

CABINET

Adopting the Meeting Housing Needs Supplementary Planning Document

22nd January 2013

Report of Head of Regeneration and Planning

PURPOSE OF REPORT			
To seek a resolution from Cabinet to adopt the Meeting Housing Needs Supplementary Planning Document (SPD).			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forthcoming Key Decision Notice		21 December 2012	
This report is public.			

RECOMMENDATIONS OF COUNCILLOR HANSON

- (1) That Cabinet resolves to adopt the Meeting Housing Needs Supplementary Planning Document (SPD). The document will then be a material consideration for all planning applications for residential development from 1st February 2013 onwards until further notice.

1.0 Introduction

- 1.1 The purpose of the Meeting Housing Needs SPD is to provide additional detail and guidance on how the Council will, as the local planning authority interpret and apply relevant policies from the adopted development plan.
- 1.2 A report recommending that Cabinet resolve to publish and consult on the Draft SPD was received in September 2012. Following this, the Draft SPD was consulted on in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012, and the Council's Statement of Community Involvement. The following table provides a summary of the timetable for the preparation of the Meeting Housing Needs SPD.

Stage	Dates
Key Stakeholder Group meeting	28 th February 2012
Information Gathering Questionnaire & Briefing circulated	2 nd March 2012
Deadline for Questionnaire responses	30 th March 2012
Draft SPD prepared	Spring and Summer 2012
Cabinet approval to consult on Draft SPD	4 th September 2012
Statutory consultation period starts	1 st October 2012
Statutory consultation period ends	9 th November 2012
Cabinet approval to adopt SPD	22 nd January 2013
Adopted SPD, Public Participation Statement, and Adoption Statement published	1 st February 2013

2.0 Background

- 2.1 Supplementary Planning Documents (SPDs) were introduced by the Planning and Compulsory Purchase Act 2004 and replaced Supplementary Planning Guidance. Because SPDs are subject to greater consultation they are therefore given greater weight when planning applications are determined. The current requirements for the preparation of SPDs are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012. These regulations can be downloaded at: www.legislation.gov.uk
- 2.2 The National Planning Policy Framework (NPPF) published in March 2012 provides the current context for the preparation of SPDs. The NPPF defines SPDs as "documents which add further detail to the policies in the Local Plan". The NPPF also says that SPDs "can be used to provide further guidance for development on specific sites, or on particular issues, such as design"; and that SPDs "are capable of being a material consideration in planning decisions but are not part of the development plan."
- 2.3 The NPPF also states that SPDs should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development. The NPPF can be downloaded at: <http://www.gov.uk/government/publications/national-planning-policy-framework--2>

3.0 Strategic Context

- 3.1 The key objectives of this SPD are:

- To aid effective implementation of saved Local Plan policy H10 and Core Strategy Policy SC4 which is concerned with meeting the district's housing requirements, and housing aspects of Core Strategy policies SC1 (sustainable development); SC2 (urban concentration); and SC3 (rural communities).
 - To provide clear direction to all parties on how to interpret these policies;
 - To bring together all relevant existing Council guidance and practice on the delivery of residential development; and
 - To guide all applicants on how to liaise with the Council and on what information required to ensure planning applications are not delayed unnecessarily.
- 3.2 Because this document is an SPD, it does not introduce any new policy and is not part of the adopted development plan. However it does add further detail to the relevant policies from the adopted development plan, and the SPD is therefore a material consideration for any individual or organisation that wishes to make a proposal for residential development within the administrative area of Lancaster City Council.
- 3.3 This SPD supersedes the Supplementary Planning Guidance 10: Affordable Housing (March 2002) and the Affordable Housing Practice Update (January 2011).
- 3.4 Please note that the Council is currently preparing a new Lancaster District Local Plan that will eventually supersede all of the 'saved' policies in the adopted 2004 Local Plan.

4.0 Preparation of the SPD

- 4.1 The attached background paper (Public Participation Report) provides full details of the preparation process for the SPD, and the feedback received from stakeholders.

Context and Evidence Base

- 4.1 The process for preparing the SPD began with the 2009 Affordable Housing Viability Study, which is the Council's most recent evidence base on residential development viability. Following the conclusion of this Study the Council prepared and consulted on an Affordable Housing Practice Update, which described the process for negotiating affordable housing as part of the approach to implementing Core Strategy Policy SC4. This was adopted in January 2011.
- 4.3 A comprehensive consultation process supported both the preparation of the Affordable Housing Viability Study, and the Affordable Housing Practice Update. At the core of this process was a Key Stakeholder Group drew in both local and regional experience and perspectives from residential developers, planning agents, land agents, and registered providers of social housing.
- 4.4 The preparation of this SPD has also been informed by the 2011 Housing

Needs Survey which was informed by a range of data sources including a household questionnaire to gather current primary data. The Survey provides the Council with an up to date robust evidence base on the genuine housing needs of existing and concealed households, and of households planning to move to more suitable accommodation.

