

**EXETER CITY COUNCIL**

**EXECUTIVE**

**18 SEPTEMBER 2007**

**DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT**

**1.0 PURPOSE OF REPORT**

- 1.1 To seek Members agreement to consultation on a draft Supplementary Planning Document (SPD) prepared to amplify existing and proposed future policy on the provision of affordable housing.

**2.0 BACKGROUND**

- 2.1 The SPD, if adopted, will have an important role advising how Government guidance on affordable housing included in Planning Policy Statement 3 (PPS3) can best be interpreted to meet local requirements and policies.
- 2.2 It will provide detailed guidance in support of the Exeter Local Plan First Review Policy H6 requiring that 25% of dwellings provided on sites capable of accommodating 15 dwellings or over 0.5 ha in extent should be affordable.
- 2.3 It is intended that it will also support the equivalent policy in the Local Development Framework Core Strategy when this is submitted to the Secretary of State. Members will recall that Policy CP9 in the Core Strategy Preferred Options Paper proposed that the percentage requirement be raised to 35%.
- 2.4 Members are referred to the publication of the Exeter and Torbay Strategic Housing Market Assessment in July this year. The assessment concludes that a substantial increase in the supply of affordable housing is required and that, accordingly, a review of the policy framework is necessary. Scope to raise the percentage requirement further appears limited but there is a strong case for requiring affordable housing to be provided on smaller sites. The draft SPD provides guidance on the basis that the Core Strategy submitted to the Secretary of State will require affordable housing provision to be made where sites are capable of providing 3 or more dwellings. A financial contribution rather than on site provision would be accepted on sites capable of providing 3 to 14 dwellings. This would greatly reduce the practical problems and delays in delivery that might be otherwise anticipated from the adoption of a low threshold. The requirement will apply to the net dwelling increase in schemes and the first two units will be exempt. For example, a conversion of one dwelling into four flats would make a contribution based upon one qualifying unit.
- 2.5 The setting of a threshold below the 15 dwellings indicative level set by PPS3 will need to be fully justified on the basis that there are exceptional circumstances at Exeter.

### 3.0 CONTENT

- 3.1 The SPD is attached. The guidance it provides is highlighted in grey text. Quotations and summaries of relevant parts of PPS3 are distinguished by inclusion in text boxes. Below is a summary of key proposals:

Para  
No:

- 14 the types of housing development to which affordable housing policy apply should include purpose built accommodation for students and people receiving care and support.
- 21 where 25% of dwellings are to be for affordable housing 85% of these should be for social rent. With the increase of the target to 35%, the proportion for social rent is proposed to be reduced to 70%. These changes will, whilst substantially increasing the amount of affordable housing overall, significantly increase the proportion of intermediate, as opposed to social rented, housing reflecting recent demand and the results of public consultation.
- 23 outgoings for low cost home ownership housing should not exceed average market rent for comparable properties. The mortgage element should be assessed on the basis of a 30 year term at standard variable rates and rents should not exceed 1% p.a of the retained equity;
- 24 rents for intermediate rented housing should be at a level making it eligible for Housing Corporation grant and fall within any relevant Housing Benefit ceiling.
- 26, 27 affordable housing should be allocated through the Exeter Home Choice letting system;
- 30 any receipts arising from purchase of affordable housing by occupiers should be used to provide affordable housing in the city;
- 37 off-site provision of affordable housing on sites capable of providing 15 or more dwellings should only be accepted if essential for management reasons or because it will significantly widen choice and encourage better mix elsewhere in the City;
- 42, 43 affordable specialist or supported housing should be provided on larger sites. Otherwise the mix of house types should reflect as far as possible the mix on the rest of the development;.
- 45 affordable housing should be distributed singly or in small groups around a development;
- 47 affordable housing should be of a high quality and indistinguishable from other housing on the development, and

- 50 claims that affordable housing requirements prevent a development from being viable will not be accepted unless demonstrated through submission of full financial details.

#### **4.0 SUPPORTING DOCUMENTS**

- 4.1 The required sustainability appraisal and consultation document have been placed in the Members' Room together with "Implementing Affordable Housing Requirements" referred to by the SPD.
- 4.2 The sustainability appraisal was carried out at the same time as the SPD so that potential negative outcomes could be avoided. Impacts are almost invariably very small because of the limited function of the document. Naturally it scores well in relation to housing and other areas where it seeks to address social exclusion. The effects are largely neutral on objectives seeking to minimize damage to the environment because it does not have any direct influence on the amount of development. To a limited degree it may discourage investment in the City but this is unavoidable if its objectives are to be achieved.
- 4.3 The consultation document is required to report on consultation carried out as part of the preparation of the SPD. It describes the result of consultation on a draft SPG carried out in 2003. The SPG was abandoned when it became clear that major changes to Government policy were coming forward but many of the comments were taken into account in the drafting of the SPD. Key stakeholders were also consulted earlier this year.
- 4.4 Implementing Affordable Housing Requirements, gives guidance to developers on the practical arrangements in place to ensure that affordable housing requirements are met. The housing enabling team and the planning solicitor have been closely involved in the preparation of this and the other documents.

