

# Appendix 1

<b>REPORT TO:</b>	<b>Housing and Community Services Committee</b>	<b>AGENDA ITEM:</b>
<b>DATE OF MEETING:</b>	<b>7<sup>th</sup> February 2008</b>	<b>CATEGORY:</b> <b>Delegated</b>
<b>REPORT FROM:</b>	<b>Director of Community Services</b>	<b>OPEN:</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>Ian Bowen (x5821) / Beverly Wagstaffe (07976 081933)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Affordable Housing Provision in South Derbyshire: A Guide to Delivery</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>All</b>	<b>TERMS OF REFERENCE:</b> <b>EDS03 &amp; HCS01</b>

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## **1.0 Recommendations**

That:

- (a) members approve the draft document attached at the Appendix to this report: 'Affordable Housing in South Derbyshire – A Guide to Delivery';

## **2.0 Purpose of Report**

- 2.1 To consider the draft document - 'Affordable Housing in South Derbyshire – A Guide to Delivery' and, together with Environmental and Developmental Services Committee approve that the guide be issued to developers.

## **3.0 Detail**

- 3.1 In line with national trends, there is an increasing need for the provision of affordable housing in the District as house prices continue to rise relative to incomes.
- 3.2 This is underlined by recent Government policies in Planning Policy Statement 3 (PPS3) and related documents which acknowledge the particular problems of affordability in rural districts and smaller settlements. As a result, and in the context of limited public subsidies, the Government has advised that, amongst other measures, best use should be made of

“section 106” developer contributions negotiated as part of open market residential schemes.

- 3.3 Normally, the Council would rely on relevant policies set out in a Local Plan or in Local Development Framework (LDF) documents, informed by a strategic housing needs assessment, to provide the basis for negotiating the amount and type of affordable housing to be provided.
- 3.4 However, the South Derbyshire Local Plan, which was adopted in 1998 is now somewhat dated and out of step with the advice of PPS3. The Council’s LDF is at an early stage of preparation in a process which will involve extensive and complex statutory procedures including multiple stages of consultation and ‘sustainability appraisal’. The Council is also awaiting an up-to-date strategic housing market assessment expected in Spring 2008.
- 3.5 The Council is therefore currently drawing on a ‘saved’ policy in the Adopted Local Plan but also on national and existing and emerging regional planning policies in negotiating s106 agreements. The need to refer to a range of documents exacerbates an already complex negotiating process which often requires lengthy discussions between the Council’s housing and planning departments, the developer, Registered Social Landlords (RSLs) and the Housing Corporation. In this regard, frequent requests for advice and clarification are received from prospective developers about the Council’s policies and procedures over affordable housing provision.
- 3.6 In view of the above, there would be considerable merit in formalising the Council’s current approach to securing affordable housing via s106 contributions in a single ‘Guide to Delivery’ document. Whilst this would not be a formal document carrying any statutory status, it would provide much needed clarity to prospective applicants on the policies the Council will have regard to in seeking contributions towards affordable housing, as well as setting out procedural issues, until such time as LDF documents are in place. It would also greatly assist in the timely determination of planning applications. The need for such a document is also expressly acknowledged in the Council’s Corporate Plan.
- 3.7 It is important to note that the document cannot, and does not attempt to, introduce new policies. Instead it merely clarifies current policies as they apply to South Derbyshire and indicates how these are applied. The document also takes the opportunity to set out internal procedures and contact details and makes provision for the levying of an affordable housing delivery charge to reflect the additional burden to the authority in meeting the Government’s requirements for more effective use of s106 agreements as a means of delivering affordable housing.

- 3.8 In terms of content, the draft document reviews relevant national, regional and local planning policies and highlights the need for applicants to seek the Council's advice early on in the development process. It indicates that an appropriate mix of affordable housing should be provided on-site and retained for future eligible households. The draft Guide also sets out important principles relating to the funding, management and design of affordable housing as well as advice on the operation of the 'rural exceptions' policy.
- 3.9 The document will also be considered by Environmental and Developmental Services Committee.

#### **4.0 Financial Implications**

- 4.1 A modest delivery charge is proposed to be levied where s106 agreements are used to secure affordable housing. The burden upon the local authority in negotiating such contributions for affordable housing has, and will continue, to increase and it is reasonable to levy a modest charge commensurate with the scale of proposals to cover those costs. The charge will also assist in the process of engaging expert guidance where necessary and in keeping the housing needs assessments up to date.

#### **5.0 Corporate Implications**

- 5.1 The preparation of a best practice document guiding the provision of affordable housing fulfils a commitment in the Council's Corporate Plan to publish such a document.
- 5.2 The document has been prepared jointly by the Planning Policy and the Housing Strategy Managers. The latter undertakes the negotiations regarding the provision of affordable housing and the delivery charge will assist the Housing Service in carrying out this work.

#### **6.0 Community Implications**

- 6.1 The guidance will assist in the provision of affordable housing for all in the best interests of the community.

#### **7.0 Background Papers**

None