

<b>Item No.</b> 2.	<b>Classification:</b> Open	<b>Date:</b> 18/10/04	<b>MEETING NAME</b> <b>PLANNING COMMITTEE</b>
<b>Report title:</b>		<b>DRAFT AFFORDABLE HOUSING SPG</b>	
<b>Ward(s) or groups affected:</b>		<b>ALL</b>	
<b>From:</b>		<b>STRATEGIC DIRECTOR OF REGENERATION</b>	

1. To comment on the draft Affordable Housing Supplementary Planning Guidance prior to adoption for formal consultation by the Council Executive.
2. To consider the consultation plan as the methodology for formal consultation for six weeks (six weeks is the normal length of consultation for a second draft of an SPG) from 18 November 2004 to 6 January 2005.

### **BACKGROUND INFORMATION**

3. An updated SPG is also required to address the London Plan requirements in relation to affordable housing and better reflect the requirements of the adopted 1995 UDP.
4. There is an adopted SPG for Affordable Housing approved in February 2002. However, this does not reflect current requirements for affordable housing including the overall target for at least 50% of all new housing to be affordable. It requires only 25% affordable housing from development sites creating 15 or more new dwellings, a level that would not secure an overall provision of 50%. Additionally, both the London Plan and the adopted 1995 Unitary Development Plan require developments to provide the maximum reasonable proportion of affordable housing. Twenty-five percent does not reflect "maximum reasonable" and most sites of sufficient size are able to support a greater contribution without adversely affecting viability.
5. The proportions of affordable housing sought in the 2<sup>nd</sup> deposit Plan are a better reflection of "maximum reasonable proportion" and form the basis for the draft SPG. However, the lower threshold of 10 to 14 units is not required by the SPG as current legislation does not support this. The SPG will need to be amended in relation to the threshold once legislation has been changed and if necessary, once the Inspector has made his decision on the UDP Inquiry.
6. The SPG provides significantly more detail as to how affordable housing policies will be implemented on a case-by-case basis. It accords with and supports all adopted and emerging policies at local and regional level. It will assist developers, the public and officers to better understand the affordable housing process and what is expected from developments.

### **KEY ISSUES FOR CONSIDERATION**

7. The purpose of this SPG is to give further guidance as to what the council considers the "maximum reasonable contribution" and gives detailed advice to developer, the public and officers as to how affordable housing contributions will be assessed and calculated for development sites.

### **Key changes from the adopted 2002 Affordable Housing SPG.**

8. The following is a summary of the key changes to the SPG from the existing guidance;
  - i. References to the up-to-date Housing Needs Survey 2004 have been included.
  - ii. Reference to the London Plan target of 50% has been included.
  - iii. References to the 2nd deposit Plan have been included including 2nd deposit policy 4.4 and appendix 19 glossary definitions.
  - iv. The ratios of social rented:intermediate housing have been included from the 2nd deposit policy 4.4 and area based exceptions from 2nd deposit Part 1.
  - v. Prioritisation of family units and wheelchair accessible units and exclusion of studio flats as part of the affordable housing contribution.
  - vi. Reference to non self-contained housing.
  - vii. Increased proportion of affordable housing required in accordance with 2nd deposit policy 4.4, but including statement that contributions will not generally be required from 10 - 14 units schemes in the interim.
  - viii. Greater detail on the requirement of affordable housing from developments where the mix of uses has been specifically designed to avoid affordable housing contributions and reference to underdevelopment of land.
  - ix. Definition of a habitable room and gross habitable floor area to aid calculations.
  - x. Statement regarding the use of economic appraisals in affordable housing negotiations.
  - xi. Information about how to deliver affordable housing, including the requirement for negotiations to take place at pre-application stage.
  - xii. Further information about what happens after permission is granted.
  - xiii. Information regarding how 100% affordable housing developments will be considered.
  
9. The following is a summary of the new appendices to the SPG;
  - i. Model conditions and legal agreement.
  - ii. Information about the financing of affordable housing (much of this information was also in the previous SPG)
  - iii. Examples of calculations for different types of affordable housing.
  - iv. Details of Registered Social Landlords (this information was also in the previous SPG).
  - v. Summary of the key findings of the Housing Needs Survey March 2004.
  - vi. Summary of the key findings of the valuations research completed by the Council.
  - vii. List of other relevant policies in the adopted UDP, London Plan and 2nd deposit Plan.

### **What Happens Next?**

10. If adopted for consultation purposes by Executive on 2 November 2004, the draft Affordable Housing SPG will be consulted upon for a period of six weeks between 18 November 2004 and 6 January 2005. Consultation will be carried out in accordance with the plan (see Appendix 2). Consultation will involve an extensive mailout to community and voluntary groups, tenants and residents associations and neighborhood housing offices as well as statutory consultees, adjoining boroughs and other interested parties

including those who objected to the affordable housing sections of the 1st and 2nd deposit Plans. Information about the SPG will also be made available through the Community Councils, the internet and public meetings if necessary.

