

APPENDIX I: LOCAL PLAN POLICIES

Strategic Policy SD27: Mix of Homes

Strategic Policy SD27: Mix of Homes

1. Planning permission will be granted for residential development that delivers a balanced mix of housing to meet projected future household needs for the local area. Proposals should provide numbers of dwellings of sizes to accord with the relevant broad mix.
 - a) Proposals for affordable housing delivered as part of a market housing scheme should provide the following approximate mix of units:
 - 1 bedroom dwellings: 35%*
 - 2 bedroom dwellings: 35%
 - 3 bedroom dwellings: 25%
 - 4 bedroom dwellings: 5%
 - b) Proposals for market housing should provide the following mix of units:
 - 1 bedroom dwellings: at least 10%
 - 2 bedroom dwellings: at least 40%
 - 3 bedroom dwellings: at least 40%
 - 4+ bedroom dwellings: up to 10%
2. Planning permission will be granted for an alternative mix provided that:
 - a) Robust evidence of local housing need demonstrates that a different mix of dwellings is required to meet local needs; or
 - b) It is shown that site-specific considerations necessitate a different mix to ensure National Park Purpose 1 is met.
3. Development proposals will be permitted for residential development that provides flexible and adaptable accommodation to meet the needs of people who are less mobile, or have adult homecare requirements. Development proposals of 5 or more homes will be permitted where it is clearly demonstrated that evidence of local need for older people's or specialist housing is reflected in the types of homes proposed.

*1 bedroom affordable dwellings may be substituted with 2 bedroom affordable dwellings

Meeting the needs of local households

- 7.33** The purpose of this policy is to ensure that development proposals provide a mix of homes that reflects the need and community aspiration for small and medium-sized homes.
- 7.34** The precise mix of homes within each proposal should be informed by the latest evidence of strategic and local needs, including the currently published *HEDNA* or future reviews as relevant. However, given clear evidence in the *HEDNA* of future household needs, it is important that new housing development focuses on providing smaller and medium size dwellings, to reflect the National Park duty to foster the well-being of the local communities.
- 7.35** The mix of dwellings set out in Policy SD27 is in line with the recommendations of the *SHMA* (and confirmed by the *HEDNA*), which is based on detailed modelling of housing market trends up until 2033. The *SHMA* and *HEDNA* recommend that market housing, in particular, should

be explicitly focused on delivering smaller family housing for younger households. This approach also complements Policies SD30: Replacement Dwellings and SD31: Extensions to Existing Dwellings and Provision of Annexes and Outbuildings, which similarly seek to retain smaller dwellings.

- 7.36** It is recognised that many housing sites are small and in such instances it may not be possible to achieve the exact proportions set out in Policy SD27. Nevertheless the requirements should be broadly met. For all proposals for standard occupancy housing, the onus will be on providing smaller homes, some of which should be suitable for families with children.
- 7.37** Affordable 1 bedroom dwellings may be substituted with 2 bedroom dwellings, in recognition that 2 bedroom dwellings are more adaptable to changing needs, for example, where a couple have children whilst living there.
- 7.38** For avoidance of doubt, any room in a proposed dwelling that is not a main reception room, kitchen, bathroom or WC, and has dimensions that allow for a single bed, will be counted as a bedroom. This will include studies and additional reception rooms.

Alternative mix of homes

- 7.39** The Authority recognises that future development will need to respond appropriately to local needs. Policy SD27 therefore allows for regard to be had to bespoke local housing need evidence relating to the parish. This would normally be in the form of a local (parish) housing needs assessment. Such evidence should be robustly and independently prepared, and agreed in writing with the Authority as an appropriate evidence base for informing new residential development. Where a made Neighbourhood Plan (NDP) proposes an alternative housing mix based on robust local evidence, this should be used in place of the mix proposed in Policy SD27.
- 7.40** Exceptionally, the effect of unit types and sizes on a scheme's financial viability may be a material consideration, where this has been clearly evidenced through independent viability appraisal. For avoidance of doubt, the overall proportion of affordable housing with tenure mix to reflect Policy SD28: Affordable Homes will be prioritised, if exceptionally necessary, over the normal mix of market housing.
- 7.41** The delivery of each element of supply will be subject to ongoing monitoring.

