

PLANNING POLICY AND LOCAL PLAN COMMITTEE

29 OCTOBER 2019

REPORT OF THE CORPORATE DIRECTOR (PLANNING AND REGENERATION)

A.2 – DRAFT HOUSING STRATEGY AND PLANNING POLICY FOR AFFORDABLE HOUSING

(Report prepared by Gary Guiver)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

- a) To present the draft Housing Strategy to the Planning Policy and Local Plan Committee for consultation and invite Members' comments for Cabinet's consideration;
- b) To report, to the Committee, the current position in respect of delivering affordable housing and the practical issues that have arisen in the application of the Council's emerging Local Plan policies;
- c) To seek the Committee's endorsement for suggested amendments to the emerging Local Plan's affordable housing policy aimed at maximising the delivery of affordable housing in light of weak delivery in the past; and
- d) To seek the Committee's agreement for the suggested amendments to be put forward for the Planning Inspector's consideration when they come to examine Section 2 of the Local Plan in 2020.

EXECUTIVE SUMMARY

The Council's draft Housing Strategy 2019-2024 has been developed to guide the future of new homes within the district to meet local needs and to guide the future management and direction of our housing service. One of the strategic housing priorities set out in the strategy is '*delivering homes to meet the needs of local people*' which is highly dependent on the implementation of policies and proposals in the emerging Local Plan. Many of the specific actions in the Housing Strategy link directly to policies in the emerging Local Plan. The Housing Strategy is currently in draft and members of the Committee are invited to make comments and observations which can be taken into account before it is finalised ready for Cabinet approval.

Affordable housing is housing for sale or rent for people whose needs cannot be met by the market – i.e. people with lower incomes who cannot afford to buy or rent property from the open market. As of March 2019, there were 1,585 households on the housing register, requiring affordable housing in Tendring and the Council's Strategic Housing Market Assessment (2015) which forms part of the Local Plan evidence base, indicates that 160 new affordable homes are needed, each year (as part of the overall requirement of 550 a year), to address existing and projected needs in

the period 2013 to 2033. Between 2013 and 2019, the actual delivery of new affordable housing fell well short of this requirement for a number of reasons including:

- low levels of housebuilding of all types in the early part of the Local Plan period (reflecting economic and housing market conditions of the time);
- a high proportion of housebuilding on small sites that are below the Local Plan threshold for providing on-site affordable housing; and
- a number of development sites being granted planning permission with either none or a lower number of affordable housing units than are required by the Local Plan.

Whilst affordable housing delivery has been weak in recent years, the situation is set to improve rapidly as construction commences on a greater number of larger development sites across the district and as registered providers such as housing associations, and the Council itself take a more active role in building new property. Between now and 2033, more than 900 new affordable homes are expected to be built as a proportion of homes on large development sites with extant planning permissions, 800 are expected from sites allocated for housing and mixed-use development in the emerging Local Plan and a further 300 are proposed to be developed by the Council. The emerging Local Plan also includes a policy that allows 'rural exception schemes' for affordable housing on the edge of villages to meet a specific local need which will also make a contribution towards affordable housing delivery and which is supported through the Housing Strategy.

One of the key actions in the draft Housing Strategy is to seek 30% affordable housing on eligible sites as set out in the emerging Local Plan unless there are prudent reasons not to do so. Policy LP5 in Section 2 of the Council's emerging Local Plan requires 30% of all homes on new housing developments of 11 or more units to be provided in the form of affordable housing or 'council housing' (i.e. owned and managed by the Council) to meet the needs of people and families with lower incomes who cannot afford to buy or rent property on the open market. The policy, as currently worded, also offers an alternative route by which developers can provide a minimum of 10% of homes for affordable housing alongside a financial contribution to the Council that can be used for building or acquiring property to meet affordable/council housing needs elsewhere.

In recent years, the Council has taken a very flexible approach to the interpretation of Policy LP5 to secure a smaller number (often around 5%) of 'gifted' dwellings on development sites to be transferred to the Council or a nominated housing trust for a nominal price of £1. This was in response to government legislation introduced in 2016 which affected the rental model for affordable housing and which made it unviable for housing associations, or the Council, to acquire 30% (or even 10%) affordable housing from large development sites, at a discount, in the traditional manner. Whilst this approach was a pragmatic solution to the delivery of affordable housing at the time, it has resulted in a large number of housing developments obtaining planning permission, either from the Council or on appeal, with a commitment to deliver only a small number of affordable housing units which, when totalled up, would fall a long way short of meeting Tendring's future needs. The Council is expected to take receipt of approximately 180 'gifted' units in the next five years and a further 50 will be transferred to the Lawford Housing Enterprise Trust.

