

Council – 25 September 2008

**ADOPTION OF AFFORDABLE HOUSING DEVELOPMENT PLAN DOCUMENT
AND AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT**

Report of the Head of Community Regeneration

Statutory Powers: Town and Country Planning Act 1990 and Planning & Compulsory Purchase Act 2004.

Financial Implications: None directly, but adoption of the Affordable Housing Development Plan Document (AHDPD) and the Affordable Housing Supplementary Planning Document (AHSPD) will enable financial contributions to be collected to support the provision of affordable homes in South Hams. The timely production of the DPD in line with the programme shown in the Local Development Scheme (LDS) will also enhance the potential for future awards of Housing and Planning Delivery Grant.

Purpose: The Inspector's binding report has been received following the examination of the Affordable Housing DPD in June. This report outlines the importance of adopting the DPD and the supporting SPD in order to enable progress against Council Priority CP1 and with the preparation of site specific allocation DPDs and to assist in processing development control applications.

Links to Council Priorities: The Affordable Housing DPD and SPD link to all Council Priorities and Commitments, particularly CP1 - affordable homes.

RECOMMENDATION:

That Council RESOLVES to:

- (a) adopt the Affordable Housing Development Plan Document, in line with the Inspector's binding report, and,**
- (b) adopt the Affordable Housing Supplementary Planning Document.**

Background

1. The AHDPD is another priority document in the South Hams Local Development Framework (LDF) portfolio. It is designed to build on the strategic content of the Core Strategy providing more detailed policy advice through a suite of policies relating to affordable housing. It is also urgently required to replace the policies contained in the current 1996 adopted South Hams Local Plan which is becoming increasingly out of date. The AHSPD aims to provide additional information for applicants and other plan-users to explain how the AHDPD policies work in practice.
2. The AHDPD aims to enable delivery of affordable housing through both the plan-led and the development control processes. The AHDPD was submitted to government on 25 January 2008 and subject to formal Examination (public inquiry) on 17 and 18 June 2008.

3. Government guidance set out in PPS12 states that SPDs should provide additional information to support development plan policies and proposals. The AHSPD accords with national policy and guidance and builds on the adopted Core Strategy and AHDPD. It was published in draft form in January 2008 and was subject to consultation in accordance with the requirements of the adopted Statement of Community Involvement, but is not required to undergo Examination. Once adopted the SPD should be given 'substantial weight' as a material consideration in planning decisions.

The Inspector's Report on the AHDPD

4. The Inspector's final report on the AHDPD was received on 4 August. The report is "binding" and the Council is now required to act expeditiously to adopt the AHDPD. The report has been placed on the Council website.
5. The Inspector has found the AHDPD to be 'sound' (i.e. it has passed the nine 'tests of soundness' set by government) and it can be added to the set of adopted South Hams LDF documents alongside the Core Strategy, the Statement of Community Involvement and the Sherford AAP. It also helps to maintain the Council's position as one of the government's LDF pathfinders.
6. The Inspector has endorsed the content of the AHDPD with few modifications. He makes some changes to sharpen policies and clarify content.
7. The main changes to the AHDPD are as follows:
 - Provision within Policy AH1 for the viability of development;
 - The removal of any affordable housing contribution from single unit housing schemes;
 - A target for the affordable housing tenure split of 50% social rented and 50% intermediate housing;
 - Deleting the blanket removal of permitted development rights and the requirement for affordable housing to remain available in perpetuity other than on rural exception sites; and
 - Inclusion of a clear contingency to address any failings of the policies.
8. The revised version of the AHDPD including the Inspector's required changes is attached at **Appendix 1**.

The AHSPD

9. The AHSPD sets out a range of standards, requirements and mechanisms which apply to affordable housing provided through the planning system. It specifically aims to
 - a. provide greater clarity for developers and applicants;
 - b. speed up the processing of applications;
 - c. provide a clearer framework for assessing requirements and for calculating affordable housing contributions; and
 - d. ensure high standards in the design, delivery and management of affordable housing
10. An element of private subsidy i.e. landowner or developer subsidy, is an essential element of the funding package required to deliver affordable housing. The approach taken in the AHSPD is to set private subsidy as the

equivalent of free serviced land (FSLE). A Registered Social Landlord (RSL), or other qualifying housing provider, purchases the completed affordable units at a cost based on zero land value.

11. For commuted sums (financial contributions in lieu of provision on site) the calculation is based on the above principle of FSLE. In value terms, serviced land equates to around 40% of the open market sales value of a property. Using district wide average sale prices for varying property types and sizes, a guideline table of contributions has been produced identifying the land value of each unit type. This approach provides a workable and easily understood approach to deliver financial contributions.
12. As a result of the changes required by the Inspector in his binding report on the AHDPD some subsequent amendments to the AHSPD are necessary. The most significant of these are:
 - a) Changing the target tenure split from 60% rent and 40% intermediate to a tenure split of 50%/50%;
 - b) Removal of any reference to a one unit threshold and associated financial contributions; and
 - c) Removal of the term “in perpetuity” in favour of a form of words more in line with relevant national planning policy (PPS3).
13. The AHSPD was published in draft form for a six week consultation period in January 2008. A total of 33 responses were received. Additional changes to the AHSPD have been made as a result of the consultation responses. A summary of these responses and any resulting proposed changes to the document is attached as **Appendix 2**.
14. The revised version of the AHSPD is attached as **Appendix 3**.

Strategic Risk Assessment:

Opportunity	Issues / Obstacles	Benefits
Adoption of a policy framework to enable long term progress against CP1.	<p>Failure to maintain progress with the AHDPD and the AHSPD would have significant consequences in that the council needs an up to date, robust and effective policy basis to help it deliver its top corporate priority.</p> <p>Current market conditions will make progress difficult, at least in the short to medium term</p>	<p>Adopted policies will:</p> <ul style="list-style-type: none"> • be a platform to engage landowners, developers, RSLs, the Housing Corporation and the community in the provision of affordable homes; • help to ensure that affordable housing is provided as part of new developments; • enable contributions to be collected towards affordable housing delivery; • provide a robust basis for development control decisions; and • improve clarity for all users of the planning system.

Conclusion:

15. The Affordable Housing DPD sets out the policies required to enable affordable housing to be bought forward. Its approval as 'sound' by the Inspector is a very significant milestone for the Council to have reached. The Inspector's report is binding and the Council is now obliged to adopt the plan.
16. The Affordable Housing SPD sets out more detailed guidance on how the policies will work in practice. The AHSPD has been revised to incorporate changes resulting from the AHDPD Inspector's report and comments received during the public consultation, and can be adopted alongside the AHDPD.

Council
25 September 2008

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Background Documents:

South Hams Local Plan Review (January 2002)
South Hams LDF Core Strategy (December 2006)
Approved Local Development Scheme (April 2007)
Affordable Housing DPD Inspector's Report (August 2008)
The Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008
Planning Policy Statement 1: Delivering Sustainable Development (2005)
Planning Policy Statement 3: Housing (2006)
Planning Policy Statement 12: Local Spatial Planning (2008)