

# **Affordable Housing Supplementary Planning Document**

**Consultation Draft**

**July 2023**



## **Foreword**

Within the borough there is a shortage of affordable housing with many households unable to purchase or rent a home of their own. If households are not able to access the housing market, this represents a threat to the balance of our communities and to the promotion of sustainable development. It is therefore important that new housing developments, where possible, provide affordable homes to help address this need.

This document is a revision of the Affordable Housing Supplementary Planning Document first adopted in 2009 and revised in 2016. It provides guidance on the implementation of policy DM28 in the adopted Eastleigh Borough Local Plan 2016-2036. This relates to the provision of affordable housing as a proportion of the total number of new dwellings on appropriate development sites. The document also references policy DM29 in the adopted Local Plan.

This document reflects policy on affordable housing set out in the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG). The Government has proposed changing the way affordable housing is delivered, replacing Section 106 contributions with a new Infrastructure Levy. The Council is awaiting details of this levy and this document will be revised as required when the levy is introduced.

This document should be read alongside the Eastleigh Borough Local Plan 2016-36.

## **Objectives**

The objectives of this document are:

- To provide guidance for developers, affordable housing providers and other interested parties on the Council's approach to securing the maximum provision of affordable housing in accordance with Local Plan policy, without compromising the viability of a development.
- To help speed the process of determining planning applications for housing development by ensuring that requirements relating to the provision of affordable housing are taken into account at the earliest stage in negotiations.
- To promote sustainable communities and development by ensuring a high quality of design and layout in affordable housing provision and promoting mixed and balanced communities.

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# 1. Background

## Definition of Affordable Housing

- 1.1 The definition of Affordable Housing is set out in the National Planning Policy Framework (NPPF), Annex 2: Glossary.

## Housing Need

- 1.2 There is a distinction between housing demand and housing need. In broad terms, housing demand represents households that are both wanting and able to access the housing market without assistance from the public sector. Housing need arises from those households that are unable to access the housing market without public sector intervention.
- 1.3 There have been a number of studies and assessments of housing need undertaken within the borough in recent years. These have concluded that there is a significant housing need within the borough which far exceeds that which could be met within the anticipated housing supply.
- 1.4 The Council is part of Hampshire Home Choice (HHC) a sub-regional choice-based lettings scheme managed by Eastleigh Borough Council and four other local authorities. Hampshire Home choice is our Housing Register and provides information on people in housing need seeking accommodation in the borough. As of April 2023, there were 2,149 applicants on the register seeking affordable housing for rent.
- 1.5 Taking the above into account, it is the Council's view that there continues to be a high level of housing need within the borough. Combined with the limited opportunities available to meet this need, there is considered to be sufficient justification to seek the delivery of affordable housing on open market sites.

## Policy Context

- 1.6 Over the last twenty years there has been increasing weight placed at a national, regional and local level on the need to ensure that affordable housing is provided in our communities.

### National

- 1.7 The National Planning Policy Framework (NPPF) states that local authorities should seek to boost the supply of homes and address the needs for all types of housing including affordable housing. Where there is an assessed need for affordable housing, policies should specify the type required and seek to deliver it on-site. The NPPF also sets the minimum threshold for the size of development that can provide affordable housing.

Subregional

- 1.8 Eastleigh Borough Council is part of the Partnership for South Hampshire (PfSH). The partnership works together to address strategic planning issues and deliver growth in the subregion. One of the key areas of work is housing.
- 1.9 A common policy framework has been agreed by the Partnership for South Hampshire (PfSH) and can be found at: [www.push.gov.uk](http://www.push.gov.uk). It includes the ambition to deliver more affordable housing. This is supported by a Strategic Housing Market Assessment (SHMA) which considers the need and demand for both market and affordable housing of different types, sizes and tenures.

Local

- 1.10 The Eastleigh Borough Local Plan 2016-2036 was adopted in April 2022. Policy DM28 states that the Council will seek the maximum reasonable amount of affordable housing in line with the criteria in the policy. These include the size of the site or number of dwellings where affordable housing would be sought, as well as criteria relating to the mix of tenure and type and its location (see Appendix).
- 1.11 Policy DM29 Dwellings with higher access standards is also relevant to affordable housing schemes. This requires wheelchair accessible dwellings on completion (see Appendix).

**2. The Delivery of Affordable Housing in the Planning Process**

- 2.1 This section provides details of how the Council will implement policy DM28 of the Local Plan in securing affordable housing on open market housing sites within the borough. Applicants are strongly encouraged to engage with the Planning team through the pre-application advice service. This service will provide comments on a scheme as well as setting out the key issues, see <https://www.eastleigh.gov.uk/planning-and-building/planning-permission/pre-application-service>.
- 2.2 The National Planning Policy Framework (NPPF) advises that to support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount. Therefore, in these instances once the Council has established that the Vacant Building Credit criteria does apply, the affordable housing calculation will be made reflecting the defined calculation process in national policy. This is based on the gross floorspace of the existing vacant building brought back into use or demolished as part of the scheme (measured as GIA).

