



Name of meeting: **COUNCIL**
 Date: **14th December 2016**
 Title of report: **Interim Affordable Housing Policy**

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Is it in the Council's Forward Plan ?	Not applicable
Is it eligible for "call in" by Scrutiny ?	Yes
Date signed off by Director & name	Jacqui Gedman - 2.12.16
Is it also signed off by the Assistant Director - Financial Management, Risk, IT & Performance?	Debbie Hogg - 2.12.16
Is it also signed off by the Assistant Director - Legal Governance & Monitoring?	Julie Muscroft - 28.11.16
Cabinet member portfolio	Cllr P McBride - Economy, Skills, Transportation and Planning Cllr N Mather - Housing and Enforcement Management

Electoral [wards](#) affected: All
 Ward councillors consulted: N/A

Public or private: PUBLIC

1. Purpose of report

- 1.1. To set out to Council interim guidelines and policy for dealing with affordable housing contributions in new housing developments.
- 1.2. This recommendation follows an agreement from Cabinet made on 15th November 2016.
- 1.3. If Council agree to this approach it is requested to adopt this as informal policy to be used as a material consideration in the decision making process for planning applications.

2. Key Points

2.1. The Council is required to ensure a supply of new housing. At present the annual target is 1730. Alongside this there is still a requirement for affordable homes in the district.

2.2. As part of day to day development management activity officers are making recommendations on new housing developments based upon the policy set out in Supplementary Planning Document 2: Affordable Housing (SPD2). This was adopted in 2008 and has evidence and policies based on that time.

2.3. Since then the housing market and economy generally has gone through a recession. Added to that has been a shift in planning policy which has meant there is a greater need for Local Planning Authority (LPA) to consider the economic viability of developments. This is underpinned by national guidance set out in NPPF. This has resulted in an upturn in viability appraisals where developers are demonstrating that affordable housing at the levels set out in SPD2 cannot be supported.

2.4. Alongside this the council has prepared a local plan which Council have agreed to consult upon at their meeting on the 12th October 2016. As part of that process the evidence to support an affordable housing contribution has been brought up to date. This has led to a remodelled affordable housing policy in the Local Plan. The changes are set out in Table 1 below.

Policy Element	SPD2	Emerging Local Plan Policy
Threshold to which policy applies	5 units and above	10 and above
% required for Greenfield	30%	20%
% required for Brownfield	15%	20%
Floor space or units	Floor space	Units
Tenure Split	Affordable rent 90% Intermediate 10%. (Paragraph 7.2 SPD2)	Affordable rent 54% Intermediate 46% (based on SHMA evidence)
Consideration of Starter Homes	no	yes

Table 1 – Kirklees Affordable Housing Requirements

2.5. The evidence related to the levels of affordable housing set out in SPD2 has largely been superseded. In addition requirements are becoming less achievable with justification of a lower level entailing a protracted viability assessment. In such circumstances officers are of the opinion that the Council needs to consider whether it should move

more quickly to a more up to date and better evidenced policy. If so then the primary aims are; to assist further the delivery of new homes and provide a more credible, and better evidenced, policy position on which to secure more affordable homes.

- 2.6. On this basis, officers have investigated further the benefits of introducing informal policy, for development management purposes, that fast tracks to the Local Plan position.
- 2.7. The full policy and guidelines are set out in Appendix . For the avoidance of any doubt Council should note that, if adopted, the whole document will be published as this sets out both the formal policy statement as well as guidelines to assist in justifying that position and adding clarification to how the policy will be implemented.
- 2.8. In officers view this approach has several benefits:
- a. It provides an up to date evidence base on which to calculate affordable housing contributions.
 - b. It removes a more onerous floor space calculation in favour of a units based approach – this in itself is a more certain approach for developers.
 - c. It increases the threshold to 11 units which assists smaller developers to continue to deliver on often difficult sites (not an inconsequential step given that in the last recorded housing delivery statistic (2014-15) developments of 10 units or less accounted for 44% of the overall delivery)
 - d. It introduces a more flexible approach to the type (tenure) of affordable housing provision.
 - e. Whilst the process cannot insist upon its provision the policy encourages developers to consider a wide range of housing including extra care housing and a full range of housing solutions for older people.

3. Implications for the Council

- 3.1. The policy is aimed at delivering a lower level of affordable provision within housing sites. Whilst this has benefits to permissions and delivery this would mean that the need for new affordable homes, as set out in the Strategic Market Housing Assessment, will not be achieved as quickly.
- 3.2. In addition New Homes Bonus receipts - which favour affordable units – may be lower.
- 3.3. Analysis of housing sites considered at the Strategic Planning Committee since September 2015 is helpful to answer both of these points. This shows that in terms of the existing SPD2 policy there are no cases where the full 30% has been achieved. It does show that 20% of affordable housing is an achievable level although there are some more difficult to deliver sites which achieve less than this. In all cases the levels have been tested by viability appraisals.

3.4. In this context, i.e. where the SPD2 thresholds are not being met, then an adjusted policy at this stage is unlikely to be the cause for under delivery.

4. Consultees and their opinions

4.1. The development of this policy has involved input from Strategic Housing colleagues.

5. Additional Information

5.1. Officers have outlined in paragraph 2.6 that the interim policy should be adopted as informal policy at this stage. Officers could have chosen to develop another SPD. For Members information the process for preparing Supplementary Planning Documents is similar to a Local Plan document. However, they are not subject to independent examination by the Planning Inspectorate. SPD's can cover a wide range of issues and can be used to expand policies contained within policy documents. They must be consistent with national planning policy, must undergo consultation and must be in conformity with policies contained within the Local Plan.

5.2. Given the pressing need to bring about a swifter policy response and the position of the local plan then the informal approach is felt to be the most appropriate.

5.3. Should Council agree to adopt then the policy will be a material consideration carrying weight in the decision making process for planning applications. It will not replace the existing SPD2. However, it is a more reliable and up to date policy position by which officers can make their recommendations.

5.4. This interim policy should last until the Local Plan is formally adopted.

6. Officer recommendation and reasons

6.1. To set out to Council interim guidelines and policy for dealing with affordable housing contributions in new housing. This is attached as Appendix 1.

6.2. To invite Council to agree to taking this approach to affordable housing when dealing with planning applications and the interim policy to be a material consideration in the decision making process on planning applications.

6.3. Should point 6.2 be accepted then Council are requested to agree this policy position until the Local Plan is formally adopted.

6.4. The reasons for these recommendations are to bring into play an up to date and better policy base on which to seek affordable housing contributions in the short term. This should assist in the delivery of new homes across the district.

7. Cabinet portfolio holder recommendation

7.1. Councillor McBride has been briefed on the proposed changes to how the Local Planning Authority secures affordable housing in Kirklees. The changes represent a more realistic and achievable approach to delivering housing that a community needs and will help to provide the necessary bench mark and evidence base for challenging developments which fall short of the policy requirement without clear and compelling reasons.

7.2. Councillor Mather welcomes the changes which will assist in delivering housing on all levels. The policy itself represents a solid and up to date position for officers to negotiate with developers the housing that the district needs.

8. Contact officer and relevant papers

Simon Taylor – Head of Development Management

Tel: 01484 221000

Email: simon.taylor@kirklees.gov.uk

Relevant Papers

Appendix 1 – Interim Affordable Housing Policy

9. Assistant Director responsible

Paul Kemp - Assistant Director – Place

Tel: 01484 221000

Email: paul.kemp@kirklees.gov.uk