

# **AFFORDABLE HOUSING**

## **SUPPLEMENTARY PLANNING DOCUMENT**

**MAY 2006**



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***Produced with the  
Dudley Housing Partnership***

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The Affordable Housing SPD (May 2006), the Affordable Housing SPD Statement of Community Involvement (SCI), the Affordable Housing SPD Sustainability Appraisal, Screening Statement and related documents can also be found on the Council's website at:

[www.dudley.gov.uk/environment--planning/planning/local-development-framework](http://www.dudley.gov.uk/environment--planning/planning/local-development-framework)

Copies of the SPD and related documents are also available from the Council's Planning reception, located at Council offices, 3 St James's Road, Dudley, West Midlands, DY1 1HZ. Alternatively, a reference copy can be viewed at the reception at Council offices at Mary Stevens Park (MSP), Council House, Stourbridge, West Midlands, DY8 2AA or a reference copy can be viewed at all main Dudley Libraries. Copies can also be obtained by contacting the Council's Planning Policy Section on above telephone number.

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english

إن واجهتكم أية صعوبات في فهم لغة أو  
محتويات هذا المطبوع فيرجى الاتصال

Arabic

এ কাগজ পত্রের ভাষা বা বক্তব্য আপনার  
বুঝতে অস্ববিধা হলে, দয়া করে এ নাম্বারে  
টেলিফোন করুন

bengali

यदि आपको इस साहित्य की भाषा या विषय-  
वस्तु को समझने में कोई मुश्किल पेश आती  
है तो कृपया फोन करें

hindi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਸਾਹਿਤ ਦੀ ਭਾਸ਼ਾ ਜਾਂ ਵਿਸ਼ਾ-ਵਸਤੂ  
ਸਮਝਣ ਵਿਚ ਕੋਈ ਮੁਸ਼ਕਲ ਪੇਸ਼ ਆ ਰਹੀ ਹੈ ਤਾਂ  
ਕ੍ਰਿਪਾ ਕਰਕੇ ਫੋਨ ਕਰੋ

punjabi

اگر آپ کو زبان یا اس لٹریچر کا متن سمجھنے میں کوئی دشواری ہو تو براہ کرم  
پہنوں کریں۔

urdu

## **EXECUTIVE SUMMARY**

**1. Policy background and purpose of the Supplementary Planning Document (SPD).**

Dudley MBC's Affordable Housing Policy (Policy H5) (**see Appendix 1 at the end of this document**) is set out in the Council's Adopted Unitary Development Plan 2005 (UDP). This Affordable Housing SPD is a separate document which provides more guidance and detail on how Policy H5 is to be implemented. An SPD cannot set or change policies within the UDP, rather they expand and explain existing UDP policies in more detail. The SPD therefore provides advice to developers, landowners and Registered Social Landlords (RSLs) as to how to interpret Policy H5. This will help to meet the requirements of those in the Borough unable to rent or purchase the housing they need on the open market.

**2. Dudley MBC Community Strategy (2005)**

Dudley Borough Challenge, the Council's Community Strategy, sets out as a key action "increasing the number of affordable dwellings completed as a percentage of all new housing completions" under the Chapter "Safeguarding and Improving the Environment".

**3. National Planning Policy**

The Affordable Housing Policy H5 within the Unitary Development Plan conforms with national Planning Policy Guidance Note 3 (PPG 3) "Housing" which sets out the Government's policy on how the planning system can contribute to the overall supply of affordable and special needs housing.

**4. Housing Need in Dudley**

The need for affordable housing arises where a household cannot afford to move into market priced housing either for sale or rent in order to resolve their housing problems. The level of need is determined through housing needs surveys which are conducted and updated periodically. This helps to set the levels of affordable housing for each Borough and across the Region in the Regional Spatial Strategy. Dudley's requirement is to provide 1,368 units of affordable housing in the period 2005 - 2011.

**5. A new Housing Needs Survey is currently being commissioned by the Council. It is anticipated that the survey report will be available in June 2006. This survey will inform future housing policies, strategies, and planning policies and enable affordable housing to be delivered through the Local Development Framework (LDF) which will eventually replace the UDP. Any future changes in policy on this issue may result in potential revisions to this SPD. This SPD can only be based on existing UDP policies which will remain in place until at least 2010. However the latest Housing Needs Survey will help the Council to refine its affordable housing requirements on particular sites and identify areas of need within the parameters of the existing UDP Policy.**

## **6. Definition of Affordable Housing**

Affordable Housing is categorised into two types:

