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| REPORT TO THE EXECUTIVE | | Report No. 17 |
| Date of Meeting | 13 th March 2008 | |
| Title of Report | Affordable Housing Supplementary Planning Document (Revision) | |
| Portfolio | Built Environment | |
| Link to Corporate Priorities | Affordable Housing | |
| Key Decision | No | |
| Executive Workplan Ref | N/A | |
| Public Report | Yes | |

Summary of Report

The revision to the adopted Affordable Housing Supplementary Planning Document (SPD) is intended to deal with the difficulties of using the guidance in respect of the required financial contributions that would be applied to developments involving single dwellings or an odd number of dwellings in rural areas.

Officer Recommendations

That the Executive:

Adopt the revision that requires a financial contribution of £26,000 on single or odd dwellings in rural areas, as outlined in Option 2.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

| Financial Implications | Legal Implications | Community & Environmental Implications | Human Resources Implications | Equality & Diversity Implications |
|------------------------|--------------------|--|------------------------------|-----------------------------------|
| Yes | Yes | Yes | None | None |

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1. Introduction

- 1.1 The revision to the approved Affordable Housing Supplementary Planning Document was published on the 28th November 2007 and was subject to an eight week public consultation period.
- 1.2 During this consultation period the Council received representations from 18 organisations and individuals. A Consultation Statement has been produced which summarises the main issues raised with the Spatial Plans and Housing Teams response. (Appendix 1)
- 1.3 The representations received highlight the difficulty in formulating an Affordable Housing policy that delivers affordable housing (physical units or financial contribution) without making development schemes unviable resulting in the loss of any sort of provision. The objective is to produce a policy that is clear and easily applied, and more importantly delivers affordable housing.
- 1.4 In consideration of all the comments received during this consultant process the Spatial Plans Team in conjunction with Housing Officers have formulated a number of options for Members to consider.

2. Options Appraisal

2.1 **Option 1: Maintain the current position as the adopted Affordable Housing SPD August 2007.**

Pros

- ♦ Possibility of maximising financial provision for affordable housing through section 106 agreements.
- ♦ Clear and simple policy

Cons

- ♦ Financial burden on developers which has the potential to make schemes unviable resulting in loss of any rural affordable housing provision.
- ♦ Perceived unfairness of a blanket policy

2.2 **Option 2: Adopt revised AH SPD and implement a flat fee of £26,000 on single or odd dwellings.**

Pros

- ♦ Schemes are likely to become more viable with less financial burden on developers.
- ♦ It ensures that single dwellings continue to contribute to affordable housing provision, whilst having sufficient impact to limit some rural development.
- ♦ Improves deliverability of rural schemes.
- ♦ A consistent approach with clear and simple policy.
- ♦ Enables us to meet our objectives of delivering affordable housing in rural areas.
- ♦ Reflects the realities of the situation, balancing the need to deliver affordable housing provision with the need to ensure that developments are not unviable.

Cons

- ♦ Less financial contribution compared to the 50% required under the current SPD.
- ♦ Potential for developers to include the extra "odd" dwelling, increasing completion levels in the rural areas.

2.3 Option 3 – Set a threshold.

Pros

- ♦ Small schemes are more financially viable.

Cons

- ♦ This policy does not conform with the adopted North Wiltshire Local Plan 2011, any change along such lines could only be incorporated within the Core Strategy Development Plan Document.
- ♦ Reduction in the number of affordable units in rural areas.
- ♦ Option benefits the developer and not the council.
- ♦ Increase in number of units in rural areas runs counter to the RSS, whilst simultaneously removing the possibility of any affordable housing provision from smaller schemes.

2.4 Option 4 – Scale of contributions to reflect costs of different sized dwellings.

Pros

- ♦ Perception of fairness

Cons

- ♦ Developers encouraged to build smaller dwellings resulting in increased build rates, counter to RSS
- ♦ Not a clear policy, difficult to administer.
- ♦ Could be misinterpreted and open to abuse.

3. Background Information

- 3.1 Officers produced a briefing paper on the 12 October 2007 which provided the impetus for the review of affordable housing policy in rural areas and in particular the financial contributions required for single or odd dwellings. (Background Paper A).

4. Work example of revised SPD in practice

- 4.1. To assist Members this report contains a worked example of how the recommended option would work, based on the assumption of dwellings being 3 bed/ 4 persons units. (Appendix 2).

5. Financial Implications

- 5.1 The financial implications refer to the decreased level of financial return for affordable housing that can be secured from developments of single dwellings or odd dwellings in rural areas.
- 5.2 At present the requirement is 50%. Using the example of a £450,000 rural dwelling, once the developer has taken into account the financial payment from a Registered Social Landlord, (in this example £87,700), the council would expect to receive 50% of the remaining figure. Therefore 50% of £362,400 = **£181,200**
- 5.3 The recommendation of officers is to adopt a revision that secures a £26,000 flat fee on developments of single dwellings or odd dwellings in rural areas. Therefore, using the example of a £450,000 dwelling, the council would receive £26,000 rather than the £181,200 that could be achieved under the current SPD.

- 5.4 It should be made clear that the justification for this revision is based on the fact that the 50% rule for single dwellings or odd dwellings in rural areas has resulted in applications being withdrawn or refused based on objections to this requirement
- 5.5 The current 50% requirement appears to be an attractive option, but the reality is that it has not delivered. It is recommended that the flat fee of £26,000 (Option 2) is adopted to ensure the delivery of affordable housing provision.

6. Legal Implications

- 6.1 Financial provision for affordable housing will be subject to legal negotiations and formally outlined in Section 106 Agreements.

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| Appendices: | 1) Consultation Statement 2) Additional Information |
| Background Documents Used in the Preparation of this Report: | A) Affordable Housing Briefing Paper – 12 th October 2007 |

Previous Decisions Connected with this Report

| Report | Committee & Date | Minute Reference |
|--------|------------------|------------------|
| | NONE | NONE |