

## Affordable Housing Requirements

### Report by the Director for the Economy

#### 1.0 Summary

- 1.1 A report was taken to Adur Planning Committee on 6 July 2015 with regards to Affordable Housing requirement for the Adur Local Plan. Changes to the national Planning Policy Guidance necessitated a reconsideration of the approach taken in the emerging Adur Local Plan. However, since that Committee, the relevant paragraphs of the PPG have been challenged at the High Court, and removed from the Guidance. As a result, it is no longer necessary to consider whether the emerging policy requires amendment. Nevertheless, endorsement of the current approach to affordable housing is sought, until the emerging Local Plan gains appropriate weight for decision-making purposes.

#### 2.0 Background

- 2.1 In March 2015 national Planning Practice Guidance (PPG) was revised in order to set a national threshold, below which contributions for affordable housing (and tariff-style planning obligations) should not be sought. The PPG was revised to read:

*"contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm (gross internal area)".*

- 2.2 The introduction of this threshold necessitated a reconsideration of the affordable housing policy in the emerging Adur Local Plan.
- 2.3 The emerging affordable housing policy for Adur is set out in Policy 22 (Affordable Housing) of the Proposed Submission Adur Local Plan 2014. This includes the following:

*"New residential development will be expected to make provision for a mix of affordable housing, including social rented, affordable rented and intermediate housing according to the following site size thresholds:*

- *On sites of 1-5 dwellings (gross) 10% affordable housing will be sought via a financial contribution.*
- *On sites of 6-14 dwellings (gross) 20% affordable housing will be sought.*
- *On sites of 15 (gross) dwellings or more 30% affordable housing will be sought".*

*(extract only)*

- 2.4 This 'sliding scale' approach was designed to take account of the fact that many of the residential developments coming forward in the past in Adur have been smaller than 15 dwellings, and therefore have made no contribution to affordable needs. Given the high level of need in Adur it was considered appropriate to seek contributions from smaller developments. The policy had been viability tested in order to demonstrate that this approach would not deter development from coming forward. (Adur Whole Plan and Community Infrastructure Levy Viability Assessment 2014).

### **3.0 Proposal**

#### Emerging Policy Approach

- 3.1 Following the introduction of the new national threshold referred to above officers felt it necessary to reconsider the approach taken in the emerging Local Plan. One option was to continue with the proposed approach (as set out in paragraph 2.3), citing Adur's high level of housing need as a justification. However at the time it was considered this could be open to challenge. Given that the Government introduced the new threshold across the country, where many other areas also experience high levels of need for affordable housing, it is not clear that this would be a sufficient reason to depart from the national threshold. The alternative option was to revise the emerging Adur Local Plan policy approach to be consistent with the national threshold (using viability work to assess the proportion of affordable housing to be sought).
- 3.2 Members of Adur Planning Committee (who met on 6 July 2015) resolved that given the high levels of housing need in Adur, and the need to maximise opportunities for seeking affordable housing, the 'sliding scale' approach set out in paragraph 2.3 above should be retained in the emerging Adur Local Plan, in spite of national Government guidance.
- 3.3 However, on 31 July, subsequent to these recommendations by Adur Planning Committee, the High Court handed down a judgement which has had implications for this matter. The consequence of the ruling is that the paragraphs within the PPG relating to the national threshold for affordable housing (numbers 012-023) have been deleted.
- 3.4 It is not known whether this decision will itself be challenged, or an affordable housing threshold achieved through an alternative approach. However at this point in time it is not necessary to consider whether or not the approach taken within the emerging Adur Local Plan requires amendment.

#### Current Policy Approach

- 3.6 Saved policy AH3 of the adopted Adur Local Plan 1996 relates to affordable housing. It states that the planning authority will seek to negotiate an appropriate provision of social and/ or low cost housing on sites coming forward during the plan

period but does not refer to a specific threshold, or percentage contribution to be sought. This policy was used in conjunction with Government policy at the time (PPG 3) which referred to a threshold of 15 dwellings; the Local Plan policy was therefore applied to developments of 15 or more dwellings. 30% affordable contribution was used as a starting point for negotiation, based on national and regional policy (for example the West Sussex Structure Plan 2001-2016 (adopted 2005) refers to seeking 30-40%).

3.7 Adur District Council's 'Planning Contributions for Infrastructure Provision: Interim Planning Guidance for Adur District' was adopted in July 2013. Section 22 refers to housing to meet local needs.

3.8 Paragraph 22.8 states that the following will be used as a basis for negotiation:

- 'A target of 30% to be provided on site
- 'Site size minimum thresholds for affordable housing provision to remain at 15 dwellings (until further evidence is produced for the new Local Plan) but smaller sites will also be considered given the level of need and the scarcity of large sites suitable for residential development in the district...'

3.9 At the Adur Planning Committee on 6<sup>th</sup> July 2015 it was resolved that the Executive Member for Regeneration be recommended to agree that a threshold of 15 dwellings and 30% contribution continues to be used for seeking affordable housing until the revised policy within the Adur Local Plan gains appropriate weight for decision-making purposes.

#### **4.0 Legal**

4.1 Emerging planning policy is being prepared in accordance with the Planning and Compulsory Purchase Act 2004, the Town and Country Planning (Local Planning) (England) Regulations 2012, the Localism Act 2011, and the National Planning Policy Framework (NPPF) 2012 and Planning Practice Guidance.

#### **5.0 Financial implications**

5.1 It is anticipated that the sliding scale approach in the emerging Adur Local Plan will increase the number of residential developments making financial contributions towards affordable housing.

#### **6.0 Recommendation**

6.1 The Executive Member is recommended to:

6.1) Agree that a threshold of 15 dwellings and 30% contribution continues to be used for seeking affordable housing until the revised policy within the Adur Local Plan gains appropriate weight for decision-making purposes.

### **Local Government Act 1972 Background Papers:**

National Planning Policy Framework

Planning Practice Guidance Note

Adur Local Plan 1996

Proposed Submission Adur Local Plan 2014

'Planning Contributions for Infrastructure Provision: Interim Planning Guidance for Adur District' July 2013

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## **Schedule of other matters**

### **1.0 Council Priority**

- 1.1 The Council's affordable housing policy enables new homes to be built to help meet the housing needs of the community.

### **2.0 Specific Action Plans**

- 2.1 To work towards the provision of sufficient housing.

### **3.0 Sustainability Issues**

- 3.1 The affordable housing policy set out in the emerging Adur Local Plan has been subject to Sustainability Appraisal (which is a Government requirement for all Development Plan Documents).

### **4.0 Equality Issues**

- 4.1 Affordable housing policy seeks to ensure that all members of the community have access to suitable accommodation. The emerging Adur Local Plan has been subject to an Equalities Impact Assessment and the report published on the Council's website for information.

### **5.0 Community Safety Issues (Section 17)**

- 5.1 Matter considered and no negative issues identified.

### **6.0 Human Rights Issues**

- 6.1 Matter considered and no negative issues identified.

### **7.0 Reputation**

- 7.1 Delivery of affordable housing seeks to meet the affordable housing needs of Adur's residents, and therefore should have a positive impact on the reputation of the Council.

### **8.0 Consultations**

- 8.1 The emerging Adur Local Plan has been subject to statutory consultation as part of the plan preparation process.

## **9.0 Risk Assessment**

- 9.1 Clarification of the Council's current approach to affordable housing will facilitate understanding for developers, registered providers, etc.

## **10.0 Health & Safety Issues**

- 10.1 None identified.

## **11.0 Procurement Strategy**

- 11.1 No issues identified.

## **12.0 Partnership Working**

- 12.1 No issues identified.