

Policy Advice Note: Neighbourhood Planning & Housing Needs



June 2015

Purpose

Planning for housing is frequently a major issue for local communities. As well as containing helpful advice and guidance on housing related issues, this Policy Advice Note (PAN) includes a self-assessment checklist or toolkit designed to ensure that those preparing neighbourhood plans¹ can properly consider housing-related issues. This is particularly important in the process leading up to independent examination and referendum and in ensuring that neighbourhood plans can be 'made'². By having regard to this PAN you can be more certain that your neighbourhood plan is effective in meeting the housing needs and aspirations of the community. This PAN is intended to be read alongside other guidance on preparing neighbourhood plans which can be viewed at www.stratford.gov.uk/neighbourhoodplans.

Key Principles

Neighbourhood plans must be in general conformity with the strategic planning policies contained in the Stratford-on-Avon District Development Plan³. Neighbourhood plans should also be underpinned by robust evidence. Plans that do not satisfactorily deal with these key principles are unlikely to get through the examination process. Indeed, general conformity with strategic policies is one of the 'basic conditions' that will be tested at the neighbourhood plan examination. More information on the basic conditions can be found at: <http://planningguidance.planningportal.gov.uk/blog/guidance/neighbourhood-planning>.

Broadly speaking, there are two sets of housing policies: those that deal with the supply of housing (e.g. number and location) and those that deal with the type of housing (e.g. affordability, mix, design etc.). In respect of the number of homes needed, whilst neighbourhood plans may provide for additional housing over and above that set out in the Core Strategy, they cannot provide for less.

How Many Homes?

The Core Strategy will set out how many homes need to be built across the District to 2031. The number of homes that should be planned for in a particular town or village in a neighbourhood plan depends on its categorisation in the Core Strategy. The Core Strategy distinguishes between the Main Town of Stratford-on-Avon, 8 Main Rural Centres (MRC), 4 categories of Local Service Village (LSV) (comprising 45

¹ This term also includes Neighbourhood Development Orders and Community Right to Build Orders

² 'Made' is the legal term for neighbourhood plans that have successfully been independently examined, been through public referendum and then adopted by Stratford-on-Avon District Council as part of the Development Plan for use in determining planning applications.

³ The Development Plan currently comprises those 'saved' policies from the District Local Plan Review 2006 that are deemed to be up-to-date.

However, regard should also be had to policies set out in the emerging Core Strategy. When adopted, the Core Strategy will replace the Local Plan 2006.

settlements), and the remaining rural area comprising all other villages and hamlets. Emerging Core Strategy Policies CS.15 - Distribution of Development and CS.16 - Housing Development set out the housing distribution strategy. Rather than specifying a housing requirement for each individual settlement⁴, the Core Strategy identifies a total or 'global' housing requirement for the MRCs as a whole. A 'global' figure is also identified for the LSVs, with an indicative maximum percentage figure expressed for LSVs within each category. This approach enables individual sites to be identified or allocated through neighbourhood plans or the District-wide Site Allocations Plan. It is not intended that allocations will be made in locations outside Stratford-upon-Avon, the MRCs or LSVs (other than strategic sites identified in the Core Strategy), although housing could come forward in other rural locations as a 'Local Needs' scheme.

Following examination of the submitted Core Strategy Inspector recommended in March 2015 that further work in respect of the District-wide housing requirement should be undertaken. This work is currently in progress. In line with the Inspector's conclusions, it will focus on Stratford-upon-Avon and the 8 Main Rural Centres because they offer the most sustainable locations in which to locate additional growth. This work is expected to be completed by October 2015. In respect of the LSVs, the Inspector considered that the broad quantum of development proposed was appropriate, and as such, the Council does not envisage the level of housing to be provided in these villages to be increased from levels quoted in the emerging Core Strategy. More information on the Core Strategy, including the submission version of the plan and subsequent suggested policy amendments can be found at www.stratford.gov.uk/corestrategy.

Allocating Sites for Development

In providing for the supply of housing, neighbourhood plans should identify and allocate sites for future housing development to contribute to meeting the overall District housing requirement set out in the Core Strategy. Neighbourhood plans must be in general conformity with the overall housing requirement and distribution of development for the District set out in the Core Strategy. The Core Strategy covers the period 2011 to 2031, so when identifying the broad number of homes required, the net number of new homes built and granted planning permission since 1 April 2011 in the particular settlement should be subtracted from the Core Strategy requirement.

The benefit of allocating land for development is that it gives certainty to a community as to where, what and to some extent when development will happen. It enables a planned approach to development. Stratford-on-Avon District Council is keen to let neighbourhood plans take the lead in identifying and allocating sites for new housing. However, where neighbourhood plans do not allocate sites to meet any identified requirement or where a neighbourhood plan is not being prepared⁵, Stratford-on-Avon District Council will need to identify and allocate sites through its Site Allocations Plan. In looking to allocate sites for development, decisions about which sites to allocate should be based on a consistent application of a clearly set out methodology and informed by any available technical evidence (e.g. in relation to flooding, transport, heritage etc.), the findings of the sustainability appraisal, and the feedback from public consultation. This may mean that a range of sites may need to be considered with clear explanation given as to why certain sites have been put forward and others rejected.

