

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ENVIRONMENT, CULTURE AND SPORT

TO:	Strategic Environment, Planning and Transport Committee		
DATE:	9 th July 2013	AGENDA ITEM:	10
TITLE:	SUPPLEMENTARY PLANNING DOCUMENT: AFFORDABLE HOUSING REPORT OF CONSULTATION AND ADOPTION		
LEAD COUNCILLOR:	CLLR TONY PAGE	PORTFOLIO:	STRATEGIC ENVIRONMENT, PLANNING AND TRANSPORT
SERVICE:	PLANNING	WARDS:	ALL
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to provide the results of consultation on the draft Supplementary Planning Document (SPD) on Affordable Housing that was approved by Cabinet in November 2012 and to seek adoption of the revised SPD document. The SPD is a significant update to the Affordable Housing section of the existing Planning Obligations Supplementary Planning Guidance (SPG) (adopted September 2004). It sets out how relevant affordable housing policies in the Reading Borough Local Development Framework (LDF policies: CS16 (Affordable Housing), CS13 (Impact of Employment Development, DM6 (affordable Housing and DM7 (Accommodation for Vulnerable People)) can be met in the current financial, legislative and operational environment for the provision of affordable housing. A copy of the revised SPD is attached as Appendix 2 to this report.

2. RECOMMENDED ACTION

- 2.1 That Committee notes the results of the consultation undertaken during November and December 2012 on the Draft Affordable Housing Supplementary Planning Document and approve the recommended Council Responses;
- 2.2 That Committee adopts the revised Affordable Housing Supplementary Planning Document (Appendix 2 to this report).

3. POLICY CONTEXT

- 3.1 The Council has existing Supplementary Planning Guidance (SPG) on Planning Obligations, adopted in 2004. This SPG includes a section on Affordable Housing. It provides guidance on the interpretation and implementation of policies in the Reading

Borough Local Plan (1998) that sought the provision of affordable housing on sites of 15 or more dwellings, and in relation to major commercial developments.

- 3.2 The Reading Borough Core Strategy (adopted in 2008) built on the existing local plan policy on affordable housing for sites providing 15 dwellings or more (Policy CS16). Policy CS 13 of the Core Strategy also seeks that employment development mitigate its impacts on increasing pressure for housing in the Borough through the payment of contributions towards the provision of affordable housing.
- 3.3 The Sites and Detailed Policies Document was found sound in August 2012, following an examination and a subsequent assessment of its contents against the NPPF. It was adopted by the Council on 23rd October 2012. It contains policy DM6 which requires developments of 1-14 dwellings to provide affordable housing in accordance with differing targets depending on the size of the site. It also contains policy DM7 which seeks the provision of accommodation for vulnerable people.
- 3.4 The use of section 106 agreements will change once the council adopts a CIL (Community Infrastructure Levy) charging schedule (a preliminary draft Charging schedule was approved by Cabinet in March 2013 and was the subject of consultation during March and April 2013). Most developer contributions towards infrastructure will then be made under the CIL regime. However, Section 106 agreements will remain primarily to facilitate the provision of affordable housing. Revised guidance is therefore needed to reflect the up to date policy and operational position relating to the provision of affordable housing as part of planning proposals.
- 3.5 The draft Supplementary Planning Document (SPD) on Affordable Housing was approved for consultation by Cabinet on 5th November 2012. Consultation was undertaken during November and December 2012 with information being posted on the Council's website and sent to all consultees on the Planning Policy database. Officers also made themselves available to discuss the draft SPD with interested parties. Some contact has also been made with planning agents who represent smaller developers who will be affected by the new policy DM6.

4. THE PROPOSAL

a) Statement of Consultation

- 4.1 A total of 10 letters of representation on the SPD were received, mainly from consultants and agents representing major landowners and developers. A number of the representations are very detailed, covering all parts of the document. The more detailed comments have led to a thorough review of the draft SPD. The representations cover the following main points:
 - The SDP is not in accordance with the NPPF and does not meet the tests for planning obligations set out in the Community Infrastructure Regulations;
 - Definitions of affordable housing in the draft SPD do not accord with those in the NPPF and other government policy and guidance;
 - The council's evidence base on housing need is flawed and has not been properly tested. It fails to demonstrate why family housing is a priority;
 - The policy should apply to the net increase in dwellings not the gross number. The requirements for calculating provision on the gross number of houses is inconsistent with the approach in the draft SPD in respect of flats which is calculated on the basis of the net additional number of units;

