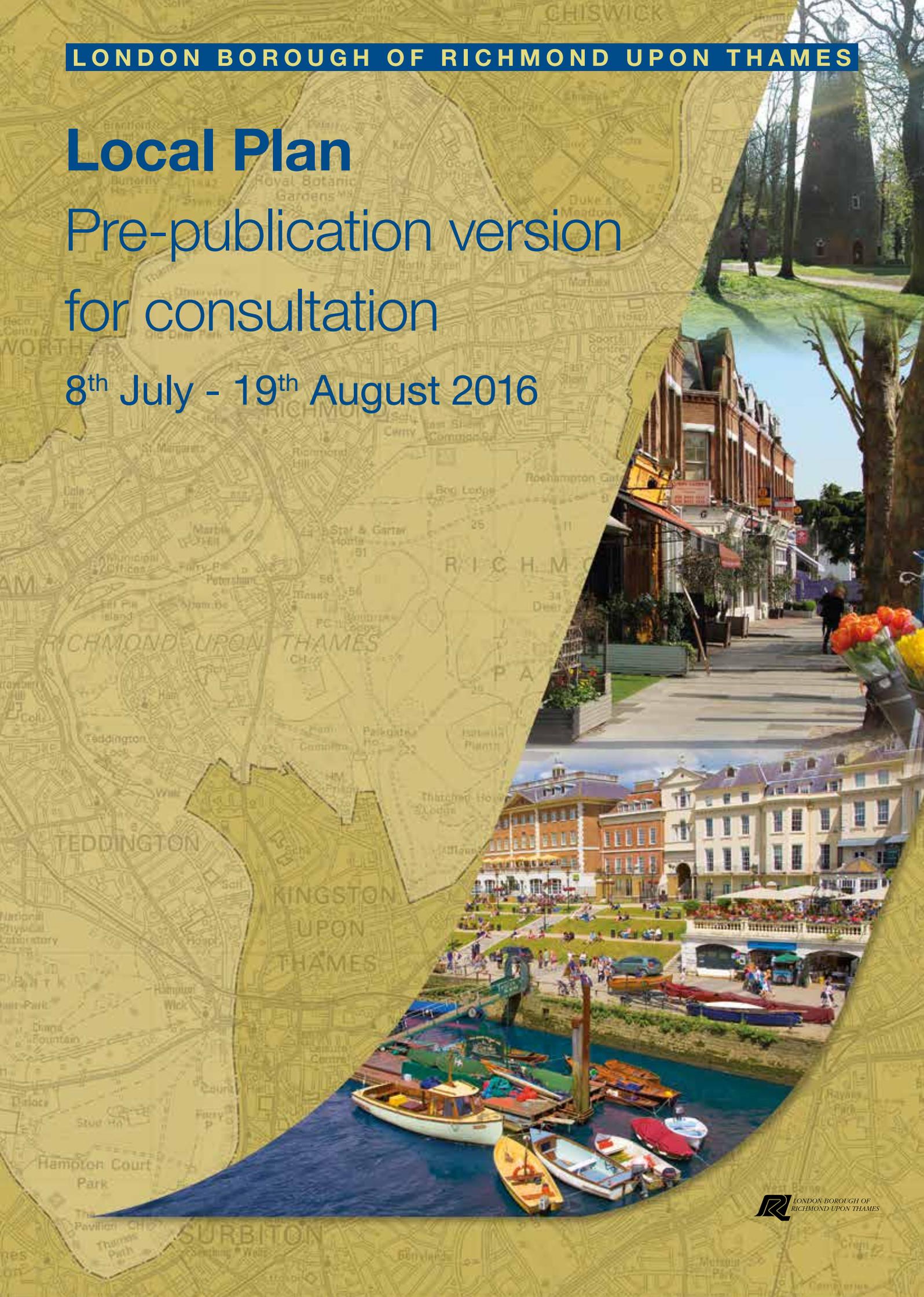


# Local Plan

Pre-publication version  
for consultation

8<sup>th</sup> July - 19<sup>th</sup> August 2016



### Pre-Publication Local Plan

**9.2.11** For amenity space, while front garden or courtyard space can contribute to the overall quantum, this should generally not form a significant proportion of the provision unless it can be demonstrated that it meets the tests set out in the above policy particularly that it can be considered functional and safe.

**9.2.12** The Residential Development Standards SPD will be updated to provide further guidance.

### 9.3 Affordable Housing

#### Why we are reviewing this policy area

The ability to provide sufficient affordable housing in the borough continues to be a challenge. The policy is updated to take account of local priority housing needs and the changing context for funding affordable housing.