### **On-Site Provision of Affordable Housing**

- 2.3 The Council's preference is for the full requirement for affordable housing to be provided within the development site. The usual mechanism for securing this is through the provision of completed dwellings at an agreed price.
- 2.4 The provision of completed affordable housing dwellings on the application site contributes to creating a mix of housing type and tenure. However, exceptionally, and where it can be robustly justified, the transfer of free serviced land on-site to an Affordable Housing Provider (AHP) may be accepted. This is subject to the Council's agreement on access and utility services, length of freehold and ongoing management and service charges.

### **Off-Site Provision of Affordable Housing**

- 2.5 Off-site provision may be accepted in exceptional circumstances as long as the agreed approach contributes to the creation of mixed communities in the borough.
- 2.6 Off-site provision can be provided by:
  - i) Serviced land, or
  - ii) Financial contributions in lieu
- 2.7 The value of any off-site housing or financial contribution in lieu of on-site provision must reflect the increase in the value of the development site that will result from the absence of on-site provision.
  - i) Serviced Land
- 2.8 Where the absence of on-site provision of affordable housing can be robustly justified, the Council's preference is for the provision of off-site serviced land instead of financial contributions. This land should have the benefit of planning permission for residential development, be equally or more accessible to schools and other local facilities and public transport and allow housing needs to be equally or better met within an appropriate timescale than the original development site. If the alternative site (where the off-site provision is to be provided) is also subject to an affordable housing requirement, then the overall affordable provision on this site must reflect the extra provision required.
- 2.9 It is important that the off-site provision of serviced land does not compromise the aim of achieving mixed and balanced communities. It will not normally be acceptable to provide alternative land or dwellings in areas where there is already a high concentration, or perceived concentration, of affordable housing.
- 2.10 Any off-site provision should result in dwellings that are at least of an

equivalent standard to on-site provision and should not increase costs for the AHP, the Council, or any other public funding body. The affordable homes should be provided at the same time as the facilitating development and prior to its effective completion.

- 2.11 The Council will not normally look favourably on offers by a developer to buy into the existing housing stock as a way of providing affordable housing off-site, particularly if it is proposed to purchase into the existing supply of smaller and access-level market dwellings. By doing so the overall supply of smaller cheaper dwellings in the local housing market would be reduced. In terms of meeting overall housing needs in the Borough it is important that the existing pool of such dwellings is retained and not being competed for by both first-time buyers and AHPs.

ii) Financial Contributions in Lieu

- 2.12 Only when it has been demonstrated to the Council's satisfaction that on and off-site provision is not possible will a financial contribution in-lieu of on-site provision be considered as an alternative.
- 2.13 The Council recognises that the opportunities to deliver affordable housing through this mechanism are limited due to the minimal land available to AHPs within the borough which would be deliverable and developable. Payments in-lieu/financial contributions must be negotiated as part of the planning approval process.
- 2.14 Any contribution will be calculated on the basis of the developer making a contribution of clean serviced land at nil cost. It will have regard to the relative value with either a nil or reduced level of affordable provision compared with the scheme with full affordable provision. All financial contributions will be index linked.
- 2.15 Failure to reach agreement will result in the value being set by an independent arbitrator appointed by agreement by the parties or in default of agreement by the President of the Royal Institution of Chartered Surveyors or his nominee on the application of either the Council or the landowner.

### **3. Establishing the Mix, Design and Form of Development**

#### **Housing Mix, Type and Tenure**

- 3.1 The mix of dwelling type, tenure and size will be agreed on a site-by-site basis, but the affordable housing element of a development should generally reflect the size and characteristics of the market units, unless monitoring indicates that there is a particular housing need for a certain form of development.

- 3.2 Based on background evidence for the adopted Local Plan, the Council's general objective within the affordable housing element of a development scheme is to seek 65% rented units with the balance of 35% coming from intermediate affordable housing market products. The Affordable Housing definitions can be found in the NPPF, Annex 2: Glossary.
- 3.3 In certain circumstances, it may be desirable to provide all or part of the affordable housing as supported housing. In some instances, the letting of these units may vary and not go through the HHC Register. Such circumstances will be identified by the Housing Team in pre-application discussions.
- 3.4 The exact mix of dwelling type, size (including occupancy options) and tenure within the affordable housing element of a scheme will be identified by the Housing Team. This should be discussed with the Housing Enabling Specialist prior to the submission of a planning application. The Council looks to provide a range of affordable housing to meet housing needs, including homes that provide flexible occupancy options. For example, the Council will seek two-bedroom homes with four bedspaces, that can accommodate up to four person and provide a long-term sustainable home.
- 3.5 Planning applications should be supported by an Affordable Housing Statement providing details of the provision in accordance with the Local Validation Checklist, available at <https://www.eastleigh.gov.uk/planning-and-building/planning-permission/apply-for-planning-permission>.

