

Draft Affordable Housing Supplementary Planning Document

Report of the Planning Portfolio Holder

Recommended:

1. That the Draft Affordable Housing Supplementary Planning Document be published for public consultation.
2. That the Draft Housing Advice Note (to accompany the Draft Affordable Housing Supplementary Planning document) be published for public consultation.
3. That the Head of Planning Policy to be given delegated authority to make changes of a minor nature, in consultation with the Planning Portfolio Holder.

SUMMARY:

- The Revised Local Plan (2016) includes policies on affordable housing, particularly Policy COM7 Affordable Housing.
- Many changes to the local and national policy context have occurred since the existing Affordable Housing Supplementary Planning Document was adopted in 2009.
- It is proposed that a new draft Affordable Housing Supplementary Planning Document, together with accompanying Housing Advice Note, be published for public consultation.

1 Introduction

- 1.1 The combination of high house prices and low household incomes in the Borough means that a high proportion of households are in housing need as they are unable to access the housing market. To help face that challenge the Council approach is to secure additional affordable housing within new development, support rural exception schemes and support community led development,
- 1.2 The purpose of the Draft Affordable Housing Supplementary Planning Document (SPD) is to provide advice on how the Council's affordable housing policy, as set out in Local Plan Policy COM7 Affordable Housing is to be implemented. It also provides additional detail on how the Council will consider schemes that are proposed under Policy COM8 Rural Exception Affordable Housing and Policy COM9 Community Led Development, as the latter also has the potential to deliver affordable housing. It will provide detail on how the Council will interpret and implement existing planning policy, rather than create new policy requirements.

2 Background

- 2.1 Test Valley is a popular place to live, work and visit. However, the Borough has a contrast of areas of high affluence and some areas of deprivation where residents can experience inequality in terms of access to suitable housing. The evidence used to inform the Local Plan, Housing Strategy and Corporate Plan highlights the pressures from an increasing population; high property prices; pockets of poor quality housing; and the challenge of bringing forward all forms of affordable housing across the Borough.
- 2.2 Test Valley needs an additional 588 homes per year to keep up with the number of new households. It is estimated that up until 2029, 206 of these additional homes per annum should be affordable homes. The Council has been successful in reaching its target of 200 homes. However as part of the commitment to exploring all opportunities for the delivery of affordable homes the Council is revising its Affordable Housing SPD in order to help deliver even more.
- 2.3 The existing AH SPD was adopted in 2009. Since that time, the Revised Local Plan has been adopted, the National Planning Policy Framework (NPPF) has been published (necessitating amendments to the adopted affordable housing policy) and the market within which affordable housing is being delivered has changed. This necessitates the Council developing a new AH SPD setting out the Council's approach to assessing, negotiating and delivering affordable housing. Consultation and subsequent changes to national guidance, for example technical guidance on Starter Homes and the introduction of new affordable housing tenures, coupled with challenges to the Government's approach, has meant that the drafting of the SPD has been delayed. To have progressed earlier may have meant abortive work and an early review. The issues surrounding the Government's approach have now been resolved.
- 2.4 The approach taken in the draft SPD is to provide additional detail to the Local Plan affordable housing policies and sets out what the Council expects for the requirements of affordable housing sought under Policy COM7 Affordable Housing as well as Policy COM8 Rural Exception Affordable Housing and Policy COM9 Community Led Development to be met. The approach is to be as clear as possible for developers, parish councils and other interested parties as to how the Council will deal with requests, pre-application enquiries and planning applications, but also to foster early engagement, particularly where viability issues are present, and to encourage working with the Council to provide the best scheme possible.
- 2.5 This is particularly important as the starting point in Policy COM7 of a mix of 70% affordable rent/social rent and 30% intermediate affordable housing tenures is just that. Early engagement and an understanding of site specific circumstances maximises opportunities to secure and importantly, successfully deliver, an appropriate mix of affordable housing to meet local need and to maximise the delivery of social rented accommodation, especially for the larger properties where affordability can be an issue.

- 2.6 Policy COM7 also sets out that where there are viability issues with providing the full amount of affordable housing on site, that the Council will take the viability evidence into consideration. The draft SPD sets out that the thresholds and tenure mix for proposals from which affordable housing is sought are the starting point in the policy. However, it provides more detail on the circumstances in which viability evidence will be required, the content and format of viability assessments and how the Council will deal with it. This is reinforced in national Planning Practice Guidance (PPG) and early engagement avoids unnecessary delays in determining planning applications where a viability assessment is considered necessary. The potential of a review mechanism to reflect that viability may change over time is also introduced.
- 2.7 The draft AH SPD sets out how the Council will secure affordable housing on site and use financial contributions towards affordable housing provision. This approach clearly sets out what the developer or applicant can expect from the Council and is in line with PPG.
- 2.8 If provision of affordable housing on an alternative site is accepted, the draft SPD sets out the criteria that needs to be met for the provision of a suitable serviced plot, including its definition.
- 2.9 The draft AH SPD also sets out the circumstances in which applicants can apply for capital grants from the Council's Affordable Housing Programme. The Council is also required to calculate a vacant building credit and the draft SPD sets out how this is calculated, which assists in working out a site's residual land value, informing how much it is worth.
- 2.10 For rural area of the Borough, the draft AH SPD provides information on changes the Council has made regarding how developers can apply for waivers to allow occupants to 'staircase' up to 100% ownership in Designated Protected Areas (DPA). This is to prevent shared ownership properties in rural areas from being lost to the market but the waiver process allows for a wider range of affordable products to be considered and makes the financing of shared ownership by lenders more attractive.
- 2.11 Policy COM8 is a mechanism to provide for 100% affordable housing schemes in rural areas. The draft AH SPD goes further than the existing AH SPD 2009 in setting out what the Council will do in working with developers and landowners to bring forward rural exception sites and how they will be secured in perpetuity. The Council can facilitate in providing evidence of local housing need, through our work with partners such as Hampshire Home Choice, Action Hampshire and the Hampshire Alliance for Rural Affordable Housing (HARAH), and important advice on the requirements and methodologies for working with local communities to understand, not only the overall housing need, but also specifically the type and size of housing required to meet that need.

