



Key Decision No]

Ward(s) Affected:All

Draft Worthing Affordable Housing Supplementary Planning Document (SPD)

Report by the Director for Place

Executive Summary

1. Purpose

- 1.1 This report presents a Draft Worthing Affordable Housing Supplementary Planning Document (SPD) for consultation.

2. Recommendations

- 2.1 Members are asked to comment on the draft SPD prior to public consultation. Any comments will be passed to the Executive Member for Regeneration to inform their decisions to authorise for public consultation purposes.

3. Context

- 3.1 On the 28th March 2023 the Worthing Local Plan (WLP) was adopted. Policy DM3 of the new plan now sets out the approach to the delivery of affordable housing in the Borough. This proposed Supplementary Planning Document (SPD) will, once adopted, set out the mechanism for securing affordable housing on major residential development sites and the exceptional circumstances when financial contributions for affordable

housing to be secured off-site may be acceptable and how these would be calculated.

- 3.2 The **National Planning Policy Framework (NPPF)** states: ‘Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure ... Such policies should not undermine the deliverability of the plan’(paragraph 34).The Council and developers have a responsibility, through the planning process, to manage the impact of growth and ensure that any potential harm caused by new development is mitigated. The Council therefore expects new development to contribute to site related and other infrastructure needs.
- 3.3 The **Planning Practice Guidance (PPG)** on ‘Viability’, published alongside the updated NPPF in July 2018 and most recently updated on 1st September 2019, provides more comprehensive information on considering viability in plan making.
- 3.4 The current mechanism for securing affordable housing in Worthing is set out in the Developer Contributions Supplementary Planning Document (SPD) adopted in July 2015. This brings together the Council’s approach to seeking contributions from new development for a range of infrastructure types to address the cumulative impacts on infrastructure and to secure affordable housing (section 5 of the SPD). It summarises the different mechanisms which are used and the relationship between them.
- 3.5 An update of this SPD is required to ensure that guidance is in line with the newly adopted Worthing Local Plan and ensure that it reflects the latest S106 / Community Infrastructure Levy (CIL) position. The proposed new Affordable Housing SPD will provide an update, and supersede section 5 of the adopted SPD 2015. It has been developed using best practice and recent guidance on SPD’s and liaison with officers across the Council.
- 3.6 As part of the local plan review process and in line with government guidance referred to above, the Council commissioned consultants to undertake a Whole Plan Viability Assessment (January 2021).The purpose of that assessment was to assess the viability of the proposals and policies proposed as part of the emerging new Worthing Local Plan (WLP). ‘Viability’ in the sense of this study refers to the financial “health” of development. This means that the study looked at the likely strength of the relationship between development values and costs, across a range of proposed development types.

3.7 As such Policy DM3 of the Worthing Local Plan reflects this viability work and sets out the Council's approach to delivering much needed affordable homes across the Borough. The policy states:

3.8 Worthing Local Plan policy DM3 reflects the findings of this review

DM3 AFFORDABLE HOUSING

- a) New residential development (including conversions and changes of use) with the capacity to provide 10 or more self-contained units will be expected to provide an appropriate mix of affordable housing according to the following site size thresholds:
 - i) Sites on previously developed land involving the development of flats there will be a requirement for 20% affordable housing;
 - ii) For all housing schemes on previously developed land there would be a requirement for 30%;
 - iii) For all development on greenfield sites there would be a requirement for 40%.

- b) Affordable housing should be delivered on-site. In exceptional circumstances a financial contribution may be accepted by the Council in order to provide affordable housing off-site where the other sites may be more appropriate to provide affordable housing than the site of the proposed development.

- c) Affordable housing should incorporate a mix of tenures and sizes prioritising rented affordable homes at social rent levels. To most effectively meet the borough's housing needs the Council will require the following mix of tenure as a minimum: 10% of homes to be available for affordable home ownership (as defined in the NPPF) as part of the overall affordable housing contribution. Exceptions to this will only be considered in accordance with national policy. Remaining affordable housing should be split as 75% social / affordable rented housing and 25% intermediate housing. The exact tenure split and size of units on each site will be a matter for negotiation, taking account of up-to-date assessments and the characteristics of the area.

