

From: The Chairman, the Community Housing Working Group  
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5<sup>th</sup> September 2006.

To: The Chairman, The Newton and Noss Parish Council.

Copies to: Roger Hallett Esq  
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- References:
- a. The SHDC Housing Review (South Hams LDF) Jan 2006.
  - b. The South Hams Local Development Framework Jan 2006.
  - c. The NNPC Consultation Reply - PP3 Housing dated 27.02.06
  - d. The NNPC Response to the LDF Core Strategy 10 March 2006
  - e. Mr Yonge's response to the LDF dated 13 March 2006.
  - f. The NNPC Affordable Housing to 2016 dated 18 April 2006
  - g. SHDC Supplementary Planning Guidance for sustainable development of small sites.
  - h. Chairman South West Water's Letter dated 3<sup>rd</sup> July 2006.
  - i. NNPC Council Meeting of 13<sup>th</sup> July – Minutes.
  - j. Community Land Trusts. The Tudor Trust.
  - k. Holsworthy CPT – Provision of affordable housing.
  - l. Rural Housing for Devon – Pamphlet by Community Council of Devon.
  - m. Step by Step Guide to Rural Community Housing.
  - n. Rural Housing for Devon – Community Council of Devon.
  - o. RSL's Operating in the South Hams – The Housing Corporation.
  - p. A guide to Housing Allocation Scheme 2004 & Associated forms.
  - q. Home2Own. The one stop shop for Home Ownership.

## **COMMUNITY HOUSING –SECOND WORK-IN-PROGRESS REPORT.**

### **INTRODUCTION.**

This is the second of our “Work-in-Progress (WIP) Reports”. We make no apology for the numerous references, since they help to track the progress made thus far and set out the practical options open to the NNPC.

The first WIP Report was debated by the NNPC on Thursday 13<sup>th</sup> June and the minutes have been circulated and published on the NNPC Website (Reference i). In short; the NNPC issued “riding instructions” to the CHWG that required us to rank those sites that might be suitable for Community Housing in some sort of order. This was to be presented as a simple Matrix that could lead to a Planning Application in accordance with Reference g. This Matrix is attached at Annex A.

### **THE PEOPLE WE ARE TRYING TO HELP.**

A major effort to discover how many people might actually wish to take up any Community Housing has involved entries in the Parish Magazine and a poster campaign around the two villages. This latter effort has now produced about 23 possible applicants. This is thought to be a realistic number. The NNPC had, however, decided to use those figures, revealed in the Village Questionnaire in 2003, as a guide to the present requirement (110 dwellings over a ten year period. Reference c). The record and rate of occupancy by *local people* at Bishop's Court must call into question the actual requirement and the rate of take up for Community Housing for the people we are trying to reach; those with local connections on average wages who cannot access affordable housing.

In the South Hams generally the average wage has recently been recalculated as £16,952 and the cost of an average 2 bedroom house as £261,067, or 15 times the average wage. Informal soundings reveal that many of those who have contacted us earn less than this annual wage. It is also clear that a wish to become independent of their parents and the fear of eviction from privately rented accommodation are the two biggest drivers in the search for independence and security of tenure. Many of those who have come forward to us may not be on any type of Housing Register. They need to apply as soon as possible to the appropriate Authority if they wish to be considered for any form of Affordable Housing. There are currently 30 local households from the Parish on the SHDC Housing Register and they reflect the demographic balance we have here: 13 Households are aged between 60 and 90 plus, 6 Households are over 50 and only 11 would appear to be in the group we are trying to help !

We should never forget, in the pursuit of Community Housing, that we are doing this for those with local connections who are quite unable, for whatever reason, to get onto the housing ladder. This is no easy task and many do not understand the rules and regulations set out by Central and Local Government. In a nutshell; those looking only to rent (Social Housing) should register with the SHDC Housing Register. This involves the completion of a series of forms, possibly followed up by home visits, designed to assess eligibility. A points system, well described in reference p, sets out the ground rules for such applicants and governs their position on the register. Article 4.5 on page 18 of this document further explains the additional criteria for Rural Exception Site Properties, criteria that would benefit those we are trying to help..

