Supplementary Planning Document

The Delivery of Affordable Housing (on Development Sites) through the Planning Process

DRAFT
Sustainability Appraisal Report

July 2005

New Forest District Council
**Non-technical summary**

(i) This Supplementary Planning Guidance (SPD) has been prepared to assist in the interpretation and implementation of the policies of the New Forest District Local Plan First Alteration relating to the provision of affordable housing on residential development sites. The options considered were:

**Option 1:** Do nothing

**Option 2:** Publish a Supplementary Planning Document to assist in the interpretation of the policies in the New Forest District Local Plan and the implementation of the District Council's Housing Strategy

(ii) The potential effects of these were assessed using a sustainability objective based on:
- the essential characteristics of the District;
- Government advice on sustainable development; and
- relevant policy documents.

This involved looking at how the options would perform in relation to the primary purpose of obtaining as much affordable housing as possible from development sites.

(iii) Option 2 proved to be the most appropriate.

**The Sustainability Appraisal Process**

(iv) The SA process has confirmed that it is appropriate to prepare the SPD.

**How to comment on this Sustainability Report**

(v) This report is being published with the draft Supplementary Planning Guidance on the Delivery of Affordable Housing on Development Sites. A comments form has been provided that enables comments on this Sustainability Appraisal to be made separately from those on the SPD. The combined consultation response should be returned to New Forest District Council by xx/xx/2005.
1. INTRODUCTION

Background to preparation of the Supplementary Planning Document

1.1 The need for a Supplementary Planning Document (SPD) relating to the implementation of the affordable housing policies (Policies AH-1 and AH-2 in Section B4 of the New Forest District Local Plan First Alteration) is referred to in the Local Plan First Alteration, and it appears in the Council’s Local Development Scheme 2005. While the Local Plan provides the Council’s basic policy framework for securing the provision of affordable housing through the planning process, it does not give detailed information about the implementation of these policies.

1.2 The SPD is intended as a guide to landowners and developers on how the local planning authority will seek to implement its policies through the negotiation of planning applications. The intention of the guidance provided in the document is to help smooth and speed up negotiations on affordable housing; add clarity and certainty to the process; and also produce better value for money.

Sustainability Appraisal

1.3 A Sustainability Appraisal (SA) is a process through which the sustainability of a plan or programme under preparation is assessed. The plan or programme is usually but not always prepared by a public body, such as a planning authority.

1.4 The SA process aims to test the plan/programme, and its policies, against sustainability objectives which have been agreed for this purpose. The policies can then be altered if desired or justified if not. SAs are intended to ensure that planning authorities aim to achieve the Government’s framework goal of sustainable development in the UK.

Aims and structure of the report

1.5 This report sets out:
   • the way in which sustainability appraisal of this SPD has been undertaken,
   • the relevant sustainability issues including those arising from other plans and programmes and from baseline data
   • the SA appraisal framework
   • the options considered and the outcome of the assessment of their effects
   • the reasons for choosing the final option
2. METHODOLOGY

Approach to Sustainability Appraisal

2.1 This SA has drawn on the baseline data and sustainability objectives set out in the draft Scoping Report for the New Forest District Local Development Framework prepared on behalf of the District Council by Land Use Consultants in June 2005. These have been used to derive the sustainability objective that provides an appropriate basis for comparing the options available for this SPD.

Baseline information and key issues

- Population and social characteristics

2.2 The population of the District was just over 169,000 in 2001. The longer term projections suggest that it is likely to decrease slightly because of continuing reductions in household size.

2.3 House prices in the District are high. Smaller properties are considerably more expensive than the county and regional average. Table 3.9 shows average dwelling prices for Hampshire County and the New Forest District for late 2004.

