

REPORT TO CABINET

REPORT OF: Head of Planning Policy and Economic Regeneration

REPORT NO. PLA488

DATE: 4th April 2005

TITLE:	Securing Affordable Housing through Planning - Housing Need Survey 2002
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	17 th March 2005
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr John Smith (Economic Portfolio) Cllr Peter martin-Mayhew (Housing Portfolio)
CORPORATE PRIORITY:	Currently B (proposed to be A)
CRIME AND DISORDER IMPLICATIONS:	None
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publically available via the Council's website
BACKGROUND PAPERS:	Housing Need Survey 1999 Housing Need Survey updated 2002

1. INTRODUCTION

- 1.1 This report follows on from the recent inspection of the Council's Housing Service, and particularly the Inspector's recommendations in relation to the provision of affordable housing in the District. Consideration is given in this report to the most appropriate ways of achieving this through the planning system over the next two years prior to the adoption of new planning policies included within the Local Development Framework (LDF).
- 1.2 It is proposed that new affordable housing policies will be included within the Core Principles of Development and Location Strategy document which will be the first of the LDF policy documents to be adopted which is timetabled to occur in August 2007. These policies will be expanded through a Supplementary Planning Document (SPD) published soon after adoption of the policy document.
- 1.3 It is important that the council continues to maximise opportunities to deliver affordable housing through the planning system in the intervening two year period. Ideally this would be done through the publication of Supplementary Planning Guidance, however changes to the planning system together with the age of the existing policies and the proposed availability in October of new affordable housing need survey data means that preparing such guidance at this stage is not possible.
- 1.4 It is proposed however that the existing procedure whereby the affordable housing policies (H8 and H9) of the South Kesteven Local Plan (adopted 1995) supported by the information provided by the Housing Need Survey (updated 2002) be formalised and approved by Cabinet.

2. RECOMMENDATIONS

2.1 Cabinet is asked to adopt the following procedure for negotiating the delivery of affordable housing through the planning system:

- a) The provision of affordable housing should be made in accordance with the requirements of Policy H9 of the South Kesteven Local Plan (Adopted April 1995) on all housing developments which meet the thresholds set out in Circular 6/98 Affordable Housing and the updated housing needs survey (2002)
- b) Provision should be made in accordance with the conclusions of the Housing Need Survey (2002) produced by Fordhams. This document will be used as evidence to support the Council's negotiations with applicants and in the drawing up any necessary conditions or S106 obligations.

3. DETAILS OF REPORT

- 3.1 The South Kesteven Local Plan (adopted 1995) will be automatically “saved” until September 2007. This plan includes two policies on affordable housing. Policy H8 concerns rural exception schemes where planning permission will be granted for affordable housing in locations where development would not normally be considered acceptable (subject to certain proviso’s) and policy H9 which requires an appropriate mix of houses including the provision of affordable housing where there is a demonstrable lack of affordable housing to meet local needs.
- 3.2 Whilst these policies pre-date more recent government advice on delivering affordable housing through the planning system (notably PPG3 Housing and Circular 6/98) they do continue to provide a valid basis for determining applications for affordable housing schemes and more importantly for negotiating the provision of affordable housing on private market housing development. Ideally these policies and the information provided by the most recent housing need survey would be expanded upon through “Supplementary Planning Guidance”(SPG). The new planning system no longer allows for new SPG to be prepared, but Supplementary Planning Documents (SPD) can be prepared to expand upon adopted and saved policies.
- 3.3 A timetable has been proposed which will ensure that the first of the LDF policy documents – the Core Principles of Development and Location Strategy documents will be adopted by August 2007. This document will include new affordable housing policies which will replace those of the South Kesteven Local Plan. The preparation of these new policies will provide the opportunity to incorporate new national and regional policy advice on this matter and to incorporate the latest housing need survey data. A new housing need survey is expected by October this year.
- 3.4 In light of these changes and the proposed timetable for the LDF it seems sensible at this stage to formally endorse the findings of the 2002 Fordhams Housing need survey, as the evidential base for the Council’s negotiations with developers. When the new need survey is available work can begin on preparing either an interim affordable housing policy or a new SPD, which ever is most appropriate in light of the conclusions of the survey.

4. Findings of the 2002 Housing Need Survey (by Fordhams)

- 4.1 The survey provides a definition of affordable housing as:

“Households lacking their own housing or living in housing which is inadequate or unsuitable for its requirements and who cannot afford to resolve the unsuitability within the private sector housing market”.
- 4.2 The report incorporates the survey data, based upon postal survey and interview data undertaken in 1999 to identify the level and sort of need. Financial information relating to average annual incomes, and housing market

survey which reveal the average property prices were undertaken in 2002 as part of the process of updating the conclusions of the report and survey in 2002. The objective of the survey was to identify the amount of affordable housing needed over the next five years, and to assess the size, tenure and level of affordability which is required.

Identifying the need

4.3 The study considers **backlog need** that is those households already living in unsuitable housing and currently in need and **newly arising need** – that is need arising from new households which form over the five year period, an estimate of existing households who will fall into the category of need within the next five years and the level of immigration expected. (This newly arising need excludes those households already in need which are calculated in the backlog need figure)

Existing supply

4.4 The survey then considers the amount of affordable housing available to meet this need. This process enables the identification of the level of need likely over the five year period. This process also indicates the supply of dwellings by size to the identified need by size. This reveals that there is a shortfall of housing across all sizes except 3 bedroom properties where there is a small surplus. The main area of shortfall is for 1 bedroom accommodation.

Tenure

4.5 By assessing average incomes and property prices it is concluded that low cost market housing cannot meet any of the housing need identified in the district. Shared ownership will only meet a fraction of the need, the remainder can only be met through social rented housing.

SURVEY CONCLUSIONS

4.6 The survey concludes that over the five year period 2002 – 2007 there will be a shortfall of 147 affordable housing units per year. New affordable housing should be provided in the social rented sector, following the pattern of size indicated in the report. On the basis of the survey a target level of 36% is recommended for affordable housing provision on private market housing developments this should be achieved through negotiation with developers and applicants.

4.7 A threshold of 15+ dwellings or larger than 0.5 ha is suggested in settlements of 3000 or more and a lower threshold of 2+ dwellings in smaller settlements is also recommended for both allocations and windfalls. This threshold would normally be incorporated into a local plan policy.

5. CONCLUSIONS

5.1 The affordable housing policies (H8 and H9) of the South Kesteven Local Plan – adopted 1995 will be the saved policy base for delivering affordable housing through planning over the next 3 years. Ideally these policies would be expanded upon through Supplementary Planning Guidance. However the changes to the new planning system means that this is not possible at this moment in time. The timetable for the preparation of the Local Development Framework together with the availability in the latter part of this year of a new housing need survey, means that the most resource effective approach at this moment is to endorse the current housing need survey as the evidence base for negotiating affordable housing provision on development sites through policy H9 of the adopted local plan.

6. CONTACT OFFICERS

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