

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 7 MARCH 2023

COUNCIL - 21 MARCH 2023

Title:

**Affordable Homes Supplementary Planning Document (SPD) Update-
Adoption**

Portfolio Holders: Cllr Nick Palmer, Co-Portfolio Holder for Housing (Delivery)
Cllr Liz Townsend, Portfolio Holder for Planning and Economic Development

Head of Service: Abi Lewis, Executive Head of Regeneration and Planning Policy
Gilian MacInnes, Interim Executive Head of Planning
Andrew Smith, Executive Head of Housing Services

Key decision: Yes

Access: Public

1. Purpose and summary

The purpose of this report is to seek the Executive's approval for the updated Affordable Housing Supplementary Planning Document (SPD) to be recommended to Full Council for formal adoption as a material planning consideration.

2. Recommendation

It is recommended that the Executive recommends to Full Council that the updated Affordable Housing Supplementary Planning Document be adopted.

3. Reason for the recommendation

The SPD provides further guidance on the implementation of Local Plan Part 1 (LPP1) policies relevant to affordable housing and will become a material planning consideration. It will support a transparent and efficient planning process and will ensure consistent and fair decision-making.

This recommendation follows a statutory public consultation on the SPD undertaken in accordance with Regulation 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012 (“the Regulations”). The final SPD attached at Annexe 1 has been amended in response to comments raised through the public consultation.

4. Background

4.1 The Waverley Borough Council [Local Plan Part 1](#); Strategic Policies and Sites (LPP1) was adopted by the Council on 20 February 2018 and contains strategic planning policies on affordable housing. LPP1 requires us to have an Affordable Housing SPD to include details of 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 to cases where viability is an issue and other matters of detail interpretation/ application of the policies. The SPD therefore covers LPP1 Policies AHN1; Affordable Housing on Development Sites and AHN2; Rural Exception Sites. The purpose of the SPD is to provide further detail and guidance on existing LPP1 policies, as SPDs do not form part of the development plan and therefore cannot introduce new planning policies.

4.2 The current Affordable Housing SPD was adopted in April 2021. Its purpose is to provide clarity to developers, affordable housing providers, Development Management officers, stakeholders and local residents on our affordable housing requirements. An update is now required to take into account changes in national policy and to reflect the commitment to lower rents in our adopted Affordable Homes Delivery Strategy (April 2022).

5. Public Consultation on the draft SPD

In accordance with the requirement in the regulations to undertake a four-week public consultation, a consultation was held between 17.10.22 and 28.11.22. In total, 29 responses were received from a range of stakeholders including: statutory consultees, Parish Councils, local residents, affordable housing providers, developers and other interested parties.

The Consultation Statement attached at Annexe 2 details the comments received and the response to these. Where appropriate and deemed necessary, changes have been made to the SPD to address the comments received. Responses were generally supportive and areas where clarification was needed have been addressed (see table below).

6. Changes to SPD following consultation

Changes to the Affordable Housing Supplementary Planning Document made a result of consultation responses are summarised in the table below and highlighted in the document:

PROPOSED CHANGE TO THE AH SPD	PARA	PAGE
Clarification on recommendations regarding affordable tenure split	53	23

Definition of rents in the s106 to make clear that an annual rent increase in line with Homes England guidance is permitted, for the avoidance of doubt.	60	24
Inserted “unless a waiver is agreed by Homes England”	65	25
References to shares from 25% amended to 10%. References to Help to Buy Agent removed.	67	26
Size specifications for rented housing cross-referenced with Waverley Housing Allocation Scheme	77	27
Applications amending or reducing affordable housing to go to committee; added reference to the Scheme of Delegation	84	30

6. Relationship to the Corporate Strategy and Service Plan

- 6.1 The SPD will support the strategic priorities of *Good quality housing for all income levels and age groups*, by “*delivering Waverley’s new Housing Strategy to ensure homes are the right homes in the right places and that they are truly affordable for those who need them*”.
- 6.2 The Supplementary Planning Document contributes to Outcome 7 of the Housing Delivery and Communities Service Plan: *Deliver new affordable homes: increase delivery of well-designed, well-built affordable housing*.

7. Implications of decision

7.1 Resource (Finance, procurement, staffing, IT)

Any costs associated with implementing the measures in the SPD will be covered by funds within existing budgets. No additional staffing or IT resources are likely to be required.

7.2 Risk management

The Affordable Housing SPD Update recommends implementing rental caps of 70% on one and two bedroom properties and 65% on three and four beds. The First Homes Viability Update (Three Dragons) demonstrated rents from 60% to be viable. This would give officers more influence to secure affordability during negotiations. Rental caps will have an impact on the viability of developments and the tenure mix of homes that can be provided through Waverley’s own housing developments, as it will for other affordable housing providers. The Council will need to lead by example, prioritising affordability for the end user on its own new housing schemes.

