
AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT

**Responsible Cabinet Member - Councillor David Lyonette,
Regeneration and Planning Portfolio**

Responsible Director - John Buxton, Director of Development and Environment

Purpose of Report

1. This report outlines the contents of a proposed supplementary planning document on affordable housing, highlights the key changes from an earlier consultation draft, and recommends that Council adopts the document as part its emerging Local Development Framework.

Background

2. Supplementary planning documents provide more clarity to developers and others about exactly how the Council proposes to interpret and operate existing planning policies (in this case policies H9 and H10 of the adopted Local Plan).
3. For the purposes of planning policy, the Government's new Planning Policy Statement 3 Housing, issued in November 2006, defines affordable housing as 'including social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market'. Social rented housing is usually owned and managed by local authorities and registered social landlords, with guideline target rents determined through the national rent regime. Intermediate affordable housing is at prices and rents above social rent but below market price or rents.
4. Local Plan Policy H9 sets out the Council's intention to negotiate with developers for an element of affordable housing on new housing sites where a local need has been identified. Policy H10 makes exceptional provision for affordable housing adjacent to villages, again where a need has been identified, and where suitable sites cannot be found within development limits.
5. A Local Housing Assessment completed by consultants for the Council in 2006 concluded that needs are acute across large parts of the town and all of the rural communities. Even in the south-eastern areas of the town, where property prices have historically been lowest, moderate affordable housing needs are identified.
6. The assessment also revealed that some 265 dwellings per year would be required to meet all identified needs, with a particular shortfall of older person's affordable homes identified. Because of the volume of existing commitments in relation to the Borough's housing requirement (set regionally through the Regional Spatial Strategy), it can only be realistic to seek to reduce the shortfall, not eliminate it, by requiring a proportion of affordable

dwellings to be provided as part of new housing developments, and through the activities of registered social landlords as part of their own building programmes.

7. Cabinet on 10 October 2006 agreed a draft Affordable Housing Supplementary Planning Document as the basis for public and other consultations (Min C75(2)/06 refers). Consultations were carried out from 17 October to 24 November, and a report on the consultation responses received and proposed actions was considered by a Joint Environment and Health and Social Affairs Scrutiny Committee on 15 December (Min ENVSAH2/06 refers).
8. In accordance with the Council's Social Inclusion Strategy, an Equalities Impact Assessment of the draft document was also carried out and the findings were also considered by the Joint Scrutiny Committee.
9. New Planning Policy Statement 3 Housing was issued after the consultation had commenced, too late to fully inform consultation responses or the Joint Scrutiny Committee's consideration. The Council needs to take its provisions into account.
10. The relevant statutory regulations require the Council to consider comments received and the outcome of sustainability appraisal before it proceeds to adopt the document.

Key Issues Raised by the Draft Affordable Housing Supplementary Planning Document

11. The emerging document sets out to clarify a number of key issues for potential developers of new housing schemes:
 - (a) The threshold size or number of dwellings above which the Council will be seeking the provision of an element of affordable housing, and the circumstances in which such provision may be waived.
 - (b) The proportion of affordable housing units required as part of new housing developments, and the circumstances in which such percentages may be waived or reduced.
 - (c) The circumstances in which the Council will accept provision off-site, or a financial contribution in-lieu of affordable housing provision.
 - (d) The size and type of affordable housing units that should be provided.
 - (e) The layout, design and construction standards that will be expected for schemes including affordable housing.
 - (f) The Council's preferred mechanisms for securing any affordable housing in perpetuity, and for ensuring that it goes to those with genuine affordable housing needs.

Outcome of Consultations on the Consultation Draft Document

12. The report to Joint Scrutiny Committee outlines the consultations undertaken, the general response, and the key issues raised by consultees with proposed actions. A full schedule of the 22 written representations, and other comments received, with initial actions to be taken

against each matter raised, is appended to that report.

13. The Committee resolved:

- (a) That the report be noted
- (b) That the proposed actions required to finalise the content of the document be agreed
- (c) That the proposed responses to the objections, representations and other comments received be agreed.

