Public Document Pack

DEVELOPMENT PLAN PANEL

16TH JANUARY 2018

Item 7 CSSR Supplementary Pack - revised Policy H5 Review of Affordable Housing
To replace pages 22 to 25 of the main agenda pack

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Policy H5: Review of Affordable Housing Policy

[The following text will replace paragraphs 5.2.12 – 5.2.17 of the Core Strategy 2014]

H5 Affordable Housing

5.2.12 In conformity with national planning guidance, affordable housing will be required to meet local needs informed by the Leeds Strategic Housing Market Assessment (SHMA 2017) and the Economic Viability Study 2017.

5.2.13 The Strategic Housing Market Assessment (2017) identifies an annual need of 1230 affordable housing dwellings across Leeds. It also suggests that 67.2% of affordable dwellings are needed for affordable or social rent (as defined in the NPPF), and 32.8% are needed for intermediate tenures as defined in the NPPF. Policy H5 translates this need into requirements for affordable housing that have been viability tested. It should be noted that Leeds City Council is investing heavily to improve the City Centre and Inner Areas of Leeds and it is expected that progressive regeneration activity will improve the strength of these housing markets so that higher affordable housing targets can be achieved through Plan Review in the early 2020s. Targets are set for provision of affordable housing in the 4 affordable zones with a mix of affordable types relating to low earnings of households.

5.2.14 The 40% and 60% requirement for a mix of Intermediate and Social Rented affordable to include affordable) dwellings (as defined by the NPPF), means that developers are expected to provide a mix of affordable dwellings that will be affordable to households on low and very low earnings or income. Social Rented (as defined by the NPPF) is the label for types of affordable housing typically rented by registered providers which is affordable to very low earning and low income households. Intermediate affordable housing sits between the price of market housing and the price of social rented affordable housing. Typically intermediate affordable housing will include shared ownership and other discounted sale products. The City Council calculates benchmark prices to establish the price at which Social Rented and Intermediate dwellings should be made available by developers. In practice this means that dwellings should be made available by developers to Registered Providers at prices which are affordable enough for households on these earnings: households on lower quartile earnings for Intermediate affordable housing; households on lower decile earnings for Social Rented affordable housing. Registered Providers are then expected to make the affordable dwellings available for the tenures expected.

5.2.15 For affordable dwellings to be suitably integrated throughout the development this means that the affordable dwellings ought to be mixed in with the corresponding size and type of market dwellings on a site. For example, in a development with a mix of houses and flats, the affordable provision should be partly mixed in with the houses and partly with the flats.

5.2.16 Build to rent developments in Leeds can either provide affordable housing on-site as advised in national guidance or in line with the first paragraphs of Policy H5. If developers prefer to pay a commuted sum in lieu of on-site provision, this should be calculated on the basis of paragraph 5.2.21. Regarding requirements in national guidance, consultation currently suggests 20% of total dwellings as "Affordable Private Rent" dwellings with rents to be 20% lower than market rents in the local area and agreement of eligibility criteria with secure arrangements that continue in perpetuity.

5.2.17 For development schemes led by Registered Providers for social housing the Council will take a flexible approach to determining the appropriate quantity and type of affordable housing taking into account the needs of the area and the wider benefits of development.

5.2.18 Purpose built student accommodation will not be required to provide affordable housing.

5.2.19 Secure arrangements in the form of S106 agreements, must be agreed to ensure delivery and that affordability embodied within affordable housing is maintained for future people of Leeds in housing need in perpetuity.

5.2.20 Applicants may choose to submit individual viability appraisals to verify that the affordable housing target cannot be met. In such cases, affordable housing provision may be reduced accordingly.

5.2.21 As a general principle, commuted sums should be calculated to ensure that the required quantity and type of affordable dwellings can be delivered in the locality of the development, assuming involvement of Registered Providers. This will be equivalent to the differential between affordable price and market price (free of restrictions) with adjustment for any locality delivery costs. Locality can be defined as the surrounding streets or whether the site is within a defined settlement or established neighbourhood but this will be a matter of judgement depending on size of site and character of the area; postcode sector boundaries may be helpful indicators. Locality is important for calculating sums not necessarily for determining where commuted sum money is spent, which may include strategic priorities elsewhere in Leeds. Provision that results in 4 or less affordable dwellings may be converted into an equivalent financial contribution.

POLICY H5: AFFORDABLE HOUSING

~~The Council will seek affordable housing. either on-site, off-site or by financial contributions in lieu of on-site provision from~~

On developments of 10 or more new dwellings, affordable housing provision should be provided ~~will normally be expected~~ on-site at the target levels specified ~~for developments~~ in the following zones:

Zone	MinimumTarget
1	35%
2	15%
3	~~5~~ 7%
4	~~5~~ 7%

The mix of affordable housing should be designed to meet the identified needs of households as follows;

- 40% affordable housing for Intermediate or equivalent affordable tenures
- 60% affordable housing for Social Rented or equivalent affordable tenures

The affordable units should be a pro-rata mix in terms of sizes and house types of the total housing provision, unless there are specific needs which indicate otherwise, and they should be suitably integrated throughout a development site.

Affordable housing provision should be on site, unless off site provision or a financial contribution can be robustly justified

Build-to-rent developments shall provide either:

i) on-site, according to national policy advice, currently 20% Affordable Private Rent dwellings at 80% of local market rents administered by a management company with appropriate arrangements for identifying households in need, including city council nomination rights, which apply in perpetuity,
ii) on-site, the percentage of affordable housing specified for zones 1-4 and mix of Intermediate and Social Rented types of affordable housing set out in the first paragraphs of the Policy above or
iii) a commuted sum in lieu of on-site provision of affordable housing of option ii).