

TO: THE EXECUTIVE
29th MARCH 2011

**AFFORDABLE HOUSING PLANNING POLICY
(Director of Environment, Culture and Communities)**

1 PURPOSE OF DECISION

- 1.1 To clarify the Council's planning policy on affordable housing in view of the publication of various national and local policy documents since the adoption of the Bracknell Forest Borough Local Plan (BFBLP) in 2002 and the publication of Affordable Housing from Residential Development Supplementary Planning Guidance (SPG) that was approved by the Council's Executive in 2003.
- 1.2 Saved BFBLP Policy H8 deals with affordable housing including the definition of a qualifying site. The supporting text considers the amount of affordable housing expected from a qualifying site and the circumstances to be taken into account. The SPG provides further information and guidance on the implementation of Policy H8 including the amount of affordable housing and tenure.
- 1.3 The Council's Housing Strategy provides a target for seeking affordable housing of up to 25% from qualifying development. This report looks at the current policies, strategies and guidance, and recommends a way forward to ensure consistent application and clarity to all.

2 RECOMMENDATIONS

- 2.1 **That the Executive agrees to revoke the Affordable Housing from Residential Development Supplementary Planning Guidance that was originally approved by the Council's Executive on 16 September 2003;**
- 2.2 **That the Executive confirms its reliance on saved Policy H8 of the Bracknell Forest Borough Local Plan (2002) together with the Council's Housing Strategy and Planning Policy Statement 3 (2010) to seek a target percentage of provision up to 25% (subject to viability) and use of the national indicative minimum site size threshold (15 net), respectively;**
- 2.3 **That the approach outlined in 2.2 above, is included in an update of the Council's Housing Strategy; and,**
- 2.4 **That the Executive confirms that affordable housing on qualifying sites will be delivered in accordance with the delivery model set out in the Affordable Homes Programme Framework 2011-2015 (February 2011) or as subsequently updated. This includes the new affordable rent product, and, low cost home ownership such as shared ownership.**

3 REASON FOR RECOMMENDATIONS

- 3.1 To provide an up to date policy framework for delivering affordable housing.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 An alternative option is to continue using the site size threshold of 25 net dwellings set out in Policy H8 of the BFBLP and the amount of affordable housing set out in the SPG, in other words 23% affordable and 15% key worker. As the site size threshold is not in line with national policy and the proportions are not based on up to date evidence, the use of these thresholds leaves the Council vulnerable to challenge.
- 4.2 A further alternative would be to use the draft approach set out in the Housing Strategy, in terms of percentage and thresholds. However, the details have not been subject to the consultation and examination required in respect of the formulation of planning policy.

5 SUPPORTING INFORMATION

Local policy documents

- 5.1 The development plan for Bracknell Forest includes the saved policies in the BFBLP which was adopted in 2002 and the Core Strategy which was adopted in 2008.
- 5.2 Policy H8 of the Local Plan relates to affordable housing and sets a requirement for affordable housing on the following sites taking into account the economics of provision and site circumstances:
- identified major housing allocations; or
 - proposals resulting in a net increase of at least 25 dwellings; or
 - sites over 1 hectare in area.
- The amount of affordable housing is not included in the policy due to recognition of the need to take account of market conditions and the size and character of the site. The supporting text (para 5.61) to Policy H8 states:
"However, as a starting point in the negotiations, the Borough Council will normally expect 20% of the dwellings, or of the total site area or of the developable area, to be "affordable housing" on those sites to which the Policy is applied".
- 5.3 The Affordable Housing from Residential Development SPG was approved by the Council's Executive on 16 September 2003. This SPG (similar to Supplementary Planning Documents but referred to as SPGs as prepared prior to legislative changes in 2004) provides information and guidance on the implementation of Policy H8. It took into account the results of a Housing Needs Study (March 2002) and a Housing Strategy Statement (July 2002) that provided evidence on funding for affordable housing and the key worker initiative.
- 5.4 On the basis of the above evidence, the SPG expects a revised housing requirement of:
- 23% of the dwellings to be affordable housing; and
 - 15% of the dwellings to be for key workers.
- In practice, the SPG has provided a new starting point for negotiations based on the above percentages. However, since the publication of the document there have been changes in legislation and guidance and sources of evidence quoted have been superseded by more recent research. The issue of providing key worker housing has also moved on due to difficulties encountered in defining and identifying key-workers. The needs of key workers are now considered as part of overall need for housing in the Borough, including affordable housing as defined in the Core Strategy.
- 5.5 Section 4 of the SPG deals with implementing the affordable housing policy and includes consideration of funding and subsidy. The mechanisms referred to such as

