

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

17th July 2014

**REPORT OF CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION/CABINET DECISION/KEY DECISION

Portfolio - Regeneration and Transportation – Lead Cabinet Member – Councillor Smith

SUPPLEMENTARY PLANNING DOCUMENT 8 - AFFORDABLE HOUSING

1. Summary

The Supplementary Planning Document (SPD) provides guidance on how Local Plan policies relating to affordable housing will be applied and how their requirements can be met and will be a material consideration when determining applications for planning permission within the Borough.

The SPD (Appendix A), the Equalities Impact Assessment (Appendix B) and Consultation Statement (Appendix C), are available on the Council's internet E-Genda system. The Consultation Statement includes the schedule of comments received on the draft consultation version of the SPD and the Council's response.

2. Recommendations

It is recommended that Cabinet:

1. Note the contents of this report.
2. Approve Supplementary Planning Document 8 - Affordable Housing for adoption
3. Delegate to the Head of Planning the authority to make any necessary minor amendments to the Supplementary Planning Document 8 - Affordable Housing' prior to adoption

3. Reasons for the Recommendations/Decision(s)

To provide clear guidance on the application of planning policies relating to affordable housing planning obligations

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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SUMMARY

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RECOMMENDATIONS

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DETAIL

Purpose of the SPD

1. The Council's affordable housing requirement is set out in Core Strategy Policy CS8. This Supplementary Planning Document (SPD) has two fundamental purposes. These are as follows: -
 - a) To provide guidance on how development plan policy regarding affordable housing, set out in Policy 8 of the Core Strategy, is applied

- b) To provide guidance on how the Council's Strategic Housing, Development Services and Spatial Planning teams will work with both developers and Registered Providers to deliver affordable housing.
2. The report concludes by setting out the next steps in the production of the SPD, which relate to the recommendations before Cabinet.

How the SPD achieves its purpose

3. The SPD approaches this task through the following steps: -
- a) It sets out the national and local policy context.
 - b) It summarises the evidence base provided by the 2012 Tees Valley Strategic Housing Market Assessment (TVSHMA), 2013 Rural Housing Needs Assessment and the Economic Viability of Affordable Housing Requirements Report (2009).
 - c) It then provides guidance on the how requirements for affordable housing provision set out in Core Strategy Policy 8 are to be applied as well as making reference to how up-to-date evidence in the 2012 TVSHMA and 2013 Rural Housing Needs Assessment is applied.
 - d) Finally, it provides guidance on the robust justification needed if a developer wishes to vary from the affordable housing requirements set out in development plan policy CS8 on economic viability grounds.
4. The guidance on how Policy CS8 is applied makes clear that affordable housing provision should be on-site unless it can be demonstrated that this would make the site unviable or would not promote sustainable mixed communities. When exceptionally off-site provision or a financial contribution is accepted, it sets out in broad terms the Council's procedures and provides supporting information.
5. In addition, the Council's phasing requirements within developments are set out, specifically with regard to the 'trigger points' for the delivery of the affordable housing.
6. The SPD stresses the importance of developers entering in to pre-application discussions to ensure that adequate information is submitted for assessment. It details how we will work with developers and Registered Providers to achieve the delivery of affordable housing.
7. Proposals which do not meet the Council's affordable housing requirements which are not supported by robust viability evidence will normally be recommended for refusal.

Changes made following the Consultation

8. The SPD was subject to public consultation between December 2013 and January 2014. Following the consultation some amendments have been made to the SPD and these are detailed in this Report as follows:

Housing Standards and Design (Page 11)

- The text that referenced the Homes and Communities Agency (HCA) has been deleted and replaced with 'All affordable housing units should meet the Level 1 Space Standard (as detailed in the Housing Standards Review) or such national standards prevalent at the time of the determination of the application.'
- Since the Affordable Housing SPD was prepared the HCA have published an addendum to the HCA Affordable Homes Programme prospectus 2015-18, which includes a section on space standards. The amendment to the SPD is in order to be consistent with the space standards section of the HCA addendum.