### **Design and layout of sites incorporating affordable housing**

- 3.6 The promotion of sustainable communities is one of the core objectives of Government policy and of Eastleigh Borough Council. Affordable housing should be integrated with the provision of private housing to promote the creation of mixed and balanced communities. Affordable housing should be indistinguishable from market housing in terms of its visual appearance and its location within the development site and should contribute positively to the high-quality urban design of the scheme. On larger sites the affordable housing should be distributed in small clusters of no more than 10 – 15 dwellings throughout the site ('pepper-potting').
- 3.7 With particular regard to the construction of affordable housing, and in accordance with Local Plan policy DM29, the Council will seek the following:
- All new affordable housing to be built to Part M4(2) standard (Accessible and adaptable dwellings);
  - (For new-build development of 40 or more residential units): A target of at least 1 dwelling or 8% (if higher number) of new affordable housing to be built to Part M4(3)(2)(b) standard for wheelchair accessible dwellings.



- All specialist housing for older people and adults with disabilities meet Part M4(3) wheelchair user dwellings.

#### **4. Providing and Managing the Affordable Housing Provision**

- 4.1 All new affordable housing for rent must be made available to applicants registered on Hampshire Home Choice (HHC) for housing. Where a provider is not already part of HHC they will be required to sign up to the partnership to enable the homes that are built to be made available to applicants on the housing register. This requirement will be detailed in the Section 106 agreement.
- 4.2 Low cost home ownership homes should follow the government guidance on eligibility criteria and in the event of schemes being oversubscribed agreement should be reached with the Housing Enabling Specialist to establish a priority order for allocation having regard to those with a local connection to the area.

## References

Assessment of Affordable Housing & Other Housing Types 2017 (Opinion Research Services)

Assessment of Affordable Housing Update 2020 (Opinion Research Services)

Eastleigh Borough Local Plan 2016-2036

Local Plan Viability Study and Appendices 2018 (Dixon Searle)

National Planning Policy Framework (NPPF) 2023

Partnership for South Hampshire (PfSH) Spatial Position Statement (2016)

Strategic Housing Market Assessment (SHMA) (PfSH) (2016)

## **APPENDIX – POLICIES DM28 & DM29, EASTLEIGH BOROUGH LOCAL PLAN 2016-2036**

### **Policy DM28, Delivering affordable housing**

1. The Council will seek the maximum reasonable amount of affordable housing when negotiating on individual market residential and mixed-use schemes, in line with the following:
  - a. 35% affordable housing will be required as part of new housing developments, where the proposal comprises:
    - i. sites of 0.5 ha or more and on sites with, or capable of accommodating, 10 dwellings or more; or
    - ii. a maximum combined gross floorspace of more than 1,000 sq.m; unless
    - iii. it can be demonstrated that this proportion would have an unacceptable impact on the economic viability of the proposed scheme, and a reasonable lower proportion is justified by evidence and that the lower proportion proposed is not below that which would be viable.
  - b. Provision on qualifying sites will be on-site unless it can be demonstrated that an off-site contribution would be more appropriate and more deliverable;
  - c. The tenure split, size and type of affordable housing will be informed by the latest Strategic Housing Market Assessment, the housing register, and the level and type of existing affordable housing in the locality;
  - d. Where affordable housing is provided as part of a mixed tenure site it should be integrated into the development in terms of its design and layout;
  - e. The Council will also support acceptable schemes where developers choose to offer more affordable housing than is required by the policy, where this is in accordance with other policies in the Plan;
  - f. Inclusion of an element of specialist residential accommodation and facilities for older people within the affordable housing requirement may be appropriate depending on the proposal.

## **Policy DM29, Dwellings with higher access standards**

1. The Borough Council requires that development should meet higher national access standards as set out in Part M of the building regulations for new build residential development (or future equivalent):
  - a. 100% of dwellings meet at least Part M4(1) standard (Visitable dwellings); including
  - b. a target of 80% of dwellings on each site meet Part M4(2) standard (Accessible and adaptable dwellings)

For major new-build development of 40 residential units and above, b. should include:

- i. at least 2 dwellings or 7% (if higher number) of all market housing meeting the Part M4(3) (2)(a) standard for wheelchair adaptable dwellings;
    - ii. at least 1 dwelling or 8% (if higher number) of all affordable housing meeting Part M4(3) (2)(b) standard for wheelchair accessible dwellings; and
2. 100% of all specialist housing for older people and adults with disabilities meet the Part M4(3) standard (Wheelchair user dwellings)