

Core Strategy Review - Inspectors' Action Points

**Matter 9, Points 2 and 5 – Balanced
Neighbourhoods and District Residential Needs
- Policy CSD1: Balanced Neighbourhoods**

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Core Strategy Review Examination – Inspectors’ Action Points

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Matter 9, Points 2 and 5 – Balanced Neighbourhoods and District Residential Needs - Policy CSD1: Balanced Neighbourhoods

1. Introduction

- 1.1. During the hearing session for Matter 9, Balanced Neighbourhoods and District Residential Needs, the council undertook to review Policy CSD1: Balanced Neighbourhoods.
- 1.2. Proposed modifications were identified as necessary to:
 - Make Policy CSD1 more consistent with the National Planning Policy Framework (NPPF) and supporting text regarding the full range of ‘affordable housing’ as defined in the NPPF glossary; and
 - Remove reference to a ‘minimum’ of 22 per cent affordable housing provision.
- 1.3. Proposed modifications to Policy CSD1 and supporting text addressing these points are set out in Appendix 1 to this note.

Appendix 1: Proposed Modifications to Policy CSD1:

Balanced Neighbourhoods and supporting text

5 Core Strategy Delivery

This section focuses on the delivery of the Core Strategy Review with policies labelled ‘CSD’. Apart from the last part devoted to implementation, it focuses on more thematic or area-based policies.

5.1 Core Policies for Planning

Balanced Neighbourhoods

- Primary aims: A1, A7, A8, C2, C5, D2, D5, D6, D8 (see section 3.1).
- Main local evidence base studies: *Sustainability Appraisal, Strategic Housing Market Assessment (PBA, March 2017)*

- 5.1 This section covers one of the key influences on the social makeup of neighbourhoods: the tenure mix of housing. Popular settlements are those that not only appeal in terms of having a distinctive identity, high-quality environment and good infrastructure, but where there is a balanced community. Neighbourhoods are made up of a mix of people and to this end, and to address significant needs for housing, every development should include a range of accommodation if feasible.
- 5.2 In addition to new residential development in this plan, housing priorities for the district as set out in the council’s Housing Strategy are to provide high-quality affordable homes to meet local needs, improve the condition of the homes, support vulnerable people and make the best use of the existing housing stock.
- 5.3 Many of these issues are addressed through the spatial strategy (policies SS2 and SS3). In regard to affordable housing it is important that a variety of different tenures are provided. There is a growing range available to meet individual circumstances; alongside affordable rented, affordable housing can include starter homes, discounted market sales housing and shared equity products which allow occupiers to ‘staircase up’ to full ownership¹.
- 5.4 All new developments with a residential element should address the district’s significant affordable housing needs, including smaller sites, which form a considerable proportion of the housing supply. This policy is complemented by substantial new provision to be delivered through a new garden settlement in the North Downs Area and other strategic sites, some of which have planning permission or are under construction (see policies SS6-SS11).

¹ A definition of affordable housing is given in the National Planning Policy Framework (NPPF). This definition includes: affordable housing for rent; starter homes; discounted market sales housing; and other affordable routes to homes ownership (such as shared ownership, other low cost homes for sale and rent-to-buy).

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- 5.5 Since the adoption of the Core Strategy in 2013, the government has introduced legislation that limits the requirement to provide affordable homes to developments of 11 or more dwellings or, in Areas of Outstanding Natural Beauty, six dwellings or more. Given this, the Core Strategy Review amends policy CSD1 to take account of this change.
- 5.6 The Strategic Housing Market Assessment (SHMA) indicates that 139 new affordable homes are required a year in the district². Of these affordable homes, the SHMA indicates that 70 per cent should be affordable rent/social rent and 30 per cent should be shared equity.
- 5.7 Historically affordable housing delivery as part of market housing developments has been relatively low in the district, with 178 affordable homes delivered by Section 106 agreement over the period 2012/13 to 2017/18 (around 30 affordable homes a year). However, 303 additional affordable homes have been delivered over this period by other means (around 50 affordable homes a year), including direct provision by the district council and registered affordable housing providers. Given the strategic development allocated in this Core Strategy Review it is anticipated that the numbers of affordable homes delivered through market housing developments will increase significantly.

Affordable housing delivery

The 2013 Core Strategy set a target to deliver 100 affordable homes a year. The council’s Strategic Housing Market Assessment found that an average of 139 affordable homes a year now need to be provided to meet existing need and the future need that is likely to arise over the Core Strategy Review plan period.

