

Influencing the size, type and affordability of housing

Questions on which we should like your views

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| | Yes | Some reservations (please give details) | No |
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| Q1. We propose a greater role for regional and sub-regional planning, in recognition that housing markets do not respect local authority boundaries. Do you agree? | Yes. This has already been recognised in the Cambridge area, with the results of the first Sub-Regional Housing Needs Assessment due out soon. | Potentially more complicated process to ensure consensus of more numerous interested parties. Sufficient flexibility should be built in to allow Local Authorities to agree some local priorities. | |
| Q1 comment: | | | |
| Q2. We propose a reduction in the site size threshold (in most areas) above which affordable housing can be sought, subject to the affordable housing provision not making development unviable. Do you agree with the proposal? | Yes. This should help to increase the supply of affordable housing. Removal of the wording in Circular 6/98 requiring "exceptional local circumstances" to justify thresholds lower than these minimum levels is welcome. | | |
| Q2 comment: | | | |
| Q3. We propose that affordable housing should be defined in local plans in terms of the relationship between local income levels and house prices or rents for different types and sizes of housing, and in terms of housing for identified groups such as key workers, and be based on an up-to-date assessment of housing needs. | | | |
| Q3a. Do you agree with the proposal that affordable housing | Yes. Existing guidance (Circular 6/98) already | Current guidance is too vague leading to disagreement with | |

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| <p>should be defined in local plans in terms of the relationship between local income levels and house prices or rents for different types and sizes of housing?</p> | <p>recommends this.</p> | <p>developers and debates at Local Plan inquiries. Government should consider more detailed guidance on how these issues should be addressed (including model formulae), to be included in the proposed practice guide. It must also ensure that data on income levels is available for the required areas and updated frequently.</p> | |
| <p>Q3b. Do you agree with the proposal that affordable housing should be defined in local plans in terms of housing for identified groups such as key workers?</p> | <p>Yes. PPG3 paragraph 13 currently advises that local authorities should identify housing need for specific groups.</p> | <p>Level of need for specific groups could vary over the plan period.</p> | |
| <p>Q3c. Should key workers be defined in local plans in terms of:</p> <ul style="list-style-type: none"> i. their income; ii their job; or iii an alternative? And if so please explain. | <p>The forthcoming Cambridge Sub-Regional Key Worker Study defines key workers as: ‘public sector workers who are employed by the public sector and will be involved in the safety and comfort of the community. Eligible workers will be employed in sectors experiencing recruitment and retention problems in the Cambridge Sub-Region and be unable to afford similar accommodation in the open market. There will also be reference to travel to work distances’</p> | | |
| <p>Q3 comment:</p> | | | |
| <p>Q4. We propose that affordable housing should not normally be defined by reference to tenure. The exception would be where this would address an identified housing need</p> | | | <p>No. Certain tenures are more affordable than others, and in many high demand areas are the form of housing sought by the overwhelming majority of those in housing need. Hence</p> |

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| that otherwise would not be met by other types of affordable housing. Do you agree with the proposal? | | | tenure must be relevant to the definition of affordable housing. The PPG should be worded more positively in this respect, to enable local authorities to deal with their priority needs. |
| Q4 comment: | | | |
| Q5. We propose that local planning authorities should work with developers to ensure planning objectives reflect the development potential of sites and that the affordable housing provision sought should not make development unviable. Do you agree? | Agree (as currently required by 6/98) that local authorities should work with developers to ensure developments are viable. | Would benefit from more detailed guidance on how this should be achieved, in the proposed practice guide. Some developers are reluctant to provide the data required. Assessing viability also requires that local authorities develop expertise (or have access to advice on) the economics of land development. Guidance should make clear that factors other than affordable housing could affect viability. | |
| Q5 comment: | | | |
| Q.6 We propose in paragraph 9 a number of considerations that are relevant to whether the affordable housing provision sought would make development unviable. Should the list of considerations include: | | | |
| Q6a. The costs of bringing sites to the market, including the implications of competing land uses? | | | No. Whilst the costs of site development are relevant, the implications of competing land uses should not be accorded significant weight, for two reasons: (a) the prospect of competing uses should not be allowed to subvert proper planning principles, especially where sites have been agreed and allocated for specific purposes via the local plan process; (b) |