#### What the evidence says

The draft Borough SHMA identifies up to date needs for affordable housing which justify seeking to secure additional affordable housing. The Authority's Monitoring Report identifies the reliance on small sites contributions to meet affordable housing policy objectives. The strategic target of 50% of overall supply has regard to development viability and the need to deliver balanced communities with a mixture of tenures and dwelling types.

The Council is in the process of assessing the implications of the Housing and Planning Act 2016 and forthcoming Regulations.

#### Existing Policy CP15 - Affordable Housing

15.A Housing provision is expected to include a range of housing to meet the needs of all types of households.

Over the LDF period the Council:

- i. expects 50% of all new units will be affordable housing, with a tenure mix of 40% housing for social rent and 10% intermediate housing.
- ii. expects that the affordable housing mix should reflect the need for larger social rented family units and the Sub-Regional Investment Framework requirements.

The Council will seek to bring forward affordable housing through development of new units, purchase of property in or outside the borough and through rent deposit schemes.

15.B Some form of contribution towards affordable housing will be expected on all new housing sites. The contribution towards affordable housing on sites involving new-build housing will be as follows:

- i. on sites below the threshold of 'capable of ten or more units gross', a financial contribution to the Affordable Housing Fund commensurate with the scale of development. The amount involved will be set out in the Development DPD and will be reviewed annually.
- ii. on sites capable of ten or more units gross, at least 50% on-site provision. Where possible, a greater proportion than 50% affordable housing on individual sites should be achieved.

## Existing Policy 14

### Existing Policy DM HO 6 - Delivering Affordable Housing

The Council will seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed-use schemes, having regard to the strategic borough-wide target and the individual circumstances of the site, in accordance with Policy CP15.

On sites capable of less than 10 units gross, a financial contribution to the Affordable Housing Fund commensurate with the scale of development will be required:

No of units	% Affordable Housing	AH Homes
<b>9 units</b>	<b>45%</b>	<b>4.05</b>
<b>8 units</b>	<b>40%</b>	<b>3.20</b>
<b>7 units</b>	<b>35%</b>	<b>2.45</b>
<b>6 units</b>	<b>30%</b>	<b>1.8</b>
<b>5 units</b>	<b>25%</b>	<b>1.25</b>
<b>4 units</b>	<b>20%</b>	<b>0.8</b>
<b>3 units</b>	<b>15%</b>	<b>0.45</b>
<b>2 units</b>	<b>10%</b>	<b>0.20</b>
<b>1 unit</b>	<b>5%</b>	<b>0.05</b>

The level of the contribution required will be based on the difference between the gross development value of the whole scheme as a market scheme and the equivalent as an affordable housing scheme, divided by the number of homes in the scheme, to give the subsidy per home, that will be multiplied by the number of AH Homes relating to the size of the scheme as set out above.

As outlined in Core Strategy Section 7.2 Costs and Viability, in considering proposals or financial contributions, the Council will have regard to:

- economic viability;
- individual site costs;
- the availability of public subsidy; and
- the overall mix of uses and other planning benefits.

## New Policy LP 36

### Affordable Housing

A. The Council expects:

- 50% of all housing units will be affordable housing, with a tenure mix of 40% housing for rent and 10% intermediate housing.
- the affordable housing mix should reflect the need for larger rented family units and the Council's guidance on tenure and affordability, based on engagement with a Registered Provider to maximise delivery.

Where on-site provision is required, an application should be accompanied by evidence of meaningful discussions with a Registered Provider which have informed the proposed tenure, size of units and design to address local priorities and explored funding opportunities.

B. A contribution towards affordable housing will be expected on all housing sites:

- a. on sites capable of ten or more units gross and all former employment sites, at least 50% on-site provision. Where possible, a greater proportion than 50% affordable housing on individual sites should be achieved.
- b. on sites below the threshold of ‘capable of ten or more units gross’, a financial contribution to the Affordable Housing Fund commensurate with the scale of development, in line with the sliding scales set out below and in the Affordable Housing SPD.

No. of units proposed (gross)	% Affordable Housing		
	For conversions and reversions (where there is no loss of former employment floorspace.	For new build development or redevelopment (where there is no loss of former employment floorspace)	For any units replacing employment floorspace
9 units	36%	45%	90%
8 units	32%	40%	80%
7 units	28%	35%	70%
6 units	24%	30%	60%
5 units	20%	25%	50%
4 units	16%	20%	40%
3 units	12%	15%	30%
2 units	8%	10%	20%

No. of units proposed (gross)	% Affordable Housing		
	1 unit	4%	5%

C. The Council will seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed-use schemes. The Council will have regard to:

- a. economic viability;
- b. individual site costs;
- c. the availability of public subsidy; and
- d. the overall mix of uses and other planning benefits.

