

# Affordable Housing

## Leeds Local Development Framework



Supplementary Planning Document  
Initial Issues Report  
May 2008

**LEEDS CITY COUNCIL**  
**AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT (SPD)**  
**INITIAL ISSUES REPORT**

## **1.0 INTRODUCTION**

1.1 The affordability problem is made evident in Leeds Strategic Housing Market Assessment, 2007. The range of earnings in Leeds is relatively wide, reflecting the economic and social diversity. However, single earners need to earn around £37,000 to be able to afford a mortgage on a typical average entry level terrace or flat at just over £130,000. The average house price in Leeds (in 2006/7, at the time the Strategic Housing Market Assessment was published) was £160,000 compared with the West Yorkshire average of just over £146,000. It is therefore very difficult for first time buyers to get on the housing ladder. Provision of affordable housing will help those unable to access housing on the open market to get on the housing ladder.

## **2.0 EXISTING POLICY**

2.1 Existing UDP policies H11, H12, H13 and H14 provide the context for affordable housing policy in Leeds (see Appendix 1 for details of these policies). The Supplementary Planning Guidance (SPG3) and SPG Annex provide the detailed adopted policy context (details available on the council's website). The current requirement in Leeds is that any development of 15 residential units or more has to provide affordable housing in line with policy. The requirement depends on which of 5 different housing market zones a site falls within, and ranges from 15% to 25% of the total number of dwellings to be affordable. Within the required percentage there is also a defined split between the two main types of affordable housing – submarket and social rented accommodation.

2.2 In addition to the SPG policy, the council is considering introducing an interim Practice, prior to the introduction of the SPD to raise percentage requirements for affordable housing to be in line with the Regional Spatial Strategy (RSS). A decision on this will be taken after RSS is published (expected late May 2008).

2.3 All matters covered in a SPD must relate to/expand on 'higher level' policies. The existing UDP policies H11, H12, H13 and H14 have been saved until replaced under the new Local Development Framework (LDF) system. As a consequence of changes to the Development Plan system introduced by the Planning and Compensation Act 2004, existing UDP policies (from the adopted 2001 UDP) were automatically 'saved' for 3 years until 27<sup>th</sup> September 2007. The Secretary of State has the power to extend these policies beyond this 3 year period. On 17<sup>th</sup> September 2007 the Secretary of State issued a Direction (made under Paragraph 1(3) of Schedule 8 to the Planning & Compulsory Act 2004) listing 'saved' policies which will continue until they are replaced by new policies in an adopted Development Plan Document. The extension of such saved policies is intended to ensure continuity of the plan-led system until plans being prepared under the new development planning system are finalised, gradually replacing those policies and proposals contained in the UDP. Policies H11 on Affordable Housing, H12 on Affordable Housing Requirements, H13 on Affordable Housing Obligations and H14 on Affordable Housing in Rural Areas are therefore saved indefinitely. The Supplementary Planning Document on Affordable Housing will explain and help

implement these policies and any subsequent policies on Affordable Housing in Development Plan Documents such as the Core Strategy.

- 2.4 Leeds Local Development Framework; Local Development Scheme (LDS); Resubmission March 2007 sets out a three year programme with milestones for the preparation of Local Development Documents – documents which make up the LDF. The Affordable Housing SPD is not specifically listed in the LDS, because, as para 2.14 of the LDS states; “A key aspect of the new planning system is the need to be flexible and responsive to changing circumstances as well as being pro-active as part of a plan-led system....As a consequence of...new national policy guidance and the conclusions of evidence based studies (eg Housing Market Assessment), additional LDF documents may be necessary.....It is possible therefore that the need for Supplementary Planning Documents to cover such areas of work may therefore arise...”

### **3.0 WHY A REVISION TO EXISTING POLICY IS REQUIRED**

- 3.1 The existing SPG on Affordable Housing needs updating and revising to reflect or take account of:
- The Inspector’s Report into the UDP Review (November 2005) – recommended 25% affordable housing should be sought across Leeds, with no differentials for housing market zones.
  - Leeds Housing Market Assessment was published in May 2007. This highlights that the requirement for affordable housing is 1889 units pa over the next 15 years ( a vast increase from the Nov 2003 Housing Needs Assessment which outlined a requirement for 480 units over 5 years. The recommendations from the HMA include requiring between 25 and 40% affordable housing on planning applications.
  - PPS3, Housing, November 2007 replaced PPG3 and introduces specific requirements for affordable housing including: “In Local Development Documents, Local Planning Authorities should:
    - set an overall (ie plan wide) target for the amount of affordable housing to be provided .....
    - set separate targets for social rented and intermediate affordable housing where appropriate...” (para 29).
 This follows on from one of the key objectives which is that the planning system should deliver “A mix of housing, both market and affordable, particularly in terms of tenure and price, to support a wide variety of households in all areas, both urban and rural.” (para 10)
  - The Council document ‘Making the Housing Ladder Work. A Plan for delivering affordable housing in Leeds 2007-2015’ emphasises that “The current supply of affordable housing is inadequate, and the numbers of households unable to access the housing they need is growing. The supply of social housing lettings continues to reduce at the same time that house prices increase to record levels. This means that the need for new affordable housing for sale or rent, which could ease access to mainstream housing, is becoming ever more pressing. Affordable housing has become a priority for

the Council.” It outlines that the Housing Market Assessment (2007) will form part of the evidence base for updating of existing policy.

- The Regional Spatial Strategy (RSS) is anticipated in May of this year. “The Yorkshire and Humber Plan. The Draft Revised Regional Spatial Strategy Incorporating the Secretary of State’s Proposed Changes For Public Consultation 2007” is therefore subject to potential change. Policy H3 deals with the provision of affordable housing, stating that “The Region needs to increase its provision of affordable housing.” The provisional estimate of the proportion of new housing that may need to be affordable in Leeds is 30-40%. The Regional Spatial Strategy forms part of the development plan for Leeds. Local level planning policies have to be in conformity with the RSS.

#### **4.0 PROJECT TEAM**

- 4.1 The work is being lead by Planning Policy (as it is a planning document), but with strong and close working with the Affordable Housing Team in Environment & Neighbourhoods, and input from Planning Services.
- 4.2 The Steering Group for the work is made up of a corporate group of officers, including officers from Strategy and Policy, Environment & Neighbourhoods (Housing), Planning Services and Asset Management which meets every 2 months.
- 4.3 A Housing and Planning Task Group comprising representatives from major house builders, the HBF, Housing Associations, the Housing Corporation, Planning and Housing consultants also meets approximately every 2 months. The group discusses major issues with regards to affordable housing and the SPD work.

#### **5.0 TIMETABLE**

- 5.1 The timetable published on the website is:
- |                 |  |
|-----------------|--|
| Pre-production: | Gathering of evidence (including Initial Issues Report and Sustainability Appraisal Scoping Report) – January – March 2008 |
| Production:     | Prepare Draft SPD: April 2008  |
|                 | Sustainability Appraisal: May 2008   |
|                 | 6 weeks public participation on draft plan: June – July 2008   |
|                 | Analyse responses and produce Main Issues Report: August – November 2008   |
|                 | Final version of SPD and adoption statement: December 2008   |
- 5.2 It is difficult to accurately predict timescales and the above was an estimated timescale. However, we are currently preparing the draft plan (May 2008) and it is hoped that the sustainability appraisal can be carried out in May/June. Public participation would then be able to take place in late summer. The timetable will be revised and updated as necessary.

#### **6.0 INITIAL ISSUES**

##### **WORK COMPLETED SO FAR:**

##### **PRE-PRODUCTION WORK:**

Consultation on the scope of the SPD:

- 6.1 In October 2007 a paper outlining the suggested Core Areas of the SPD was

produced. This was sent out to all people who had previously been involved in consultation on the Housing Market Assessment seminars and others who had expressed an interest, to seek general agreement to the scope of the SPD (62 key stakeholders). Appendix 2 outlines responses received. There was general agreement to the scope or core areas the SPD should consider.

Workshop Sessions:

- 6.2 Following general agreement to the scope of the SPD, workshop sessions were held to examine the Core Areas or initial issues of the SPD in more detail. An invite was sent to all those previously consulted and details of the workshops were put on the council's website.

The workshops were:

January 30<sup>th</sup> – issues/topics discussed:

- Percentage requirements for affordable housing (including the split between submarket/intermediate provision and social rented provision)
- Affordability benchmarks
- On site provision and provision of commuted sums
- Delivery mechanisms – the role of Housing Associations

February 6<sup>th</sup> – issues/topics discussed:

- Thresholds
- Rural exception policy
- Needs of specific groups, including the elderly, students, black and minority ethnic groups
- Housing mix (in terms of affordable mix)
- Appearance and location of affordable housing
- Low cost market housing.

Appendix 3 outlines the workshop sessions, and Appendix 4 the comments received or collated.

- 6.3 Sustainability Appraisal Scoping Report:

The Affordable Housing Sustainability Appraisal (SA) Scoping Report outlines how the draft plan will be assessed under a sustainability appraisal. It is not produced as an Appendix to this report due to its length, but is available for viewing separately on the Council's website. The statutory requirement is to send the SA Scoping Report out to the main consultation bodies; the Environment Agency, English Heritage and Natural England for a 5 week period. The document was sent out to these bodies for a 5 week period from Thursday 15<sup>th</sup> May to Thursday 19<sup>th</sup> June 2008.

- 6.4 Additional Work/further issues:

Further work is ongoing to collate further evidence and information based around initial issues and core areas of the SPD – for example a study looking at how financial viabilities may be affected with an increase in affordable housing requirements is ongoing, and meetings have been held, or are scheduled with RSLs

(housing associations) to discuss key issues such as service charges in developments, and collation of examples of work being carried by other local authorities.

## **7.0 CONCLUSIONS ON THE ISSUES OUTLINED**

7.1 The Core Areas and topics that were discussed at the Workshop sessions are considered to represent a comprehensive list of main issues the SPD will have to address. The issues outlined are in conformity with government guidance, including the provisions for affordable housing as set out in PPS3, the Regional Spatial Strategy and the need to update and revise the existing SPG policy for affordable housing in Leeds.

## **8.0 THE NEXT STAGES ARE:**

### **8.1 PREPARE DRAFT PLAN**

The draft plan is currently being prepared.

#### **CARRY OUT SUSTAINABILITY APPRAISAL OF DRAFT PLAN**

Once completed, the draft SPD will be subject to a sustainability appraisal, which will consider the environmental, social and economic impacts of the policy to ensure the SPD presents the most sustainable options.

#### **PUBLIC PARTICIPATION**

The Draft SPD and Sustainability Appraisal will then undergo 6 weeks public consultation, anticipated late summer 2008.

Following this, a consultation statement will be produced, the SPD will be amended accordingly and a main issues report produced, prior to adoption of the final Affordable Housing SPD.

## APPENDIX 1: EXISTING SAVED UDP POLICIES

- H11: FOR HOUSING DEVELOPMENTS THROUGHOUT THE DISTRICT THE COUNCIL WILL NEGOTIATE WITH THE DEVELOPERS TO PROVIDE AND MAINTAIN AN APPROPRIATE PROPORTION OF AFFORDABLE HOUSES.**
- H12: THE CITY COUNCIL WILL NEGOTIATE THE PROPORTION AND TYPE OF AFFORDABLE UNITS APPROPRIATE ON INDIVIDUAL SITES, IN THE CONTEXT OF AN APPRAISAL OF THE EXTENT AND NATURE OF NEED FOR AFFORDABLE HOUSING IN THE LOCALITY, AND THE CHARACTERISTICS OF THE SPECIFIC SITE.**
- H13: PRIOR TO ANY DEVELOPMENT COMMENCING, APPLICANTS WILL BE REQUIRED TO DEMONSTRATE THAT THE AFFORDABILITY OF THE UNITS PROVIDED UNDER POLICY H11 WILL WHERE POSSIBLE BE MAINTAINED IN PERPETUITY USING:**
- i. A MANAGEMENT SCHEME IN ASSOCIATION WITH AN APPROPRIATE BODY, OR**
  - ii. A PLANNING CONDITION OR OBLIGATION TO CONTROL OCCUPANCY.**
- H14 DEVELOPMENT PROVIDING AFFORDABLE HOUSING ON SMALL SITES WITHIN OR ADJOINING EXISTING VILLAGES IN RURAL AREAS NOT ALLOCATED FOR DEVELOPMENT IN THE UDP MAY BE PERMITTED EXCEPTIONALLY WHERE IT CAN BE SHOWN THAT IT WOULD MEET LOCAL HOUSING NEEDS ACCEPTED AS BEING OVERRIDING IN THE LOCALITY. 'LOCAL' AND 'LOCALITY' WILL BE DEFINED AS RELATING TO THE IMMEDIATE VILLAGE OR VILLAGES OR TO THE PARISH OR IMMEDIATELY ADJACENT PARISH OR PARISHES. SUCH DEVELOPMENT MUST ACCORD WITH POLICY H13 AND, WHERE THE SITE IS IN THE GREEN BELT, IT WILL BE NECESSARY TO SHOW THAT NO SUITABLE ALTERNATIVE SITES ARE AVAILABLE OUTSIDE THE GREEN BELT. DEVELOPMENT UNDER THIS POLICY IN THE GREEN BELT WILL BE REQUIRED TO CONFORM WITH POLICY GB17 IN APPENDIX 5 IN VOLUME 2 OF THE UDP.**

APPENDIX 2  
INITIAL CONSULTATION SEEKING AGREEMENT TO THE SCOPE OF THE  
AFFORDABLE HOUSING SUPPLEMENTARY PLANNING DOCUMENT (SPD)

### **Introduction**

The scoping report/core areas paper was sent to 62 key stakeholders (contact list previously used at stakeholder seminars for the Housing Market Assessment, including RSLs (registered social landlords/housing associations), estate agents/developers/planning consultants/agents, Property Forum Steering Group, Housing and Planning Task Group). Twelve comments were received in October and November 2007.

The Core Areas the proposed SPD proposes to look at are listed below, together with responses received under each point.

### **Core Areas and responses received:**

#### **1. THRESHOLDS**

- **Currently, developments of 15 or more residential units have to provide affordable housing as part of a planning application.**
- **Need to examine whether lower thresholds are appropriate in any areas, such as more rural areas.**

response: There may also be a case for lowering the threshold in the high demand areas of North Leeds, perhaps on a sliding scale, ie. for 5-15 units half the affordable housing quota % applied – this would at least capture some affordable housing on many of the infill and garden sites in the northern suburban areas.

response: If thresholds are revised, there is a case to be made in the Area of Housing Mix (AHM). There are significant parallels with rural areas. In particular, developments in the Area are likely to be small-scale, a lower threshold could be a means of converting surplus student houses into affordable housing.

response: There could be an argument for lower thresholds in rural areas as higher densities in urban areas tend to make the higher thresholds achievable, whereas high densities in rural areas is not necessarily the preferred planning/urban design solution.

This is a sensible option, the threshold could be brought down for rural areas, to say 8.

#### **2. % REQUIREMENTS FOR AFFORDABLE HOUSING**

- **The current Supplementary Planning Guidance (SPG) and SPG Annex splits Leeds into 5 different Housing Market Zones, with different requirements for affordable housing in each, ranging from 15 to 25%.**
- **Need to look at whether Housing Market Zones approach is still preferable, or whether one percentage requirement should be applicable across Leeds.**
- **Need to consider what the percentage sought should be, taking account of new guidance and evidence, including PPS3, emerging RSS, and Leeds strategic Housing Market Assessment.**

response: If overall figures are to be met we need to consider increasing the % to 40-50% on sites in high demand areas with a figure of at least 25-30% on other areas, it would probably be more realistic to have at most two quotas for Leeds.

response: Need to consider UDP Review Inspector's comments on % as a uniform % across the district was not recommended. (LCC comment: The UDP Review Inspector recommended 25% affordable housing across the local authority area).