Table 3.9 Average Dwelling Prices by Type of Dwelling 2004

<table>
<thead>
<tr>
<th></th>
<th>Detached</th>
<th>Semi-detached</th>
<th>Terraced</th>
<th>Flat/ Maisonette</th>
<th>Average price</th>
</tr>
</thead>
<tbody>
<tr>
<td>South East</td>
<td>359,877</td>
<td>212,143</td>
<td>175,077</td>
<td>145,832</td>
<td>222,146</td>
</tr>
<tr>
<td>Hampshire</td>
<td>346,507</td>
<td>204,715</td>
<td>172,675</td>
<td>142,875</td>
<td>230,660</td>
</tr>
<tr>
<td>New Forest District</td>
<td>347,500</td>
<td>198,923</td>
<td>189,661</td>
<td>153,685</td>
<td>256,113</td>
</tr>
</tbody>
</table>

Source: Land Registry Oct-Dec 2004

2.4 The house price to income ratio for the New Forest District in 2003 was 4.96, the highest in Hampshire and above the South East average ratio of 4.61.1

2.5 In 2001, 80.2% of the housing stock was owner-occupied, an increase of 0.75% from 1991. The proportion in the social rented sector decreased by 0.72% over the same period to 10.1% of households.

2.6 In 2001 the number of households on the New Forest Housing Register had risen to over 2000 households, and in 2000/2001 there was a record number of homelessness acceptances in the District. In early 2001 the District Council commissioned a new Housing Needs and Market Assessment of the District. The main finding was that there was an annual requirement of around 730 affordable housing units additional to existing stock supply from re-lets.

2.7 Other findings of the 2001 survey included:
   - 2660 households contain another ‘concealed’ household (only 170 of which are on the housing waiting list).

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• 92% of concealed households are young people wishing to set up their own household who are the children of New Forest residents.
• First time buyers need incomes of £30,000 p.a. to buy a property.
• 97% of these 'concealed' households are not able to afford to buy even the cheapest available housing in the District.
• Average house price (2001) - £169,000
• There is an imbalance in existing housing stock in the private sector - too many large, not enough small properties.
• New household demand is for smaller and affordable type of housing, particularly one or two bedroom flats and terraced houses.

2.8 The survey was updated in 2003 and found the need for affordable housing in the District has increased further since the 2001 survey mainly because of the increase in house prices since 2001. The 2003 Update demonstrated that there were 3,114 households in unsuitable housing and an annual backlog of 1,395 households in need. Newly arising need totalled 1,098 households. Set against an annual supply of 528 affordable units this results in a shortfall in affordable housing units of 849 units per year 2.

Relevant plans and programmes

2.9 A schedule of relevant plans and programmes is included at Appendix 1. In general terms these seek to:
• Ensure provision of affordable homes to meet local needs in both urban and rural areas
• Work with local communities to identify needs
• Create sustainable residential environments
• Prevent social exclusion and create mixed communities
• Provide homes of an appropriate standard

Key issues

2.10 From the baseline data and the relevant documents, the key issues that emerge to be addressed in this SPD are as follows:

Key Social Issues
• Growing need for affordable dwellings in the District
• Need to maximise provision of affordable housing as part of new development
• Need to avoid social exclusion in the design and location of new affordable housing - dwellings need to be fully integrated with new and existing development
• Affordable housing schemes need to be located sustainably in relation to services and public transport
• Community and other stakeholders should be fully involved with identification of housing needs and ways of meeting them

3. OBJECTIVES OF THE SUPPLEMENTARY PLANNING DOCUMENT

3.1 The objectives of preparing the Supplementary Planning Document are:

1. To ensure the effective delivery of new affordable housing to meet local needs.

2. To make best use of the land-use planning system to provide affordable housing.

3. To promote sustainable development by:
   • ensuring quality of design and layout in affordable housing provision.
   • promoting mixed and balanced communities

4. To ensure value for money and the best use of social housing grant and other public funding.

5. To promote a close working relationship between the public, private and voluntary sectors in order to address local housing needs.

4. **SUSTAINABILITY APPRAISAL FRAMEWORK**

4.1 This SPD is limited in scope, referring only to technical clarification of the two policies in the New Forest District Local Plan First Alteration that require the provision of affordable housing in connection with new development. From:
   - the key issues identified
   - the objectives and requirements of the relevant documents listed in Appendix 1, and
   - the Scoping Report for the New Forest District Local Development Framework

the main Sustainability Objective that is relevant to this SPD is as follows:

