

# LDF

Local Development Framework

**Affordable Housing**

Approved July 2005







Draft Supplementary Planning Document

## AFFORDABLE HOUSING

As approved by Cabinet 25/7/2005

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# INTRODUCTION

1. This document provides advice in securing provision of affordable housing in residential developments as part of the planning process.
2. The document has been subject to a sustainability appraisal and should be read in conjunction with the sustainability appraisal.
3. This document updates Hackney Council's guidance in applying Affordable Housing Policy based on current material considerations (national and regional levels), recent legislation and research.
4. The provision of affordable housing will apply to all schemes involving the provision of ten or more additional residential dwellings.
5. This document is intended to apply only to 'general housing', that is housing as defined and applicable to UDP policies HO9, H010 and H012. This includes serviced apartments. Developers providing self contained dwellings will not normally be permitted to offset non self contained, or special needs accommodation against their affordable housing obligation. Non self contained, or housing designed to meet 'special needs' such as Houses in Multiple Occupation and hostels ( including student accommodation, nursing homes and sheltered housing) will not be expected to comply with the affordable housing requirements of this document.

## NATIONAL, REGIONAL AND LOCAL CONTEXT

### National Context

6. Government advice on affordable housing and planning is set out in the following documents: Planning Policy Guidance Note 3 (PPG3) March 2000, Planning for Mixed Communities (a consultation paper on a Proposed change to PPG3: Housing) January 2005, and Circular 6/98\* entitled 'Planning and Affordable Housing'.
7. PPG3 states that:

*'a community's need for a mix of housing types, including affordable housing, is a material planning consideration which should be taken into account in formulating development plan policies and in deciding planning applications involving housing.'*

The PPG also states that:

*'where a local authority having regard to the criteria set out in paragraph 10 of circular 6/98 that an element of affordable housing should be provided in development of*

*a site, there is a presumption that such housing should be provided as part of the proposed development of the site. Failure to apply this policy could justify the refusal of planning permission.'*

8. The government has prepared consultation documents for proposed amendments to PPG3. In particular the document titled, 'Influencing the size, type and affordability of housing'<sup>1</sup> provides:

*'The affordable housing provision sought should not make development unviable. Local planning authorities should work with developers to ensure planning objectives reflect the development potential of sites.'*

*'Affordable housing should not normally be sought on sites of less than 0.5 hectares or developments of less than 15 dwellings. Where affordable housing is to be sought on smaller sites this should be justified by local planning authorities in their local plan having regard to:*

- *the size and type of sites likely to come forward for development derived from an urban housing capacity study, or other assessment;*
- *The contribution to be made from smaller sites to meeting the target for affordable housing provision.'*

*'In particular, plans should demonstrate that seeking affordable housing on smaller sites than set out in paragraph 10 would:*

- *result in increased supply of affordable housing;*
- *Have no adverse effect on the overall supply and pace of housing development to meet a community's needs.'*

*The document Planning for Mixed Communities states in paragraph 11 that:*

*"...a local planning authority may wish to set its site threshold lower than 15 dwellings or 0.5 hectares where it has high levels of need which cannot be met on larger sites alone and or where the majority of housing supply comes from smaller sites.*

## **Regional Context**

9. The London Plan sets the strategic framework for all planning documents within the Greater London area.
10. The London Plan is the Spatial Development Strategy as required by the Greater London Authority Act 1999. Section 38 of the Planning and Compulsory Purchase Act 2004 recognises the London Plan (the Spatial Development Strategy) as having Development Plan Status.
11. The London Plan policies state:

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<sup>1</sup> 'Influencing the size, type and affordability of housing', Para 9, 10 and 11 respectively, ODPM, Planning for mixed communities

*'Policy 3A.6 Definition of affordable housing*

*UDP policies should define affordable housing as housing designed to meet the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing in their borough. Affordable housing comprises social housing, intermediate housing and in some cases, low-cost market housing. UDP policies should ensure that new affordable housing provision seeks to meet the full spectrum of housing need.'*

