

Joint Scrutiny Committee



Report of Head of Housing and Environment

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Wards affected: (N/A)

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Affordable Housing Guidance Note

Recommendation(s)

(a) Joint Scrutiny Committee is recommended to note the report which provides information to councillors on the Affordable Housing Guidance Note

(b) Members to provide any comments to the Cabinet Member for Development and Infrastructure (Vale of White Horse) and Economic Development and Regeneration (South Oxfordshire).

Purpose of Report

1. To advise Committee on the proposed publication of a new Affordable Housing Guidance note which will be published as an online document. The document aims to assist planning applicants and others with the identification of relevant published policy and guidance, where it relates to the provision of affordable housing.

Strategic Objectives

2. South Oxfordshire District Council – Homes and infrastructure that meet local needs.

Vale of White Horse District Council – Providing the homes people need.

Background

3. From time to time, councils publish supplementary planning documents (SPD) aimed at providing clarity and more detailed operational information in relation to adopted policies. SPDs are not a statutory requirement, but can assist in the interpretation and implementation of wider policy, or to set out certain standards or requirements. The councils have published a number of such documents covering various topics such as the recently published Joint Design Guide.
4. The councils have no up to date Affordable Housing SPD. Meetings took place between officers and portfolio holders of both councils in May and June 2022 to consider the creation and publication of an affordable housing SPD. In particular, Members expressed a desire for an SPD to define and influence 'affordability' in affordable housing.
5. It was agreed at the Member and officer meeting that an SPD would not be the appropriate instrument to influence affordability, but that an online Affordable Housing guidance note should be produced, which brings together existing council guidance relevant to the delivery of affordable housing.

Climate and ecological impact implications

6. There are no climate and ecological implications arising directly from this report.

Affordable Housing Guidance Note

7. Affordable Housing is defined in the National Planning Policy Framework (NPPF), Annex 2. In requiring the delivery of affordable housing on new developments, both councils seek an element of so-called Affordable Rent properties. Affordable rent is defined as - "...at least 20% below local market rents (including service charges where applicable)...".
8. Both South Oxfordshire and Vale of White Horse are identified by the government as areas of high affordability pressure (Homes England, 7 December 2020), which is where the difference between the average social rents and private rents is £50 per week or more.
9. Both Cabinets have previously expressed concern that the definition of Affordable Rent means that such rents can often in fact be unaffordable to many households, and especially those in low or moderately paid employment.
10. Officers have been asked to identify a model of affordability, based upon local incomes, rental values and other variables, which would result in a definition of truly affordable rents within both districts. It was envisaged that a new Affordable Housing SPD would be an appropriate document to contain both a detailed

definition of 'affordable' for the districts, and the requirement for such rents to be applied in the case of new development.

11. Government plan making guidance states that supplementary planning documents (SPDs) should build upon and provide more detailed advice or guidance on policies in an adopted local plan. As they do not form part of the development plan, they cannot introduce new planning policies into the development plan. They are however a material consideration in decision-making. They should not add unnecessarily to the financial burdens on development (Paragraph: 008 Reference ID: 61-008-20190315).
12. It is considered that the introduction of a locally defined affordable rent would constitute a policy, rather than adding detail to existing adopted policies with regard to affordable housing tenures. Officers will therefore undertake the appropriate research and modelling in order to bring forward an affordability-specific policy as part of the ongoing joint local plan work.
13. The draft Affordable Housing Guidance Note, proposed to be published is intended to act as an online signposting resource which will bring together the relevant guidance already published by the councils. The draft Guidance Note is attached at Appendix 1. It should be noted that the Guidance attached to this report appears in plain text only. The final document will appear with live links in the appropriate corporate style.
14. The Guidance note will not address financial contributions payable in lieu of the on-site delivery of affordable housing. The calculation of such contributions relates to affordable housing tenure requirements under policy, and a revised and updated methodology will now be developed as part of the Joint Local Plan evidence on viability.

Legal and Financial Implications

15. There are no legal or financial implications arising directly from this report.

Risks

16. There are no risks identified as arising from this report.

Conclusion

17. The councils have expressed concern over the statutory definition of Affordable Rent, and believe that such rents can in fact be unaffordable to many low and moderate-income households. Officers were asked if an Affordable Housing Supplementary Planning Document (SPD) could define affordability at a local level, and influence rents which can be charged for affordable homes. Following officer discussions with portfolio holders of both councils, it was agreed that an Affordable Housing (SPD) could not be used to address and influence affordability and affordable housing rent levels across the districts. This work will need to be undertaken as part of the preparation of the Joint Local Plan, which is the appropriate document to address rents and affordability, and to provide specific policies where possible.

18. A draft Affordable Guidance note has been produced and attached at Appendix 1. As explained above, this document cannot define affordability, nor set rent levels. It draws together existing documentation and guidance relevant to the delivery of affordable housing, and will be published as an online resource linking to the appropriate guidance.

Background Papers

- None