

NORTH LINCOLNSHIRE COUNCIL

PLANNING COMMITTEE

INTERIM POLICY RELATING TO THE DELIVERY OF AFFORDABLE HOUSING

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To seek approval to adopt an Interim development control policy on affordable housing.
- 1.2 The key points of the report are as follows:
 - 1.2.1 The revocation of the Regional Spatial Strategy prior to the adoption of the Core Strategy will result in a policy vacuum which needs to be urgently addressed.
 - 1.2.2 There is a proven need for affordable housing throughout North Lincolnshire. As part of the Local Area Agreement for North Lincolnshire, National Indicator 155: Delivery of new affordable homes is monitored by the council.

2. BACKGROUND INFORMATION

- 2.1 The national planning policy framework for the delivery of affordable housing is set out in Planning Policy Statement 3 (PPS3). Together with the Yorkshire and Humber Plan: Regional Spatial Strategy to 2026 (RSS) the two documents have provided the relevant national and regional policies in terms of setting out what is required in terms of delivering housing at a local level within sustainable communities. They also reflect the government's commitment to aiding the supply of housing for all members of the community and the improvement of the affordability of housing.
- 2.2 On 6th July 2010 however, the Secretary of State announced the revocation of RSS with immediate effect, with a view to returning decision making powers on housing and planning back to local councils. National guidance set out in PPS3 will, however, continue to remain in force until it is replaced by the National Planning Framework.
- 2.3 The decision to abolish RSS will inevitably result in a policy vacuum which needs to be urgently addressed. As Members will recall, the existing planning policies relating to the delivery of affordable housing contained within the North Lincolnshire Local Plan (2003) were not 'saved' policies. In the absence of an adopted local policy on affordable housing, officers, until this week had to rely on national and regional guidance when assessing planning applications for affordable housing requirements.

- 2.4 Whilst PPS3 sets out the national policy framework towards the delivery of affordable housing, it cannot be solely relied upon in the decision-making process, as it does not reflect local circumstances and only provides the broad parameters for affordable housing delivery. For example, the national indicative minimum site size threshold is 15 dwellings to trigger an affordable housing requirement; however paragraph 29 of PPS3 states that "...Local Planning Authorities can set lower minimum thresholds, where viable and practicable, including in rural areas." The guidance specifically asks local authorities to undertake an informed assessment of the economic viability of any thresholds and proportions of affordable housing proposed, including their likely impact upon overall levels of housing delivery and creating mixed communities.
- 2.5 Members will recall that in 2008 the council commissioned Adams Integra to carry out an Affordable Housing Financial Viability Assessment (AHFVA) which found that the proposed provision of up to 30% as set out in the RSS was not viable in most sites in North Lincolnshire. The findings suggested that targets between 20% and 30% on sites of 15 or more dwellings in (and adjoining or related to) the Scunthorpe urban area would be suitable. On smaller sites, a target of up to 20% affordable housing on sites of 5 or more dwellings in the Market Towns of Brigg, Barton, Epworth, Crowle, Kirton in Lindsey and 10% in the rural settlements. This provision should be sought on site.
- 2.6 As part of the Local Area Agreement for North Lincolnshire, National Indicator 155: Delivery of new affordable homes (NI155) is monitored by the council. This is the number of additional affordable homes developed each year in North Lincolnshire. The targets are set following the results of the AHFVA to ensure that the targets that are set are realistic in terms of being viable.
- 2.7 The evidence provided by the AHFVA also supports the policies for affordable housing in the emerging North Lincolnshire Core Strategy. Policy CS9 relates to affordable housing and is set out in full in Appendix A. By looking for up to 20% provision of affordable housing on all private developments, with thresholds of 3 in rural areas; 5 in Market Towns; and 15 in Scunthorpe, it is considered that affordable housing can be provided on sites in North Lincolnshire whilst allowing the sites to be developed.
- 2.8 It is expected that the level of affordable housing to be provided on any site will be negotiated with the developer on a site by site basis. This will ensure that the level of affordable housing required will not deem the development unviable but that a satisfactory level of affordable housing is provided.
- 2.9 The absence of a local policy to inform development control decisions is likely to present serious problems in securing the delivery of affordable housing in North Lincolnshire. For example, the lower minimum thresholds in Market Towns and rural areas which are being proposed through the emerging Core Strategy reflects local needs and will result in smaller sites across a range of settlements requiring an element of affordable housing to be provided.
- 2.10 Reliance on the minimum site threshold of 15 dwellings as set out in PPS3 will mean that many sites will fall below this threshold and will not require any affordable housing to be provided. As such, it is likely that overall, fewer affordable homes will be provided and this problem is likely to be exacerbated as a result of new guidance set out in revised PPS 3 (June 2010) which removes the national minimum density requirement of 30 dwellings per