#### **5.0 CONSULTATION ARRANGEMENTS**

- 5.1 It is proposed to seek views on the proposal to lower the affordable housing threshold and the draft affordable housing SPD at the same time. Consultation will be otherwise in accordance with the Statement of Community Involvement adopted by the Council in December 2005 and primarily involve contact with interested parties. These will include Statutory Consultees, the MP, Councillors, key stakeholders, house builders and agents, Registered Social Landlords, the Housing Corporation and the Civic Society.
- 5.2 The new requirements for 35% affordable housing, financial contributions on smaller sites and the application to student and continuing care retirement communities will only apply after adoption of the SPD and submission to the Secretary of State of the Core Strategy including the relevant framework policies.

## **6.0 PLANNING MEMBER WORKING GROUP**

6.1 The draft SPD was considered by the Planning Member Working Group on 21 August. Members generally supported the proposed draft as a basis for public consultation. Some Members expressed concern about the potential impact of extending requirements to small sites upon small developers.

## **7.0 RECOMMENDED THAT**

The attached draft Supplementary Planning Document – Affordable Housing be approved as the basis for public consultation

**RICHARD SHORT**  
**HEAD OF PLANNING SERVICES**

### **ECONOMY AND DEVELOPMENT DIRECTORATE**

**Local Government (Access to Information) Act 1985 (as amended):**

Background Papers used in compiling this report:

- **Draft Supplementary Planning Guidance - November 2003 - ECC**
- **Exeter Local Plan First Review - April 2005. - ECC**
- **Exeter Local Development Framework – Core Strategy Preferred Options Paper – October 2006 - ECC**
- **Planning Policy Statement 3 PPS3 – Housing - November 2006 - DCLG**
- **Delivering Affordable Housing – November 2006 – DCLG**
- **Exeter and Torbay Strategic Housing Market Assessment (ECC and other Devon authorities) - July 2007**

# AFFORDABLE HOUSING DRAFT SUPPLEMENTARY PLANNING DOCUMENT

## **PREFACE**

- *This draft Supplementary Planning Document (SPD) was agreed as a basis for consultation by Exeter City Council’s Executive on .....*
- *The closing date for comments is .....*
- *The following supporting documents have been prepared:*
  - *a **Consultation Statement** describing the consultation that was undertaken during the preparation of the document and the result;*
  - *a **Sustainability Appraisal** of its content assessing its merit against environmental, social, cultural and economic criteria; and*
  - *“**Implementing Affordable Housing Requirements**” describing in detail the legal and financial arrangements set up to facilitate delivery.*
- *The Draft Supplementary Planning Document, the above supporting documents, relevant development plan and other documents referred to by the SPD and prepared by the City Council can be seen on the City Council’s web site [www.exeter.gov.uk](http://www.exeter.gov.uk) or at the Council’s Paris Street reception area.*
- *Copies of these documents and additional information can be obtained by contacting Nick Bickford on 01392 265283 or [nick.bickford@exeter.gov.uk](mailto:nick.bickford@exeter.gov.uk)*
- *Comments and questions should be addressed to:*

**Richard Short**

*Head of Planning Services*

*Exeter City Council*

*Paris Street*

*Exeter EX1 1NN*

*Tel. 01392 265219*

*Email. [planning@exeter.gov.uk](mailto:planning@exeter.gov.uk)*

- *Respondents should be aware that representations received may be stored on an electronic database and details will be made available to the public.*

## **PRESENTATION**

*The SPD aims to provide, as far as possible, comprehensive guidance on the provision of affordable housing in the City. In general, it follows Government advice provided by Planning Policy Statement 3 (PPS3) and the accompanying document “Delivering Affordable Housing”:*

*Boxes in the text quote or summarize relevant parts of PPS3*

*Text highlighted in grey provides interpretation and amplification of PPS3 to advise on what is most appropriate to meet Exeter’s needs.*

*Main documents referred to are listed in Appendix A*

*Definitions of key terms used that are not included in the text are provided in Appendix B*

## INTRODUCTION

- 1 The purpose of this SPD is to provide advice to developers, landowners and other interested parties on the provision of affordable housing in Exeter through the planning process. It does this by amplifying local planning policy and by applying Government guidance to reflect local requirements.
- 2 The Council's Community Strategy, Exeter Vision, includes aspirations to promote "equality of opportunity through support of disadvantaged groups" and ensure "housing needs are met, especially encouraging more affordable housing both in the City and the surrounding area."
- 3 The SPD's objectives are to:
  - enhance the effectiveness of planning policies requiring that affordable housing is provided as part of new residential developments;
  - ensure that new housing developments are as socially inclusive as possible, and
  - make sure that affordable homes are of good quality in terms of their construction, sustainability, appearance and the amenities they provide.

