Matter 7: Detailed Policies for Housing

Question 7.5 – Would it be justified and effective for development management purposes to update references to affordable housing so that they are more closely aligned with definitions in NPPF 2018?

1.1 This matter statement has been prepared by Tetlow King Planning Ltd. on behalf of Rentplus, the provider of innovative affordable rent to buy housing. The revised NPPF, as with its predecessor requires the Council to positively seek opportunities to meet its development needs, setting out clearly written policies “so it is evident how a decision maker should react to development proposals” (para. 16d, NPPF). The Council is also encouraged to seek delivery of a wide range of high quality homes, to widen opportunities for home ownership and to create mixed and balanced communities. It should take account of the variety of housing needs in its area, as well as the constraints on the delivery of affordable housing which today include reduced public funding for the delivery of affordable housing, and uncertainty arising from wider economic and political circumstances.

1.2 It is important to acknowledge that the transitional arrangements for plans already under examination do not require the Council to make changes reflecting the new NPPF. It is however important for the Council and for this examination to ensure that the plan is capable of effectively delivering affordable housing over the long term; as a long-term strategic document, we expect the Council to ensure that Policy SL20 and its supporting text actively encourages a supply of affordable housing that maximises delivery.

1.3 Any changes made before the Plan is adopted should ensure the Plan is capable of implementation, and not subject to early attack once adopted and in use alongside the NPPF as a material consideration. As the revised NPPF requires regular review of policies and updates to be made to respond to any relevant changes, including to national policy, further modifications at this time to the Plan will not only facilitate better and quicker decision-making and delivery of more affordable housing, but it will also reduce the scope of the Plan’s future review.

Policy SL20 – Tenure and the NPPF

1.4 The evidence on which Policy SL20 is based (SD 006B and SD 006C) does not take into account the revised definition of affordable housing in Annex 2 of the NPPF but the Council is already required to take account of that definition when determining planning applications. With planning departments across the country under pressure to interpret myriad policy, guidance and legal judgements, it is imperative that the Council gives an appropriate steer on interpreting national policy. Speedy processing of planning applications requires clear and effective policy, and therefore the policy should retain the reference to “other forms of affordable housing” in Policy SL20.

1.5 To make the policy more effective in communicating the Council’s intended approach to tenure and to be consistent with national policy we do however recommend the minor amendments set out overleaf:
Over the period of the Local Plan the Council will seek to deliver 30% of all net additional dwellings as affordable units with 80% Affordable/Social housing for Rent and 20% as other forms of affordable housing as defined in national policy\textsuperscript{12}.

1.6 The above minor amendments more clearly reflect the wording in Annex 2 which defines affordable housing as housing “for sale or rent” and which complies with “one or more of the definitions”. The policy retains its emphasis on delivering affordable housing for rent in accordance with the evidence base, but more clearly recognises the other tenures set out in Annex 2, providing clarity without restricting delivery to specific sub-tenures.

1.7 This enables the Council to consider the delivery of the full range of tenures recognised in the Framework, including rent to buy which offers certainty of tenure when there is considerable need for affordable housing for rent and when too few households in work can afford to save for the mortgage deposit required to access open market or affordable housing for sale. To enable more households to access housing that meets their needs developers and the Council must work together to enabling development to come forward that will help rebalance the local housing stock and offer real choice.

1.8 The text set out at Footnote 17 contains a mix of NPPF 2012 and 2018 definitions (i.e. intermediate which is not defined in NPPF 2018); the amendments to the main text of the policy set out at paragraph 1.5, above remove the need for this footnote which should be deleted:

\textsuperscript{12}This includes starter homes, intermediate homes and shared ownership. And any other form of affordable housing as described by national guidance or legislation

Policy SL20 - Planning Obligations

1.9 To further ensure the policy is effective in maximising the supply of affordable housing the sixth paragraph of Policy SL20 should also be updated. As noted in our previous representation (appended to this Statement for reference) to the Draft Local Plan which was published prior to the final publication version of the NPPF, national policy is now very specific on the circumstances in which grant funding and receipts are to be recycled or refunded. This change to national policy came about in response to the introduction of tenures such as starter homes, and rent to buy which in the case of Rentplus is completely privately funded and therefore not reliant on public subsidy for delivery. The below paragraph is therefore out of date and should be amended to remain an effective development management tool:

Planning obligations will be used to ensure that, where required by national policy, the affordable housing will remain at an affordable price for future eligible households, or for any public subsidy to be recycled to alternative affordable housing provision.