*Policy 3A.7 Affordable housing targets*

*UDP policies should set an overall target for the amount of affordable housing provision over the plan period in their area, based on an assessment of all housing needs and a realistic assessment of supply. In setting targets boroughs should take account of regional and local assessments of need, the Mayor's strategic target for affordable housing provision that 50 per cent of provision should be affordable and, within that, the London wide objective of 70 per cent social housing and 30 per cent intermediate provision, and the promotion of mixed and balanced communities. They should take account of the most robust available assessment of housing capacity, and of potential sources of supply, such as:*

- *local authority developments, including estate renewals*
- *Registered Social Landlords' developments*
- *low-cost market housing, where it can be shown to be affordable*
- *private residential development negotiations secured through planning agreements or conditions*
- *vacant properties brought back into use*
- *Provision from non-self-contained accommodation.*

*Policy 3A.8 Negotiating affordable housing in individual private residential and mixed-use schemes*

*Boroughs should seek the maximum reasonable amount of affordable housing when negotiating on individual private residential and mixed-use schemes, having regard to their affordable housing targets adopted in line with policy 3A.7, the need to encourage rather than restrain residential development and the individual circumstances of the site. Targets should be applied flexibly, taking account of individual site costs, the availability of public subsidy and other scheme requirements.*

## **Local Context**

12. Any new planning policy developed by Hackney Council must be in general conformity with the Spatial Development Strategy (London Plan).
13. This document sets down the Council's interim policy guidance pending the adoption

of the Core Policies of the Local Development Framework. This document is non-statutory guidance which supplements the policies (HO9 and HO10) and proposals in the 1995 Hackney UDP (carried document within the Local Development Framework).

14. The affordable housing and dwelling mix policies as set out in the 1995 UDP are as follows:

*Policy H010 Large Housing Schemes*

*In schemes involving the development of new build housing on sites of more than 0.4 hectare (1.0 acre) the Council will seek to assure provision of:*

- (A) An element of affordable housing and low cost housing for people in priority need.
- (B) Land and facilities for childcare, play, cultural, leisure, health and shopping purposes appropriate to the number and needs of the prospective residents.

*Policy HO9 New Build Housing Schemes*

*The Council will normally permit new build housing schemes which provide:*

- (A) An appropriate mix of dwellings;
- Subject to site characteristics one third should provide family accommodation of three or more bedrooms, suitable for use by four or more persons;
  - One third of the family accommodation should be four bedroom units, suitable for use by six or more persons
  - Family accommodation should have direct access to a garden.

## HOUSING NEED IN HACKNEY

15. The 2003 Hackney Housing Needs Survey established that the minimum requirement of affordable housing to be provided to meet all housing needs is to provide an additional 1,397 affordable dwellings per annum for the next five years. This is allowing for projected household and population growth, addressing levels of overcrowding and homelessness in the borough, and the backlog of housing repairs.
16. The majority of the total annual net additional dwellings (approximately 80%) are provided on small-scale residential development schemes. (See technical report)
17. Based upon these findings, it is considered that affordable housing requirements detailed in the 2003 Hackney Housing Needs (and subsequent) Surveys must be maximised from all scales of residential development where feasible.

# SECURING AFFORDABLE HOUSING

## Guidance on Affordable Housing Provision

18. The Planning Department will negotiate affordable housing provision in all suitable planning applications in line with its policies, the London Plan and the results of the 2003 Housing Needs Survey as set down below.
19. A 10 unit threshold for which 50% of all new residential units should be affordable. This requirement will be subject to site characteristics and the viability of such schemes. Where it deems appropriate the Council will use the GLA's Affordable Housing Development Control Toolkit to make this assessment. (See technical report and paragraph 3.41 of the London Plan)
20. An independent financial viability assessment will be sought by the Council for certain schemes where compliance with the affordable housing provision is considered potentially unviable. Under these circumstances the Council will use the GLA's Affordable Housing Development Control Toolkit to inform its decision on the viability of schemes.
21. For residential schemes less than 10 units there will be no requirement for affordable housing provision.
22. The affordable housing percentage should be based on the number of units or habitable rooms whichever is greater.
23. In major estate regeneration schemes the Council will seek to ensure that there will be no net loss of affordable housing units having regard to the viability of schemes, where re-provision of affordable housing is subsidised by private market housing.
24. For the purpose of the SPD, and hence affordable housing provision, live-work units will be subject to affordable housing provision and will be counted towards the total number of residential units. The work element of such developments will not be counted as habitable rooms, where these are clearly defined. This will minimise threshold abuse by developers seeking to avoid affordable housing provision on qualifying schemes.

