



*St Edmundsbury*  
BOROUGH COUNCIL

Replacement

# St Edmundsbury Borough Local Plan 2016

Local Plan Inquiry

Topic Paper 3:  
Affordable Housing

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## **1. Introduction**

- 1.1 This Topic Paper provides a more detailed explanation of the policies contained in the Redeposit Draft Replacement Local Plan for the provision of affordable housing and in particular policies H4 and RU8 and the supporting paragraphs. The context for this Topic Paper is contained in government planning policy guidance notes (PPG's), planning policy statements (PPS) and government circulars; Regional Planning Guidance 6 – East Anglia (RPG6); and the Suffolk County Structure Plan review 2001 (the county structure plan).
- 1.2 There are separate but related topic papers on the development strategy, housing and employment.

## 2. POLICY CONTEXT

### National Planning Policy

- 2.1 One of the most relevant government planning guidance in respect to the matters covered by this Topic Paper is **PPG3: Housing** (March 2000). The PPG states that local planning authorities should plan to meet the housing requirements of the whole community, including those in need of affordable and special needs housing.
- 2.2 Paragraph 14 of PPG3 states:
- “a community’s need for a mix of house types, including affordable housing, is a material planning consideration which should be taken into account when formulating development plan policies and in deciding planning applications involving housing. Where there is a demonstrable lack of affordable housing to meet local needs – as assessed by up-to-date surveys and other information – local plans and UDPs should include a policy for seeking affordable housing in suitable housing developments.”*
- 2.3 Local plan policies should define what is affordable in the local plan area (Para 15) and indicate how many affordable homes need to be provided in the plan area. PPG3 goes on to state that rural affordable housing provision may be augmented by an 'exception' policy. (Para. 18).
- 2.4 An update to PPG3 was published in January 2005 to replace paragraph 18 and Annex B and amend paragraph 36 of the PPG. **PPG3 Update: Planning for Sustainable Communities in Rural Areas** enables local planning authorities to allocate or release small sites within or adjoining existing small rural communities, which would not otherwise be released for housing, but only to provide affordable housing to meet local needs in perpetuity.
- 2.5 In January 2005 the Government issued a consultation paper on further changes to PPG3 **Planning for Mixed Communities**. The Government policy is to create sustainable and socially inclusive communities that offer a wide range of house types and tenures. The importance of local housing assessments is stressed and a guide on how these should be conducted is to be produced.
- 2.6 If a local authority wishes to set its minimum site-size threshold lower than 15 dwellings this should be fully justified (para 11). The presumption is that affordable housing provided through planning obligations will be in kind on the site, but LDDs will need to set out the circumstances where provision may not need to be on-site (para 12). Policies on affordable housing can be applied to sites below the site-size threshold when they are capable of delivering more housing than proposed or where they form part of a larger development (para 14).

- 2.7 However, these proposed changes are at the consultation stage only and therefore carry little weight in the context of the Local Plan.
- 2.8 Government policy on affordable housing is detailed in **Circular 6/98 "Planning and Affordable Housing"** published in April 1998 and remains current national guidance within the context of PPG3. The circular states that where there is evidence of need for affordable housing, local plans should include a policy for seeking an element of such housing on suitable sites. Most significantly, the circular states that a community's need for affordable housing is a material planning consideration that should be taken into account in formulating development plan policies and deciding planning applications. The Circular advises that planning policies should not be expressed in favour of any form of tenure and states that the term affordable housing encompasses both low cost market and subsidised housing, irrespective of tenure, ownership or financial arrangements.
- 2.9 The guidance also emphasises the importance of local housing needs assessments in providing the foundation for affordable housing policies and contains some guidance on the approaches that should be used in such assessments. This advice is further expanded on in the Government's **Local Housing Needs Assessment: A Guide to Good Practice (DETR 2000)**. It also notes that assessments should be kept up-to-date during the plan period.
- 2.10 Paragraph 10 of the Circular sets out the criteria for affordable housing sites as housing developments of 25 or more dwellings, or residential sites of 1 hectare or more, irrespective of the number of dwellings. Paragraph 10 goes on to state that "...it may be appropriate for local planning authorities who are able to demonstrate exceptional local constraints, to seek to adopt a lower threshold ..." but that this should not be below 15 dwellings or 0.5 hectare.

#### Regional Planning Guidance

- 2.11 **RPG6: Regional Planning Guidance for East Anglia to 2016**, was published in November 2000. Paragraph 3.5 lists the objectives of the RPG which includes "To meet identified housing needs, including affordable housing".
- 2.12 Paragraph 4.20 states that a range of types of housing will be needed if all sections of the community are to have the opportunity of a decent home. Development plans should include policies on the types, sizes and mix of housing. Among the factors to be taken into account in developing such policies are:
- that most of the growth will be in one person households;
  - the need for housing to be affordable;
  - any backlog of unmet need;

