

**DELEGATED**

**AGENDA NO**

**PLANNING COMMITTEE**

**13<sup>th</sup> November 2013**

**REPORT OF CORPORATE DIRECTOR,  
DEVELOPMENT AND NEIGHBOURHOOD  
SERVICES**

**INITIAL WORKING DRAFT SUPPLEMENTARY PLANNING DOCUMENT 8 –  
AFFORDABLE HOUSING**

**SUMMARY**

The Supplementary Planning Document (SPD) provides guidance of how Local Plan policies relating 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

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

The initial working draft of the SPD is attached at Appendix A, and is accompanied by a Habitats Regulations Assessment (HRA) Scoping Report (Appendix B) and an Equalities Impact Assessment (Appendix C). The HRA Scoping Report concludes that a full HRA is not required for this SPD. These documents are also available in the members' library.

**RECOMMENDATION**

**It is recommended that Planning Committee:**

- 1. Note the contents of this report.**
- 2. Note the attached 'initial working draft Supplementary Planning Document 8 – Affordable Housing' and provide any comments or suggestions that you may wish to make**

**DETAIL**

**Affordable Housing**

1. It is established practice that affordable housing delivery is an appropriate developer contribution which can be sought through a planning obligation. The National Planning Policy Framework (2012) provides multiple references on the matter, specifically

paragraph 174 which explains that 'Local planning authorities should set out their policy on local standards in the Local Plan, including requirements for affordable housing'.

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

#### The reason for not proceeding with the previous version of the SPD

3. Members will recall that a report entitled 'Draft Supplementary Planning Document 8 – Provision of Affordable Housing and the Need for Viability Evidence' was reported to the 4th June 2013 Planning Committee.
4. 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'
5. The current draft SPD is therefore withdrawn and will be replaced with the new draft SPD which omits the identification of 20% affordable housing provision as a standard target but deals 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 is a new refreshed SPD and it will therefore be recommended to Cabinet that it should be the subject of a fresh consultation

#### The consequences for the operation of Policy CS8.5

6. 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 is now clearly obliged to accept that any provision within the target range of 15-20% is policy compliant, even if it is 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

#### Purpose of the SPD

7. 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 and Spatial Planning teams will work with both developers and Registered Providers to deliver affordable housing.
8. 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

9. 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 (SHMA) 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.
10. 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.
11. 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.
12. 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.
13. 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.

## Next Steps

14. The methodology for calculating a commuted sum, in the limited circumstances when it is agreed that it is appropriate instead of on-site provision, has only been set out in broad outline. It is intended to provide more detail in the final version of the SPD.
15. However, it is necessary first to consult with Registered Providers regarding the detail of the methodology, in particular the data they will be able to provide. It is therefore intended to consult with Registered Providers as soon as possible.
16. This will be a separate consultation ahead of the formal consultation on the SPD. This is because the consultation with Registered Providers is an essential pre-requisite to establishing a robust detailed methodology for calculating commuted sums. This methodology will then, once agreed, be included in the draft SPD that is formally consulted upon.
17. The 27th November 2013 Cabinet will also be asked to approve delegating authority to the Cabinet Member to approve the document for consultation. This is because the consultation exercise with Registered Providers will not be complete prior to the date of the Cabinet.
18. Approval will then be sought from the 11<sup>th</sup> December 2013 Full Council to publish the SPD for a six week consultation between 18<sup>th</sup> December 2013 and 29<sup>th</sup> January 2014. A longer consultation than the statutory four week period is recommended, as the consultation falls over the holiday period.
19. Officers will review consultation responses, amend the document and aim to report back to Cabinet and Council in March / April 2014.

**Corporate Director of Development and Neighbourhood Services**  
**Contact Officer**  
**Matthew Clifford - Telephone No 01642 526049**

## WARD AND WARD COUNCILLORS

**Ward**                      **All wards**  
**Ward Councillor**      **All Councillors**

## IMPLICATIONS

**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.

**Environmental Implications:** As report

**Human Rights Implications:**

The provisions of the European Convention of Human Rights 1950 have been taken into account in the preparation of this report

**Community Safety Implications:**

The provisions of Section 17 of the Crime and Disorder Act 1998 have been taken into account in the preparation of this report.

**Background Papers:**

**Appendix A** – Draft Supplementary Planning Document 8 – Affordable Housing

**Appendix B** – HRA Screening Report

**Appendix C** – Equalities Impact Assessment

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