



**Additional submission to
Maidstone Local Plan EIP
Session 2B**

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1. Prefacing remarks

- 1.1. Golding Homes (“Golding”), is a Registered Provider (Housing Association) based in Maidstone, with over 6,500 properties in the Borough, making it by far the largest provider of affordable housing in the Borough.
- 1.2. Golding provides a steady supply of c.200-250 homes across Kent, but predominantly in the Maidstone area, across affordable rent, shared ownership, market rent and open market sale.
- 1.3. Golding is a long term provider of affordable housing and needs a balanced stock across its property ownership both to meet changing needs over time and also to ensure lettability (as this is a prime consideration in the fundability of new developments).
- 1.4. Grants for anything other than low cost home ownership are currently unavailable. There is no certainty that this will continue in the long term, although equally there is no guarantee that grants will be reinstated for affordable rented housing, or that government regulations on rent levels will enable the supply of affordable rented homes in the absence of subsidy.
- 1.5. The balance of supply in terms of tenure, and also size, is thus of critical importance to Golding, and thence to the supply of affordable housing to meet local needs.

2. Qn2.12 Would specific size mix requirements result in predictability that avoided the need for negotiation or lead to inflexibility and unbalanced provision?

- 2.1. Each site is different in its suitability for different tenures and sizes of accommodation and so it is difficult to be prescriptive. The overall mix of sizes required (for affordable housing) also varies over time. A private developer would not commit themselves to a rigid mix of dwelling sizes without regard to changing market conditions and so neither should the planning authority in determining the size mix of affordable and market accommodation. Thus, whilst certainty can be helpful it is secondary to producing the right size mix for new homes.

3. Qn2.14 Does the Local Plan provide adequate support for custom and self-build homes in accordance with national policy?

3.1. Golding's comment was made in regard to proposals for a new garden village it is promoting, which specifically provide plots for custom and self-build homes. That proposal remains available.

4. Qn2.15 How might Policy DM11 (5) effectively support specialist housing and should it be amended?

4.1. Golding does not object to the principle of Policy DM11(5) although it is unclear how it would work in practice as the key determinant of the supply of specialist and supported housing for elderly, disabled and vulnerable people is the availability, and security, of appropriate revenue finance. This is not, and cannot be, addressed by Planning policy as the revenue budgets sit within a different tier of local government, although the implied support from MBC is welcome.

5. Qn2.17 Should the Policy DM13 threshold be amended to more than 11 dwellings or more for consistency with national policy in the Written Ministerial Statement of 28 November 2014?

5.1. The policy should require affordable housing from sites of 10 dwellings or more, except in designated rural areas (such as AONB).

6. Qn2.18 Should a different threshold be applied in the AONB or for Local Needs sites?

6.1. Rural exception sites are normally only considered where local needs for affordable accommodation cannot be met and as such are predominantly for affordable housing, with market sale housing only consented to the extent necessary to cross subsidise the affordable.

7. Qn2.19 Is the 70%/30% split justified on viability grounds and what modifications may be needed to accommodate national policy on starter homes?

7.1. The detail of the government's Starter Homes Initiative are still not settled but it is clear that at least 20% of any site over the qualifying thresholds will need to be offered as Starter Homes, with this 20% being the first call on any planning gain from the site. This will

significantly reduce the supply of affordable homes (either rented or intermediate) generated from the overall supply under the Local Plan. Whilst not initiated by MBC this national policy will over-ride local assessments of needs and competing priorities, and indeed will distort the market.

- 7.2. MBC should address the issue of Starter Homes (assuming the relevant regulations are implemented nationally), and the impact on the availability of affordable rented and intermediate housing supply over the plan period, and reconcile this back to the SHMA. Golding remains concerned that the potential supply of truly affordable homes is being significantly eroded whilst the supply of Starter Homes, which did not feature in the SHMA (and to the best of Golding's knowledge have not been subject to any significant and reliable market testing for price and sustainability of demand), is increased based on central government policy – at a time of proclaimed localism.

8. Qn2.20 Would the suggested modifications represent a departure from the national definition of affordable housing and is that justified?