- making economic use of the available land and buildings; and
  - creating socially mixed and inclusive communities.
- 2.13 Paragraph 4.21 explains that housing affordability is critical for ensuring access to housing, particularly in areas with high land and house prices. Limited affordability will tend to exacerbate social exclusion and increase the demand for and the difficulty in providing social housing. It will tend to increase long distance commuting and could frustrate economic growth, particularly in areas of strong economic performance, by constraining local labour supply.
- 2.14 Policy 10 of RPG6 states that development plans should ensure that affordable housing is provided where it is needed in both rural and urban areas and located, wherever possible, where there are good public transport services to employment and services. Plans should include policies for securing an adequate supply of affordable housing based on local housing strategies which in turn should be based on robust local assessments of need. In rural areas, appropriate thresholds should be set for settlements with a population of 3,000 or less.
- 2.15 In December 2004 the East of England Regional Assembly launched, for consultation purposes, the **Draft Regional Spatial Strategy for the East of England (the East of England Plan)**. At the same time the Regional Assembly "suspended its endorsement of the Plan due to lack of central government funding for essential infrastructure. However, the Assembly reiterated its commitment to the public consultation on the draft East of England Plan in order to gauge response and gather comments on the development proposals." The start of the Examination in Public of the Plan has been postponed to 1 November 2005 and is scheduled to continue until March 2006. It is not anticipated that the Panel's report will be published until after the Replacement Local Plan is adopted.
- 2.16 Due to the draft status of the Plan, particularly at the time of preparation of the re-deposit local plan, it is not appropriate to afford significant weight to the policies and proposals of the draft East of England Plan. The Plan has not been endorsed by the government and a number of objections have been submitted to the regional assembly which could impact on the development policies for the borough.
- 2.17 Notwithstanding the draft status of the East of England Plan, in establishing levels of planned housing provision, draft RSS takes into account, inter alia, the need for more houses that are affordable, in both urban and rural areas. Policy SS13 "Overall Housing Provision" in the core spatial strategy specifies the requirement for all forms of affordable housing within the total regional annual provision. This policy states that affordable housing must constitute at least 30% of housing supply in all local authority areas, though the overall aspiration is to secure at least 40% where housing stress warrants higher provision. Provision in excess of 30% will be defined and justified in local

development documents and housing strategies, informed by local housing assessments.

- 2.18 Policy H2 "Affordable Housing and Mix of Housing Types" states that Local Development Documents should , amongst other things, secure an adequate supply of affordable housing consistent with local assessments of need.

### County Structure Plan

- 2.19 The relevant local strategic planning guidance is the Suffolk County Structure Plan Review 2001. It provides a statutory and approved basis for the preparation of policies in the Local Plan. Many of the policies in the Structure Plan have been "saved" pending the approval and publication of the East of England Plan. The County Council has confirmed that the re-deposit draft Replacement Local Plan has been prepared in accordance with the County Structure Plan and has accordingly issued a Certificate of Conformity. The draft replacement local plan does not seek to repeat the policies of the Structure Plan but does provide local amplification of the policy where necessary.
- 2.20 The Structure Plan defines affordable housing as housing for local households whose incomes are insufficient to enable them to purchase or rent accommodation locally on the open market. In preparing local plan proposals and in determining planning applications, District Councils should in particular try to achieve the provision of housing which by virtue of its type and size is likely to contribute to meeting local housing needs, including special needs where appropriate.
- 2.21 Policy CS9 states that where a local need for affordable housing is identified, local planning authorities should seek an appropriate proportion of affordable housing on local plan housing allocations and in determining development proposals. The Policy also sets out the principle of allowing development of affordable housing on sites which would not normally be allocated for general market housing - the so called "exceptions policy". The policy would most frequently apply in villages.

### **3 Re-deposit Draft Replacement Local Plan**

- 3.1 The policies relevant to this Topic Paper are H4 of the Housing chapter and RU8 of the Rural Area chapter. Policy H4 is set within the context of paragraphs 3.18 to 3.25 and RU8 in the context of paragraph 5.23.
- 3.2 Reference has already been made to the need for up-to-date housing needs assessments to provide a foundation for affordable housing policies in development plans. Paragraph 3.19 refers to the Housing Needs Study commissioned by the Borough Council in 1998. In preparing the replacement local plan, a review of the 1998 Study was undertaken in 2001 and the outcomes of this provide the basis for the policies in the first draft and re-deposit replacement local plans. Since the re-deposit replacement local plan was published a new housing requirements study has been commissioned and this was reported to the Council's Planning Policy Panel on 10 August 2005. The 2005 Study is a Core Document to the Inquiry.
- 3.3 Paragraph 3.20 of the re-deposit draft local plan provides a summary of the 2001 housing needs study review, and the following paragraphs indicate the type and amount of affordable housing which will be required in the borough. The 2001 review was undertaken within the context of Circular 6/98 and the subsequent good practice guidance published by the government.
- 3.4 The 2001 study recommended that 40% of housing on allocated and windfall sites should be affordable. The study also recommended the site thresholds to which the policy should apply and these are included in Policy H4. It is therefore clear that the Affordable Housing draft replacement local plan, in terms of amount required and sites to which the requirement should apply are backed up by clear and robust evidence.
- 3.5 The 2005 Housing Requirements Study (HRS) has reinforced the conclusions of the 2001 review. The 2005 study confirms that the overall need for affordable housing remains at around 40-50% of the total requirement and that the Council target to achieve 40% on new developments remains appropriate. It is therefore not proposed to change the percentage requirement or the site thresholds. Whilst the 2005 Housing Requirements study does not specifically refer to thresholds, it does advise that affordable housing sought through the planning system will only cover certain qualifying sites and that the Council should secure affordable housing on as many sites as possible in order to maximise affordable housing delivery across the borough. The Council believes that the level of need identified by the 2005 HRS demonstrate exceptional circumstances which justify the thresholds. In addition to this, the position for housing provision in St Edmundsbury as explained in the Housing Topic Paper is that it has not been necessary to allocate additional large scale greenfield housing allocations. With the emphasis on re-using previously-developed land, it is considered