## NATIONAL LEGISLATIVE AND POLICY CONTEXT

- 4 Section 38(6) of the Planning and Compulsory Purchase Act 2004 provides that planning applications must be determined in accordance with the development plan unless material considerations indicate otherwise.
- 5 Section 106 of the Town and Country Planning Act 1990 (as amended) provides that a local planning authority may enter into a "planning obligation" or "section 106 agreement" with the owner of land to:-
  - (a) restrict the development or use of the land in any specified way;
  - (b) require specified operations or activities to be carried out in, on, under or over the land;
  - (c) require the land to be used in any specified way; or
  - (d) require a sum or sums to be paid to the authority on a specified date or dates or periodically.
- 6 Circular 05/2005 recognises that this enables planning authorities to require that affordable housing is included in new housing developments.
- 7 The Secretary of State in Section 5 of Planning Policy Statement 1 makes it clear that a Supplementary Planning Document is an integral part of the Local Development Framework for its area.
- 8 The Government advice on affordable housing is provided by Planning Policy Statement 3 (PPS3) and the accompanying document "Delivering Affordable Housing". In Paragraph 27 of PPS3 it states;

<p>The Government is committed to providing high quality housing for people who are unable to access or afford market housing.</p>
--

## THE DEVELOPMENT PLAN

- 9 The Exeter Local Plan First Review (‘the Local Plan’) adopted on 31 March 2005, and relevant replacement policies of the Exeter Local Development Framework (LDF), when they are adopted together with the Regional Spatial Strategy (RSS) constitute the development plan. Along with the development plan, Government advice through Planning Policy Statements and Circulars and a community’s need for affordable housing are all material considerations. The Local Plan has been saved until 31 March 2008 but the Council will make use of arrangements available for the saving of all or part of the document for a longer period to maintain continuity. Progress with the LDF can be established by referring to the Local Development Scheme on the Council’s web site.
- 10 This SPD is designed so that it can be used in conjunction with both the Local Plan and subsequently the LDF. Affordable housing policy in the Local Plan is provided by Policy H6 and paragraphs 4.40 to 4.50 and reproduced in the Addendum. This material will be replaced by the relevant Core Strategy policy and supporting text when this is submitted. Similarly, it will be amended in the light of any changes introduced by the Inspector’s Binding Report..
- 11 Development plan policies are supported by the Exeter and Torbay Strategic Housing Market Assessment (ETHMA), the Exeter Housing Strategy and the Housing Needs Survey available from the City Council and listed in Appendix A. The document “Implementing Affordable Housing Requirements gives detailed guidance on the necessary practical arrangements. A viability assessment is currently being prepared.

## THE DEFINITION OF AFFORDABLE HOUSING

- 12 The definition of affordable housing provided by PPS3 and set out below is used by the Council:

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

## SCOPE

- 13 Policy H6 of the Exeter Local Plan requires the provision of affordable housing on sites capable of providing 15 or more dwellings or over 0.5 hectares in extent. The Core Strategy policy that is to be submitted requires provision of affordable housing on sites capable of providing three or more dwellings.



- 14 The requirement to provide affordable housing will apply to all housing proposals including:
- new build, and mixed use schemes;
  - conversions of buildings other than existing dwellings;
  - supported housing developments;
  - phased developments where the thresholds will be exceeded by cumulative totals;
  - developments by Registered Social Landlords (RSLs formerly known as housing associations);
  - schemes providing housing for students in off campus accommodation or people receiving care or support, and
  - schemes involving non-self contained dwellings and the sharing of amenities including houses in multiple occupation.

### AMOUNT

- 15 As indicated by para 29 of PPS3, the amount of affordable housing sought on suitably qualifying sites is determined by the current relevant development plan policy subject to any variations made necessary by site conditions and other planning objectives.
- 16 The Local Plan First Review states that 25% of dwellings on eligible sites should be affordable (para 4.45). The Local Development Framework Core Strategy Preferred Options Paper, published in October 2006, envisages a 35% target of which at least 70% should be social rented housing.
- 17 The amount is expressed as a target percentage, which should be achieved not only in relation to the number of dwellings, but also in relation to gross internal floor area. Where the target percentage would not result in a whole number of affordable homes, the Council will expect a commuted sum on the fraction as a contribution towards the purchase of a unit off-site. The mechanism for calculating the amount of commuted sum is defined in Implementing Affordable Housing Requirements based on the cost of providing an affordable dwelling that is representative of those provided on the subject site. Requirements for financial contributions on schemes between 3 and 14 dwellings will be calculated net of any dwelling loss and the first two units. In on a scheme for conversion of a dwelling to four flats a contribution applicable to one dwelling will be payable.
- 18 In the case of student accommodation, homes with care and/or support services and schemes involving dwellings that are not self-contained, it may not always be possible to apply the target percentage meaningfully to units (particularly where accommodation is not self-contained). In such cases the target will be applied as a percentage of the gross internal floorspace only. Affordable housing in association with student accommodation may be in the form of key-worker housing or off site financial contributions to avoid potential conflicts between the needs and lifestyles of occupiers.
- 19 The size and growth of the Housing Register in recent years, the number of homeless households, the Housing Strategy, the ETHMA and the Housing Needs Survey demonstrate that there is a need for affordable housing well in excess of these policy

targets. The rapid increase in house prices and experience of the delivery of affordable housing by the planning system in Exeter over a period of 10 years suggests that only in exceptional cases will the requirement prevent development coming forward. The amount of affordable housing required by the LDF will be determined in the light of the viability assessment.

