

Name of meeting: Economy and Neighbourhoods Scrutiny Panel

Date: 30 August 2022

Title of report: Affordable Housing and Housing Mix Supplementary Planning Guidance (SPD)

Purpose of report:

- To highlight the scope of the Draft Affordable Housing and Housing Mix SPD for the purposes of consultation and allow questions and comments about the scope of the document. Details of the scope and content of the SPD will be presented at the Scrutiny session
- To note the timeline for next steps for public consultation and adoption of the SPD.

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| Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards? | N/A - this is a Scrutiny report |
| Key Decision - Is it in the <u>Council's Forward Plan (key decisions and private reports)</u>? | N/A - see above |
| The Decision - Is it eligible for call in by Scrutiny? | N/A |
| Date signed off by <u>Strategic Director</u> & name | David Shepherd (Strategic Director - Growth and Regeneration): 11/08/22 |
| Is it also signed off by the Service Director for Finance? | Eamonn Croston (Service Director - Finance) 15/08/22 |
| Is it also signed off by the Service Director for Legal Governance and Commissioning? | Julie Muscroft (Service Director - Legal, Governance and Commissioning) 12/08/22 |
| Cabinet member http://www.kirklees.gov.uk/you-kmc/kmc-howcouncilworks/cabinet/cabinet.asp | Cllr Graham Turner Cllr Cathy Scott |

Electoral wards affected: All

Ward councillors consulted:

| Date | Briefing |
|------------------|---|
| 14 December 2021 | Portfolio Holders Cllr McBride Regeneration PHB (Including Cllr Mather, Cllr Scott). Cllr McBride is no longer a councillor since May 2022. |
| 2 August 2022 | Portfolio Holders - Cllr Turner's Regeneration PHB |
| 2 August 2022 | Cllr Cathy Scott briefing |

Public or private: Public

Has GDPR been considered? Yes. The draft SPD does not contain any personal data

1. Summary

The draft SPD provides guidance on the implementation of the Kirklees Local Plan Housing Mix and Affordable Housing Policy (LP11) (appendix 1) which seeks to ensure provision of affordable housing in new housing developments and ensure that the housing mix meets local needs. This Supplementary Planning Document (SPD) will be used as a material planning consideration when securing affordable housing as part of the determination of planning applications. It will replace guidance set out in the Council's Interim Affordable Housing Policy (approved by the Cabinet on 14th January 2020) and SPD2 (Affordable Housing) which was adopted in 2008.

The draft SPD has been prepared with a view to consulting on the SPD in Autumn 2022, the detailed timeline including member engagement is set out in section 4 of this report. The work has been prepared with input from Planning Policy, Housing and Housing Growth. The document has also been subject to critical friend review by Leeds City Council, the approach was viewed positively with minor suggested inclusions to reflect recent issues they had experienced such as the approach to Build to Rent.

As set out in the National Planning Policy Framework (NPPF), Supplementary planning documents (SPDs) are *“Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan”*.

This SPD therefore adds clarity to Local Plan Policy LP11. SPDs are subject to consultation but not an Examination in Public. The decision to adopt the SPD will be a Cabinet decision following the consultation period. As with all SPDs, we will apply a 'comply or justify' approach where the applicant will need to comply with the guidance unless the council is satisfied evidence provided by the developer warrants a different approach.

2. Information required to take a decision

This SPD has been produced in accordance with the Kirklees Local Plan, specifically Policy LP11 and NPPF (Section 5). It refreshes the 2008 version by updating the approach with the latest evidence and introduces a new component to the SPD providing a more detailed sub-area approach to the mix of housing on sites. A summary of the principles within the SPD is set out below:

Principle 1: Market Housing Mix (increased level of detail than existing SPD)

This section sets out that all proposals for housing must aim to provide a mix (size and tenure) of housing suitable for different household types which reflect changes in household composition in Kirklees in the types of dwelling they provide, taking into account evidence of the need for different types of housing.