D. Where a reduction to an affordable housing contribution is sought on economic viability grounds, developers should provide a development appraisal to demonstrate that schemes are maximising affordable housing. The developer will be required to underwrite the costs of a Council commissioned economic viability assessment. The Council will rigorously evaluate such appraisals and:

- a. assess if the maximum reasonable amount of affordable housing is based on delivering the appropriate tenure, unit sizes and types that address local needs.
- b. consider whether it is necessary to secure provision for re-appraising the viability of a scheme prior to implementation to secure contingent obligations.
- c. in most circumstances the Existing Use Value plus a premium (EUV+) approach to assessing benchmark land value in development appraisals and viability assessments should form the primary basis for determining the benchmark land value.

**9.3.1** The borough has one of the highest average house prices in the UK, and a continuing need for affordable housing, particularly for family homes. In the period from 2014 to 2033 a net deficit of 906 affordable homes per annum is identified in the draft Borough SHMA, demonstrating the need for affordable homes remains substantial and justifies the continued policy approach. In the context of the borough small sites make a significant contribution to housing supply and the cumulative impact of these sites should contribute to affordable housing provision, justified by the evidence base and local circumstances.

**9.3.2** The policy applies to all new housing development, including changes of use for wholly residential and mixed use sites incorporating residential use, where planning permission is required. The affordable housing provision (on-site or off-site) or any financial contribution should be calculated in relation to gross rather than net development i.e. it should be based on the total number of units proposed in the final development. The mechanism for assessing the contributions from individual sites is set out in the Affordable Housing SPD, for each proposal to make an adequate contribution towards affordable housing which is directly, fairly and reasonably related in scale and kind to the development proposed. It is considered necessary to make it acceptable in planning terms, and the absence of an obligation will be considered as undermining the Council's housing strategy and harm the provision of affordable housing in the area.

**9.3.3** The Council's Housing Strategy 2013-17 sets out the Council's housing priorities, recognising the commitment to ensure the more vulnerable people of the borough are protected. This demonstrates local needs and recognises the importance of delivering houses for rent in the borough and working within the challenges specific to the borough with particular concerns over affordability. The Council's Tenancy Strategy and Intermediate Housing Policy Statement set out guidance which should inform the provision of affordable housing. Affordable housing should be designed to the same high quality and sustainability standards as private housing (see policy LP 35 in 9.2 'Housing Mix and Standards').

**9.3.4** The Council will expect all developers to ensure that they identify and get the Council's approval of a Registered Provider to support the delivery of affordable housing on site at the time of submission of a planning application and any associated financial appraisal. In this way negotiations on viability will include the resources available to the Registered Provider to be taken into account early in the planning process. It is expected that any viability appraisal will need to demonstrate how affordable housing is being maximised (on all large sites and all former employment sites) with Registered Providers optimising their use of all resources including borrowing and grant as and when it is available and being included in design discussions. Evidence of these discussions with Registered Providers is required to be submitted with an application, as set out in the Local Validation Checklist.

**9.3.5** The GLA's Affordable Housing Development Control Toolkit or a similar model should be used in presenting any viability evidence for a scheme involving affordable housing, if it is not in accordance with the Council's policy. Full public disclosure of financial information should be expected to inform transparent decision-making.

**9.3.6** Where affordable housing involves dwellings with larger numbers of habitable rooms per dwelling, or different sizes of habitable rooms with different tenures, it may be more appropriate for the calculation of the affordable housing proportion to be in terms of habitable rooms or floor space.

**9.3.7** The threshold is expressed in terms of the capability of the site, in order to overcome attempts to evade thresholds. For example, these could be by lowering densities, providing unit sizes significantly above the Nationally Described Space Standards, failing to provide the required mix of units, phasing development, submitting subsequent applications on the same site or adjoining sites, or by incremental acquisition of sites. In these circumstances the Council would apply the affordable housing policy requirements.

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**9.3.8** The Affordable Housing SPD sets out further details of the methodology for calculating the financial contribution from small sites. The amount is proportionate to the strategic borough-wide target but applies a sliding scale that decreases with a decrease in total number of units proposed (for small site conversions below normal policy requirements and for former employment small sites above normal policy requirements). This has been set out to clearly suggest a reasonable starting point for negotiations. The amount reflects local values and takes account of other development costs. The focus is on achieving financial neutrality in terms of on or off-site provision and contributions will only be spent on affordable housing that would be in addition to affordable housing that would be provided anyway. The principle is to capture the difference which the developer would have put in, had the scheme been entirely for affordable housing, applied to the sliding scale of contributions sought related to the size and type of the scheme.