Total Cost Indicator (TCI) are no longer used to deliver affordable housing. However, the SPG does refer to the fact that the Council expects the proposed housing development to contribute significantly to the cost of provision. This means that the price a Registered Provider pays to a developer for new affordable housing should be significantly below the price a developer would receive by selling the dwelling on the open market i.e. there should be an adequate level of developer subsidy.

- 5.6 On adoption of the Core Strategy in February 2008, some of the policies in the BFBLP were superseded. However, this did not apply to Policy H8 of the BFBLP. The Core Strategy contains two policies that refer to affordable housing. Policy CS16 requires a range of housing to meet the future housing needs and aspirations of the local community. This includes the need for a mix of tenures. Policy CS17 deals specifically with affordable housing, defining it as affordable rented and intermediate housing. The policy refers to the need to provide affordable housing on suitable sites and states that the Council will provide details of the threshold above which affordable housing will be sought and state the amount of affordable housing to be provided. Paragraph 196 refers to these matters being implemented through the publication of further local development plan documents containing policies and guidance.
- 5.7 The process was begun by working on the early stages of a Development Management Development Plan Document, Housing and Commercial Policies and Sites. This was to include policy on site size threshold and the amount of affordable housing to be provided. However, due to the pressing need to identify sites for housing development, the Council had to place the work on hold and give priority to a Development Plan Document (DPD) dealing specifically with site allocations. It is now intended to include this issue in the review of the Core Strategy which is currently scheduled to commence in 2012.
- 5.8 Early work carried out in connection with the Development Management Development Plan Document, Housing and Commercial Policies and Sites, fed into the Council's Housing Strategy which was published in July 2009. This states that (page 37):
“the Council's draft affordable housing policy subject to consultation is that for proposals to develop 3 or more additional dwellings the Council will seek up to 25% affordable housing. The Council will assume the affordable housing obligation will be met on site for developments of 15 units plus unless the developer can justify exceptional circumstances for the obligation to be met off site or if that is not possible via a commuted sum. Developments between 3 to 14 units will require off site provision or a commuted sum to meet the affordable housing obligation. The affordable housing obligation will be modelled on 70% affordable rented and 30% low cost home ownership.”
- 5.9 However, the above extract does not form planning policy as it has not been pursued through the necessary stages and processes. It sets out the Council's proposed direction of travel in terms of future affordable housing policy. Policy H8 of the BFBLP remains the adopted planning policy that deals with the matter until a future development planning document amends/supersedes existing policy.

National and regional policy documents

- 5.10 Planning Policy Statement 3 Housing (PPS3) (which has been published since the adoption of the Local Plan and SPG) also contains a section on affordable housing. Paragraph 29 gives a list of matters that should be covered in local development documents including targets for the amount of affordable housing to be provided and the range of circumstances in which affordable housing will be required.

- 5.11 The national indicative minimum site size threshold is given as fifteen dwellings. The document makes it clear that lower minimum thresholds can be set, where viable and practicable. Any thresholds and proportions of affordable housing proposed must be supported by assessments of economic viability, including their likely impact upon overall levels of housing delivery and creating mixed communities.
- 5.12 The Government has published a consultation (February - April 2011) on a proposed technical change to the definition of affordable housing given in Annex B of PPS3. This clarifies that Affordable Rent (a rent of up to 80 per cent of the local market rent) should be included in the definition of affordable housing. However, this is covered by the Council's definition of affordable housing set out in the Core Strategy.
- 5.13 In February 2011, the Department of Communities and Local Government (CLG) and the Homes and Communities Agency (HCA) published a new framework setting out in detail changes in affordable housing provision being introduced for the 2011 - 2015 Spending Review period. This forms part of the package of measures being introduced following previous government announcements on reforming social housing and includes reference to a new affordable rent product which the Government envisages will form the principal element of the new supply offer. The key aim is to make better use of existing stock and target support where it is most needed. The new model will consist of four broad sources of finance:
1. Extra borrowing generated from the conversion of social rent to affordable rent properties, and the higher income stream from new properties developed.
 2. Existing sources of cross-subsidy, for example, Section 106 contributions.
 3. HCA funding, where required for development to be viable.
 4. Other sources of funding, for example, local authority land, New Homes Bonus receipts allocated to affordable housing by local authorities.