hectare. Whilst the lifting of this requirement will, to some extent allow local communities to exercise greater flexibility in applying housing densities, which better reflect their needs and local circumstances, the lack of a benchmark in terms of density requirements could seriously impact on the ability of this council to require developers to provide affordable housing on some sites.

- 2.11 It is therefore important for the council to have a clear interim planning policy framework in place to secure the delivery of affordable housing. In due course, this policy will be replaced by the statutorily adopted policy within the council's Local Development Framework Core Strategy.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 – Approve the Interim Policy on the delivery of affordable housing for development control purposes.
- 3.2 Option 2 – Do nothing and wait until the Core Strategy is adopted.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 is the preferred option. This option takes into account the local characteristics of North Lincolnshire and requires affordable housing to be delivered on sites across a range of sizes and settlements. The lack of a robust local affordable housing policy could present a serious threat to the requirement for developers to provide affordable housing. This would impact on the number of affordable units being provided falling short of the targets set out in the LAA which are monitored through NI155.
- 4.2 Option 2 would result in a policy vacuum which would present officers with problems when considering planning applications for housing developments. This option relies on national guidance set out in revised PPS3 which only requires affordable housing to be provided on sites of 15 dwellings or more. Whilst PPS3 does provide guidance at a national level, it falls short of taking account local circumstances into account and does not require affordable housing to be provided on smaller sites. This option is likely to result in fewer affordable units being required as part of housing developments across North Lincolnshire, particularly on smaller sites in the market towns and rural settlements.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

No additional financial resources will be required to deliver the policy outlined in this report.

5.2 Staffing

There are no additional staffing implications arising from this report.

5.3 Property

There are no additional property implications arising from this report.

5.4 IT

There are no additional IT implications arising from this report.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)

- 6.1 The delivery of good quality affordable housing in communities where people want to live can improve people's health, quality of life and reduce the likelihood of people taking part in criminal and anti-social activities.
- 6.2 The council has a duty to assess local housing need and make provision to meet this need. Appropriate planning policies are a mechanism by which the council can do this.

7. OUTCOMES OF CONSULTATION

- 7.1 The emerging Core Strategy policy has been informed by wide ranging consultation with members of the public, parish councils, developers, housing associations and other stakeholders.

8. RECOMMENDATIONS

- 8.1 That the Interim policy on the delivery of affordable housing as set out in Appendix A be approved to guide development control decisions for securing the delivery of affordable housing.

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Background papers used in the preparation of this report

North Lincolnshire local Development Framework: Core Strategy Submission Draft
May 2010.

APPENDIX A

Affordable Housing Policy

New residential housing development of 15 or more dwellings in the Scunthorpe urban area, 5 or more dwellings in Market Towns and 3 or more dwellings in rural settlements must make provision for an element of affordable housing which is accessible to those unable to compete in the general housing market. This policy seeks to achieve the following proportion of affordable housing:

- Scunthorpe urban area and Market Towns 20%***
- Rural settlements 10%***

A target of 70% of the affordable homes will be provided for rent, with the remainder provided as an intermediate tenure, to be agreed on a site by site basis.

Wherever possible, affordable housing should be provided on-site, but an off-site contribution may be acceptable where:

- a. Management of the affordable housing on-site cannot be secured effectively; or***
- b. Affordable housing provision elsewhere in more suitable settlements is more likely to contribute towards the creation of mixed communities.***

Rural Exception Sites

Planning permission will be granted for the release of small rural exception sites within or adjacent to the development limits for 100% affordable housing where a local need has been clearly identified. All proposals must be substantiated by evidence that the scale of development proposed meets the identified needs.