- The Council should not be seeking contributions towards affordable housing provision as part of employment developments;
- Various technical issues on the methodology for assessing viability set out in the draft SPD;
- Complaints that the policies in the LDF and the requirements of the SPD inevitably require a viability assessment to be submitted for all major and minor applications which is costly and time-consuming;

4.2 A separate Appendix 1 to this report (which is available with the Agenda papers on the RBC website) contains a Statement of Consultation that provides a schedule summarising each representation and a recommended Council response to each representation. Committee is recommended to note the representations and to approve the recommended Council Responses.

b) Option Proposed: Revised Affordable Housing Supplementary Planning Document

4.3 As a result of the consideration of the various representations, a number of small changes and refinements have been made to the draft SPD to make it more concise and to add clarity. No significant changes are made to the main requirements which in any case flow from the adopted policy, although they do have to be interpreted in the light of more up to date government policy as set out in the NPPF. The requirements/ guidance in relation to viability have been significantly revised to take on board points about making the information required clearer and simpler, particularly for small sites. This also takes account of recently published government guidance on the review and appeal of Section 106 Affordable Housing Requirements which contains some guidance on the requirements for testing viability assessments in relation to planning proposals.¹ Other main changes include:

- The provision for flat conversions to be calculated on a net addition basis is deleted as a lot of parties felt that it was inconsistent with the insistence on gross development otherwise;
- More detail and a methodology have been added to explain how CS13 on employment works in terms of affordable housing contributions.

A separate Appendix 2 to this report contains the Draft SPD that is now recommended for adoption (A track changes version of the SPD as approved by Cabinet in November 2012 is also available on request).

4.4 In the current economic circumstances, the viability of development is challenging. That raises difficulties for developers in meeting planning policy requirements and aspirations. Through the NPPF, the government has raised the importance of viability in the consideration of planning applications. Inevitably viability is a prominent and complicated issue in considering many applications and the need for such assessments has grown with the adoption of Policy DM6. It is accepted that resolving the issue of viability is resource intensive and involves some cost to all parties but there doesn't seem to be any reasonable way around it. The Revised SPD sets out a refined list of standard information requirements that applicants should submit within their viability appraisal. It is hoped that this will further help to reduce the work involved for both applicants in preparing appraisals and the council in assessing them. The document

¹ DCLG, Section 106 affordable housing requirements: Review and appeal, April 2013.

also makes provision for phased and deferred contributions, again taking account of the current economic conditions.

c) Other Options Considered

(i) Do nothing

- 4.5 The existing SPG no longer provides adequate guidance to guide development within the adopted policy and operational framework that exists in 2012. The existing SPG does not provide any guidance in the interpretation or implementation of Policy DM6. The absence of any further guidance would lead to a lack of clarity in the interpretation and implementation of current adopted planning policies on affordable housing provision and lead to a need for additional, costly negotiation in determining planning applications.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 The adoption of the Affordable Housing SPD will contribute to achieving the Council's following strategic aims, through providing affordable housing as part of residential development and relevant employment development within the Borough:

- To develop Reading as a Green City with a sustainable environment and economy at the heart of the Thames Valley;
- To establish Reading as a learning City and a stimulating and rewarding place to live and visit;
- To promote equality, social inclusion and a safe and healthy environment for all.

- 5.2 In addition the Affordable Housing SPD will support the implementation of both the Council's Housing Strategy and planning policy as set out the Reading Borough Local Development Framework.

6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 Public consultation was undertaken for a period of 6 weeks during November and December 2012. This consultation involved sending out consultation letters and emails to relevant parties on the LDF team's consultation database to include government departments, adjoining local authorities, developers and agents, other users of the planning system and local interest groups. The consultation was also advertised via the RBC website.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 In drafting the draft Affordable Housing SPD and in planning the consultation on the draft document, the Council has had regard to the general equality duty imposed by the Equality Act 2010 (S.149). This requires public authorities, in the exercise of their functions, to have due regard to the need to eliminate discrimination, harassment and victimisation etc.; to advance equality of opportunity between people who share a relevant protected characteristic and people who do not; and to foster good relations between people who share a relevant protected characteristic and those who do not.

- 7.2 The Council has carried out an Equality Impact Assessment, and considers that the process of adopting and the operation of the SPD will not have a direct impact on any

groups with protected characteristics. The Scoping Assessment, included at Appendix 3 (attached) identifies that an Equality Impact Assessment (EqIA) is not relevant to the SPD as it will apply to all applicants for planning permission and all developers of relevant schemes. While the provision and allocation of affordable housing has implications for many groups and communities in Reading, there is no evidence that the operation of SPD will have a direct impact on any groups with protected characteristics.

