

**Housing and Community Safety Policy and Scrutiny Committee**      **23 December 2019**

Report of the Assistant Director – Legal & Governance

**Scoping Report - Affordable Housing on Private Developments**

**Summary**

1. This report proposes a focus for further work by this Committee on the affordable housing on private development topic that was considered by Members at the last meeting. The context of the wider programme of affordable housing development and local housing need will also be included. Members are asked to agree the scope for this work and how best a Task Group of this Committee can progress and carry out this work.

**Review proposal**

2. At the 28<sup>th</sup> October meeting, this committee agreed that further work was required by a Task Group of this Committee to look into affordable housing on private developments. The report that was presented by officers addressed both a referral from Area Planning and a topic request by the Cllr Fenton requesting this committee look closer at this topic.
3. Following a discussion on the topic Members agreed the following remit.

Aim:

To better understand the current situation with regard to the delivery of affordable dwellings arising from new developments with planning permission.

Objectives

- To investigate the delivery of affordable homes (social rented and discount sale/other forms of low cost home ownership) which are required as part of planning permission for new development.

- To set out the context of planning gain affordable housing as part of a range of programmes delivered by the council and its partners.
- To investigate the council's working relationship with housing associations in relation to the process by which housing associations acquire the affordable housing element of private housing development.
- To explore what barriers exist that make it difficult for housing associations to take up affordable housing provision on some types of development and what policy options could help to overcome these.

4. Following a review of the agreed objectives it is proposed that the Task Group consider the following:

- The importance of S106 affordable housing historically and looking ahead – data around numbers of homes delivered since 1998 by tenure and the numbers projected during the life of the local plan. The number of S106 affordable homes compared to those delivered on non-S106 sites to illustrate the critically important contribution of planning gain.
- An overview of how S106 policy has evolved over time and why, including changes in government planning policies; for example, definitions of 'affordable' housing and exemptions for developers from providing affordable housing in certain circumstances.
- The importance of on-site provision wherever possible – mixed income/tenure communities.
- The importance of 'pepper-potting' affordable housing on private developments.
- An overview of off-site contributions (commuted sums) and the mix of reasons historically why these have sometimes been agreed.
- The proposed affordable housing policy in the submitted local plan – and the Supplementary Planning Guidance that will be written to support it (including consultation on this).

- The role of the Local Authority as strategic housing authority.
- The role of Registered Providers (Housing Associations) in the delivery of affordable homes. This will cover how this has evolved over the years as land values have increased and council owned sites sold or gifted to HA's has reduced (most recently with the council developing its own development programme), and their perspectives on the delivery of homes through planning gain.

5. Looking at the barriers that exist for housing associations it is proposed that the Task Group also consider the following:

- Are the current S106 delivery mechanisms - where housing associations competitively tender for the homes – fair and best value for money?
- Challenges to achieving a good specification for affordable housing from private developers.
- The issue of prohibitive service charges – examples, scale
- A growing trend for very small homes – studio flats, quarter houses – which can challenge space standards most HA's want (and the wider question of how we can cover this in policy terms)
- Site layouts combining an unbalanced housing mix of larger 4+ bedroom market houses with most of the smaller houses identified for affordable housing
- Policy options such as commuted sums, separate blocks for freehold and other site-specific approaches.

### **Consultation during the Review**

6. Potential Consultees during the review of this topic are likely to evolve as the Task Group begins to engage stakeholders. However, it is suggested that the following stakeholders are essential to achieving a robust understanding of the topic:

- Housing officers, particularly the Housing Strategy and Policy Manager and the Housing Policy Officer

- Housing Registrations Manager
- Housing Associations who operate in the City of York (Full list will be provided by Housing Officers)
- House builders who deliver sites where affordable housing policy applies.

7. It is recommended that the Task Group should make site visits to see how a sample of sites look on the ground as well as reading “good practice” reviews from other local authorities.

8. The Task Group may also want to explore conducting or commissioning a survey of tenants/purchasers of affordable homes on private developments to ascertain their views. Ideally such feedback should inform any recommendations that may arise from the work of the Task Group.

9. With respect to Commissioning a survey the Task Group may consider engaging the local universities at the beginning of its work.

