



Agenda Item Introduction

Committee	CORPORATE SCRUTINY COMMITTEE
Date	12 SEPTEMBER 2023
Topic	PRE-DECISION SCRUTINY - HOUSING AFFORDABILITY SUPPLEMENTARY PLANNING DOCUMENT (SPD)

BACKGROUND

The Council are seeking formal adoption of the 'Housing Affordability Supplementary Planning Document (SPD)' following a period of public consultation that took place in June/July 2023. The principle of preparing and adopting a Housing Affordability SPD was agreed at the Housing Members Board in April 2023 and will be brought to Cabinet for approval on 14 September 2023.

FOCUS FOR SCRUTINY

The role of the committee is not to act as a 'shadow Cabinet'. Its function is to ensure that the principles of decision making have been complied with:

- taking into account all relevant considerations and ignoring those which are irrelevant
- compliance with finance, contract and all other procedure rules
- due consultation and proper advice is taken, and alternative options considered before decisions are reached
- impartiality and an absence of bias or pre-determination
- any interests are properly declared
- decisions are properly recorded and published
- decisions are proportionate to the desired outcome
- respect for human rights and equality impacts
- a presumption in favour of transparency and openness
- clarity of aims and desired outcomes
- due consideration of all available options
- reasons are given for decisions

OUTCOME

Does the committee support the proposed recommendations, or wish to report any comment to Cabinet?

APPROACH

The Cabinet report to be submitted to the committee.

DOCUMENTS ATTACHED

Report to Cabinet on 14 September 2023 – Adoption of the Housing Affordability Supplementary Planning Document (SPD)

Appendix 1: Housing Affordability SPD

Appendix 2: Summary of consultation responses

Appendix 3: Schedule of changes to the Housing Affordability SPD

Appendix 4: Stage one equality impact assessment (EqIA)

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Cabinet Report

Date	14 SEPTEMBER 2023
Title	ADOPTION OF THE 'HOUSING AFFORDABILITY' SUPPLEMENTARY PLANNING DOCUMENT (SPD)
Report of	CABINET MEMBER FOR PLANNING, COASTAL PROTECTION & FLOODING

EXECUTIVE SUMMARY

1. The purpose of this report is to consider the adoption of the 'Housing Affordability Supplementary Planning Document (SPD)' following a consultation exercise undertaken by the Isle of Wight Council.
2. Since the adoption of the Core Strategy in 2012 the housing market on the island has changed dramatically due to a number of issues including the impact of the pandemic, significant reductions in the number of properties available within the rented sector, increased build costs and low numbers of affordable housing completions. These issues have combined to present an extremely challenging market that has seen the affordability and availability of property decline for many island residents.
3. The content of the Housing Affordability SPD focuses on ensuring that the mix of affordable housing products coming forward from new development and the details used to inform such a mix are reflective of the current housing market on the island and continue to align with adopted policy.
4. It should be noted that an SPD cannot change adopted policy (as currently set out in Core Strategy policy DM4) so it cannot alter the percent of affordable housing required, change the policy thresholds for when it is required or require deeper discounts from market value. Such policy changes can only be undertaken as part of a new local plan, which will be through the Island Planning Strategy (IPS). Given the ongoing delays to the IPS, the SPD is seen as a stepping stone in advance of new affordable housing policy being taken forward.
5. The report recommends the adoption of the Housing Affordability Supplementary Planning Document as it aligns with one of the key priorities within the Corporate Plan. The adoption of the Housing Affordability SPD will result in the local planning authority being able to use the document as a material consideration when determining planning applications.

RECOMMENDATION

6. That the 'Housing Affordability Supplementary Planning Document' attached as Appendix 1 to this report be formally adopted; and
7. That any final editorial and presentational changes to the supplementary planning document are delegated to the Strategic Manager for Planning in consultation with the Cabinet Members for Planning, Coastal Protection & Flooding and Adult Services & Housing, Public Health & Homelessness. These changes will not alter the meaning of the document and will be restricted to grammatical, presentational and typographical errors.

