



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	Cabinet: Wednesday 13 October 2021
Report Number	AGENDA ITEM NO. 6
Subject	Adoption of Affordable Housing Supplementary Planning Document (SPD)
Wards affected	ALL
Accountable member	Cllr Jeff Haine Cabinet Member for Strategic Planning Email: jeff.haine@westoxon.gov.uk
Accountable officer	Chris Hargraves, Planning Policy Manager Tel: 01993 861686 Email: chris.hargraves@westoxon.gov.uk
Summary/Purpose	To consider the final version of the West Oxfordshire District Council Affordable Housing Supplementary Planning Document (SPD) and to recommend to Council that it be formally adopted.
Annexes	Annex A – Consultation Summary Report (October 2021) Annex B – Affordable Housing SPD - final adoption version (October 2021)
Recommendation/s	<i>a) That the content of the report be noted; and b) That subject to any amendments the Cabinet may wish to make, that Council be invited to formally adopt the final version of the West Oxfordshire District Council Affordable Housing Supplementary Planning Document (SPD).</i>
Corporate priorities	Securing the provision of high quality affordable homes is a key aspect of the Council Plan 2020 – 2024.
Key Decision	No
Exempt	No
Consultees/ Consultation	The SPD has been the subject of two separate periods of public consultation, an initial draft which was the subject of consultation from 10 July – 21 August 2020 and a revised draft which was the subject of consultation from 5 March – 16 April 2021. Attached at Annex A is a consultation summary report which sets out the comments received at both stages and how they have been taken into account.

1. BACKGROUND

- 1.1.** Securing the provision of new affordable homes is a key priority for the District Council as set out in the West Oxfordshire Council Plan (2020 – 2024) and the West Oxfordshire Local Plan 2031.
- 1.2.** Policy H3 of the Local Plan seeks to boost the supply of new affordable homes in a number of ways including, on-site, as a proportion of larger market housing schemes of 11 or more units, through financial contributions from smaller market housing schemes of 6-10 units and through the provision of rural exception sites (RES).
- 1.3.** To provide further detail on the operation of Policy H3, the District Council has prepared a new Affordable Housing Supplementary Planning Document (SPD) to replace the previous Affordable Housing SPD published in 2007.
- 1.4.** The new SPD also provides the opportunity to clarify the District Council's position in relation to a number of recent national policy changes including the introduction of 'First Homes' as a specific type of affordable housing from 28 June 2021.

2. CONSULTATION TO DATE

- 2.1.** There have been two 6-week periods of public consultation on the Affordable Housing SPD to date, including an initial draft which was published for comment from 10 July – 21 August 2020.
- 2.2.** The initial consultation attracted comments from eight organisations and attached at Annex A is a consultation summary report which sets out the comments received and the District Council's response to these, including, where appropriate, any changes to the SPD itself.
- 2.3.** Taking into account the comments received, a revised draft version of the SPD was subsequently published for a second round of consultation which took place from 5 March – 16 April 2021. This attracted responses from nine organisations, including several who had previously commented on the initial consultation in 2020.
- 2.4.** The consultation summary report attached at Annex A sets out the comments received along with the District Council's response, including any agreed amendment to the final proposed adoption version of the SPD (see Annex B).

3. FIRST HOMES

- 3.1.** In February 2020, Government consulted on a new form of affordable housing referred to as 'First Homes' – these are a specific type of discounted market sale housing which meet the definition of affordable housing for planning purposes.
- 3.2.** A Written Ministerial Statement (WMS) and Guidance on First Homes were published on 24 May 2021 and confirmed a number of changes to planning policy which subsequently came into effect on 28 June 2021.
- 3.3.** Specifically, First Homes are discounted market sale units which:
 - must be discounted by a minimum of 30% against the market value;
 - are sold to a person or persons meeting the First Homes eligibility criteria (see below);
 - on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,

- after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

- 3.4. In terms of eligibility, the basic criteria are that purchasers should be first-time buyers, have a combined annual household income not exceeding £80,000 (or £90,000 in Greater London) and should have a mortgage to fund a minimum of 50% of the discounted purchase price.
- 3.5. Local authorities are also able to stipulate their own eligibility criteria such as the use of a lower income cap (where this can be justified by local circumstances) the use of a local connection test, or use of criteria based on employment status such as giving priority to key workers.
- 3.6. The Government's planning practice guidance on First Homes encourages local authorities to ensure that First Homes work well in their area and clarify how the policy will apply. The most appropriate mechanism for doing so will depend on individual circumstances and might include for example, the publication of an interim policy statement or an update of relevant local plan policies.
- 3.7. In West Oxfordshire's case, the preparation of the new Affordable Housing SPD provides a timely opportunity to set out the Council's position on First Homes.

