

<p><b>DEVELOPMENT POLICY COMMITTEE</b>  <b>11 July 2007</b></p> <p>AGENDA ITEM 11</p>
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<b>Subject:</b>	AFFORDABLE HOUSING SPD
<b>Report by:</b>	DIRECTOR OF PLANNING AND BUILDING CONTROL SERVICES

<b>Enquiries contact:</b>	Jeremy Potter, Telephone 01245 606821 Email <a href="mailto:jeremy.potter@chelmsford.gov.uk">jeremy.potter@chelmsford.gov.uk</a>
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<b>Purpose</b>	
<p>This purpose of this report is to update Members on the preparation of the Affordable Housing Supplementary Planning Document (SPD) which will support and supplement the relevant policies of the Core Strategy and Development Control Policies DPD.</p>	
<b>Recommendation(s)</b>	
1.	That Members assess and comment on the representations received on the Consultation Draft Affordable Housing SPD under Regulation 17 of the Town and Country Planning (Local Development) (England) Regulations 2004, attached at Appendix 1.
2	Officers recommend that the Council's responses to the representations and the interim adoption of the Affordable Housing SPD be deferred until the completion of the Strategic Housing Market Assessment.

<b>Corporate Implications</b>	
Legal:	The introduction of more detailed policy guidance on the drafting and implementation of S106 agreements with regard to affordable housing will be delayed.
Financial:	None
Personnel:	None
Risk Management:	None
Equalities and Diversity:	None
Health and Safety:	None
IT:	None
Other:	The delay in adopting the Affordable Housing SPD as interim guidance will allow the findings of the Strategic Housing Market Assessment (SHMA), currently being undertaken, to inform the further preparation of the SPD and the Council's Statement of Case at the Independent Examination of the Core Strategy and Development Control Policies DPD.
<b>Consultees:</b>	CBC - Legal and Democratic Services CBC - Strategic Housing & Environment

**Policies and Strategies**

The report takes into account the following policies and strategies of the Council:

Emerging Local Development Framework Documents

Core Strategy and Development Control Policies - Submission DPD  
Chelmsford Town Centre Area Action Plan – Submission DPD

The Chelmsford Borough Local Development Framework takes into account all published strategies of the Borough Council, together with the Community Plan published by The Chelmsford Partnership.

**Corporate Priorities**

The report relates to the following corporate priority/priorities [tick the relevant box]

Social Inclusion	<input checked="" type="checkbox"/>
Excellent Customer Services	<input type="checkbox"/>
Regeneration	<input checked="" type="checkbox"/>
Value for Money	<input type="checkbox"/>
Environment	<input checked="" type="checkbox"/>

Introduction

1. The purpose of this report is to inform Members of the main issues that have been raised by representations received on the Consultation Draft Affordable Housing SPD. This follows the formal consultation under Regulation 17 of the Town and Country Planning (Local Development) (England) Regulations 2004, which was undertaken, between 7 November and 19 December 2006.
2. The report also explains how the recent introduction of Government Guidance on Strategic Housing Market Assessments (SHMA) has been implemented and the need to revise the timescales for the adoption of the Interim Affordable Housing SPD to enable the assessment process sufficient time to be completed.
3. It is proposed that the Council’s responses to the representations, together with any amendments to the Affordable Housing SPD, be finalised after the SHMA is complete, and reported back to Members at the next meeting of the Development Policy Working Group. Also attached at Appendix 2, is a copy of a presentation by Fordhams Research, which outlines some emerging findings of the SHMA.

Context

4. Following a series of consultations over the past three years, the Government issued its final version of Planning Policy Statement 3 – Housing (PPS3) in November 2006 after the Consultation Draft SPD had been published. This sets out the national planning policy framework for delivering the Government’s housing objectives, which includes both market and affordable housing. PPS3 was accompanied by a Government Statement entitled *Delivering Affordable Housing*, which gives more guidance to the implementation of affordable housing policy. The majority of representations received on the Affordable Housing SPD relate to the provisions of these documents.