The new SPD provides a finer level of detail than the existing SPD sub-dividing housing mix in the district into the 6 sub-areas (Batley & Spen, Dewsbury and Mirfield, Huddersfield North, Huddersfield South, Kirklees Rural East, Kirklees Rural West).

The sub-areas are already well-established as part of the Local Plan evidence base in the Strategic Housing Market Assessment (SHMA). The Local Plan allows applicants to provide evidence to justify a different housing mix based on local circumstances which will be assessed as part of the planning applications process.

Principle 2: Approach to affordable housing calculations (Existing SPD refresh)

This principle re-iterates that the council will require 20% affordable housing on all qualifying developments of more than 10 dwellings in accordance with the local plan policy. It also confirms that smaller land parcels on one site developed incrementally will also need to provide affordable housing if the overall site capacity is more than 10 dwellings.

Principle 3: Affordable Housing types and Mix (increased level of detail than existing SPD)

This section sets out that the Affordable Housing provision should cater for the type of affordable need identified in the latest housing evidence in terms of type, tenure, size and suitability to meet the needs of specific groups, taking into account evidence in the latest housing needs evidence.

The new SPD provides a finer level of detail than the existing SPD sub-dividing affordable housing need in the district into the 6 sub-areas (Batley & Spen, Dewsbury and Mirfield, Huddersfield North, Huddersfield South, Kirklees Rural East, Kirklees Rural West).

Principle 4: First Homes, Starter Homes and Discounted Market Sale (New section)

This section provides clarity about the councils approach to different affordable housing products including Starter Homes, Discount Market Sale and First Homes.

Principle 5: Design (Existing SPD refresh)

This section sets out that Affordable housing provision should be indistinguishable from market housing in terms of achieving the same high quality of design and should promote the provision of mixed and balanced communities by dispersing the affordable housing throughout the site.

Principle 6: Affordable housing delivery (Existing SPD refresh)

This section details that affordable housing will be expected to be delivered in partnership with a Registered Provider in most circumstances and will be secured through S106 obligations.

Principle 7: Transfer Values (Existing SPD refresh and updating evidence)

This section provides transfer values set by the council, which are the costs it expects developers to transfer affordable housing to Registered Providers. These are based on a price per sq.m. to ensure clarity for developers and Registered Providers through the planning process. Under the comply or justify approach there is the opportunity for different rates to be justified through the planning applications process. These will be reviewed periodically to ensure transfer values remain appropriate.

The transfer values have been updated from the rates set in 2008 increasing the figures to up-to-date figures. Revised figures have been produced by external Chartered Surveyors and are higher than the 2008 transfer values which reflects the changes to build costs over time.

Principle 8: Provision of affordable homes off-site (Existing SPD refresh)

This section sets out that the affordable housing should be incorporated within the development (on site). Where this is not possible, this section sets out the required approach to the off site provision of affordable housing.

Principle 9: Town Centres (New section to the SPD)

New to the SPD, this section recognises that town centres have a changing role and that the council broadly supports residential development in town centres alongside supporting existing town centres uses.

Principle 10: Huddersfield Town Centre (New section to the SPD)

New to the SPD, this section builds on the town centres section and provides a bespoke Huddersfield context, including referencing the Huddersfield Blueprint. This principle will ensure a more balanced housing mix is achieved and provide high quality town centre living.

Principle 11: Dewsbury Town Centre (New section to the SPD)

New to the SPD this section builds on the town centres section and provides a bespoke Dewsbury context, including referencing the Dewsbury Blueprint. This principle will ensure a more balanced housing mix is achieved and provide high quality town centre living.

3. Implications for the Council

The main implication for the Council in producing the draft Affordable Housing and Housing Mix SPD is that it will provide consistency, greater clarity and improve certainty for housebuilders, developers, agents and Registered Providers submitting planning applications for new housing in the district. It will assist applicants in the early design and layout of residential development to identify key matters likely to be raised within pre-application discussions and will help to bring forward policy-compliant schemes. This will, in turn, ensure an improved mix of house sizes for Kirklees residents to reflect local need.

