

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 05 February 2024

<b>Portfolio:</b>	Planning and Development
<b>Subject:</b>	<b>Affordable Housing Supplementary Planning Document for consultation</b>
<b>Report of:</b>	Director of Planning and Regeneration
<b>Corporate Priorities:</b>	Provides Housing Choices Responsive, Inclusive and Innovative Council

#### **Purpose:**

To seek approval to consult on the draft Affordable Housing Supplementary Planning Document (SPD) – setting out the Council's approach to the delivery of affordable housing in the Borough.

#### **Executive summary:**

The Council's Corporate Strategy 2023-2029 sets out the priority to provide housing choices for Borough residents. The strategy recognises that the ratio between average house prices and earnings is higher in Fareham than the national average.

To address this, the Corporate Strategy sets out that the Council will continue to provide high quality affordable housing that offers choice to residents. The Fareham Local Plan 2037 supports this priority through its Provision of Affordable Housing Policy, requiring development to include affordable housing in their delivery of homes.

The purpose of the Affordable Housing SPD is to enable the successful delivery of affordable homes through planning applications by way of providing further detailed advice and guidance on policy requirements in the adopted Fareham Local Plan 2037.

This report provides a draft of the Affordable Housing SPD and seeks approval to progress the draft document to statutory public consultation. It is the intention consult over a six-week period from 16<sup>th</sup> February 2024 following which the Executive's approval to adopt the SPD will be sought.

**Recommendation:**

It is recommended that the Executive:

- (a) approves the Draft Affordable Housing Supplementary Planning Document, as set out at Appendix A to the report, for public consultation for a six-week period; and
- (b) agrees to delegate authority to the Director of Planning and Regeneration, following consultation with the Executive Member for Planning and Development, to make any minor amendments to the document prior to the consultation.

**Reason:**

To consult on an Affordable Housing SPD which sets out the Council's approach to affordable housing delivery in the Borough.

**Cost of proposals:**

The costs of the consultation will be met within existing budgets.

**Appendices:** A: Draft Affordable Housing Supplementary Planning Document

B: SEA/HRA Screening Assessment

C: EqIA Screening Assessment

**Background papers:** None

**Reference papers:** Fareham Corporate Strategy 2023-2029  
Fareham Local Plan 2037

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## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	05 February 2024
<b>Subject:</b>	Affordable Housing Supplementary Planning Document for consultation
<b>Briefing by:</b>	Director of Planning and Regeneration
<b>Portfolio:</b>	Planning and Development

#### INTRODUCTION

1. Supplementary planning documents (SPDs) 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 and play a key role in describing and explaining how adopted planning policies should be interpreted and delivered through development management process.
2. The Council's Corporate Strategy 2023-2029 sets out the priority to provide housing choices for borough residents. The strategy recognises that the ratio between average house prices and earnings is higher in Fareham than the national average.
3. To address this, the Corporate Strategy sets out that the Council will continue to provide high quality affordable housing that offers choice to residents. The Fareham Local Plan 2037 supports this priority through its Provision of Affordable Housing Policy, requiring certain development to include affordable housing in their delivery of homes.
4. The preparation of an Affordable Housing Supplementary Planning Document (SPD) to replace the existing Affordable Housing SPD (2005) is included in the Local Development Scheme which was approved by the Executive on 3<sup>rd</sup> July 2023.
5. The existing Affordable Housing SPD was adopted in December 2005. There has been a significant change in housing affordability since 2005 and Government guidance on the provision of affordable housing has been updated. Therefore, it is necessary to update the Affordable Housing SPD to recognise this change in policy as well as to support the Council's updated affordable housing policy set out in the Fareham Local Plan 2037. Planning Strategy, Development Management and Fareham Housing have worked closely together in preparing the draft SPD to ensure it provides the information needed to guide applicants through the planning process to secure affordable housing provision which meets the needs of borough residents.
6. The SPD will provide guidance for developers, house builders and the public regarding the requirements of Policy HP5: Provision of Affordable Housing and Policy HP6: Exception Sites, in the Fareham Local Plan 2037. The SPD also draws attention to the

importance of design and placemaking, to ensure that development achieves consistent design quality and social inclusion. When the SPD is adopted, it will accompany the formal withdrawal of the 2005 Affordable Housing SPD.