## **TENURE**

- 20 Two types of affordable housing, social-rented and intermediate, are recognised and defined by PPS3 (Annexe B). These definitions are included in Appendix B.
- 21 The proportions to be provided of each form of tenure are informed by the Housing Needs Survey, the Housing Market Assessment, and viability issues (given that the different tenures involve different amounts of subsidy). Under the policy requiring 25% affordable housing, the required proportions are a minimum of 85% social rented and a maximum of 15% intermediate housing. Under the proposed 35% affordable housing requirement, a minimum of 70% social rented housing and 30% intermediate housing will be sought.

## **AFFORDABILITY**

- 22 The rents for social rented housing, and any proposals for future rent increases, should be in line with the relevant policies of the Housing Corporation and the government, such as the Housing Corporation's Rent Restructuring regime.
- 23 The outgoings on intermediate low cost home ownership housing should in no case exceed the average market rent for comparable properties. The mortgage element of the outgoings should be assessed on the basis that there is a 30 year repayment mortgage at standard variable rates (ie ignoring any introductory discounts). Any rents payable on low cost home ownership homes should not exceed 1% p.a. of the retained equity, to ensure that as much income as possible is available to occupants to pay off mortgage costs.
- 24 Rents for intermediate rented housing should be set at a level that would make the properties eligible for grant from the Housing Corporation, which is normally 80% of the open market rents for comparable properties. In every case, such rents must fall within any relevant ceiling set within the Housing Benefit system (eg Local Reference Rents or Local Housing Allowance).
- 25 Developers should take care to design schemes in such a way that the service charges applicable to any affordable housing are kept as low as reasonably possible. Failure to take account of affordability issues within the scheme design will be grounds for refusing planning permission.

## **CONTROL OF OCCUPATION**

- 26 All affordable housing provided in Exeter through the planning system is required to be subject to a Planning Obligation restricting occupation to "specified eligible

households”. The Planning Obligation will set out mechanisms for allocating affordable housing to such households.

- 27 The eligibility of any particular household for affordable housing must be based in part on the degree of housing need and the ability of the household to afford what is on offer. However, for the foreseeable future, given the shortage of affordable housing, it is essential that eligibility for accessing affordable housing is also determined relative to the generality of other applicants, with priority established through a queuing system. The operation of any queue needs to be transparent and fair. To meet this requirement and to fulfil its statutory obligations the Council has worked with its social housing partners to create sophisticated mechanisms and detailed policies for allocating affordable housing. Currently this comprises the Exeter Home Choice choice-based letting system which not only allows the registration of need and waiting time but also gives applicants greater opportunity to choose which home they live in when they reach the front of the queue.
- 28 Thus, for the purposes of Planning Obligations, **an eligible household is one whose right to access the home to be allocated to it has been established in a transparent way through the mechanisms and processes generally applicable to the allocation of affordable housing in the City.** This is subject only to the right of a housing provider to refuse an applicant in exceptional circumstances with sound justification.
- 29 All RSLs in Exeter contribute to the costs of running Exeter Home Choice. Any developer that wishes to let or sell homes without involving an RSL will need to participate in Exeter Home Choice and will be required to bear a fair share of the running costs of the scheme, as well as ensuring that any vacancies are made available through the normal allocation processes.

### PERPETUITY

- 30 The PPS3 definition of affordable housing (see 13 above) includes the requirement that affordable housing or proceeds from its sale remain available to provide additional affordable housing after the original occupiers have moved on. Government advice on arrangements to achieve this is provided by “Delivering Affordable Housing”, in general terms in paragraphs 36 to 38 and more particularly in relation to HomeBuy schemes in paragraphs 64 to 73. This advice is followed by the Council and is summarised below:

Some types of social rented housing cannot be acquired by occupiers and will therefore remain in perpetuity, or for specified periods, as affordable homes. Otherwise, any receipts arising from the purchase by occupiers of their affordable housing should be re-used to subsidise provision of more affordable housing.

- 31 All money received as a result of the acquisition by occupants of their property (eg. ‘right to acquire’) or further equity shares in it (‘staircasing’) in Exeter must (subject to any statutory restriction) be used to provide affordable housing within the City.

## PROVIDERS

- 32 The Council follows advice provided by paragraphs 48, 49 and more generally elsewhere in Annex C of “Delivering Affordable Housing”. Paragraph 48 is reproduced below:

The Government does not want local authorities to adopt restrictive practices which could preclude innovation and competition between potential affordable housing providers. The best use of resources is to engage with the most effective and best value provider, whether that is a Registered Social Landlord (RSL) or unregistered body, as long as good management and ownership are ensured.