The draft SPD will also help facilitate the council's Development Management service in the determination of planning applications and provide clear guidance

and certainty for the local community, elected members, officers and statutory consultees in relation to the delivery of affordable housing and the mix of house types within high quality well-designed housing developments.

3.1 Working with People

The draft Affordable Housing and Housing Mix SPD will enable communities to understand the council's expectations regarding the delivery of affordable housing and the mix of house types within well-designed housing developments. It will have the benefit of seeking a greater mix of house types and tenures which will benefit future occupiers. The council will undertake public consultation on the draft SPD in accordance with the Statement of Community Involvement (SCI).

3.2 Working with Partners

The draft Affordable Housing and Housing Mix SPD will enable housebuilders, developers, agents, Registered Providers and external partners, such as statutory consultees, to understand the council's expectations regarding the delivery of affordable housing and the mix of house types within well-designed housing developments. Such parties will be consulted on the draft SPD as part of the wider public consultation.

3.3 Place Based Working

The draft Affordable Housing and Housing Mix SPD uses Local Plan evidence in the Strategic Housing Market Assessment to determine the local need for the mix of houses that should be provided within the six sub areas within Kirklees namely Batley and Spen, Dewsbury and Mirfield, Huddersfield North, Huddersfield South, Kirklees Rural East and Kirklees Rural West. It also enables applicants to submit further specific needs information to be assessed through planning applications to justify an alternative approach to the housing mix in the SPD.

3.4 Climate Change and Air Quality

The draft Affordable Housing and Housing Mix SPD details the mechanism to secure affordable housing and details the mix of house types the councils expects to be delivered through planning permissions. Whilst its remit doesn't include setting environmental standards it does signpost to the Housebuilders Design SPD which addresses the quality of housing we expect to be delivered within Kirklees.

3.5 Improving outcomes for children

The draft Affordable Housing and Housing Mix SPD sets out how affordable housing and a mix of local house types and tenure will be

delivered through the planning system including the provision of family housing to meet local need.

3.6 Financial Implications for the people living or working in Kirklees

The draft Affordable Housing sets out how affordable housing will be delivered through the planning system providing opportunities for affordable rented and home ownership products for people living and working in Kirklees.

3.7 Other (eg Legal/Financial or Human Resources) Consultees and their opinions

- Legal:
 - The requirements for producing SPDs are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Town and Country Planning (Local Planning) (England) (Amendment) Regulations 2017 including the consultation requirements and sets out that SPDs must not conflict with an adopted development plan.
 - Equality Act 2010, Section 149
- Human resources - The proposal for the SPD is identified in the LDS and as such existing staff resources are being used for the project.
- A stage 1 Integrated Impact Assessment (IIA) has been undertaken for the draft SPD, this concluded that no Stage 2 assessment was required with the assessment being neutral or positive in nature in relation to equality and environmental impacts (see appendix 2).
- Communication

External

- A Strategic Environmental Assessment (SEA) Screening has been undertaken by the council, which concluded that a full SEA is not required. This screening outcome has been sent to the three statutory consultees (Environment Agency, Natural England and Historic England) to seek their views on this conclusion who have all have commented that no SEA is required.
- The document has also been subject to critical friend review by Leeds City Council
- There will be a six week public consultation on this document

Internal

- The SPD has been prepared with input from Planning Policy, Housing and Housing Growth.
- Cllr McBride Regeneration PHB (Incl. Cllr Scott) (Cllr McBride is no longer a councillor since May 2022) – 02/12/2021
- Cllr Turner Regeneration PHB – 02/08/2022

- Cllr Scott Briefing – 02/08/2022
- LMT – 15/08/2022

4. Next steps and timelines

It is intended the Council will consult on the draft Affordable Housing and Housing Mix SPD in Autumn 2022 for a period of six weeks (the minimum legal requirement is four weeks). The consultation will be carried out in accordance with Statement of Community Involvement. The council will proactively contact interested parties on the local plan mailing list, the planning agents forum and raise awareness through social media, and the council's website which will host the consultation. Following the consultation, all comments will be considered, enabling any changes to be incorporated in the SPD. It will be a decision for Cabinet to adopt the SPD at that stage.