1.10 Retaining the policy in its current form, without the above modifications, risks unnecessarily prolonging negotiations with applicants on unnecessary requirements to restrict all affordable
housing tenures. The above modifications are more consistent with the new Framework and will enable quicker planning application processing.

1.11 These modifications effectively ensure that the Council can negotiate on affordable housing proposals for tenures that will offer genuine choice and meet a wider range of needs across the Borough over the Plan’s lifetime, boosting the delivery of affordable housing.

Conclusions

1.12 The minor modifications set out in this response would assist the Council in ensuring that Policy SL20 is reasonably consistent with the revised Framework, ensuring that development management decision making can be effective in the long term. The effect of the modifications is to increase the opportunities to meet local housing needs with a variety of affordable housing for rent and sale, with appropriate restrictions and the ability to negotiate with the Council where appropriate and based on evidence.

Prepared by Tetlow King Planning Ltd.

15 January 2019

Word count: 1,087
APPENDIX 1:

DRAFT LOCAL PLAN CONSULTATION (PART TWO)

RESPONSE DATED 27 JUNE 2018
Dear Sirs

RE: RUNNYMEDE 2030 DRAFT LOCAL PLAN CONSULTATION (PART TWO)

We represent RentPlus UK Ltd, an innovative company providing affordable rent to buy housing for working people aspiring to home ownership with an accessible route to achieve their dream through the rent - save - own model.

We previously responded to the Draft Local Plan consultation in February 2018, enclosing a statement setting out the details of the model, including the secure rented period at an affordable rent for 5, 10, 15 or 20 years, and a gifted 10% deposit to assist with purchase, and its compliance with the NPPF definition of affordable housing.

Since that time the Government has consulted on proposed changes to the NPPF, including a new definition of affordable housing which includes rent to buy within a new category termed ‘other affordable routes to home ownership’. The Government has also announced that it intends to publish the final version (colloquially termed NPPF2) in July 2018, making changes to emerging local planning policy like this one, timely.

We welcome the change to Policy SL20 and footnote 18, altering the proposed tenure split from intermediate/discounted market housing to ‘other forms of affordable housing’ and including ‘any other form of affordable housing as described by national guidance’, as these changes take a pragmatic approach to the incoming national policy changes set out in the dNPPF.

The tenure split set out in Policy SL20 may be much more effective however with the following proposed change, to allow for individual schemes to come forward with different tenure splits that better reflect local housing need in the vicinity of individual developments, and to balance housing stock:

“Over the period of the Local Plan the Council will seek to deliver 30% of all net additional dwellings as affordable units with a target tenure split of 80% Affordable/Social Rent and 20% as other forms of affordable housing.

Development proposals of 11 or more (net) additional dwellings will be expected to provide 35% of dwellings as affordable units with a target tenure split as above.”

While the third paragraph of the policy allows for some negotiation, variations on the above wording have been used successfully elsewhere. This allows greater flexibility and encourages applicants to come forward with proposals that best suit the circumstances of each site and the time in which they are to be delivered.
The paragraph relating to retaining affordable housing *in perpetuity* and recycling subsidy should be amended as below to better reflect the proposed definition of affordable housing as set out in the dNPPF:

"Planning obligations will be used to ensure that the affordable housing for rent will remain at an affordable price for future eligible households, or for the subsidy to be recycled to alternative affordable housing provision. Where public grant funding is provided, other tenures providing affordable routes to home ownership should include similar provisions."

These changes will allow more developments to come forward with tenures that reflect not only priority needs, but those needs not currently met by the delivery of social or affordable rent, and intermediate affordable tenures. Access to a deposit remains one of the most challenging blockers on accessing home ownership, which even intermediate affordable housing does not resolve; the Council should take a proactive approach to welcoming the delivery of the wider range of affordable tenures set out in the dNPPF to encourage a more diverse housing stock and to improve the ability of all developers to deliver an appropriate and higher quantum of affordable housing.

We would like to be notified when the Local Plan is submitted for Examination, and request attendance at the hearings for any session covering **Policy SL20**. Please notify Tetlow King Planning as agents of RentPlus by email only to consultation@tetlow-king.co.uk.

Yours faithfully

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