- 2.12 Policy COM9 seeks to bring forward development for housing, commercial or employment uses that is led by the community and is aimed at rural communities to help to sustain their settlement. Proposals for residential development, dependent on the number of homes or site size, will need to be compliant with Policy COM7 and provide the appropriate quantity of affordable housing. The draft SPD adds detail to the requirement in the policy to demonstrate that the community has been involved and supports any community led proposal. Further details about the types of engagement that can be used are referenced in the accompanying Housing Advice Note, which supports the draft AH SPD.
- 2.13 This draft AH SPD (Annex 1) does not form part of the Development Plan and will not be subject to independent examination. However, once adopted, the AH SPD will be a material consideration in planning decisions. It would then also supersede the existing SPD 2009 and the Policy COM7 Planning Advice Note 2017.
- 2.14 The accompanying Draft Housing Advice Note (Annex 2) details the Council's expectations in relation to the delivery of affordable housing and should be read alongside the AH SPD and Local Plan. The intention is that in future the Housing Advice Note could be amended separately to the AH SPD as necessary.
- 2.15 The rationale for having an advice note in support of the draft AH SPD is predominately two-fold: to enable the Council to issue advice without affecting the AH SPD, particularly where technical advice from Government is anticipated to change, and to differentiate between what applicants must do and what they could do when considering proposals that require affordable housing, therefore promoting good practice. Secondly, the advice note is an appropriate mechanism to set out the Council's procedures and processes, such as applying for a waiver. Where appropriate readers of the SPD are signposted to the supporting advice note for further information.
- 2.16 An executive summary of the key changes and additions made to guidance on affordable housing (within both the draft AH SPD and accompanying draft Housing Advice Note) are set out in Annex 3.

3 Corporate Objectives and Priorities

- 3.1 The draft AH SPD will contribute to delivering the corporate objective of 'people' in the new 2019-2023 Corporate Plan, in delivering homes to meet housing needs.

4 Consultations/Communications

- 4.1 It is a legal requirement to undertake public consultation on a SPD for a minimum period of 4 weeks. Consultation will be undertaken in early summer for a period of not less than 4 weeks. This will be in accordance with the Council's adopted Statement of Community Involvement.

5 Options

- 5.1 The first option would be to not produce a new AH SPD. This would mean up to date guidance would not be provided in relation to the Local Plan affordable housing policy, since the existing AH SPD 2009 does not reflect policy changes which have occurred in the intervening period and as such, whilst still relevant, it is becoming increasingly out of date.
- 5.2 The second option would be to publish the AH SPD together with the accompanying Housing Advice Note in order to provide additional up to date guidance on the interpretation and implementation to Local Plan affordable housing policy, particularly Policy COM7. It would also allow for the interim Planning Advice Note 2017 to be incorporated into an AH SPD.

6 Option Appraisal

- 6.1 The first option of not adopting a new AH SPD would not provide for fully up to date guidance which takes account of the current policy context as this is not reflected in the existing SPD from 2009.
- 6.2 The second option would be to publish the AH SPD to ensure there is a relevant up to date guidance which fully takes into account the latest policy context. It would also allow for the interim planning advice note to be incorporated into the AH SPD. The proposed accompanying Housing Advice Note would also further provide details on the Council's expectations in relation to the delivery of affordable housing.
- 6.3 Option two is recommended.

7 Risk Management

- 7.1 A risk assessment has been completed in accordance with the Council's Risk Management Methodology and the existing risk controls in place mean that no significant risks (Red or Amber) have been identified.

8 Resource Implications

- 8.1 Undertaking the public consultation exercise can be met within existing resources.

9 Legal Implications

- 9.1 Once adopted as an SPD the document will form part of the Council's suite of planning documents. In order to achieve the status the necessary regulations have been complied with.

10 Equality Issues

- 10.1 An EQIA screening has been completed and no potential for unlawful discrimination and/or low level of minor negative impact identified. A full EQIA has not been carried out.

11 Other Issues

- 11.1 Community Safety – none.
- 11.2 Environmental Health Issues – none.
- 11.3 Sustainability and Addressing a Changing Climate – none.
- 11.4 Property Issues – none.
- 11.5 Wards/Communities Affected – All wards

12 Conclusion and reasons for recommendation

- 12.1 It is considered that the Draft Affordable Housing SPD (Annex 1) , together with accompanying Draft Housing Advice Note (Annex 2), should be published for public consultation. This will help provide more detailed and up to date guidance on the interpretation and implementation of Local Plan policy on affordable housing, particularly Policy COM7 and on the Council’s expectations in relation to the delivery of affordable housing, respectively.

Background Papers (Local Government Act 1972 Section 100D)

1. Test Valley Borough Revised Local Plan DPD Adopted Local Plan 2011-2029 (2016) Test Valley Borough Council
2. Affordable Housing SPD 2009
3. Planning Advice Note Revised Local Plan Policy COM7 Affordable Housing Financial Contributions 2017

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:

3

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(Portfolio: Planning) Councillor Adams-King

Officer:

David Bibby

Ext:

8105

Report to:

Cabinet

Date:

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