The Government hopes that the model will be more flexible with providers using existing assets to help reduce the amount of public funding needed to deliver new supply. This Framework invites providers to submit offers to deliver new supply.

- 5.14 In terms of the local situation this will mean that for affordable rent, the price paid by the Registered Provider should be no more than the capitalised value of the net rental stream. Intermediate affordable housing must be based on reasonable assumptions of equity share sold and rent charged. Therefore, this will now set the policy offer price for affordable housing on a qualifying site. Grant will only be made available by the HCA where it can be demonstrated that it will generate 'additionality', for example, more affordable dwellings or a revised tenure mix.
- 5.15 Although the Government's intention to abolish Regional Strategies such as the South East Plan (SEP) has been confirmed as a material consideration, they remain part of the development plan, for the time being. Policy H3 of the SEP deals with affordable housing and refers to the need to include targets for the provision of affordable housing, taking account of housing need and having regard to an overall regional target. However, it also makes it clear that local affordable housing targets and site size thresholds need to have regard to an assessment of economic viability, scale of need and impact on overall levels of housing delivery. This guidance has influenced the course of action recommended in this report.

6 RECOMMENDED COURSE OF ACTION

- 6.1 Regulation 21 of the Town and Country Planning (Local Development) (England) Regulations 2004 (as amended) allows a Local Planning Authority to revoke a SPD under certain circumstances. These include where it is no longer in conformity with policies in the Core Strategy, a DPD or an old policy.
- 6.2 Core Strategy Policy CS17 deals specifically with affordable housing, defining it as affordable rented and intermediate housing. No reference is made to key worker housing. The supporting text to Policy CS17 refers to the need to have regard to certain guidance and evidence in determining the site size threshold and amount of affordable housing. The national and regional guidance referred to was published after the adoption of the SPG. For example, PPS3 was published in 2006 and resulted in the cancellation of Circular 6/98: Planning and Affordable Housing (1998) which is referred to in the SPG. The evidence referred to is the level of affordable housing need, the conclusions of the urban capacity study (now incorporated in the Strategic Housing Land Availability Assessment) and the Housing Market Assessment. The SPG relies on the sources of evidence set out in paragraph 5.3 which have now been superseded by more recent research. As mentioned above, both PPS3 and the SEP stress the need to support any target/quota with evidence of financial viability together with the role of public subsidy. The 23% affordable housing; and 15% key worker housing have not been tested in this way.
- 6.3 In view of these issues, the use of the SPG in the determination of planning applications is no longer considered to be a sound basis upon which to proceed. The supporting text to Policy H8 of the BFBLP refers to 20% as a starting point for negotiation in respect of the number of dwellings, or total site area or developable area. The relevant paragraph in the Housing Strategy implies a target of up to 25% affordable housing. References to the need to consider market conditions and the size and character of the site is in line with the requirement to have regard to economic viability set out in PPS3 and the SEP. This is a particularly important consideration due to the lack of subsidy now available for affordable housing. **Therefore, it is recommended the target of up to 25% is used as a starting point for seeking affordable housing provision for qualifying development, subject to viability.**
- 6.4 As mentioned above, Policy H8 also refers at point (ii) to qualifying sites where development would result in a net increase of 25 or more dwellings or which are over one hectare in size irrespective of the number of dwellings. However, paragraph 68 of PPS3 states that Local Planning Authorities should have regard to its content as a material consideration which may supersede the policies in existing development plans when making planning decisions on housing developments. This therefore allows the 15 dwelling threshold to be applied in advance of formally adopting the threshold through the Local Development Framework process, provided that there is evidence justifying the approach. **It is therefore considered that the national indicative minimum site size threshold of 15 net dwellings that is set out in PPS3 should be used as the threshold** rather than 25 net dwellings.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 Regulation 21 of the Town and Country Planning (Local Development) (England) Regulations 2004 (as amended) allows a local planning authority to revoke an SPD if it ceases to comply with regulation 13(8). This refers to conformity with policies in the Core Strategy, a DPD or an old policy.