- 8.1. There is a consistency with national policy in that rent to buy is one of the few types of housing government is (currently) prepared to fund. However, there has been no assessment of the demand for, or viability of, rent to buy, and many housing associations are sceptical based on the results of early pilots which did not lead to effective demand to purchase following the initial rental period (- largely because property prices inflated faster than incomes and so whilst rent to buy may have provided opportunities few residents were in a position to take them up).
- 8.2. If MBC were minded to include rent to buy in the definition of affordable housing it should only do so once further rigorous work has assessed demand, and as a modest proportion of new supply proportionate to the level of demand for affordable rented housing.

9. Qn2.23 What form of alternative provision does Golding Homes propose?

- 9.1. There may have been a misunderstanding of the point Golding was raising here. The significant level of new homes produced via office to residential conversion has boosted the supply of housing, although not necessarily in the most ideal locations or of suitable types. More specifically, there have been a number of schemes which have

produced a significant increase in small flats in dense flatted blocks in the town centre, and with no affordable housing requirement.

- 9.2. The Local Plan has a duty to assess local housing needs and then make appropriate arrangements to meet those needs. If the proportions required (by size and tenure) are not met for part of the programme (e.g. office to residential conversions) then the proportions required from other areas of the Plan would, prima facie, need to be increased to avoid a shortfall.
- 9.3. In this context Golding expressed the view during the Regulation 19 consultation that “if Maidstone is to properly address the needs of local people who are not able to meet their housing needs in the open market it needs to find an additional yield of affordable homes from other opportunities.”
- 9.4. The other opportunities referred to here is from increased supply of affordable housing elsewhere in the Local Plan supply – and not necessarily from alternative types of affordable housing provision.

Qn2.26 Is affordable housing of all types needed in the countryside and villages?, and Qn2.27 Why would 30% provision be justified in these locations if they are considered unsuitable for 40% provision?

- 9.5. Golding’s experience of managing the application for and allocation of approximately 500-550 homes per year across the Borough is that affordable housing of all types is needed in the countryside and villages. The affordability of such housing can be an issue if the location of the development would necessitate car ownership or more extensive use of public transport, and so overall Golding would not object to a higher weighting of affordable housing towards sites in the Maidstone urban area or the larger rural service centres.
- 9.6. In terms of justification, the economics of development frequently favour development in the urban area as the cost of introducing infrastructure and services are typically less because they are already in proximity. Allied to the issues of demand outlined in the paragraph above this is felt to be a sensible, and equitable, suggestion.
- 9.7. A related issue is the potential impact of the extension of the Right to Buy on a “voluntary” basis (VRTB). Housing associations will be required to offer the VRTB to their tenants but would be allowed to specify properties where the VRTB would not be allowed, and it is likely that many housing associations will designate (some or all) rural properties as outside the scope of the VRTB. Thus, even if there

were a lower proportion of affordable homes produced in rural areas they are less likely to be eroded over time by the VRTB.

10. Qn2.28 If the proportion is reduced in those rural areas where affordable housing provision has been shown to be most viable, how would that affect overall provision against the DM13 target?

10.1. Golding Homes would stress the need to meet the overall target for the supply of affordable homes (particularly affordable rented homes) and if the yield in rural areas is reduced that would logically increase the yield required from more urban or suburban locations in order to compensate for that loss. This will affect site values, but the sites affected already have the benefit of infrastructure and services (which will have been provided by others) and so it is not unreasonable for them to accept the higher burden required.

11. Qn2.30 Should the Policy DM15 itself explicitly refer to affordable housing?

11.1. Yes. The whole purpose of local needs housing is to provide for the needs of a local community, and so that needs to be supply that is affordable to the target population in the local area.

12. Qn2.35 Does Policy DM14 apply to all locations outside the defined boundaries of Maidstone, the Rural Service centres and the larger villages and should that be explicit in the Policy?

12.1. Golding would support such a view.

13. Concluding remarks

13.1. Golding is broadly supportive of the general direction of the Local Plan policies seeking to increase housing supply, but remains concerned that the impact of a number of initiatives promoted by central government have not been adequately recognised or the loss of affordable housing consequent upon them fully compensated for.

13.2. In particular, the impact of the change in permitted development rights for office to residential conversion (without any obligation for the supply of affordable housing) and the Starter Homes initiative (which will erode a substantial supply of affordable rented and shared

ownership housing from the s.106 system have simply not been recognised or addressed.

- 13.3. If these areas are not addressed there will be a risk of oversupply of certain types of accommodation and, more importantly, chronic shortages of affordable rented and shared ownership housing in sustainable locations.

(1,802 words)

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