



To: Executive Councillor for Planning and Climate Change: Councillor Tim Ward
Report by: Head of Planning Services
Relevant scrutiny Development Plan 25 March 2014
committee: Scrutiny Sub Committee
Wards affected: All Wards

Draft Affordable Housing Supplementary Planning Document

Not a Key Decision

1. Executive summary

- 1.1 This report concerns the draft Affordable Housing Supplementary Planning Document (SPD), which will sit alongside the Cambridge Local Plan 2014 once adopted.
- 1.2 The SPD supports Policy 45: Affordable housing and dwelling mix of the submission version Cambridge Local Plan 2014. The policy is included in Appendix 1 of the draft SPD.
- 1.3 The draft Affordable Housing SPD has been prepared to replace the council's current Affordable Housing SPD (January 2008). Wide consultation across relevant service areas within the council has been undertaken.

2. Recommendations

- 2.1 This report is being submitted to the Development Plan Scrutiny Sub-Committee for prior consideration and comment before decision by the Executive Councillor for Planning and Climate Change.

2.2 The Executive Councillor is recommended:

- To agree the content of the draft Affordable Housing SPD (Appendix A);
- To agree that if any amendments are necessary, these should be agreed by the Executive Councillor in consultation with Chair and Spokes of Development Plan Scrutiny Sub Committee;
- To agree for the draft Affordable Housing SPD to be subject to public consultation for 6 weeks in June/July 2014.

3. Background

Introduction

- 3.1 The draft Affordable Housing SPD has been prepared to support and provide further guidance for Policy 45: Affordable housing and dwelling mix in the Cambridge Local Plan 2014. This will also assist the council at the local plan examination, by providing extra detail to the policy and highlighting how the policy will work in practice.
- 3.2 Additionally, the SPD has been created at this stage to support Policy 45: Affordable housing and dwelling mix of the Local Plan through examination, by providing extra detail to the policy and highlighting how the policy will work in practice.
- 3.3 Once adopted, the new Affordable Housing SPD will replace the council's current Affordable Housing SPD (January 2008).

Purpose of the SPD

- 3.4 The purpose of the SPD is to guide the delivery of affordable housing in Cambridge. This SPD has been prepared to support Policy No. 45: Affordable housing and dwelling mix as set out in the Cambridge Local Plan 2014.
- 3.5 The SPD builds upon the current Affordable Housing SPD (2008), by applying lessons learnt during implementation.

3.6 The intention is that this SPD will help all parties involved (such as the Council, developers, landowners and registered providers) deliver affordable housing through new development. The SPD seeks to provide greater clarity and certainty, particularly in terms of:

- the planning process leading to submission of a planning application;
- when the policy applies;
- the specification sought ;
- the type/mix required.

3.7 The SPD has been prepared in consultation with the Housing Development Team, Legal Services, City Development Management, Urban Design and New Neighbourhoods, in order to make it an effective document for those that implement the policy.

Status

3.8 The Cambridge Local Plan 2014 has not yet been adopted and is currently being prepared for examination by the Secretary of State. Consequently, if changes to the Local Plan 2014 policies are made as part of the examination, the SPD will be updated to reflect these changes.

3.9 With this in mind, the adoption of the Affordable Housing SPD will take place at the same time as the Cambridge Local Plan 2014.

Sections of the Affordable Housing SPD

3.10 The Affordable Housing SPD is split into eight sections:

- The Affordable Housing SPD – a brief introduction to the SPD, its purpose and status;
- Planning policy context – includes the definition of affordable housing, relevant national and local guidance and strategies;
- Delivering affordable housing;
- Site layout and distribution;
- Building design;
- Other forms of residential accommodation;

- Occupancy;
- Implementation and Monitoring.

Delivering Affordable Housing

- 3.11 Section 3 – Delivering Affordable Housing explains how affordable housing will be delivered and requirements calculated in Cambridge in line with Policy 45: Affordable housing and dwelling mix in the Cambridge Local Plan 2014 – Submission Version.
- 3.12 Given that the thresholds for delivery of affordable housing are dependent on the number of units within a proposed residential development, Section 3 (paragraphs 3.13 – 3.25) and Appendix 2 of the SPD outline the methodology for financial contributions towards the delivery of affordable housing.
- 3.13 To inform the council's approach towards financial contributions for affordable housing, the council commissioned consultants Dixon Searle to assess different methodologies.
- 3.14 The methodologies included variations on the approaches outlined below:
- Land value based contributions;
 - Market revenue less affordable housing revenue level;
 - Percentage of market value of appropriate dwelling types;
 - Relating or equating the contribution to the amount of public subsidy (grant) that may be available;
 - Aligning financial contributions to affordable housing build costs.
- 3.15 The consultants have advised that the most appropriate methodology, in terms of deliverability and resource use, is a land value based approach. This approach uses residual land values. This can be found in Appendix 2 of the SPD. The figures in Appendix 2 are subject to on-going work which is being carried out by the planning policy team with advice from consultants Dixon Searle and may be subject to changes prior to public consultation on this document. Any further changes would be agreed by the Executive Councillor for Planning and Climate Change, Chair and Spokes of Development Plan Scrutiny Sub-Committee.

