Independent Examination into the Soundness of the Core Strategy Development Plan Document

Topic Paper 8
CS7 (4) Local Occupancy

Statement by Eden District Council
Policy CS7 (4) Local Occupancy

**Issue:** Whether policy CS7 (4) is justified by robust, up-to-date evidence, effective in terms of appropriateness and delivery, and is consistent with national policy.

1. *Clarification of the precise intentions/criteria of the local occupancy restriction is required.*

Throughout the preparation stages of the submission version of the Eden Core Strategy, there had been a strong political will on the part of elected members to require all new housing in the District to be secured by planning condition or legal obligation for occupation only by people with a local connection to the area. The intention of the policy has always been to assist local residents, in particular young locals on lower wage levels to gain access onto the property ladder. The specific problem being that property prices have been driven up and held at an unaffordable level primarily by the purchase of second homes, holiday lets and retirees into the Eden District, all of which have greater disposable income than the average resident resulting in many local families effectively being barred from the local housing market and either leaving the area for cheaper accommodation or remaining in unsuitable and often over crowded accommodation. It was always particularly stressed by elected members that local occupancy restrictions should enable and not prohibit employment or new business ventures into the area.

The criteria for local connections to the area, set out in the Council’s (Interim) Housing policies of October 2004 are as follows:

A local connection to the area will apply to a person or household:

- Who currently lives in the relevant locality and has done so for a continuous period of at least three years; and/or
- Who works in the relevant locality (1) and has done so for a continuous period of at least three years; and/or
- Who has moved away but has strong established and continuous links with the relevant locality by reason of birth or long term immediate family connections; and/or
- Who has an essential need through age or disability to live close to those who have lived in the relevant locality for at least three years.

(1) For Market Led Housing a local connection to the area will also apply to a person or household who has secured work in the relevant locality.

The definition of “locality” normally refers to the parish and surrounding parishes in the first instance, and if after a reasonable period of active marketing a purchaser can not be found the definition would cascade out to include the county. Following a further period of
reasonable period of marketing still no purchaser has been found the property may be sold on the open market.

2. **Clarification is required of the evidence used to justify the local occupancy requirement of the policy at submission.**

The approach appeared justifiable at the time for reasons which might be summarised as follows:

- Local occupancy conditions were seen as a practical and proven method of ensuring that new housing development did not become used as either second homes or holiday lets, thereby exacerbating the problem of the affordability of housing for local people on modest incomes. This was reinforced by JSP policy ST11 forming part of the current Development Plan which required the occupancy of the housing required by H17 of the plan to be restricted to people with a local connection to the area and at least 50% serving evidenced need for affordable housing. This policy was unsaved when the RRS was published in October 2008 and was replaces by Policy L5.

- Local occupancy conditions were seen as a means of similarly ensuring that retirees from other regions of UK with higher house prices were unable to purchase new property thus disadvantaging further local people by inflating prices of new property.

- New build in any given year accounted for less than 1% of existing housing stock.

- The approach appeared to find support in both the RSS (specifically at bullet point three policy L5)

- The approach appeared to find support in the JSP (specifically at paragraph 2.31)

- Prior to the recession the approach had been relatively uncontroversial and appeared to be generally widely accepted.

- The approach appeared to be evidenced by housing need/house price data/incomes data.

3. **What additional evidence has been obtained to justify the policy post-submission? Details of the title and contents are required.**

None in relation to the policy as it was at submission. The point here is that the Council is seeking to amend the policy.

The Evidence that justifies the proposed changes to the policy is contained in The Eden District Council Viability Appraisal carried out by DTZ Consultants on behalf of the Council and completed in October 2009. The study addresses local occupancy throughout as an inhibiting factor to the economic viability of housing development generally in the current difficult market conditions and therefore as inhibiting factor in the amount of affordable housing in any given scheme. In terms of
contents, particular attention is drawn to para. 3.48 et seq. para 5.3 et seq. and para 5.8 et seq. The latter two references summarise economic viability modelling results where there is no local occupancy requirement and where local occupancy requirements are included in the modelling assumptions.

4. **Does this evidence support the policy?**

The EVA and its appendices (FD28) support the amendment to the policy. The EVA addresses the issue of local occupancy specifically at para 3.48 and 3.49, the effect of local occupancy conditions on viability is clearly demonstrated in the modelling scenarios one and two, paragraphs 5.3 to 5.13 of the EVA.

5. **If not what changes are suggested by the Council?**

The change to CS7 (4) is set out below: For clarity the old clause is set out in italics below it:

**Planning conditions or obligations requiring occupation of housing by people with a local connection (including employment or a new business venture) will only be applied where there is robust evidence of need for this within the parish.**

To replace:

*All housing will be secured by planning condition or obligation for occupation only by people with a local connection to the area (including employment or a new business venture).*

6. **What are the implications of these changes for publicity and SA? How have these legal/procedural changes been met?**

The suggested changes have subject to a six week consultation period with the relevant documents available on the Councils website, in its main offices and libraries. It is the intention to advertise the changes along with any post hearing changes after the December hearing sessions.

7. **Detailed clarification is required that the suggested amended policy is precise, clear and is capable of being implemented and monitored.**

The wording of the amended policy is considered to be precise and clear. The policy is succinctly expressed. The amended policy will be far easier to implement than that which replaced in so far as there will be far fewer legal obligations/land charges on properties with a local occupancy conditions. This was always a concern to development control staff and is one, albeit minor reason, for the proposed alteration. The intention of the policy amendment is, clearly only to apply local occupancy conditions, where there is strong evidence of
need in the form of very high rates of second homes and holiday homes in a particular location. The amended policy seeks to obviate the perverse consequence identified in the EVA, that in applying local occupancy across the board, developers’ economic margins were severely reduced to the point that the delivery of affordable housing was itself prejudiced. It is however, essential to keep in mind that wherever a unit of affordable housing is provided, it is de facto for local occupancy.