

**BROMSGROVE DISTRICT COUNCIL**

**LOCAL DEVELOPMENT FRAMEWORK WORKING PARTY**

**15<sup>TH</sup> OCTOBER 2009**

**AFFORDABLE HOUSING SPD**

Responsible Portfolio Holder	Councillor Mrs J Dyer
Responsible Head of Service	Dave Hammond, Head of Planning & Environment Services
Non-Key Decision	

**1. SUMMARY**

- 1.1 The purpose of this report is to present members with a Draft Affordable Housing Supplementary Planning Document (SPD).

**2. RECOMMENDATION**

- 2.1 Delegated authority is given to the Head of Service in consultation with the responsible portfolio holder to make further essential revisions to the draft SPD and then publish the document for formal consultation.

**3. BACKGROUND**

- 3.1 Over the last 5 years a Housing Needs Survey (2004), Strategic Housing Market Assessment (2007) and the recent Housing Market Assessment have all identified a significant level of need for affordable housing in the district of Bromsgrove. In light of the RSS housing figures in Panel Report it is considered necessary to progress the Affordable Housing SPD to maximise the delivery of affordable housing in both the short and long term.

**4. AFFORDABLE HOUSING SPD**

- 4.1 As outlined in PPS3 it is important for local planning authorities to base any policies for affordable housing on an identified need. In recent years Bromsgrove District Council has invested heavily in identifying the level of need for affordable housing across the district. Firstly a Housing Needs Study was completed in 2004, followed by a Strategic Housing Market Assessment in 2007 and most recently a Housing Market Assessment in 2008.
- 4.2 Each of these studies were carried out using slightly different methodologies meaning the results differ slightly. It is widely recognised that such studies are not an exact science due to the wide ranging variables and possible sources of information.

However, the most important details to come out of each study are that there is a significant need for affordable housing across the district and to address this need an Affordable Housing SPD is required.

- 4.3 The 2007 Strategic Housing Market Assessment (SHMA) for the South Housing Market Area identified a gross annual need for 597 affordable units. Taking into consideration annual supply from re-lets and annual new supply there was an annual shortfall of 286 units. This was significantly higher than other Worcestershire districts, with the exception of Worcester City.
- 4.4 The recent Housing Market Assessment also identified a significant need for affordable housing throughout the district, stating a minimum of 70 affordable units should be built each year.
- 4.5 The majority of affordable housing that comes forward through the plan period will be financed by the private sector through S106 agreements. In conjunction with the recent Housing Market Assessment, consultants carried out detailed financial modeling to calculate a level of affordable housing that would generally be viable for the private sector across a wide range of sites. The model took into consideration a variety of factors including construction costs, land values, rental costs, re-sale value whilst also allowing for gross profits for the developers of 15%. The modeling work concluded that a realistic target of 40% affordable housing should be set for housing developments.
- 4.6 The policies within the SPD reflect Core Policy 16: Affordable Housing of the Council's Draft Core Strategy but also provide a greater level of detail.  
The document sets the following thresholds:
  - In Bromsgrove Town a proportion of affordable housing will be sought on all sites equal to or over 0.4 hectares or 10 dwellings; and
  - In all other settlements the threshold will be reduced to 5 dwellings or all sites equal to or over 0.2 hectares
- 4.7 On all sites there is a minimum target that 40% of all new dwellings will be affordable. In circumstances where the applicant can fully demonstrate that 40% cannot be achieved a lower provision can attempted to be negotiated.
- 4.8 The document sets out the type and tenure of affordable housing that is provided so that balanced and mixed communities are created where people have housing choices. The document states that two thirds of the affordable housing provided will be low cost renting and the other third will be intermediate housing.

Intermediate housing can consist of shared ownership, intermediate rent and intermediate rent to purchase.

- 4.9 The recent Housing Market Assessment identified that the housing market in the district is unbalanced with a high percentage of large detached properties. To help address this balance and provide housing for the rising elderly population the document sets out that the following types of properties are required:
- 1/3 two bedroom properties suitable for the elderly
  - 1/3 two bedroom general needs properties (of which 50% should be flats and 50% houses)
  - 1/3 three bedroom properties
- 4.10 Naturally this breakdown of tenures and types will not be suitable on all housing developments but it provides developers with clear guidance as to the current housing requirement within the district. Each planning application will be dealt with on its own individual merits providing the opportunity for negotiation to deliver a scheme that is most appropriate for its location.
- 4.11 The document also addresses the use of a Rural Exception Sites Policy. This enables small sites to be used, specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint in most cases in Bromsgrove District this is the green belt. The SPD makes it clear that planning permission will only be granted where a need has been identified through a Local Housing Needs Survey. Guidance is provided on what the survey should contain to ensure that a need rather than a demand is identified.
- 4.12 It is intended that when adopted the Affordable Housing SPD will be linked to the Draft Core Strategy. After this time any applications for market housing that meet the thresholds set will provide some on-site affordable housing to increase provision across the district.

## **5. NEXT STEPS**

- 1.1 In response to member's comments and in conjunction with the Portfolio holder for Planning a final version of the SPD is to be approved and published for consultation. Once consultation has taken place the responses will be considered and any necessary changes made before a adoption version of the SPD is presented to members for approval.

## **6. FINANCIAL IMPLICATIONS**

6.1 The SPD is being produced by the Strategic Planning team and therefore there are no external costs associated with the production of this document.

## **7. COUNCIL OBJECTIVES**

### **7.1 Objective 1 Regeneration - Priority Housing**

The adoption of the Affordable Housing SPD would increase the provision of affordable housing in the district in line with Council's objectives.

## **8. LEGAL IMPLICATIONS**

8.1 The Affordable Housing SPD is being produced in accordance with the provisions set out in the Planning and Compulsory Purchase Act 2004, and prepared in accordance with The Town and Country Planning (Local Development) (England) Regulations 2004.

## **9. RISK MANAGEMENT**

9.1 The main risks associated with the details included in this report are:

- Without a detailed policy on affordable housing the council would risk not meeting its corporate objective of providing more affordable housing across the district.

9.2 These risks are being managed as follows:

Risk Register: Planning and Environment

Key Objective Ref No: 6

Key Objective: Effective, efficient, and legally compliant Strategic planning Service

## **10. CUSTOMER IMPLICATIONS**

10.1 Consultation to be carried out in line with legislation and adopted standards contained in the Bromsgrove District Council Statement of Community Involvement (SCI).

## **11. EQUALITIES AND DIVERSITY IMPLICATIONS**

11.1 None

## **12. VALUE FOR MONEY IMPLICATIONS**

12.1 None

## **13. OTHER IMPLICATIONS**

Procurement Issues	None
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Personnel Implications	None
Governance/Performance Management	None
Community Safety including Section 17 of Crime and Disorder Act 1998	None
Policy	Affordable Housing SPD sets clear planning policy in respect of the providing affordable housing.
Environmental	None

#### **14. OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	Yes – informal briefing
Chief Executive	No
Executive Director - Partnerships and Projects	No
Executive Director - Services	No
Assistant Chief Executive	No
Head of Service	Yes
Head of Financial Services	No
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	No

#### **15. WARDS AFFECTED**

All wards.

#### **16. BACKGROUND PAPERS**

Draft Affordable Housing SPD is attached as appendix A

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