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| | | | other (non-housing) land uses should make a contribution to affordable housing requirements where those developments add to housing demand. |
| Q6b. Making realistic assumptions on levels of public subsidy available for affordable housing? | | | No. Where grant is not available affordable housing without recourse to grant should be provided. |
| Q6c. The need for proposed development to be attractive to the lenders of private finance? | | | No. This is an issue that could too readily be used as an excuse for not providing affordable housing, especially as hard evidence may be commercially privileged. |
| Q6d. Avoiding prescription of tenure? | | | No. See Q4, and Q6b |
| Q6e. Other considerations? If so please explain. | | | |
| Q6 comment: | | | |
| Q7. We propose in paragraph 13 a limited number of circumstances where the presumption that affordable housing should form part of the proposed development of the site could be set aside. Should the list include where: | | | |
| Q7a. The affordable housing is more effectively secured by bringing existing housing back into active use? | | Whilst this may be an applicable circumstance, the preference should always be for on-site delivery. Where off-site substitution is agreed adequate safeguards will be needed to ensure that affordable housing requirements are genuinely being addressed. | |
| Q7b. Management of the affordable housing on site cannot be secured effectively? | | Whilst this may be an applicable circumstance, the preference should always be for on-site delivery. Developers | |

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| | | should be required to produce clear evidence of why management arrangements would preclude on-site provision. Where off-site substitution is agreed adequate safeguards will be needed to ensure that affordable housing requirements are genuinely being addressed. | |
| Q7c. Providing the affordable housing elsewhere in the plan area is more likely to widen housing choice and encourage better social mix? | | Whilst this may be an applicable circumstance, the preference should always be for on-site delivery. Where off-site substitution is agreed adequate safeguards will be needed to ensure that affordable housing requirements are genuinely being addressed. | |
| Q7d. Other circumstances? If so please explain. | | | |
| Q7 comment: | | | |
| Q8. We propose that local planning authorities should plan to meet the housing requirements of the whole community by planning for a mix of housing types and sizes that reflects up-to-date assessments. Do you agree? | Yes. We are already pursuing this through draft SPG, linked to policies in the Local Plan. We welcome the statement that “authorities should reject developments that conflict with the objective of widening housing choice”. | As yet there are few examples of good practice in the form of guidance, and we have encountered a high level of resistance from developers. Planning Inspectors are, potentially, insufficiently knowledgeable of market housing issues. These are matters that need to be addressed fully in the proposed practice guide. | |
| Q8 comment: | | | |
| Q9. We propose that affordable housing provision in rural areas could be supported by allocating sites solely for affordable housing, on land within or adjoining | Yes. Welcome in principle; could potentially increase the volume of affordable housing that is secured. | Practical difficulties could arise in ensuring that landowners release the site at subsidised cost. Many may hold on to sites identified in this manner in the hope of | |

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| <p>existing villages, which would not otherwise be released for housing and where this would contribute to the attainment of mixed communities. Do you agree?</p> | | <p>securing permission eventually for market housing (on some or all of the site).</p> | |
| <p>Q9 comment:</p> | | | |
| <p>Q10. The proposal that local planning authorities should be able to allocate sites for 100% affordable housing is limited to rural areas and to land, within or adjoining existing villages, which would not otherwise be released for housing. Should this provision be more widely available, and if so in what circumstances?</p> | <p>Yes. In principle this ability should be extended to towns and larger villages (above the 3,000 population level often used as a ‘cut-off’ when considering rurality). Such larger settlements can have a considerable need for affordable housing, and allocations specifically for this purpose could be made at the edge of some settlements, on land that would not otherwise be released.</p> | <p>It is acknowledged that the larger the settlement, the more difficult this approach becomes (as larger settlements are the places where market development is concentrated, so the release of land for housing, even on the settlement edge, becomes less ‘exceptional’).</p> | |
| <p>Q10 comment:</p> | | | |
| <p>Q11. Will the proposed change enable the provision of more affordable housing in your area? If so, can you say why?</p> | <p>Overall the proposed changes to PPG3 will assist in delivering affordable housing, in particular through enabling lower site size thresholds to be used.</p> | <p>Despite the proposed changes, the quantity of affordable housing that can be secured through the planning process cannot meet the level of identified need in high-demand areas such as Huntingdonshire. This is because of the scale of need relative to the overall level of house building, the difficulty of securing affordable units on small sites, the time required to negotiate planning agreements, and the limited public funds available to build affordable units.</p> | |
| <p>Q11 comment:</p> | | | |
| <p>Q12. The proposed change requires greater attention to assessment and evaluation of impact than the current policy.</p> | <p>Practice Guidance is welcomed. However, at this stage there is no substantive detail other than suggestions of the</p> | <p>We consider it imperative that a high degree of consultation should take place on a draft of the practice</p> | |

