

Policy 2

Provision of Affordable Housing

In order to meet the needs of the Borough, the Council will:

a) seek affordable housing on all housing developments capable of providing 11 residential units or more or where the residential floorspace is more than 1000sqm, irrespective of the number of dwellings.

On all sites at, or above, this threshold negotiations will take place to determine the number of affordable dwellings to be provided. In negotiating the amount of affordable housing on each site, the Council will seek 35% provision with 60% social-rented/affordable rented housing and 40% intermediate provision, unless it can be demonstrated that a lower level should be sought or that the 60:40 split would not create mixed and balanced communities. The affordability of different elements of the scheme should not immediately be apparent from the siting, design and layout.

The affordable housing should be made available for transfer or occupation before a certain proportion (to be determined through negotiations between the Council and developer) of the market housing is occupied.

Where an applicant proposes a level below the 35%, or the tenure mix is not policy compliant, the Council will require evidence within a Financial Viability Appraisal that will be independently assessed.

b) seek to maximise the use of housing grants and other funding to increase the level of affordable housing above the figure secured in a).

c) support the delivery of affordable housing through other sources of supply, such as estate regeneration, bringing vacant units back into use and other forms of housing which demonstrate they can help meet need.

Payments in lieu

Where it has been determined that a site meets the size threshold and is suitable for affordable housing, payment in-lieu of affordable housing on site or provision in another location will be acceptable only in exceptional circumstances and where it can be demonstrated that:

- it would be impractical to transfer the affordable housing to a registered provider (RP); or
- on-site provision of affordable units would reduce the viability of the development to such a degree that it would not proceed; or
- on-site provision of affordable units would not create mixed and balanced communities and there would be benefit in providing such units at another location.

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The Council's Planning Obligations Supplementary Planning Document will provide detail to assist in the interpretation and implementation of this policy.

Supporting Text

2.1.24 The National Planning Policy Framework (NPPF) specifies that to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand. Where affordable housing is needed policies should be for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (i.e. to improve or make more effective use of the existing housing stock) and the agreed approach contributes towards mixed and balanced communities.

2.1.25 Planning Practice Guidance (PPG) states that where local planning authorities are requiring affordable housing obligations they should be flexible in their requirements, planning obligations will take into account specific site circumstances. Paragraph 7 sets out that on individual schemes applicants should submit evidence on scheme viability where obligations are under consideration. Wherever possible applicants should provide viability evidence through an open book approach to improve the review of evidence submitted and for transparency.

2.1.26 There are specific circumstances where contributions for affordable housing should not be sought from small scale and self-build development. Paragraph 31 of the PPG states that these circumstances are:

- Contributions should not be sought from developments of 10 units or less and which have a maximum combined gross floorspace of no more than 1000 square metres;
- Affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home.

2.1.27 The London Plan defines affordable housing as including social-rented, affordable rented and intermediate housing. Local plans should take account of; current and future housing requirements, targets and the priority for affordable housing across London, promoting mixed and balanced communities, the capacity available to accommodate development and the viability of future developments. There is the need to encourage rather than restrain residential development, determine the size and type of units needed in particular locations and take into account the specific circumstances of sites.

2.1.28 In relation to individual sites the London Plan highlights that the following should be considered;

- the viability of the development,
- availability of public subsidy,

- implications of phased development and making provisions, if necessary, to reappraise viability prior to implementation,
- integration of affordable units within developments as a whole and
- application of Mayor's space standards to schemes where large units prevent the affordable housing policy being triggered.

2.1.29 The South-East London sub region commissioned a Strategic Housing Market Assessment (SHMA) that was carried out in 2014. The study demonstrates a high level of need across the sub-region and highlights a number of key challenges and issues, including a total housing requirement of 7188 units per annum across the sub region and an estimate of net annual affordable housing need of 5,000 units per annum in South East London. In Bromley there is a net annual need for affordable housing of about 1400 units per annum.

2.1.30 With regard to unit size targets for affordable dwellings the SHMA set out a baseline scenario and a scenario which addressed under-occupation and overcrowding. Sites that trigger the affordable housing policy should provide a mix of unit sizes in light of the information set out in the SHMA which shows a need for 1-3 bedroom units (with 1 and 2 bedroom units having a higher need). Currently, the highest level of need is for two bedroom units as reflected on the Council's Housing Register. Future updates in this respect will be set out in Committee reports or updates to the Council's Affordable Housing Supplementary Planning Document (SPD). Individual sites will be considered on a case by case basis in consultation with the Council's Housing Division.

2.1.31 Following the Affordable Housing Viability Assessment Update (2016), a target of 35% affordable housing was set for sites which met the affordable housing threshold. The target relates to the percentage of habitable rooms on site although the Council will consider the overall contribution in terms of floor space and unit numbers to ensure that a proportionate percentage of overall development is affordable housing. The tenure mix of 60% affordable rented/social rented and 40% intermediate housing is in accordance with London Plan Policy 3.11 and the Mayor's Housing SPG. Where public subsidy towards affordable housing is used, this should result in an increase in the provision of affordable housing on site reflecting the Mayor's Affordable Housing and Viability SPG.

2.1.32 Paragraphs 21-22 of the PPG set out the process for determining the vacant building credit where there is an overall increase in floorspace on site. It applies in instances where vacant buildings are being brought back into use or demolished as part of the scheme. It advises that a credit should be applied equivalent to the gross floorspace of the building on site and deducted from the overall affordable housing calculation. It applies where affordable units are being provided on site or where a financial contribution is being provided. The PPG cites an example; where a building with a gross floorspace of 8,000 square metres is demolished as part of development proposing 10,000 square metres any affordable contribution should be a fifth of what would normally be sought.

