

Annex B: Draft framework of practice guide

1. Introduction

The purpose of the practice guide is to accompany the update of planning policy (at Annex A of this consultation document) for influencing the size type and affordability of housing with practical advice about what works well and where in the delivery of affordable housing. Its main audience will be regional and local planning authorities, registered social landlords (RSL), developers and landowners and their agents. The practice guide is intended to be relevant in the variety of circumstances found across the country.

2. Principles - creating mixed communities

This section could cover contextual principles and guidance on creating mixed communities.

3. Assessing housing needs

This section could cover the linked issues of housing market assessment and the definition of affordable housing; the role for regional bodies, local authorities and housing providers in assessing needs; and describe the importance of a robust strategic framework.

Specifically it could describe:

Defining market areas and assessing needs

How to assess the housing market across all tenures so as to underpin effective development plan policies.

How Regional Housing Boards (RHB) could co-ordinate housing market assessments at local level and Regional Planning Bodies (RPB) could help inform assessments at the local level.

How to define housing market areas (e.g. Travel to Work Area/sub-region).

How to use existing statistics (and what there is available) to help in the process of defining market areas and assessing and measuring need.

How to handle "need" for affordable housing which outstrips overall provision.

Meeting housing need for specific types of household

How to assess potential demand (long and short term) for particular types of households such as key workers.

How to scope opportunities arising in the existing stock as well as those from new provision to meet identified needs.

Defining affordable housing

The range of affordable housing types from social rented housing to intermediate housing (which could include a variety of equity-share and shared ownership models, sub-market rent and discounted market sale).

The role different products have in high demand and low demand areas and in delivering mixed communities.

The role of housing market assessments in framing the local definition of affordable housing.

How affordability can be defined by reference to local circumstances or 'formula' (relationship between incomes and prices) and provide worked examples.

The strict circumstances where specifying tenure may be appropriate, the drawbacks of doing so and how it should be done.

4. Planning for affordable housing

This section would be framed in terms of the 'new' arrangements with guidance on transitional arrangements from the current system. Specifically it could describe:

Responsibilities of each tier of plan making

The responsibilities of RHBs, RPBs and local authorities - and the relationships between their plans and strategies.

What would be expected and could be contained in Regional Spatial Strategies (RSS).

What would be expected and could be contained in Local Development Documents (LDD). The role of supplementary planning guidance (SPG) and its relationship with plan policy, and the ways in which the SPG could be prepared through co-ordination within an authority and through wider consultation.

Targets, thresholds and site specific requirements

How to set an overall target for affordable housing provision (and the breakdown between individual areas/settlements) in the context of total housing need and maintaining housing supply at planned rates of delivery.

How to set thresholds taking into account: the overall target, the profile of size of sites likely to come forward in the plan period, viability and the ability to deal with the flow of sites above the threshold.

How to set the amount of affordable housing sought on (identified and windfall) sites above the threshold, how to deal with cumulative applications on adjoining sites below the threshold and low density applications which fall below the numeric threshold.

Development economics

Local authorities and developers working in partnership.

The factors which influence development economics: the sources of scheme revenue and the costs to the scheme.

How local authorities and providers can utilise public funding, including the role of Total Cost Indicators in determining revenue to the developer, the different input of subsidy required for rent / Low Cost Home Ownership (LCHO) and working with the funding regime (the annual bid cycle, move to three year programmes).

How to optimise flexibility with limited or nil reliance on public subsidy, what the alternative options are (e.g. LCHO or smaller amount of social rent), use of cascade mechanisms, what can be achieved through land value and alternative funding sources.

How to address the implications of difficult to develop sites, alternative use values, developing large sites with long time scales, and competing calls on S106 funding.

How to ensure the affordable housing provision sought does not make development unviable.

5. Delivering affordable housing

This section could consider the components of successful delivery. Specifically it could describe:

Role Of Financial Contributions

The circumstances in which it may be appropriate to seek a financial contribution.

How they could be used.

How they should be calculated and accounted for.

Arrangements for spending within a specified time-scale.

Securing long term occupancy

In what circumstances it may be appropriate to secure long term occupancy.

Describe the mechanisms for doing so, including with an RSL, where the provider is a developer or landowner and the use of planning conditions or obligations.

How to manage re-sales of LCHO and discounted market housing.

Preparation of planning conditions and S106 agreements

The role of planning conditions and S106 agreements.

What they can cover.

Ways in which they can be negotiated between parties.

Their relationship to the planning application process.

Standard conditions/clauses/S106 and how they can be used.

Handling large sites with long-term delivery programmes.

Ways to improve the efficiency of preparing agreements.

6. Delivering a better mix of housing

This section could describe:

How an appropriate mix of size, type and affordability can be achieved on large developments.

How affordable housing development can be integrated into existing communities.

Working with RSLs.

7. Planning for mixed communities in rural areas

This section could describe:

How to establish local need.

How to bring forward sites.

The role and use of small sites.

When to allocate sites solely for affordable housing.

How to handle the differing needs of villages and market towns.

Issues specific to National Parks and other areas of restraint.

8. Implementation of policy in different situations

This section could include practice guidance on particular issues likely to arise in specific markets. Specifically it could describe:

Affordable housing and regeneration areas/failing housing markets

How to set priorities and assess local need.

The role of affordable housing as part of a wider regeneration package.

How to cost up the implications of affordable housing provision.

Affordable housing and high demand areas

How to assess the range of need for affordable housing.

How to handle limited supply with high demand.

How to provide affordable housing within existing communities.

9. Considering planning applications

This section could include the components of successful and timely delivery through the planning process. Specifically it could describe:

The information needed to accompany planning applications.

How to integrate the application of planning policy for affordable housing, with other obligations being sought in line with plan policies.

Ways to achieve more efficient collaborative working, including within local authorities and with other services.

The importance of good design and appropriate density.

How to maintain timeliness in performance.

How to record affordable housing proposals and approvals.

10. Managing the process

This section could describe:

Decision making

The importance of clear and realistic targets.

How to develop a corporate approach.

Managing the relationship with other local authority strategies and programmes.

Mechanisms for sub-regional working.

Mechanisms to speed up decision making within the local authority.

Ways in which to secure appropriate and effective member involvement.

Ways in which to involve key stakeholders.

Monitoring and review

This section could describe:

The role of RPBs in monitoring the implementation of the RSS and the need to prepare an annual report on implementation of the RSS.

The role of local planning authorities in providing information for the RPB for the RSS annual report and the need to prepare their own annual report on the implementation of the LDD.

The scope of monitoring.