

(b) Risk Management

It is considered that the risks can be managed as follows:

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
Approve the revised guidance on how affordable housing planning policy is applied.	Opportunity to increase effectiveness of policy. If guidance not adopted risk of weakening chance of gaining affordable housing through the planning system.	Agree the recommendations.

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications as a result of this report.

(d) Equalities Impact Assessment

There are no equality impact issues.

5 Supporting Information

- 5.1 At the 26th April Planning Committee Members resolved to agree a revised approach for how affordable housing policy is applied. The officer's report is at Appendix 1 and includes amendments presented at the meeting. In brief the revision is to take account of the Council's emerging new Housing Strategy, changes to legislation and Government guidance and the current housing market.
- 5.2 The Council's 2008 Core Strategy policy 4 (type of housing) contains an overarching requirement for development sites of 15 or more new homes to provide between 30% and 40% of dwellings as social housing as well as other forms of affordable housing. This policy will remain and can only be changed as part of the forthcoming Local Plan review. How this policy is implemented is detailed within the existing Part 2 of the Developers Guide (Developer Contributions and Affordable Housing). It is this Guide that is proposed for change and the revised text is at Appendix 2.
- 5.3 In brief the key reasons for change are :
- Growing affordability issues
 - Need to provide for a wider range of households in need
 - Address gap between owner occupation and social rent housing
 - Address growing development viability issues
 - Take account of new types of affordable housing
 - Simplify financial contributions on 15 – 24 home sites to gain more contributions.
 - Allow Council to keep options open on how to gain more affordable housing through either financial contributions (for affordable housing) or new built homes on private development sites.
- 5.4 The proposal includes incentivising developers to propose 15 to 24 home schemes instead of putting forward schemes just below the 15 home threshold. This is expected to bring in more money for affordable housing and increase the number of homes built. This will be achieved by having a simple charge per new

home rather than a complicated calculation based on notional affordable homes on site – see table 3. Two bands of charging (with large steps) have been replaced by stepped rates applied firstly for each additional home above 14 units and secondly per house type on the site – the larger the home the greater the payment. The rates have been set from a starting point that is broadly equivalent to 30% affordable housing but adjusted to take account of development viability to make the rates more realistic for a developer to consider workable.

- 5.5 For developments of 25 homes and above the prime requirement for new homes rather than financial contributions remains – see table 1 and 2. Compared to the table in the April report the format has been changed for clarity. The option to accept financial contributions or new affordable homes off site in lieu of on site provision is incorporated remains in the guidance. However inclusion of these options is on the basis of the Council using them in exceptional circumstances only where it thinks it beneficial compared to on site provision. The financial contributions will have to be spent on affordable housing; how the money is spent is within the Council's control via the Housing Department.
- 5.6 In terms of new build homes the main change to the guidance is having three instead of two tenure types – (1) Slough Affordable Rent (roughly equivalent to existing social rent) (2) Slough Living Rent set between social and market rent (and related to local incomes) (3) Intermediate – which includes shared ownership and other ownership based affordable housing.
- 5.7 The second change is providing for a slightly larger proportion of Intermediate housing. This together with Slough Living Rent will increase the range of affordable homes and help fill the gap between market and social rent.
- 5.8 The proportion of Slough Affordable Rent will be less on brownfield sites and more on greenfield sites. This reflects viability issues in that lower value greenfield sites have much greater scope to include Slough Affordable Rent and still be viable.
- 5.9 It is important to note Slough Affordable Rent is not the same as Affordable Rent. The latter is a category introduced by the Government for homes with rent up to 80% of market rent.

The affordable housing percentage specified in the tables is a minimum. It does not prevent developers offering more such as the Council, its Housing Company or Housing Associations.

- 5.10 The third change is to introduce what is in effect a 5% discount for brownfield sites where there are modest viability issues. Developers will not need to submit and negotiate a full viability assessment if they provide affordable housing at 25% (instead of the required 30%) or 35% (instead of 40%) of total homes as set out in table 1. If meeting the normal requirement is clearly not viable this may incentivise developers to go for these lower targets rather than below them by avoiding the associated cost and uncertainty of having to provide a viability assessment. This approach is now used in London.
- 5.11 As part of the forthcoming review of the Local Plan there will be an opportunity to review the Core Strategy policy and the guidance. In particular the current 15 home threshold from which the policy applies could be lowered to 10 homes. In addition the implications of any new regulations stemming from the Planning and

Housing White Paper can be addressed in particular starter homes and affordable private rent. The latter in particular may well be an issue to address soon as planning applications for large scale new build private rented accommodation are expected soon.

- 5.12 The proposed change to the guidance has more options than the past but compared to the existing has refinements to deal with a wider range of typical circumstances and help address the issues outlined. The expectation is that the Council will be able to offer more people suitable and affordable homes. If developers or land owners are sufficiently incentivised it may result in more homes being built to meet the towns growing population and support the economy. Achieving these aims will in part be dependent upon wider economic circumstances.

6 Background Papers

Core Strategy DPD

Developers Guide Part 2 (Developer Contributions and Affordable Housing (Section 106) 2008 and 2010 update.

Housing Strategy 2016-2021 consultation draft

Planning and Housing White Paper 2017

7 Appendices

- 1 26th April 2017 Officer report to Planning Committee with amendments (tracked changes).
- 2 Developers Guide Part 2 – Revision of Affordable Housing Section