

## **Amendment to Affordable Housing SPD – Affordable Housing Threshold**

The Government published Planning Policy Statement 3: Housing (PPS3) in November 2006. To summarise, PPS3 updates the Government's advice on planning and housing policy and will be a material consideration in the determination of planning applications for housing development. The provisions of PPS3 will in due course need to be considered by us in reviewing our planning policies as part of the development of our Local Development Framework. Until that time our existing Local Plan policies remain in place.

One of the key changes in PPS3 is the reduction in the size threshold above which we can seek the provision of affordable housing as an element of overall development. The new threshold is a minimum of 15 dwellings, in contrast to the previous threshold of 25 dwellings or more (or 1 hectare or more).

At a meeting on 4 April 2007, our Planning Committee decided that the new minimum 15 dwellings affordable housing threshold will be used as a material consideration, from 5 April 2007, on all new pre-application discussions and new planning applications (where no detailed pre-application discussions have already occurred) containing residential development. This will apply to all sites of a suitable size to be able to accommodate 15 dwellings or more, based on a minimum density of 30 dwellings to a hectare.

This means that our 30% affordable housing requirement as set out within our Local Plan policy and Affordable Housing Supplementary Planning Document will apply once this 15 dwelling threshold has been met.

This amendment therefore supersedes the threshold set out in our Affordable Housing Supplementary Planning Document.

## **APPENDIX A – Planning Committee Report**

### EREWASH BOROUGH COUNCIL

Report of the Development Manager to the  
Planning Committee

4<sup>th</sup> April 2007

#### **PLANNING POLICY STATEMENT 3: HOUSING – AFFORDABLE HOUSING THRESHOLD**

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##### 1 Purpose of Report

- 1.1 To inform Members of the new Government policy guidance in Planning Policy Statement 3: Housing (PPS3), specifically in relation to the lowering of the affordable housing threshold, to which the Council can have regard from 1 April 2007.
  - 1.2 To seek a resolution to apply the new minimum 15 dwellings affordable housing threshold, with immediate effect, on all new pre-application discussions and new planning applications (where no detailed pre-application discussions have already occurred) containing residential development.
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##### 3 Recommendations

I recommend that the Planning Committee:

- (i) Resolve to apply the new minimum 15 dwellings affordable housing threshold as a material consideration, with immediate effect, on all new pre-application discussions and new planning applications (where no detailed pre-application discussions have already occurred) containing residential development. This will apply to all sites of a suitable size to be able to accommodate 15 dwellings or more, based on a minimum density of 30 dwellings to a hectare.
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##### 4 Introduction and Issues

- 4.1 The Government published Planning Policy Statement 3: Housing in November 2006. Members will recall my previous report to Council Executive when the Director of Development and Regulatory Services reported its contents for information.
- 4.2 To summarise, PPS3 updates the Government's advice on planning and housing policy and will be a material consideration in the determination of planning applications for housing development. The provisions of PPS3 will in due course need to be considered by the Council in reviewing its planning

policies as part of the development of its Local Development Framework. Until that time the Council's existing Local Plan policies remain in place.

- 4.3 One of the key changes in PPS3 is the reduction in the size threshold above which local planning authorities can seek the provision of affordable housing as an element of overall development. The new threshold is a minimum of 15 dwellings, in contrast to the previous threshold of 25 dwellings or more (or 1 hectare or more). This change is significant as it now allows the Council the opportunity to secure more affordable housing through the planning process. This will significantly help towards meeting our affordable housing deficit as expressed in the Council's housing needs surveys.
- 4.4 The Housing Needs Study 2002 states that there is an annual affordable housing shortfall of 279 units. In the Council's recently commissioned Housing Needs Study 2007 (draft), the annual affordable housing shortfall has increased significantly to 428 units. In view of this significant evidence and the priority given by the Council to increasing the supply of affordable housing within the Borough, there is a need for the Government's new threshold to be applied to all relevant planning applications containing residential development from immediate effect.
- 4.5 The Government does not now recommend a site size threshold within PPS3, as it previously did on sites of one hectare or more. However it is clear that given the amount of affordable housing required within the Borough, it is reasonable for the Council to aim to secure affordable housing on all sites of a suitable size to be able to accommodate 15 dwellings or more. This will be determined by applying the Government's minimum density of 30 dwellings per hectare.
- 4.6 If agreed, the Government's new affordable housing threshold will need to be considered as a material consideration in conjunction with the Council's existing affordable housing Local Plan policy H6 and Supplementary Planning Document. The Council's 30% affordable housing provision would therefore apply once this 15 dwelling threshold had been met.
- 4.7 The reduction in the threshold means that more sites will come forward for consideration for affordable housing. This likely increase in sites will mean more S106 agreements, which is potentially going to slow down the determination of planning applications and impact on performance figures.

## 5 Options

- 5.1 An alternative option would be not to resolve to apply the threshold as set out in PPS3. However, this is now Government guidance and this approach would also not accord with the Council's Corporate Plan objective to enable housing

for all. The purpose of the resolution is to make clear the approach the Council is taking in relation to this issue.

- 5.2 Another option would be to resolve to apply the new threshold on all existing pre-application discussions and planning applications irrespective of what has already been negotiated. However this would not be fair or reasonable on both the applicants and the officers dealing with the applications, as considerable time and effort will have already been expended. It would also delay the determination of planning applications as new agreements would need to be negotiated, affecting the Council's BVPI performance. Only once the Council's position has been made clear on this issue, can this new threshold be applied.

## 6 Risk and Financial Implications

- 6.1 None.

## 7 Legal Implications

- 7.1 The application of this new threshold will mean that more development sites will now come forward for consideration, increasing the number of section 106 agreements required.

## 8 Conclusions

- 8.1 A Council resolution to apply the Government's new affordable housing threshold as set out in this report will significantly assist in delivering affordable housing within the Borough.

### Background Papers

Planning Policy Statement 3: Housing (November 2006)