Appendix 5 - Suggested modifications to Policy SL20

Affordable Housing

The definition of affordable housing includes **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 definitions in the 2018 NPPF for affordable housing for rent, starter homes, discounted market sales housing, other affordable housing routes to home ownership, social rented/affordable rented and intermediate housing as well as starter homes that are available to Borough households whose needs cannot be met by the market.** To be ‘affordable’, the cost of housing must be low enough for eligible households to afford based on local incomes and house prices.

The 2017 SHMA update reports that the annual level of need for affordable housing in the Borough is 471dpa. This is almost equal to the full housing allocation in this Local Plan of 498 units each year until 2030. Setting a target in relation to need is therefore unrealistic and unlikely to be viable given that the majority of affordable housing will come forward in market schemes. Policy SL20 subsequently seeks to maximise the amount of affordable housing on each qualifying site whilst making sure that housing schemes are deliverable.

The 2017 SHMA includes a 20% uplift in arriving at the OAN figure. This is a market signals adjustment which seeks to address the poor affordability in the Borough, and across the wider HMA and is considered to represent a proportionate response. The Local Plan Viability Assessment recommends that in general on eligible sites, 35% of dwellings can be delivered as affordable housing.

Policy SL20 includes the requirement to provide affordable housing on all sites that result in a net gain of 44 units or more. Where land that is above the threshold is subdivided to create separate development schemes, the Council will consider the site as a whole and seek affordable housing on each part.

Whilst the Council’s starting point in any affordable housing negotiations is that a scheme is viable at the percentages and tenure splits set out within Policy SL20, the policy recognises that there may be sites on which the provision of affordable housing to the percentages or tenure splits set out, would render a development unviable or would prejudice the realisation of other planning objectives that need to be given priority.

In these circumstances, the applicant will be required to provide a level of on-site affordable provision which can be viably delivered. In doing so, the percentage of on-site provision not met may be made up from financial contributions in lieu of the on-site requirement subject to viability. The Council will normally take into account exceptional site costs and the existing use value of the site, but would not consider the price paid for the site to be a relevant factor as this should have taken account of policy requirements. The Council will take an ‘open book’ approach to negotiation and may require viability assessments to be scrutinised by independent consultants at cost to the developer.

Only where it can be demonstrated that providing any affordable housing on-site is not viable or feasible will the Council consider accepting financial contributions in lieu of on-site provision.
The Council encourages applicants to work with RPs and to engage with them and the Council's housing development service at an early stage in the planning process. The Council has a number of preferred partner RPs and developers are encouraged to work with one of these.

The Council may include further guidance on affordable housing in SPD.

Policy SL20: Affordable Housing

Over the period of the Local Plan the Council will seek to deliver 30% of all net additional dwellings as affordable units of which about 70% Affordable/Social Rent and 30% as other forms of affordable housing.*

Development proposals of 10 or more (net) additional dwellings will be expected to provide 35% of dwellings as affordable units with a tenure split as above which include 10% of homes for affordable home ownership (starter homes, discounted market sales housing and/or other products which provide affordable routes to home ownership in line with the definition contained in the 2018 NPPF).*

In seeking affordable housing provision the Council will have regard to scheme viability and take a negotiated approach to the final percentage of affordable housing delivered and the type and tenure split of affordable units. Where viability evidence demonstrates that the full amount of affordable housing cannot be delivered the Council will negotiate a level of on-site affordable housing that can be delivered taking into account the mix of unit size, type and tenure and any grant subsidy received.

The Council will only accept a financial contribution in lieu of on-site provision where it can be satisfactorily demonstrated that on-site provision is neither feasible nor viable. Where a site has been sub-divided or is not being developed to its full potential so as to fall under the affordable housing threshold the Council will seek a level of affordable housing to reflect the provision that would have been achieved on the site as a whole had it come forward as a single scheme for the allocated or identified site.

Planning obligations will be used to ensure that the affordable housing will remain at an affordable price for future eligible households, or for the subsidy to be recycled to alternative affordable housing provision.

The requirement to provide affordable housing will apply to all residential development falling under Use Class C3 with the exception of Gypsy & Traveller Pitches or Travelling Showman Plots.

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

*unless the requirement for affordable home ownership products is exempted through national planning policy
Justification for inclusion of policy

Paragraph 61 of the 2018 NPPF confirms that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing). Paragraph 64 of the NPPF confirms that where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area (which is not the case in Runnymede), or significantly prejudice the ability to meet the identified affordable housing needs of specific groups (exemptions are specifically listed in the NPPF).

Paragraph 63 of the NPPF sets out that to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, LPAs should (amongst other things, where they have identified that affordable housing is needed, set policies for meeting this need 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 should be sufficiently flexible to take account of changing market conditions over time.

The Council's SHMA indicates a clear need for affordable housing in the Borough and the wider HMA and it is on this basis that policy SL20 SL21 has been formulated.

Policy SL20 will help to deliver Local Plan objectives 2 & 11.