Further changes to government legislation have now made it viable again for housing associations to build and acquire affordable housing and the Council's latest Viability Study confirms that 30% affordable housing is achievable on the vast majority of development sites. Therefore, to ensure that the Council secures the maximum amount of affordable housing in the future, 'gifted' units will no longer be accepted as an alternative to the full 30% requirement and the draft Housing Strategy makes it clear that gifting will only be considered as an option in exceptional circumstances. In addition, Officers propose the deletion of the section of Policy LP5 that allows for the alternative of 10% affordable housing alongside a financial payment or any other alternative forms of delivering affordable housing.

The revised policy would be as follows:

Policy LP5

AFFORDABLE HOUSING

To promote a mix of housing tenure in the District and address the housing needs of people and families with lower incomes who cannot afford to buy or rent housing on the open market, the Council will work with the development industry to provide new affordable housing.

For development proposals outside of the Tendring Colchester Borders Garden Community, involving the creation of 11 or more (net) homes, the Council will expect 30% of new dwellings, (including conversions) to be made available to Tendring District Council or its nominated partner(s) to acquire at a proportionate discounted value for use as affordable housing.

To avoid an over-concentration of affordable housing in one location, no single group of affordable housing will exceed ten dwellings and to ensure positive integration between the residents of affordable housing and market housing, there should be no noticeable difference in the appearance or quality between dwellings to be sold on the open market and those to be acquired and managed by the Council or its nominated partner(s).

The size and type of council housing will be specified by the Council on a case-by-case basis having regard to the latest housing needs register and will be the subject of negotiation between the Council and the developer or applicant.

The Local Plan has already been submitted to the Secretary of State for it to be examined by a government-appointed Planning Inspector. The Inspector will have the power to recommend 'modifications' to the Local Plan, following the examination of Section 2, aimed at addressing any issues with the soundness of the plan. Whilst it will be at the Inspector's discretion which modifications are formally recommended, the Council will have the opportunity suggest changes to the Inspector, for their consideration, as part of the examination process. It is recommended that the changes outlined in this report be put forward to the Inspector for their consideration, at the

appropriate time.

RECOMMENDATION

That the Planning Policy and Local Plan Committee:

- a) Considers the content of the draft Housing Strategy 2014-2019 (as set out in Appendix 1) and agrees its comments as part of the consultation back to Cabinet;**
- b) Notes the current position in respect of affordable housing delivery and the means by which it is proposed that more affordable housing will be delivered in the future, to meet identified needs;**
- a) Considers and approves Officers' suggested amendments to Policy LP5 in the Tendring District Local Plan 2013-2033 and Beyond: Publication Draft (the emerging Local Plan) as set out in this report; and**
- b) Authorises the Head of Planning Officers to put forward the suggested amendments to Policy LP5 to the Planning Inspector for their consideration as part of the examination of the Section 2 Plan.**

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The delivery of affordable housing through the emerging Local Plan aligns with key elements of the Council's draft Corporate Plan 2020-2024. These include the priorities around building and managing our homes and having effective planning policies.

RESOURCES AND RISK

The preparation of Section 2 of the emerging Local Plan has been undertaken by the Council's Planning Policy team with assistance from specialist consultants and has been funded through the Council's agreed LDF (Local Development Framework) budget. The independent examination and any future review of the plan will also be funded from this source. The draft Housing Strategy has been prepared by the Council's Housing Team and has been led by the Council's Housing Needs & Strategic Policy Manager.

The suggested amendments to the affordable housing policy in the emerging Local Plan are designed to address current issues with affordable housing delivery and to ensure that the policies are as effective as possible. However, the Planning Inspector is under no obligation to accept the amendments and propose them as formal modifications and, if they believe that the policies as currently written adequately meet the 'tests of soundness' from the National Planning Policy Framework (NPPF) and do not require any changes, they might carry forward to the final adopted

version of the Local Plan without change.