Main Provisions of the Proposed Document

14. A copy of the document as recommended for adoption is attached at **Appendix 1**. The main provisions are summarized as follows, drawing attention to the key changes from the consultation draft:

- (a) A slightly amended definition of affordable housing to bring it in line with the definition in new Planning Policy Statement 3. This has resulted in the removal of low cost home ownership as an affordable housing option, because these homes are not generally retained for local needs in perpetuity, and so fall outside the Government's new definition.
- (b) The requirement on housing developers to provide an element of affordable housing on schemes of 15 dwellings or 0.5 hectares or more in the urban area and 5 dwellings or 0.2 hectares or more in the rural area, which remains unchanged.
- (c) The proportion of affordable housing that is required is 15% in areas of moderate need, 30% in areas of high need and 40% in areas of acute need. The moderate target is 5% higher than it was in the draft, and the acute areas 40% target replaces a 30-40% target previously; the target for the areas of moderate need is unchanged. These changes have been made to secure additional affordable housing units, but are not set so high as to deter developers from building homes in the Borough.
- (d) An increase from 18% to 30% in the proportion of the affordable housing secured through this SPD that is intermediate housing, rather than social rented. This is to reflect the Council's desire to raise awareness of intermediate housing as an affordable housing option, as this may free up social rented units for those most in need.
- (e) Responding to consultee feedback, a minor amendment to the areas of moderate affordable housing needs has been made, to include the north-west sub-area (previously high need) and exclude the centre sub area (now high need). This change has been made to better reflect the scale of the affordable housing shortfall relative to the total number of households in each sub area.
- (f) An additional ground for waiving or reducing the affordable housing requirements has been added in response to consultee feedback - where the cost of providing the size/type of affordable housing required and/or the finish necessary for it to be in keeping with the local area can be shown to be significantly higher than for comparable

schemes in the Borough.

- (g) Replacement of the need for developers to provide the Council with financial information about any exceptional unforeseen costs, with the need for that information to be provided to the Council's chosen agent or consultant. This change has been made to address developer's concerns about commercial confidentiality.
 - (h) Addition of material specific to older people's housing, to reflect the fact that over 50% of all affordable housing needs are those of older people, and to respond to consultee feedback.
 - (i) A revision to the layout, design and construction standards, clearly identifying the essential items, e.g. Eco Homes 'very good' standard, from the desirable elements, e.g. meeting the 'Building for Life' silver standard, a benchmark for well designed housing and neighbourhoods. This change has been made in response to consultee feedback that suggested the original list was too onerous on developers in terms of financial viability, and could have adversely affected the number of affordable housing units that could actually be secured, balanced against views expressed that quality is as important as quantity.
 - (j) Removal of the need for off-site affordable housing provision to be provided in the same locality as the market housing site, and of the consequential provision for the waiving of an affordable housing requirement in localities where there is already a substantial proportion of social rented or intermediate tenure housing. This reflects the approach in new Planning Policy Statement 3 and gives greater scope for the Council to address the most pressing affordable housing needs, wherever they occur in the Borough.
 - (k) In response to consultee feedback, the addition of the ability for affordable housing needs to be met through the purchase and renovation of existing housing, provided this does not concentrate more low income groups into already deprived neighbourhoods. This approach to meeting affordable housing needs would also help to address vacancy levels and make the most of the existing built resource.
 - (l) Amendment to the approach to nomination to an affordable housing vacancy, including a cascade approach in rural locations whereby applicants for a vacancy in a particular area who are able to demonstrate a local connection will be considered first before considering adjacent rural settlements/wards.
 - (m) Calculation of the financial contribution from a developer to be calculated on the basis of the purchase cost of an equivalent property on the open market in a comparable area less the registered social landlord purchase price.
 - (n) Additional text has been added to clarify the relationship between the requirements of this document and the forthcoming Planning Obligations supplementary planning document.
15. The new Planning Policy Statement 3 indicates that the local authority should undertake an informed assessment of the economic viability of any thresholds and proportion of affordable housing proposed, including their likely impact on overall levels of housing

delivery and creating mixed communities. Since the viability of sites is also tied up with the other planning requirements the Council might have for the site, it may best be considered in the round with the costs of all other planning obligations. This is work that is programmed, through the preparation of the forthcoming Planning Obligations document.