Response: Agree that LCC need to take a view as to whether the Housing Market Zones approach is still preferable or whether one % requirement should be applicable, and that to do this need to give consideration to new guidance and evidence.

response: The present Zones are certainly incongruous in relation to the Area of Housing Mix (AHM), which cuts across different zones. There is an argument for AHM to be a zone in its own right.

response: Would like to see these remain variable across the zones as the nature of the housing stock and needs varies considerably across the city.

response: I think that the Housing Market Zones approach is still the best - some areas are still marginal (although not many!) and in these locations it is right to introduce more open market housing and less affordable housing; the reverse is also true. Regarding %, this is difficult - The Regional target is 40% and there will be very differing opinions. I think that 50% is too high, and that 40% could also be. 30-35% would be my opinion of the 'right' percentage, but I only have anecdotal evidence to support this.

**- Need to examine how and when Housing Corporation grant could apply, and how policy could reflect this.**

response: Grant would be applied when there was a clear case of additionality or where the site was not viable without grant. In most areas of Leeds grant support will probably only be offered if the % affordable housing was approaching 40% and at least half of this was housing for rent.

response: Agree that there needs to be an examination of when HC grant could apply and how policy should reflect this.

response: If developers are delivering without grant and if LCC can better use limited HC grant to develop land it owns in partnership with RSLs, then do not apply grant to PPS3 housing sites. Numbers will not be improved, only standards.

**- Need also to look at split between social rented and submarket to be sought.**

response: based on needs studies but at least 50% rented or more would be appropriate this does have an effect on viability.

response: Agree that the split between social rented and submarket to be sought needs to be looked at.

response: The current split is about right. Developers will argue strongly for more submarket housing - I suspect many politicians will as well.

response: An indication of clarity of preference would be useful, but also need to bear in mind little or no HC grant on sub market rent.

response: Should the SPD cover issues of staircasing under shared ownership arrangements – if staircasing is allowed then the affordable home cannot remain affordable in perpetuity.

**- Development viability assessments – continue approach of coming down from requirement only where viability assessment is accepted?**

response: Agree that LCC should continue the approach of assessing the affordable housing requirement on a development according to a viability/financial assessment.

response: I would support this - as long as you (LCC) have the resources to properly assess viability.

### **3. AFFORDABILITY BENCHMARKS**

**- The current SPG Annex sets out affordability benchmarks, or prices per sq m for submarket and social rented affordable housing. A developer is expected to sell the affordable units to a housing association at these benchmark prices.**

**- Need to review whether this is the preferred approach.**

response: an approach which avoids a dutch auction between HAs for the highest price lowest standard is preferable. This approach does help with this but standards should be more explicit.

response: Would be interested in the exploration as to whether this is a preferred approach, but the key is to be confident that whatever agreement is reached with the Housing Association should be at a price which the HA feels could be delivered. The HA might sometimes be willing to pay over the benchmark prices if the scheme is deliverable.

response: This gives certainty and should mean that developers cannot tender the affordable homes to the highest bidder (as say in York, where many RSLs pay 'over the odds').

response: The £/m2 formula is useful in its clarity, but there is a danger that RSLs could only afford the smaller homes (or the developer will choose to sell the smaller homes to limit loss on market value).

### **4. HOUSING MIX**

**- Normally we ask for a pro-rata mix – a ratio of houses to flats and sizes reflecting that proposed on the scheme as a whole.**

**- Need to review whether seeking pro-rata mix is preferred.**

response: seems the fairest way, preferred approach would be to take a pro rata square meter figure and 'spend it across the scheme on the actual units you wanted, ie 2 no 45 meter squared flats could be exchanged for say a three bed 86 meter house etc.

response: Conscious that Housing Market Assessments and the RSS both stress the need for family housing so perhaps a pro-rata mix would not be appropriate. However, developer contribution should remain constant and this might mean a reduction in target numbers to reflect the need for family housing.

response: The mix should be relevant to the location. The Area of Housing Mix for instance is lavishly supplied with multi-occupancy and apartments – new provision here should be for families (of all types, couples, couples with dependents, singles with dependents).

response: A pro rata mix is not the right approach. What the developer is proposing might bear very little resemblance to what the measured affordable housing needs are in the locality.

response: Agree this is sensible, except for much larger homes in very high value areas I think there is room for a more sensible approach where more affordable homes are provided at lower floor areas/where the proportion of affordable housing (in terms of floor area) may be lowered in exchange for more homes.

response: where a development is of a type where the pro rata affordable housing contribution does not add balance in an area (eg where it is a student or small apartment development) can the document consider off site provision?

**- Need also to make clear policy regarding crash pads – whether we accept them as affordable, and if not, why, and what will be sought instead.**

response: Flexibility needs to be considered to enable a specific area's needs to be met in an appropriate way when a development scheme proposes different elements of mix.

response: Our experience on a 'for sale' scheme in the City was successful although the choice over location and tenure needs to be carefully assessed. One issue leading from this, though not restricted to crash pads, is the cost of service charges on apartments within expensively serviced blocks, especially for rented stock.

response: If % of floor area (as opposed to number of homes) was taken then LCC could choose whether to accept crash pads, or not.

response: Most Housing Associations do not want crashpads

## **5. ON SITE PROVISION AND PROVISION OF COMMUTED SUMS**

**- Current policy is for presumption for on site provision. Need to examine if there are exceptions that could warrant a commuted sum instead.**

**- Set out methodology for calculating commuted sum.**

response: Need to consider how existing committed commuted sum monies can assist the process of affordable housing delivery.

response: Yes. Understand that the Council is currently accepting commuted sums. However, this acceptance needs to be enshrined in the SPD guidance.

response: SPG para 5.1 certainly says "there is a presumption that the affordable housing should be provided on-site." But para 5.2 goes on to say, "Exceptionally ... (i) affordable housing may be provided **off-site**, or (ii) a commuted sum may be provided ...". The first exception is an invaluable provision for AHM – it means that a developer who is also a landlord could provide affordable housing from their student housing portfolio, off-site, as an alternative to on-site provision. This can be attractive to the developer – and also to the locality. At a time of student housing surplus, it can bring under-used (or empty) student houses back into use, and also contribute to re-balance of the community (by converting student-use to family-use – which would not be the case on-site).

response: There has always been a presumption against the use of commuted sums but there are occasions when these are preferable to 'shoe horned' affordable provision into the wrong location'.

response: I would agree that there should be exceptions, usually where the housing provided is very large/in very high value areas - in these cases it must be asked if this is the best way of providing affordable housing?

response: Areas like Headingley could benefit from off site provision (for example if a developer holds stock in areas of large HMO concentration, then releasing some of this stock at sub market prices opens up opportunities to de-convert or remodel use of HMOs). Getting hold of existing stock and remodelling could be better for existing communities rather than seeking affordable 'enclaves' on otherwise market provision.

## **6. APPEARANCE AND LOCATION OF AFFORDABLE UNITS**

**- Need to review and make clear policy on appearance and location of affordable units within a site.**

response: pepperpotted or more likely 'blobbed' as visibly indistinct as possible and all to the same higher standard would be the ideal.

response: the appearance and location of affordable units within a site should be dealt with through the normal planning application procedures. It is not an approach that should be taken for the SPD.

response: These should of course be fully integrated into the development.

response: It should look exactly the same as the rest.

response: Difficult as pepperpotting is preferable but more difficult to manage.

## **7. DELIVERY MECHANISMS – THE ROLE OF HOUSING ASSOCIATIONS**

- **In practice, to date, the affordable housing is vested in a housing association.**
- **Need to review if this should be the only and best way to ensure affordability in perpetuity.**

response: Agree that a view needs to be taken on whether affordable housing vested in Housing Associations is the only and best way to ensure affordability in perpetuity.

response: Current political enthusiasm for Community Land Trusts (see Housing Green Paper) suggests that CLTs might represent an alternative vehicle.

response: What are the realistic options/alternatives? Who else can raise the finance to do so and who else has the Governance structures in place to ensure in perpetuity provision? I think this should remain with RSLs.

response: Why not look at assisting Community land Trusts (or other similar vehicles) to benefit through S106?

## **8. NEEDS OF SPECIFIC GROUPS, INCLUDING ELDERLY, STUDENTS, BLACK AND MINORITY ETHNIC (BME) GROUPS ETC**

- **Need to examine whether affordable housing policy would apply equally to specific groups including student housing developments, elderly and BME specific developments.**

response: Yes, agree, but raise strong queries about the inclusion of students.

response: Affordable housing policy should certainly apply to student housing developments. It is certainly no longer the case that students are among “groups whose needs may be largely ignored by providers operating solely according to market criteria” (UDP, para 7.5.1). As is well-known, there is a flourishing market for student housing, which sustains over sixty property agencies within the Area of Housing Mix alone, almost all dedicated to the student market, not to mention burgeoning purpose-built development – all at open-market value. There is no reason for exemption from the policy.

response: Yes to students - even if the provision is made off site or via commuted sums.

## **9. RURAL EXCEPTION POLICY**

- **Need to review existing policy, guidance and evidence on rural exceptions**
- **Examine whether there is a need for a rural exception policy, and if so, whether particular sites/areas can be identified, and whether this should form part of this SPD, or separate guidance.**

response: support the inclusion of a rural exception policy in the SPD.

response: This should remain and be strengthened

## **10. LOW COST MARKET HOUSING**

- **PPS3 refers to the need to include policies for low cost market housing.**
- **Need to examine whether this should be included in the Affordable Housing SPD, or separate LDF document.**

response: It would be worth obtaining the views of developers on this. What does it mean?

**OTHER COMMENTS RECEIVED:**

comment: Work of the SPD ought to take place as part of the LDF process following agreement to the Core Strategy & Preferred Option documents when more detailed information on the overall housing context would have been discussed, agreed and established. It is premature to advance SPD documents ahead of this process which may require fundamental changes to be made. Recognition of markers in time needs to be considered so that appropriate policy guidance can be given to developers on policy requirements applicable at the time of land acquisition and avoid change in circumstances that occur due to the length of the formal planning application process. The commercial realities of differing areas of the district does need consideration particularly as it relates to the City Centre as market forces do play a part. The concept of identifying appropriate locations for affordable housing provision as opposed to seeking provision on all proposals containing residential use should be considered to ensure an appropriate level of delivery where the financial pressures are reduced.

comment: There needs to be clarity in the SPD on when we can expect some commentary on the scale and nature of the level of affordable housing required (ie. at pre-application stage). It would also be useful for guidance to be given on how and when a housing officer will give their input into the process. There also needs to be clarity on the current system for assessing financial viability and how it operates and confirmation that it will continue to be considered as justification for flexibility on requirements. In doing so, requirements for other contributions should be taken into account.

comment: See comments above under crash pads regarding service charges in apartment blocks.

comment: It would be helpful to prepare an Affordable Housing Trajectory (as advised at paragraph 4.25 of LDF Monitoring – A Good Practice Guide March 2005). The minimum timeframe this should cover is at least 10 years from the adoption of the Land Allocations DPD (2023), and should have regard to the SHMA and the 23,000 or so permitted unbuilt dwellings, in terms of tracking back to the type, mix, and affordable units yet to be built. We estimate a gap will be revealed with what is a high identified need and what appears to be a low delivery rate. Additionally, the content of the SPD should include some sort of Monitoring mechanism to be put in place to track the delivery of affordable housing within the individual housing market zones.

comment: The content looks comprehensive

comment: Seems to cover most things

comment: Does it need to, or can it reflect or prepare the way for any of the initiatives within the Green Paper?

NB. Details of who made the responses/comments listed cannot be given at this stage, as this was not a formal consultation, and respondents were not therefore asked whether their details could be made public. This is to comply with the Data Protection Act 1998.

## APPENDIX 3: AFFORDABLE HOUSING SPD – WORKSHOP PAPERS – ISSUES DISCUSSED

### Workshop 1 – 30<sup>th</sup> January 2008 Topic Papers and Questions Covered

#### **Topic: % Requirement for Affordable Housing Tenure Split**

#### **% Requirement for Affordable Housing**

#### **Introduction, Current Policy**

The current Supplementary Planning Guidance (SPG) and SPG annex splits Leeds into 5 different housing market zones, with different requirements for affordable housing in each ranging from 15 to 25%.

In 2003 a Housing Market Assessment was carried out by Outside Research for the Council and this recommended a different % and tenure split depending on the housing market zone. Therefore the Annex was produced in July 2003 which reiterated the different housing market characteristics and specified the % of affordable housing required and the tenure split depending on the zone.

#### **PPS3 Housing November 2006**

This document emphasises the Governments commitment to improving the affordability and supply of housing in all communities. It states that Local Authorities should:

- Undertake a strategic housing market assessment in order to understand the scale and proportion of need for new housing groups and should include specifying % for affordable housing , setting separate targets for social rented and intermediate types of affordable housing.
- Specify the type and size of affordable housing needed in particular locations, and where appropriate on specific sites.

**Therefore as part of the new SPD it will be necessary to specify a percentage requirement and a tenure split.**

#### **Emerging Policy**

#### **Strategic Housing Market Assessment (SHMA)**

This was carried out for the Council in 2007 in order to provide for the Local Authority a better understanding of the housing markets in Leeds, the key drivers of housing demand and supply and the level of affordable housing required across the area. The assessment provides robust evidence to inform the development of housing and planning policies.

The old assessment noted that there were distinct differences between the affordability in the inner areas of Leeds compared to suburban outer areas, however now although there are still different housing market characteristics in these areas, the house prices in the inner areas have risen substantially. Now fewer neighbourhoods contain areas of low or falling demand as reflected in house price increases.

The 2007 SHMA splits Leeds into 5 sub markets based upon shared neighbourhood characteristics within them. These are:

- City Centre
- Inner urban areas
- Inner suburban areas
- Outer suburban areas
- Areas outside the main conurbation

The HMA concluded that, the affordable housing requirement for Leeds per annum spread over the Leeds UDP plan period (15 years) is **1889** units.

The Leeds UDP plan review 2006 adopts the RSS delivery target of 1930 additional dwellings per annum equivalent to 25,090 units over the plan period (2003-16).

To provide all the 1889 affordable units required, 98% of additional dwellings being built would need to be affordable. Even if the revised RSS recommendations of increasing the requirements to 4,740 is accepted this would still mean that up to 50% of all new build would need to be affordable.

In order to deliver the 1,889 affordable housing units, the requirement would need to be increased to 50%, which is not realistic or achievable. It is therefore accepted that this requirement cannot be achieved through S106 alone and that other methods for securing the affordable housing will need to be sought. In response to this the Council has made available 77 acres of its own land to be developed solely for affordable housing.

### **The RSS**

The Regional Spatial Strategy , Leeds has fallen into a medium area of need where 30- 40% affordable housing is required. Proposed changes to RSS September 2007 (final plan expected spring 2008) states that LDFs should set targets for the amount of affordable housing to be provided. Provisional estimates of the proportion of new housing that may need to be affordable are as follows 30-40% Kirklees, **Leeds**, Wakefield and Sheffield.

The RSS is now part of the development plan which means that decisions on planning applications have to accord with it. Therefore it is possible to use the emerging RSS target band of 30-40% affordable housing as a basis for requesting affordable housing in Leeds.

The regional target offers no further detail in terms of what types and mix of affordable housing is acceptable. The target is a band so there needs to be further consideration given to when 40% and when 30% is used.

New affordable housing targets are currently being considered in Leeds as an interim measure. Public consultation during February/March is planned to be undertaken with the intention that the new targets will be adopted for development control purposed in Leeds from May 2008 or on adoption of the Yorkshire and Humber Plan whichever is the later. It is proposed that all other aspects of current affordable housing policy as set out in the SPG 2003 should remain in force.