Site Layout and Distribution

- 3.16 Section 4 of the SPD deals with design issues including site layout and clustering, phasing on growth sites, density and dwelling mix.
- 3.17 Guidance regarding density and dwelling mix is steered by the Cambridge Housing Strategy and the Strategic Housing Market Assessment (SHMA). More detail on the SHMA is provided in Appendix 6 of the Affordable Housing SPD.
- 3.18 The findings from the SHMA are particularly important to the determination of an agreed mix of affordable housing and Appendix 6 of the SPD will be updated, when necessary, to reflect current need. Therefore Appendix 6 of the SPD will be provided as an insert, when purchased in hard copy format to allow for the replacement of this section.

Employment Related Housing

- 3.19 Paragraphs 6.7 and 6.8 of the emerging Cambridge Local Plan 2014 allow for the possibility of employers providing housing specifically for their employees, as part of schemes for employment development. This is to aid employers with the recruitment and retention of staff. Whilst not officially affordable housing in terms of the NPPF (National Planning Policy Framework) definition of affordable housing, this type of housing would assist in accommodating people where employers are experiencing housing-related difficulties in recruiting staff.
- 3.20 Page 19 of the SPD provides greater clarity on the issue, specifying the types of schemes that could qualify (paragraph 6.5 of the SPD), how a scheme should be justified (paragraph 6.7 of the SPD) and what evidence should be provided (paragraph 6.8 of the SPD).

Links with the Planning Obligations SPD

- 3.21 The draft Affordable Housing SPD is closely linked to the draft Planning Obligations SPD as affordable housing provision will be secured through a Section 106 agreement. The section of the draft Affordable Housing SPD regarding legal agreements (page 15 of the

SPD) has been developed in tandem with the draft Planning Obligations SPD, to provide consistency across both documents.

3.22 This procedure was also carried forward into the section on viability and viability assessments (page 12 of the SPD onwards). This provides a standardised methodology for developers to demonstrate whether sites are unviable and unable to provide affordable housing or other associated planning obligations. A standardised viability checklist (found in Appendix 3) is included in both the draft Affordable Housing SPD and the draft Planning Obligations SPD.

Consultation

3.23 Public consultation for the draft Affordable Housing SPD is recommended to take place between June and July 2014.

3.24 A Sustainability Appraisal and Habitats Regulations Assessment Screening Report has been carried out and consulted upon for the emerging Cambridge Local Plan 2014. This consultation took place between 19 July and 30 September 2013. These documents, along with other supporting documents will also be made available to view during this consultation. As the draft SPD supports the Cambridge Local Plan, there is no further need to undertake a separate Sustainability Appraisal or Habitats Regulations Assessment for this document.

3.25 An updated version of the Cambridge Local Plan 2014 Equalities Impact Assessment will also be made available closer to public consultation, which includes updated information relevant to this draft Affordable Housing SPD.

Next Steps

3.26 The final version of this document will be amended prior to adoption to reflect some or all of the following:

- comments we receive on this draft document;
- any amendments to relevant policies in the final local plan;
- any governmental policy changes.

Implications

(a) Financial Implications

There are no direct financial implications arising from this report. Policy recommendations will be considered as part of the review of the Local Plan, which has already been included within existing budget plans.

(b) Staffing Implications (if not covered in Consultations Section)

There are no direct staffing implications arising from this report. The review of the Local Plan has already been included in existing work plans.

(c) Equal Opportunities Implications

There are no direct equal opportunity implications arising from this report. An Equalities Impact Assessment has been prepared as part of the local plan process and the link to it can be found in the background documents section below.

(d) Environmental Implications

The Affordable Housing SPD will assist in the delivery of high quality and sustainable new affordable housing development in the city. When referring to the SPD, users must also take into account other policies in the Cambridge Local Plan 2014. This will include measures to help Cambridge adapt to the changing climate as well as measures to reduce carbon emissions from new development along with protecting and enhancing the built and natural environments. Overall there should be a positive climate change impact.

(e) Procurement

There are no direct procurement implications arising from this report.

(f) **Consultation and communication**

The consultation and communications arrangements for the draft Affordable Housing SPD are consistent with the council's Statement of Community Involvement 2013, and Code for Best Practice on Consultation and Community Engagement.

(g) **Community Safety**

There are no direct community safety implications arising from this report.

5. Background papers

The following background papers were used in the preparation of this report:

- Cambridge Local Plan 2014: Proposed Submission:
https://www.cambridge.gov.uk/public/ldf/draft_submission/Full%20Plan/Full%20Draft%20Plan%20with%20title%20pages%20reduced%20size.pdf
- Addendum to the Cambridge Local Plan 2014: Proposed Submission – Schedule of Proposed Changes
- Sustainability Appraisal of the Cambridge Local Plan 2014;
<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/Final%20SA%20Report%20for%20Printing.pdf>
- Habitats Regulations Assessment Screening Report of the Cambridge Local Plan 2014;
Part 1 –
https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/Appropriate%20Assessment%20Part%201%20-%20FINAL_0.pdf
Part 2 –
<https://www.cambridge.gov.uk/sites/www.cambridge.gov.uk/files/documents/Appropriate%20Assessment%20Part%202%20-%20FINAL.pdf>

6. Appendices

- Appendix A – Affordable Housing SPD.

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Author's Name:	Frances Schulz
Author's Phone Number:	01223 457175
Author's Email:	frances.schulz@cambridge.gov.uk