- housing provided by an organisation – such as a Registered Social Landlord (RSL) or local authority allocating on the basis of need. While such dwellings will normally be made available for rent, they may also include subsidised home ownership, where an RSL or local authority shares the ownership of the dwelling with the occupant. This enables the occupant to benefit from a proportion of the equity in the dwelling should the price of the dwelling increase.
  - low-cost market housing, helping to meet the needs of first time buyers, single people, the elderly and other low income households who cannot afford to rent or buy houses on the open market.
7. There are many different types of affordable dwellings due to the diversity of households and particular groups who find themselves in need of such housing. These may include, for instance, the elderly, people with disabilities, single parents and also ethnic minority groups including the Gypsy and Traveller community. It is important that, wherever need is established, that all household types are catered for in each particular circumstance.
8. What constitutes 'affordable', in terms of price and income, will be defined through a Dudley Housing Partnership (DHP) agreement and outlined in the Housing Strategy on an annual basis.
9. The Council also supports the provision of Lifetime Homes by requiring standards to be adopted in Social Rented Housing so that dwellings can be properly adapted to meet the needs of all sections of the Community.
10. **Circumstances Where Affordable Housing Will Be Sought**  
In accordance with the latest national planning guidance set out in Planning Policy Guidance Note 3 (PPG 3) (2000) "Housing", affordable housing is sought from house-builders and developers on "Housing developments of 25 or more dwellings, or on residential sites greater than 1 hectare irrespective of the number of dwellings."
11. The Housing Needs survey has determined the proportion of each housing site to be given over for affordable housing in order to meet the targets set out in the Regional Spatial Strategy. This proportion, shown as a percentage is contained within Policy H5 of the UDP and has been set at 30% of the total number of dwellings proposed for the site.
12. The Housing Needs Survey has determined that the Council is best placed to consider rented and shared ownership dwellings provided and managed by Registered Social Landlords (RSLs) or the local authority to be the most appropriate forms of affordable dwellings within Dudley Borough. Affordable rents will be defined as those that conform to the

Housing Corporation target rents for particular schemes. The Housing Needs Survey not only determines the levels of affordable dwellings required but also helps to identify the areas where affordable housing is needed the most within the Borough.

**13. What Is Sought From A Developer**

The precise house types sought will be agreed through discussion between officers of the Council's Planning Department and the Directorate of Adult Community and Housing Services, and individual developers.

14. The Council will encourage a partnership approach as early as possible (preferably before a planning application is submitted) between nominated Registered Social Landlords (RSLs) and the private developer concerned. The Directorate of Adult Community and Housing Services will be able to nominate an appropriate Registered Social Landlord (RSL) who may be in position to manage new properties as plans come forward.

15. The scale of contributions will vary depending on the particular circumstances of the site. These may include, for example, considerations of site suitability, market conditions or neighbouring housing types (social or private). **Developers should assume in the first instance that on-site affordable housing provision will be required and are advised to prepare their proposals accordingly.**

16. However where the Housing Needs survey identifies that there is adequate or an oversupply of affordable accommodation in a particular area, a commuted sum for provision of affordable housing elsewhere will be sought and the level agreed. Also, where exceptional remediation costs are preventing a sale of the site on the open market or otherwise restricting the reuse of the site for housing, a reduced provision will be considered.

**17. Monitoring The Level Of Affordable Housing In The Borough**

The Council will plan, monitor and manage the levels of affordable housing provision across the Borough to ensure that sufficient houses of the right type and quality are produced to meet the needs of the borough's existing and potential residents.



## 1.0 INTRODUCTION

- 1.1 The starting point for this Supplementary Planning Document (SPD) is the Dudley Metropolitan Borough Council (MBC) Adopted Unitary Development Plan (UDP) (October 2005). The Adopted UDP, as the statutory land use plan for Dudley contains both the strategic policy objectives and more detailed local planning proposals and development policies necessary to guide development in the Borough up to 2011. The Affordable Housing Supplementary Planning Document (SPD) itself is a separate document. It will complement Policy H5 “Affordable Housing” of the Council’s Adopted UDP and will be a material consideration in the determination of planning applications. **The full Affordable Housing Policy in the Adopted UDP is attached as Appendix 1 at the end of this Supplementary Planning Document.**
- 1.2 Dudley MBC’s Affordable Housing Policy (Policy H5) is set out in the Council’s Adopted UDP and requires housing developers to set aside 30% of the number of dwellings on suitable new-build sites for housing for people who cannot afford to rent or buy housing on the private open market. Such dwellings are usually managed by a Registered Social Landlord (RSL) which provides housing on this proportion of the development on a shared ownership basis or through renting at below-market rental levels (set by the Dudley Housing Partnership in conjunction with the Housing Corporation). The Policy is being supported and taken forward through the close working relationships with Registered Social Landlords, other agencies, and the housing industry.
- 1.3 It is hoped that this relationship will continue and indeed develop further, not just because of improved policy guidance provided by the Council but also as a result of effective partnership arrangements, such as through the Dudley Housing Partnership (DHP) and the Joint Commissioning Partners group (JCP). The JCP is a partnership between Dudley MBC, the Housing Corporation and those Registered Social Landlords who develop new build properties in the Borough. One of the key objectives of the JCP is to provide good quality affordable housing through effective programming and longer term planning of development activity.
- 1.4 This Supplementary Planning Document (SPD) can help contribute towards more effective working between this group and the wider development industry.

