

## MINUTE EXTRACT

Cabinet Meeting.....27<sup>th</sup> November 2013

1. Title of Item/Report

Initial Working Draft Supplementary Planning Document 8 – Affordable Housing

2. Record of the Decision

Consideration was given to a report on Initial Working Draft Supplementary Planning Document 8 – Affordable Housing.

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

SPDs must be subject to public consultation prior to their adoption as part of the Borough's Development Plan. It was intended that the draft SPD would undergo public consultation between December 2013 and January 2014.

The initial working draft of the SPD was attached to the report, and was accompanied by a Habitats Regulations Assessment (HRA) Scoping Report, an Equalities Impact Assessment and the Consultation Statement. The HRA Scoping Report concluded that a full HRA was not required for this SPD.

It was established practice that affordable housing delivery was an appropriate developer contribution which could be sought through a planning obligation. The National Planning Policy Framework (NPPF 2012) provided multiple references on the matter, specifically paragraph 174 which explained that 'Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing'.

The NPPF also provided a lengthy definition of affordable housing for planning purposes; this was repeated within section 2 of the draft SPD. In short, affordable housing was provided to eligible households whose needs were not met by the general housing market, based on local incomes and house prices. Types of affordable housing included social rented, affordable rented and intermediate housing.

It was recalled that a report entitled 'Draft Supplementary Planning Document 8 – Provision of Affordable Housing and the Need for Viability Evidence' was reported to the Cabinet meeting of 13th June 2013.

The previous version included reference to 20% affordable housing provision as the standard target. The Inspector in his report following the Low Lane, Ingleby Barwick Public Inquiry commented "... it is inescapable that the provision of affordable housing at a rate of 15% clearly falls within the range of 15-20% set out in CS Policy 8 criterion 5'.

Counsel's opinion was also sought on this matter. Counsel advised that applying 20% affordable housing provision as the standard target is in conflict with adopted development plan policy and that 'were the matter to be tested, a court would be likely to find the SPD unlawful.'

The current draft SPD was therefore withdrawn and would be replaced with the new draft SPD which omits the identification of 20% affordable housing provision as a standard target but dealt with other affordable housing matters in greater depth than was possible in the first draft, given the very tight timeframe for its production. To all intents and purposes this was a new refreshed SPD and it was recommended to Cabinet that it should be the subject of a fresh consultation.

The target range for affordable housing provision on sites of 0.5 ha or more and schemes of 15 dwellings or more remains 15-20% as set out in Policy CS8.5. However, in the context of the Inspector's Report, the Council was clearly obliged to accept that any provision within the target range of 15-20% was policy compliant, even if it was at the lower end of the range (15%) and not supported by viability evidence that provision at the upper end of the range (20%) would make the scheme economically unviable.

The Council's affordable housing requirement was set out in Core Strategy Policy CS8. This Supplementary Planning Document (SPD) had two fundamental purposes. These were 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.

The report concluded by setting out the next steps in the production of the SPD, which related to the recommendations before Cabinet.

The SPD approached 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.

The guidance on how Policy CS8 was applied made it clear that affordable housing provision should be on-site unless it could 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 was accepted, it set out in broad terms the Council's procedures and provides supporting information.

In addition, the Council's phasing requirements within developments were set out, specifically with regard to the 'trigger points' for the delivery of the affordable housing.

The SPD stressed the importance of developers entering in to pre-application discussions to ensure that adequate information was submitted for assessment. It detailed how the Council would work with developers and Registered Providers to achieve the delivery of affordable housing.

Proposals which did not meet the Council's affordable housing requirements which were not supported by robust viability evidence would normally be recommended for refusal.

The methodology for calculating a commuted sum, in the limited circumstances when it is agreed that it is appropriate instead of on-site provision, had only been set out in broad outline. It was intended to provide more detail in the final version of the SPD.

However, it was necessary first to consult with Registered Providers regarding the detail of the methodology, in particular the data they would be able to provide. A consultation exercise with Registered Providers had therefore been initiated.

This was a separate consultation ahead of the formal consultation on the SPD. This was because the consultation with Registered Providers was an essential pre-requisite to establishing a robust detailed methodology for calculating commuted sums. This methodology would then, once agreed, be included in the draft SPD that would be formally consulted upon.

Cabinet was requested to delegate to the Cabinet Member for Regeneration and Transport and the Head of Planning the approval of the final document for consultation. This was because the consultation exercise with Registered Providers would not be complete prior to the date of the Cabinet.

Approval would then be sought from the 11th December 2013 Full Council to publish the SPD for a six week consultation between 18th December 2013 and 29th January 2014. A longer consultation than the statutory four week period was recommended, as the consultation falls over the holiday period. Officers would then review consultation responses, amend the document and aim to report back to Cabinet and Council in March / April 2014.

RECOMMENDED to Council that:-

1. The contents of the report be noted.
2. The attached 'initial working draft Supplementary Planning Document 8 – Affordable Housing' be noted and any comments be received.
3. Delegate to Officers amendments to the contents of the document prior to the public consultation period.
4. Delegate to the Cabinet Member for Regeneration and Transport and the Head of Planning the authority to agree the final version of the document for public consultation