Trigger Points for delivery (Page 11)

- 'This shall require, at least' is deleted and replaced with 'The Council will seek to agree the following trigger points for delivery.'
- The following new paragraph will also be inserted after the trigger points: - 'However, the Council will take a flexible approach where a developer can demonstrate that these trigger points have strongly negative implications for scheme viability.'

Commuted Sums calculation methodology (pages 16 and 17)

- In the templates for both the actual and indicative calculations, 'adjusted for the mix and tenure of the affordable housing to be provided' has been added to the 'Registered Provider Purchase price per unit'. This means that the calculation takes into account the balance between affordable rented and intermediate affordable housing provision.
- In the templates for both the actual and indicative calculations, the data source for the average Borough house price the data source is now stated as being the Tees Valley House Price Index. This allows the SPD to benefit from this resource which has been developed by the Economic Strategy and Intelligence team at Tees Valley Unlimited.

Viability Guidance

- No figure is now provided as a benchmark for developer's profit (it was previously 15% of gross development value). However, developers' will still

have to submit written justification in support of whatever figure is used in the appraisal.

- The following sentence has been added to Para 8.4 'However, on schemes where the viability is marginal, a rate of affordable housing provision below 15% may be considered.'
- Para 8.8 has been amended to read 'The amount of any premium *for the landowner to be incentivised to sell* above Current Use Value / Alternative Use Value will depend on the individual circumstances. There is no set addition and each case needs to be considered on its merits' (new text in italics).
- The first sentence in Paras.8.11 (under dwelling sales prices and land values) has been altered to 'Comparables should be analysed on a price per unit (square foot, square metre of Net Sales Area) basis or gross internal area if appropriate'.
- A new marketing sub-section has been added to the development costs section with the following text: 'This should reflect any reasonable costs incurred by marketing directly relevant to the scheme'.
- The paragraph on Section 106 obligations been re-worded as follows: 'The developer will provide details of all agreed or requested S.106 obligations and the costs associated with them'.

Next Steps

9. After approval by Full Council it will be adopted Council planning policy and will be used in the determination of planning applications.

FINANCIAL IMPLICATIONS

Provisions for the consultation period and subsequent adoption and publication of Supplementary Planning Document 8 – Affordable Housing can be made within existing budgetary provision.

LEGAL IMPLICATIONS

The Affordable Housing Supplementary Planning Document has been prepared under the relevant provisions of the Planning and Compulsory Purchase Act 2004 as amended by the Planning Act 2008 and the Town and Country Planning (Local Planning) (England) Regulations 2012. Failure to comply with the provisions of the Act or Statutory Regulations may result in all or part of the document being challenged in the High Court under section 113 of the 2004 Act, which if successful may lead to all or part of an adopted Supplementary Planning Document being quashed.

RISK ASSESSMENT

The Affordable Housing Supplementary Planning Document has been categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

The Affordable Housing Supplementary Planning Document seeks to provide guidance on the implementation of policies contained in the Borough's adopted Core Strategy. The Core Strategy aims to create developments comprised of inclusive communities where all residents have access to the best in housing, education and training, health care, employment opportunities, sport, recreation and cultural activities in safe, healthy, prosperous, inclusive and sustainable communities.

EQUALITIES IMPACT ASSESSMENT

This report has been subject to an Equality Impact Assessment and has been judged to have a positive impact. No remedial actions are required.

CONSULTATION INCLUDING WARD/COUNCILLORS

The Affordable Housing Supplementary Planning Document is equally applicable in all parts of the Borough; therefore there was no consultation with specific wards or ward councillors. Relevant Council officers have been consulted and further input will be welcomed during the period of public consultation.

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Education related? No

Background Papers

Appendix A – Supplementary Planning Document 8 – Affordable Housing
Appendix B – Equalities Impact Assessment
Appendix C – Consultation Statement

Stockton on Tees Borough Core Strategy (2010)
National Planning Policy Framework (2012)
Town and Country Planning Act (1990) as amended
Planning Compulsory Purchase Act (2004) as amended
Planning Act (2008) as amended
The Town and Country planning (Local Planning) (England) Regulations 2012

Ward(s) and Ward Councillors: N/A

Property: N/A