Older people's housing

- 7.42** The evidence from the *SHMA*, and confirmed by the *HEDNA*, demonstrates the importance of making provision for older people's housing. Furthermore, providing smaller homes suitable for older people encourages 'downsizing' which in turn frees up larger dwellings more suited to larger households.
- 7.43** The National Park has a higher than average proportion of its population within the 'older person' category of 55 years old or over, with further growth in this age demographic predicted. In particular, there is predicted to be strong growth in the 85+ age category.
- 7.44** The *HEDNA* identifies an indicative demand for some 90 homes per annum suitable to meet the needs of older people. This represents some 20% of the total objectively assessed housing need. Figure 7.3 indicates the different types of older people's housing need. There is a particular need for more sheltered housing in future.

FIGURE 7.3: ESTIMATED NEED FOR SPECIALIST HOUSING FOR OLDER PEOPLE, 2014 – 33

	Affordable		Market		Total	
	2014-33	Per annum	2014-33	Per annum	2014-33	Per annum*
Sheltered	506	27	758	40	1,264	67
Enhanced sheltered	81	4	121	6	202	11
Extra-care	101	5	152	8	253	13
Total	688	36	1,031	54	1,719	90

*Note total differs from sum of rows due to rounding

Source: *South Downs Housing & Economic Development Needs Assessment (GL Hearne, Sep 2017)*

7.45 All proposals for new residential development should include smaller homes that are designed to meet the living requirements of older people, for example, allowing step-free access to and within the home. Proposals of 5 or more dwellings are considered most likely to provide opportunity to achieve this. Sites that can reasonably accommodate a comprehensive mix of housing types should demonstrate that opportunities for specialist older people’s accommodation have been fully investigated and, where appropriate, incorporated into the development. This should be of a type which reflects local or strategic needs, including affordability.

Other housing needs

7.46 The National Park Authority recognises that there are other specialist housing needs that exist in local communities. People with disabilities may have particular requirements in respect of how their homes are designed to function, that is, the need for ‘accessible and adaptable homes’.

7.47 The national requirements and advice in respect of addressing such needs are set out in *statutory building regulations (Approved Document Part M)*. The Authority is supportive of proposals that go beyond meeting the statutory minimum standards.

Strategic Policy SD28: Affordable Homes

Strategic Policy SD28: Affordable Homes

1. Development proposals for new residential development will be permitted that maximise the delivery of affordable housing to meet local need, and provided that, as a minimum, the following are met:
 - a) On sites with gross capacity to provide 11 or more homes, a minimum of 50% of new homes created will be provided as affordable homes on-site, of which a minimum 75% will provide a rented affordable tenure.
 - b) On sites with gross capacity to provide between 3 and 10 homes, a proportion of affordable homes will be provided in accordance with the following sliding scale, applied to new homes created:

3 homes	Meaningful financial contribution, to be negotiated case-by-case
4 – 5 homes	1 affordable home
6 – 7 homes	2 affordable homes, at least 1 of which is a rented affordable tenure
8 homes	3 affordable homes, at least 1 of which is a rented affordable tenure
9 homes	3 affordable homes, at least 2 of which is a rented affordable tenure
10 homes	4 affordable homes, at least 2 of which is a rented affordable tenure

Development proposals of 4 to 10 net dwellings will provide affordable housing on-site. Exceptionally, at the discretion of the Authority, financial contributions in lieu will be accepted.