### **Financial Viability**

At the moment the provision of affordable housing should always be in accordance with the published SPG. It is only in exceptional circumstances that any relaxation of the requirement is considered. In such exceptional circumstances a justification statement and a financial appraisal should be submitted. There is a charge for this service of £500 plus VAT. The Council will commission its own independent financial assessment and verification. In the future it is expected that this process will continue.

### **The following could be considered:**

- Greenfield sites could be expected to deliver 40% as they will have greater potential to deliver in terms of economics.
- City Centre provision 30% (due to higher proportionate costs of construction and land preparation ) or 15% due to other S106 requirements
- Applying 40% across the Board given the higher levels of need identified in the HMA.

The SHMA does however give extra strength and weight to adopt a 40% requirement for new affordable housing to be sought on new planning sites. Therefore requesting a 40% requirement across some of the housing market zones can be justified and is realistic.

### **Questions following section 1**

#### **% Requirement for Affordable Housing**

#### **30-40% requirements**

- Do you think there should be a different % depending on location, eg City Centre or Greenfield Site? If so why?
- Should 40% be applied across the board justified by high numbers in SHMA ? or just in the Outer areas?
- Should 30% be applied in Inner Areas only ?
- Should 15% be applied in the City Centre ?

### **Tenure Split**

The split between social rented provision and sub market housing also needs to be considered. In the current SPG annex depending on the housing market zone a different split of social rent and submarket is requested. Historically this was the position following the 2003 HMA which analysed the need for affordable housing in five housing market zones. Each zone represents similar housing characteristics in terms of house prices, mix of tenure and socio economic context. The split between social rent and sub market was then agreed accordingly.

One of the conclusions of the 2007 SHMA and a specific Housing Market Assessment into social housing which was also carried out for the Council stated that:

***Of the households in the HMA living in any tenure that intend to move home within the next 2 years 28.2% intend to move into social rented housing.***

***Therefore it can be assured that 28.2% of the annual affordable housing units (533 of the 1889) per year should be social rents with the remaining 1,356 at intermediate tenures (mid market rent, low cost home ownership)***

This figure varies across the housing market zones, but only marginally. Therefore as these full requirements will not be met anyway solely through new planning applications there does not appear to be sufficient justification to alter the % requirement depending on the housing market zone. Therefore a 30/70 split 30% social rent and 70% sub market could be considered .

## **Questions following section 2**

### **What tenure split across the housing market zones could be considered**

- **Can 30/70 split be justified?**
- **Is it preferable to have a different social rented requirement depending on the housing market zone ?**
- **Is 30% requirement for social rent across the board justified?**

## **Topic: Benchmarks**

### **Introduction, Current Policy**

Current policy is set out in the SPG Annex. Affordability benchmarks or prices per sq m for submarket and social rented affordable housing are given. A developer is expected to sell the affordable units to a housing association at these benchmark prices.

### **Submarket Prices**

The submarket benchmark price is £927 per sqm for houses, £1,158 per sqm for flats, and £1,390 per sqm for flats in the city centre. A developer should sell any submarket units to a housing association at no greater than the submarket benchmark.

The figures are based on average household lower quartile earnings in Leeds derived from the Annual Survey of Hours and Earnings (Office for National Statistics).

### **Social Rent**

The social rented benchmark price is £520 per sqm for houses/flats and flats in the city centre. A developer should sell any social rented units to a housing association at no greater than the social rent benchmark, or at a price that enables the Housing Association to charge a social rent.

Paragraph 5.12 of the SPG states that “Social housing must be made available at rent levels which broadly equate to those levels expected by the Housing Corporation, and, in practice, charged by Registered Social Landlords (RSL’s) for their existing social rented property in Leeds.”

This is referring to the Housing Corporation’s target rent approach – the target rent for an area is what all Housing Associations should be working towards. The target rent approach is based on a formula that takes into account average wages and the capital cost of a property. The average wages are a constant across a sub region

and the local authority area. The capital cost of a property will vary dependent on the location – hence target rents can vary within a local authority area. This is why £520 is given as the social rent benchmark with the proviso given in the wording “or at a price that enables the Housing Association to charge a social rent” . The figure of £520 was agreed as the average across Leeds through discussions with the Housing Corporation, but the wording will allow for cases where the price may be different.

### **PPS3 Housing November 2006**

PPS3 Annex B gives definitions of affordable housing. The definition includes reference to the fact that “Affordable housing should meet the needs of eligible households including availability at a **cost low enough for them to afford, determined with regard to local incomes and local house prices.**”

It is considered that the Leeds methodology for calculating the affordable values conforms with the PPS3 definition given above.

### **The following points need to be considered:**

- Many developers/agents have welcomed the benchmarks used as it gives them definite figures to enable them to accurately cost out the affordable housing requirements from the start – costs can be factored in to land acquisition considerations, financial viability submissions etc.
- Historic policy (before the current SPG and Annex) accepted a % discount off open market value, but this is not acceptable because 25% off open market value may mean the actual price of a unit is still not affordable – ie. 25% off a property costing £250,000 would mean a price of £187,500 – still not very affordable to those on lower quartile incomes.
- The introduction and use of benchmarks means that Housing Associations do not compete against one another for affordable units thereby ‘pushing up’ the price of the affordable units, which ultimately is going against what we are trying to achieve.

### **Questions**

- Do you agree that benchmark prices should be used to determine the affordable values?
- Do you agree with the methodology for calculating the submarket benchmark price, using lower quartile earnings for Leeds? If not, do you have any other suggestions?
- Do you agree with the methodology for calculating the social rent benchmark price? If not, do you have any other suggestions?

### **Topic: On site provision and provision of commuted sums**

#### **Introduction, Current Policy**

The current policy in the SPG is presumption for on site provision.

However, a practice was introduced in the City Centre team for accepting commuted sums. The background to this, is that in order to help provide mixed and inclusive communities a mix of housing is required. In the City Centre the residential

development has been one dimensional in terms of comprising of flats rather than houses, therefore the provision of affordable housing in the City Centre has also been one dimensional. Although recognised that there is a need for affordable flats in the City Centre to cater for low paid workers there is a need to provide a more inclusive community overall, and that the need for family housing on the fringes of the city centre and adjoining neighbourhoods have been overlooked. The practice is only applicable on schemes in excess of 166 total dwellings ( which gives 25 on site). Larger developments are expected to provide 25 units on site with the remainder of units that make up the 15% being converted into the commuted sum equivalent.

### **PPS3 Housing November 2006**

PPS3 states that Local Planning Authorities should “Set out the approach to seeking developer contributions (para 29) and that “The presumption is that affordable housing will be provided on the application site, so that it contributes towards creating a mix of housing.”

### **Calculation of the Commuted Sum**

The formula used to work out the Affordable Housing Contribution is the difference between the sum of the open market value of the affordable units and the sum produced by multiplying the total gross internal floorspace of the affordable units by the affordable price.

The affordable price is as set out in the Councils SPG annex July 2005 (updated April 2007) (ie. the benchmark figures).

**Example** 10 affordable units on site with an average dwelling size of 75m<sup>2</sup> the sale to a HA would be 75 x £927 per dwelling = £69,525.

$$£69,525 \times 10 = £695,250$$

Assuming the open market value is £100,000 per unit, the total sum of the open market unit will be £100,000 x 10 = £1,000,000.00

The affordable housing contribution will therefore be the difference between the two sums, £1,000,000 - £695,250 = £304,750

The above example assumes that the affordable housing which would have been provided on site comprised of submarket sale, if there is a requirement for social rented units then a different price per sq m would have to be included in the calculation.

### **The following could be considered:**

- Should the council always seek on site provision in the first instance, to be in accordance with national policy
- SPD needs to clearly set out circumstances when commuted sum or off site provision may be considered: - eg on student developments
- Need to set out methodology for calculation of commuted sum and equivalent off site provision, is the one in use at the moment sufficient.

## Questions

- Is there agreement to methodology for calculation of commuted sum and off site provision?
- Is there agreement to exceptional cases where off site provision or commuted sum may be accepted?

## **Topic : Delivery Mechanism**

### **The Role of Housing Associations**

At the moment all affordable housing secured through the planning process is delivered via a housing association. This is because the council can be satisfied that the organisation is regulated and monitored by the Housing Corporation and so can take comfort that the occupants selected, the lettings policy and the rents charged are in accordance with equality and affordability guidelines.

The Council also holds a list of approved Housing Associations and would prefer a developer to use a Housing Association on the list. This is because it is important that the association has a presence in the area and a good housing management reputation and contributes to the successful provision of affordable housing across the City. Housing associations from outside the area may not be familiar with the Council's affordable housing policy and may not understand the aims and objectives of the Council. It is also important that the Association is readily contactable and responsive should any housing management issues arise.

### **PPS3**

The companion guide to PPS3 'Delivering Affordable Housing' states that Local Authorities should not prescribe affordable housing providers in planning conditions, obligations or local development documents. The LA needs to discuss with potential providers how affordable housing can be provided and long term management arrangements secured. This may include information on their standards (e.g. development, management, local presence etc). The LA should be able to robustly justify rejecting any particular provider on the basis of these standards.

However the Council would still need to be reassured that the units of affordable housing were being managed by a body who had a regulated equality policy and who would sell or rent the units to people who qualified under the affordability criteria. The Council would also have to be reassured that longer term letting and management arrangements were also in place. The Council, not having the resources to carry out this monitoring would need evidence that this would be carried out and if this request could not be satisfied would then insist that the units are sold/managed by a housing association.

### **Community Land Trusts**

Community land trusts and other community led groups are developing innovative schemes that can offer intermediate affordable housing without grant. (Often the group requires other subsidy such as land). In order for a Local Authority to accept this alternative provision there needs to be careful consideration of what is being offered.

PPS3 States that such alternative models are new and maybe unproven, local authorities should take care to ensure that they meet the assessed need with affordable homes of a sufficiently high standard, and that they are deliverable.

### **The cost of renting /purchasing the completed affordable units.**

The policy position at the moment states that there is a specified price per sqm to which developers have to sell the completed units to a housing association for, the housing association are then able to add 5% oncosts to this figure ensuring that the completed unit is affordable to those on lower quartile earnings.

Consideration is now required as to what is the best method for ensuring that the end product is truly affordable. There are two options:

- Tighter regulation and enforcement of the policy in relation to how this is implemented by housing associations
- The cost of the completed unit stipulated in the S106

### **The Use of Housing Corporation Grant**

Housing Corporation grant can be applied when there is a clear case of additionality or where a site is not viable without grant. When it had been clearly demonstrated that a scheme is not financially viable and an independent assessment has been carried out which demonstrates that the affordable housing cannot be provided a submission to the Housing Corporation could be considered.

### **Questions**

- Under what circumstances should non RSL bodies be allowed to own/manage the completed affordable housing units ?
- How should the affordability of the completed unit be regulated ?
- When should grant from the Housing Corporation be included ?
- What is the best method for ensuring that the end product is truly affordable?

### **Workshop 2 – 6<sup>th</sup> February 2008 – Topic Papers and Questions Covered.**

#### **Topic: Thresholds**

#### **Introduction; Current Policy**

The current policy introduced in January 2007, is that developments of 15 or more residential units have to provide affordable housing. The previous threshold had been 25 units or sites of 1ha+.

#### **PPS3 Housing November 2006**

PPS3 states that Local Planning Authorities should “Set out the range of circumstances in which affordable housing will be required” and that “The national indicative minimum site size threshold is 15 dwellings. However, Local Planning Authorities can set lower minimum thresholds, where viable and practicable, including rural areas.” (para 29 PPS3)

#### **Evidence base**

#### **Strategic Housing Market Assessment (SHMA)**

This was carried out for the Council in 2006/7 in order to provide for the Local Authority a better understanding of the housing markets in Leeds, the key drivers of

housing demand and supply and the level of affordable housing required across the area. The assessment provides robust evidence to inform the development of housing and planning policies.

The HMA recommended that “the site size threshold for the provision of an affordable housing contribution be lowered to 15 units as a minimum. Leeds City Council should also consider lowering this minimum in areas where there are acute affordability issues.” (Leeds Strategic Housing Market Assessment 2007, Executive Summary, May 2007; Further Recommendations, para 10.12 (i))

The HMA concluded that, the affordable housing requirement for Leeds per annum spread over the Leeds UDP plan period (15 years) is 1889 units.

### **The Regional Spatial Strategy (RSS)**

Whilst the RSS acknowledges higher needs for affordable housing in the region and sets higher indicative targets, it offers no advice in terms of thresholds.

### **The following should be considered:**

- To achieve the higher numbers of affordable housing needed, the main option is to raise the % requirement – this was discussed in Workshop 1. However, in addition to raising the %, we can, in accordance with PPS3 consider lowering the threshold below 15 in certain areas.
- Having looked at the distribution of current sites with planning permission across Leeds, the distribution of sites with planning permission for 15+ dwellings and sites with permission for 5-14 dwellings is fairly well spread across the district – there are no obvious areas that stand out as having only small sites.
- As mentioned, PPS 3 refers to the fact that “Local Planning Authorities can set lower minimum thresholds, where **viable** and **practicable**, including rural areas.” (para 29 PPS3). We would need to understand, or have some evidence which looks at the **effects on development viability** of different thresholds. However, defining boundaries of where a lower threshold could or should apply is not easy, and, as PPS3 says, would have to be **practicable**. It would not be practicable to have lots of small areas identified within which a lower threshold would apply. For example it would be difficult to prove that a lower threshold should apply to say Alwoodley, and not to Cookridge – reasons for having a lower threshold need to be able to be clearly justified and defined.
- Volume 2 of Leeds Strategic Housing Market Assessment 2007 looks at Rural Housing Needs. The conclusions are that “The centre for Housing Policy at York identifies only two wards in the Leeds District as rural..., Otley and Wharfedale and Wetherby” (para 1.9.3). However, “The evidence from the Leeds Housing Assessment 2006 suggests that Leeds rural areas do not fall into a category of high levels of housing needs.” (para 1.9.4). If this is the case, there may not be a need to lower the threshold in particular areas, such as rural areas, but to look at having a lower threshold across the authority area. This would have the advantage of being applicable to everyone, so a

fair and consistent approach, and would mean that disputes over defining boundaries of areas where lower thresholds apply would be avoided.

- The answers to the questions posed below may well influence production of a brief for work to look at these issues in more detail.

### Questions

- Do you think the threshold should be lower than 15 in some areas?
- If yes, which areas?
- Is there a case for having no threshold at all? ie any application for residential development would have to contribute towards the provision of affordable housing.
- If you think the threshold should be lower than 15 in certain areas, which areas – rural areas? high demand/price areas?
- How do we justify/agree boundaries? Will this lead to disputes when applications are submitted adjacent/across boundaries? (as with the Housing Market Zones?)
- Do you think it would be fairer/more equitable to introduce a policy that says on small sites of, say 5 to 10 dwellings, half the required % of affordable housing will be sought, and that this should apply equally across the district?

### **Topic: Rural Exception policy**

#### **Introduction; Current UDP Policy**

Policy H14 of the adopted UDP states:

“Development providing affordable housing on small sites within or adjoining existing villages in rural areas not allocated for development in the UDP may be permitted exceptionally where it can be shown that it would meet local housing needs accepted as being overriding in the locality. ‘Local’ and ‘locality’ will be defined as relating to the immediate village or villages or to the parish or immediately adjacent parish or parishes. Such development must accord with policy H13 and, where the site is in the Green Belt, it will be necessary to show that no suitable alternative sites are available outside the Green Belt. Development under this policy in the Green Belt will be required to conform with Policy GB 17 in Appendix 5 in Volume 2 of the UDP.”

