

## REPORT of DIRECTOR OF STRATEGY, PERFORMANCE AND GOVERNANCE

PLANNING AND LICENCING COMMITTEE 6 JUNE 2019

## AMENDMENT TO AFFORDABLE HOUSING AND VIABILITY SUPPLEMENTARY PLANNING DOCUMENT

#### 1. PURPOSE OF THE REPORT

1.1 To seek this Committee's approval for public consultation on an amendment to the Affordable Housing and Viability Supplementary Planning Document (SPD).

#### 2. **RECOMMENDATION**

That the proposed amendment to the Affordable Housing and Viability SPD is approved for public consultation.

### 3. SUMMARY OF KEY ISSUES

- 3.1 The Affordable Housing and Viability SPD was adopted by Council on 8 November 2018. In applying the SPD, an issue has arisen about the interpretation of the 'additional evidence' step of the flow chart at Fig 2 on page 38 of the SPD. This step is not necessary for the operation of the process. To improve the SPD's clarity, it is proposed to delete this step from the flow chart, and to expand the 'Submit Accessible viability' step in the flow chart. The proposed amendments are detailed on the next page (additions are underlined; deletions struck through). Furthermore, the 'independent assessment' stage is not considered necessary, bearing in mind that the Council will have had advice from an external consultant under the amended SPD and the applicant will have had the benefit of their own consultant's advice. A third consultant to act as an independent assessor will only prolong and increase the expense to the applicant.
- 3.2 As the SPD is a formal planning document, it is necessary to consult on the proposed change, before the change can be made. The Council's Statement of Community Involvement sets the consultation period for SPDs at six weeks. The consultation will be run as a regular SPD consultation, with additional emphasis on the Housing sector, for example, Registered Providers (such as Housing Associations), other Council's Housing departments, and housing developers. The consultation will be limited to the proposed amendment.
- 3.3 The results of the consultation will be reported to this Committee. The amended SPD will then need to be adopted by the Council.

## 3.4 Proposed Amendment:

Figure 2: Viability Assessment Process

## VIABILITY ASSESSMENT REQUIRED?



An assessment will be required for:

- Non-policy compliant proposals;
- Schemes providing a financial contribution;
- Schemes intending to be built out in phases, and/or where a review mechanism is required as part of the S106 agreement;
- Schemes seeking Vacant Building Credit; and
- Exception sites or Community-Led Housing.

## SUBMIT ACCESSIBLE VIABILITY



Each viability assessment should be based on current costs. The viability assessment must be 'unlocked' – i.e. all data must be able to be accessed by the Council and/<u>its consultant</u>. Locked viability assessments will be rejected. The full working model, calculations used, and statistical analysis should be on an Excel base with a covering report detailing the viability assumptions and any supporting evidence. Non-Excel versions should be submitted with conversion software.

On submission of an assessment the applicant will provide a written undertaking to pay the Council's reasonable costs of an evaluation of the assessment by an external consultant including other professional advice if needed such as for highways or ecology advice. The consultant's report will identify the maximum viable amount of affordable housing that can be delivered as part of a scheme.

# ADDITIONAL EVIDENCE



INDEPENDENT ASSESSMENT



If the Council considers that a proposal could comply with policy or provide a better contribution towards affordable housing, it may commission an assessment in response to the applicants' evidence to demonstrate how a better mix of homes could be provided whilst providing a reasonable premium to the developer and landowner.

Where the Council and the applicant are unable to agree the outcome of the viability assessment, an independent assessor (to be agreed with both parties) will be appointed to provide further analysis. Applicants are required to meet the full cost of this process upfront, including the costs of other professional advice if necessary, such as for highways or ecology. The Assessor's report will identify the maximum viable amount of affordable housing that can be delivered as part of a scheme. A report will be provided to the Council and the applicant: negotiations will take place based on this report.

## PLANNING APPLICATION DETERMINED



SIGN S106 AGREEMENT In most cases where viability is an issue, the application will be determined by Planning Committee and not under delegated powers by officers. If planning permission is granted, this will be subject to the completion of a S106 agreement detailing the affordable housing provision (and potentially other matters).

Planning permission may be granted subject to early and late stage reviews. This will be determined on a site-by-site basis (see paragraphs 8.14-8.20). An executive summary of the S106 agreement will also be required. Where considered necessary, any review mechanisms will be set out in the S106 agreement.

#### 4. CONCLUSION

4.1 Amendments to Figure 2: Viability Assessment Process are proposed to remove any uncertainty around how the SPD operates. To implement a change to an SPD, the proposed amendment needs to be subject to public consultation before the SPD can be revised and adopted.

### 5. IMPACT ON STRATEGIC THEMES

5.1 The SPD supports the Growth and Infrastructure theme and the outcomes within it, these include: maintaining a five year housing land supply, achieving affordable housing targets, and effectively discharging S106 agreements.

#### 6. IMPLICATIONS

- (i) <u>Impact on Customers</u> The proposed amendment should reduce impact on customers by reducing uncertainty.
- (ii) <u>Impact on Equalities</u> None.
- (iii) <u>Impact on Risk</u> The proposed amendment should reduce risk by reducing uncertainty.
- (iv) <u>Impact on Resources (financial)</u> The proposed amendment should reduce impact on resources by reducing uncertainty.
- (v) <u>Impact on Resources (human)</u> The proposed amendment should reduce officer resources required by reducing uncertainty.
- (vi) **Impact on the Environment** None.
- (vii) <u>Impact on Strengthening Communities</u> The Affordable Housing and Viability SPD supports strengthening communities by ensuring that the affordable housing that supports the needs of the community is provided.

<u>Background Papers:</u> Affordable Housing and Viability SPD <a href="https://www.maldon.gov.uk/info/20048/planning\_policy/8114/other\_local\_plan\_documents/3">https://www.maldon.gov.uk/info/20048/planning\_policy/8114/other\_local\_plan\_documents/3</a>

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