- 33 The Council has identified a number of RSL partners, who will usually be in a position to assist developers. Details are available from the Strategic Housing Manager.
- 34 Developers who wish to provide affordable housing themselves or use another body that is not an RSL will need to satisfy the Council that there will be a secure long term arrangement to ensure standards of management, including letting arrangements, comparable to those applicable in the regulated social housing sector.
- 35 The providers of affordable housing will be required to have in place publicly available policies and procedures that ensure control over changes of ownership and occupation that favour specified eligible households. Similarly, such controls shall ensure that homes continue to remain safe and habitable.
- 36 The Council will expect residential sprinklers to be installed if it is providing any grant.

## LOCATION

- 37 Paragraph 29 of PPS3 states that:

In seeking developer contributions, the presumption is that affordable housing will be provided on the application site so that it contributes towards a mix of housing. However, where it can be robustly justified, off site provision or a financial contribution in lieu of on-site provision (of broadly equivalent value) may be accepted as long as the agreed approach contributes to the creation of mixed communities in the local authority area.

The Council supports this advice.

- 38 The Council will require contributions in lieu of the provision of affordable housing on site where development is on eligible sites capable of providing up to 14 dwellings. Otherwise off-site provision of affordable housing will only be agreed in exceptional circumstances when the Council is satisfied that:
- the affordable housing cannot be managed effectively on the site; and

- providing the affordable housing elsewhere in the City will significantly widen housing choice and encourage a better social mix.

39 In the event that affordable housing were to be provided off-site or an equivalent contribution were to be made by way of a commuted sum, the requirement for affordable housing would be calculated by reference to the ratio of open market homes to affordable homes that would be achieved by providing the target percentage on site. Thus in the case of an affordable housing requirement of 25%, the ratio would be 75% open market homes to 25% affordable homes, or 3:1; in the case of 35% affordable housing requirement, the ratio would be 65:35 or 13:7. This approach maintains the ratio of open market to affordable homes, ensuring consistency in the development of mixed communities and in the balance of tenures of housing being developed in the City. The affordable housing requirements of a site cannot be met as part of the Council's affordable requirements of another site.

### DWELLING TYPES

40 Affordable housing needs to meet the broad criteria established for all housing generally in paras 20 to 24 of PPS3 to create mixed communities. PPS3 notes that:

This will involve having particular regard to:

....

The accommodation requirements of specific groups, in particular families with children, older and disabled people.

41 The Council also supports the PPS3 paragraph 29 advice on the mix of affordable housing of different types and sizes summarised below:

The amount of affordable housing of different types and sizes in particular areas and, where appropriate, on particular sites should be decided in the light of the kind of housing needed as indicated by the HMA, the availability of facilities and amenities necessary to support it and, where relevant, the need to integrate it with the other housing in both the immediate and surrounding area.

42 Where larger housing developments are proposed any development brief for the area should specify the mix of affordable housing required in the light of the various factors mentioned above.

43 On such larger sites, affordable housing should include accommodation to meet special housing needs including an element of support.

44 Elsewhere, on any sites with an affordable housing requirement, the presumption will normally be that the affordable housing should comprise a representative mix of all the housing on the site so that design is not constrained specifically by the need to provide affordable housing but only by the broader spatial policies in the Local Plan or Local Development Framework.

## HOUSING FOR DISABLED PEOPLE

- 45 Paragraph 21 of PPS3 advises councils to make sure that the housing needs of specific groups, including disabled people, are met in the future. Local Plan First Review Policy H7 and paragraphs 4.51 to 4.55 aim to ensure that 5% of new dwellings in larger well-located developments are easily adaptable to enable them to be occupied by people permanently confined to a wheelchair. This policy is likely to be revised for inclusion in the LDF bearing in mind changes in legislation and information provided by the Housing Market Assessment. It may be that it will be found that people requiring affordable housing are more likely than others to need housing specially adapted to their mobility needs. Planning Obligations will include a requirement, where justified by the size of the development, that 5% of the affordable homes to be provided are designed for occupation by people confined to wheelchair.

## DISTRIBUTION

- 46 In order to achieve mixed communities, in accordance with paragraph 20 of PPS3, affordable housing units should be distributed singly or in very small groups around the development. Where RSLs consider this inappropriate for management reasons, for example where supported housing is to be provided, there should be maximum clusters of no more than ten affordable units in blocks, terraces or closes.

## DESIGN

- 47 The Local Plan First Review Policies DG1, DG2, DG4, DG6 and DG7 set out guidance on the design of new development. Policies C1, C2 and C3 are relevant when considering development affecting buildings of architectural or historic value or conservation areas. Replacement guidance will be introduced by the LDF Core Strategy and Generic Development Control Policies.
- 48 Within the broader constraints of these policies, affordable housing should conform to the design standards normally required by funding bodies such as the Housing Corporation for affordable housing. Such standards may be higher than those applicable to market housing, reflecting the needs of the occupants and the implications of the difference in tenure. As far as reasonably practicable it should not be possible to ascertain the tenure of affordable homes from location or appearance.
- 49 Innovative design of affordable homes and their environment will be encouraged, within the context of overall planning policies, to make them:
- sustainable, for example through enhanced energy efficiency measures such as solar power and use of recycled water and sustainable materials;
  - maintainable, durable and adaptable, and
  - quiet and enjoyable to residents.