## **2.0 PURPOSE**

- 2.1 The availability of good quality, affordable housing to buy or rent is an essential component of a vibrant, sustainable, healthy and prosperous community. The Council seeks to achieve this principally through its Housing Strategy, which sets out the Council's strategic housing objectives in the form of an Investment Plan for Dudley.
- 2.2 The most recent national planning guidance for housing stressed the importance of the planning system in helping to meet the needs of households unable to rent or purchase housing on the open market.
- 2.3 The purpose of this Supplementary Planning Document (SPD) is to provide advice to developers, landowners and Registered Social Landlords (RSLs) as to how they can help meet housing need in Dudley. Dudley MBC's Affordable Housing Policy (Policy H5), set out in the Council's Adopted Unitary Development Plan (UDP) (October 2005), is being supported and taken forward between the close working relationships with Registered Social Landlords (RSLs), other agencies, and the industry.

## **3.0 POLICY CONTEXT**

### **National Planning Policy Context**

#### **3.1 Planning Policy Statement 1 (PPS 1) (2005) “Delivering Sustainable Development”**

Planning Policy Statement 1 (PPS 1) (2005) “Delivering Sustainable Development” sets out the overarching planning policies on the delivery of sustainable development through the planning system. The guidance reinforces the important role of Development Plans in promoting development that creates socially inclusive communities, which include suitable mixes of housing, in order to help deliver sustainable development. The guidance confirms that plan policies should address accessibility (both in terms of location and physical access) for all members of the community to housing. In paragraph 14, the guidance states that: *“The Government is committed to developing strong, vibrant and sustainable communities and to promoting community cohesion in both urban and rural areas. This means meeting the diverse needs of all people in existing and future communities, promoting personal well-being, social cohesion and inclusion and creating equal opportunity for all citizens.”*

#### **3.2 Planning Policy Guidance Note 3 (PPG 3) (2000) “Housing”**

Planning Policy Guidance Note 3 (PPG 3) (2000) “Housing” sets out the Government’s policy on how the planning system can contribute to the overall supply of affordable housing, with a key objective being that local authorities should “plan to meet the housing requirements of the whole community, including those in need of affordable and special needs housing”. PPG 3 underlines the importance that local planning authorities should “provide wider housing opportunity and choice and a better mix in the size, type and location of housing than is currently available, and seek to create mixed communities.” The guidance confirms 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.

#### **3.3** There is currently a review of PPG 3 under way as part of the new emerging draft Planning Policy Statement 3 (draft PPS 3) (2005) “Housing”. This draft planning guidance was produced for consultation by the government back in December 2005. When it has become adopted guidance, the new PPS 3 will set out the national planning policies for housing, which regional planning bodies and local authorities should take into account in developing regional spatial strategies and Local Development Frameworks (LDFs), required under the new planning system. Whilst consideration has been given to the

new emerging draft PPS 3, it will only be considered once it has become adopted guidance.

### **3.4 Planning Policy Statement Note 12 (PPS 12) (2004) “Local Development Frameworks”**

Planning Policy Statement Note 12 (PPS 12) (2004) “Local Development Frameworks” provides guidance on the procedures to be followed in the preparation of Local Development Documents (LDDs), introduced under the new planning system by the Planning and Compulsory Purchase Act 2004.

PPS 12 (2004) outlines the important role that Supplementary Planning Documents (SPDs) can play in supplementing plan policies and proposals, whilst maintaining a consistency with national and regional planning guidance, as well as the policies set out in the adopted Unitary Development Plan or Local Development Framework (LDF) under the new planning system. PPS 12 maintains that Supplementary Planning Documents (SPDs) may include site or issue based guidance. The guidance confirms that SPDs do not form part of the statutory development plan and are not subject to independent examination, but will still be subject to rigorous community and stakeholder involvement.

