exceptions site policy. It would not, therefore be necessary to widen the definition of affordable housing (or rural exceptions housing) in the Core Strategy beyond the national definitions to support such schemes.
40. Given their community focus, there is no question that CLTs will address local needs. However, there are potentially issues with retention in perpetuity. The issue of the mortgagee in possession clause is discussed in the Policy Review Committee report. Although this indicates that in the event of financial difficulties it is very unlikely that homes built by CLTs would be sold on the open market, this may not always be the case. Funding for CLT projects has been difficult to secure and a variety of funding models have been used to get them off the ground. Whilst some schemes may have put appropriate arrangements in place, others may not. The Policy Review Committee notes that an umbrella CLT organisation could be helpful to cover such eventualities and the involvement of partner RSLs could also assist (for example, by committing to take over properties in the event of financial or organisational difficulties). However, these options may not always be available.

Summary of Key Points

41. In summary the key points for members to note are:

- That it would be inappropriate to seek to widen the definition of affordable housing in the Core Strategy (beyond the national definition in PPS 3);
- That many forms of innovative affordable housing could fall within the national definition of affordable housing, including Affordable Housing UK's shared equity model, co-housing schemes within settlement boundaries and Community Land Trust schemes;
- That a number of policy approaches to giving support to co-housing (or other similar schemes) in the countryside have been discussed in this report for members to consider.

OPTIONS

42. Planning Policy Panel members are asked to note the contents of the report.

COSTS

43. There are no costs directly associated with this report.

RECOMMENDATION AND REASON

That members note the contents of the report

Author: Trevor Warrick – Policy Manager (Planning)

Date: 4th September 2008

Background papers:

The Policy Review Committee Review of Affordable Housing Provision (May 2008)

North Dorset District Wide Local Plan (First Revision) (January 2003)

The Draft Revised Regional Spatial Strategy for the South West Incorporating the Secretary of State's Proposed Changes – For Public Consultation (July 2008)