10. *Review Timetable* The time frame for the review will depend on availability of the Task Group members as well as of the individual stakeholders to be consulted. The Task Group may want to consider the following broad time frame:

- **January-February 2020** – Review of relevant legislation, policies and “good practice” studies from other local authorities. Engage universities regarding a potential *residents of affordable housing* survey for the purposes of the review.
- **February 2020**-Task Group meet with identified Stakeholders and make site visits (Including a monthly Task Group debrief)
- **March 2020**- Task Group Meetings with identified Stakeholders and review evidence provided by stakeholders (Including a monthly Task Group debrief)
- **April 2020** – Final Task Group debriefing to conclude findings and recommendations. Submit draft report to this scrutiny committee scheduled for 27 April for endorsement.

- **May 2020** – (If this Committee endorses the draft plan in March) Submit final report to the Executive for consideration at their meeting scheduled for the 14 May 2020.

11. Members will be mindful that the final meeting of the Executive in this Municipal Year is scheduled for the 14 May 2020 with the Annual Full Council meeting to end the Municipal Year scheduled for 21 May 2020.

## Options

### 12. The Committee can

- i. Consider whether it wishes to agree the suggested methods for taking the topic forward; the recommended timetable and reviewing the topic objectives or;
- ii. Decide that no further work is required on this topic.

## Analysis

13. Regarding the following objective:

*To investigate the delivery of homes for discounted sale resulting from the granting of planning permission for a new development*

Members are advised to review whether this objective accurately addresses the aim of the review. A focus on the broader challenges of delivering affordable houses on S106 sites however and appears pertinent to the aims of the review, this then can include:

- Rented homes
- Discounted sale/low cost home ownership.

14. Members are advised that the questions concerning current S106 delivery mechanisms (see above at 4) are being looked at closely by officers through the CYC Supplementary Planning Document (SPD) that will sit alongside the Local Plan policy. However, officers would welcome and regard it helpful to dovetail this ongoing piece of work to any scrutiny review into this topic area.

15. Regarding the following objective:

*To investigate the council's working relationship with housing associations in relation to the delivery of properties for social rent*

*resulting from the granting of planning permission for a new development*

16. Members are advised to review this objective. The aims of the review draw attention to the allocation of rented homes; who is nominated; what issues arise from this as well as the potential for local letting arrangements. Members may want to review what link this has if any to *the granting of planning permission for a new development*.
17. The Task Group can receive further information on this particular area from the Housing Registration Manager.
18. The collection of any surveys providing insight into the views of tenants and purchasers of affordable housing (see above at 7) is something officers consider as valuable data to obtain to inform policy development. Such data has not been attainable by officers hitherto due to competing project and resourcing priorities.

## **Implications**

### **Financial**

19. If the Task Group engage the universities or a third party to commission a methodically sound survey as suggested, this may potentially result in financial implications for the council in supporting the work of this Committee.

### **Human Resources (HR)**

20. Council officers from the Housing team are likely to play a significant role in assisting the Task Group during the review. The Housing Policy and Strategy section is a small team and this work will need to be carried out subject to resources and managed alongside competing priorities.
21. There are no **Equalities, Legal** or other implications arising from the recommendations of this report.

### **Council Plan**

22. This report links to the following priorities of the Council Plan 2019-23:
  - Creating homes and world class infrastructure

- The right housing is available, affordable and environmentally sustainable for everyone with good quality infrastructure that supports community and local businesses.

## Risk Management

- 23.** There are no identified risks in respect of the recommendations. However, as suggested in the financial and HR implications, any specific risks related to the work of the Task Group and the topic area will be further outlined as and when identified.

## Recommendations

- 24.** That Members decide on whether to agree the suggested methods for taking the topic forward; the recommended timetable and reviewing the topic objectives or not.

Reason: To comply with Scrutiny protocols and procedures

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**Report**  **Date** 13/12/19  
**Approved**

**For further information please contact the author of the report**

Abbreviations

## Abbreviations

CYC – City of York Council  
HA – Housing Association  
HR – Human Resources  
RP – Registered Provider (formerly Registered Social Landlord – most Housing Associations are Registered Providers)  
SPD – Supplementary Planning Document