If the Inspector does however accept the Council's suggested amendments and they do become formal modifications to the Local Plan, they will need to be the subject of public consultation and this may result in further objections requiring consideration by the Inspector and potential further examination before the plan can be adopted. That said, because the amendments being suggested by Officers are aimed at improving the effectiveness of the affordable housing policy in light of a significant housing need, they are not expected to be controversial.

LEGAL

The planning legislation and the National Planning Policy Framework (NPPF) (both the 2012 version applicable to this Local Plan and the new 2018 version that was updated in 2019) place Local Plans at the heart of the planning system, so it is essential that they are in place and kept up to date. The NPPF expects Local Plans to set out a vision and a framework for the future development of the area, addressing the needs and opportunities in relation to housing, the economy, community facilities and infrastructure – as well as a basis for safeguarding the environment.

Section 38(6) of the Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990 (as amended) state that applications for planning permission must be determined in accordance with the 'development plan' unless material considerations indicate otherwise. The statutory 'development plan' for Tendring, as it stands is the 2007 Adopted Local Plan. However, the policies and proposals in the Adopted Local Plan are increasingly out of date. The NPPF states that where the development plan is out of date permission should be granted for sustainable development unless any adverse impact of doing so would significantly and demonstrably outweigh the benefits or other policies indicate otherwise. It is therefore essential to progress the emerging Local Plan through the stages of the plan making process and ensure it meets the requirements of national planning policy so it can become the new statutory development plan and be relied upon by the Council acting as the Local Planning Authority.

The Town and Country Planning (Local Planning)(England) Regulations 2012 make provision for the operation of the local development planning system including, for the purposes of this report, regulations relating to the preparation, publication and representations relating to a local plan and the independent examination.

The NPPF requires a local planning authority to submit a plan for examination which it considers to be "sound" meaning that it is: positively prepared, justified and effective. The job of the Planning Inspector is to test that the Local Plan meets legal and procedural requirements and the above tests of soundness. Any modifications proposed by the Inspector at the end of the examination process will ensure the plan meets all of these requirements but these have to be published for consultation in their own right before the Council can proceed to the final adoption of the Local Plan. The amendments being suggested through this report are not an indication that the emerging

Local Plan as currently written is 'unsound', but are aimed at improving the plan in response to issues delivering affordable housing.

Developing a Housing Strategy is a Cabinet responsibility for submission to Council, the Planning Policy and Local Plan Committee are being requested to comment on the draft strategy in connection with their role on developing planning policy for the Council.

OTHER IMPLICATIONS

Area or Ward affected: All wards.

Consultation/Public Engagement: The affordable housing policy in the emerging Local Plan has already been the subject of public consultation at issues and options stage (2015), preferred options stage (2016) and publication stage (2017). If the Planning Inspector agrees with the suggested amendments and proposes them as main modifications, they will have to be published for consultation to allow any comments to be considered before the plan can be formally adopted. The consultation may result in further objections; however, unless they raise fundamental issues which require re-examination, they are unlikely to result in further changes. If they do, there is a risk of further delay to the examination process and the timetable for adoption. The Housing Strategy is set to be published for six weeks consultation in its own right to enable the public comment before it is finally agreed by Cabinet.

PART 3 – SUPPORTING INFORMATION

Draft Housing Strategy

The Council's draft Housing Strategy has been developed at a time of major actual and proposed changes to the national housing landscape and financial constraints for the Council. In 2018, three separate opinion polls published by Kantar, Survation and Ipsos highlighted that only Brexit and the NHS were issues of greater concern to the UK population than housing. In recent years, we have seen the introduction of neighbourhood planning and the Localism Act 2011, changes to the National Planning Policy Framework (NPPF), welfare reforms, increased regulation in the private rented sector, the tragedy of Grenfell Tower and the most fundamental change in homelessness legislation in many years, the Homelessness Reduction Act 2017. Whilst local authorities are not required by government to have a formal housing strategy, they are expected to adopt a strategy approach to housing in their local areas to deliver a thriving housing market and to address local needs.

The draft Housing Strategy for Tendring 2019-2024 has been developed to guide the future delivery of new homes within the district to meet local needs and to guide the future management and direction of our housing service. Tendring District Council retains its own housing stock and currently has 3,134 homes in its ownership. The Council is the largest landlord in the district and

remains fully committed to this role and will consult with and continue to support our tenants to ensure that they all have a decent, affordable home in an area that they feel proud of.