7.3 Legal

Lewis Jones, Planning Solicitor:

There are no direct legal implications associated with this report. The Affordable Housing Supplementary Planning Document Update will underpin the Council's delivery of its statutory and national policy requirements as an affordable housing provider, together with the other key functions of the Housing Service.

This supplementary planning document should build upon and provide advice and guidance on policies in an adopted local plan. As it will not form part of the development plan, it cannot introduce new planning policies into the development plan. It will however be a material consideration in decision-making. If formally promulgated for adoption in due course, this will be done in accordance with and to satisfy Regulations 14 and 35 of the TCP (Local Planning) (England) Regulations 2012, in terms of notification to specific interested persons, general publicity and inspection by the public at the Council's offices and on the Council's website.

7.4 Equality, diversity and inclusion

The SPD provides guidance on the implementation of adopted policy in LPP1. An Equality Impact Assessment was undertaken for LPP1 prior to its submission for examination in 2016. LPP1 was found to have neutral or positive impacts on all protected characteristic groups. A further Equality Impact Assessment has been carried out on the SPD updates.

Delivery of new affordable housing actively promotes equality, reduces economic and social disparities and helps to ensure an adequate standard of living for all, regardless of income or background. We know that women and those from BAME groups are more likely to access affordable and social rented housing in Waverley. The Affordable Homes Supplementary Planning Document Update document will meet accessibility standards.

7.5 Climate emergency declaration

Full details of our commitment to sustainability and developing affordable homes which are both built sustainably and enable residents to live in a more environmentally sustainable way, now and for years to come, are set out in our Climate Change and Sustainability Supplementary Planning Document. Readers are signposted to this document on page 3 of the Affordable Housing SPD Update.

8. Consultation and engagement

- 8.1 The draft Affordable Housing Supplementary Planning Document Update was subjected to public consultation from midday on 17.10.22 until midday on 28.11.22.
- 8.2 The consultation was publicised on the Council's website, social media channels and planning policy consultation portal. Hard copies were placed in the Council offices and local libraries. Statutory consultees, Town and Parish Councils, residents' associations/groups, local businesses, developers, landowners and Waverley residents were consulted. A public notice was placed in the Surrey Advertiser, Farnham Herald and Haslemere Herald newspapers setting out the details of the consultation and how representations could be made.

- 8.3 The consultation was carried out via Inovem, the Council's planning consultation portal.
- 8.4 The updated Affordable Housing SPD will help all parties involved with the provision of new affordable housing, such as the Council, landowners, developers and affordable housing providers. The consultation was open to anyone but was aimed at those who will use the SPD to inform the planning applications they submit to the Council, and therefore contained some technical language.
- 8.5 Responses were received by the Planning Policy Team and analysed by the Housing Strategy and Enabling Team. Officers reviewed each response and incorporated comments into the Consultation Statement, before returning the amended document to Executive for recommendation to the Council to adopt.

9. Other options considered

- 9.1 Another option is not to adopt the updated SPD. However, the current Affordable Housing Supplementary Planning Document does not reflect the current aspirations of our Affordable Homes Delivery Strategy, Corporate Strategy, Climate Emergency Declaration or changes to national policy. This option has not therefore been taken forward.
- 9.2 Maintaining current Affordable Rent levels i.e. 80% rents, capped at Local Housing Allowance (LHA) – has its own risks. New rented units set at this level do not help working households on low incomes and creates a disincentive for tenants currently receiving LHA to seek employment. If all households moving into new build affordable rents at 80% are in receipt of LHA, this makes the new community less of a mix of household types and less sustainable.

10. Governance journey

- 10.1 The draft SPD was approved for consultation by Executive on 06.09.22; it was then amended following the consultation period in light of responses received. If agreed by Executive on 07.03.23, it will be taken to Full Council on 21.03.23 with a recommendation for formal adoption at the meeting.

Background Papers

1. [Affordable Homes Delivery Strategy; Build More, Build Better, Build for Life \(2022\) Waverley Borough Council](#)
2. [Waverley First Homes Viability Update \(2021\) Three Dragons](#)
3. [Waverley Housing Affordability Study \(2021\) Icen Projects/ Justin Gardner](#)
4. Updated Affordable Housing Supplementary Planning Document (2023)
5. Affordable Housing Supplementary Planning Document Consultation Statement
6. Equality Impact Assessment on Updates to the Affordable Housing SPD

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Agreed and signed off by:

Legal Services: Lewis Jones Planning Solicitor 02.02.23

Head of Finance: Rosie Plaistowe Financial Services Manager 02.02.23

Strategic Director: Annie Righton & Dawn Hudd at CMB 07.02.23

Portfolio Holder: Cllr Townsend for Planning 02.02.23; Cllr Palmer for Housing 02.02.23