Borough Treasurer

- 7.2 There are no financial implications in terms of the process of revocation.

Equalities Impact Assessment

- 7.3 See Equalities Impact Assessment attached at Appendix A

Strategic Risk Management Issues

- 7.4 Strategic Risk Category Number 9 identifies the risks associated with failing to work effectively with partners, residents, service users, local businesses and the voluntary sector, particularly in terms of lack of community cohesion.
- 7.5 In planning to meet the Borough's housing requirement, it is important that the Council has robust planning policy to seek an appropriate amount of affordable housing to meet the needs of people whose incomes are insufficient to enable them to afford adequate housing on the open market. This involves working closely with partners including Developers and Registered Providers.
- 7.6 It is in the interests of the local economy to ensure that the resident workforce includes people with a range of skills and experience, including those whose income maybe insufficient to access market housing. In the absence of robust planning policy, the Council would be vulnerable to developer-led planning applications that might not include an appropriate range of housing type, size and tenure to meet housing needs, including affordable housing needs. These applications could potentially be won on appeal.

8 CONSULTATION

- 8.1 There is no requirement to consult on the revocation of a Supplementary Planning Guidance document.

Background Papers

Bracknell Forest Borough Local Plan (2002)

Housing from Residential Development Supplementary Planning Guidance (September 2003).

Core Strategy (2008)

'The Right Home' Housing Strategy for Bracknell Forest 2009 -2014 (2009)

Planning Policy Statement 3 Planning for Housing; Department of Communities and Local Government (2010)

Planning Policy Statement 3: Planning for Housing – Consultation on Technical change to Annex B, Affordable Housing definition; Department of Communities and Local Government (February 2011)

Affordable Homes Programme Framework 2011-2015; Department of Communities and Local Government and Homes and Communities Agency (February 2011)

Contact for further information

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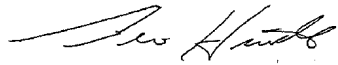
APPENDIX A

Equalities Screening Record Form

Date of Screening: March 2011	Directorate: Environment Culture & Communities	Section: Spatial Policy
1. Activity to be assessed	Clarification of affordable housing planning policy including proposed revocation of Affordable Housing from Residential Development Supplementary Planning Guidance. There are no financial implications in terms of the process of revocation of the Affordable Housing from Residential Development Supplementary Planning Guidance.	
2. What is the activity?	<input checked="" type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input type="checkbox"/> Service <input type="checkbox"/> Organisational change	
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	
4. Officer responsible for the screening	Development Plan Team Manager	
5. Who are the members of the EIA team?	Head of Spatial Policy and the Development Plan Team Manager	
6. What is the purpose of the activity?	<p>To help secure and deliver affordable housing on appropriate sites, through the planning process.</p> <p>The clarified approach (which encompasses the revocation of the Affordable Housing from Residential Development Supplementary Planning Guidance and the endorsement of the application of specific policies to proposals for development) has the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, in particular those who are vulnerable or in need.</p>	
7. Who is the activity designed to benefit/target?	The delivery of affordable housing helps widen the choice of housing available to people in the Borough, including those within the community who are having difficulty accessing housing on the open market.	
8. a Racial equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	There is likely to be positive impact. The delivery of affordable housing of an appropriate size and type is an important part of ensuring that no equalities groups are unfairly disadvantaged. As a result of the clarified approach, there is the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, depending on their priority housing need which is determined as a separate process. This activity does not affect that process.
8. b What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc.	Data on the completion of affordable houses by size and type. As a separate exercise, equality monitoring data is gathered when applicants apply to join the Housing Register. This data is monitored through the Lettings Plan.	
9. a Gender equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	There is likely to be positive impact. The delivery of affordable housing of an appropriate size and type is an important part of ensuring that no equalities groups are unfairly disadvantaged. As a result of the clarified approach, there is the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, depending on their priority housing need which is determined as a separate process. This activity does not affect that process.