BACKGROUND

Housing Affordability

8. The IWC's current affordable housing policy is DM4 (Locally Affordable Housing) within the Core Strategy, which was adopted in 2012. The policy requires 35% of qualifying developments to be provided as on-site affordable housing.
9. Given the time that has elapsed since the adoption of the Core Strategy, and the circumstances currently present in the island housing market, an up to-date-appraisal of the market situation and the type of affordable housing most needed on the island has taken place, with a view to capturing the outcomes in an SPD.
10. Using average household income levels for the Isle of Wight it is estimated that 96% of households are unable to afford median property prices, and 85% are unable to afford the entry-level, lower quartile costs. 46% of new households are unable to afford the lower quartile rent of £550pcm ([Local Housing Needs Assessment 2022](#)).
11. In 2022, the affordability ratio of average house prices to average earnings on the Island was 9.31, based on an average house price of £256,000. This compares to affordability ratios in Portsmouth and Southampton of 7.3 and 7.4 respectively. In 2012 the affordability ratio on the island was 6.8.
12. Since 2015/16 there has also been limited delivery of affordable housing on the island. In the last 7 years, 330 affordable homes have been completed on the island, only 13% of total completions, The table below shows the annual provision over the last 7 years on the island.

Year	Total new homes completed	Affordable homes completed	% of completions as AH
2021/22	490	114	23%
2020/21	445	123	28%
2019/20	253	6	2.4%
2018/19	350	0	0%
2017/18	360	18	5%
2016/17	321	34	10.6%
2015/16	417	35	8.4%
Total	2,636	330	13%

13. Given this challenging situation, there is a need to make interventions in the housing market where appropriate, including by facilitating new operators and new products to provide greater choice and delivery.
14. In March and April 2023 respectively, the Housing Programme Officer Board and Housing Members Board agreed that Planning Services should prepare a draft Housing Affordability SPD for public consultation.
15. Public and stakeholder consultation took place for 6 weeks during June and July (see paragraphs 25-29 for more detailed information) and revisions have been made to the document to address some of the comments made (see Appendices 2 and 3).
16. The guidance within the final Housing Affordability SPD provides further detail of how the local planning authority will implement Core Strategy policy DM4 in the context of the current housing market, and in advance of a new local plan being adopted.

SPD adoption process

17. The national planning policy framework (NPPF) sets out that SPDs are 'documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. SPDs are capable of being a material consideration in planning decisions but are not part of the development plan'.
18. SPDs are subject to statutory preparation procedures under regulations 11 to 14 of the [Town and Country Planning \(Local Planning\) \(England\) Regulations 2012](#).
19. For an SPD to come into force it must be agreed and formally adopted by the council's Cabinet. Once adopted the SPD will then be capable of being used a material consideration, where relevant, in the determination of planning applications. The proposed SPD can be found as the first background paper link.

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

20. The [Corporate Plan 2021 - 2025](#) sets out the administration's key areas for action, aspirations and key activities. The specific key area for action and aspirations relevant to the Housing Affordability SPD are:

Key area for action:

- Provision of affordable housing for island residents
- Economic recovery and reducing poverty.

Aspirations:

- (1) We will ensure that we listen to people. We will do so by holding consultations in which we will have a proper discussion with residents about issues;
- (18) Promote the building of affordable supported social retirement housing to ensure resident maintain their independence for as long as possible;
- (23) Housing that is created must be housing fit for purpose. We will prioritise truly affordable housing for island residents, meaning housing that is not just affordable to rent or buy but affordable to live in and maintain;

- (27) All council decisions must be considered with regard to their impact on young people and future generations;

Provision of affordable housing for island residents

21. The Housing Affordability SPD will introduce guidance to try and help address some of the challenges that are apparent in meeting the island's affordable housing needs. The document will help to ensure all that is possible is being done through the planning process to deliver an appropriate mix of affordable housing.
22. Therefore adopting the SPD to be used as a material consideration in the determination of planning applications will make a positive contribution towards securing the type of affordable housing that can benefit island residents.

Economic Recovery and Reducing Poverty

23. Providing affordable housing that meets the needs of island residents is a key tool in helping to address poverty reduction. Development of sites across the island that includes an appropriate mix of affordable housing can also be a catalyst for economic recovery.