Policy GB 17 states:

“Proposals for affordable housing in villages within the Green Belt, will not be permitted unless the following criteria are all satisfied:

- The application is accompanied by substantial evidence of a local housing need which cannot be met on a site outside the Green Belt;
- The site is within or abuts a village;
- Harm to openness, purposes, character and appearance of the Green Belt is minimised;
- The development will be in scale and character with the established village.”

### **PPS3 Housing November 2006**

Para 30 of PPS3 states that *“In providing for affordable housing in rural communities, where opportunities for delivering affordable housing tend to be more limited, the aim should be to deliver high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages. This requires planning at local and regional level adopting a positive and pro-active*

*approach which is informed by evidence, with clear targets for the delivery of rural affordable housing. Where viable and practical, Local Planning Authorities should consider **allocating** and releasing sites solely for affordable housing, including using a **Rural Exception Site Policy**. This enables small sites to be used, specifically for affordable housing in small rural communities that would not normally be used for housing because, for example, they are subject to policies of restraint.”*

### **Emerging Policy/Evidence base Strategic Housing Market Assessment (SHMA)**

This was carried out for the Council in 2006/7 in order to provide for the Local Authority a better understanding of the housing markets in Leeds, the key drivers of housing demand and supply and the level of affordable housing required across the area. The assessment provides robust evidence to inform the development of housing and planning policies.

The HMA concluded that, the affordable housing requirement for Leeds per annum spread over the Leeds UDP plan period (15 years) is 1889 units.

Volume 2 looked at Rural Housing Needs. As mentioned in the topic on thresholds, the Housing Market Assessment Vol 2, para 1.9.3 states “*The Centre for Housing Policy at York identifies only two wards in the Leeds District as rural...Otley and Wharfedale and Wetherby.*”, and para 1.9.4 states that “*The evidence from the Leeds Housing Assessment..suggests that Leeds rural areas do not fall into a category of high levels of housing needs.*” It concludes that “*some indicators of housing need are strongly evident in Leeds rural areas, such as high house prices and a shortage of social and small affordable housing and that there may be a requirement to develop policy to address this.*” However, “*the survey revealed very little interest in social housing or affordable housing options and little suggestion of need factors related to unsuitable housing. All of Leeds rural areas fall into the ‘less sparse’ classification, which raises the question as to how far these settlements should be considered as operating an internal market. It is arguable that the role played by the Leeds district rural settlements in the Leeds housing system is primarily to provide wealthy suburbs for the wider city housing market as opposed to operating as self-sustaining rural communities. As such it may not be necessary to develop specific planning policies to address housing in Leeds rural areas beyond that already identified in the Leeds Housing Market Assessment 2006.*”

### **.The Regional Spatial Strategy (RSS)**

Within ‘the Yorkshire and Humber Plan, The Draft Revised Regional Spatial Strategy incorporating the Secretary of State’s Proposed Changes for Public Consultation 2007’, Leeds falls within an area identified as requiring 30-40% affordable housing. Rural exception policy is not specifically referred to in the RSS. Para 13.43 states that “*The greatest challenge to affordable housing delivery will be in the rural areas where the housing market is strong....Interventions to make urban areas more attractive to live will help to reduce the scale of our migration to rural areas, thereby reducing pressure on the rural housing stock.*”

### **The following needs to be considered:**

- Although we currently have a rural exception policy in Leeds for small sites solely for affordable housing, in practice, we have never approved an

application. Other planning factors, such as the fact that a site may be in the Green Belt etc have always outweighed the factors for provision of affordable housing. We need to consider, if history shows the policy has not been effective in securing any affordable housing, whether the existing policy is still relevant.

- If we do decide a rural exception policy should still be applied, should we aim to make it more effective, for example by allocating sites solely for affordable housing, as detailed in PPS3. (NB. The SPD cannot allocate sites – this would be done in an Allocations Development Plan Document)
- If we accept the conclusions of the Housing Market assessment study of rural housing needs, that basically, no rural area in Leeds is truly rural in character, but rather more ‘commuter hinterlands’ or wealthy suburbs, and we accept the overall findings of the HMA, that the need for affordable housing is great across the local authority area, perhaps lowering the threshold, so smaller developments have to provide affordable housing as part of their application is a better way of achieving affordable housing in these areas than having a policy dealing with exception sites.

### Questions

- Do you think the existing rural exception policy, as set out in the UDP should remain applicable?
- Do you think there is a need for a policy dealing solely with rural exception sites in Leeds?
- If yes, do you think these sites should be defined and allocated in the LDF? On what basis?
- Do you think it would be preferable to consider lowering the threshold above which affordable housing is required, so that all smaller sites would have to contribute to provision of affordable housing?

### Topic: Low Cost Market Housing

#### What do we mean by low cost market housing?

Low cost market housing is what it says – its **low priced housing** available on the open market. **It is not the same as affordable housing.**

PPS3 gives a clear definition of affordable housing at Annex B. It states that “*Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:*

*-Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.*

*-Include provision for the home to remain at an affordable price for future eligible households.....*

*...Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, which meet the criteria set out above.*

*....The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered for planning purposes, as affordable housing. Whereas, those*

*homes that do not meet the definition, for example 'low cost market' housing, may not be considered, for planning purposes as affordable housing."*

So, low cost market housing would only be classed as intermediate or submarket affordable housing where the cost is low enough for eligible households and is provided as such in perpetuity. On the first point, our submarket benchmark price is based on lower quartile average household earnings. On the latter point, we normally prefer a housing association to take on affordable units to ensure affordability in perpetuity. Only where both clauses are satisfied would housing be classed as affordable/intermediate/submarket, rather than low cost market housing.

There are many different models or types of low cost market housing currently – for example Ikea's BoKlok, Redrow's Debut, Wimpey's G2.

### **Introduction; Current Policy**

There is no current policy on low cost market housing in the UDP. In the absence of a policy on low cost market housing our approach is that any application purely for low cost market housing would not automatically override the need for affordable housing – ie. we would seek affordable housing in line with policy. If a low cost market housing provider claims that to provide affordable housing at the benchmark prices in the SPG Annex would make the scheme unviable, they should submit a full financial viability assessment, in line with policy. If, after being independently assessed, such a viability appraisal is verified and agreed, a reduction from the amount of affordable housing can be agreed. Furthermore, each application would be assessed on its individual merits. A scheme (for low cost housing) on the whole of a site would have to be of sufficient benefit to outweigh the fact that affordable housing in line with policy would not fully be provided (ie the required % and split between social rented and submarket accommodation).

### **PPS3 Housing November 2006**

Paragraph 29 of PPS3 states that *"as the new definition of affordable housing excludes low cost market housing, in deciding proportions of affordable housing to be sought in different circumstances, Local Planning Authorities should take account of the need to deliver low cost market housing as part of the overall housing mix."* Para 49 of PPS3 also says *"Successful intensification need not mean high rise development or low quality accommodation with inappropriate space."*

### **Evidence base**

#### **Strategic Housing Market Assessment (SHMA)**

This was carried out for the Council in 2006/7 in order to provide for the Local Authority a better understanding of the housing markets in Leeds, the key drivers of housing demand and supply and the level of affordable housing required across the area. The assessment provides robust evidence to inform the development of housing and planning policies.

Although 'low cost market housing' is not specifically referred to, the Executive Summary concludes (para 10.12); *"The challenge...in Leeds is to offer a range of housing options across the affordability spectrum"*.

### **‘Making the Housing Ladder Work. A Plan for delivering Affordable Housing in Leeds 2207-2015’ Leeds City Council**

This document states that “The new starter homes from private developers such as ‘Debut’ by Redrow Homes or ‘Boklok’ by Ikea/Paramount Homes could add a key ‘rung’ to the concept of the ‘housing ladder’. The cost/benefit and attractiveness of these ‘models’ need to be evaluated.”

#### **The following need to be considered:**

- We need to include a policy on low cost market housing to accord with government guidance .
- There are a number of models of low cost market housing now, as mentioned (Redrow’s Debut etc). Different models have slightly different approaches and methods of operation. It is however important that all low cost housing models are assessed against objective criteria to ensure a consistent and transparent approach.
- Developers may suggest their dwellings are low cost market housing, but how should it be defined? Size/form/price?

#### **Questions**

- How should Leeds City Council define low cost market housing? What characteristics are relevant?
- Should all applications for residential development have to provide for low cost market housing as well as affordable housing?  
If so, at what level?
- Is it better to have a policy on mix/sizes of units, which ensures that any development includes some smaller units, which by virtue of their size will be cheaper, rather than a policy on ‘low cost market housing’?
- If we introduce a policy on low cost market housing, should this form part of the affordable housing SPD, or be better placed within the Core Strategy (the overall planning policy framework for Leeds)?
- Are there any instances whereby we should accept applications solely for low cost market housing on a site, and waive the requirement for affordable housing?
- PPS3 stresses that intensification need not mean a lack of space or quality in developments. Do you think this is possible in delivering low cost market housing?

### **Topic: Needs of Specific Groups including the Elderly, Students and Black and Minority Ethnic Groups**

#### **Introduction; Current Policy**

Existing UDP policies refer to provision of all housing (i.e. within the housing market as a whole) for specific groups, (as opposed to a specific policy for affordable housing for specific groups.)

Policy H9 of the UDP states:

*“The City Council will seek to ensure that a balanced provision in terms of size and type of dwellings is made in housing developments (including conversions), in relation to the range of the District’s*

*housing needs of the following, making provision where needs arise, or where appropriate opportunities exist:*

*Ethnic minorities;  
Elderly people;  
People with disabilities;  
Households on low incomes;  
Students.”*

Policy H10 of the UDP states:

*“Proposals for housing development will need to consider the suitability of the site to accommodate development specifically for elderly and for disabled people, in accordance with policy H9.....*

*Where appropriate the Council will seek to ensure that the layout of housing development takes account of the topographical nature of sites to maximise the potential for provision of housing to mobility standards.”*

### **Use Classes**

The Use Classes Order sets out classes of different land uses – **Class C3** is dwelling houses; use as a dwelling house (whether or not as a sole or a main residence);

a) by a single person or people living together as a family, or; b) by not more than 6 residents living together as a single household (including a household where care is provided for residents).

**Class C2** is residential institutions – hospital, nursing home, residential school, college or training centre where they provide residential accommodation and care to people in need of care (other than those within Class C3 Dwelling Houses).

Our approach is that the affordable housing policy set out in the Supplementary Planning Guidance applies equally to any application falling within **Class C3** residential use class. In other words, an application for elderly residents accommodation would not be exempt from affordable housing policy just because it is housing for the elderly, providing the housing falls within Class C3 as detailed above. However, where an application is classed as C2, a residential institution, then the affordable housing policy would not apply.

The situation with students has been a bit different – Leeds City Council (LCC) have been very lenient in dealing with applications for purpose built student accommodation, in that, because LCC wanted to encourage it, to relieve pressure for student housing in areas such as Headingley, LCC have not required affordable housing as part of applications – this was the practice applied, not policy. However, consideration is currently being given to the policy for affordable housing applying equally to developments of purpose built student accommodation.

To summarise, the current affordable housing policy applies to any specific group, so long as the application falls within the C3 Use Class . This approach ensures a fair approach to all sectors/people.

### **PPS3 Housing November 2006**

Paragraph 20 of PPS3 states that *“Key characteristics of a mixed community area are a variety of housing, particularly in terms of tenure and price and a mix of different households such as families with children, single person households and older people.”* And that *“Local Planning Authorities should plan for a mix of housing*

on the basis of the different types of households that are likely to require housing over the plan period” having regard to current and future demographic trends etc. (para 21). NB. This is referring to the **mix** of housing, as well as the provision of affordable housing, so for example housing requirements for the elderly need to be considered as part of the overall housing mix.

### **Evidence base**

#### **Strategic Housing Market Assessment (SHMA)**

This was carried out for the Council in 2006/7 in order to provide for the Local Authority a better understanding of the housing markets in Leeds, the key drivers of housing demand and supply and the level of affordable housing required across the area. The assessment provides robust evidence to inform the development of housing and planning policies. Volume 2 of the SHMA looks at Older Persons Housing Needs and Housing Needs of Black and Minority Ethnic Communities.

As regards Older Persons Housing Needs, older people are defined as anyone over the age of 55, but as the report states “*The housing need of a person aged 85 and those of a person aged 60 are likely to be very different. The demand for health and social care services is likely to increase as a person ages.*” (para 2.1.5 Vol 2). We have an ageing population, so there will be a need to maintain a diversity in housing and care options, and services to help people remain in their own homes as long as possible, including private housing and affordable housing for the elderly. The analysis suggests a shortage of one, two and three bedroom bungalows and two bedroom houses and flats in both the public and private sectors.

As regards the needs of Black and Minority Ethnic Groups, Volume 2 of the report classes all those who do not describe their ethnic origin as White British as falling within this definition. The categories used in the report to describe ethnicity are the standard Census classification, so information is lacking on Kashmiri, Polish and Kurdish communities. In Leeds, the two largest BME communities are Pakistanis (2.11%) and Indians (1.72%). Black Caribbean make up 0.94%, Black African 0.34% and Bangladeshis 0.33%. The Chinese community is 0.48%, larger than national and regional averages, and the Irish community is 1.2%. (para 3.4.4, Vol 2). The conclusions and recommendations are that BME populations have traditionally settled in well defined areas of the city, especially inner areas. Different household sizes and diverse areas of choice mean that different BME groups look for different types and sizes of properties

### **The RSS**

Within ‘the Yorkshire and Humber Plan, The Draft Revised Regional Spatial Strategy incorporating the Secretary of State’s Proposed Changes for Public Consultation 2007’, policy H4 is on Housing Mix. This states that; “Plans, strategies, investment decisions and programmes should ensure the provision for a mix of housing that reflects the needs of the area, including for family homes, to create sustainable communities....” It offers no further detail on the housing needs of specific groups.

### **The following need to be considered:**

- Affordable housing policy should apply equally to any specific group, so long as the application falls within the C3 Use Class. This approach ensures a fair approach to all sectors/people.

- Housing requirements for specific groups need to be considered as part of the overall housing policy.

### Questions

- Do you agree that affordable housing planning policy should apply equally to all different groups where they fall within Class C3 of the Use Classes Order?
- If not, please state why
- Should the policy of presuming on site provision of affordable housing still apply where the housing provision is for specific groups such as the elderly or students?

### **Topic: Housing Mix**

#### **Introduction; Current Policy**

By 'Housing Mix' here we are referring to the mix of sizes of the affordable units within a residential scheme. A discussion on the overall housing mix is the subject of a separate consultation exercise.

The policy in the SPG and SPG Annex is that "the mix and sizes of the affordable dwellings should normally reflect the mix pro-rata of all the dwellings proposed. " In other words, if a residential scheme is proposing a mix of 3 and 4 bed roomed accommodation only, the affordable provision should be a pro-rata mix of 3 and 4 bed roomed accommodation also. This is to ensure that the affordable units are not always the smallest ones, but reflect a mix of housing that is available on the open market.

However, 'crash pads' are not normally acceptable as affordable housing. Crash pads are very small units, like bedsits – usually all accommodation in one room, except for the bathroom. We have found that most housing associations do not want to take on crash pads, but would prefer 1 or 2 bed roomed flats. In these circumstances we ask for the equivalent floor space to be affordable, but rather than crash pads, that this be 1 or 2 bed roomed units.

#### **PPS3 Housing November 2006**

Paragraph 20 of PPS3 states that "Key characteristics of a mixed community area are a variety of housing, particularly in terms of tenure and price and a mix of different households such as families with children, single person households and older people." And that "Local Planning Authorities should plan for a mix of housing on the basis of the different types of households that are likely to require housing over the plan period" having regard to current and future demographic trends etc. (para 21)

NB. This is referring to the general **mix** of housing, as well as the provision of affordable housing.

