

Name of meeting: Cabinet
Date: 14 January 2020
Title of report: Interim Affordable Housing Policy 2020

Purpose of report: To seek Cabinet approval to adopt the Interim Affordable Housing Policy 2020. This provides updated interim policy and guidelines for dealing with affordable housing contributions in new housing development and replaces the Interim Affordable Housing Policy 2016. This is attached as Appendix 1.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes Affects all electoral wards
Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>?	Key Decision – Yes Private Report/Private Appendix – No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	Karl Battersby - 06.01.20
Is it also signed off by the Service Director for Finance?	Eamonn Croston - 06.01.20
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft - 06.01.20
Cabinet member portfolio	Cllr Peter McBride Cllr Cathy Scott

Electoral wards affected: All wards

Ward councillors consulted:

Public or private: Public

Has GDPR been considered? Yes. The report does not contain any personal data.

1. Summary

The Interim Affordable Housing Policy has been updated following the adoption of the Local Plan and the introduction of the Housing Strategy 2018-23.

The 2020 interim policy will replace the 2016 interim policy. The new document seeks to provide further clarification, makes direct links to existing housing need evidence and updates on a range of issues relating to the implementation of national planning policy.

The report seeks endorsement from Cabinet to adopt the Interim Affordable Housing Policy 2020, which will be in place in the short term until it is replaced by a formal Supplementary Planning Document later in 2020.

2. Information required to take a decision

The Kirklees Local Plan, in policy LP11, sets out the housing mix and affordable housing policy for Kirklees. Based on national planning policy, local evidence in the Kirklees Strategic Housing Market Assessment (2016) and a District Wide Viability Assessment it requires housing developments of more than 10 homes to provide 20% affordable housing.

Prior to the adoption of the Local Plan, this evidence supported the 2016 Interim Affordable Housing Policy which was adopted by Cabinet on 15th October 2016. Since the 2016 Interim Affordable Housing Policy, the Local Plan has been adopted, the Kirklees Housing Strategy 2018-23 has been published and national planning policy and guidance has been updated.

The updated interim policy seeks to provide further clarification to help inform negotiations to secure affordable housing that best meets locally identified needs. The four main updates to the interim policy are set out below:

The definition of affordable housing types

The Interim Affordable Housing Policy 2020 reflects the updated Affordable Housing definition that is contained within Annex 2 of the National Planning Policy Framework (NPPF). This provides further clarification to the definition that was included in the 2016 interim policy based on the 2016 Housing and Planning Act.

Addressing national policy requirements regarding provision of affordable homes for sale

The Interim Policy has been updated to reflect the content of the National Planning Policy Framework (NPPF) (paragraph 64) regarding affordable homes for sale. NPPF states that at least 10% of homes within major developments should be available for affordable home ownership; but only within the context of not significantly prejudicing the ability to meet the identified affordable housing needs of specific groups; the interim policy provides further information on this.

The provision of starter homes and discounted market sales housing relative to housing needs in Kirklees

This change has been made to ensure consistency with reference to the provision of Starter Homes and Discounted Market Sales housing in the Affordable Housing definition in Annex 2 of NPPF and the requirement in paragraph 64 of NPPF. The Interim policy makes it clear that the tenure split identified in the latest Strategic Housing Market Assessment (SHMA) is for 55% affordable rent which means Starter Homes provision alone is unlikely to meet identified needs. This is supported by information in the Interim Policy showing incomes across the housing market sub-areas of the district (from the SHMA) which concludes that an overwhelming majority of eligible households would not be in a position to take advantage of Starter Homes. The Interim Policy also sets out how the council are dealing with the provision of Starter Homes whilst awaiting the formal legislation being put into place by the government.

The requirements of a viability appraisal

The Interim Policy has been revised to reflect updated National planning policy and guidance stating the expected content of a viability appraisal and how the local planning authority should assess it.