Impact on Young People and Future Generations

24. The provision of affordable housing that meets the needs of island residents will have a positive impact on young people and future generations by providing affordable places for families to live.

CONSULTATION

25. The Draft Housing Affordability SPD was agreed by both the Housing Programme Officer Board and the Housing Members Board prior to public consultation.
26. In line with regulations 11 to 14 of the Town and Country Planning (Local Planning) (England) Regulations 2012, the local planning authority then undertook a 6-week consultation on the draft SPD (which was longer than the minimum statutory requirement for such a consultation). This took place from Friday 16 June 2023 until Friday 28 July 2023.
27. A summary of responses from the statutory consultation period is attached in Appendix 2. A number of factual changes and updates have been made to the Housing Affordability SPD as a result of the comments received and these are set out in Appendix 3.
28. The presentation and chronology of the document have been revised to address comments received and to ensure that the content of the guidance is clear and unambiguous.
29. The SPD also recognises 'Rentplus' as a compliant affordable housing product that can contribute to the mix of affordable housing products across the island.

SCRUTINY COMMITTEE

30. The proposed adoption of the Housing Affordability SPD is being considered by Corporate Scrutiny Committee on 12 September 2023 and any recommendation(s) from Corporate Scrutiny will be reported verbally to the Cabinet meeting.

FINANCIAL / BUDGET IMPLICATIONS

31. It is considered that there will be no direct financial / budget implications arising from adopting the Housing Affordability SPD.

LEGAL IMPLICATIONS

32. Supplementary planning documents should be prepared only where necessary and in line with paragraph 153 of the NPPF.
33. If adopted the SPD will add further detail to the policies already in the Island Plan Core Strategy. The SPD will be a formal document that will be a material consideration in planning decisions, but not part of the development plan.

EQUALITY AND DIVERSITY

34. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
35. A stage one equality impact assessment (EqIA) has been undertaken in connection with the proposed SPD (see Appendix 4).
36. It is considered that the SPD itself will not have a negative impact on any of the protected characteristics. This is because the status of the document is such that higher level policy and legislation is also required to be considered as part of the determination of any planning application, which would take account of our legal duties under equality legislation.

PROPERTY IMPLICATIONS

37. It is considered that there will be no direct property implications, although any decisions over the future of council owned land will need to consider relevant planning policy that would include the SPD once adopted.

OPTIONS

38. The options are set out as follows:
 - a) To adopt the Housing Affordability Supplementary Planning Document attached as Appendix 1; or

- b) To further amend and then adopt the Housing Affordability Supplementary Planning Document; or
- c) To not adopt the Housing Affordability Supplementary Planning Document;
- d) To delegate any final editorial and presentational changes to the draft supplementary planning document to the Strategic Manager for Planning in consultation with the Cabinet Member for Planning, Coastal Protection & Flooding. These changes will not alter the meaning of the document and will be restricted to grammatical and typographical errors.

RISK MANAGEMENT

- 39. The main risk of not adopting the Housing Affordability SPD is that the local planning authority will not be able to use the guidance within the document as a material consideration when determining planning applications. This would mean that the further detail of how the local planning authority will implement Core Strategy policy DM4 in the context of the current housing market could not be used on a consistent basis when making planning decisions. By adopting the Housing Affordability SPD this risk is mitigated as far as reasonably practicable.

EVALUATION

- 40. The adoption of the Housing Affordability SPD will result in the council being able to use the guidance within the document, which aligns closely with key Corporate Plan objectives, as a material consideration when making planning decisions.

APPENDICES

- 41. Appendix 1: Housing Affordability SPD
- 42. Appendix 2: Summary of consultation responses
- 43. Appendix 3: Schedule of changes to the Housing Affordability SPD
- 44. Appendix 4: Stage one equality impact assessment (EqIA)

BACKGROUND PAPERS

- 45. Island Plan Core Strategy: <https://www.iow.gov.uk/azservices/documents/2776-Core-Strategy-Adopted-March-2012-updated-web-links-May-2013-with-cover.pdf>

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