## **Regional Policy Context**

### **3.5 Regional Spatial Strategy (RSS) for the West Midlands (2004)**

The new planning system has also brought about changes in regional planning policy. Under the 2004 Planning and Compulsory Purchase Act, Regional Planning Guidance for the West Midlands (RPG 11) dated June 2004 has now become the Regional Spatial Strategy (RSS) for the West Midlands. The RSS provides a spatial framework up to the year 2021 (i.e. it will set out the broad location of development proposals) for each region over a 15 year period including policies for housing, economic development and environmental protection. RSS sets out the overall housing requirement for Dudley up to the year 2011. RSS recognises that there is a need to provide more housing that meets the needs of those whose access to and choice of housing is restricted for reasons of affordability. It reinforces that local authority housing and planning departments should plan for mixed and balanced communities in accordance with PPG3 and underlines the importance and need for local authorities to plan for affordable housing needs where they arise. Policy CF5 “Delivering affordable housing and mixed communities” emphasises that local authorities, developers and social housing providers should co-operate to create more balanced and mixed communities through the provision of a range of housing types and tenures within new housing developments and sites across all parts of the Region.

## **Local Policy Context**

### **Dudley MBC Adopted Unitary Development Plan (UDP) (October 2005)**

- 3.6 This Affordable Housing Supplementary Planning Document (SPD) is associated with the Dudley Metropolitan Borough Council's Adopted Unitary Development Plan (UDP) (October 2005), in particular, Policy H5 on Affordable Housing. An SPD cannot set policy, rather it should build on and expand existing local plan policies. The Dudley Metropolitan Borough Council Adopted Unitary Development Plan (October 2005), and indeed the Dudley Borough Community Strategy (2005), recognise the importance of good quality and choice in residential environments and include objectives to improve the existing stock, promote choice of accommodation both in terms of tenure and affordability and promote mixed-use developments. The Adopted Unitary Development Plan (October 2005) has a major role to play in the achievement of these objectives. Policy H5 (Affordable Housing) sets out the Council's approach to the provision of affordable housing (see Appendix 1). The SPD, through providing additional guidance in relation to Adopted Unitary Development Plan (October 2005) Policy H5 (Affordable Housing), is thus significantly influenced by the provisions of this Policy, and has identifiable parameters within which it is able to operate.

### **Dudley MBC Community Strategy (2005)**

- 3.7 The Dudley MBC Adopted Unitary Development Plan (October 2005) provides the mechanisms for delivering the aspirations of the Dudley Borough Community Strategy, "Dudley Borough Challenge" (2005). The aim of the Community Strategy, "Dudley Borough Challenge" (2005) is to set out a vision up until the year 2020 for a prosperous and attractive Borough. The Community Strategy identifies a series of six key priorities all of equal importance which together contribute towards a "Stronger Communities" overall vision. These are:

- Creating a Prosperous Borough.
- Promoting a Sense of Well-Being and Good Health for Everyone.
- Celebrating our heritage and the diversity of local culture.
- Safeguarding and Improving the Environment.
- Promoting Individual and Community Learning.
- Making Dudley a Safe and Peaceful Place to live.

- 3.8 Under the “Safeguarding and Improving the Environment” priority, the Community Strategy recognises the importance of “increasing the number of affordable dwellings completed as a percentage of all new housing completions” as a key action in order to help deliver broader objectives which underpin the “Safeguarding and Improving the Environment” priority. Clearly therefore it can be seen that the Affordable Housing Supplementary Planning Document (SPD) will have a key role in supporting the work of the Community Strategy.

## **4.0 HOUSING NEED IN DUDLEY**

- 4.1 Housing need arises where a household cannot afford to move into market priced housing either for sale or rent in order to solve their housing problems.
- 4.2 In June 2004 Regional Planning Guidance for the West Midlands (RPG 11) was published. Under the 2004 Planning and Compulsory Purchase Act, RPG 11 (dated June 2004) has now become the Regional Spatial Strategy (RSS) for the West Midlands. RSS sets out a minima housing requirement up until the year 2021 which goes beyond the lifespan of the Council's Adopted Unitary Development Plan (October 2005). The lifespan of the Council's Adopted Unitary Development Plan (October 2005) is up until 2011. The total requirement for the Housing figures 1991 to 2011 is 13,220 dwellings (as amended in the Council's Proposed Modifications Report – September 2004). In submitting its advice on the Unitary Development Plan's (UDP's) revision, the West Midlands Regional Forum recommended that some 4,400 of Dudley's housing requirement should be for social housing. Of that 4,400 dwellings, 1,368 units of affordable housing still need to be completed in the period 2005 - 2011.
- 4.3 Fordham Research Limited conducted a Housing Needs Survey, published in August 1998, which sought to quantify the level of need in Dudley. This included existing households, concealed households, and a homeless element in the total. The overall figure for households in need was calculated at 8534, 6.9% of all borough households. Together with the projected need and supply, this resulted in an estimated requirement for affordable housing to 2006 at between 225 and 599 dwellings per year.
- 4.4 The Survey identified four 'sub-tenures' within the Government's definition of affordable housing. They are:
- Low-cost market;
  - Low-cost discounted;
  - Shared ownership; &
  - Social rented housing.
- 4.5 The survey concluded that low cost market housing cannot meet any significant housing need, and that low cost discount housing can only meet need at unrealistically large discounts of 30% plus. Shared ownership can meet need, although only on a limited scale with it being suggested that a target of 3-5% for this sub-tenure. This leaves the social rented sub-tenure to meet the substantial element of housing need – 25% is recommended.
- 4.6 Subsequent to that Survey an update was prepared in March 2002, the 'Housing Needs Survey Re-Analysis', which presented the 1998 survey