The target is therefore set to provide **139 affordable homes a year over the plan period 2018/19 to 2036/37 or 2,640 affordable dwellings in total.**

Discounting smaller sites which are not required to provide affordable homes (‘windfall’ development), 2,640 homes represents approximately 22 per cent of the projected housing provision for the plan period. Affordable housing contributions have therefore been set at a minimum of 22 per cent of all new sites in the Core Strategy Review, subject to viability; for those allocations with planning permission (for example Policies SS10 and SS11) requirements are unchanged from the 2013 Core Strategy.

Provision at 22 per cent is considered to be realistic and deliverable. If, over the course of implementing the Core Strategy Review, monitoring identifies that targets are not being met this will be assessed as part of a future review of the plan.

² SHMA Part 2 - Objectively Assessed Need for Housing (PBA, December 2016), paragraph 5.29.

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Policy CSD1

Balanced Neighbourhoods

Development resulting in new housing (class C3) will be allowed in line with policy SS3 (optimising distinctiveness, appeal, sustainability and accessibility of places) where it contributes to the creation of balanced neighbourhoods through high-quality design proposals which address identified affordable housing needs.

All housing development should include a broad range of tenures incorporating market housing for sale and affordable housing (affordable housing for rent, starter homes, discounted market sales housing and other affordable routes to home ownership including rent to buy and shared ownership), wherever practicable and subject to viability, as follows:

- Development proposing (or land capable of accommodating) 6 to 10 dwellings (net gain) within the Kent Downs Area of Outstanding Natural Beauty should provide financial contributions towards the provision of affordable housing equivalent to one affordable dwelling on-site;
- Development proposing (or land capable of accommodating) 11 to 14 dwellings (net gain) at any location within the district should provide **a minimum of** two affordable dwellings on-site; and
- Development proposing (or land of 0.5ha or more in size) 15 or more dwellings (net gain) at any location within the district should provide **a minimum of** 22 per cent affordable dwellings on-site.

For development proposing 15 or more dwellings, as a starting point approximately ~~30 per cent of the affordable housing provision shall be shared equity and~~ 70 per cent of the affordable housing to be provided shall be affordable housing for rent/social rent. For sites under this threshold, the proportion of affordable housing tenures will be negotiated on a site-by-site basis.

Provision should be made on-site unless off-site provision through a financial contribution of broadly equivalent value can be robustly justified. Where a site-specific viability assessment is provided with an individual planning applications and it can be demonstrated to the reasonable satisfaction of the Council that the proposed development would not be viable with the full affordable housing requirement, the Council will give consideration to allowing an appropriate level of relaxation of the requirements.

~~Affordable housing developments will be allowed at sustainable rural settlements as an exception to policies of rural development restraint where it has been demonstrated that there is a requirement in terms of local need and a suitable site.~~

Affordable housing developments will be allowed at sustainable rural settlements as an exception to policies of rural development restraint where it can be demonstrated that there is a requirement in terms of local need and the proposed site is suitable for this purpose.

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~~Provision of affordable housing within individual sites and settlements should not be concentrated in one location, and must be designed to integrate in function and appearance with private housing and existing properties.~~

Provision of affordable housing within individual sites and settlements should so far as possible be dispersed and designed to integrate in terms of function and appearance with the market housing.

~~5.8 Full account will be taken of viability in achieving these targets where a site-specific viability assessment is provided with individual planning applications.~~

5.98 It is expected that, to ensure the delivery of mixed and sustainable communities, affordable housing provision will be made on-site, especially on medium-scale and larger developments. Should this be shown to be impractical on a specific site, then an equivalent financial contribution will be required. This will be monitored and reviewed.

5.109 The tenure mix within affordable housing products is set out in policy CSD1 to guide larger developments, based on evidence in the SHMA. For smaller developments these proportions may not be achievable, and the type of tenure will be negotiated in the context of local needs and the circumstances of individual sites.

5.140 Nearly all non-urban housing areas face particularly acute problems of access to local housing, especially in the north of the district. To meet rural housing needs, and to address the often significantly more expensive nature of the district’s rural housing markets, an ‘exceptions’ approach to rural affordable housing will be important as set out in national policy and Places and Policies Local Plan Policy HB6.