

## Appendix 2

### Potential Funding Methods for Gypsy and Traveller Provision:-

1. Members of the Task Force asked Officers to consider the likely cost of creating council owned Gypsy and Traveller sites and the potential methods available to fund such a strategy (in the absence of the Government funded grant). The purpose of this paper is to examine likely costs and how practicable such an approach may be in LDF terms. Given the tight timeframes, it has only been possible to give indicative costs at this moment.
2. On average it can be assumed that a Gypsy and Traveller pitch can cost in the region of £80,000 to £90,000 to create. This estimates the full cost of the development (excluding the cost of the land). It should be noted that there may be some adjustment to this price, dependent on the size of the site and the specific circumstances of the site. However, the amount stated above is representative of bids made to the last round of government funding by other authorities.
3. It should be noted that this cost does not allow for the maintenance of the site. This might be incorporated into a local authority's own repair and maintained function in the same way as Council managed housing stock. In Central Bedfordshire Council this rests with the managing Registered Social Landlord. The maintenance costs of affordable housing are not negotiated through the s106 process.
4. In theory, Gypsy and Traveller provision could be paid with s106 contributions. For example South Cambridgeshire, as part of its negotiations on the 106 agreement for a new town, is proposing to include two Gypsy and Traveller sites, each with eight pitches, as part of the affordable housing requirement. Bedford Borough in their draft site allocations document have stated in the allocation policy for Wixams that the developer, as well as delivering 1050 dwellings, will include contributions to the provision of 15 Gypsy and Traveller pitches (though this has not yet been tested for its soundness through an examination).
5. In order for both parties to agree and sign the contributions, the Council would have to have in place some adopted policy stance that requires such contributions. For this purpose its too late in Central Bedfordshire North to do this. The authority has an adopted Core Strategy DPD which includes a policy on developer contributions; however this does not include reference to Gypsy and Traveller pitches. The Site Allocations DPD has been submitted to the Secretary of State and this does not include within it any requirement for large scale developments to include contributions to Gypsy and Traveller pitches. There would be opportunity to amend the Core Strategy or Site Allocations when these documents are reviewed but there is no short term plans to do so.

6. Additionally, the Community Infrastructure Levy Regulations 6th April 2010 states that a planning obligation may only constitute a reason for granting planning permission for the development if the obligation is:
  - (i) Necessary to make the development acceptable in planning terms;
  - (ii) Directly related to the development; and
  - (iii) Fairly and reasonably related in scale and kind to the development.
7. The authority would need to take legal advice on whether contributions to Gypsy and Traveller need would meet those tests. It should be noted that there is some doubt if Gypsy and Traveller site provision could even be determined to be categorised as affordable housing as PPS3 (Housing) does not mention gypsy sites as an affordable tenure.
8. If the authority did have an appropriate and sound current policy in place that enabled contributions to be collected for Gypsy and Traveller accommodation through s106, it should be noted that the opportunities for applying that policy in the North are limited. This is largely due to the fact that applications for large Local Plan allocations have been permitted and/or s106 agreements been signed. These make no requirement for Gypsy and Traveller pitches. In terms of the sites in the Site Allocations DPD coming forward, the housing trajectory determines that the first allocated developments won't come forward till 2014 at the earliest (which does not meet the G & T DPD timeframes). This means the authority will have no guaranteed income from s106 negotiations till after this date and may well fetter the ability to deliver G & T pitches when required.
9. There are windfall applications in Central Bedfordshire North from which s106 agreements could include contributions to Gypsy and Traveller pitches. Approximately half of all housing completions in Central Bedfordshire North between 2001 and 2010 were made on windfall sites. This means there is scope in Central Bedfordshire North (in the absence of allocation sites being delivered in the next four years at least) to collect contributions from windfall applications, however these applications tend to be small and the applicants tend to argue viability on levels of contributions, so there would be limited scope for them to deliver much money.

#### **Possible Alternative Solutions to Funding G & T sites:-**

10. There are other ways of funding Gypsy and Traveller sites. DCLG guidance states that Gypsy and Traveller sites could be gifted through community land trusts where any uplift in land value can be retained within the community and used for the purposes of development. This approach would seem only to work in relation to private sites and their development and would therefore fail to address the argument that a certain element of provision needs to be publically provided and managed.

## **Conclusions:-**

In conclusion, the principle of using s106 commuted sums for the capital costs of new sites can work subject to the following constraining factors:

- The soundness of collecting s106 for Gypsy and Traveller pitches in light of PP3 requires counsel opinion.
- Subject to counsel opinion, a review of policy documents will be required which will take time and may not meet the G & T DPD timeframes.
- Local plan allocations have permission and signed s106 agreements already and LDF site allocations will not start being delivered till 2014, so we are unlikely to be collecting monies for a few years yet;
- A large element of delivery in the north area is through windfall sites where small sites cannot deliver a large planning contribution, and where site viability is tested using economic assessment;
- The sums involved are very large. It could cost £1m to develop a 10 pitch site and it may take some time to collect such a sum of money from s106.