in the format recommended by the government in *Local Housing Needs Assessment: A Guide to Good Practice* (July, 2000).

- 4.7 Whilst the Survey carried out in 1998 and its Re-Analysis in 2002 provide a rigorous assessment of housing need in Dudley, it is important that the nature of that need, in terms of affordability and what will be required in the future, is kept up-to-date. This will be achieved through survey reviews conducted at regular intervals, where resources allow. A new emerging Housing Needs Survey is currently being commissioned by the Council. It is anticipated that the survey report will be available in June 2006. This survey will be analysed and published and will inform future housing policies, strategies, and planning policy. It will be used to inform and guide future policy which will be delivered through the Local Development Framework (LDF) in the Dudley Metropolitan Borough. The emerging new Housing Needs Survey may result in potential revisions to this Supplementary Planning Document (SPD) in due course.



## **5.0 DEFINITION OF AFFORDABLE HOUSING**

- 5.1 The West Midlands Local Government Association has prepared a definition of Affordable Housing to help guide Local Authorities in their preparation of policies and specific guidance.

Affordable Housing is categorised into two types:

- a. housing provided by an organisation – such as a Registered Social Landlord (RSL) or local authority allocating on the basis of need. While such dwellings will normally be made available for rent, they may also include subsidised home ownership, where an RSL or local authority retains a continuing interest.

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- b. low-cost market housing, helping to meet the needs of first time buyers, single people, the elderly and other low income households who cannot afford to rent or buy houses on the open market.

- 5.2 There are many different types of affordable dwellings due to the diversity of households and particular groups who find themselves in need of such housing. These may include, for instance, single parents, the elderly, the disabled and ethnic communities who live in Dudley. In addition, this may also include ethnic minority origin groups, such as the Gypsy and Traveller community. It is important that, wherever need is established, that all household types are catered for in each particular circumstance.

- 5.3 The Council considers rented and shared ownership dwellings provided and managed by Registered Social Landlords (RSLs) or the local authority to be particularly good examples of dwellings which can meet affordable housing needs. This is opposed to low-cost market housing, which the housing needs survey (1998) shows to have only a limited role in meeting any defined need. It is envisaged that the rented and shared ownership homes provided as a result of this policy will, in the main, be managed by RSLs, in particular housing associations. Affordable rents will be defined as those that conform to the Housing Corporation target rents for particular schemes. These are available from the Council's Directorate of Adult Community and Housing Services if required.

- 5.4 However, the affordable housing, irrespective of whether it is provided for rent or sale, must be made available at a price level that can be sustained by local people in housing need. What constitutes 'affordable', in terms of price and income, will be defined through a Dudley Housing Partnership (DHP) agreement and outlined in the Housing Strategy. This will address such issues as Benchmark rents to be applied to future schemes.

- 5.5 However, whilst a definition at the regional level is useful when establishing the scope of Adopted Unitary Development Plan (October 2005) policy, the Council will outline a definition of 'affordability' on an annual basis, principally through the Housing Strategy updates. This will be important because what constitutes 'affordable' today may change in the future, and so issues such as acceptable rent levels in relation to local incomes and the role of housing supply will need to be monitored. Monitoring waiting lists and other suitable indicators of need will provide further evidence of need.

## **6.0 CIRCUMSTANCES WHERE AFFORDABLE HOUSING WILL BE SOUGHT**

- 6.1 The following questions will guide those parties seeking an element of affordable housing as part of housing proposals that meet the thresholds as outlined in the most recent government advice: -

### Is there a Need?

- 6.2 The basis for establishing whether need exists in the borough lies with the Housing Needs Survey. This sets the estimates of households in housing need in Dudley Metropolitan Borough. The precise nature of that need will be updated when required, through the annual update produced through the Adult Community and Housing Services Directorate of the Council. Housing officers, in consultation with Dudley Housing Partnership (DHP), will also identify the type of affordable housing sought in a particular area. This will then underpin the negotiations carried out with developers in accordance with Adopted Unitary Development Plan (October 2005) Policy H5 (Affordable Housing).