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| We will produce practice guidance to help - with the overall intention of simplifying and speeding up the process. Read together, will the proposed change and practice guidance achieve this? | topics it will cover. | guide to ensure significant improvements in current delivery mechanisms. | |
| Q12 comment: | | | |
| Q13. In the light of Question 12, can this be achieved within the current resources of your organisation? | | | Whilst our authority has staff skilled in working with developers and RSLs, a key skills gap (which is likely to exist in many other authorities) is the ability to assess and negotiate site viability issues. This difficulty is exacerbated by the commercially sensitive nature of such information. |
| Q13 comment: | | | |
| Q14. Is the proposed change likely to be advantageous to small businesses? | | | No obvious benefit to small businesses. |
| Q14 comment: | | | |
| Q15. Do you consider the proposed scope of the practice guide (at Annex B) covers all the topics it needs to? If not what is missing, and why? | | | Cambs. Structure Plan contemplates seeking contributions from commercial development. Advice on best practice in this regard is required. |
| Q15 comment: | | | |
| Q16. Does the proposed scope of the practice guide include topics, which don't need to be covered? If so which, and why? | | | No |
| Q16 comment: | | | |
| Other comment: | | | |

Please see additional sheet attached.

Other issues

The proposed changes to PPG3 and the intended practice guide provide an opportunity for various other issues surrounding the delivery of affordable housing to be addressed, although they do not feature in the consultation document. Issues of key concern to this council include:

The need for improved guidance on section 106 procedures

There is often criticism of local authorities slowing down the process as a result of protracted section 106 negotiations. We have sought to mitigate against this by using standard 106 clauses but too often developers will not accept them, frequently as a result of decisions made when either being unaware or ignoring local authority policies. Detailed guidance on standard 106 agreements would be of benefit, perhaps in the forthcoming Circular on planning obligations (or accompanying best practice material).

The way in which targets for affordable housing are arrived at

In areas of high demand, housing needs surveys invariably point to levels of need that are way beyond that which can reasonably be provided. As a consequence the process of determining what percentage of new housing should be 'affordable' leads to reliance on custom and practice rather than anything more scientific. National guidance on how this should be determined should be provided in the proposed practice guide.

The need for specialist 'accreditation' of housing needs surveys

Planning Inspectors tend to have a lack of understanding of housing needs issues, which can lead to confusion at local plan inquiries and inconsistent recommendations. A better approach would be a separate process of accrediting local authority housing needs surveys to confirm whether they meet the Government guidance which is now published. This should be structured such that it has some weight when considered at Planning Inquiries. Accreditation could be undertaken by Inspectors or others trained specifically in affordable housing issues.

The need for local authorities to be able to work with a select list of RSLs

It should be acceptable for local authorities to have a select list of developing RSLs. There are good reasons why local authorities seek to maintain approved lists, as it allows them to ensure adequate management of the completed units and ensures that links to grant funding through the Housing Corporation can more readily be maintained. Lack of clarity on this issue can lead to site 'touting' by developers in an effort to seek better financial returns, often leading to increased cost to either the RSL or the public purse.

The need for adequate regulation if housing grants are provided direct to commercial developers

RSLs are heavily regulated and, by their very nature, committed to affordable housing. There is arguably a case for allowing only RSLs to provide affordable housing that meets identified local needs. If current ODPM/Housing Corporation plans to provide grants direct to commercial developers proceed, similar rigorous control mechanisms should apply.

The need for greater freedom for RSLs

In general securing affordable housing now relies upon sites being brought forward by commercial developers (and affordable units being secured as a proportion of that development). RSLs can rarely purchase land for affordable housing in their own right due to the costs involved. This stifles delivery since much depends on the market in terms of when sites for affordable housing become available. Allowing RSLs to provide market housing (as a means of cross-subsidy) would help with this provided that the right balance is struck between commercial activities and their core affordable housing role.