## METHOD OF PROVISION

### On site

25. The Council will seek to secure provision of affordable housing from developers on-site. The Council considers that this is one of the most effective ways to establish and

create mixed and balanced communities in accordance with government guidance. On site provision also ensures that all suitable sites contribute to affordable housing need within Hackney.

26. The Council will adopt the position that all sites which are suitable for the provision of private housing are also suitable for affordable housing provision. Developers with views to the contrary will be required to demonstrate this through the provision of independently assessed evidence.

## Off site

27. However, the Council acknowledges that under certain exceptional circumstances it may not be appropriate to provide affordable housing on site. Some sites may prove unsuitable for on site provision of affordable housing for difficulties with management, peculiar site characteristics, townscape and other development requirements. The Council will only permit the developer to meet the affordable housing obligation on an alternative site where the alternative site has been identified which would enable affordable housing provision more appropriate to the identified need to be met.

## Commuted payment offer (cash in lieu)

28. A commuted payment offer (cash-in-lieu) by the developer will normally only be acceptable as a last resort in exceptional circumstances where it is not possible even to meet the affordable housing obligation on an alternative site. In this scenario developers must demonstrate why on-site and off-site provision is not achievable.
29. The financial contribution agreed should be equivalent to the total cost required to provide an equal amount of affordable housing on an alternative site as would have been sought on the principal site.

## TENURE MIX

30. The following targets will be applied for the tenure mix of secured affordable housing:
- 70% social rented housing
  - 30% intermediate housing
31. These targets are in line with the recommended proportion specified in the London Plan. Where the Council considers that it would be more appropriate to provide a different tenure mix to that set out above for the site, the Council will advise the developer early in the planning application process.

## HOUSING TYPE, MIX AND DESIGN

32. Provision of affordable housing dwellings (as with private dwellings) will be expected to comply with all relevant planning policies, including dwelling mix and mobility, and with appropriate wheelchair access requirements (see policy HO9). It will not be acceptable for affordable housing to be provided as substandard dwellings.
33. Affordable housing dwellings should also comply with the Housing Corporation's Scheme Development Standards.

## REFUSAL TO PROVIDE

34. Where the developer will not provide the targets requested, a shared financial appraisal will be required to enable the Council to test the developer's assumptions through a financial viability assessment (such as the Three Dragons model).
35. In certain circumstances, an independent financial viability assessment may be required to be submitted by the developer.

## OTHER MATTERS

### Working Relations

36. Delivery of affordable housing must occur by a Registered Social Landlord (RSL) or a body approved by the Housing Corporation.
37. It is the developer's responsibility to satisfy their affordable housing obligation. Developers will be expected to discuss their proposals with a RSL or body approved by Housing Corporation early in the appraisal process prior to submission of a planning application. The developer should contact the Council's Planning and Housing Departments at an early stage. The Housing Department operate a site registration system, and all sites where affordable housing is being considered should be registered.

### Affordable Housing in Perpetuity and Public Subsidy

38. The Council will seek to ensure that, subject to individuals' statutory rights, all affordable housing for rent is retained for longer than the first tenancy by means of a market exemption clause. In the case of shared ownership, where this is not possible, RSLs will be expected to confirm that all sale receipts are ploughed back into affordable housing provision in accordance with Housing Corporation Guidelines. This will be implemented through planning conditions or as part of s106 agreements or both, as appropriate.