### Is the site large enough?

- 6.3 In accordance with national planning guidance set out in Planning Policy Guidance Note 3 (PPG 3) (2000) "Housing", Circular 06/98 "Planning and Affordable Housing" advice and Adopted Unitary Development Plan (October 2005) Policy H5 (Affordable Housing), an element of affordable housing will be sought on any housing proposals involving:

- Housing developments of 25 or more dwellings, or on residential sites greater than 1 hectare irrespective of the number of dwellings.

- 6.4 Adopted UDP (October 2005) Policy H5 (Affordable Housing) states that these policy thresholds will be in accordance with the latest national planning guidance. It is therefore anticipated that these figures may change when draft Planning Policy Statement 3 (draft PPS 3) "Housing" supersedes PPG 3 to fall in line with the thresholds which will appear in the final adopted version of PPS 3 if different from those in PPG 3.

### Will the scheme be non-viable if affordable housing is provided?

- 6.5 The mere presence of contamination or other "abnormal " site costs will not necessarily lead to a reduced provision for Affordable Housing as in most cases the price paid by a developer will reflect any remediation, demolition and other costs associated with redevelopment of the site. Similarly, the purchase price of the site should also have regard to the Affordable Housing requirement and all other relevant Adopted Unitary Development Plan (October 2005) policies. Only where exceptional

remediation costs are preventing a sale of the site on the open market or otherwise restricting the reuse of the site for housing will a reduced provision be considered.

Are there specific planning objectives that affect provision on site?

- 6.6 The Council may have other policy objectives that would render the provision of affordable housing on site undesirable. Efforts to diversify housing tenure in an area by increasing the amount of open market housing could, for example, override the objectives of the affordable housing policy.
- 6.7 However, affordable housing is a separate issue in that it is seen as being a genuine community gain rather than a mitigation of a loss (i.e. open space). As such, any planning agreement reached with the developer for affordable housing will need either to secure provision on-site or, as a second best option, off site by means of a commuted sum in lieu of on-site provision.

Town Centres and Public Transport nodes

- 6.8 The Borough's Town Centres and public transport nodes make an important contribution to the delivery of high density sustainable communities. However, the Council still recognises the importance of these areas for helping to create inclusive, mixed and balanced sustainable communities. Where a particular site meets the affordable housing policy thresholds (in accordance with the latest Government advice) (e.g. the proposal site is of 1 hectare or more in size or the scheme involves 25 dwellings or more) the Council will pursue innovative and integrated on-site Affordable Housing solutions in these locations. Public transport nodes are places which are focal points where there is good access to good quality public transport.
- 6.9 Such sites will be especially suitable for the elderly and other special needs groups and will also be good locations for non-car owning households. In order to facilitate housing provision generally and affordable housing provision in particular, the Council will look for increased densities and will adopt a flexible approach to parking standards provided that maximum parking standards are not exceeded.

## 7.0 WHAT IS SOUGHT FROM A DEVELOPER

### The target for affordable housing

- 7.1 This will vary from site to site. The overall requirement for the period 2005 –2011 is 1,368 affordable dwellings. Developments on qualifying sites will include on-site provision, in form of land or completed units transferred to an approved Registered Social Landlord (RSL) (or other agency i.e. self-build groups).
- 7.2 In general, the Borough Council will seek:
1. 25% of all dwellings will be in form of social rented units, whilst;
  2. 5% of all dwellings in form of Shared Ownership between occupiers and Registered Social Landlords (RSLs)
- 7.3 This is related to the most up-to-date Housing Needs Survey, conducted in 1998. However, the precise house types sought will be determined through discussion with officers between the Council's Planning Department and the Directorate of Adult Community and Housing Services, and individual developers.
- 7.4 The scale of contributions will vary depending on the particular circumstances of the site. These may include, for example, considerations of site suitability, market conditions or neighbouring housing types (social or private).

### Delivering Affordable Housing – Partnership Approach

- 7.5 The Council will encourage a partnership approach as early as a possible (preferably before a planning application is submitted) between nominated Registered Social Landlords (RSLs) and the private developer concerned. The Directorate of Adult Community and Housing Services will be able to nominate an appropriate Registered Social Landlord (RSL) who may be in position to manage new properties as plans come forward.

### On-site, off-site or commuted sums?

- 7.6 Obviously, each site raises individual questions regarding the level and type of housing to be delivered, but generally:
- The Council's preferred option will be to secure **on-site provision** of social rented housing, plus a limited amount of Shared Ownership;
  - Low-cost market housing can have a role, but this is only limited in its relevance, as stated in the Housing Needs Survey (1998).