<p>9. b What evidence do you have to support this?</p>	<p>Data on the completion of affordable houses by size and type. As a separate exercise, equality monitoring data is gathered when applicants apply to join the Housing Register. This data is monitored through the Lettings Plan.</p>		
<p>10. a Disability equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>Y</p>		<p>There is likely to be positive impact. The delivery of affordable housing of an appropriate size and type including properties designed with disabled access is an important part of ensuring that no equalities groups are unfairly disadvantaged. As a result of the clarified approach, there is the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, depending on their priority housing need which is determined as a separate process. This activity does not affect that process.</p>
<p>10. b What evidence do you have to support this?</p>	<p>Data on the completion of affordable houses by size and type. As a separate exercise, equality monitoring data is gathered when applicants apply to join the Housing Register. This data is monitored through the Lettings Plan.</p>		
<p>11. a Age equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>Y</p>	<p>N</p>	<p>There is likely to be positive impact. The delivery of affordable housing of an appropriate size and type is an important part of ensuring that no equalities groups are unfairly disadvantaged. As a result of the clarified approach, there is the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, depending on their priority housing need which is determined as a separate process. This activity does not affect that process.</p>
<p>11. b What evidence do you have to support this?</p>	<p>Data on the completion of affordable houses by size and type. As a separate exercise, equality monitoring data is gathered when applicants apply to join the Housing Register. This data is monitored through the Lettings Plan.</p>		
<p>12. a Religion and belief equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>Y</p>		<p>There is likely to be positive impact. The delivery of affordable housing of an appropriate size and type is an important part of ensuring that no equalities groups are unfairly disadvantaged. As a result of the clarified approach, there is the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, depending on their priority housing need which is determined as a separate process. This activity does not affect that process.</p>
<p>12. b What evidence do you have to support this?</p>	<p>Data on the completion of affordable houses by size and type. As a separate exercise, equality monitoring data is gathered when applicants apply to join the Housing Register. This data is monitored through the Lettings Plan.</p>		
<p>13. a Sexual orientation equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>Y</p>		<p>There is likely to be positive impact. The delivery of affordable housing of an appropriate size and type is an important part of ensuring that no equalities groups are unfairly disadvantaged. As a result of the clarified approach, there is the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, depending on their priority housing need which is determined as a separate process. This activity does not affect that process.</p>
<p>13. b What evidence do you have to support this?</p>	<p>Data on the completion of affordable houses by size and type. As a separate exercise, equality monitoring data is gathered when applicants apply to join the Housing Register. This data is monitored through the Lettings Plan.</p>		

14. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders) and on promoting good community relations.		There is likely to be positive impact. The delivery of affordable housing of an appropriate size and type is an important part of ensuring that other groups such as those on lower incomes and the vulnerable are not unfairly disadvantaged. The activity will help achieve sustainable, inclusive, mixed communities.	
15. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?		No adverse impact	
16. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?		None	
17. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?		N	
18. What further information or data is required to better understand the impact? Where and how can that information be obtained?		The on going monitoring of completions of affordable housing, including type and size The on going monitoring of equality monitoring data gathered when applicants apply to join the Housing Register.	
19. On the basis of sections 7 – 17 above is a full impact assessment required?		N The clarification of the planning policy approach to affordable housing, including the revocation of Affordable Housing from Residential Development Supplementary Planning Guidance will result in an increase in the target for seeking affordable housing from 23% to up to 25%, subject to viability. Furthermore, the use of the national indicative minimum site size threshold of 15 net dwellings as set out in PPS3 rather than 25 net dwellings as set out in Policy H8 of the Bracknell Forest Borough Local Plan should result in an increase in the number of qualifying sites. As a result, the clarified approach has the potential to secure more affordable housing and therefore increase opportunities for residents to gain access to housing, in particular those who are vulnerable or in need. This will help achieve sustainable, inclusive, mixed communities in all areas.	
20. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.			
Action	Timescale	Person Responsible	Milestone/Success Criteria
Likely to have a positive impact but this will be checked through: Continued monitoring of completions of affordable housing, including type and size Continued monitoring of data gathered when applicants apply to join the Housing Register.	On going On going	Chief Officer Planning & Transport Chief Officer Housing	The delivery of affordable housing from all qualifying sites. Helping to meet housing need.

21. Which service, business or work plan will these actions be included in?	Environment, Culture and Communities
22. Have any current actions to address issues for any of the groups or examples of good practice been identified as part of the screening?	N/A
23. Chief Officers signature.	 Signature: Date: 17-03-11
24. Which PMR will this screening be reported in?	Quarter 4 - 2010/11

When complete please send to abby.thomas@bracknell-forest.gov.uk for publication on the Council's website.