## DELIVERY MECHANISMS

39. Planning conditions and section 106 agreements will be used as the main means of delivering the objectives of this guidance. There may instances where other mechanisms may be employed.
40. Additional guidance on implementing the use of section 106 agreements for affordable housing is provided within Government Circular 6/98 (DETR) entitled, 'Planning and Affordable Housing'.
41. Applicants will be expected to ensure that the affordable element of the development does not differ in terms of design quality, residential environment from the private market housing element of the scheme.

## DEFINITION OF AFFORDABLE HOUSING

42. Affordable housing is housing designed to meet the needs of households whose incomes are not sufficient to allow them to access decent and appropriate housing. Affordable housing comprises non market housing which can include social rented housing and intermediate housing.
43. Social rented housing is housing owned by the Council and RSLs for which guideline target rents are determined through the national rent regime set out in the 'Guide to Social Rent Reforms' published in March 2001. Also included in this category is housing owned by other persons and provided under equivalent rental arrangements to the foregoing as agreed with the local authority or funded with grant from the Housing Corporation, as provided for the Housing Act 2004.
44. Intermediate housing is housing at prices or rents above those of social rent but below market prices or rents. This can include sub-market renting, low cost home ownership and shared ownership.

## REFERENCES

- Housing Needs Survey 2003, Fordhams Research
- London Plan (March 2004)
- Hackney Council Unitary Development Plan 1995
- Hackney Interim Affordable Housing Strategy 1998 (SPG)
- Town and Country Planning Act 1990 (as revised)
- PPG3 'Housing' March 2000. DETR

- Proposed change to PPG3: Housing (Consultation paper) 'Influencing the size, type and affordability of housing', ODPM
- Circular 6/98 'Planning and Affordable Housing' DETR
- Thresholds for Application of Affordable Housing Requirements, Three Dragons et al, March 2003
- Planning for Mixed Communities – PPG3 Consultation Paper January 2005
- Guide to Social Rent Reforms – March 2001

## CONSULTATION STATEMENT

The document has been widely consulted on in accordance with the requirements of PPS12. Stakeholder consultations were undertaken in July 2004. During October/November the SPD was placed on the Council's website, and consultation letters went out to all statutory consultees, organisations on the Council's consultees list and other interested parties. The document complies with the Council's emerging Statement of Community Involvement which exceeds minimum regulations.

# TRANSLATION

This document provides information about the Hackney Local Development Framework. Why not ask a friend to translate it for you? Or, if you would like a copy in your own language, write your name and address clearly in the box below, tick here  and return to the address below.

এই দলিলে হ্যাকনির স্থানীয় উন্নয়ন কাঠামো সম্পর্কে তথ্য রয়েছে। এটিকে অনুবাদ করে দিতে কেন আপনি আপনার একজন বন্ধুকে বলছেন না? অথবা, যদি এর এক কপি আপনি আপনার নিজের ভাষায় চান, তাহলে নীচের বাক্সে স্পষ্ট করে আপনার নাম ও ঠিকানা লিখুন, এখানে টিক দিন  এবং নীচের ঠিকানায় ফেরৎ পাঠান। (Bengali)

本文件提供有關海克尼地方發展架構的資料，何不請朋友給你把它翻譯？又或者若你想取得以你母語撰寫的版本，請在以下空格清楚填寫你的姓名和地址，並在這裏  一劃，然後寄交以下地址。(Chinese)

Ce document fournit les informations sur le Cadre de Travail du Développement Local d'Hackney. Pourquoi ne pas demander à un ami de le traduire pour vous? Si vous souhaitez en obtenir une copie dans votre langue maternelle, vous pouvez également écrire lisiblement vos nom et adresse dans la boîte ci-dessous, cocher cette case  et nous retourner ce document à l'adresse indiquée ci-dessous. (Français)

Este documento contiene información sobre el Marco de Desarrollo Local de Hackney. ¿Por qué no le pide a un amigo que se lo traduzca? O, si desea recibir una copia en su propio idioma, escriba claramente su nombre y dirección en el cuadro inferior destinado a ello, marque esta casilla  y envíe el formulario a la dirección de más abajo. (Spanish)