- d) A minimum of 3% of affordable homes (for which the Council is responsible for allocating or nominating a person(s) to live in that

dwelling) constructed should be built to Building Regulation Standard M4(3) Category 3: Wheelchair Accessible Standards, taking account of the suitability and viability of the site.

- e) Affordable housing should be appropriately distributed throughout a new development and should be designed to a high quality, with the same or a consistent external appearance as for market housing.
- f) Where a developer states that exceptional development costs mean it is not possible to meet the full requirements for the delivery of affordable housing the onus will be on them to demonstrate this to the Council and this must be supported by robust financial viability evidence (through an open book approach).

3.9 The aim of this new SPD is to provide advice on this affordable housing policy (DM3) and how it should be interpreted and implemented. A key aim of DM3 is to increase the amount of affordable housing delivered through the planning system. The SPD will provide advice for landowners, developers, agents and affordable housing providers and will be used to inform pre-application proposals and planning applications. The SPD will set out the mechanism for securing affordable housing on major residential development sites and the exceptional circumstances when financial contributions for affordable housing to be secured off-site may be acceptable. The rates for off-site contributions which are based on viability advice and the methodology for making calculations will replace and supersede the rates that currently form part of the existing Developer Contributions SPD. The increase in off site contributions will also assist in ensuring more affordable homes can be delivered in the Borough.

4. Issues for consideration

4.1 The draft SPD presents clear guidance on how applicants can comply with policy and submit information to the planning authority in a way which can easily be assessed by development management. The SPD sets out the national and local policy background, and the principles for meeting policy requirements on affordable housing. It covers guidance on the following aspects of affordable housing that applicants will need to consider;

- **Section 3. What is Affordable Housing** - definition of affordable housing as set out in national policy.

- **Section 4. Housing Need in Worthing** - sets the context for the policy approach.
- **Section 5. Local Policy** - sets out the local policy but also provides additional clarity on a number of more detailed points.
- **Section 6. When On-site Provision Cannot Be Achieved** - clarifies the circumstances where the Council may consider off - site provision and the evidence required.
- **Section 7. Development Viability** - clarifies when a viability assessment is required and what it should include.
- **Section 8. Vacant Building Credit** - explains the application of Vacant Building Credit and the evidence that an applicant needs to provide.
- **Section 9. Design and Layout** - ensuring well designed and accessible dwellings.
- **Section 10. Provision of Serviced Plots** - this section explains the circumstances where the Council would require the affordable housing obligation to be satisfied on-site through the transfer of an appropriate number of serviced plots of land.
- **Section 11. Delivery and Management** - clarifies requirements for Affordable Housing Providers and issues around nominations and local connections.
- **Section 12. Monitoring**- sets how the financial contributions will be spent and monitored.
- **Appendix A** - sets out the method for calculating affordable housing financial contribution and provides a number of worked examples.
- **Appendix B** - sets out the calculation for Vacant Building Credit.
- **Appendix C** - sets out a checklist for viability assessments.

4.2 The SPD clearly states that any proposals for new residential development that may trigger the Council's affordable housing policies should be discussed with the Council's Housing and Development Management Teams as early as possible. The Council works with affordable housing providers and is best placed to provide advice on the affordable housing requirements that best meet local needs. The Council offers a formal pre-application advice service.

4.3 Applicants are encouraged to prepare and submit an Affordable Housing Statement, having regard to the contents of the Worthing Local Plan and this SPD. The statement should address: the number of dwellings; types and sizes of dwelling; tenure split; design standards; the timing of affordable housing delivery; and the location & distribution of affordable dwellings. Since the evidence base for the Local Plan was prepared the

Country has been affected by the covid epidemic and the cost of living crisis has increased the housing need across the Borough. The increase in the number of homeless and those seeking emergency and temporary accommodation is reflection of the ever increasing housing need.