For those who might be looking to acquire some form of equity in a first property the route to follow is by visiting the website "[www.home2own.org.uk](http://www.home2own.org.uk)" (reference q). Unlike the SHDC Housing Register where forms have to be filled in manually, home2own allows aspiring home owners to register on line at this website and explains the various options: New Build Home Buy, Open Market Home Buy, Social Home Buy and Intermediate rent. There is now a clear requirement to make sure that our aspiring home owners, of whatever category, have applied to the appropriate authority. A "Child's Guide to House Purchase Options" is attached at Annex B.

## **THE POTENTIAL SITES.**

This WIP concentrates on ranking those sites selected by the NNPC as possibly suitable for Community Housing and suggesting ways to finance, build and control

any Community Housing that might be built. A close examination of reference g demonstrates that this selection of sites is a complex business and will, once a “front-runner” has been chosen by the NNPC, need a professional site review of some sort. Who undertakes and finances such a survey is yet to be determined and will depend on the way forward chosen by the NNPC.

The current rule; that all Rural Exception Sites have to be 100% Affordable Housing means that our “Natural Justice Solution”, where a local Landowner offers land at less than commercial rates in exchange for open market housing for his family or employees, would not get approval. There is a further key factor in all this: the dominance of the Local Development Framework (LDF) which currently allocates 45 Affordable Units to the Parish. It is widely assumed that the owner of Briar Hill Farm (BHF) will apply for Planning permission and that a proportion of the housing units built might take up some of this allocation for Affordable Housing. Any application for development of the BHF Site would have to follow the “Departure Route from normal planning regulations” and could be prolonged, bedevilled by protest and much modified. It is important to understand just how the “Affordable Element” of such a development might be constructed. The Housing Association, a Central Government creation run by the Office of the Deputy Prime Minister (ODPM), has capped the national rental levels for Affordable Housing and the SHDC will insist on the application of the Beacon Guidelines: one third open market, one third rented social housing and one third part rent/part equity. Those who are unemployed would be entitled to housing benefit.

The importance of the LDF cannot be over stressed. The SHDC is a leading District Council in the UK, with Beacon Status. It’s LDF has now been inspected by an Independent Inspectorate whose judgement is expected in October. It is pertinent that the first two such inspections of Local Development Frameworks (Stamford & Litchfield) have been rejected as “unsound”! Furthermore; the Inspector’s Report *has to be adopted* and any changes; for instance in the number of Affordable Houses allocated to any community, *will be binding* on the SHDC. On the assumption that the LDF is accepted, albeit with some modifications, the SHDC’s attention will switch primarily to towns; Modbury, Kingsbridge, Ivybridge etc where economies of scale can more easily be applied to the building of Affordable Housing. Add to this the implementation of the new Sherford complex and the SHDC will be very busy with a massive workload. Villages and small Communities will be low on the priority list for attention, though the new SHDC Affordable Housing Unit will be keen to make progress with any scheme we put forward . The SHDC hopes, however, to have some form of “Village Plan” as part of the Area Action Plan, perhaps grouping several villages together, by the late Spring or early Summer of 2007. We need to be in the forefront of any likely developments and in close touch with the Planners at the SHDC if we are to get what we need; an increase in “Allocated Land” for Community Housing.

Initially; we had hoped that we might try and persuade the SHDC to grant us some sort of “Flagship Pilot Plan Status” for a Rural Exception Site (RES) where we could pursue our “Natural Justice Solution”, a concept supported by many of those who live here. It is quite clear that such a proposal would be rejected outright. However, the NNPC could still achieve its broad aims, though having to surrender the ideal of total local control called for in our Terms of Reference. We have, therefore, sought the

advice of the DCC Rural Housing Enabler and will speak to some of the specialised Housing Associations active in this area (reference q). Whichever route the NNPC chooses to follow, the question of what sort of Community Land or other Trust we should adopt can be left until we have these crucial decisions behind us. Reference j. is but one example of how such trusts might be set up and we see no need to re-invent the wheel insofar as Community Land Trusts's are concerned.