## **OTHER PLANNING OBLIGATIONS**

- 50 There are likely to be open space, education, transport and other infrastructure obligations arising from a housing development affected by the affordable housing requirement. Reference should be made in particular to 8.17 to 8.19 in the Local Plan First Review; replacement provisions in the LDF and relevant Government guidance. Affordable housing units will be expected to contribute towards meeting these obligations in the same way as open market dwellings. The Council will ensure that the extent of all requirements will fairly and reasonably relate in scale and kind to the proposed development.

## **VIABILITY**

- 51 Developers should take affordable housing and any identifiable exceptional site development costs into account in the cost of securing land for housing development. If developers wish to make representations that a development is not viable due to abnormal costs such as specific site or market conditions they will be requested to submit full ‘open book’ financial details and valuations that will be subject to independent scrutiny and be treated in confidence. If the Council is satisfied that there is a case it will then consider the extent to which public subsidy can be used to assist provision.
- 52 The Council will publish an assessment of the amount of public finance that will be available to support the provision of affordable housing in the City as part of its annual monitoring report. The assessment will, as far as possible cover a three year period. The annual monitoring report will also contain other information relevant to viability issues including land prices, property prices, build costs and local incomes.
- 53 If, after exploring availability of public funds , the viability of the development is still in question, the Council will consider the possibility of raising the proportion of intermediate housing, reducing the overall requirement for affordable housing or relaxing one or more of the other Section 106 requirements affecting the development.

## **IMPLEMENTATION**

- 54 Detailed information about the legal and financial arrangements made to secure implementation of affordable housing policy is provided by the document “Implementing Affordable Housing Requirements”. This covers matters that are inappropriate to an SPD. Some parts are liable to change in the short term as a result of anticipated Government initiatives such as the introduction of a Planning Gain Supplement or similar measure and other possible changes of circumstances.

## **MONITORING**

- 55 It is intended that the SPD will be reviewed when this is justified by changes in Government guidance or evidence that housing policies are not delivering what is required effectively. Reviews of the Council’s Housing Strategy and information

provided on a regular basis by the Annual Monitoring Report and the Quarterly Economic Trend Reports are being used to assess the performance of housing policy.

## ADVICE AND INFORMATION

- 56 First point of contact should be the Area Planning Officer who is dealing with the planning application. Specialist contacts:
- |                |  |
|----------------|--|
| Ross Hussey,   | <u>Planning Solicitor</u> 01392 265236 <a href="mailto:ross.hussey@exeter.gov.uk">ross.hussey@exeter.gov.uk</a>              |
| Nick Bickford, | <u>Forward Planner</u> 01392 265283 <a href="mailto:nick.bickford@exeter.gov.uk">nick.bickford@exeter.gov.uk</a>             |
| Ron Mayers,    | <u>Strategic Housing Manager</u> 01392 265534<br><a href="mailto:ron.mayers@exeter.gov.uk">ron.mayers@exeter.gov.uk</a>      |
| David Gibbens, | <u>Housing Enabling Manager</u> 01392 265869<br><a href="mailto:david.gibbens@exeter.gov.uk">david.gibbens@exeter.gov.uk</a> |



### **ADDENDUM: CURRENT PLANNING POLICY**

The relevant Exeter Local Plan First Review Policy and supporting text are set out below.

This material will be replaced by the equivalent policy and text in the Exeter Local Development Framework Core Strategy in copies of the SPD provided after this document has been adopted.

#### **Affordable Housing**

- 4.40 Government advice on the provision of affordable housing through the planning process is set out in Planning Policy Guidance Note 3 – Housing (paras 12-20), and in Circular 6/98: 'Planning and Affordable Housing'. This guidance states that a community's need for affordable housing is a material planning consideration which may properly be taken into account in formulating development plan policies and determining planning applications and that where there is evidence of need for affordable housing, local plans should include a policy for seeking an element of affordable housing on suitable sites. The Government advise that any local plan policy should be based upon a good understanding of the needs of the area during the period of the development plan.
- 4.41 To assess the level of need, the City Council commissioned Fordham Research to carry out a comprehensive Housing Needs Survey. The survey, which took place in Spring/Summer 2000, found that, in the period until 2005, approximately 3900 additional affordable homes might be required. This estimate takes into account other means of resolving housing need such as relets and facilitating transfers within the Council and RSL housing stock and through the provision of adaptations, repairs and improvements. The number of new affordable homes identified in the survey exceeds the total supply of all housing to be developed in the period until 2011.
- 4.42 An update of the survey, carried out in 2003, indicates a shortfall of just under 4,400 affordable homes up to 2008.
- 4.43 The Joint Housing Register, which is maintained by the Council and its partner Registered Social Landlords (RSLs) shows that there is a priority need for family homes. Although they do not form the majority of the people in need, households with or expecting children make up around 30% of the Register – these households tend to experience the worst housing conditions because they are more likely to be living in overcrowded conditions and sharing accommodation with other households. At the same time the supply of existing affordable rented accommodation is diminishing through the 'Right to Buy' Council homes and the 'Right to Acquire' Housing Association properties.
- 4.44 Affordable housing is defined as "both low cost market and subsidised housing that will be available to people who cannot afford to rent or buy houses generally available on open market". This includes the provision of low cost as well as rented and shared ownership accommodation. The City