the increased likelihood of smaller sites coming forward for housing development could diminish the supply of affordable housing if the thresholds were increased. It is also pertinent to note that, whilst still only a consultation document, in the Government's "Planning for Mixed Communities" there is an acceptance that local authorities may wish to set the minimum site-size threshold below 25 dwellings where the majority of housing comes from smaller sites.

3.6 Paragraph 3.23 of the re-deposit replacement local plan addresses the tenure of affordable housing. It notes that for affordable housing to be viable it must meet the following tests:-

- be only for households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some help; and
- such housing should be available, both initially and for subsequent occupancy, only to those with a demonstrable housing need.

3.7 Paragraph 3.23 continues that the 2001 study found that the only tenure which will meet the above tests in the borough is rented accommodation provided by a registered social landlord. The 2005 HRS advises that the housing mix may require a more even balance between social and intermediate housing than previously sought. As a result of this advice, it is proposed to amend the accompanying text to Policy H4 so that affordable housing from sources other than Registered Social Landlords will also be considered where the case can be made and that "the type of affordable housing to be provided and the mechanism by which it will be secured will be determined by negotiation between the Council and developers". Specific reference to Registered Social Landlords in Policy H4 itself will also be deleted and the definition of affordable housing will be clarified at paragraph 3.22 to reflect the definition in Circular 6/98.

3.8 In accordance with advice in PPG3, Policy RU8 of the Replacement Local Plan deals with rural housing exceptions sites in order to meet rural affordable housing need. Given the predominantly rural nature of St Edmundsbury, this is an important policy for providing the opportunity to deliver affordable housing schemes in the rural areas. In association with this policy, tight Housing Settlement Boundaries are defined in villages to assist with the delivery of exceptions site housing and reduce the "hope value" of edge of village locations.

3.9 The amendment to PPG3 published in January 2005 enables local authorities through development plans to identify sites in rural areas solely for affordable housing. The re-deposit draft replacement local plan does not identify sites solely for affordable housing in the rural areas, but Policy RU8 is a criteria based rural exceptions policy which enables such sites to be permitted in accordance with the Local Plan. The change to Government policy came too late for such affordable

housing allocations to be implemented through the Replacement Local Plan. Sites have been put forward by objectors to the Plan (Omission Sites) suggesting their allocation for affordable housing. The Borough Council is of the opinion that they have not been backed up by a demonstration of local need or that the sites in question are acceptable to the local community or Registered Social Landlords. However, this will be considered carefully when the Local Plan is to be the subject of an early review through the preparation of a local development framework.

#### **4. Conclusion**

- 4.1 If the local authority is to provide affordable housing delivered through the planning process in line with national and regional guidelines, the local plan must contain policies that are sufficiently robust to deliver it. The Council is of the opinion that the percentage of affordable housing sought and the site size thresholds in Policy H4 are fully justified by the local evidence of need for affordable homes. This is supported by a robust and up-to-date Housing Requirements Study.
- 4.2 The Council considers that the policy framework set by the plan and proposed pre-inquiry changes to it, is sufficiently flexible to ensure that appropriate housing development will not be prevented by any unusual or additional costs incurred in developing particular sites. As the policy allows for viability to be taken into account, it will not impede the delivery of housing, but will make a significant contribution towards the creation of mixed, inclusive and sustainable communities. The Council considers, therefore, that Policy H4 sets out an appropriate policy framework and should be retained.
- 4.3 Similarly, the policy stance set out in Policy RU8 is justified in order to help meet rural affordable housing needs. It is not appropriate to delay the adoption of the Plan at this time to allocate sites for affordable housing in rural settlements. An early review of the Plan will enable all possible options to be examined in consultation with the local community and Registered Social Landlords.

## **List of Documents Referred to in this Topic Paper**

PPG3: Housing (March 2000)

PPG3 Update: Planning for Sustainable Communities in Rural Areas (January 2005)

Planning for Mixed Communities – Consultation Draft (January 2005)

Circular 6/98 “Planning and Affordable Housing” (April 1998)

Government’s Local Housing Needs Assessment: A Guide to Good Practice (DETR 2000).

RPG6: Regional Planning Guidance for East Anglia to 2016 (November 2000)

Draft Regional Spatial Strategy for the East of England (the East of England Plan) (December 2004)

Suffolk County Structure Plan Review (2001)

Housing Topic Paper

St Edmundsbury Housing Requirements Study (2005)