આ લેખમાં હેકની સ્થાનિક વિકાસ માળખા [Hackney Local Development Framework] વિષે માહિતી આપવામાં આવેલ છે. તમારા કોઈ મિત્રને તેનો અનુવાદ કરવા પૂછી તો જુઓ? અથવા જો તમારે આની એક નકલ તમારી ભાષામાં જોતી હોય તો તમારું નામ અને સરનામું નીચેના ખાલામાં સ્પષ્ટ રીતે લખો, અહીં  ટિકનું ચિહ્ન કરો અને નીચે આપેલ સરનામે પરત મોકલો. (Gujarati)

ਇਹ ਦਸਤਾਵੇਜ਼, ਹੈਕਨੇ ਦੀ ਸਥਾਨਕ ਵਿਕਾਸ ਯੋਜਨਾ [Hackney Local Development Framework] ਬਾਰੇ ਜਾਣਕਾਰੀ ਮੁਹੱਈਆ ਕਰਦਾ ਹੈ। ਆਪਣੇ ਦੋਸਤ/ਸਹੋਲੀ ਨੂੰ ਇਸਦਾ ਅਨੁਵਾਦ ਕਰਨ ਲਈ ਕਿਉਂ ਨਹੀਂ ਕਹਿੰਦੇ? ਜਾਂ, ਜੇ ਤੁਸੀਂ ਇਸਦੀ ਇੱਕ ਕਾਪੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿੱਚ ਚਾਹੁੰਦੇ ਹੋ, ਤਾਂ ਹੇਠਾਂ ਦਿੱਤੇ ਬਕਸ ਵਿੱਚ ਆਪਣਾ ਨਾਂ ਅਤੇ ਪਤਾ ਸਾਫ਼-ਸਾਫ਼ ਲਿਖੋ, ਇਥੇ  ਨਿਸ਼ਾਨ ਲਾਓ ਅਤੇ ਹੇਠਾਂ ਦਿੱਤੇ ਪਤੇ 'ਤੇ ਵਾਪਸ ਭੇਜੋ। (Punjabi)

Dokumentiga wuxu ku siinayaa warbixin ku saabsan Qaabka Horumarinta Deegaanka Hackney [Hackney Local Development Framework]. Maad weydiisatid saaxib inuu kuu tarjamo? Ama, haddaad jeclaan lahayd nuqul luqaddaada ah si cad ugu qor magacaaga iyo cinwaankaaga sanduuqa hoose, calaamadi halkaan  u soo Celina cinwaanka hoose. (Somali)

Bu belge Hackney Local Development Framework (Hackney Yerel Gelişim/Kalkınma Çerçevesi) hakkında bilgi sunmaktadır. Neden bir arkadaşınızdan bu belgeyi sizin için tercüme etmesini istemiyorsunuz? Veya bu belgenin kendi dilinize tercüme edilmiş kopyasını edinmek istiyorsanız, adınızı ve adresini aşağıdaki kutuya açık şekilde yazıp burayı  işaretledikten sonra belgeyi aşağıdaki adrese gönderin. (Turkish)

[Hackney Local Development Framework] کے بارے میں معلومات فراہم کرتی ہے۔ آپ اپنے کسی دوست سے کیوں نہیں کہتے کہ وہ آپ کے لئے اس کا ترجمہ کر دے؟ یا اگر آپ کو اپنی ہی زبان میں اس کی نقل چاہئے تو براہ کرم درج ذیل خانے میں صاف صاف اپنا نام اور پتہ لکھیں، یہاں  نشان لگائیں اور اسے درج ذیل پتے پر واپس کریں۔ (Urdu)

Tài liệu này cung cấp thông tin về [Hackney Local Development Framework] (Phác họa về Phát triển Địa phương tại Hackney). Tại sao không nhờ một người bạn dịch giúp? Hoặc, nếu bạn muốn một bản bằng ngôn ngữ của mình, viết tên và địa chỉ rõ ràng vào ô dưới đây, đánh dấu vào hộp này  và gửi lại theo địa chỉ sau. (Vietnamese)

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