

WAVERLEY BOROUGH COUNCIL

EXECUTIVE COMMITTEE

9 FEBRUARY 2021

Title:

Affordable Housing Supplementary Planning Document

Portfolio Holders: Cllr Anne-Marie Rosoman **Housing and Community Safety**
Cllr Andy MacLeod **Planning Policy, Services and**
Brightwells

Heads of Service: Andrew Smith **Head of Housing Delivery and Communities**
Zac Ellwood **Head of Planning and Economic Development**

Key decision: **Yes**

Access: **Public**

1. Purpose and summary

- 1.1 The purpose of this report is to seek the Executive's approval of the Affordable Housing Supplementary Planning Document (SPD), and to recommend that it is formally adopted by the Council.
- 1.2 The proposed SPD sets out the Council's approach for securing affordable housing in accordance with the application of relevant planning policies contained in Local Plan Part 1. It follows consultation on the draft SPD, which took place in two phases, 9th November – 14th December 2018 and 1st July – 16th August 2019.

2. Recommendation

- 2.1 It is recommended that the Executive recommends to the Council that the Affordable Housing Supplementary Planning Document (SPD) be approved.

3. Reason for the recommendation

- 3.1 The Affordable Housing SPD provides further guidance about the Council's approach to affordable housing provision on development sites. Having an adopted SPD will enable this guidance to be taken on board early in the planning process. This will help to ensure that new developments provide sufficient affordable housing and will enhance the Council's ability to negotiate with developers.

4. **Background**

4.1 Local Plan Part 1 (LPP1) includes two policies directly relating to the provision of affordable housing. Policy AHN1 concerns affordable housing on development sites and sets out a requirement for a minimum of 30% of new homes on development sites to be affordable. The policy also sets out the circumstances in which a financial contribution rather than on site provision would be considered acceptable. Policy AHN2 concerns Rural Exception Sites which allow affordable housing to be provided on sites which adjoin or are closely related to existing rural settlements where there is a genuine local need.

4.2 Since the adoption of LPP1 these two policies and supporting text have provided the only guidance to developers and stakeholders about the Council's approach towards affordable housing provision. It is recognised in paragraph 9.27 of LPP1 that more detail regarding the application of Policies AHN1 and AHN2 is required and that this should be addressed through the publication of a SPD. The proposed content of the SPD is outlined at paragraph 9.27 of LPP1. Specifically the paragraph states that the SPD will provide more detail on the following matters:

- The approach to calculating financial contributions;
- Up-to-date information on the type and size of affordable housing required;
- The cascade mechanism to be applied in cases where viability is an issue; and
- Others matters of detailed interpretation/application of the policies.

4.3 Each of these matters is addressed in the Affordable Housing SPD.

4.4 The approach remains to require on site provision and only allow financial contributions in exceptional circumstances. Developers will be required to demonstrate why onsite provision is not feasible and also demonstrate that other approaches to providing on site affordable housing have been considered and exhausted. The SPD also includes details of the methodology to be used to calculate financial contributions.

Up-to-date information on the type and size of affordable housing required

4.5 The SPD confirms that the Council will continue to seek 30% of the affordable housing to be for intermediate/shared ownership and the remaining 70% of the affordable housing for social/affordable rent. The Council's preferred mix of affordable homes reflects the findings of the Strategic Housing Market Assessment prepared for LPP1 which recommends the following mix of sizes for affordable housing:

	1 bed	2 bed	3 bed	4 bed	Total
Percentage split of affordable housing	40%	30%	25%	5%	100%

The cascade mechanism to be applied to cases where viability is an issue

4.6 The SPD sets out the Council's approach where viability is cited as an issue by developers. In such cases a developer will be required to submit a viability appraisal to the Council and for the Council to agree that the provision of on site affordable housing is not viable. The proposed approach is considered to enable the maximum amount of affordable housing to be delivered albeit, off site through the use of financial contributions.

Other matters of detailed interpretation/application of the policies

4.7 The revised National Planning Policy Framework (NPPF) amended the site size thresholds for affordable housing provision. Policy AHN1 of LPP1 states that in non designated rural areas developments providing a net increase of 11 dwellings or more will be required to provide affordable housing. The NPPF (2019) amended the threshold to require sites delivering 10 dwellings or more or over 0.5 hectares in size would be eligible for affordable housing provision. This policy change is reflected in the SPD to provide certainty for developers and stakeholders.

4.8 The SPD also includes the following guidance:

- Guidance on the scope and requirements of legal agreements;
- Criteria for affordable housing providers;
- Guidance regarding vacant buildings credit; and
- A template Section 106 Agreement.

A copy of the SPD is attached as Annexe 1 to this report.

Implications of the Government's Recent Announcement about Changes to the Planning System

4.9 The Affordable Housing SPD will be a significant material consideration in the determination of planning applications and appeals. It will support a transparent and efficient planning process and will ensure consistent and fair decision making.