4. AFFORDABLE HOUSING SPD – FINAL ADOPTION VERSION

- 4.1. Attached at Annex B is the final, proposed adoption version of the Affordable Housing SPD. Key changes made since the revised draft version was published for consultation in March 2021 are summarised below.

Status of the SPD

- 4.2. The role and status of the SPD has been clarified with a number of factual/formatting updates made to reflect the fact that this is the final, proposed adoption version of the SPD.

Policy Context

- 4.3. Section 2.0 of the SPD outlines the relevant policy context within which the SPD has been prepared. This has been updated to include reference to a number of relevant considerations including the Oxfordshire Strategic Vision and the emerging Oxfordshire Plan 2050.

What is affordable housing?

- 4.4. This section of the SPD provides an overview of what affordable housing is with reference to the NPPF and West Oxfordshire Local Plan 2031. It has been updated to take account of the Government's Written Ministerial Statement (WMS) of 24 May 2021, in particular the introduction of First Homes but also to take account of other important policy changes which have been introduced in respect of shared ownership properties.

Broad Rental Market Areas (BRMA) and Local Housing Allowances (LHA)

- 4.5. Additional information has been included to explain what Broad Rental Market Areas (BRMA) are, the areas that apply in West Oxfordshire and how they influence Local Housing Allowance (LHA) rates which are used to calculate Housing Benefit for tenants renting from private landlords.

Affordable Housing Need

- 4.6. Up to date evidence of housing need has been included with reference to the Oxfordshire Growth Needs Assessment (OGNA) report which was published in July 2021 in support of the Oxfordshire Plan 2050. This estimates a need for almost 3,200 new affordable homes per year across Oxfordshire to 2030.

Preferred Tenure Mix

- 4.7. The SPD has been updated to set out the Council's position in respect of affordable housing tenure mix taking into account the introduction of First Homes. A number of worked examples are provided to illustrate what a typical breakdown of affordable tenures might look like.

First Homes Exception Sites

- 4.8. In its Written Ministerial Statement (WMS) of 24 May 2021, the Government confirmed the introduction of a First Homes Exception Sites policy to replace the previous Entry Level Exception Site policy referred to in the NPPF. The SPD has therefore been updated to reflect the current national policy approach.

Self-Build and Custom-Build Housing

- 4.9. The NPPF is clear that custom and self-build housing can comprise both market and affordable homes. However, during the previous consultation on the revised draft SPD, two respondents expressed concerns that the SPD was not aligned with Policy H5 of the West Oxfordshire Local Plan 2031 which does not specifically require a proportion of any self-build or custom-build plots to be affordable.
- 4.10. The text of the SPD has therefore been updated to make it clear that whilst there is no specific policy requirement, the District Council will explore with developers whether there is scope for some or all of the 5% self/custom build requirement on larger sites of 100 or more dwellings to contribute towards the relevant on-site affordable housing requirement for that site.

Tackling the Climate and Ecological Emergency

- 4.11. The SPD has been updated to reflect and cross-refer to the publication of the Council's Sustainability Standards Checklist and Net Zero Carbon Toolkit.
- 4.12. Whilst there have been some calls for the SPD to go further and stipulate specific net zero requirements for new affordable homes, it is important to note that the SPD cannot create new policy beyond the West Oxfordshire Local Plan 2031.

Delivery Mechanisms

- 4.13. The SPD includes a model Section 106 agreement at Appendix 3. This has been updated to reflect a number of concerns expressed during the previous consultation. The wording of the SPD itself has also been updated to clarify that the model agreement is an example only with individual heads of terms needing to be agreed for each development.

5. NEXT STEPS

- 5.1. Upon formal adoption, copies of the Affordable Housing SPD will be made available in accordance with legislative requirements including the publication of an adoption statement. Those who have previously responded to earlier consultations will be notified and sent a copy of the adoption statement.

6. FINANCIAL IMPLICATIONS

- 6.1. The report raises no direct financial implications.

7. LEGAL IMPLICATIONS

- 7.1. The report raises no specific legal implications.

8. RISK ASSESSMENT

- 8.1. The report raises no specific risks.

9. EQUALITIES IMPACT

- 9.1. The report raises no specific implications for any particular equality strand.

10. CLIMATE CHANGE IMPLICATIONS

- 10.1. The SPD includes a section addressing the climate and ecological emergency.

11. ALTERNATIVE OPTIONS

- 11.1. None.

12. BACKGROUND PAPERS

- 12.1. None.