⁴ These figures refer to individual settlements (i.e. town/village) and not to the wider parish. Homes provided elsewhere in a parish are counted as being in the rural area.

⁵ This includes instances where work on a neighbourhood plan has started but has not reached a suitably advanced stage of preparation so as to give the District Council confidence that sites will come forward through the Plan in a timely manner.

What Types of Homes?

Neighbourhood planning policies may be used to provide more detailed guidance such as the design and mix of housing to be provided. However, such policies still need to be consistent with the approach set out in the Core Strategy (e.g. Policies CS.17 - Affordable Housing, CS.18 - Housing Mix and Type, and CS.19 - Existing Housing Stock). Neighbourhood Plan policies on these topics could help clarify and articulate the wishes of the local community but would need to be based on evidence (e.g. relating to local housing needs). In formulating neighbourhood plan policies on housing type, account should also be taken of national planning guidance available at <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-optional-technical-standards/>.

Affordable Housing

The affordability of housing is a big issue across Stratford-on-Avon District, particularly provision of affordable housing for young people and/or first time buyers. However, it is important to understand that the term 'affordable housing' has a very specific definition in planning terms and does not refer to cheaper, inexpensive or low cost homes to buy on the open market. Affordable housing is defined as: *'social rented, affordable rented and intermediate housing [...(for example, shared ownership)...], provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision'*⁶.

Affordable housing is typically provided on sites alongside market housing, as a percentage of the overall total, and is owned and managed by housing associations⁷. Core Strategy Policy CS.17 seeks 35% of homes from eligible sites over a certain size threshold to be affordable. Further information in respect of housing provision can also be found in the Council's Housing Strategy, as well as a list of the Council's partner housing associations (known as "Registered Providers"), both of which are available on the housing pages of the Council's website at (www.stratford.gov.uk). Whilst there is no obligation to work directly with any particular Registered Provider, it may be advantageous to do so as there are well-established working arrangements already in place. Stratford-on-Avon's District Housing Development and Enabling Officer can provide more advice in this respect. Notwithstanding the above, it may be appropriate to include policies for the provision of 'low cost market homes' within neighbourhood plans. However, such provision should be in addition to, and not instead of, provision of affordable housing. Affordable housing is generally provided to meet District-wide housing needs. This means that the occupancy of affordable homes will normally be controlled via a planning obligation ('S.106 Agreement') and will usually be offered, on a sequential basis, to people with a defined 'local connection' to the host parish, then adjacent parishes and then the rest of the District.

Local Needs

As mentioned above, the Core Strategy also permits small-scale, community-led housing schemes to be provided across the District to meet an identified local housing need. Local needs schemes are also known as 'Local Choice' or 'Rural Exception' sites. The homes provided can be for local market housing as well as

⁶ From National Planning Policy Framework, Annex 2: Glossary, (CLG, 2012) available at: <http://planningguidance.planningportal.gov.uk/blog/policy/achieving-sustainable-development/annex-2-glossary/>

⁷ The term 'affordable housing' has replaced 'council housing' and this latter term should no longer be used.

affordable housing. In some instances, they can also include an element of open market housing to fund the provision of the affordable or local market housing elements. Local needs schemes can be identified in a neighbourhood plan as well as brought forward through a planning application. As such, they are particularly useful in helping to meet housing needs that are not otherwise being met, such as in non-LSV villages across the rural area.

Housing Needs Surveys

There is no requirement to undertake a housing needs survey when preparing a neighbourhood plan. However, undertaking a housing needs survey is one way of gathering robust evidence relating to housing type and mix. Such surveys can be resource intensive but one way to reduce costs is to undertake the survey as part of a wider resident's survey as opposed to a freestanding exercise. One organisation with experience and expertise in undertaking housing needs surveys across Stratford-on-Avon District is the Warwickshire Rural Community Council (www.ruralwarwickshire.org.uk). Key points to remember when undertaking housing needs survey are:

- Undertake them prior to consultation on neighbourhood plans so that the findings can be used to inform policy formulation
- Objectively identify those residents (or former residents) with an existing (or likely future) unmet housing need
- Obtain information about the scale and nature of local housing needs as well as any specific local issues
- Consider both affordable and market housing
- Seek facts not opinions (for example, on the number or type of homes that should be built)

Housing Needs Surveys are essential in supporting Local Choice or Rural Exception schemes that can come forward outside of the formal neighbourhood plan route.