- 4.4 The Local Plan correctly identifies that the greatest need is for rented accommodation but it also has to be at a rent that meets the needs of those in greatest housing need. As a result, affordable rent, as defined by central Government at 80% of market rent, is of little benefit locally being out of reach of anyone on the housing waiting list. The SPD therefore encourages applicants to deliver social rent or at least rent set at Local Housing Allowance (LHA) level and the majority of developers have agreed to deliver rent at a level that will help to meet local housing needs.
- 4.5 Policy DM3 (b) and the SPD clearly states that affordable housing should be provided on site and that only ***'In exceptional circumstances a financial contribution may be accepted by the Council in order to provide affordable housing off-site where the other sites may be more appropriate to provide affordable housing than the site of the proposed development.'***
- 4.6 The SPD in section 6 addresses situations where on site provision cannot be achieved. It clarifies that the Council aims to achieve mixed, balanced and sustainable communities and consequently expects affordable housing to be provided on site and landowners and developers need to make provision for this requirement. It does however acknowledge that there may be exceptional circumstances in which the Council seeks a broadly equivalent financial contribution in lieu of on-site provision. The reasons that could prevent the delivery of on-site provision that the Council may consider include:
- Where the objectives of achieving a mixed and balanced community could be better met in an alternative more sustainable location (however, this is unlikely within a relatively condensed urban area). For example, where the appropriate form of affordable housing cannot be provided within a scheme.
 - Where providing a small number of units affordable housing is not deliverable because an Affordable Housing Provider cannot be secured.

- Where on-site provision is not viable, but an equivalent or lesser financial contribution can be made for off-site provision (see Section 7).

4.7 It should be noted that a developer's preference for a commuted sum, without clear justification, would not be an acceptable reason for a commuted payment in lieu of on-site provision. Section 7 of the SPD sets out what the Council will expect an applicant to address and again reiterates the importance of very early discussions with Officers where a proposal triggers a requirement for affordable housing under the policy. Appendix A of the SPD sets out the method for calculating Affordable Housing Financial Contributions (AHFC). The contributions sought have been agreed following a viability review and more accurately address the costs of delivering off site affordable housing. The calculation includes a 10% additional element which would cover the necessary feasibility work to bring forward an affordable housing site.

4.8 Members are, therefore, asked to approve the SPD for the purposes of wider public consultation to provide interested parties the opportunity to consider the content of the SPD and comment.

5. Engagement and Communication

5.1 Before an SPD can be adopted by the Council it must be subject to a process of consultation. Internal consultation with key Council departments has been undertaken on the draft SPD. This report gives Members an opportunity to discuss the key issues and suggest any amendments before it is subjected to wider public and stakeholder consultation.

5.2 The Council will undertake a level of consultation appropriate to this document in line with any legislative requirements and as set out in the Council's Statement of Community Involvement (SCI). This consultation will include the Council's website together with all key stakeholders and interested parties notified either via email or a letter. The consultation will be undertaken over a period of 4 weeks which is consistent with the Council's Statement of Community Involvement.

6. Financial Implications

6.1 The document was part of the Planning Policy team's general work programme. Any expenditure that has been incurred to date has been contained within existing budget resources.

6.2 Adoption of the SPD will facilitate generation of offsite financial contributions where it is not considered to be achievable on site after a robust assessment.

7. Legal Implications

7.1 The content of the Draft SPD reflects the following legislation: The Town and Country Planning (Local Planning)(England) Regulations 2012, Planning and Compulsory Purchase Act 2004, National Planning Policy Framework (NPPF) (2021) and Planning Practice Guidance (PPG).

7.2 The NPPF confirms that SPDs should only be used where justified and where they can help applicants make successful applications. Part 5 of the Town and Country Planning (Local Planning) (England) Regulations 2012 sets out statutory requirements for the preparation of SPDs, which includes an obligation to consult.

Background Papers

Developer Contributions SPD 2015

Worthing Local Plan 2023

Draft Affordable Housing SPD

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Sustainability & Risk Assessment

1. Economic

This SPD seeks to ensure the delivery of much needed affordable homes across the Borough.

2. Social

2.1 Social Value

Assisting with the delivery of much needed affordable homes for our local community.

2.2 Equality Issues

Delivery of much needed Affordable Homes will meet an identified need within the local community.

2.3 Community Safety Issues (Section 17)

Matter considered and no issues identified

2.4 Human Rights Issues

Matter considered and no issues identified.

3. Environmental

Matter considered and no issues identified.

4. Governance

Matter considered and no issues identified.