**9.3.9** Policy LP 40 in 10.1 'Employment and Local Economy' seeks to retain employment floorspace and does not wish to encourage the change of use of employment sites to potentially higher value residential uses. In those exceptional circumstances where the Council agrees a change of use, the lower Existing Use Value of employment land means that any residential development involving a loss of employment floorspace is required to increase affordable housing above the normal policy requirements for new build development or redevelopment. As a public benefit this would compensate for the loss of employment where it has already been agreed by the Council that on-site affordable housing is not suitable. The rate for conversion/reversions is adjusted to acknowledge the difference between new-build and conversion/reversion schemes.

**9.3.10** Contributions will be secured via a Planning Obligation. Financial contributions made to the ring-fenced Affordable Housing Fund are allocated to the Council's Housing Capital Programme and used to help fund new affordable housing, or to fund acquisition of land and private properties for this purpose, or for enhanced provision through re-modelling existing affordable units or supported schemes, in pursuance of housing

and planning objectives. The financial contribution will not be converted into the actual delivery of units on an identified linked site, unless suitable, as it is vital that affordable housing is delivered in the most effective way.

**9.3.11** The cost of affordable housing policy requirements should be factored into negotiations on land values. The onus will be on developers to pay for any viability assessment if the proposal is not policy compliant and any cost of independent assessment. The Council will only consider reducing planning obligations if fully justified through a financial appraisal model or evidence, informed by engagement with a Registered Provider. This will be the exception rather than the rule. The Council will expect this contribution in addition to any other requirements under CIL and as set out in the Planning Obligations Strategy SPD. Recent viability testing for the borough CIL took account of affordable housing policy requirements and a whole plan viability assessment for the Local Plan Review will be undertaken in due course.

**9.3.12** In respect of schemes presently anticipated to deliver low levels of affordable housing below policy requirements, where there is dispute about values and to take account of economic uncertainties, mechanisms will be sought to allow for a future review to take account of the values of the site at key stages in the development and when completed (as appropriate). This could result in a higher affordable housing contribution, first assessing in the form of additional units on-site or an off-site financial contribution where it is demonstrated this is not practicable.

### Starter Homes

**9.3.13** The Housing and Planning Act 2016 introduced a duty on local planning authorities to promote Starter Homes and proposed changes to the NPPF are likely to include Starter Homes within the definition of affordable housing. In large parts of the borough homes at 80% of the market price are unlikely to be below the indicated threshold of £450,000 (at 80% of market value) applicable to Greater London and therefore undeliverable. Furthermore, Starter Homes at 80% of market price would not be affordable for low income households in the borough. An approach to Starter Homes in London needs to take account of affordability and

viability. The local evidence from the Richmond Housing Register is that the income and/or deposit needed to access a Starter Home would render it unaffordable for the vast majority of people with an interest in securing low cost home ownership housing. Low cost home ownership options would only be acceptable as part of a mix with rented affordable homes, having regard to local needs and involvement of Registered Providers to secure products in perpetuity.

#### 9.4 Housing Needs of Different Groups

##### Why we are reviewing this policy area

The policy needs to be updated to reflect the latest national and regional guidance on housing needs of different groups including for older people, supported housing, student housing, Custom and Self-Build, and Gypsies and Travellers.

##### What the evidence says

The draft Borough SHMA and the Council's research on specific groups identifies the need to plan for a mix of housing to address local needs. The Council is updating research on commissioning and delivery of a range of accommodation options for older people and will be assessing accommodation needs arising from the Children and Social Work Bill, amongst other local priorities.

#### Existing Policy 15

##### Existing Policy CP 14 - Housing (part extract)

**14.C Residential proposals will be assessed for the contribution to meeting housing need for all sections of the community. The London wide Gypsy and Traveller Accommodation Assessment has identified a need for a further 2-11 pitches in the Borough. The shortage and cost of land mean that there will be limited opportunities for gypsy and traveller accommodation in addition to the existing site which will be protected. The Borough will work with partners, RSLs, developers and neighbouring Authorities to seek to meet identified need. Site/s will be allocated as part of the Site Allocations Development Plan Document.**

**Sites for temporary or permanent use should meet the following criteria:**

1. **The site can provide for a satisfactory arrangement of pitches, permanent buildings and open space;**
2. **The use of the site would have no significant adverse effect on the amenity of occupiers of adjoining land;**
3. **The use of the site would be acceptable in terms of the visual amenity and;**
4. **The use could be supported by adequate social infrastructure in the locality.**

##### Existing Policy DM HO5 - Housing to Meet Specific Community Needs

The loss of existing housing will be resisted where it meets identified specific community needs, unless it can be shown that: