

**SUBJECT: AMENDING AFFORDABLE HOUSING FINANCIAL CONTRIBUTIONS IN ACCORDANCE WITH THE ADOPTED REVISED AFFORDABLE HOUSING SUPPLEMENTARY PLANNING GUIDANCE (SPG) (JULY 2019).**

**MEETING: PLANNING COMMITTEE**

**DATE: 3 September 2019**

**DIVISION/WARDS AFFECTED: ALL**

**1. PURPOSE:**

The purpose of this report is to seek approval from the Planning Committee to approve amended affordable housing contribution figures within Appendix 1 in accordance with the adopted Affordable Housing SPG (July 2019)

**2. RECOMMENDATIONS:**

The Planning Committee Approve the amended affordable housing financial contributions as outlined within Appendix 1 in accordance with the adopted Affordable Housing SPG (July 2019)

**3. KEY ISSUES:**

- 3.1 As of the 31<sup>st</sup> July 2019 the Council has adopted a revised Affordable Housing Supplementary Planning Guidance (SPG). The adoption of this SPG has resulted in the amount of financial contribution that will be requested for planning applications changing to a reduced figure. The financial contributions now being sought has been reduced in line with our new approach in the adopted SPG. The revised SPG has been informed by evidence and experience gathered over the last 2 years since the previous SPG was adopted. Under the previous SPG, a number of developments were not considered to be viable following detailed viability appraisals which had significant time and resource implications for the Council. The benefit of reducing the financial contribution is that the Council should now receive a higher amount of payments and it will no longer seek to negotiate regarding the viability of schemes via the Three Dragon's viability toolkit. If the requested financial contributions are challenged by the applicant the procedure outlined within the adopted SPG is that the application would be reviewed by the District Valuer (DV) at the cost of the applicant.
- 3.2 There are a number of planning applications which have been resolved to be approved by Planning Committee subject to the signing of a S106 legal agreement to secure the affordable housing financial contribution. Legally these applications are not determined until the issuing of the final decision notice. Planning applications need to be determined in accordance with current planning policy *at the time of the issuing of the decision notice*. Therefore, these applications that are currently awaiting a legal agreement need to be determined in accordance with the revised Affordable Housing SPG (July 2019).
- 3.3 The new formula for calculating the financial contribution needs to be applied to applications awaiting the signing of the S106 legal agreement. The formula is outlined in Appendix 3 of

the adopted Affordable Housing SPG (July 2019) which is attached as an appendix to this report. The formula for calculating the new financial contribution is:

Formula: Financial Contribution = Internal Floor Area (m<sup>2</sup>) x CIL Rate x 58%

The newly adopted method of calculation takes the internal floor area (m<sup>2</sup>) multiplied by the Community Infrastructure Levy (CIL) rate for the area in which the development is situated and then multiplies that figure by 58%, which is the percentage that a developer should fund when no social housing grant is available. The method of calculating the financial contribution towards affordable housing was changed to make the contribution simpler to calculate for customers and results in a contribution that is appropriate for the scale of development.

- 3.4 This report seeks approval from Committee to alter the previously approved financial contribution to the amended figures in accordance with the new Affordable Housing SPG (July 2019). Appendix 1 provides a table outlining the applications that are affected by this change in the SPG. The table outlines the application reference number, the address of the site, the development description, the amount of the financial contribution previously sought under the previous SPG and the now amended contribution.
- 3.5 For delegated officer applications that have been resolved to be approved subject to the signing of a legal agreement these applications will be amended to be in accordance with the adopted SPG. If the application was considered by the Council's Delegation Panel it will be re-presented to the Panel via a report for endorsement.

**Recommendation: Approve the amended affordable housing financial contributions as outlined within Appendix 1 in accordance with the adopted Affordable Housing SPG (July 2019)**