

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....16th April 2009

1. Title of Item/Report

Economic Viability Of Affordable Housing Requirements In Stockton

2. Record of the Decision

Consideration was given to a report relating to Economic Viability of Affordable Housing in Stockton.

It was explained that Arc4 study had been commissioned to test the economic viability of the affordable housing requirements set out in Policy CS8 in the Core Strategy DPD Publication Draft. The report (Economic Viability Of Affordable Housing Requirements In Stockton: Report for Stockton Borough Council) was provided to members as was the executive summary. The methodology used was the subject of a consultation exercise with the development industry and a report detailing this was available to members.

The report found that, in the still relatively favourable market conditions of late 2007, most sites would be viable with at a level of 15-20% affordable housing provision and with a tenure split of 80% social rent and 20% shared ownership.

The report recommended that the baseline policies for affordable housing provision should be established in the context of market conditions in late 2007. However, it also recommended that those policies would need to be applied with considerable flexibility whilst the market was in recession.

The report did not support a threshold for affordable housing provision that was below the national indicative figure of 15 dwellings. Therefore, it was recommended that the threshold for affordable housing provision in Policy CS8 be raised to 15 dwellings.

During discussion of the matter members requested that they be provided with a definition of affordable housing.

RECOMMENDED to Council that

1. the contents of the report be noted
2. the following recommendations of the Economic Viability Of

Affordable Housing Requirements In Stockton Report for inclusion in the housing policies of the Core Strategy Development Plan Document be agreed

- Maintain the affordable housing target of 15-20%
- Raise the threshold for affordable housing provision to 15 dwellings

3. Reasons for the Decision

The Tees Valley Strategic Housing Market Assessment has identified an annual affordable housing requirement for the Borough of 866 dwellings. Planning Policy Statement 3: Housing (PPS3) stated that the target for affordable housing should also reflected an assessment of the likely economic viability of land for housing within the area. The PPS3 requirement had been reinforced by a Court of Appeal decision. The Court upheld an earlier legal decision, which found that the affordable housing requirement stated in the Blyth Valley Core Strategy was not supported by an economic viability study, and was not, therefore, valid.

The target of 15-20% in Policy CS8 of the Core Strategy Development Plan Document Publication Draft had been informed by an affordable housing viability exercise, which reviewed residential planning permissions that had been granted since 2004. Whilst considerable value was attached to this work, it was also recognised that additional value was to be gained from a more in-depth research exercise. Therefore, Arc4 had been commissioned to test the economic viability of affordable housing requirements in Stockton

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

Not applicable

Proper Officer  
20 April 2009