

<b>Title of Report</b>	<b>DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT (SPD)</b>	
<b>Presented by</b>	Councillor Robert Ashman 01530 273762 <a href="mailto:robert.ashman@nwleicestershire.gov.uk">robert.ashman@nwleicestershire.gov.uk</a>	
<b>Background Papers</b>	<a href="#">National Planning Policy Framework</a>  <a href="#">National Planning Practice Guidance</a>  <a href="#">North West Leicestershire Local Plan</a>  <a href="#">Statement of Community Involvement (February 2019)</a>	<b>Public Report:</b> Yes  <b>Key Decision</b> Yes
<b>Financial Implications</b>	The cost of preparing the SPD is being met through existing budgets. <b>Signed off by the Section 151 Officer: Yes</b>	
<b>Legal Implications</b>	None from the specific content of this report. The preparation of the SPD will need to comply with the Town and Country Planning (Local Planning) (England) Regulations 2012. <b>Signed off by the Monitoring Officer: Yes</b>	
<b>Staffing and Corporate Implications</b>	No staffing implications associated with the specific content of this report. Links with the Council's Priorities are set out at the end of the report. <b>Signed off by the Head of Paid Service: Yes</b>	
<b>Purpose of Report</b>	This report presents a draft Affordable Housing Supplementary Planning Document for Cabinet's consideration with a recommendation that it be referred on to Local Plan Committee. The SPD will provide additional guidance about the application of the Council's planning policies for affordable housing and the Council's wider operational support for affordable housing.	
<b>Recommendations</b>	<b>THAT CABINET REQUESTS THE LOCAL PLAN COMMITTEE TO APPROVE THE DRAFT AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT IN APPENDIX 1 FOR PUBLIC CONSULTATION.</b>	

## 1. BACKGROUND

- 1.1 Officers from the Planning Policy and Strategic Housing Teams have prepared a draft Affordable Housing Supplementary Planning Document which is attached at Appendix 1 of this report.
- 1.2 A supplementary planning document (SPD) is a document which provides further information about a policy or policies in a development plan. A SPD can be a helpful way to provide guidance on such matters as how a policy should be interpreted in development control decisions, what information applicants need to supply to meet the requirements of a policy and procedural arrangements. Importantly an SPD is not itself part of the development plan but it is capable of being a material consideration in planning decisions.
- 1.3 The Council previously had an Affordable Housing SPD dating from January 2011. Amongst other things, the 2011 SPD contained details of how commuted sums would be calculated where these are agreed in lieu of on-site affordable housing.

- 1.4 Following the adoption of the North West Leicestershire Local Plan (2017), Cabinet agreed that a number of SPDs and planning guidance documents, including the 2011 Affordable Housing SPD, should be withdrawn as a result of them becoming out of date and/or inconsistent with the adopted Local Plan.
- 1.5 More recently, an internal audit review of the Council's affordable housing Section 106/commuted sums process undertaken between October 2019 and February 2020 identified that the withdrawal of the 2011 SPD means that the Council no longer has a clear and publicly stated position on the calculation it uses for commuted sums. This risked an inconsistent approach and sums not being robustly justified. The review recommended that a new Affordable Housing SPD be prepared to address these matters with a target date of the end of August 2021.
- 1.6 Further, Local Plan Policy H5 – Rural Exceptions Sites for Affordable Housing states that an SPD will be prepared to help those preparing planning applications on rural exceptions sites.

## **2. DRAFT AFFORDABLE HOUSING SPD**

- 2.1 Importantly, an SPD cannot be used to change or add to the policies in the adopted Local Plan. Such policy changes can only be made through the Local Plan Review.
- 2.2 As outlined, the primary instigation for the SPD was the need for clarity concerning affordable housing commuted sums. Nonetheless, the acceptance of commuted sums is very much a last resort. The National Planning Policy Framework (NPPF) expects affordable housing to be provided on-site (paragraph 62) whilst Local Plan Policy H4(3) affirms that "the Council's preference is for on-site affordable housing provision" and the supporting text confirms that "exceptional circumstances" must be demonstrated for commuted sums to be accepted. This is the Council's expectation and is very much emphasised in the draft SPD.
- 2.3 In respect of commuted sums, the draft SPD sets out;
  - alternative ways to secure site-based provision which should be explored before commuted sums are considered
  - examples of circumstances which could be sufficiently 'exceptional' to justify commuted sums
  - two approaches for calculating commuted sums
    - where viability is an issue, the contribution is that which can be afforded based on an independent review of the applicant's viability assessment. The requirements for the viability assessment are set out in the SPD.
    - in all other cases, the contribution is based on the value of the affordable housing which would have been provided on site. The methodology is set out in the draft SPD.
  - timings of when commuted sums must be paid
  - the types of measures commuted sums could be spent on
- 2.4 The SPD is also an opportunity to set out a number of wider matters, namely;
  - information about the Council's general approach to affordable housing with respect matters such as to local connection requirements, the role of Registered Providers and eligibility criteria
  - how the Government policy requirements for 10% affordable home ownership and for First Homes, both introduced since the Local Plan was adopted, will be applied in planning decisions
  - the information the council requires to invoke the cascade arrangement in a signed section 106 agreement where changed circumstances mean the agreed affordable housing provision cannot be achieved

- confirmation of the policy approach to housing schemes which are predominantly or wholly affordable
- 2.5 The SPD also includes a section on rural exceptions sites. To recap, a rural exceptions site is a site in the countryside which is exceptionally permitted in order to meet a local, affordable need. To that effect, the draft SPD covers the following matters;
- evidential requirements including local affordable housing needs surveys
  - how 'locally identified affordable housing need', as required by Policy H5, is defined
  - approach to shared ownership on rural exceptions sites
- 2.6 SPDs do not require a Sustainability Appraisal whilst a Strategic Environmental Assessment screening is not required for this SPD as the environmental effects of the Local Plan policies to which the SPD relate, have previously been tested through the Local Plan process.
- ### 3. NEXT STEPS
- 3.1 Formulation of an SPD is an Executive function but adoption is a Council function which has been delegated to the Local Plan Committee.
- 3.2 Therefore, Cabinet are asked to request the Local Plan Committee of 8 September 2021 to approve the draft SPD go out to public consultation. The Town and Country Planning (Local Planning) (England) Regulations 2012 require a minimum of 4 weeks for consultation, but it is the Council's established practice as set out in the Statement of Community Involvement to undertake consultation over a 6 week period.
- 3.3 Following the public consultation a further report considering the responses to the consultation and amending the draft SPD as necessary will then need to be brought back to Cabinet and then to the Local Plan Committee for final approval.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The preparation of the Affordable Housing SPD will be particularly relevant for the following Council Priority; - Local people live in high quality, affordable homes
Policy Considerations:	Adopted Local Plan National Planning Policy Framework
Safeguarding:	None specific
Equalities/Diversity:	None specific
Customer Impact:	None specific
Economic and Social Impact:	The decision, of itself, will have no specific impact. The SPD, if approved, will have social benefits by supporting the delivery of affordable housing in the district
Environment and Climate Change:	The decision, of itself, will have no specific impact.
Consultation/Community Engagement:	The draft SPD will be published for consultation. The consultation arrangements will be governed by the Council's Statement of Community Involvement.
Risks:	None specific.
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