2. Where, exceptionally, provision of affordable housing which complies with Part 1 of this policy is robustly shown to be financially unviable, priority will be given to achieving the target number of on-site affordable homes over other requirements set out in this policy.
3. Development proposals will be permitted provided that affordable housing units are integrated throughout the development, are indistinguishable in design and materials from the market housing on the site, and, where feasible, will remain affordable in perpetuity.
4. Occupancy conditions and local connection criteria will be applied to affordable housing to ensure local needs are met. Specific criteria will be determined by the Authority, in close partnership with established community-led and legally constituted organisations or CLTs where applicable.
5. Developers may not circumvent this policy by artificially subdividing sites.

Applying Policy SD28 to residential development

- 7.55** The purpose of Policy SD28 is to maximise the delivery of affordable homes across the National Park as part of market-led housing schemes.
- 7.56** All development falling within Use Class C3 is subject to Policy SD28, including any retirement or assisted living accommodation within this use class. The policy applies to all developments of 3 or more new homes, and applies to all residential units on the site that have been created by building new structures or converting existing structures.

Amount of affordable housing

- 7.57** Policy SD28 sets out a sliding scale of requirement for developments to provide affordable housing. This recognises the greater challenges that exist for small site developers in making such provision. These requirements have been tested for viability, taking account of the different market circumstances across the National Park. Where the calculation of the on-site affordable housing requirement results in a fraction of a unit, the requirement will be rounded up to the nearest whole number. Applications proposing a lower proportion of affordable home provision should present robust evidence to demonstrate constrained viability or other exceptional circumstances.

Mix of affordable housing tenures

- 7.58** The *SHMA*, as confirmed by the *HEDNA* recommends that 75% of new affordable homes should be either social rented or affordable rented tenure to reflect evidence of need, with the remaining 25% being provided as intermediate forms of housing, such as shared or low-cost ownership. However the *SHMA* also recognises that different communities within the National Park have different needs and aspirations.
- 7.59** Policy SD28 reflects the *SHMA* strategic tenure mix (as confirmed by the *HEDNA*) as a requirement for new housing development, whilst allowing flexibility to reflect local need. Evidence of local need can include, but is not limited to: local (parish) housing needs assessment, relevant housing market assessment published by a local authority, and housing registers (waiting lists). If a tenure mix is proposed which departs from the strategic tenure mix set out in Policy SD28, robust evidence must be provided, which is supported by the relevant housing enabler.
- 7.60** The National Park Authority considers that social rent tenures are the most affordable to those in greatest need, and should be prioritised over other forms of rented tenure. Levels of rent for affordable rented homes must be genuinely affordable, and must not exceed the relevant Local Housing Allowance.

Local connections

- 7.61** Local connections will be assessed in a cascade manner: to include the needs of the relevant settlement; then the parish; and then the wider area including nearby settlements and parishes within the National Park, as necessary. Rural local connection criteria, which is linked to parishes, will take precedent over other needs.

7.62 Local connections will be determined by the Authority, parish council and relevant housing authority, having primary regard to the relevant housing register allocations policy. Where a CLT is to be the managing body for the homes provided, regard will be given to the CLT's objectives and strategy. The Authority will also have regard to evidence of local need which is specific to a rural estate or large farm, particularly where this is set out in a Whole Estate Plan that has been endorsed by the National Park Authority.

Viability

7.63 The *South Downs Whole Plan and Affordable Housing Viability Study*¹⁹ demonstrates that for the great majority of sites, the requirements of Policy SD28 can be achieved. The *Vision and Circular on English National Parks and the Broads*²⁰ states that new housing should be focused on affordable housing requirements, and support local employment opportunities and key services. Insufficient affordable housing provision which runs contrary to Policy SD28 will be a significant factor weighing against approval, irrespective of any viability barriers.