An updated Interim Affordable Housing Policy that reflects these changes to national policy will ensure that there is more clarity in the expectations of the make-up of affordable housing that is provided on site by developers, for negotiations between developers, the housing growth team and planning officers.

The Interim Policy would remain in place until the publication of an Affordable Housing and Housing Mix Supplementary Planning Document (SPD) at the end of 2020. The SPD will be subject to public consultation during 2020 and would be brought to Cabinet for a decision to adopt.

3. Implications for the Council

The affordable housing need in the district is based on meeting a shortfall of 1,049 per annum over the five year period from the base date of the 2016 Strategic Housing Market Assessment.

The Council's annual monitoring shows that in recent years, since changes to the affordable housing definition in national policy that the proportion of intermediate homes has increased, delivering more than 50% of affordable homes since 2016.

Type	2013/14	2014/15	2015/16	2016/17	2017/18
Social homes with HCA/Homes England grant support	0	0	0	19	0
Social rented homes – S106	27	16	100	19	38
Social rented other	251	78	33	14	4
Intermediate homes including affordable rent	42	86	22	69	58
Total	320	180	155	121	100

It is considered that including extracts from the housing mix evidence within the Interim Affordable Housing Policy 2020 provides more clarity in decision making and will therefore assist the planning process in securing a wide mix of affordable properties including more social rent and affordable rented homes to be delivered. The revised policy would secure more homes for affordable rent as it sets out the latest evidence of affordable housing need in the district by type and sets out the evidence regarding the affordability of starter homes and discounted market sales housing.

4. Consultees and their opinions

The development of this interim policy has involved input from Development Management and Housing Growth colleagues.

5. Next steps and timelines

The Local Development Scheme (LDS) approved at Cabinet on the 3rd December 2019 sets out the adoption of the Interim Policy 2020 in January 2020. The recommendation is that the approval of the Interim Affordable Housing Policy 2020 would mean the Interim Affordable Housing Policy 2016 is revoked.

The LDS also includes the production of a Supplementary Planning Document for Affordable Housing and Housing Mix to be adopted by the end of 2020 (to replace the Interim Policy). This SPD would be a comprehensive review of the guidance on affordable housing and a review of whether further updated evidence is required.

6. Officer recommendations and reasons

- 1) Officer recommendation that Cabinet approve the Interim Affordable Housing Policy 2020 which provides updated interim policy and guidelines for dealing with affordable housing/financial contributions from new housing developments. This is attached as Appendix 1. As this will replace the Interim Affordable Housing Policy 2016, the recommendation also includes revoking the 2016 Interim Affordable Housing Policy.

Reason: To ensure that the council has an up-to-date interim policy reflecting the adopted Local Plan and ensuring the evidence base is clearly set out to allow the planning applications process to secure affordable housing contributions that better meet locally identified needs.

- 2) Subject to the decision on recommendation 1 above, Cabinet delegate authority to the Service Director for Growth and Housing to make any further additional modifications that relate exclusively to factual updates, grammatical and formatting corrections in the process of publishing the Interim Affordable Housing Policy 2020.

Reason: To ensure that the council has an up-to-date interim policy reflecting the adopted Local Plan and ensuring the evidence base is clearly set out to allow the planning applications process to secure affordable housing contributions that better meet locally identified needs.

7. Cabinet Portfolio Holder's recommendations

Councillor McBride was briefed on the 25th November 2019 and was supportive of the updated Interim Affordable Housing Policy 2020 being presented to Cabinet for adoption by the council.

8. Contact officer

Contact Name: Steven Wright
Job Title: Planning Policy Group Leader
E-mail: steven.wright@kirklees.gov.uk
Telephone - (01484) 221000

9. Background Papers and History of Decisions

- Appendix 1: Kirklees Interim Affordable Housing Policy 2020

10. Service Director responsible

Contact Name: Naz Parkar
Job Title: Service Director for Growth and Housing
E-mail: naz.parkar@kirklees.gov.uk
Telephone - (01484) 221000