7.7 However, there may be exceptional circumstances related to a particular case which could mean that this is not realistic, and so off-site provision or a commuted sum may, in rare circumstances, be appropriate. Such cases may be:

- Where housing need is still identified, but the neighbouring mix of homes is predominantly already 'social', so a diversification of tenure and types would be more appropriate in order to safeguard existing markets.
- Though this is rare, a developer may have another site they are willing to put forward. In order to ensure that a full provision is met, the parties need to recognise that the alternative site must be acceptable to the circumstances guiding where affordable housing will be sought.

7.8 Considerations relating to how the element of affordable housing will be provided needs to be established at the outset of any discussions and negotiations between interested parties, and will occur prior to any planning applications being submitted. **Developers should assume in the first instance that on-site affordable housing provision will be required and are advised to prepare their proposals accordingly.**

#### Commuted Sums – the approach

7.9 The Council will be willing to accept (when fully justified) an off-site commuted sum in lieu of the priority to secure an on-site contribution for social rented housing. As a basis for negotiation, the commuted sum will be the theoretic subsidy cost of on-site provision (assuming 30% provision). The theoretic subsidy cost is that amount of Social Housing Grant that would be necessary to produce dwellings on that site at an affordable rent, for example, within Housing Corporation rent guidelines.

#### The availability and use of Social Housing Grant (SHG)

7.10 Under normal circumstances, no grant will be made available on schemes covered by the affordable housing policy. However, there may be circumstances where, for example, some schemes may include 'special needs' housing that may require extra financial support, or where funding can be used to assist the viability of schemes to meet identified housing needs.

#### Lifetime Homes – the approach

7.11 The Council supports the provision of Lifetime Homes by requiring standards to be adopted in Social Rented Housing. Each proposal site is carefully assessed on its own unique set of individual circumstances, on its own individual planning merits, on a site-by-site, case-by-case basis according to what the needs are within each particular local area.

Where there is a demonstrated need for Lifetime Homes, then the Council will normally pursue Lifetime Homes Standards unless there are exceptional circumstances present justifying otherwise. Lifetime Homes have an influential role for achieving sustainability, as they provide the opportunity for people to be empowered to remain within their own communities, thus promoting and supporting sustainability through community cohesion. For example, if a person develops a future disability or physical impairment, they are not forced to leave their existing home, as their home can be readily adapted (inclusion of stair lifts, etc) to meet their new living needs and living accommodation requirements brought about by changed personal circumstances.

## **8.0 PLANNING DISCUSSIONS AND CONTRIBUTIONS**

- 8.1 When residential developments are proposed within Dudley that require an element of affordable housing, developers should make sure that early consultation with Planning and Housing Officers will commence prior to the submission of the application. Developers are advised to contact Council officers as early as possible in their preparation of residential schemes. Prospective developers are encouraged, in the first instance, to contact the Development Control officer responsible for the area in which their site lies.
- 8.2 In negotiations the Council will take into account all material considerations, including market conditions, the suitability of the site for affordable housing, and the need for that type of housing locally to the site. Reference will be made to the Council's monitoring mechanism to determine the exact nature of the provision. Importantly, all affordable housing schemes will need to comply with the Council's latest minimum standards for social rented housing. These standards are available from the Council's Adult Community and Housing Services Directorate.
- 8.3 Joint applications between developers and Registered Social Landlords (RSLs) will be supported, but if this is not possible then a contractual agreement should be made between them for the provision of affordable housing.
- 8.4 Following negotiations between the Council and developers, the details of affordable housing provision will in nearly every case be confirmed by the use of planning contributions under Sections 46 to 48 of the Planning and Compulsory Purchase Act 2004. The following issues should be addressed through the use of planning contributions:
- Number, type and proportion of units to be provided.
  - The standards to be applied to the construction of those units.
  - The phasing of their provision.
  - The location of the units within the site.
  - The Registered Social Landlord (RSL) and other agencies to be involved.
  - Any other relevant considerations.

Annex .B. paragraph B3 of Government Circular 5/2005 "Planning Obligations" describes planning obligations (often referred to as "section 106 agreements") as private agreements negotiated between local planning authorities and developers – intended to make acceptable that development which would otherwise be unacceptable in planning terms. Dudley MBC often makes use of such legally binding agreements in order to address issues such as those listed above. Circular 5/2005 gives guidance and examples in terms of when and how planning obligations can be used.