#### **Evidence base**

##### **Strategic Housing Market Assessment (SHMA)**

This was carried out for the Council in 2006/7 in order to provide for the Local Authority a better understanding of the housing markets in Leeds, the key drivers of housing demand and supply and the level of affordable housing required across the

area. The assessment provides robust evidence to inform the development of housing and planning policies.

The Executive Summary recommendations are that “two and three bedroom properties may form the basis for new affordable housing provision”. (Para 10.11) and this also represents the housing market in general across Leeds.

### **The RSS**

Within ‘the Yorkshire and Humber Plan, The Draft Revised Regional Spatial Strategy incorporating the Secretary of State’s Proposed Changes for Public Consultation 2007’, policy H4 is on Housing Mix. This states that; “Plans, strategies, investment decisions and programmes should ensure the provision for a mix of housing that reflects the needs of the area, including for family homes, to create sustainable communities....”

### **The following need to be considered:**

- A policy on housing mix for the housing market in general i.e. open market and affordable units is being separately considered by Leeds City Council and could be introduced separately to the affordable housing SPD.
- The Affordable Housing SPD will need to take account of any general policy on housing mix.
- In the meantime, the current policy in terms of affordable provision is to seek a pro-rata mix of what is being provided on the development as a whole.
- The policy at the moment is to count affordable housing units not floor space (apart from crash pads)

### **Questions**

- Do you think that the current policy of seeking a pro-rata mix of sizes of units should be continued in future policy?
- Instead of numbers of affordable housing units, would it be more equitable to count the affordable housing in terms of floorspace?

### **Topic: Appearance and Location of Affordable Housing**

**Introduction, Current Policy. In the current guidance (SPG) it states that:**

*“The external appearance of affordable dwellings should be designed to harmonise with the private market housing on a site and surrounding townscape. They should also be designed to suit the type of affordable housing required.” (para 5.4 SPG)*

*Social rented housing should be built to Housing Corporation Scheme development standards, or such variation as may be agreed with a partner housing association. (para 5.5 SPG)*

*“Affordable dwellings should be suitably integrated into housing developments” (para 5.6).*

### **PPS3 Housing November 2006, Companion Guide ‘Delivering Affordable Housing’**

The CLG Guide ‘Delivering Affordable Housing’ states that one of the Government’s aims is to provide a wide choice of housing to meet the needs of the whole

community in terms of tenures and price ranges. This should include affordable housing, both social rented and intermediate, and that the affordable housing should provide ***'high quality homes in mixed sustainable communities'***

PPS3 states that Local Authorities should challenge developers to produce high quality housing designs that help integrate affordable and market units in a mixed community.

### **Golden Triangle Recommended Good Practice**

The Golden Triangle Good Practice Manual, ("Making It Work. Affordable Housing Good Practice Manual" Leeds, Harrogate, York) states the following:

*'The location and distribution of affordable homes, particularly on larger developments is crucial. It is generally accepted that segregating affordable housing and private housing is not sustainable, and, as a result many councils seek to have affordable housing 'pepper potted' across a site. Traditionally house builders have been reluctant to agree to a high level of pepper potting, resulting in the affordable housing being concentrated in one or two areas of a site. These are often hidden away, towards the rear of the site, or in a less desirable location. More recently local authorities have taken a firmer stance in terms of negotiating a greater level of pepper potting creating a higher degree of social inclusion in accordance with the Governments aims.*

*Notwithstanding the above, on flatted developments there are benefits from affordable homes being located in one block, provided this allows the HA to acquire the freehold, thereby controlling service and management charges to future tenants. These considerations need to be weighed against the impact on the overall level of pepper potting, and the objective of social inclusion'.*

### **Questions**

- Do you agree with our current approach that the affordable housing should be of no different appearance to the open market housing?
- Do you think that a policy which clearly states that 'pepper potting' of a development is essential in order to ensure that the objectives of PPS3 mixed sustainable communities can be achieved?
- How can the issue of high service and management charges in flatted developments be avoided?

APPENDIX 4: AFFORDABLE HOUSING SPD – COMMENTS MADE AT, OR RECEIVED FOLLOWING WORKSHOP SESSIONS.

**Affordable Housing Policy – Proposed Affordable Housing Supplementary Planning Document (SPD)**

**Main points raised at Workshop 1 – 30th January 2008**

**Topic: Percentage requirement of affordable housing and tenure split**

**Q. Should there be a different percentage of affordable housing depending on the location within Leeds e.g. City Centre or greenfield site? If so, why?**

**Responses in support of having different housing market zones, each with different affordable housing requirements:**

- Recognise that need in areas varies – greenfield/brownfield sites are not the issue. Should be defined by zone, otherwise it is tapping into the developer's profit margin and effectively introducing a greenfield levy.
- There may be an argument for a finer grain within the zones – there are varying degrees of need within each zone.
- The city centre should be dealt with separately. There are higher abnormal costs, little land and the infrastructure contribution is more significant.
- Housing markets within Leeds are diverse; one size does not fit all, therefore the housing market zones should be retained.
- Areas such as East Leeds, especially the EASEL area needs tenure diversification and more sub market accommodation rather than social rented. If Leeds had only one housing market zone it may not address the need for tenure diversification within the EASEL area.
- The principle of Housing Market Zones should be retained but the boundaries of the housing zones should be revisited.
- Housing Market Zones need to be varied according to where employment centres/ areas are. It is important to ensure that they link to the transport infrastructure.
- Housing Needs may need to be looked at a much local level. If the developer felt there was a different need than specified in policy it would be their responsibility to carry out a local needs assessment.
- Zones – greater transparency needed, and perhaps more zones, but gives a starting point for discussion. The SHMA looked at many small zones and pieced them together and this is closer to the reality of affordable housing need.

**Responses against having different housing market zones with different affordable housing requirements:**

- A single target across the City would be easier to manage
- It would need to be a low percentage to be defensible, because there are large areas with plenty of rented housing and other areas where the multipliers rule out property purchase for many. It wouldn't achieve sufficient affordable homes.
- If have different zones, developers will move into a housing market zone with lower affordable requirements and saturate the market.
- If a housing zone has a high affordable housing requirement then there is a danger that developers will look at developing it for non residential purposes.
- Having one market zone across the board makes things much clearer.

- Rather than have housing market zones perhaps a sliding scale could be introduced, which can be varied according to the needs for that area e.g. affordable housing verses infrastructure.
- It is much easier to develop in Bradford than Leeds - their Planning Policy generally is clearer – one requirement across the authority
- Conflicts occur with boundaries – difficult to define where the boundary should go and to be able to justify a site on one side of a boundary line requiring a higher % of affordable housing, then a site on the other side of a boundary.

**General points on having housing market zones:**

- Key issue is delivery and viability
- What is different in each area? – what is the evidence saying?

**Q. Should 40% be applied across the Board, justified by high numbers in the Strategic Housing Market Assessment, or just in the Outer areas? Should 30% be applied to Inner Areas only? Should 15% be applied in the City Centre?**

- 40% would come from the Developers' margin or land values. Landowners – need to sell the issue of affordable housing to landowners as they are not willing to reduce the cost of the land – the land cost needs to take some of the hit as well.
- Likely to kill the market.
- Affordable housing needs to be considered in the context of the Community Infrastructure Levy, otherwise it will be seen as an additional cost on development and more open to question by developers. If there are insufficient profits, development will stall and ultimately there will be fewer affordable homes - Suggestion that a single tariff could be imposed by LCC to cover all S106 contributions – LCC could then decide how best to divide the resources on a site by site basis. Varied percentages in different areas aren't really getting to the crux of the discussion that needs to be had around all the 106 requirements.
- What's happening in other areas eg York and Harrogate? Felt to be a lack of new build in those areas to assess against.
- There is a need for flexibility – Harrogate start with a 40% requirement, but probably get nearer 25%.
- Monitoring mechanism needed – the housing market is constantly changing and we need to respond to changes in the market. However this would have the effect of reducing certainty for developers re: requirements.
- Needs to be an element of flexibility – different era in the housing market.
- Setting one level may be difficult
- Whatever the level is it has to meet with Planning policies and urban regeneration policies.
- Must have a strategic fit
- Lower requirement should apply to city centre - key issue is viability – above 15% unlikely to be viable.

**Q. Can a 30/70 split in terms of social rent and submarket housing be justified across the current housing market zones?**

- Query the justification for this percentage split.
- Yes, in some areas, but not others – very distinct property make-up across the various areas of the City.

- Developers prefer the certainty of what they need to provide. The split should be determined in policy terms and a benchmark price agreed.
- This should have been made clear from the conclusions drawn from the Strategic Housing Needs Assessment carried out for Leeds. It is important that the new policy makes this requirement very clear or there is a danger that there will ongoing arguments with developers over every scheme submitted for planning permission.
- Happy with this suggestion unless there is evidence to suggest otherwise.
- Possibly could be higher – what is the evidence is showing us ( Strategic housing Market Assessment) that should be key.
- Needs to be put into context with other impacts on housing stock such as EASEL and regeneration projects.
- Need to consider cost on land value of social rent units
- Is submarket housing always affordable? (mortgage and rent for shared ownership schemes)
- Do we need to broaden the definition of submarket housing?
- General agreement that 30% social rent was about right and justified
- 30/70 split – achievable
- Above 30/70 split becomes unviable
- Below 30/70 split not going to meet need

**Q. Is it preferable to have a different social rented requirement percentage split depending on the housing market zone?**

- A more fine grained approach is needed. Developers should seek guidance on the appropriate % based on RSL requirements and should provide a supporting statement with applications, showing need on a scheme by scheme basis, enabling greater flexibility.
- Do we want flexibility or to average it out based on evidence or need.
- What is the evidence to back this up?

**Other points made:**

- If houses become too unaffordable a natural check will operate within the market.
- Affordable housing is not the only cost on developments, which also need to provide funding for public transport, greenspace, education, green travel plans, public realm contributions etc. etc. This can effect the viability of developments. A single target for all planning gain would be appropriate. The City Council could then have flexibility in determining how the tariff is used. In some areas affordable housing may be the priority, in others public transport or greenspace.
- If affordable housing is the key priority it should come above all the other considerations such as transport, education contributions etc
- Eco homes standards – has an effect on costs and consequently affordability. The use of sustainable building techniques isn't given enough credence by LCC.
- Building costs are set to increase with new building regulations coming in to effect, which require increased thermal efficiency to achieve carbon natural accommodation. This means that build costs are set to increase putting further pressure on the developer to make a profit. Could these fuel savings be added to the value of the affordable property? e.g. a resident of an affordable dwelling would be able to pay more because of the fuel savings they are making.

- Land owners will sit on the land if they aren't going to get the price they think it's worth, and house building will reduce as a result.
- Land values are just not moving. Land owners are often made up of pension trusts etc. They are happy to hold on to the land until they get the value for the land they are looking for. They can afford to hold on until they get what they want. Developers cannot get the land values down, so are looking at ways to reduce build costs and sales incentives e.g. free white goods, paying for stamp duty or paying 5% deposit.
- If the affordable housing contribution is too onerous developers will either develop elsewhere or build nursing homes etc. which do not have a planning designation C3 use eg. serviced apartments.
- Land banking is a real issue especially with the housing market going the way it is. Could develop 15 dwellings at a time and land bank the rest and incrementally develop a site. LCC response - we do have safe guards in the current SPG to stop this from happening.
- There needs to be a specified degree of tolerance/flexibility when it comes to affordable housing negotiations. Contrary view was that a more flexible policy is more open to challenge by developers. Challenges to planning policy should be the exception not the norm and should be discouraged.
- Generally developers were open to high affordable housing percentages if Housing Corporation funding could be used to help achieve this. However, more clarity would be required as to how this would work. This needs to be included in any revised policy.
- Need to look at the housing market as a whole – need to be realistic.
- Issue regarding land supply, more Greenfield sites need to be released
- City Centre - difficult for meeting family need.

### **Topic: Affordability Benchmarks**

#### **Q. Do you agree that benchmark (price per square metre) prices should be used to determine the affordable values?**

- Where % discounts off open market value are used in other areas, these are not working very well.
- Benchmark prices work without grant.
- For Housing Associations with charitable status, works better for them – 5% on costs not enough otherwise and in some instances rented accommodation is subsidising the submarket accommodation.
- Housing Associations can cross subsidise with any profit, but it shouldn't be used for increasing the amount paid for affordable units.
- Additional requirements of level three Code for Sustainable Homes – developer will need an extra £3 - 5k to meet those targets which will result in lower running costs for the occupant. This should be passed back to the developer and reflected in the open market price.
- Is it possible to have a moveable target/benchmark while the requirements (Code for Sustainable Homes) are changing? Housing Associations felt this would not assist because they are not able to increase rents. Nor is it worth going to the Housing Corporation to claim a small degree of additionality to increase specifications to level 3.
- Some local authorities write the eco standard (Code for Sustainable Homes) requirements into the S106.

- Preference from the Housing Associations for units rather than higher standards.
- Housing Corporation funding can complicate the situation.
- Would like greater flexibility for negotiations between submarket and social rented affordable housing– target rents is the criteria, but not in the interests of LCC or the Housing Corporation.
- Benchmarks good as a guidance- lasts a period of time, is a moving document(updated yearly).
- Having benchmark prices stops competition between RSLs (housing associations).
- Defines a price per m2 – gives a definite value to use for costing out a scheme. Advantage for developers is knowing what the cost will be from the outset.
- Calculation is ultimately to find out the subsidy.
- Other examples in other Local Authorities is where the subsidy is worked out then officers discuss what that subsidy amount can provide in terms of tenure split to met need, but this does not guarantee a number of units.
- For housing associations it is a better guide as it gives a price per m2 rather than per a unit type.

**Q. Do you agree with the methodology for calculating the submarket benchmark price, using lower quartile earnings for Leeds? If not do you have any other suggestions?**

- Generally, yes, but on larger housing, with the increased price payable, this is not always practical. Pro rata mix can't be achieved because the housing would be ludicrously cheap. Problems also with apartments where the sale price is very close to the rented price and it becomes difficult to let rented properties. OK for social rent but not for sub-market.
- Methodology accepted, as long as the properties are made available to people on lower quartile earnings. The methodology requires monitoring.
- Should lower quartile earnings only be used? – does it relate to the income of the people for that need? What about medium quartile earnings? Does the benchmark price possibility exclude certain groups of people? For example those individuals earning more than lower quartile but still not able to get on housing ladder
- Mortgage multiplier is 2.5 but should it be higher?
- Fixed price ensures the units are affordable.
- Does the benchmark price reflect current/predicted Housing Market?

**Q. Do you agree with the methodology for calculating the social rent benchmark price? If not do you have any other suggestions?**

- The methodology is controlled by the Housing Corporation, so its not feasible to do otherwise, but problems with calculation in that the yield is based on a 30 year cash flow and the target rents are based on income and values in January 1999, not on build costs. Rents rise much more slowly than build costs.
- If lower than the target rent, the Housing Association takes the hit.
- If price paid for the unit by the RSL (housing association) is a fair reflection of what the unit is then rented at, then it is a fair way.

**Topic: On site provision and provision of commuted sums**

**Q. Is there agreement to the methodology for the calculation of the commuted sum figure? Any suggestions?**

- Suggestion – use the difference between the build cost (rather than the open market value) and the affordable cost.
- Methodology agreed, as long as LCC accept the developers definition of the open market valuation.
- Comes down to what is the subsidy regardless of how it is calculated, and then how this subsidy is passed on .