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2.1.33 Reference is made to starter homes in the PPG. We are currently awaiting further government guidance on the results of the technical consultation regarding the details of the application of the starter homes policy.

2.1.34 The Council believes that some of its priority needs can only be met by social-rented/affordable rented housing. Shared ownership, low-cost market, and sub-market rented housing have a role principally in relation to intermediate housing. Such options may also assist some households unable to access market housing but which the Council has a duty to assist through its strategic enabling role.

2.1.35 Affordable housing comprises both social-rented/affordable rented housing and intermediate housing:

- Social-rented housing is defined as housing provided by a landlord where access is on the basis of housing need, and rents are no higher than target rents set by the Government for housing association and local authority rents.
- Affordable rented housing is rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent where this does not exceed Local Housing Allowance levels unless by exception.
- Intermediate housing is sub-market housing available to people on moderate incomes who cannot afford to buy or rent housing generally available on the open market. Intermediate housing may take the form of shared ownership, low cost home ownership or sub market rented housing. These sources of intermediate housing can play an important role in providing mixed communities, ensure that those on moderate incomes in Bromley (including key workers) have access to decent homes and can be controlled to ensure that it is available in the long term. The London Plan defines affordability for intermediate housing as those households earning £18,100 - £66,000 (two+ bedroom units extends this to £80,000).

2.1.36 The latest Council intermediate housing income threshold (June 2015) review agreed upper limit thresholds as follows:

- 1 bedroom units £38,800
- 2 bedroom units £50,500
- 3 bedroom units £62,500
- GLA upper limit applies to 4 bedroom units+

2.1.37 Intermediate housing income thresholds will be updated every three years.

2.1.38 These thresholds apply in accordance with Policy 3.10 Definition of Affordable Housing paragraph 3.62 of the London Plan.

2.1.39 The affordable housing policy will usually be applied to the number of habitable rooms. The Council will advise applicants of the mix of units on individual sites that will be required to meet local needs.

2.1.40 In negotiating the level of affordable housing the Council will seek the provision of 35% of habitable rooms on a site unless material considerations indicate otherwise. In these negotiations the principal considerations will be:

- Proximity to local services and facilities and access to public transport.
- Whether there will be particular costs associated with the development of the site: this will usually be reflected in the residual land value and should not affect a site's suitability. The onus will be on applicants to submit a financial viability appraisal to demonstrate that abnormal development costs, in addition to the affordable housing contribution, would impact unduly on scheme viability.
- Whether the provision of affordable housing would prejudice the realisation of other planning objectives.
- The need to achieve a successful housing development, both in terms of unit size/tenure mix and management.

2.1.41 The Government aims to promote mixed and balanced communities so off-site provision or payments in lieu will rarely be acceptable. On sites capable of providing 11 residential units or more or where the residential floorspace is more than 1000sqm. off-site provision or a payment in lieu may be acceptable in exceptional circumstances if applicants are able to demonstrate (and the evidence submitted is verified by the Council or independent consultants) that on-site provision would be practically difficult. If off-site provision is offered, the onus will initially be on the developer to find and provide an alternative site. Where the other site falls below the 11 unit/1000sqm floorspace threshold, the 35% requirement will be applied to the total capacity of both sites. The Council will monitor the most effective use of 'payments in lieu' so as to meet housing needs. This may include the provision of accommodation outside Use Class C3 to meet the housing needs of homeless people.

2.1.42 The means of controlling future occupancy of affordable housing will be the subject of negotiations between the relevant parties. The preferred approach for controlling the occupancy of social/affordable rented housing is for the ownership of this housing to be transferred to a Registered Provider (RP) nominated or agreed by the Council. In the case of intermediate housing, arrangements will depend on the type and tenure of housing proposed. In all cases, the arrangements for securing occupancy will be confirmed either through a legal agreement or condition attached to the planning permission, whichever is more appropriate in the circumstances.

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2.1.43 If the above restrictions are lifted any subsidy should be recycled for alternative affordable housing provision.

2.1.44 Government and the Mayor are introducing new initiatives to address housing need and the Council will take into account these and new housing products which can demonstrate they can address housing need. The Council's Housing Strategy will set out the Council's corporate approach to address housing need, and the wide range of initiatives which contribute to this objective. The Council will consider positively new forms of provision such as Build to Rent and discounted market rent where the rent levels can be shown to be affordable to local residents and help increase choice and address need. Further advice on the detailed implementation of the policy may be provided in a Supplementary Planning Document.

2.1.45 All other relevant policies and the Mayor's Housing SPG will apply to affordable housing developments, including those relating to housing design and layout.

Policy 3

Backland and Garden Land Development

New residential development will only be considered acceptable on backland or garden land if all of the following criteria are met:

- a** - There is no unacceptable impact upon the character, appearance and context of an area in relation to the scale, design and density of the proposed development;
- b** - There is no unacceptable loss of landscaping, natural habitats, or play space or amenity space;
- c** - There is no unacceptable impact on the residential amenity of future or existing occupiers through loss of privacy, sunlight, daylight and disturbance from additional traffic;
- d** - A high standard of separation and landscaping is provided.

Supporting Text

2.1.46 In the past the role of small sites in providing additional housing within the Borough has been significant. It is important to also consider the value of backland and garden land in helping to define local character. There is a risk that inappropriate development of these small sites over time could adversely impact upon local character, especially as the availability of sites diminishes.

2.1.47 The definition of previously developed land in the National Planning Policy Framework (NPPF) excludes land in built up areas such as private residential gardens. The Framework also specifies that windfall sites are normally previously developed sites.