Sustainability Appraisal and Equalities Impact Assessment

16. The outcomes of the sustainability appraisal and equalities impact assessment of the draft document are also considered in the report to Environment and Social Affairs and Health Scrutiny Committee. It is considered that the proposed changes will not significantly affect how the final document will be implemented, and so no further sustainability appraisal or equalities impact assessment are proposed. A summary report outlining the findings has been prepared.

Implementation

17. When adopted by Council the final document will replace the consultation draft as the basis for decision making where affordable housing is required as part of new development. In instances where potential developers have been engaged in pre-application discussions, based on the consultation draft, it could be held to be unreasonable for the Council to require the higher standards of provision set out in the adopted document at a late stage in negotiations.
18. Instances where affordable housing has not been mentioned in pre-application discussions are now likely to be exceptional, in view of the length of time that has elapsed since publication of the Local Housing Assessment and the consultation draft. Where developers have made irreversible financial commitments on the basis of advice at the time this would be reflected in the contribution to be sought. Where, before the publication of this report, formal pre-application consultations had taken place on the basis of the consultation draft policy, then such advice given on the basis of the consultation draft would be respected.

Monitoring and Review

19. Because the need for affordable housing depends on the relationship between local incomes and house prices, there is a need for regular monitoring. A continued rise in house prices with no equivalent increase in local incomes will only increase local affordability problems, whilst, conversely, any fall in the housing market could reduce the amount of affordable housing need. Any significant change in the local relationship between incomes and house prices would trigger a review of the targets and thresholds for affordable housing set out in this SPD.

Legal Implications

20. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

21. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

22. The issues contained within this report are required to be considered by Council.

Conclusion

23. Preparation of the document has been carried out in accordance with statutory requirements, Government advice on procedures, and the provisions of the Council's adopted Statement of Community Involvement. Account has been taken of comment provided by key stakeholders such as housebuilders, registered social landlords, agents and planning consultants, the findings of the sustainability appraisal and the Equalities Impact Assessment, and new Planning Policy Statement 3: Housing.
24. The relevant regulations (the Town and Country Planning (Local Development)(England) Regulations 2004) require:
 - (a) Preparation of an adoption statement, specifying the date of adoption, and informing of the facility for aggrieved persons to apply for judicial review (Regulation 16).
 - (b) Preparation before adoption of a statement summarising the main issues raised in representations on the consultation draft (Regulation 18(4)(b)).
 - (c) Publication of this statement after adoption, and advertising and making it available for inspection with the latter as for the consultation draft, as part of a wider range of procedural requirements that include sending the adoption statement to all who have asked to be notified of adoption (Regulation 19).

Recommendation

25. It is recommended that-
 - (a) The Affordable Housing Supplementary Planning Document (attached at **Appendix 1**) be adopted as part of the Council's emerging Local Development Framework.
 - (b) The adopted Supplementary Planning Document, together with a report outlining the findings of the Sustainability Appraisal Report and the Equalities Impact Assessments and how these have been taken into account, and the statements specified in Regulation 19 of the Town and Country Planning (Local Development)(England) Regulations 2004, be published on the Council's website, made available for inspection during normal opening hours at the Town Hall and the Crown Street, Cockerton and mobile libraries, and sent to those people who asked to be notified of adoption.
 - (c) The adopted Supplementary Planning Document takes immediate effect as the basis for decision making where affordable housing is required as part of new development,

subject to the transitional arrangements set out in this report.

Reasons

26. The recommendations are supported by the following reasons :-

- (a) To provide greater certainty to developers and others about the scale and nature of the Council's expectations regarding the provision of affordable housing in new housing developments.
- (b) To meet the statutory requirements for preparing supplementary planning documents, and the requirements of the Council's Statement of Community Involvement.

John Buxton
Director of Development and Environment

Background Papers

Darlington Local Development Framework Statement of Community Involvement. DBC 2005
Darlington Local Housing Assessment 2005. DHCR Ltd 2006

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