Council especially encourage the provision of rented accommodation because the Housing Needs Survey suggests that few households in housing need in the City are able to afford low cost market housing. The Council will use the Housing Corporation rent caps and target rents, with increases limited annually in perpetuity by reference to the Retail Prices Index, as a measure against which to assess affordability whichever tenure is secured. The Council will also use, as a measure, the reasonable maximum expected housing costs of people on low incomes and/or on housing and/or other welfare benefits or in low paid employment and not entitled to housing or other welfare benefits.

- 4.45 The City Council will, therefore, seek, through negotiations with landowners and developers, to ensure that a proportion of new dwellings on suitable sites within the plan period are made available to households in housing need. A realistic target is set which will help ease the problem but, in view of the level of need outlined above, it is recognised that achieving the target will by no means resolve the problem. The amount, type and mix of affordable housing and the mix of housing tenures will be a matter for negotiation but the Council will aim for 25% of the total dwelling provision on suitably qualifying sites, depending upon site conditions and other planning objectives. This level of provision (25% of the local plan allocations would provide over 500 houses in the period up to 2011) represents a reasonable and effective contribution.
- 4.46 The depth and breadth of need also justifies applying the policy to the lower site thresholds identified in Circular 6/98, i.e. to proposals on sites which are capable of yielding 15 dwellings or more or which have a site area of 0.5 ha or more, irrespective of the number of dwellings. The threshold is expressed in terms of the capability of the site, in order to overcome attempts to evade site thresholds, either by lowering densities, by phasing development, by submitting subsequent applications on the same site, or by the incremental acquisition of sites.
- 4.47 To ensure that the affordable housing, which is provided, continues to meet housing need in the City, it should wherever possible remain available for successive as well as initial occupiers. Circular 6/98 advocates that this can be best done through the involvement of a Registered Social Landlord. In addition, a condition or legal agreement will normally be attached to a planning permission to ensure that the housing does accommodate existing and incoming members of the local community in housing need. This is defined as:
- (i) people on the waiting list or transfer list of the Council or any registered social landlord; or
  - (ii) people who qualify to move to Exeter to take part in a mobility scheme operated by the Council; or
  - (iii) people who are homeless and who are considered to be in priority need of permanent housing; or

- (iv) people who live or work or who have written confirmation of work in the City and who are considered to be suitable to occupy affordable housing; and, in every case,
- (v) people on low incomes and/or on housing and/or other welfare benefits or in low paid employment and not entitled to housing or other welfare benefits.

4.48 Government advice states that there is a presumption that affordable housing should form part of the development of sites which are suitable for such accommodation. However, there may be circumstances where developers do not wish to include an element of affordable housing on a suitable site but are prepared to make alternative provision. In exceptional cases it may be acceptable for a financial or other contribution to be made towards the provision of affordable housing on a site elsewhere in the City.

4.49 PPG3 emphasises the need to create mixed and inclusive communities and urges local authorities to encourage a better social mix by avoiding the creation of large areas of housing of similar characteristics. To further these aims the City Council will negotiate with developers to secure a better mix of house types and tenures. In order to ensure the development of mixed tenure areas the Council will seek to negotiate planning obligations to make sure that the supply of affordable housing is provided concurrently with general market housing.

4.50 Supplementary Planning Guidance will be prepared to guide landowners, developers and other interested parties on the provision of affordable housing through the planning process in Exeter.

H6: HOUSING PROPOSALS ON SITES CAPABLE OF YIELDING 15 OR MORE DWELLINGS OR ON SITES OF 0.5 HA OR MORE (IRRESPECTIVE OF THE NUMBER OF DWELLINGS PROPOSED) SHOULD INCLUDE PROVISION FOR SUBSIDISED RENTED, SHARED OWNERSHIP OR LOW COST MARKET HOUSING TO CONTRIBUTE TO THE CITY WIDE TARGET FOR AFFORDABLE HOUSING.