4.10 In August 2020 the Ministry of Housing, Communities and Local Government published a White Paper (*Planning for the Future*) which proposes a new tariff style Infrastructure Levy system. If implemented, the new system would replace existing Section 106 affordable housing requirements. It is not yet clear how such arrangements would ensure the future delivery of genuinely affordable homes for rent on new development sites.

4.11 A second consultation in August 2020 (*Changes to the Current Planning System*) proposes securing 'First Homes' for sale through developer contributions, at the same time raising thresholds so that developments of up to either 40 or 50 dwellings would not be required to deliver any affordable homes.

4.12 The Affordable Housing SPD may need to be revised in future to take into account new legislation passed and/or guidance published.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 This report supports the Council's vision in the Corporate Strategy to promote housing to buy and to rent, for those on all income levels. The provision of affordable housing provides secure, safe and affordable homes for people to thrive and supports the economy.
- 5.2 Outcome 7 of the Housing Service Plan concerns the implementation of the Affordable Housing SPD. The adoption of the SPD will enable the Housing Strategy and Enabling Team to use the document as a basis of securing new affordable homes within development sites.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

The consultation for the SPD has been carried out by existing staff in the Housing Strategy and Enabling team using the Planning Policy consultation system without incurring any extra costs. Any costs associated with implementing the measures in the SPD will be covered by funds within existing budgets or by developers where viability assessments are required. No additional staffing or IT resources are likely to be required.

6.2 Risk management

Having an adopted Affordable Housing SPD will reduce the risk of new developments providing insufficient or the wrong type of affordable housing.

6.3 Legal

The Council must prepare SPDs in accordance with the Planning and Compulsory Purchase Act 2004 (as amended), Town and Country Planning (Local Planning) (England) Regulations 2012 and the Community Infrastructure Levy Regulations 2010. SPDs provide further detailed guidance on local plan policy topics and do not form part of the statutory development plan.

There are no legal implications arising out of this report beside the normal activities undertaken by the Council's Legal Services team in relation to securing Section 106 Agreements.

6.4 Equality, diversity and inclusion

The Affordable Housing SPD supports policy AHN1 of Local Plan Part 1 and seeks to maximise the delivery of affordable housing in Waverley. Affordable housing actively promotes equality by offering security and opportunity to households in housing need, who often experience inequalities associated with living on a low income. Women, people with disabilities and BME groups are more likely than other groups to access social housing. The development of new affordable housing therefore benefits these groups.

6.5 Climate emergency declaration

The guidance contained within the SPD will assist in providing high quality affordable housing within Waverley in sustainable locations. New affordable homes will be required to make a positive contribution to the environment and this will be considered as part of the planning and construction process.

7. Consultation and engagement

- 7.1 A working group of officers from Housing and Planning Services drafted an Affordable Housing SPD, which was then open for consultation late 2018 to housing professionals, Council Members and Officers.
- 7.2 All comments were reviewed, and where relevant, incorporated into the draft. The draft was subsequently considered at the O&S Committee on 26th February 2019 for public consultation, which took place between 1st July and 16th August 2019.
- 7.3 The consultation ran using the Council's online consultation portal; Inovem. Copies of the document were made available for inspection on the Council website and hard copies at the Burys, Godalming. Letters were also sent to a range of statutory consultees inviting comment.
- 7.4 Responses were passed to the Housing Strategy and Enabling Team, who reviewed each response, incorporated relevant comments and subsequently amended the document. Attached as Annexe 2 to this report is a Consultation Statement that details the comments received and the Council's response.
- 7.5 In total 17 responses were received. These were from a range of stakeholders including Parish and Town Councils, agents, developers, affordable housing providers, statutory consultees and individuals. The Draft SPD has been amended following the consultation to take on board a number of the comments made specifically about making the draft S.106 Agreement, Mortgage in Possession and Nomination Clause referred to in the SPD available. In response, a copy of these documents has been added as an appendix to the SPD.
- 7.6 The other comments received were not directly related to the text in the draft SPD. Officers noted these comments but have not updated the content of the draft SPD.

8. Other options considered

- 8.1 LPP1 states that further information regarding affordable housing provision will be provided in a Supplementary Planning Document. Preparation of the Affordable Housing SPD is, therefore, required in order to be consistent with LPP1.

9. Governance journey

- 9.1 The Draft SPD, amended following the consultation, has been sent to members of the O&S Housing and Environment Committees for comment, with a deadline of 25 January 2021 for receipt of comments. It will next be reported to Executive for consideration before seeking approval from Full Council
- 9.2 The draft SPD has been updated to ensure reference is made to the most recent version of the National Planning Policy Framework (NPPF) published in 2019.

Annexes:

Annexe 1 – *Draft Affordable Housing SPD*

Annexe 2 – *Affordable Housing SPD Consultation Statement*

etc

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: 07/12/2020

Head of Finance: No financial implications

Strategic Directors: 27/01/2021

Portfolio Holders: 27/01/2021