In order to meet the challenges facing the district, the draft Housing Strategy identifies four key housing priorities, as follows:

1. Delivering homes to meet the needs of local people;
2. Reducing and preventing homelessness and rough sleeping;
3. Making the best use of and improving existing housing;
4. Supporting people in their homes and communities.

Each of the key housing priorities is accompanied by a series of actions as set out below:

Delivering homes to meet the needs of local people

- Strive to implement our Local Plan.
- Seek 30% affordable housing on all eligible sites as set out in the emerging Local Plan unless there are prudent reasons not to do so.
- Support our registered provider partners in bids for funding to provide affordable housing in the district.
- Review our nomination agreements with registered providers in the district to maximise affordable housing to tackle demand.
- Work in partnership with developers, land owners and registered providers to deliver quality affordable homes and cohesive vibrant communities.
- Encourage and support low cost home ownership and starter homes in the district in line with national planning policy.
- Encourage and support the provision of self-build and custom build housing
- Deliver a development and acquisitions programme to deliver council housing in the district and maximise the opportunities on council owned land and on private developments.
- Support and facilitate the creation of community land trusts to deliver affordable housing in the district.
- Work with the Rural Community Council of Essex to support the delivery of rural exception sites in our villages.
- Work in partnership with commissioners, specialist providers and other statutory bodies to deliver affordable housing provision suitable for our older people and those who are less able.
- Decide and explore if it is feasible to set up a housing company to deliver affordable housing in the district.

Reducing and preventing homelessness and rough sleeping

- Deliver a new homelessness prevention and rough sleeping strategy in 2019.
- Recruit a Private Sector Accommodation Officer to work with landlords and other private

sector providers to deliver more accommodation to reduce homelessness.

- Work in partnership with registered providers to deliver supported temporary accommodation in the district.
- Explore the feasibility of setting up a council leasing scheme to increase the supply of accommodation.
- Reduce reliance on nightly-paid hotel accommodation and seek to eliminate its use by the end of the forthcoming homelessness prevention and rough sleeping strategy.
- Review the impact of the Homelessness Reduction Act 2017 on current service provision and update policies and procedures accordingly.
- Create tailored information for specific clients most at risk of homelessness and rough sleeping such as care leavers and veterans and develop specialist in-house knowledge to assist the most vulnerable members in our communities.
- Work with the Clacton Town Centre Working Group and other statutory partners to address the housing and social issues in the town.
- Deliver new services to address the needs of rough sleepers and those at risk of sleeping rough.
- Support residents threatened with homelessness as a consequence of welfare changes.
- Review the Housing Allocations Policy to ensure it is compliant with the Homelessness Reduction Act 2017 and still provides homes for local residents.
- Work with the health and social care sector to improve discharge arrangements for those leaving hospital or care.

Making the best use of and improving existing housing

- Work with planning colleagues and other statutory partners to tackle unlawful houses in multiple-occupation.
- Review our civil penalties policy and HMO licensing policy to ensure they remain fit for purpose.
- Work co-operatively with private landlords and agents to improve conditions in the private sector.
- Publicise and encourage affordable warmth and energy efficiency programmes in the district.
- Deliver a new incentive scheme to assist tenants wanting to move to the right size accommodation
- Discontinue our cash incentive scheme which provides grants to council tenants to purchase private homes.
- Deliver an annual housing investment programme over the course of this strategy.
- Reduce the number of empty homes in the district.
- Publish a revised Financial Assistance Policy for Private Sector Housing during 2019.

Supporting people in their homes and communities

- Encourage a maximum take-up of Disabled Facilities Grants and discretionary loans to support our older and disabled residents to remain in their homes.
- Seek accessible properties as a priority on planning applications where affordable housing is required.
- Undertake a project in partnership with other providers and commissioners to determine the housing aspirations and needs of our older population to facilitate future housing provision.
- Create a new financial assistance policy to help those affected by welfare reform.
- Implement any necessary recommendations following the consultation exercise on the Housing Green Paper “A New Deal for Social Housing” in consultation with our Tenants Panel.