THE COUNCIL WILL IMPOSE PLANNING CONDITIONS OR SEEK TO NEGOTIATE PLANNING OBLIGATIONS TO ENSURE THAT THE AFFORDABLE HOUSING IS OCCUPIED:

- INITIALLY, AND
- IN PERPETUITY INSOFAR AS 'RIGHT TO BUY' AND OTHER LEGAL REQUIREMENTS PERMIT,

BY MEMBERS OF THE LOCAL COMMUNITY WHO CANNOT AFFORD TO OCCUPY HOUSING GENERALLY AVAILABLE ON THE OPEN MARKET. IN ASSESSING THE SUITABILITY OF A SITE FOR AFFORDABLE HOUSING THE FOLLOWING MATTERS WILL BE TAKEN INTO CONSIDERATION:

- LOCAL HOUSING NEED;
- SITE CONDITIONS; AND
- OTHER PLANNING OBJECTIVES

## **APPENDIX A: DOCUMENTS REFERRED TO**

Documents are listed in the order that they appear in the text. Abbreviations used for them in the text are given in **BOLD CAPITALS**. The source is provided in brackets.

- (ECC) documents are published by Exeter City Council and can be seen at the Customer Service Centre of the Civic Centre on Paris Street or on the Council's web site. Copies can be acquired from the Customer Service Centre. If you have any difficulties please contact Nick Bickford on 01392 265283 or [nick.bickford@exeter.gov.uk](mailto:nick.bickford@exeter.gov.uk)
  
- (Govt) documents comprise either national legislation or documents published by the Government department responsible for planning and housing (currently Communities and Local Government). These documents can be seen on the Department's web site, main public libraries or acquired from HM Stationery Office.

Affordable Housing SPD - Consultation Statement (ECC)

Affordable Housing SPD – Sustainability Appraisal (ECC)

Implementing Affordable Housing Requirements (ECC)

Affordable Housing Strategic Viability Assessment (ECC)

Planning Policy Statement 3 **PPS3** – Housing (Govt)

Delivering Affordable Housing (Govt)

Exeter Vision (ECC)

Planning and Compulsory Purchase Act (Govt)

Town and Country Planning Act 1990 (as amended) (Govt)

Circular 05/2005 (Govt)

Planning Policy Statement 1 (Govt)

Exeter Local Plan First Review (ECC)

Exeter Local Development Framework **LDF** (ECC)

Exeter Local Development Scheme (ECC)

Exeter Local Development Framework Core Strategy Preferred Options Report (ECC)

Exeter and Torbay Strategic Housing Market Assessment (ECC and other Devon authorities)

Exeter Housing Strategy (ECC)

Housing Needs Survey 2003 (ECC)

Town and Country Planning (use Classes) Order 1987 as amended by Statutory Instrument no 2005/84 (Govt)

## APPENDIX B: DEFINITIONS

Sources are given in brackets where relevant at the end of the definitions. Brackets are otherwise used in bold to provide abbreviations that are used.

See also PPS3 definition of Affordable Housing in Section 4 above

**Affordability** The terms ‘affordability’ and ‘affordable housing’ have different meanings. ‘Affordability’ is a measure of whether housing may be afforded by certain groups of households. ‘Affordable housing’ refers to particular products outside the main housing market. [PPS3]

**Housing Needs Assessment** Examination of the suitability of present housing and the ability of households to afford market priced housing.

**Intermediate affordable housing:** Housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (eg HomeBuy), other low cost homes for sale and intermediate rent. [PPS3]

**Local Development Framework (LDF):** The name for the portfolio of Local Development Documents that provide the framework for delivering the spatial planning strategy for a local authority area. It consists of Development Plan Documents, Supplementary Planning Documents, a Statement of Community Involvement, the Local Development Scheme and Annual Monitoring Reports. Together these documents will

**Local Development Scheme (LDS):** A component of the LDF, comprising the local authority’s project plan for the preparation of the other documents forming the LDF.

**Market Housing:** Private housing for rent or for sale, where price is set in the open market.

**Multiple Occupation:** A property occupied by a number of persons who do not form a single household. This includes bedsits and other non self-contained property where sharing of facilities takes place.

**Planning Obligation:** Comprises both planning agreements between a developer and a local planning authority and a unilateral undertaking by a developer. Obligations regulate the development or use of land in a way that cannot be adequately controlled by a planning condition. May be used to provide facilities required as a result of development or to offset impact on amenity and can include payments to be made to the local planning authority. The benefit must be related to the development and necessary to the grant of permission.

**Registered Social Landlord (RSL):** An independent, registered, non profit making, organisation, funded primarily by Government grants, to build, improve and manage affordable housing for sale or rent.

**Sheltered Accommodation** Accommodation for a specific section of the community (e. g. elderly or handicapped) that allows residents to live independently but with provision of communal facilities and services.

**Social rented housing:** Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant. [PPS3]

**Supplementary Planning Documents (SPD):** Provide supplementary information in respect of the policies in Development Plan Documents. They do not form part of the Development Plan and are not subject to independent examination.

**Sustainability Appraisal:** Tool for appraising policies to ensure they reflect sustainable development objectives (i.e. social, environmental and economic factors).

**Sustainable Development:** Development which meets the needs of the present without compromising the ability of future generations to meet their own needs. This means that mankind should live off the Earth's income rather than erode its capital. The consumption of renewable resources must be kept within the limits which allow them to be replaced and future generations handed down not only man-made wealth such as building, roads and railways, but natural wealth such as clean and adequate water supplies, good arable land, wildlife and ample forests.