- 8.5 It is unlikely that planning permission will be granted if the Council is not satisfied that secure arrangements are in place to ensure the delivery of affordable housing. The Council will also have to be satisfied that the affordable housing proposal is workable, viable and acceptable in terms of meeting identified housing need. The construction and occupation of the affordable housing units will normally be controlled in relation to the construction and release of the rest of the site.
- 8.6 The Council and its Registered Social Landlord (RSL) partners have an excellent track record of working co-operatively for the benefit of Dudley residents. As referred to already (para. 1.3), Dudley Housing Partnership (DHP) is the co-ordinating body for the joint working arrangements between the Council, RSL's and the Housing Corporation. Therefore, the Council is keen to involve Dudley Housing Partnership (DHP) members in bringing forward new schemes in the Borough, as these have considerable knowledge and experience of working with developers across Dudley. A list of Dudley Housing Partnership (DHP) members is available from the Directorate of Adult Community and Housing Services, at the following address:

Dudley Metropolitan Borough Council,  
Directorate of Adult Community and Housing Services,  
Housing Strategy and Private Sector,  
15 - 17 St. James's Road,  
Dudley,  
West Midlands,  
DY1 1JG.

## **9.0 MONITORING THE LEVEL OF AFFORDABLE HOUSING IN THE BOROUGH**

- 9.1 The Council currently monitor the levels of provision of affordable housing on an annual basis as part of the contribution to regional monitoring. The Council will plan, monitor and manage the levels of affordable housing provision across the borough to ensure that sufficient houses of the right type and quality are produced to meet the needs of the borough's existing and potential residents.

## **10.0 ODPM WEB SITE LINKS TO NATIONAL PLANNING GUIDANCE REFERRED TO IN THIS AFFORDABLE HOUSING SPD**

The following documents can be viewed directly from the Office of the Deputy Prime Minister's (ODPM) web site, via the following web links detailed below:-

### **Planning Policy Statement 1 (PPS 1) (2005) "Delivering Sustainable Development"**

[http://www.odpm.gov.uk/pub/806/PlanningPolicyStatement1DeliveringSustainableDevelopmentPDF474Kb\\_id1143806.pdf](http://www.odpm.gov.uk/pub/806/PlanningPolicyStatement1DeliveringSustainableDevelopmentPDF474Kb_id1143806.pdf)

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### **Planning Policy Statement Note 12 (PPS 12) (2004) "Local Development Frameworks"**

[http://www.odpm.gov.uk/pub/848/PlanningPolicyStatement12LocalDevelopmentFrameworksPDF1400Kb\\_id1143848.pdf](http://www.odpm.gov.uk/pub/848/PlanningPolicyStatement12LocalDevelopmentFrameworksPDF1400Kb_id1143848.pdf)

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### **Planning Policy Guidance Note 3 (PPG 3) (2000) "Housing"**

<http://www.odpm.gov.uk/index.asp?id=1143941>

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### **Consultation Paper on new draft Planning Policy Statement 3 (draft PPS 3) (December 2005) "Housing"**

[http://www.odpm.gov.uk/pub/97/ConsultationPaperonNewPlanningPolicyStatement3PPS3HousingPDF523Kb\\_id1162097.pdf](http://www.odpm.gov.uk/pub/97/ConsultationPaperonNewPlanningPolicyStatement3PPS3HousingPDF523Kb_id1162097.pdf)

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**The Office of Deputy Prime Minister (ODPM's) "Planning Homepage" can be viewed via the following web link:**

<http://www.odpm.gov.uk/index.asp?id=1143104>

## APPENDICES

Below is copy of Dudley MBC Adopted Unitary Development Plan (October 2005) Policy "H5" for affordable housing.

### **Appendix .1.**

#### *Policy H5 – Affordable Housing.*

*The Council will seek the provision of 1,440 units of affordable housing, on suitable housing sites above the thresholds set out in the most recent Government advice.*

*On suitable sites, the Council will seek 30% of the dwellings as affordable. Subsequent surveys may modify this requirement. It is the Council's intention to secure affordable housing provision through negotiations with housing providers and other Council departments.*

*In assessing the suitability and/or scale of affordable housing required on sites above the thresholds, the maximum reasonable proportion of affordable housing will be sought on site and, where appropriate, secured having regard to the following criteria:*

- 1. There is an identified need for affordable housing in the locality of the proposed development;*
- 2. The proximity of the site to local services and facilities;*
- 3. The public transport accessibility of the site;*
- 4. Any exceptional costs associated with the site above those normally encountered; and*
- 5. The need to secure a mix of housing types, sizes and levels of affordability in the locality.*

*For developments involving the re-use of buildings and vacant land from other land-uses, where the site is deemed suitable for redevelopment, the special opportunities or constraints of the building and/or land will be considered.*

*(Please note that the above figure of 1,440 units reflects the year 2003 position. The updated figure reflecting the April 2005 position is 1,368 units)*