Affordable Housing Advice Note

Purpose of Report

1. The Affordable Housing Advice Note gives guidance to house builders, land owners, Housing Associations and other relevant bodies on the City Council’s approach to the provision of affordable housing within new private sector housing development.

2. The guidance interprets policy H2 of the City of York Local Plan, as revised by Policy H2a in the Third Set of Changes and has been compiled in accordance with government guidelines as set out in PPG3 (Housing) and Affordable Housing Circular 6/98. If approved, it will supersede the current advice note ‘Private Housing and the Negotiation of Affordable Homes’, September 2000.

3. It is proposed that the document be sent out to Registered Social Landlords (RSL’s), house builders, planning consultants and other relevant bodies for consultation, with a view to reporting representations and responses back to Members. With final approval, it is intended that the note be approved for development control purposes and be incorporated into Supplementary Planning Guidance to formalise its association with the City Local Plan.

Background

4. The lack of affordable housing for both sale and rent is an area of great concern in York. The reduction in council housing as tenants have exercised their right to buy has exacerbated the problem, and new private sector housing in the city is not affordable to many residents.

5. The Council’s 2002 Survey of Housing Needs identified a need for 4,770 additional affordable homes in the period up to 2007. Of those existing households requiring affordable housing 97.5% earned less than £20,000 per annum. The average house price in York is now £153,111 (Source: Land Registry May 2004) and Housing Market : Lower quartile house prices based on Land Registry data indicate a current figure of £106,000 for York. (Source : Land Registry May 2004).
6. In 1992 the Government issued Planning Policy Guidance Note 3 (PPG3) Housing which enabled local authorities to negotiate with developers for the provision of affordable housing on private housing sites provided there is evidence of housing need and that a policy is included in the Local Plan.

7. Circular 6/98 was released in 1998 which set out government expectations and guidelines on affordable housing. The government planning policy guidance note on housing, PPG3, was revised in March 2000. This gave greater certainty to affordable housing negotiations and in particular, emphasised the need for on-site affordable housing rather than commuted payment and stressed the need to provide integrated, mixed and balanced communities.

**Negotiation on private development sites**

8. The successful negotiation of planning obligations providing for affordable housing is dependent on all sections of the Council working together. Officers in Community Services, Development and Regeneration (DEDS) and Development Control (DEDS) agree a corporate approach in order to provide advice to developers at all stages during the planning process. This approach has recently been commended as the appropriate way forward in DLTR Good Practice Guidance and proposed revisions to PPG3(Housing).

9. Working to provide PPG3 advice, the City has successfully negotiated 624 affordable homes on private housing sites since 1996, together with some commuted payments for off site provision. A number of other schemes are currently being negotiated, and these may produce another 231 affordable homes in the next few years. This totals 855 homes, of which 593 are affordable rented homes and 262 Discounted Sale. Legal agreements have been secured to ensure that this housing is for local people and remains affordable in perpetuity.

10. The Council’s Housing Needs Survey and Housing Waiting List illustrate the acute demand for affordable housing in York. Lack of development opportunities and high land prices make the building of affordable homes by RSLs prohibitively expensive in many areas of the city. PPG3 is becoming an increasingly important procurement method for affordable homes. Through the formalisation of Council policy into one advice note and, ultimately, supplementary Planning Guidance, it is considered that the delivery of affordable housing will be more consistently achieved.

11. The Advice Note is available on request from the report’s authors. A copy has also been placed in the Members’ library. The Advice Note sets out the Council’s objectives and contains detailed explanation of the Council’s requirements and expectations with respect to affordable housing provision. Interpretation of PPG3 thresholds and targets is included in the guidance, together with the Council’s approach to abnormal site costs, types of affordable housing, commuted payments and other detailed issues of delivery.

12. It is explained in the foreword and introduction that the document supplements the Local Plan policy framework. The current affordable housing policy H2 is proposed to be revised by Policy H2a as set out in the Local Plan Third Set of Changes, October 2002.
The policy has been subject to consultation, and will be reported to Members of the Council’s Green Belt Working Group before presentation to Planning Committee later this summer. Any changes to the proposed policy will be reflected in this draft Advice Note before final approval.

Consultation

13. The Advice Note has been produced jointly by Environment and Development Services and Community Services, and will form an important part of the Council’s Housing Strategy and City of York Local Plan. Following consultation with relevant parties and cross reference to the Local Plan changes, it will be recommended to Members that it be formally referred to as a material consideration in assessing planning applications, and be constantly monitored and reviewed in order to secure affordable housing in line with current government guidance.

Financial Implications and Human Resources

14. The costs of printing the consultation document and distributing it will be met by DEDS (City Development Team) printing budget.

15. Once the document is approved the cost of printing a coloured version will be investigated. It is anticipated that most, if not all of the costs will be recouped from sales of the final version to developers and other interested parties. Any additional costs will be met by DEDS City Development Team.

16. There are no human resource implications.

Legal Implications

17. Following approval, there will be a need to ensure that all requirements set out within the guidance note are incorporated into future Section 106 agreements.

Recommendations

18. The Executive member for Housing is requested to note that Members of Planning and Transport Committee have been asked to approve the Advice Note: ‘Private Housing Development in York and the Negotiation of Affordable Homes’ for consultation with Registered Social Landlords, house builders, planning consultants and other relevant bodies.

Legal x
Financial x
Human Resources
Crime and Disorder
Sustainability
Equalities x
Other
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Background Papers:

Circular 6/98 Planning and Affordable Housing DETR, April 1998.