<table>
<thead>
<tr>
<th>SA Objective</th>
<th>Criteria</th>
<th>Indicators</th>
<th>Baseline information</th>
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</table>
| 3. Create sustainable communities| • Will it provide enough dwellings to meet identified District housing needs, particularly with regard to providing affordable and key worker dwellings?  
• Will it ensure integration of affordable dwellings with existing and planned development?  
• Will it ensure accessibility to essential services including provision in accessible locations and accessible transport links?  
• Will it ensure access to alternative modes of transport? | • Nos. affordable dwellings constructed p.a.  
• Homelessness  
• No of people on housing waiting list  
• Condition of dwellings  
• Tenure  
• Location of affordable dwellings  
• % new residential development within 30 minutes public transport time of a GP, hospital, primary and secondary school, employment and a major health centre  
• % development within 15 minutes walk of a frequent bus route/ rail service  
• % new buildings built to disability access standards | • Housing needs assessments  
• Housing waiting lists/ homelessness  
• Census  
• House condition surveys  
• NFDC applications data  
• Survey (map based)  
• Highway Authority data  
  - Car ownership  
  - Disability  
• NFDC applications data (applications with access statements) |

4.2 It is a requirement that the objectives of the SPD should be tested against the Sustainability Appraisal objective(s).
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<table>
<thead>
<tr>
<th>SPD objective</th>
<th>SA Objective</th>
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<tbody>
<tr>
<td></td>
<td>1. To ensure the effective delivery of new affordable housing to meet local needs</td>
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<td></td>
<td>2. To make best use of the land-use planning system to provide affordable housing</td>
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<td></td>
<td>3. To promote sustainable development by: - ensuring quality of design and layout in affordable housing provision. - promoting mixed and balanced communities</td>
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<td>4. To ensure value for money and the best use of social housing grant and other public funding.</td>
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<td></td>
<td>5. To promote a close working relationship between the public, private and voluntary sectors in order to address local housing needs.</td>
</tr>
</tbody>
</table>

| 3. Create sustainable communities | ✓ | ✓ | ✓ | ✓ | ✓ |

✓ Positive
0 Neutral
? Uncertain
x Possible conflict

5. Options

5.1 The District Council’s requirements in respect of the development of affordable housing are in the New Forest District Local Plan First Alteration Section B4. Further requirements are set out in the Council’s published Housing Strategy, and background information is in the Council’s Housing Needs Assessment. These documents have all been prepared in accordance with Government advice, and have been subject to extensive consultation and in some cases, public inquiry.

5.2 The main purpose of preparing the SPD is to draw together into one place and to clarify the planning requirements relating to affordable housing arising from these documents, primarily for the benefit of developers. No changes to existing policies or alternative means of providing affordable housing are proposed, and options are therefore limited. Two have been identified:

Option 1: Do nothing

5.3 The need for this supplementary guidance was identified some time ago and arose from the need for more precision than supplied by planning policies and the Housing Strategy in defining exactly what was required in terms of affordable housing development on new development sites. The lack of detail resulted in unnecessarily prolonged negotiations over contributions required, slowed the development process, and inhibited the provision and appropriate location of affordable housing because of delays and missed opportunities. A ‘do nothing’ option would perpetuate this situation which would inhibit the ability to meet Sustainability Appraisal Objective 3, Create Sustainable Communities.

Option 2: Publish a Supplementary Planning Document to assist in the interpretation of the policies in the New Forest District Local Plan and the implementation of the District Council’s Housing Strategy
5.4 The draft Supplementary Planning Document sets out in detail the steps to be taken to provide affordable housing on development sites in accordance with the District Council’s requirements. It explains what is meant by ‘affordable housing’, and gives guidance on:

- the proportion of affordable housing to be sought on development sites in compliance with policies AH-1 and AH-2 of the New Forest District Local Plan First Alteration
- the type and mix of affordable dwellings and the standards to which they should be built
- the way in which land or dwelling units should be transferred to the ownership of a registered social landlord or other agreed affordable housing provider
- planning agreements
- circumstances when off-site provision may be appropriate
- public subsidy
- information needed with planning applications

5.5 In defining the amount of affordable housing required, and ensuring that they are fully integrated within development sites, the SPD meets the criteria of Sustainability Objective 3, Create sustainable communities, and this is the reason why the option of preparing the SPD has been selected.

Preferred option

5.6 The option of preparing and publishing the SPD is clearly the preferred option.