7.64 In exceptional cases where viability is a genuine barrier to delivery, the Authority will require the applicant to demonstrate this by submitting a robust viability appraisal. This should show that the cost of land reflects the existing value of land in its current use, plus a reasonable, but not excessive, uplift which provides an incentive for the land to be sold. The Authority will not accept a land cost assumption that factors in 'hope' value. It will expect also that land purchase/sale negotiations have ensured due diligence, and have fully taken into account the whole cost of development, including all adopted and emerging development plan policies, CIL, and any abnormal costs reasonably identifiable ahead of development, as a prerequisite for development potential. Affordable housing provision and other planning obligations should therefore result in reduced residential land values which reflect these factors.

7.65 In cases where viability is, having had regard to the above, still an issue, developers will be expected to contribute as fully as possible to mixed and balanced communities, by assessing development options in accordance with the following cascade:

- i) Firstly, reduce the proportion of rented affordable tenure homes in favour of intermediate housing that best reflect local need;
- ii) Secondly, reduce the overall percentage of housing provided as affordable units; and
- iii) Thirdly, provide a financial contribution for affordable housing to be delivered off-site.

7.66 The viability appraisal must be done on an independent and open-book basis, and must be undertaken by a professionally qualified member of the Royal Institution of Chartered Surveyors (RICS) to establish the appropriate form and level of contribution. Where the Authority does not agree that the appraisal has been undertaken robustly and fairly, it must be independently audited at the cost of the developer and subsequently reviewed if necessary.

7.67 Where a lower proportion of affordable housing is accepted by the Authority as an exception, a clawback clause will be included in the Section 106 Agreement to secure higher affordable housing contributions, up to the requirement in Policy SD28, if market conditions improve before the completion of development.

¹⁹ South Downs Whole Plan and Affordable Housing Viability Study (BNP Paribas, 2017)

²⁰ Vision and Circular on English National Parks and the Broads (DEFRA, 2010)

7.68 The National Park Authority will publish guidance on viability matters in due course.

Providing for affordable housing on-site

7.69 Affordable homes should be provided on-site. The options for achieving this should be discussed in full with both the Authority and the relevant housing enabler.

7.70 Exceptionally, off-site provision or a financial contribution of broadly equivalent value to the normal on-site provision may be justified. Only when all options for on-site provision are shown to have been reasonably explored, without success, will a financial contribution to provide affordable housing off-site be accepted. On larger sites of 11 or more homes, this will usually be due to a lack of financial viability, ascertained by working through the cascade set out under 'Viability' above. On smaller sites of 10 or fewer homes, there may on occasion be other site-specific practical constraints that make on-site provision of a policy-compliant mix of housing tenures unfeasible.

7.71 Financial contributions secured in lieu of affordable housing must directly address local needs within the National Park, and support achievement of mixed and balanced communities. In such cases, a legal agreement will be required that sets out the terms of payment, and that limits its spending to relate only to schemes that address local needs. The calculation of financial contributions will be based on the most up-to-date policy or guidance published or used by the local housing authority within which the site is located. The National Park Authority will publish its own guidance on this matter in due course, which will supersede other guidance.

7.72 In some cases, the Authority may be willing to accept serviced plots as payment-in-kind, either on the application site, or on an equivalent site that equally addresses local need and is in other respects suitable and deliverable. This, together with any additional payment necessary, should represent a value equivalent to the financial contribution which would otherwise be calculated and paid to the Authority in the absence of acceptance of the serviced plot.

Design and mix

7.73 Affordable homes must be integrated throughout the development and be of visually indistinguishable design. They should be located throughout the site in a manner that supports integration but can also be managed efficiently by the relevant housing association. The mix of dwelling types and standards of design for affordable housing are considered under other development management policies alongside all other types of housing.

Artificial subdivision of sites

7.74 The Authority will not accept the artificial subdivision of sites where an obvious consequence of doing so would be to fall under the relevant policy threshold requiring either on-site provision of affordable housing, or a financial contribution proportionate to the total sum of development. For the purposes of housing provision, the Authority will consider a site to be a single site if the current arrangements, in either functional and/or legal land ownership terms, can be considered part of a wider whole.