We should say straight away that the Housing Professionals from the SHDC and from the DCC have been extremely helpful to us through a series of meetings here in the Parish. We would also like to acknowledge the support offered by Councillors William Mumford and Roger Hallett behind the scenes.

## **SELECTION.**

We have visited and interviewed the various Landowners identified by the NNPC in reference f. Our findings, in the form of a simple Matrix, are attached at Annex A. This subjective analysis does, of course, hide other realities that will not surface until the NNPC moves beyond this initial selection process. There could be financial commitments required both of the NNPC in helping to fund a professional survey of the selected site, but also by the selected Landowner who will have to make financial commitments in pursuit of any full Planning Application. The putative Landowner will need to be confident that any application is likely to succeed. What is certain is that each Landowner should write to the SHDC Planners straightaway stating that he, or she, "has land to be considered for inclusion in the LDF or for a Rural Exception Site". Some of these plots of land could then feature as "Allocated Land" in any future decision making by the SHDC. These statements of availability carry no cost implications and are not seen as making any sort of commitment.

The choice between the first three rated sites is delicately balanced and the first two are in Newton Ferrers. Whichever way one looks at these sites, those in Noss Mayo present real topographical difficulties. In a scheme such as we envisage, where we are trying to build for rent or at a target selling price of around £80K - £90K, cost of the land, easy access to Services and Highway issues will be the biggest cost drivers in any scheme selected.

We have not mentioned or rated the three potential "Commercial Sites": Briar Hill Farm, the far end of the Fairway and the Small Site to the west of Briar Hill Farm above the Fairway. These sites are outside our remit but could provide some 78 housing units in Newton Ferrers, of which perhaps a half to two-thirds could be for "Affordable Housing". That said; the "rent" for any of the "Affordable Homes" will be set by the Housing Corporation and the "occupancy" will be decided by the SHDC off the SHDC Housing List. Should Briar Hill Farm get approval in some form, it will be very much in the Parish's interest to influence the design and development of this site; particularly insofar as the Affordable Housing element is concerned. It has to be accepted that any building at this site is likely to be the quickest route to Community Housing in the Parish. It could be that the NNPC might wish to negotiate with the Land Owner and the SHDC to take over the "Affordable Element" of this site using some form of Community or other Land Trust.

Insofar as Employment Land is concerned, there are two potential sites; The Membland Site and that at Collaton. Both could have a small residential element but would not be viewed as coming under our proposed scheme, being set up predominately for business use. We believe that the NNPC should strongly support the use of both sites but it would be better to launch them for what they are, rather than try to bring them into some sort of unique Pilot Project or Rural Exception Site.

## **THE WAY FORWARD.**

As can be seen from Annex A, the site owned by Roger Harris is narrowly preferred over that, also close to Butts Park, owned by Brian Hockaday. The site at Hannaford Lane owned by Martin Cawse almost certainly faces serious cost and other implications derived from a difficult site. The site below Archer's Court, owned by Mrs Williamson, has attractions, being closer to Newton Ferrers village centre, but has potential difficulties with a ransom strip making access difficult. The other two sites in Noss Mayo; the Rogers site at Hannaford and the Steggles Site at Middlecombe would be even less easy and, therefore, more costly to develop.

If the NNPC agrees with these recommendations, then a choice has to be made between:

- 1. Applying for a Rural Exception Site Status for the chosen location, accepting the 100% Affordability Rule and financing and controlling any such development through a Community Land Trust (CLT) or similar vehicle.** Such a decision will bring on some onerous responsibilities and difficulties inevitable in any such scheme and the search for suitable Trustees from the Parish could be difficult. It would be advisable, as a first step, to make use of an experienced Professional, such as Mr Bob Paterson of the Devon Re-investment Service, to conduct a feasibility study. It is possible that this could be funded by the SHDC. Using "Beacon Money". There are, however, drawbacks to such a scheme; particularly in the way any part-ownership element in such a scheme is managed. There is a limit of an 80% maximum equity holding by any tenant making the acquisition of a mortgage both expensive and difficult. The much publicised scheme at High Bickington was run by a CEO and a small staff adding to the management costs.
- 2. Working in concert with the owner of Briar Hill Farm and the SHDC to take over the "Affordable Element" of the site using a Community Land Trust or similar vehicle.** The NNPC would then be able, through negotiating the S106 housing requirement with the SHDC, to get much of what it wanted in terms of local control. The practical difficulties arising from this approach set out above would still apply, compounded by the potential difficulty of negotiating with several interested parties at once.
- 3. Were the NNPC prepared to relinquish absolute control over any scheme, then a National Housing Association, specialising in small rural sites, could deliver a scheme for a Rural Exception Site under the present rules.** This approach would have many advantages; principally in removing responsibility from the NNPC for raising capital,