The most relevant of the actions for the Local Plan is that *“to seek 30% affordable housing on all eligible sites as set out in the emerging Local Plan unless there are prudent reasons not to do so”* and the remainder of this report is mainly concerned with just that.

National Planning Policy on Affordable Housing

Because the Council’s emerging Local Plan was prepared in accordance with the National Planning Policy Framework (NPPF) that was published in 2012 and was submitted to the Secretary of State before 24th January 2019, the Planning Inspector will be examining the plan to ensure it complies with the 2012 NPPF rather than the latest version published in 2018 and updated in 2019. That said, both the 2012 and 2019 versions of the NPPF have similar policies in relation to delivering new affordable housing – although the definitions of affordable housing have changed.

Section 6 in the 2012 NPPF is concerned with delivering a wide choice of high quality homes. Paragraph 50 requires Councils to set policies for meeting affordable housing needs on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies have to be sufficiently flexible to take account of changing market conditions over time.

The definition of affordable housing in the 2012 NPPF was:

“Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the

local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing.

Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.”

The 2019 version of the NPPF is similar in its intent, requiring planning policies to specify the type of affordable housing required and expecting it to be met on-site – although it goes a step further in requiring at least 10% of homes to be for ‘affordable home ownership’ and the new definition of affordable housing has been amended. The new definition of affordable housing is:

“Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

*a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

*b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household’s eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*

*c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

*d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.”*

Affordable housing delivery

As of March 2019, there were 1,585 households on the housing register, requiring affordable housing in Tendring and the Council’s Strategic Housing Market Assessment (2015) which forms part of the Local Plan evidence base, indicates that 160 new affordable homes are needed, each year (as part of the overall requirement of 550 a year), to address existing and projected needs in the period 2013 to 2033. Between 2013 and 2019, the actual delivery of new affordable housing fell well short of this requirement for a number of reasons including:

- low levels of housebuilding of all types in the early part of the Local Plan period (reflecting economic and housing market conditions of the time);
- a high proportion of housebuilding on small sites that are below the Local Plan threshold for providing on-site affordable housing; and
- a number of development sites being granted planning permission with either none or a lower number of affordable housing units than are required by the Local Plan.

Whilst affordable housing delivery has been weak in recent years, the situation is set to improve rapidly as construction commences on a greater number of larger development sites across the district and as registered providers such as housing associations, and the Council itself take a more active role in building new property. Between now and 2033, more than 900 new affordable homes are expected to be built as a proportion of homes on large development sites with extant planning permissions, 800 are expected from sites allocated for housing and mixed-use development in the emerging Local Plan and a further 300 are proposed to be developed by the Council. The emerging Local Plan also includes a policy that allows ‘rural exception schemes’ for affordable housing on the edge of villages to meet a specific local need which will also make a contribution towards affordable housing delivery and which is supported through the Housing Strategy.

Policy LP5 – Affordable and Council Housing

Section 2 of the Council’s emerging Local Plan contains planning policies and proposals that apply

only to Tendring (whereas as Section 1 applies to the wider North Essex area, as explained in previous reports). Although Section 1 is in the process of being examined by a government-appointed Planning Inspector, the examination of Section 2 is not expected to take place until the Section 1 examination has been concluded and that is unlikely to happen until 2020. In the two years since the Local Plan was submitted to the Secretary of State to be examined, Planning Officers and Members of the Planning Committee have been applying some weight to the policies in the emerging Local Plan when determining planning applications.

One of the key actions in the draft Housing Strategy is to seek 30% affordable housing on eligible sites as set out in the emerging Local Plan unless there are prudent reasons not to do so. Policy LP5 in the Council's emerging Local Plan requires 30% of all homes on new housing developments of 11 or more units to be provided in the form of affordable housing or 'council housing' (i.e. owned and managed by the Council) to meet the needs of people and families with lower incomes who cannot afford to buy or rent property on the open market. The policy, as currently worded, also offers an alternative route by which developers can provide a minimum of 10% of homes for affordable housing alongside a financial contribution to the Council that can be used for building or acquiring property to meet affordable/council housing needs elsewhere.