Affordable housing delivery

7.75 Affordable housing provision will be secured at the granting of planning permission by a Section 106 legal agreement. The National Park Authority will work in close partnership with the relevant Local Housing Authority to ensure that affordable housing is delivered effectively. Affordable housing should remain as such in perpetuity.

7.76 CLTs provide an opportunity for local community ownership of land for long-term affordable housing provision. Affordable housing provided by CLTs and most housing associations are exempt from the “Right to Buy”, allowing affordable housing to remain affordable in perpetuity.

Strategic Policy SD29: Rural Exception Sites

Strategic Policy SD29: Rural Exception Sites

1. Proposals for new residential development of 100 per cent affordable housing outside of settlement boundaries as shown on the Policies Map will be permitted, provided that the following are met:
 - a) Affordable housing is provided in perpetuity;
 - b) The site selection process has considered all reasonable options, and the most suitable available site in terms of landscape, ecosystem services and overall sustainability has been chosen;
 - c) The scale and location relates well to the existing settlement and landscape character; and
 - d) It is shown that effective community engagement has fed into the design, layout and types of dwellings proposed.
2. The size (number of bedrooms), type and tenure, (for example, social and affordable rented, intermediate, shared ownership or older people’s housing) of affordable homes for each proposal will be based on robust and up-to-date evidence of local community need.
3. Occupancy conditions and local connection criteria will be applied to affordable housing to ensure local needs are met. Specific criteria will be determined by the Authority, in close partnership with established community-led and legally constituted organisations or CLTs where applicable.

7.77 The purpose of Policy SD29 is to encourage the delivery of rural exception sites. These sites provide a critical source of affordable housing in perpetuity to meet local needs, which are not served by the market, on land that would not normally be used for housing. Rural exception sites 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.

Mix of tenures

7.78 The National Park Authority believes that a policy of allowing market housing would reduce the number of affordable homes coming forward and may reduce the willingness of communities to support the principle of rural exception sites. The emphasis on rural exception sites in national parks should be on 100 per cent affordable housing. If a viability appraisal has robustly demonstrated that viability genuinely risks preventing a rural exception site from coming forward, and there are no alternative, more viable, sites, the Authority will work with the landowner, community and other stakeholders to establish the optimum alternative option which best meets the local need.

Site selection, scale and location

7.79 Policy SD29 (1) (b) requires the most sustainable, available site to be chosen. It is important to ensure that locations which have an overall positive impact on the ability of the natural environment to contribute to ecosystem services, work best within the landscape and settlement form, allow better access to local services, and are most suitable in other respects, are preferred.

Community and stakeholder engagement

7.80 “Effective community engagement” should be demonstrated by the applicant in both the site selection and application design processes. This can include liaison with the relevant parish council(s), community groups and neighbours. It is also essential that the advice of the relevant Rural Housing Enabler feeds into these processes, so that any practical difficulties regarding management issues are identified and overcome at an early stage of design.

Local need and local connection

7.81 Occupation of affordable housing brought forward on both rural exception sites and market-led sites is subject to conditions to ensure the needs of local people are being met. The meanings of “local need” and “local connection” are set out in the supporting text to Policy SD28: Affordable Homes. Rural exception sites should also take into account the aspirations of the local community, for example, as expressed in the relevant Neighbourhood Plan (NDP), Parish Plan or Village Design Statement. The type and tenure of dwellings on rural exception sites will need to balance the provision of local needs with the character of the existing settlement and the landscape within which it is located.

Delivery of rural exception sites

7.82 The Authority will expect all rural exception sites to reflect local needs and aspirations. An effective way to achieve this is through establishing CLTs to drive the delivery of sites. Local partnership arrangements will generally be appropriate for delivering on sites, for example, between CLTs, Parish or Town Councils, Specialist Housing Associations and/or Rural Housing Enablers (RHEs). Whichever delivery model is used, the Authority will seek to ensure that affordable housing remains affordable in perpetuity.