

DELEGATED

AGENDA NO

PLANNING COMMITTEE

9th July 2014

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

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. This Report advises Members that the document has now been finalised, subject to consideration of any comments or suggestions that Members provide.

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.

RECOMMENDATION

It is recommended that Planning Committee:

1. Note the contents of this report.
2. Note the attached 'Supplementary Planning Document 8 – Affordable Housing' and provide any comments or suggestions.

DETAIL

Purpose of the SPD

1. The Council's affordable housing requirement is set out in Core Strategy Policy CS8. This 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.
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 (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.
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 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 SPD will be amended to state that ‘Design and Quality standards should be agreed with the Registered Provider partner unless the scheme benefits directly from Homes and Communities Agency funding in which case the HCA Design and Quality standards will apply’.

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. Revised trigger points may be negotiated in circumstances 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.8.10 (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. The SPD will be reported to the Cabinet meeting of 17 July 2014. After approval by Full Council it will be adopted Council planning policy and will be used in the determination of planning applications.

Corporate Director of Development and Neighbourhood Services

Contact Officer

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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 – Supplementary Planning Document 8 – Affordable Housing
Appendix B – 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