**Q. Is there agreement to exceptional cases where off site provision or a commuted sum may be acceptable?**

- Yes, provides flexibility for schemes, subject to clear criteria.
- It shouldn't be a decision for developers to opt for a commuted sum rather than on-site provision.
- It may be possible to get better (more suitable) properties – could also be used for refurbishment schemes. Need to consider best use of existing stock not just new stock.
- The policy aids mixed communities.
- Family accommodation is needed – not practical on some sites e.g. crash pads.
- The expectation is for on-site provision because off site provision generally supplies fewer units.
- Would it be possible to develop a policy which gives flexibility?
- A clear strategy for spending commuted sums is needed – to include their use for refurbishment projects. Need to avoid getting a commuted sum and spending it several years later when it won't buy as much.
- SPD should recognise the variety of the housing market in Leeds – seek diversity rather than one-size-fits-all solutions.
- Existing SPG3 allows exceptionally for developers to provide affordable housing off-site – this should be retained in the SPD.
- Student Housing is an example of an exception – only likely to be 2/3 landowners. Family housing is currently being used for students - need to free these up by having more purpose built student accommodation – need off site provision to encourage this.
- Developers could provide the affordable units from surplus stock off-site – where the developer makes available from their lettings portfolio an equivalent number of units to those they would otherwise provide on-site.
- Possible to consider provision off site or commuted sums which assists more in providing a mixed communities in other areas were it is more needed.

**Topic: Delivery Arrangements**

**Q. Under what circumstances should non RSL bodies be allowed to own/manage the completed affordable housing units?**

- If other bodies are equally accountable, Housing Associations haven't a problem with it.
- Need to demonstrate that they meet the same standards as housing associations
- Controls needed – but shouldn't be prohibitive.

- Why would non-RSLs want to be involved if they can't make a profit?
- We need to monitor other registered landlords to ensure there are safeguards in management and rent levels.
- Should include Community Land Trusts
- Should be an accredited partner.
- Affordable in perpetuity is the key issue.
- Need an appropriate mechanism in place to make sure any receipt is recycled – who regulates this though?

**Q. How should the affordability of the completed units be regulated?**

- Housing Associations charge target rents, based on local income and value.
- Service charges are a problem, especially in City centre apartments, eco aspects will also add to the management costs.
- In some instances could there be a partnership between a RSL and an individual developer where the RSL assists the developer to sell on the units, and ensure they remain affordable in perpetuity.

**Q. When should grant from the Housing Corporation be included?**

- Should be included on all developments with higher environmental standards e.g. eco homes standards, as it improves the sustainability of the property.
- Housing Associations grants are reducing, but expectation is increasing.
- Government should put more money in and not put all the costs on the private developer.
- Use on brownfield sites where there are more overheads? Housing Associations not in agreement, - by using the grant for other things, the pot of money available for the core business of providing units would be reduced.
- Crucial to get developers and Housing Associations talking to each other early in the development process.
- If a scheme would not be financially viable if the full affordable housing requirement were to be provided- it can be considered as a case for 'additionality' by the Housing Corporation. If grant is used on the scheme the buildings will need to be to Housing Corporation standards.
- Evaluated on a case by case basis.

**Q. What is the best method for ensuring that the end product is truly affordable?**

- Pepper-potting – whole floors of apartment blocks are acceptable if it reduces the service charges.
- Service charges widely accepted as being the main cause for increasing the price of the end product.

**Affordable Housing Policy – Proposed Affordable Housing Supplementary Planning Document (SPD)**

**Main points raised at Workshop 2 – 6<sup>th</sup> February 2008**

**Topic: Thresholds**

**Q. Should the threshold be lower than 15 in some areas? Which areas? Rural areas? High demand areas?**

- Would a lower threshold be sustainable?
- Does the policy in Harrogate work? Yes and no: the lower threshold is stifling development, but on sites which are developed more units are provided.
- Not felt to be equitable to lower the threshold in rural or high demand areas.
- More flexibility is needed.
- Need to consider the impact on small builders if changes to the threshold lead to reduced building – there are viability issues for smaller schemes.
- Not just the responsibility of developers to provide affordable housing.
- It is not feasible to negotiate site by site thresholds at the planning stage as it is too late for developers.
- LCC need to look at distribution of housing sites above and below 15 units without including City Centre which distorts the results.
- If the threshold was lowered the % required on site could also be lowered.
- How do we justify what the threshold is? Need to take into account scheme viability but also ensuring that majority contribute to affordable housing. Need to make changes to the threshold but must be fair and viable. More research needed – worked examples with land costs taken into consideration. Financial viability testing should decide what threshold should be.
- There is an argument to be made for having it lower across Leeds - a lower threshold will help to create more mixed communities and will capture more sites – meet more need.
- As long as the threshold, whatever it is, is capturing the majority of sites, it is fair.
- Needs to be a limit on how low but also needs to be a starting point to meeting need.
- 5+ may be a good threshold.
- Lowering threshold may led to developers building upwards to put more units on a site in order to recuperate the costs of affordable housing on smaller sites.
- Level should be set so that majority have to provide affordable housing as this is fairer. Why should it only be the larger developers contributing to affordable housing? Should be lower and applicable to all - this would meet more need.
- If there is a argument for a different threshold it possibly should vary according to local circumstances – e.g. Inner North West Leeds
- Sites may become more valuable for other uses.
- Same threshold across the city – stop areas having higher land costs.

**Q. Is there a case for having no threshold at all?, ie. any application for residential development would have to contribute towards the provision of affordable housing.**

- Everyone should have to provide some affordable housing contribution – otherwise if some areas are exempt this will have a impact on land prices (some will become sky high).
- If there was no threshold set then there would be no incentive to go below it and all developments would have to contribute, rather than the affordable housing requirement only being met by those providing 15 units or more. However on small sites e.g. 5 units at 40% provision there could be management issues. But if

all sites are required to provide affordable housing there would be a better distribution across the city.

**Q. How do we justify/agree boundaries? Will this lead to disputes when applications are submitted across boundaries/in adjacent areas (as with the Housing Market Zones)?**

- If there is going to be a lower threshold across the City there would not be a requirement for boundaries.
- Boundaries can be unfair if one side of a street has one requirement but not the other, can be very difficult to justify.

**Q. Is it fairer/more equitable to introduce a policy that says on small sites, e.g. 5-10 dwellings, half the required % of affordable housing will be sought, and that this should apply across the district?**

- Seems complicated. There is a need for clarity; can be difficult to justify when there are large variations in the requirement between areas.
- Would it be possible to have off site provision of some of the affordable properties required?
- Need to remove the possibility of challenge.
- Land costs or the developer's margin will take the hit.
- Tapered scale required – would mean some provision rather than none across all sites.
- Smaller sites do not have to contribute as much to other factors such as public open space so why should they also not have to contribute to affordable housing?
- There are more small sites than there are larger sites.
- Need worked examples taking into account land costs.
- Impact of reducing land values (but across Leeds so as not to lead to areas with higher land values).

**Other points:**

- Delivering 40% affordable housing on sites is an issue of viability. Developers will need to submit viability appraisals regarding what % is deliverable. If a 40% provision requirement is imposed it could prevent sites coming forward for development.
- Should we ask for commuted sums from office developments towards affordable housing as office developments also impact on land value?
- Reservations expressed regarding opening up of books for scrutiny through viability assessments.

**Topic: Rural Exception Policy**

**Q. Do you think the existing rural exception policy (in the UDP) should remain applicable ?**

- Want to avoid 'cherry picking' of sites – could put affordable housing in the wrong areas – links with public transport also important in terms of affordability of the overall package.

- Is there enough space on brownfield sites? If not then need to change policy as rural exceptions policy too strict in terms of planning conditions at the moment.
- Rural exception policy may work for a small village – does not really fit in with Leeds.
- Current policy is restricting affordable housing delivery.
- Need to be careful not to create zones of housing - there needs to be a mix of housing otherwise will lead to social problems.
- If land is identified in advance as a potential rural exception site, there could be issues with land values.
- Craven's experience is that land owners will sit on the land if they cannot get the money for it they expect.
- LCC owned sites could be allocated in rural areas.
- If potential sites are in the greenbelt there is always the potential for development to be refused on that basis.
- Agricultural land could be purchased by LCC for development as affordable housing.
- Policy needs to be robust.
- No – national policy eg greenbelt overrides the local policy.
- Why isn't the existing policy working?
- NIMBY attitude can affect the potential for development.
- No need to get rid of the policy as what harm does it currently have?
- If affordable housing is provided in rural areas take a cascade approach whereby local people have the first opportunity for affordable housing.

**Q. Is there a need for a policy dealing solely with rural exception sites in Leeds?**

- If we change policy could impact on land values.
- As only Wetherby and Otley and Wharfedale have the official rural definition it is not really relevant for the rest of Leeds - works for small villages, not fit with Leeds.
- Yes, but for specific sites.
- Monitoring would be crucial.
- Not applicable if lowering the thresholds as a lower threshold will capture smaller sites.
- Do not want to create zones of housing on certain areas as this will create social problems in the future.

**Q. Should sites be defined and allocated in the LDF? (on what basis?)**

- Would be helpful for sites to be identified in advance. However, it should still allow other areas to be identified by the developer.
- Strategic Housing Market Assessment: results highlighted that there was less affordable housing requirements in Otley and Wharfedale - why is this? – is it that older people are stuck in their homes in some rural areas – supported housing for older people important.
- Affordable housing is not a land use therefore we cannot legally allocate sites specifically for this use – North York Moors have.
- Concern that sites will be left undeveloped as there is no incentive to sell. Owners will hang on to sites and let the next generation deal with them.

- Long term strategy needed.
- Don't allocate sites specifically for affordable housing. Need objective evidence if allocations are to occur.

**Q: Is lowering the threshold, so all smaller sites have to contribute to provision of affordable housing preferable?**

- Yes
- Research needed to define what this threshold should be - financial testing of viability is required to agree thresholds.
- Need to provide a breakdown of the numbers of developments indicated on the map.

**Topic: Low Cost Market Housing (LCMH)**

**Q. How should Low Cost Market Housing be defined? What characteristics are relevant?**

- First time buyers need to get on the housing ladder.
- The properties are very small.
- An issue for the Core strategy – not SPD.
- Should be left to market forces – not an issue for Planning.
- Low cost market housing may have a place in meeting need – shouldn't include affordable housing requirements.
- May provide housing for those who would otherwise move out of the area. The developer should carry out a market assessment to determine whether low cost market housing is required.
- If the developer cannot provide 40% affordable housing on a site, there could be room to negotiate to provide a % of AH and % of low cost market housing to ensure that the scheme is deliverable.
- There are locational factors to consider – varying house prices depending on location, and site and build costs.
- Should not have a LCMH policy though could refer to it in text stating that we would consider it as a negotiating tool in terms of ensuring the viability of schemes - LCMH could be seen as an aid to delivery where a site cannot deliver the required amount of affordable housing.
- There is a lack of definition of what LCMH is.
- Re'new are conducting research into rent levels for RSL(housing association), private and local authority rent levels – out March 2008 to provide guidance on key worker type accommodation.
- Need to clarify terminology of low cost market housing– (affordable housing but not in terms of affordable housing policy) - need to be clear what we are referring to when we say a property is a low cost market house.
- Low cost market housing needs to be included but not so that rented accommodation is lost.
- House price inflation is a big issue, especially in high value areas.
- Need to also promote the rented sector – impact on broader house prices.
- Need Low Cost Market Housing to ensure people can move up the housing ladder.
- Planning conditions – design of housing a big issue

- Do not want to create another class of houses (smaller, lower quality) – this would create more social issues in the future.

**Q. Should all applications for residential development have to provide for low cost market housing as well as affordable housing? At what level?**

- Keep the units affordable otherwise they are counter-productive – no control over re-sale.
- The counter argument is that by keeping the units affordable it reduces the buyers' likelihood of moving up the housing ladder.
- Issues of overcrowding versus the choices people make – social considerations ie. how income is spent; number of children etc.
- Once people have a roof over their head the rest is down to market forces: re. movement across the housing market, housing needs and mix of units.
- Need to think of the practicalities of doing this – need to be integrated into design of the low cost market housing and the other open market housing on site.
- Any policy would need to be clear and consistent.
- Viability issue with affordable housing needs to be a consideration.
- Low cost market housing is part of a solution regarding affordable housing.
- Low cost market housing developers should still have to contribute to affordable housing as do others developers. Do not want to create a market where developers are building smaller properties to be seen as low cost market housing as they do not have to provide affordable housing- creating another class of houses.
- Low cost market housing needs to be integrated – pepper potted.
- Are low cost market houses selling? If not is it a commercial risk and affordable housing should not take the hit.

**Q. Is it better to have a policy on mix/sizes of units, which ensures that any development includes some smaller units, which by virtue of their size will be cheaper, rather than a policy on 'low cost market housing'?**

- Low cost market housing need to be integrated – pepper potted.
- Needs to be part of the Mixed Communities agenda – a bigger issue in a wider policy – could be in housing mix policy?

**Q. Should this policy be part of this SPD or included in the Core Strategy (the overall planning framework for Leeds)?**

- Whatever makes it happen.
- Should be in with policies on housing mix.

**Q. Should we accept applications solely for low cost market housing and waiver affordable housing requirements?**

- Discussed above – majority felt that low cost market housing developers should still contribute to the affordable housing issue if not by providing properties by giving commuted sums.
- Need to clarify terminology, re what is low cost market housing?

- Needs to be part of the package– part of the mix of affordable housing – do not want to create another class of housing (smaller, lower quality housing) just because they are seen as low cost market housing as will lead to social problems in the future.
- Low cost market housing developers should also contribute to affordable housing - Need to think of viability but also being fair (giving their contribution to affordable housing issue).

**Topic: Needs of Specific Groups including the elderly, students and black and minority ethnic groups**

**Q. Should affordable housing policy apply equally to any specific group so long as the application falls within Class C3 of the Use Classes Order?**

- Different groups have different lifestyles which may require different accommodation.
- More intervention means greater complication.
- Smaller sites are better for specialist markets.
- Should have a lower percentage requirement for specific groups.
- Are bungalows sustainable?
- The need for student and elderly housing is increasing.
- No - an example: student accommodation – purpose where built by the University is not for profit making – but affordable housing could be required where student accommodation is built by private developers for a profit.
- Purpose built student accommodation moves students out of family accommodation.
- If University have to pay towards affordable housing this cost would then be passed onto the students and rents would need to be higher to recover the costs.
- Current affordable housing policy does not take into account student accommodation being a seasonal business.
- Specific groups are not a minority – help growing social cohesion.
- Do not think there should be any exemption for elderly accommodation if use class C3 – do not want to see blocks of elderly housing, should be integrated.
- If the development is for profit it should be treated as other developments and ask for an affordable housing requirement in line with policy.
- The specialised market is growing and should not be viewed as static.
- Need to look at characteristics of the location–should not be a ‘one size fits all’ model - need to have flexibility
- Students live in ‘accommodation’ not housing therefore shouldn’t ask for affordable housing contribution.
- Should encourage purpose built student housing.
- Issue of service charges for elderly persons affordable housing provision.

**Q. Should the policy of presuming on site provision of affordable housing still apply where the housing provision is for specific groups (eg elderly, students)?**

- No.
- Scope for use of commuted sums or off site provision.
- Elderly and student requirements may differ.

- Possible that schemes for the elderly could take the percentage of affordable housing.
- Commuted sums and the use of separate blocks – not a simple discussion.
- Off site provision? Are sites available?
- Robust Housing Needs Survey required.
- Should policy be for on-site provision? Not always felt to be appropriate.
- Commuted sums don't provide enough finance to buy another unit.
- Possibility of taking old properties back into use?
- Number of units on the site can be an issue.
- Need to be careful not to deter elderly housing developments.
- Easier to keep a mix for elderly accommodation on site than for student accommodation.
- If the development is for profit- should have to contribute affordable housing.
- Characteristics of area needs to be considered – e.g. near to university, local connections - depends on nature of site, location and build, need to be flexible.

