
Shropshire SAMDev Representation Comments on Affordable Housing

Prepared for The Trustees of the Ellesmere Estate

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Report

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1. Introduction

This representation responds to the Authority's latest position on affordable housing in light of the Government's recent changes to national planning policy. We disagree with the Authority's decision to disregard the Government's policy change which no longer requires affordable housing on sites of 10 or less dwellings or less than 1,000sq.m floor space.

2. Background

The Government relaxed these requirements on affordable housing in December 2014 through the National Planning Policy Guidance following a Ministerial Statement.

We agree with the Housing & Planning Minister's statement that "there is a disproportionate burden of developer contributions on small scale developers, custom or self-builders". Indeed, "by lowering the construction costs of small scale new build housing and home improvements, these reforms will help increase housing supply". The Home Builders Federation confirms that this change will provide a boost to small and medium builders stating that "this exemption will offer small and medium sized developers a shot in the arm as housing contributions can threaten the viability of small developments and act as another barrier to the entry and growth of smaller firms".

3. National Planning Policy Guidance Weight

The National Planning Policy Guidance (NPPG) holds more weight in the decision making process than Core Strategy Policy CS11.

The Ministerial Statement says that "the Government is making the following changes to national policy" thus highlighting that this changes policy as opposed to being a request. Both the NPPF and NPPG supersede the Core Strategy, therefore Policy CS11 can therefore only be afforded very little weight in comparison to the NPPG which should be given significant weight when determining planning applications.

There is a statutory requirement for Authority's Local Plans to accord with National Policy and guidance (Planning and Compulsory Purchase Act 2004, Section 19(2)(a)). Therefore the Authority is required to reflect this change within their emerging SAMDev as well as updating the Core Strategy.

4. Location

We contest that the implications for affordable housing delivery within Shropshire will be as dramatic as the Authority states.

Circa half of the Authority is covered by an Area of Outstanding Natural Beauty designation within which affordable housing can still be required for more than five units.

The majority of affordable housing need is likely to be within Shropshire's main urban areas, where the majority of the population reside. For example, only 35% of households in North Shrewsbury can afford to buy an entry level home in comparison to 43% in Ellesmere (Source: Shropshire Strategic Housing Market Assessment 2014). Logically these locations are where larger developments are more likely to be delivered (e.g. due to need, critical mass and redevelopment opportunities). Accordingly, the Government's threshold will match affordable housing delivery with locational demand.

5. Recent Market Trends

Recently Shropshire developers have struggled with the viability of some sites due to the changes in values and what development they might achieve, in contrast to the original price paid for the land. This has led to a number of applications to renegotiate Section 106 affordable housing contributions within Shropshire to secure developments implementation (Source: Shropshire Council Housing Strategy 2009-2011 Annual Review 2010).

Whilst some funding has been available from the Homes & Communities Agency to kick-start developments with affordable housing, we understand these opportunities are now exhausted "and with the viability of sites fundamentally affected, requests to provide lower levels or no affordable housing are routine" (Source: Shropshire Council Housing Strategy 2009-2011 Annual Review 2010).

6. Conclusion

Overall, as the SAMDev is not yet adopted this presents the Authority with an opportunity to update their local planning policy so it accords with the NPPG which is a requirement in legislation.

Moreover, the submission of Section 106 renegotiation applications demonstrates that Shropshire's affordable housing requirements are stifling growth delivery. Therefore, as the NPPG affordable housing threshold will help the delivery of small developments within Shropshire, we trust that the Examining Inspector will take this into account when assessing the SAMDev.