meeting all the necessary building and planning regulations during construction and the subsequent responsibility for selecting who shall be given some form of tenancy. These are onerous responsibilities best kept at arm's length. Such a scheme would need the cooperation of a suitable Housing Association experienced in solving such problems (see ANNEX C) and an S106 Agreement that would ensure that any affordable Housing remained so in perpetuity and that local people were always given priority. Clearly; a crucial feature of such a scheme would be how to reward the Landowner for providing the land at a suitable price. It may be that some form of Land Leasing arrangement could be entered into providing the landowner with a long term income stream that might prove attractive.

Whichever scheme is chosen, it must be the aim of the NNPC to achieve at least one or possibly two new sites recognised as "Allocated Land". There is a further urgent requirement; Housing Associations, when supported by the SHDC, are only allowed to bid to the Housing Corporation for grants bi-annually and, should a bid for such a project not be made by mid 2007, then another opportunity will not arise until 2009 ! There is a clear need for some early decisions ! Any Feasibility Study into these options will clearly build in a delay.

The whole of this exercise has been conducted informally; that is in confidence and without commitment, between the CHWG and the various Landowners. It is now time for the NNPC itself to deal directly with the various Landowners since financial commitments may have to be entered into on both sides.

The CHWG stands ready to assist in any way that could be useful once the decision on the route to follow has been taken. Should Options 1 or 2 above be selected then we have work to do in recommending the type of Community Land Trust or other scheme that might be suitable and in coming forward with Criteria for assessing need, availability and the priority to be attached to applicants for Community Housing. Recommendations in this area would be needed at the beginning of October as required by the original Terms of Reference. Selecting this Option will require the NNPC to canvas local residents to find out who might be willing to become the Trustees of any Community Land Trust. Bearing in mind the likely timescale over which such a trust will operate, our advice would be to look for younger people of both sexes who can devote sufficient time and attention to the task and be happy to accept the risks that would go with being a Trustee. Should an alternative route, involving a Housing Association be selected, much of this administrative burden and responsibility would be born elsewhere.

The nub of the problem remains the provisions of the LDF and current planning regulations emanating from central Government. Any scheme must sit comfortably within the LDF as at present set out. What is certain is that there is a genuine demand for Community Housing from those in or connected with the Parish, though some scepticism that a "worthwhile house to live in" can be built for around £80,000 ! The current trade view is that an attractive Eco-house can be built for around £100K.

Should these more formal approaches fail to achieve the desired result then it may be that a direct approach to the Media, whose interest in this subject is remorseless, could bring dividends. This approach, however, should be viewed very much as a last resort

since it must be our aim to carry the SHDC, the DCC and their professional staff with us if at all possible.

## **RECOMMENDATIONS.**

The best can sometimes be the enemy of the very good. Our Committee believes that the NNPC should decide on the way forward now. This is particularly important since, whoever is involved in carrying this project forward, will have to meet the likely timescale set by the LDF and the various bidding cycles set by the Authorities. We also have a responsibility to those who have come forward to us, who have a genuine need that is not being met by any other Authority and deserve to be fully supported.

These are not easy choices and we are very conscious that our Terms of Reference demanded Parish control, in perpetuity and a choice as to who from our local community might be allocated space in any Community Housing. Options 1 and 2 most nearly meet these requirements but, in our view, carry substantial risks, would be more difficult to implement, would take longer to bring forward and would need some Trustees from the community who would be happy to devote considerable time and effort to the project.