In recent years, the Council has taken a very flexible approach to the interpretation of Policy LP5 to secure a smaller number (often around 5%) of 'gifted' dwellings on development sites to be transferred to the Council or a nominated housing trust for a nominal price of £1. This was in response to government legislation introduced in 2016 which affected the rental model for affordable housing and which made it unviable for housing associations, or the Council, to acquire 30% (or even 10%) affordable housing from large development sites, at a discount, in the traditional manner. Whilst this approach was a pragmatic solution to the delivery of affordable housing at the time, it has resulted in a large number of housing developments obtaining planning permission, either from the Council or on appeal, with a commitment to deliver only a small number of affordable housing units which, when totalled up, would fall a long way short of meeting Tendring's future needs.

The following sites in Tendring which benefit from planning permission or are already under construction are expected to deliver 211 gifted affordable housing units, all within the next 5 years:

Site	Total units expected 2019 to 2033	Affordable (gifted) units expected 2019 to 2024
Oakwood Park (Phase 1), Clacton	250	16
Brook Park West, Clacton	200	18
Bramcote, Clacton	40	1
Greenfield Farm, Dovercourt	42	1
Finches Park, Kirby Cross	228	18
Turpins Farm, Frinton	210	18
R/o 121-183 Thorpe Road, Kirby Cross	105	8
Orchard Gardens, Kirby Cross	11	1
Lawford Green, Lawford	360	14
Long Road/Clacton Road, Mistley	300	18
Stourview Avenue, Mistley	70	5

River Reach, Mistley	100	9
Pound Corner, Mistley	16	1
Colne Gardens (Phase 2), Brightlingsea	115	6
Avellana Place (Phase 2), Colchester	84	15
North of Cockaynes Lane, Alresford	84	11
St. Andrew's Road, Alresford	45	2
School Road East, Elmstead	62	5
Tye Road, Elmstead	32	2
Station Field, Great Bentley	150	11
Bentley Gate, Great Bentley	35	4
Admiral's Farm (Phase 1), Great Bentley	50	3
West of The Street, Little Clacton	98	7
Henderson Park, Thorpe	88	7
Abbey Gardens, Thorpe	16	3
Adj Great Oakley Primary School	51	3
Kidby's Nursery, Weeley Heath	5	1
Station Road, Wrabness	18	1
Break of Day, Great Oakley	17	1
Edwards Drive, Thorrington	5	1
		TOTAL: 211

The followings sites with planning permission (or a Committee resolution to grant permission) or under construction are expected to deliver 571 affordable homes in the traditional manner by providing up to 30% provision on site:

Site	Total units expected 2019 to 2033	Affordable (%-based) units expected 2019 to 2033	Comments
Rouses Farm, Clacton	600	228	24% agreed following viability testing. 600 of total 950 homes expected in total up to 2033 with affordable homes delivered in phases.
Sladbury's Lane, Clacton	132	39	30% secured through s106 on appeal.
Low Road, Dovercourt	300	90	30% secured in line with policy.
Bromley Road, Ardleigh/Colchester	145	43	30% secured through s106 on appeal.
Staunton Gate, Alresford	111	36	25% secured through s106 on appeal.
Charity Field, Elmstead	50	12	25% secured through s106 on appeal.
Admirals Farm (Phase 2), Great Bentley	25	7	30% secured through s106 on appeal.
Frinton Road/Lifehouse Drive, Thorpe	49	12	25% secured through s106 on appeal.
New Road, Mistley	67	20	30% secured through s106 on appeal.
Barleyfields, Weeley	280	84	30% secured in line with policy.
		TOTAL: 571	

From sites allocated for development in the emerging Local Plan that are yet to obtain planning permission, around 776 affordable homes are expected to be delivered in the plan period to 2033, assuming that all deliver the full 30% affordable housing requirement:

Site	Total units expected 2019 to 2033	Affordable units expected 2019 to 2033	Comments
Hartley Gardens, Clacton	450	135	Only a portion of the 1,700 home development is expected to deliver in the plan period to 2033.
Oakwood Park (Phase 2), Clacton	640	192	As above.
Waterworks Drive, Clacton	90	27	
Land adj. Harwich & Parkeston FC	48	14	
The Farm, Kirby Road, Walton	47	14	
Station Yard, Walton	40	12	
Tendring Colchester Borders Garden Community	1,250	375	Represents Tendring's 50% share of the Garden Community housing numbers in the period to 2033.
TDC Council Offices, Weeley	24	7	
		TOTAL: 776	

Further changes to government legislation have now made it viable again for housing associations to build and acquire affordable housing and the Council's latest Viability Study confirms that 30% affordable housing is achievable on the vast majority of development sites. Therefore, to ensure that the Council secures the maximum amount of affordable housing in the future, 'gifted' units will no longer be accepted as an alternative to the full 30% requirement and the draft Housing Strategy makes it clear that gifting will only be considered as an option in exceptional circumstances. In addition, Officers propose the deletion of the section of Policy LP5 that allows for the alternative of 10% affordable housing alongside a financial payment or any other alternative forms of delivering affordable housing.