### **Topic: Housing Mix**

#### **Q. Should the current policy of seeking a pro-rata mix of sizes of units be continued in future policy?**

- Affordable flats don't meet the identified need for family accommodation.
- A single pot of provision could be divided into requirements for each specific area.
- Pre-planning negotiation would ensure the right properties are built.
- Could be seen to be a number exercise rather than looking at what's needed.
- It is a good starting point – but also need flexibility to meet housing need. In some instances developers may find it difficult to demonstrate the need. The local authority should hold the information.
- Pros and cons to current policy – should be to meet need, not in all cases is it appropriate to have a pro-rata mix of all units on the scheme.
- The market should dictate the pro-rata mix - the developer will only build if there is a demand.
- Relating to need – issue with 4 bed houses, not always demand/affordability – should we take more 2 and 3 bed houses instead of so many 4 beds to meet need as identified in Strategic Housing Market Assessment? However, need to not exclude those who do need larger houses (4 bed) particularly for social rent. Policy for housing mix needs to reflect housing need in that area.
- Pro rata – not right for city centre – not many family houses in city - do not necessarily want more flats.
- Not just about numbers but also about meeting need.
- Use of floor areas not pro rata would give greater flexibility for the housing association in terms of what their requirements are for the area.

#### **Q. Instead of numbers of affordable housing units, would it be more equitable to count the affordable housing in terms of floorspace?**

- Should start with a pro-rata mix if that is not appropriate then look at floor space calculations.
- Key issue is that it is not just about meeting numbers but also about meeting housing need.
- What about using bed spaces to calculate affordable housing?

**Topic: Appearance and Location of Affordable Housing**

**Q. Do you agree with the current approach that the affordable housing should be of no different appearance to the open market housing?**

- Yes – should not be able to tell the difference between the two.
- Should Scheme Design Standards (SDS) be enforced? Can mark properties out as different.
- Environmental and SDS requirements increase the cost.
- Some local authorities insist on meeting the standards.
- Should be about driving standards up not down – not just appearance but also sizes of the affordable units should be reflective of the open market units.
- Viability of building to a certain standard – need to be built to the same street scene– but also the interior need to be of a certain standard in order to be able to sell the units – adds to cost/viability of the scheme.
- Planning regulations (Zero Carbon policies etc) are an issue regarding viability of schemes.

**Q. Do you think a ‘pepper potting’ policy is essential to achieve mixed sustainable communities?**

- Not necessary in flatted developments.
- Decision should be on a site by site basis.
- Social engineering.
- Why should affordable housing be located in the worst area of the site? – Needs to be integrated/pepperpotted.
- It has to happen to meet social cohesion / mixed communities.
- Need to look at the communities /location when considering how best to pepper pot.
- Management issues – need to have a strong case not to pepper pot – management/service charges shouldn’t automatically be used as a excuse not to pepper pot.
- Not convinced that it’s necessary.
- Instead of pepperpotting could have clusters of 5-8 houses together but show flexibility in guidance as it depends on the size of the development.

**Q. How can high service/management charges in flatted developments be avoided?**

- Difficult as do not know service charges from outset.
- No pepper potting on flatted developments – so RSL(housing association) can set up its own service charges.
- Is an issue for affordable housing.
- Difficulties in selling shared ownership properties due to service charges.

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**Percentage requirement of affordable housing and tenure split**

***Should there be a different percentage of affordable housing depending on the location within Leeds, if so why?***

The current percentage is too low. We are not delivering housing provision for a large number of people, particularly low income groups. The Government seem to be indicating that we should be asking for a higher percentage and a large number of other Local authorities already require more than the 25% maximum Leeds ask for, (but rarely achieve). The current variable figure needs reviewing as the housing market has changed even over the brief period the present policy has been in place.

It is noted that a number of stakeholders at the workshops highlighted the need for Greenfield sites to be released in order to meet the need for affordable housing. We would strongly support this, as it is clear that the recent trends of city centre and urban high density schemes are failing to provide a broad mix of housing and are not delivering enough affordable housing. Through sustainable Greenfield urban extensions along identified growth areas and public transport routes the council can meet the need for family housing and secure delivery of more affordable units, through an assessment of site viability. This approach will enable the council to direct development in a strategic manner where it is most needed. Setting higher targets for the outer areas may result in a continued focus on high density city centre and urban development, which fails to provide high levels of affordable housing due to other costs and does not meet the identified need for family housing.

***Should 40% be applied across the Board justified by high numbers in the Strategic Housing Market Assessment? or just in the Outer areas?***

It is not accepted that there is robust and credible evidence to set an affordable housing requirement generally at 40% in Leeds. It is considered that the current policy 15-25% varying across the district is the best that can be justified. The requirement that generally reflects the current policy should be retained. However, this should be modified as follows:

15% City Centre

20% Inner Areas and EASEL

25% Elsewhere

We are of the opinion that a different percentage requirement for affordable housing should remain in place depending on the location of the development in Leeds. The requirement for affordable housing provision in the city centre should not be consistent with the rest of the city given that the costs associated with development in a city centre tend to be considerably high as a result of increased abnormal costs and contributions associated with the infrastructure provision. The city centre is not always the most appropriate location to meet recognised housing needs and this should therefore be reflected in the level of affordable housing required. Any proportion of affordable accommodation required, particularly in the city centre, should be subject to economic viability testing using an agreed recognised tool such as the Housing Corporations Economic Assessment Tool, or other suitable alternative.

Two of the key documents which form the evidence base for LDF pre-production work are the emerging RSS and Strategic Housing Market Assessment 2007. The consultation draft RSS for Yorkshire and Humber proposed a range of indicative affordable housing targets based on a definition of high, medium and low levels of need. This document published in December 2004, proposed a target for Leeds (as an area of medium need) of between 30 and 39%. Across the region as a whole a target of 33% was proposed in the draft documentation but this was later deleted in the Secretary of State's proposed changes. Since the publication of this document the RSS has been through an examination in public and the Secretary of State published a schedule of proposed changes to the document in late 2007. Policy H3: The provision of affordable Housing was amended as follows:  
A – The region need to increase its provision of affordable housing. Plans strategies, programmes and investment decisions should inform the provision of affordable housing to address the needs of local communities.

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B – LDFS should set targets for the amount of affordable housing to be provided. Provisional estimates of the proportion of new housing that may need to be affordable are as follows:

- Over 40% in North Yorkshire Districts and the East Riding of Yorkshire.
- 30-40% in Kirklees, Leeds, Wakefield and Sheffield.
- Up to 30% in other parts of south and West Yorkshire, Hull, North Lincolnshire and North East Lincolnshire.

In the explanatory text it is explained that the changes to part B have been introduced ‘to make it clear that the % set out are provisional estimates rather than firm targets.

It is clear that the affordable housing SPD will need to have regard to the provisional estimates which will be confirmed when the RSS is adopted later in Spring 2008. However, the latest version of the plan suggest that LDFs will need to consider appropriate targets in more detail based on local circumstances. Part A of the policy also indicates that Local Planning Authorities should have regard to other plans, strategies and investment decisions when considering an appropriate affordable housing target.

The Strategic Housing Market Assessment for Leeds (2007) identifies an annual shortfall of affordable housing of 1,889 units. However, in setting a target for affordable housing through new development in the LDF the Council should have regard to a range of sources of new affordable supply. This could be through investment in existing stock to reduce vacancy rates, housing Corporation Funding, developing Council land and by RSL’s and other options identified through the Housing Strategy. It should not be automatically assumed that the affordable housing requirement set out in the SHMA can be, or should be, met through S106 contributions alone.

In addition to looking for other possible sources of affordable housing provision, the Council needs to adopt a more strategic approach to the delivery of new housing through its LDF. Recent trends in housing delivery have seen large proportions of completions achieved in the city centre, and a substantial part of the bank of planning permissions is also in the main urban area. The proposed ‘interim’ policy put forward by the council acknowledges that the city centre sites are less capable of delivering higher proportions of affordable housing as a result of infrastructure investment requirement and remediation costs. This suggests that in order to achieve a better supply of affordable housing the council needs to undertake a more strategic approach to delivery, rather than relying on the market to bring forward windfall sites which may not be deliverable or viable for affordable housing provision, or indeed be in the right locations. Through the LDF the Council has the opportunity to identify and allocate strategic housing sites which are capable of delivering both affordable and market housing in locations of high demand.

**Tenure Split**

***Can a 30/70 split in terms of social rent and submarket housing be justified?***

The evidence on which the Council rely does not show a social housing need but an intention to occupy social rented housing. Table 12 of the Strategic Housing Market Assessment is a preference for existing households and new forming households to move within or into social housing. Taking the 30% preference as a basis of tenure split exaggerates the need. It is considered that the availability of social housing stock for re-letting along with the provision within the Local Housing Company schemes will provide these intentions and the policy to be applied through section 106 Agreements should be for 100% intermediate housing.

A 30/70 split in term of social rented and submarket housing can be justified in some of the city’s housing market zones, particularly the city centre. The city centre is often not an appropriate location for social rented accommodation and in addition, given the increased costs associated with developing in a city centre, a split above 30/70 in favour of social rented accommodation could impact negatively on the viability of a scheme.

**Affordability Benchmarks**

***Do you agree that benchmark prices should be used to determine the affordable values?***

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Prices should be determined in relation to incomes. However, social rented prices can only reasonably be related to the rent levels that an RSL can charge and so a calculation base upon the value of the property with a fixed rental income is appropriate. For intermediate dwellings, they are inevitably somewhere between social rented levels and full open market value. In Leeds, the lower quartile income for all employees equates almost exactly to four times the target rent levels. So if it is considered that for social rent purposes an occupier should not pay more than 30% of their income in rent (current policy) then the lower quartile income covers the social rent level. Therefore, the intermediate income level should be above this level. It is considered this should be the median income which in Leeds in 2007 would be £19,250 for a single person and £32,750 for a household. On this basis the mortgage equivalent assuming 2.5 times single income and 2.9 times household income would be £67,000 and £95,000. However a single person cannot be assured to occupy a large house and so the benchmark price in keeping with the current policy would equate to £12,000/sqm for houses.

Concerns about the continued use of affordability benchmarks; their use should be reconsidered during the preparation of the draft SPD. The use of affordability benchmarks is not appropriate and developers and RSLs should be able to agree commercial terms for affordable units. We are not clear on what the driver is behind the use of the price fixers but feel that their use serves to conflict with the council's objective of increasing the supply of affordable housing in the city. We would question how the methodology used to calculate the benchmarks has been achieved and we are not clear where exactly this is set out in policy documents. Taking the social rent per week of £0.80 per sq m and the average dwelling size of 50sq m (city centre flats) this produces a weekly social rent of £40 per week. However, we have calculated the target rent for 50 sq m flat using the Housing Corporation's methodology based on January 2008 values. This produces a significantly higher target rent which in our opinion is more realistic. The Social rent of £40 per week also looks low when compared with the target rents set out in the Housing Corporation's Guide to Local Rents compiled using the Regulatory and Statistical Returns Survey 2007. This provides a range of target rents from £53 per week to £70 per week and inevitably any city centre location is likely to be at the higher end of this range.

Disagree with LCC on their policy of prescribing a transfer price for affordable rented and sub-market rented specifying price per square foot. Provided the headline percentage rate of affordable housing is met and split between sub market rent / shared ownership and affordable rent on the other hand is met there is no reason why Leeds City Council should specify a transfer price to an RSL. The price an RSL can bid is determined by their own business plan and their estimate of the reserves and private borrowing that they can lever in to such a development. Furthermore if they are not receiving government money then there is no reason why they cannot bid against each other so that the developer can mix maximise the bid and income from this element of the development. We believe that these benchmarks are also prescriptive and may not fit every development scenario.

***Do you agree with the methodology for calculating the social rent benchmark price? Of not do you have any other suggestions?***

An affordable rental level of £0.80 per square metre completely contradicts and cuts across government target rent setting policy. It may also have the result of limiting rent an RSL can charge for a given unit which could in turn limit the funding private borrowing they can leave rent to a given affordable renting scheme. Again this is purely a business decision by a bidding or competing RSL as to what level they charge. As no grant is received they do not have to adhere to target rents although most will include them within their existing target rent plan.

**Commuted sums**

***Is there agreement to the methodology for the calculation of the commuted sum figure?***

Normally provision should be made on site and any commuted sums should be of the equivalent value of the on site provision to accord with PPS3, paragraph 29. Commuted sums could be used for sites where the policy would require less than 2 units to be provide to avoid expensive management of units dotted around.

Although in agreement with the methodology for the calculation of the commuted sum figure, we feel that the calculation should be reflective of more realistic affordable values and not the artificial values currently employed. Off-site provision or a commuted sum should be acceptable where it can be demonstrated

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that it would serve to remove any scheme viability issues and where it would facilitate in providing more mixed communities in more appropriate locations.
Given the existing Leeds City Council Policy the commuted sum calculation is between the prescribed £s per square metre for affordable rented, sub-market rented and the market value, that difference being paid as the commuted sum. The idea is that Leeds City Council will use this money to provide a unit of affordable housing elsewhere. We are of the opinion that the commuted sum should be the difference between the EUV-SH of the property (not a prescribed sum) and the cost of providing the unit not the value. In effect if the Council provides an offsite unit elsewhere they will build one, not buy one. Therefore the benchmark linking the commuted sum to market value is incorrect.
Should set a threshold, (say 15 units) where we expect provision on site. On sites with fewer numbers the developer should provide a cash sum to cover the provision of units off site but in the locality, (as a bench mark you could use the area committee boundaries as a locality). Policy should also stipulate that the developer identifies how he will meet this provision rather than just give the local authority a few thousand pounds which may sit in the Councils balances for a long period without producing housing units.
<b>Delivery Arrangements</b>
<b><i>Under what circumstances should non RSL bodies be allowed to own/manage the completed affordable housing units?</i></b>
Delivering Affordable housing does not restrict the ownership of affordable housing to RSLs. However, the key test is that the affordable housing provider should have the ability to retain and manage the units. It is also important that any receipts (from the sale of shared equity , for example) should be able to be recycled to provide additional affordable housing. Such receipts can be used to offset management charges thereby keeping affordable costs down. Whereas this means that for the most part RSLs will then be owners/managers, it is very clear in Delivering Affordable Housing that competition between RSLs should be avoided.
The Government's Affordable Housing Policy Statement, produced in association with PPS 3 Housing outlines the following: The Government does not want local authorities to adopt restrictive practices which could preclude innovation and competition between potential affordable housing providers. The best use of resources is to engage with the most effective and best value provider, whether that is a RSL or unregistered body, as long as good management and ownership are ensured. Local authorities should not prescribe affordable housing providers in planning conditions, obligations or local development documents. We therefore, are of the opinion that the adopted SPD should not be prescriptive in terms of who delivers the affordable housing although it should make provision for appropriate management arrangements to be in place. The above statement also makes provision for Leeds to move away from the use of affordability benchmarks given that they clearly preclude competition between affordable housing providers.
Within the current housing policy a handful of RSLs are listed. Specifying a list of preferred bidders is potentially contrary to EU Anti-Competitive legislation.
<b><i>When should grant from the Housing Corporation be included?</i></b>
Very little corporation grant is provided within the Region. It is a matter for the Housing Corporation to allocate its resources but if the expectation is that in Leeds almost all affordable housing through S106's will not be subject to grant then this has implications for the ability of affordable housing to be delivered. In keeping with paragraph 94 of Delivering Affordable Housing this supports the view that a 40% affordable housing requirement is not attainable and that all S106 dwellings should be intermediate tenure.
Funding should be available where a scheme would not be financially viable without its inclusion. Where affordable housing is delivered as planning gain, it is the Housing Corporation's aim to provide grant funding where it is purchasing additional affordable housing outcomes therefore, we feel that the SPD needs