8. LEGAL IMPLICATIONS

- 8.1 Once adopted, the Revised Supplementary Planning Document (SPD) will be a material consideration when determining planning applications. It will be afforded maximum weight given that it has been prepared in accordance with the current national guidance and regulations, including being the subject of comprehensive consultation. It should be noted that an SPD is not able to make policy and can only provide additional guidance on existing adopted policies contained within the Development Plan. It will replace the section on affordable housing in the existing Planning Obligations SPG adopted in September 2004.

9. FINANCIAL IMPLICATIONS

- 9.1 The costs of drafting, consulting on and administering the adopted SPD have been undertaken within existing budgets.

Value for Money

- 9.3 The adoption of the SPD will ensure that the Council maximises developer contributions of affordable housing and, on the basis that the Council has the means to recoup administration costs, represents value for money.

Risk Assessment

- 9.4 There are no financial risks associated with producing the SPD or undertaking community involvement on the SPD. The SPD will assist the Council in negotiating for the provision of affordable housing and/or financial contributions towards such provision. It is arguable that the absence of an SPD providing such guidance would make the negotiation of such provision more difficult.

10. BACKGROUND PAPERS

- Planning Act 2008;
- Localism Act 2011;
- National Planning Policy Framework (DCLG), 2012;
- DCLG, Section 106 affordable housing requirements: Review and appeal, April 2013
- Reading Borough Council Supplementary Planning Guidance: Planning Obligations under Section 106 of the Town and Country Planning Act 1990, Final SPG (2004);
- Reading Borough Council LDF: Core Strategy (Adopted, 2012);
- Reading Borough Council LDF: Sites and Detailed Policies Document (Adopted, 2012);
- RBC, Housing Strategy, Firm Foundations: Housing Strategy 2009-2014, 2009

Appendix 2

Copy of the Draft Affordable Housing Supplementary Planning Document.

APPENDIX 2: EQUALITY IMPACT ASSESSMENT

Provide basic details

Name of proposal/activity/policy to be assessed:

Directorate: ENCAS - Environment, Culture and Sport

Service: Planning and Building Control

Name: Affordable Housing Supplementary Planning Document

Job Title: Date of assessment: 26/06/13

Scope your proposal

What is the aim of your policy or new service?

To provide guidance to developers and other stakeholders on the implementation of policies in the Council's Local Development Framework that seek the provision of affordable housing as part of residential and major commercial proposals.

Who will benefit from this proposal and how?

All developers will benefit as the SPD will set out how the relevant policies will be operated. The community of Reading will benefit from the provision of affordable housing as part of development proposals in the Borough, contributing towards mixed communities and to meeting the needs of households who cannot afford housing at open market prices.

What outcomes will the change achieve and for whom?

The SPD will enable the Council to continue to successfully achieve the provision of affordable housing as part of private development proposals and thus contribute to providing for the need for affordable housing in the Borough.

Who are the main stakeholders and what do they want?

All developers and the public. Developers want certainty over relevant costs to apply in bringing forward development proposals. Other stakeholders want to ensure that the Council uses all measures available to secure affordable housing to meet the identified needs in the Borough. The affordable housing provided may serve to assist particular groups within the community who need particular facilities as part of their accommodation (e.g. units specifically adapted for disabled people).

Assess whether an EIA is Relevant

How does your proposal relate to eliminating discrimination; promoting equality of opportunity; promoting good community relations?

Do you have evidence or reason to believe that some (racial, disability, gender, sexuality, age and religious belief) groups may be affected differently than others? (Think about your monitoring information, research, national data/reports etc)

Yes No

Is there already public concern about potentially discriminatory practices/impact or could there be? Think about your complaints, consultation, feedback.

Yes No

If the answer is Yes to any of the above you need to do an Equality Impact Assessment.
If No you **MUST** complete this statement.

An Equality Impact Assessment is not relevant because the SPD will apply to all developers, and the level of provision will be based on the size of the proposed scheme. There is no evidence that any group will be treated differently. The output of the policy will be the provision of affordable housing, for which there is no evidence or belief that any group would be treated differently. Decisions on the provision of affordable housing will also be made having regard to the general equality duty imposed by the Equality Act 2010 (S.149).