Self-Assessment Checklist

The housing self-assessment checklist is attached at Appendix 1 and can also be downloaded from the Council's website at www.stratford.gov.uk/neighbourhoodplans. Working through the checklist should provide a clear idea about the housing issues that a neighbourhood plan needs to address. It may also be helpful to keep a separate record of the answers to the questions in this checklist, including a summary of the reasons for those answers. Such a record could be useful later to support a neighbourhood plan at the independent examination stage.

Further Information

The neighbourhood planning page of the Council's website provides a number of links to other useful guidance documents covering the full range of neighbourhood planning topics. The Council seeks to update this webpage as and when new guidance is published. The webpage can be viewed at www.stratford.gov.uk/neighbourhoodplans.

Appendix 1: Neighbourhood Planning

Housing Self-Assessment Checklist

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This checklist should be read in conjunction with the accompanying Policy Advice Note: 'Neighbourhood Planning & Housing Needs' available on the Council's website at www.stratford.gov.uk/neighbourhoodplans.

1. What is your Neighbourhood Plan aiming to achieve in respect of planning for the housing needs of current and future residents in your Neighbourhood Area?

Consideration will need to be given to the overall aspirations, aims and objectives of the neighbourhood plan and whether or not it is looking to plan for additional sustainable housing growth in the neighbourhood area over the plan period.

2. How effective is your plan likely to be in meeting those needs?

A neighbourhood plan will have an obligation to contribute towards meeting the District-wide housing requirement.

3. Is your plan in general conformity with strategic housing policies in the Core Strategy? What is the period for which your plan is to have effect?

You are advised to refer to Core Strategy Policies CS.15 (distribution of development); CS.16 (housing development); CS.17 (affordable housing); CS.18 (housing mix and type) and CS.19 (existing housing stock). Additionally, if part or all of your plan area is located in the Green Belt, you should also refer to Core Strategy Policy CS.10. The Core Strategy will cover the period 2011-2031. Your plan should, as a minimum, cover this period.

4. Does your plan identify how many new homes (a) you must make provision for in accordance with the Core Strategy, and (b) any additional homes for which you *may* wish to make provision?

Although the strategic housing provisions of the Core Strategy should be a starting point, you should also consider other reliable sources of information such as local housing needs surveys (see below). The Neighbourhood Planning & Housing Needs Policy Advice Note sets out an approach to determining what (if any) residual requirement needs to be met by allocations in your plan.

5. What is your approach to site identification and allocation, including identifying reserve sites?

If there is a need to allocate sites, then site allocations in your plan should be broadly in line with the relevant criteria for the settlement(s) covered by your plan in Core Strategy Policy CS.15. Sites should be evaluated and assessed logically and consistently. Clear reasoning should be provided (perhaps as part of the supporting evidence) as to why particular sites have been selected and others rejected. Evidence should be available to

show that proposed allocations are available for development and the landowner has expressed an intention to bring the site forward for development within the plan period.

Although it is considered to be more relevant to Stratford-upon-Avon and the Main Rural Centres, the identification of one or more reserve sites, to be released only in the event that other allocated sites fail to come forward for development for any reason, may also be desirable in the Local Service Villages.

6. How have the findings of any local housing needs survey and any other reliable research been used to inform the housing-related policies in your plan?

If you have not already undertaken a local housing needs survey, you are advised to consider doing so. Further advice and assistance is available from Warwickshire Rural Community Council <http://www.ruralwarwickshire.org.uk/affordable-housing>.

7. Within the context of the Core Strategy, do you intend to include any policies specific to your Neighbourhood Area dealing with:

- **Stock mix, size and type?**
- **The integration of affordable and market housing?**
- **Design, extension and conversion of existing homes and buildings?**

Any such policies should be in general conformity with the Core Strategy. If a different policy approach is proposed, your plan should include a reasoned justification for any such differences.

8. What consideration have you given to the deliverability of your proposals?

Who will deliver the homes proposed in your plan (e.g. private house-builders, self-builders, housing associations)? When might the homes be built?

9. What arrangements are you proposing to put in place for the monitoring and evaluation of your policies?

How will you check whether your policies are achieving the intended results?

10. Have you given or how will you give consideration to the housing needs of all sections of your local community when preparing your plan?

Please bear in mind that the District Council, who have ultimate responsibility for ‘making’ your plan, have certain legal responsibilities (known as the ‘Public Sector Equality Duty’). To avoid the risk of delay in ‘making’ your plan you should therefore give consideration to the likely effect of your policies on (a) different age groups and (b) the disabled and/or vulnerable people, and (c) other forms of discrimination.

Disclaimer

Stratford-on-Avon District Council has prepared this self-assessment checklist to assist in the preparation of neighbourhood plans. It is not exhaustive and there is no requirement to use it, nor will all questions necessarily be relevant to every particular circumstance. Use of the checklist does not necessarily mean that a neighbourhood plan meets the basic conditions. Parish and town council’s preparing neighbourhood plans should satisfy themselves that they have appropriately dealt with all relevant issues and legal requirements.