The revised policy would be as follows:

Policy LP5

AFFORDABLE HOUSING

To promote a mix of housing tenure in the District and address the housing needs of people and families with lower incomes who cannot afford to buy or rent housing on the open market, the Council will work with the development industry to provide new affordable housing.

For development proposals outside of the Tendring Colchester Borders Garden Community, involving the creation of 11 or more (net) homes, the Council will expect 30% of new dwellings, (including conversions) to be made available to Tendring District Council or its nominated partner(s) to acquire at a proportionate discounted value for use as affordable housing.

To avoid an over-concentration of affordable housing in one location, no single group of affordable housing will exceed ten dwellings and to ensure positive integration between the residents of affordable housing and market housing, there should be no noticeable difference in the appearance or quality between dwellings to be sold on the open market and those to be acquired and managed by the Council or its nominated partner(s).

The size and type of council housing will be specified by the Council on a case-by-case basis having regard to the latest housing needs register and will be the subject of negotiation between the Council and the developer or applicant.

A 'tracked change' version of the policy wording is included in appendix 2 so Members can see how the suggested wording compares to the current wording.

Viability

For a developer to make a percentage of property available, at a discounted value, to the Council, a housing association or other nominated body for use as affordable housing, they will reflect this requirement in the price they offer to a landowner when buying the land. Therefore, the percentage has to be set at a level that ensures development is economically viable for both the developer and the landowner, or else development will not proceed.

The need for affordable housing is 160 homes a year within an overall housing requirement of 550 which is approximately 30% which is reflected in the percentage requirement in Policy LP5. The percentage has been tested for its economic viability through the process of preparing the emerging Local Plan and an update to the Economic Viability Study undertaken in 2017 has been undertaken by consultants Three Dragons and Troy Planning + Design. The 2019 addendum report (attached as Appendix 2) confirms that 30% is viable for the majority of developments in Tendring, including the large housing allocations in Section 2 of the Local Plan that are yet to received planning permission. The study considers a variety of case studies and takes into account a variety of factors including property values, construction costs, infrastructure costs, finance costs, build rates, professional fees and developer profit to determine viability.

This evidence suggests that there should generally be no reason why a developer cannot deliver the full 30% affordable housing requirement unless there are very site-specific constraints or factors which have an abnormal effect on costs or values. In those instances, the Council can consider a lower percentage of affordable housing if the applicant can demonstrate such exceptional circumstances, with evidence which will be independently appraised. This approach has justified lower percentages of affordable housing on some sites in Tendring. Current government planning guidance suggests that these cases should be wholly exceptional and, in general terms, if the policies have been tested through a viability study, developments should be expected to provide the full affordable housing requirement.

Making amendments to the Local Plan

The Local Plan has already been submitted to the Secretary of State for it to be examined by a

government-appointed Planning Inspector. The Inspector will however have the power to recommend 'modifications' to the Local Plan, following the examination, aimed at addressing any issues with the soundness of the plan. Whilst it will be at the Inspector's discretion which modifications are formally recommended, the Council will have the opportunity suggest changes to the Inspector, for their consideration, as part of the examination process. It is recommended that the changes outlined in this report be put forward to the Inspector for their consideration, at the appropriate time. This is most likely to be in response to the Inspector's 'Matters Issues and Questions' which will be issued to the Council ahead of the Section 2 examination.

Any modifications proposed by the Inspector at the end of the examination process may have to be published for consultation in their own right before the Council can proceed to the final adoption of the Local Plan. The amendments being suggested through this report are not an indication that the emerging Local Plan as currently written is 'unsound', but are aimed at improving the delivery of affordable housing.

APPENDICES

1. Draft Housing Strategy.
2. Viability Study.
3. Suggested amendments to Policy LP5 shown as 'tracked changes'.