Information Gathering

- 4.5 In order to comply with the Council's adopted Statement of Community Involvement the first stage of preparing the SPD was to gather information to inform the document. Stakeholders were therefore invited to provide their perspectives on a range of issues to help inform the preparation of the SPD. For a summary of the issues raised, please refer to Appendix 4 of the attached background paper: Public Participation Statement. Information on the preparation of the SPD was also promoted via a press release which featured in the Lancaster Guardian in the first week of March 2012; as well as the Council website, the "Shaping a Better Future" Facebook page; and the Council's Twitter feed.

Statutory Consultation

- 4.7 The Draft SPD for consultation was prepared during spring and summer 2012 in accordance with the Council's adopted Statement of Community Involvement, and the Town and Country Planning (Local Planning) (England) Regulations 2012. It was then subject to a 6 week consultation period from 1st October to 9th November 2012. Hard copies of the Draft SPD and related documents were made available for public inspection during normal opening hours at Lancaster Town Hall and Morecambe Town Hall, the Cable Street council housing office, and all Lancashire County Council public libraries in the district. The Draft SPD and related documents were also available for download from the Council website.
- 4.9 The statutory consultees (English Heritage, Natural England, and the Environment Agency), the Homes and Communities Agency, South Lakeland District Council, Wyre Council, Lake District National Park Authority, and Yorkshire Dales National Park Authority were directly consulted on the Draft SPD. A wide range of key stakeholders were also directly consulted, including a range of registered providers, developers, and planning agents and consultants. In addition all elected members of the Council; Heysham and Morecambe town council, and each of the neighbourhood and parish councils, and parish meetings were directly consulted. Over 800 individuals and organisations registered on the Council's consultation database were also emailed regarding the consultation.
- 4.10 A public notice was placed in both the Lancaster Guardian and the Morecambe Visitor in September 2012, which provided details of the consultation and how to provide comments. The consultation was also communicated via the Council website, the "Shaping a Better Future" Facebook page; and the Council's Twitter feed, and promoted by the distribution of posters, and a press release which featured in The Morecambe Visitor on 9th October.
- 4.11 The Council received approximately 30 formal representations from

consultees, ranging from members of the public to planning agents representing developers with land interests in the district. For a summary of the issues raised by consultees, please refer to Appendix 5 of the attached background paper: Public Participation Statement.

5.0 Summary of the key issues contained within the SPD

- 5.1 Affordable housing contributions are required from all proposals that will result in a net increase in the overall number of dwellings. Small schemes up to 4 dwellings are expected to provide a financial contribution and larger schemes of 5 or more dwellings are expected to provide on site affordable housing.
- 5.2 Up to 20% on site affordable housing is required from schemes that propose a net increase of 5 to 9 dwellings in a rural location, or 5 to 14 dwellings in an urban location.
- 5.3 Up to 30% on site affordable housing is required from schemes that propose a net increase of 10 plus dwellings in a rural location, or 15 plus dwellings in an urban location.
- 5.4 The opportunities for developing new housing on Greenfield sites will be limited but where this is permitted the Council will require increased affordable housing provision (up to 40%). The precise requirement will be agreed via negotiation and will be influenced by site specific issues.
- 5.6 An affordable tenure mix of 50% social rented and 50% intermediate will be required of all schemes but the Council will seek to ensure that the specific tenure mix, dwellings type and size of dwellings reflect local housing needs as evidenced by the 2011 Housing Needs Survey or other local evidence where appropriate.
- 5.7 Developers are expected to realistically assess the full cost of developing new housing before applying for planning permission, with consideration made of the cost of land acquisition, site remediation, abnormalities, construction, finance, affordable housing provision, and other planning obligations. In particular, developers are expected to fully consider the cost of purchasing land, buildings or an option on land before applying for planning permission, as these costs will impact on the ability of the scheme to meet the required affordable housing provision, and therefore scheme viability.
- 5.8 Proposals for residential development in the West End of Morecambe and the area covered by the Morecambe Area Action Plan (MAAP) are not required to provide an affordable housing contribution as this can have a significant impact on development viability because property values are much lower than elsewhere in the district. This therefore acts as a disincentive to securing much needed investment.
- 5.9 In recent years the Council has permitted new rural residential development in 8 settlements that retain a sufficient number of key services to make these settlements sustainable. In order to better meet rural housing needs development will be considered in rural settlements with fewer key services where it can be demonstrated that the proposals will maintain or enhance the vitality of the local community. A key aspect of this is how well a proposed development meets local housing need.