7. Policy HP5 in the Fareham Local Plan 2037 provides support for the delivery of affordable homes. It sets out a requirement for all sites that can accommodate 10 or more dwellings, or sites with an area of 0.5 hectares or more to provide affordable housing. The required proportion of affordable home provision differs depending on the type of development site. On greenfield sites the proportion that should be delivered as affordable homes is 40%, however in the case of brownfield sites the proportion is 35% and for sites located within the defined Fareham Town Centre boundary, 20% of homes must be delivered as affordable housing. The threshold and percentages have been viability tested through the Local Plan process.

### **KEY CONTENT OF THE SPD**

8. The SPD sets out the planning policy context, from national requirements to understanding local need and provides information on the different types of affordable housing product. It guides developers on the Local Plan policy requirements and the planning application process in relation to delivering affordable units.
9. The main purpose of the SPD is to enable developers and planning applicants to understand how Policy HP5 (and HP6 - Rural and Entry Level Exception Sites or HP7 - Adaptable and Accessible Dwellings in certain circumstances) will apply to relevant planning applications in Fareham, as well as the wider Local Plan policies which should be considered, such as specialist housing and design.
10. The SPD sets out what is expected of applicants regarding the delivery of affordable units, including what the Council expect in terms of design, in line with guidance from the National Design Guide. This includes the highlighting of a series of common design issues which are encountered in relation to the delivery of affordable homes within housing developments and how the Council considers these can be addressed.
11. Throughout the SPD, there is an emphasis on the importance of engaging with the Council's Planning and Housing Teams early in the planning process to discuss considerations such as housing sizes and types and the appropriate tenure split for sites, recognising local need.
12. The SPD details the Council's approach to commuted sums in lieu of on-site affordable housing. As set out in Local Plan Policy, the Council expect that affordable housing will be delivered on site and will only accept a financial contribution, known as a commuted sum, in lieu of on-site provision where applicants can robustly justify why it is not possible to provide it on-site.
13. Commuted sums are also accepted as a contribution for a partial unit i.e. where the calculation of affordable housing requirement for a site results in a fraction of a dwelling. The Council's formula for calculating commuted sums has been reviewed by Three Dragons, an independent consultancy specialising in town planning, economics and development. This has resulted in a revised formula, which is consistent with methodology employed by other Councils to accurately reflect the financial burden of providing the required units elsewhere in the Borough.

## **EFFECT OF THE SPD**

14. The potential effect of the draft SPD has been considered through a series of screening assessments as follows:
  - Strategic Environmental Assessment (SEA) Screening Assessment: to consider whether the SPD is likely to have significant environmental effects that have not already been assessed during the preparation of the local plan.
  - Habitats Regulations Assessment (HRA) Screening Assessment: to consider whether the SPD likely to have significant adverse effects on the integrity of an internationally designated site of nature conservation importance, known as European sites.
  - Equalities Impact Screening Assessment: to consider the SPD's impact on any protected groups or characteristics that have not already been assessed during the preparation of the local plan.
15. As a result of these assessments, it is determined that no adverse effect would result from this SPD. Details of the assessments and their findings are included in appendices B & C of this report.

## **ENVIRONMENTAL CONSIDERATIONS/CARBON IMPACT ASSESSMENT**

16. The subject matter of this report is not anticipated to have an impact on the Council's carbon footprint, nor is it expected to have a detrimental or beneficial impact to the wider environment.

## **NEXT STEPS - CONSULTATION**

17. It is proposed to undertake public consultation on the draft SPD in line with the statutory requirements set out in the relevant planning regulations. A six-week consultation will take place from 16<sup>th</sup> February 2024.
18. It is proposed that the consultation is publicised on the Council's website and emails and letters are sent to all statutory consultees and other relevant individuals and organisations on the Council's Planning Strategy consultation database.
19. Following the public consultation, the Council will consider responses before moving forwards towards adoption of the new SPD.

## **CONCLUSION**

20. It is recommended, for the reasons set out in the above paragraphs, that the Executive approves the draft Affordable Housing SPD for public consultation and delegates authority to the Director of Planning and Regeneration, following consultation with the Executive Member for Planning and Development, to make any appropriate amendments to the document following consideration by the Executive, prior to the consultation.

### **Enquiries:**

For further information on this report please contact Lee Smith, Head of Planning (Tel. 01329 824427).