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to make allowance for a scheme to secure subsidy where it would otherwise be unviable and would preclude the delivery of affordable housing.
<b>Thresholds</b>
<b><i>Should the threshold be lower than 15 in some areas?</i></b>
<p>No figures are available but it is suspected that a significant proportion of the Leeds Housing supply is from sites of less than 15 dwellings. There is apparently no evidence that a lower threshold than 15 dwellings is warranted in particular parts of Leeds. However, the potential for achieving some affordable output for sites less than 15 dwellings should be considered.</p> <p>It is noted that CIL (community infrastructure levy) will apply to all residential development above household extensions and that the latest amendments of the planning bill in respect of CIL provide for affordable housing to be included in the definition of infrastructure. Logically this would mean affordable housing would apply to all developments over 1 dwelling but given it is a proportion of the site and there are practical management difficulties in providing a lot of individual units dotted about then 10 dwellings is probably a practical limit for affordable provision. Currently provision applies on the basis of an all or nothing threshold. This creates anomalies so that under a 40% provision policy 16 units would result in 6 affordable units on site whereas a site of 14 units would be none. It is suggested that a 10% requirement could be set for 10-14 units to help capture affordable provision and reduce the burden being loaded onto larger sites.</p>
<p>The current thresholds are too low. Since the introduction of the "15" rule we have seen a proliferation of developments of 14 units. We are still not providing enough units. We need to send a clear message to developers that they must provide affordable units. On smaller developments this could be a cash payment. Every new unit should attract an affordable contribution. This should also apply to the conversion of houses to flats. There now seems to be a tendency with developers buying up a range of houses from terraces to semi's to convert into flats. These should be included in the affordable provision.</p>
<p>The national indicative minimum site size threshold for affordable housing, as set out in PPS3, is 15 dwellings. Although PPS3 allows Local Planning Authorities to set lower minimum thresholds, where viable and practicable, such an approach needs to be justified. The Council would need to undertake an informed assessment of the economic viability of any proposed lower thresholds, including their likely impact on housing delivery and creating mixed communities.</p> <p>In order to ensure that affordable housing provision is maximised, the Council should seek to identify strategic sites above the 15 unit threshold which are deliverable and viable. Unless the council takes a pro-active approach in identifying and releasing large Greenfield sites it will be left relying on windfall sites to meet strategic housing targets. This could result in small piecemeal developments underneath the threshold in locations where high infrastructure costs reduce affordable housing provision. Without a strategic approach to the release of land it seems unlikely that the council can supply the right mix of both market and affordable housing in the right locations.</p>
<b>Rural Exception Policy</b>
<b><i>Do you think the existing rural exception policy (UDP) should remain applicable?</i></b>
<p>Although not used there is no apparent harm in having a rural exception policy. However, sites should not be allocated solely for affordable housing - this is not a use class and there is uncertainly on present evidence that such sites would be delivered. The allocation of sites which may not be delivered would be contrary to PPSS3 and the housing delivery agenda.</p>
<b>Needs of Specific Groups</b>
<b><i>Should policy apply equally to all different groups where they fall within class C3?</i></b>
<p>Demand is so high we need to look at addressing everyone's needs.</p>
<b><i>Should presumption for on site provision still apply where housing is for specific groups (elderly, students)?</i></b>
<p>Despite their economic benefits, the presence of two large universities in Leeds places a significant burden on the city's housing stock. The great majority of</p>

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students requiring accommodation in Leeds find it through the conversion of family homes into shared houses. Thus, several thousand houses, which could be primary residential homes, instead become seasonal second homes for students. These houses are thereby lost to the general housing market for residents, reducing the affordability and availability of those which are left. Furthermore, student demand is focussed on a small part of the city, Inner NW Leeds. Not only are family houses in this area lost in very high numbers - but also the high demand inflates housing prices, making properties both unavailable and disproportionately unaffordable.

Most students in Leeds are accommodated in converted shared houses. Some are accommodated in purpose-built developments. In general, purpose-built development reduces the pressure for conversion of existing stock, from residential to student housing. In principle, purpose-built developments for students should be encouraged as a contribution to housing provision in Leeds. However, this is not necessarily the case in the high-demand area of Inner NW Leeds. Experience shows that purpose-built developments attract conversion of houses in the vicinity. At best therefore purpose-built developments leave the demographic imbalance of the area un-touched (students simply move sideways into the purpose-built developments). At worst, it aggravates the problem, by increasing student housing settlement. Purpose-built developments in this area should therefore be resisted.

The impact of student accommodation on affordable housing in Leeds justifies intervention in the housing market by planning policies. Policy H15 of the RUDP resists further loss of residential stock in the Area of Housing Mix in Inner NW Leeds. Its value is limited until the Use Classes Order relating to HMOs is amended. Policy H15A of the RUDP encourages purpose-built developments outside the Area of Housing Mix, relieving demand for residential stock. Policy has not been effectively pursued through Area Action Plans. More active promotion of purpose-built developments, along the lines of Newcastle's *Interim Planning Guidance on Purpose Built Student Accommodation* (2007) is recommended.

SPG3 on Affordable Housing has a bearing on the student housing market. Purpose-built development for students has hitherto been exempt from affordable housing provision. As such, this encourages purpose-built developments which contributes to affordable housing, by enabling the return of stock from seasonal housing to the general residential market. A requirement for affordable housing from any purpose-built developments approved within the Area of Housing Mix would however be supported. This would both discourage further student housing in an already un-balanced area, and where permitted, would at least provide affordable housing for settled residents. Any purpose-built developments within the Area of Housing Mix should be subject to the condition that the affordable housing is provided off-site from surplus student houses. This may be from the developer's own portfolio as a landlord, or by arrangement between the developer and landlords with surplus properties.

**Housing Mix**

***Should the current policy of seeking a pro-rata mix of sizes of units be continued in future policy?***

PPS3 at paragraphs 22 & 23 make it clear that affordable housing should be provided on the basis of affordable requirement and has no relevance to the market mix which is otherwise on site. The evidence from the Strategic Housing Market Assessment is that owner occupier housing would be 45% 1 and 2 bed houses and 52% houses of 3 beds or more, whereas social rented houses could be 62% 1 & 2 bed houses and 38 % 3 beds or more. Clearly, there is not a match between the two types of dwelling. If there is no evidence to show that the affordable requirement varies across Leeds then it could be a reasonable policy stance for affordable housing to be provided as two thirds two bedrooms and one three bedrooms. The size of dwellings should be specified as equivalent of a comparable market dwelling on site in the case of intermediate housing.

Leeds currently operates a policy of seeking a pro-rata provision of affordable housing from the overall housing mix. With the publication of a SHMA it will be necessary to provide more flexibility to allow different house types and sizes for affordable and market needs where appropriate. The policy can still promote social inclusion through design standards and pepper potting but should recognise that there are different demands for property types and sizes from different groups. This includes demands from particular groups, such as families, first time buyers, ethnic minorities and elderly persons. The Council should work with developers and RSL's to ensure that the mix proposed meets identified need. The Council should also have regard to the higher costs involved in

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providing affordable housing for families compared to small flatted schemes. Such issues should be taken in to account in an assessment of site viability which has regard to the level, type and tenure of provision to be made. Similarly, if a scheme included an element of low cost market housing the lower levels of returns from these properties should be taken into account in assessing site viability in accordance with PPS3.

**Appearance and location**

***Do you agree with the current approach that the affordable housing should be of no difference in appearance?***

Affordable housing should not appear to be different from the rest of the site which emphasises the use of comparable house types. Pepper potting in the sense of one here, one there should be avoided but it is recognised that clusters can offer a reasonable compromise that produces sensible groups for management purposes. A maximum of 8 in a cluster would provide sufficient flexibility to enable good designs to be generated.

***Do you think 'pepper potting' policy is essential to achieve mixed sustainable communities?***

Although the idea of tenure blind development is laudable and desirable in many respects, it presents certain practical difficulties especially in town centre developments. Housing Associations cannot retrieve service charges via Housing Benefit. Therefore high value high service charge city centre apartments are extremely problematic from the RSLs point of view. If the pepperpotting is stopped the RSLs and developers would prefer the apartments to be grouped around one independently manageable stairwell so that the RSL can handle service arrangements themselves and thus avoid the continuing loss or letting difficulties which would result from high service charges.

A range of units spread throughout developments should be sought.

**Other Comments**

Evidence Base:

It is claimed that the Leeds Strategic Housing Market Assessment 2007 provides evidence of a level of affordable housing need. It is disputed that this is a Strategic Housing Market Assessment as referred to in PPS3 paragraph 29. PPS12 at paragraph 4.24(vii) says that policies should be founded on a robust and credible evidence base in order to be sound. That evidence base has to be subject to independent scrutiny in order to pass the test of soundness. For a strategic Housing Market Assessment to be sound it should conform to the practice guidance of August 2007 (Strategic Housing Market Assessments, Practice Guidance, Version 2). The Leeds Strategic Housing Market Assessment was not prepared in accordance with this guidance as it was carried out in 2006 and was "grounded in the government guidance published in July 200" (Para 2.2.1 of the Leeds Strategic Housing Market Assessment). The Assessment may have been subject to consultation after it was published but that falls far short of the expectation of it being developed as part of a Housing Market Partnership as set out in the current Government Guidance. Furthermore, its outputs are challenged. An examination of the document has been undertaken by an expert company and it has been found that the document is challengeable in a series of important respects and can at best only support a continuation of existing policy but with 100% intermediate housing. The difference is so vast that it is not considered satisfactory to proceed with adoption of a revised policy on the basis of the Leeds Strategic Housing Market Assessment 2007 without it being subject to independent scrutiny.

The proposed SPD has a target of 40% affordable housing. The appropriateness of introducing that policy is questioned in that:-

- a) It is in effect introducing a policy that ought to be subject to independent scrutiny.
- b) Its evidence base is unsound.
- c) It will have a significant effect on the viability of housing delivery.

Whereas the SPD will be a document which is recognised as part of the LDF, it seeks to bring about such fundamental changes to the operation of the existing policy that it ought to be subject to independent scrutiny. This proposed SPD is considered to go beyond explaining the detail of policy to creating a new policy.

Although the evidence base is not considered robust, it is noted that the Assessment recommended that Council should "work towards achieving 25% to 40%

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as the level to be sought” but have now settled on a 40% requirement as the norm. This does not follow the evidence base on which the Council rely. It is the fundamental change to significantly increase the affordable requirement via an SPD rather than a Core Strategy Policy to which particular objection is made especially given the likely consequences on housing land supply. These consequences go to the heart of the development strategy for Leeds and because Leeds is regarded as the engine of growth for the region could undermine the Regional Spatial Strategy. This is not a consequence that should be confined to an SPD but needs to be fully examined and tested.

We consider that the council needs to carry out more detailed work before proposing a new affordable housing target across the district. Whilst a key consideration is the annual shortfall identified in the SHMA, this should be placed in the context of a broad range of plans and strategies for the delivery of affordable housing, not just those to be provided through S106. Furthermore, as the SHMA bases a number of assumptions on current UDP strategic housing targets the Council will need to revise its assessment of an appropriate level of provision following the adoption of the RSS later this year. Most crucially, we believe that a strategic approach to all aspects of housing delivery needs to be adopted in order to meet the need for affordable and market housing in the right locations. It is clear that recent trends have failed to deliver the right mix and type of housing in a broad variety of locations. It is therefore, clear that the council will need to revise its current policy on the release of additional housing sites if it is to deliver the required amount and type of housing in the district.

*Addressing the needs of vulnerable groups*

A key issue that will need to be addressed through the development of the Affordable housing SPD is the potential conflict between meeting targets and relating to house building delivery and addressing housing need especially for vulnerable groups. There is evidence to suggest that meeting the needs of vulnerable groups may require a greater emphasis on delivering larger homes both in terms of bedroom numbers and space standards. It is recognised that there are competing pressures not only in terms of delivering a requisite supply of housing but also in relation to maintaining the viability of schemes. The SPD will also need to have regard to governmentally set priorities and targets and relate to the delivery of affordable housing.

Older/disabled people – The Older People’s Housing Strategy identified that 20% of the Leeds population at the point of the 2001 census were aged 60 years and over. The proportion of the population that are of pensionable age is likely to significantly increases by 2020. The likelihood of a person experiencing some form of life limiting illness or impairment also increases with age. The overarching policy objective relating to older and disabled people is to promote independence and to enable people to remain living in their own home if that is their choice. The SPD needs to contribute to this wider agenda. It is important that new housing developments not only meet the accessibility needs of current older/disabled people but also for people who may experience some form of physical or sensory impairment later in life. It is important that as higher proportion of new housing development as possible meets the Lifetime Homes standard. The cost of making each unit comply with the standard is about £500 per dwelling and whilst this is an additional cost it is significantly lower than the cost of extensive adaptation work or the cost of residential care, hospitalisation or day care services. It will be important for both the housing and the planning authority to recognise the wider health and social care benefits that can be generated from good housing design. It is also essential that accessibility is not limited to the interior or cartilage of a property; older and disabled people need to live in accessible home in accessible surrounding environments.

Homelessness – In common with other housing authorities Leeds City Council has been set a target to reduce by 50% the number of families in temporary accommodation by the end of March 2010. This is an extremely demanding target given that this equates to having no more than 260 families in temporary accommodation by the end of 2009/2010 and there are currently 420 who are accommodated by the authority as homeless households. The reduction in number of social housing units to let has clearly had an impact on temporary accommodation placements as families now have to wait longer in temporary

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accommodation before they are rehoused. The majority of homeless reside in temporary housing and need 3-4 bedroom units. Since the introduction of the choice based lettings system for letting council and other social housing in 2003 only 2% of units have been 4 bedroom properties.

BME People – The BME households are more likely to be on low income, are disproportionately affected by overcrowding and /or fuel poverty, are more likely to live in non-decent housing or housing which is difficult to bring up to the decent home standard. There is a city wide BME Housing Strategy in place which has been endorsed by Leeds Housing Partnership and major housing providers in the city. The Strategy clearly identified the need for larger and more affordable housing for BME communities. Low income – average household weekly income in Leeds is approximately £524, the equivalent figure for BME households is approximately £433 and the average weekly income for Bangladeshi, Pakistani and other Asian households ranges from £10 to £360 per week. (House condition survey Nov 07). Housing affordability is therefore a critical factor affecting the capacity of BME households to access housing of their choice. Affordability issues render BME households more likely to be living in substandard housing. Non Decent Housing – The overall level of non-decent private sector in the city is 33% for BME households this figure increases to 44%. Fuel Poverty – Fuel poverty is associated with residents on low income and in receipt of a means test benefits. BME households are more likely to be on low income and on means tested benefits and therefore fuel poverty affects BME households disproportionately. Overcrowding (27.6%) is most prevalent amongst Asian Households (2001 Census). This can be attributed to poverty but also cultural drivers such as a desire for families to live in close proximity. Demand for larger properties – Demand on the Leeds Housing Register for applicants requiring a 3 bedroom property is 10% of white households and 37.3% of BME households. Whilst 1.6% of white households require a 4 bedroom unit, this increase to 10.6% of BME households.

Key questions for SPD to address

- How will the SPD contribute towards developing more affordable housing for vulnerable people?
- What measures the SPD could take towards developing lower density larger properties.

How the SPD could encourage and incentivise developers to meet the housing needs of vulnerable households?

NB. Details of who made the responses/comments listed cannot be given at this stage, as this was not a formal consultation, and respondents were not therefore asked whether their details could be made public. This is to comply with the Data Protection Act 1998.