11. Following consultation on the draft Affordable Housing SPG, all representations received will be considered in preparing a final draft of the SPG. It will then be presented to Planning Committee for final comments before it is taken to Executive for approval for final adoption. It is hoped that the Affordable Housing SPG will be adopted in Spring 2005.

### **CONCURRENT REPORT OF THE BOROUGH SOLICITOR (LEGAL IMPLICATIONS)**

12. The report recommends that the Executive agrees the attached guidance as Supplementary Planning Guidance ("SPG") for consultation purposes.
13. Section 12 of the Town and Country Planning Act 1990 ("the 1990 Act") requires the council to prepare a UDP within such period as the Secretary of State may direct. In Southwark, the current UDP was adopted in July 1995 following full local consultation and examination in public. This plan is currently being reviewed and the revised second deposit draft was adopted by Council Assembly on 31 March 2004 and is the subject of consultation and objection. It is anticipated that the inquiry into the emerging Southwark Plan will take place beginning in April 2005 and that the revised plan will finally be adopted in late 2005 or early in 2006.
14. Section 54A of the 1990 Act provides that where, in making any determination under the Planning Acts, regard is to be had to the development plan (UDP), the determination shall be made in accordance with the plan unless material considerations indicate otherwise. The UDP is therefore a key document in dealing with planning applications and other matters under the planning acts.
15. PPG 12: Development Plans, issued in December 1999 recognises that SPG can have a valid role to play in the planning process and that, although only policies in the UDP have the status accorded by section 54A of the 1990 Act, SPG may be taken into account as a material consideration. SPG must be consistent with national and regional planning guidance and be consistent with the policies in the UDP. The guidance indicates how it is consistent with national and regional planning guidance; how it is consistent with the 1995 UDP and how it is consistent with the emerging Southwark Plan at paragraphs. References to national and regional guidance and the UDP occur throughout the draft SPG.
16. PPG 12 advises that SPG should be: -
  - Clearly cross-referenced to the relevant plan or policy which it supplements;
  - Issued separately from the plan;
  - Made publicly available;
  - The subject of consultation;
  - Regularly reviewed; and
  - Its status should be clear.
17. Information contained within the report and the draft SPG indicates that the SPG will satisfy these tests.

18. Although the provisions of the Town and Country Planning Act 1990 concerning the preparation of Unitary Development Plans have now been replaced by provisions in the Planning and Compulsory Purchase Act 2004, the transitional arrangements means that the Southwark Plan will continue to develop in accordance with the provisions of the 1990 Act and relevant regulations. PPG 12 has recently been replaced by PPS 12 which deals with the preparation and content of local development frameworks, which will replace UDPs. PPS 12 refers to supplementary planning documents which will have similar content and cover similar topics to supplementary planning guidance. The guidance concerning supplementary planning documents is very similar to the earlier guidance concerning SPGs.
19. A number of decided cases establish that proper consultation must satisfy the following criteria: -
- Be undertaken at a time when proposals are at a formative stage;
  - Include sufficient details of proposals to allow those consulted to give intelligent consideration and an intelligent response;
  - Adequate time must be allowed for consultation; and
  - The results of the consultation must be conscientiously taken into account when making a decision.

### **EQUAL OPPORTUNITIES IMPLICATIONS**

20. There are very positive implications in relation to equal opportunities. The delivery of significantly increased levels of affordable housing will benefit those who cannot afford housing on the open market. Provision of higher levels of affordable housing within private housing developments will also contribute towards creating mixed and sustainable communities, and reduce the need for large areas of single tenure housing that can result in social exclusion.
21. Specifying the ratio of social rented:intermediate housing types also ensures that affordable housing is provided for a range of needs on any individual site with the priority given to those who are most in need (social rented housing).
22. The prioritisation of larger family units and units which are accessible for people in wheelchairs also has positive equal opportunities implications. The Housing Needs Survey identified a particular need for larger family units for Asian households and people in wheelchairs are excluded from most market housing choices.

### **BACKGROUND DOCUMENTS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
The Southwark Plan (2002) – the First Draft for Deposit Southwark Unitary Development Plan	Planning Policy Team Chiltern House	Kirstin Clow
The Southwark Plan (2004) – the Revised Draft Southwark Plan Unitary Development Plan.		

## APPENDIX A

### Audit Trail

<b>Lead Officer</b>	Paul Evans, Strategic Director of Regeneration	
<b>Report Author</b>	Lisa O'Donnell Principal Planning Policy and Regeneration Officer	
<b>Version</b>	Draft	
<b>Dated</b>	18 October 2004	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Borough Solicitor & Secretary	Yes	Yes
<b>Executive Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Support Services</b>	07/10/04	

### APPENDICES

- Appendix 1 The draft Affordable Housing Supplementary Planning Guidance
- Appendix 2 Consultation Matrix and Consultation Plan for the draft Affordable Housing Supplementary Planning Guidance