6.0 Details of Consultation

- 6.1 Full details on the preparation of the Meeting Housing Needs SPD are dealt with under section 4.0 of this report (Preparation of the SPD).
- 6.2 In addition to this consultation officers presented a report to the 13th March 2012 Planning Policy Liaison Group (PPCLG) detailing how the SPD would be prepared. A further report updating PPCLG was received at the 28th August 2012 meeting ahead of the 4th September Cabinet meeting. Following the completion of the statutory consultation, a report was taken to the 4th December 2012 PPCLG meeting.
- 6.3 In terms of focused consultation on sustainability issues affecting the Meeting Housing Needs SPD, officers are confident that such issues have been intensively explored and tested during the preparation of the Council's Core Strategy and emerging Local Plan. Because the SPD links to the higher-level sustainability testing of both documents then the likely affects of the SPD are in-line with those anticipated for both documents. Therefore this SPD has not been subject to its own sustainability appraisal. The Core Strategy Sustainability Appraisal reports can be found at: www.lancaster.gov.uk/ldf

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Approve the recommendation to adopt the Meeting Housing Needs SPD.	Option 2: Do not approve the recommendation to adopt the Meeting Housing Needs SPD.
Advantages	The Council will have available complete and up to date guidance on meeting housing needs (that applicants can refer to when preparing specific planning proposals and the Development Management Team can refer to when considering specific planning applications).	Delaying the publication of the SPD will allow time for further public consultation, although adequate time has already been allowed for this.
	The Council will be aligned with the National Planning Policy Framework (NPPF) requirement that SPDs provide further guidance on particular issues (in this instance meeting housing needs).	
	The Council will be aligned with the NPPF requirement that SPDs add further detail to the policies in the adopted Local Plan.	
Disadvantages	The SPD's focus on how the Council will achieve affordable housing from new residential development may attract renewed criticism from developers / applicants around the impact this has on viability which may be viewed as being at odds with the NPPF.	
Risks	Applying the approach to calculating commuted sums to conversions (as distinct to new build) may attract some criticism because the in-principle expectation of affordable housing contributions from a net increase in units (whether new build or conversion of existing) is described within a development management policy in the Draft Local Plan which has not yet been adopted. Although public consultation on the preferred options version of the Draft Local Plan commenced on 22 nd October, the document is not anticipated for adoption until September 2014. However, paragraph 216 of the NPPF states that decisions	The absence of a fully consulted on SPD providing complete and up to date guidance on meeting housing needs may put the Council at risk from future appeals to overturn decisions made where planning proposals did not address relevant policies in the adopted Core Strategy.

	<p>makers may also give weight to relevant policies in emerging plans according to the stage of preparation of the emerging plan. On this basis, the Draft Local Plan can be thought of as a material consideration (but of limited weight), and might usefully inform the consideration of a development proposal.</p>	
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6.0 Officer Preferred Option (and comments)

6.1 The officer preferred option is Option 1 so that the Council has in place complete and up to date guidance on meeting housing needs.

RELATIONSHIP TO POLICY FRAMEWORK

Lancaster District Core Strategy. This proposal will make a positive contribution to Policy SC4 in terms of meeting the district's housing requirement.

Lancaster District Housing Action Plan. This proposal will support implementation of the forthcoming Action Plan by guiding applicants on how proposed developments should meet the housing needs of the district.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The Meeting Housing Needs SPD will contribute towards meeting the housing needs of those in unsuitable accommodation, in terms of the size and location. This will allow improved access to employment, training and education opportunities, and will contribute towards ensuring social cohesion which in turn should impact on community safety. Affordable or low cost market housing in rural locations will also contribute to improved access to housing where often younger families and vulnerable households cannot access suitable and affordable accommodation.

LEGAL IMPLICATIONS

The Meeting Housing Needs SPD will provide new guidance around the use of Nominations Agreement and Local Occupancy Criteria agreement, and S106 agreements which should assist applicants in understanding the legal implications of specific proposals. This will require liaison between Regeneration and Planning and Legal.

FINANCIAL IMPLICATIONS

The Meeting Housing Needs SPD will provide new guidance on the negotiation of commuted sums. Assuming that no changes are made in due course to the financial management

arrangements, as and when the monies are received they would be held in the Commuted Sums – Affordable Housing Reserve until such time as they are required, at which point the capital programme would be updated accordingly to reflect their application to specific schemes.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None.

Information Services:

None.

Property:

None.

Open Spaces:

None.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Public Participation Statement

Meeting Housing Needs SPD

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