On balance, therefore, we believe that:

1. **The NNPC should support Option 3**, not so much because it is intrinsically better as a concept, but because it has the best chance of gaining approval, will pass much of the risk to a specialist Housing Association and will deliver the Community Housing that is needed in the sort of small packages that are wanted. In rejecting Options 1 and 2, the NNPC would have to make a judgement as to how Community Land or similar Trusts might be set up, funded and managed and whether these vehicles were suitable in our circumstances.
2. Such a course would give the NNPC some control over tenancies since the S106 would be negotiated to keep the NNPC's interests uppermost. (Reference p – Paragraph 4.5)
3. We have considered whether it might be advisable to seek SHDC support in funding a “Feasibility Study”. There could be “Beacon Money” available for such a study but the NNPC would have to accept a considerable delay in the overall process. In our judgement, this second WIP Report is itself a “Feasibility Study” and we need to keep the pressure on if we are to have any chance of achieving the aim: **additional “Allocated Land” for Community Housing in the LDF or a Rural Exception Site, as soon as possible**
4. Regardless of the outcome, the NNPC will have to endorse or ratify the decisions set out in the Matrix at Annex A. Then; face-to-face discussions should be set in train to discover whether those Landowners, selected from the attached Matrix, would be prepared to undertake an application for planning permission or to deal with a Housing Association for the selected Option . These people face many uncertainties; costs, remuneration, capital gains liabilities and the taxation position generally. It may be that a Leasing Option, providing

Ground Rent, or some other vehicle could be seen as attractive. The CHWG will be advising them to inform the SHDC that they have “land potentially available for inclusion in the LDF or as a rural exception site” as a matter of urgency.

5. The CHWG, in the wake of a decision on the route to follow, should be asked to:-
  - a. Draft the necessary letter to the SHDC setting out the position and asking for their support.
  - b. Interview the “Site Front Runners” to ascertain whether or not they would commit themselves to a Planning Application (Options 1 or 2) or to deal with the chosen Housing Association (Option 3)
  - c. Meet with some suitable Housing Associations to assess the amount of interest in such a scheme and the detailed requirements.
  - d. Render a Third Work-in-Progress Report in October.
  - e. Make a short Presentation on the Options at a suitable NNPC Council Meeting.

#### **TAILPIECE.**

It has been interesting, instructive and, in some ways a privilege, to be involved in what is a thoroughly worthwhile project that so many of those who live here support. We would like to pay tribute to those Landowners who have taken part in this initial investigation of the possibilities. Their openness and the straightforward way they have approached our questions has done them credit. We have also had much support from Housing, Planning and other officials from the SHDC and the DCC who are genuinely keen to help. We would particularly wish to name Mary Ridgeway, Debbie Holloway and Graham Swiff from the SHDC and Sue Hitchcock of the DCC who have travelled here to help us with our deliberations. What is certain is that this will be a long process taking several years.

We have done our best to create a level playing field and to conduct this entire process in the open and on the NNPC Website. Many have said how refreshing it is to see such transparency; a good example of local democracy at work and the value of the NNPC Website. There are inevitable limitations; the Data Protection Act prevents us from releasing the names of those who have come to us as potential applicants without their permission. In the same way we do not have access to the identities of those on the SHDC Housing List.

Were there to be some sort of future rolling programme of Community Housing, then several of those interested Landowners stand to gain personally from this project. This would seem to be entirely fair.

There have been disappointments along the way. There was an initial lack of apparent interest from the local community in coming forward with some idea of the numbers wanting Community Housing. It has been instructive to see that the Parish Magazine with its large circulation generated no responses and that all those who are now in touch came to us through “Flyers” posted in the Pubs and Shops and pinned to the many telegraph poles around the Parish. It has also been frustrating to discover the



rigid rules that govern Rural Exception Sites and the evident lack of interest in small communities from the major Developers and Builders.

There is much anticipation that, at long last, “something is being done” for those struggling to get a first foot on the housing ladder or to gain access to some form of affordable housing with assured tenure. It will be important for everyone who lives here to succeed. It will also be important for the NNPC to keep those interested in Community Housing up-to-speed with progress or lack of it.

Annex A      The Community Housing Site Matrix.  
Annex B      A Guide to House Purchase Options.  
Annex C      RSL’s Operating in the South Hams