

**WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE – 09/06/2015**

---

**Title:**

**AFFORDABLE HOUSING AND INFRASTRUCTURE CONTRIBUTIONS  
THRESHOLDS**

**[Portfolio Holder: Cllr Brian Adams]**

**[Wards Affected: All]**

---

**Summary and purpose:**

The Government has set new thresholds that affordable housing and pooled infrastructure contributions should not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 sq. m. These new thresholds are below those that are currently adopted in the Waverley Borough Local Plan 2002. This means that Waverley can no longer require new residential development to provide the level of new affordable homes that was previously required by Policy H5.

However, the new Government policy guidance also allows Councils to choose to apply a lower threshold of five dwelling units or less for seeking affordable housing contributions and pooled infrastructure contributions in Areas of Outstanding Natural beauty (AONB). Given the existing high level need for affordable homes across the whole of the Borough and the limited opportunity for appropriate sites to deliver more than 10 new homes in rural locations, the Council is requested to endorse the application of this lower threshold in the AONB.

---

**How this report relates to the Council's Corporate Priorities:**

The provision of affordable housing is one of the Council's corporate priorities. The report relates to the approach to seek affordable housing contributions within the AONB in line with new government planning guidance.

**Financial Implications:**

The changes to Government policy guidance will reduce the amount of affordable housing and contributions to infrastructure from tariff style planning obligations that can be sought on developments. The report sets out changes to Government policy guidance and does not have any direct financial implications. The scheme will continue to operate within existing resources.

**Legal Implications:**

The Government has not specified how local planning authorities can choose to apply a lower threshold of five units or less on residential development in the AONB to seek contributions. In the absence of this advice, endorsement to apply the approach is requested from full Council.

---

## **1.0 Introduction**

1.1 This report advises Members of the Government's changes to National Planning Practice Guidance (NPPG) where contributions for affordable housing and tariff style planning obligations may be sought. Planning obligations are secured from developers in a Section 106 agreement and assist in mitigating the impact of development which benefits local communities and supports the provision of infrastructure. Affordable housing will continue to be secured by Section 106 agreements even after the Community Infrastructure Level (CIL) is introduced. This report summarises the impacts of the policy change and seeks endorsement of applying an approach to thresholds in the Surrey Hills AONB.

## **2.0 The Government's policy changes**

2.1 The NPPG now advises that affordable housing and tariff style planning obligations should not be sought from development of 10 units or fewer, and which have a maximum combined gross floorspace of no more than 1000 sq. m.

2.2 The NPPG states that in designated rural areas, local planning authorities may choose to apply a lower threshold of five units or less for affordable housing or tariff-style contributions. Designated rural areas include National Parks and AONBs.

2.3 The NPPG goes on to state that in a rural area where the lower threshold is applied, affordable housing and tariff style contributions should be sought on developments of 6 to 10 units in the form of cash payments which are commuted until after completion of units within the development.

2.4 The change to policy guidance does not apply to Rural Exception Sites. These are small sites used for affordable housing in perpetuity that would not normally be used for housing. This means that the policy guidance does not also apply to those Rural Exception Sites that require an element of market housing to enable the affordable homes to be provided.

## **3.0 Considerations**

3.1 The changes to the thresholds in the NPPG mean that the Council can no longer fully apply the thresholds adopted in the Waverley Local Plan (2002). Under Policy H5 of the Local Plan, in settlements with a population of over 3,000, 30% of new homes are required to be affordable on developments of 15 or more units or 0.5 ha or larger. In settlements with a population of 3,000 or less, 30% of new homes are required to be affordable on developments of five or more dwellings, or on sites of 0.2 ha or larger.

- 3.2 The new Government thresholds on affordable housing and tariff-style contributions will therefore reduce the amount of affordable housing that Waverley has previously been able to secure. The reduction in the delivery of affordable homes will be particularly felt in rural settlements where there is normally a need for affordable housing but where the opportunities to deliver more affordable homes are often limited. The latest information on affordable housing need for locations outside the four main settlements in Waverley is contained in the Waverley and West Surrey SHMA Final Draft, October 2013. This shows that there is an annual need for 120 affordable dwellings outside the main settlements. The opportunity for providing affordable homes in rural settlements will be very limited as a result of having a threshold of 10 or more units. This is because not many suitable sites of this size come forward in the villages.
- 3.3 As the NPPG allows the option to apply a lower threshold of five units or fewer within AONBs, it is considered that the need for affordable housing within Waverley justifies applying this lower threshold. The affordable housing contributions secured on sites of 6 to 10 dwellings within the AONB will contribute to the delivery of affordable housing on other sites.
- 3.4 Applying the lower threshold does not allow the Council to secure the same level of affordable housing provision in all rural settlements as it only applies to those settlements within the AONB. Villages in the AONB are Churt, Thursley, Elstead, Grayswood, Chiddingfold, Hascombe, Frensham (Millbridge, partly Shortfield Common) Tilford, Hambledon, Wormley, and Rushmoor.

#### **4.0 Recommendation**

It is recommended that the Executive:

1. notes the changes in the National Planning Policy Guidance (NPPG) on seeking contributions for affordable housing and tariff-style planning obligations; and
2. agrees the approach to apply a lower threshold for affordable housing or tariff style contributions on sites within the AONB.

---

#### **Background Papers**

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

---

#### **CONTACT OFFICER:**

**Name:** Matthew Ellis

**Telephone:** 01483 523297

**E-mail:** matthew.ellis@waverley.gov.uk