- 5 PPS3 requires local planning authorities to set out in Local Development Documents the proportions of households requiring market and affordable housing, the likely profile of household types requiring market housing and where appropriate the size and type of affordable housing required, having regard to the findings of a SHMA.
- 6 A SHMA should identify the extent of local housing market area(s) and enhance our understanding of how the market operates in order to ensure that proposed development addresses changes or imbalances in supply and demand for both market and affordable housing.
- 7 The final version of the Government's *Strategic Housing Market Assessment Practice Guidance* was published on 30<sup>th</sup> March 2007. The main change, from that in the draft guidance, is the increased importance of the Housing Market Partnership Group. This is a group of stakeholders and interested parties providing a 'check and balance' to the findings of the SHMA. The final SHMA is required to be 'signed off' by the Housing Market Partnership Group.

#### The Strategic Housing Market Assessment (SHMA)

- 8 Fordham Research has been jointly commissioned by Chelmsford Borough Council, Braintree District Council and Colchester Borough Council to help draw together the evidence base and analysis of housing need and demand across all three areas required to complete a robust SHMA
- 9 The SHMA will include an estimate of the number of current and future households in housing need. A new Housing Needs Survey was conducted in May 2007 to inform this estimate. An overview of the work undertaken to date and some emerging findings arising from this work is shown in Appendix 2.
- 10 The primary survey data and the wider housing market assessment will be used to inform, review and update where necessary the mechanisms, such as the mix of affordable housing, the Council will require to implement policy, as currently proposed in the draft Affordable Housing SPD.
- 11 The SHMA is anticipated to be completed and 'signed off' by August/September 2007.

#### Consultation Headlines

- 12 The Consultation Draft Affordable Housing SPD received 58 separate representations from 17 respondents with 37 representations objecting, 20 representations making comments and 1 representation supporting. The detail of the representations is attached within the schedule attached at Appendix 1 of this report. The main issues arising from the representation responses are summarised below:
  - The guidance does not reflect PPS3 and the accompanying guidance on delivering affordable housing therefore should be withdrawn.
  - Publication of the SPD is premature ahead of Core Strategy Policies being adopted.
  - The Council's evidence base is out of data and incorrectly interpreted.
  - The guidance is overly prescriptive (particularly in relation to pepper potting/mix of units) or unclear.

- 13 The Affordable Housing SPD cannot be formally adopted by the Council until the Core Strategy and Development Control Policies DPD has progressed through Independent Examination and has been formally adopted. It was the original intention that the Affordable Housing SPD be adopted as Interim Guidance prior to the Independent Examination. It is recommended that the Development Policy Committee defer consideration of the Council's responses to the representations and adoption of the Affordable Housing SPD as Interim Guidance until the completion of the SHMA, given that the majority of the representations relate to the provisions of PPS3 and the requirement to produce a SHMA. Therefore, it is considered that to adopt the SPD ahead of the completion of the SHMA could serve to undermine both processes ahead of the Independent Examination of the Core Strategy and Development Control Policies DPD commencing in September 2007. This delay is regrettable, but in the circumstances is considered the most appropriate course of action.

#### Conclusion

- 14 Officers have considered how to best respond to the late issuing of the Government's *Strategic Housing Market Assessment Practice Guidance*. The process of updating the Council's existing housing needs information was underway but it has been possible to extend the consultative processes in order to meet the new requirements of guidance. However, whilst the level of stakeholder involvement required necessitates a longer timeframe than originally envisaged it also provides an opportunity to address some of the representations made on the Consultation Draft Affordable Housing SPD.
- 15 It is currently envisaged that the Affordable Housing SPD can still progress for adoption as Interim Guidance in September 2007, once the final report of the SHMA is published.
- 16 It is therefore recommended that the responses to the Schedule of Representation Summaries be reported to a future Development Policy Committee and Cabinet together with any amendments to the Affordable Housing SPD, after the Strategic Housing Market Assessment is complete.

#### List of Appendices

Appendix A – Consultation Draft Affordable Housing SPD Regulation 17 Consultation Summaries

Appendix B - Presentation by Fordhams Research – SHMA Stakeholder Workshop

#### Background Papers

Consultation Draft Affordable Housing Supplementary Planning Document, (CBC, 2006)  
Planning Policy Statement 3 – PPS3, Housing, (DCLG, 2006)  
Strategic Housing Market Assessment Practice Guidance, (DCLG, 2007)