The next steps:

- **Public consultation** on the draft Affordable Housing and Housing Mix SPD – proposed for Autumn 2022
- **Anticipated Cabinet** decision on the adoption of Affordable Housing and Housing Mix SPD – late 2022/early 2023

5. Officer recommendations and reasons

- Scrutiny Panel to note the content and timeline of the draft SPD and provide feedback during the Scrutiny Panel session.

Reason: Scrutiny Panel requested to have early input into the content of draft SPDs.

6. Cabinet Portfolio Holder's recommendations

Cllr McBride (no longer a councillor since May 2022) and Cllr Scott were briefed on the draft Affordable Housing and Housing Mix SPD on 02/12/21 with Cllr Turner and Cllr Scott briefed on 02/08/22. All were supportive of the document being prepared for public consultation.

7. Contact officer

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Team Leader Planning Policy
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(01484 221000)

8. Background Papers and History of Decisions

Council website links:

- Local Plan adopted 27th February 2019
[Kirklees Development Plan | Kirklees Council](#)
- Local Plan Examination Library
[Local Plan examination library and examination news | Kirklees Council](#)

9. Service Director responsible

David Shepherd
Strategic Director Growth & Regeneration
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10. Appendices:

- Appendix 1 – Local Plan Policy
- Appendix 2 – Integrated Impact Assessment

Appendix 1 – Local Plan policy

Policy LP11

Housing Mix and Affordable Housing

All proposals for housing, including those affecting the existing housing stock, will be of high quality and design and contribute to creating mixed and balanced communities in line with the latest evidence of housing need.

All proposals for housing must aim to provide a mix (size and tenure) of housing suitable for different household types which reflect changes in household composition in Kirklees in the types of dwelling they provide, taking into account the latest evidence of the need for different types of housing. This includes consideration of provision for those with specialist needs. For schemes of more than 10 dwellings or those of 0.4ha or greater in size, the housing mix should reflect the proportions of households that require housing, achieving a mix of house size and tenure. The council encourages the inclusion of appropriate design elements that ensure buildings are suitable or can be adapted to meet the needs of people needing specialist accommodation at present and into later life. The council will encourage proposals for custom/self build homes where consistent with other policies in the Local Plan.

Taking into account the annual overall shortfall in affordable homes, the council will negotiate with developers for the inclusion of an element of affordable homes in planning applications for housing developments of more than 10 homes, including proposals involving self-contained residential units. The proportion of affordable homes should be 20% of the total units on market housing sites. The proportion may be less where viability evidence demonstrates that there are development costs which would otherwise prejudice the implementation of the proposal. Achievement of a higher proportion of affordable housing on sites will be encouraged.

The affordable homes should be incorporated within the development but where justified, a financial contribution of at least equal value may be accepted to provide affordable homes elsewhere or to re-use or improve the existing housing stock.

The affordable housing provision should:

- a. cater for the type of affordable need identified in the latest housing evidence in terms type, tenure, size and suitability to meet the needs of specific groups;
- b. incorporate appropriate arrangements to retain the benefits of affordability for initial and subsequent occupiers or for the subsidy to be recycled for alternative affordable housing provision; and
- c. be indistinguishable from market housing in terms of achieving the same high quality of design.

Exceptionally, planning permission may be granted for affordable homes on land which would not normally be permitted for housing development, where there is otherwise little prospect of meeting robustly evidenced local needs particularly for housing to rent by people who work locally. Where appropriate, such schemes must include arrangements for the homes to remain affordable in perpetuity.