

Fylde Affordable Housing Supplementary Planning Document (Scoping)

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Consultation Information

This document has been produced by the Council as part of the preparation of a Supplementary Planning Document (SPD) on Affordable Housing. Councils are required to consult when preparing an SPD (Regulation 12 of the Town and Country Planning (Local Planning) (England) Regulations 2012). The Council must then prepare a summary of the main issues raised and how those issues have been addressed in the SPD.

This consultation therefore invites representations on what the Affordable Housing SPD should contain. The representations received will be considered, and will inform the content of the draft SPD. The draft SPD will then be subject to a further consultation (under Regulation 12b and 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012).

How to Respond

Responses should address the questions in each section of the document, by reference to the question number. The Council's preference is for responses to be sent by email to PlanningPolicy@fylde.gov.uk. Alternatively they may be sent by post to Planning Policy, Fylde Council, Town Hall, St Annes Road West, Lytham St Annes, Lancashire FY8 1LW.

1. Introduction

Supplementary Planning Documents (SPDs) provide further detail and guidance in relation to policies and proposals within the Development Plan, in this case the Fylde Local Plan to 2032 which was adopted by the Council on 22nd October 2018. The main objective of the SPD is to provide greater detail with respect to the requirement for affordable housing on development sites and other issues relating to the provision of affordable housing. It seeks to provide clarity to applicants as to the requirements for an application in respect of this subject.

This SPD Scoping Report is intended to describe the proposed scope/content of the SPD. It includes questions about the proposed content and options for dealing with particular issues.

Additional issues raised through the Consultation on this document will be reviewed by the Council and considered for inclusion within the document. Whether or not additional issues are included will reflect consideration of the evidence in relation to those issues and whether they can be addressed by the Affordable Housing SPD.

The context of the Borough of Fylde means that the provision of affordable housing is critical in delivery of sustainable, mixed communities within Fylde. Fylde has higher house prices than generally elsewhere in the North West region or the Fylde Coast sub-region. Although incomes are typically higher than the region and sub-region also, the affordability ratio is high at 5.74, meaning that the median property ranked by price costs 5.74 times the median gross annual income (of those working in the borough). The housing stock profile is slightly larger than average, with a limited supply of smaller, lower value homes suitable for first-time buyers.

The current total stock for Registered Providers in April 2018 is 3,248 units, 619 of which have been built under a S106 agreement where sites are 10 units or more and there is a requirement to provide 30% affordable housing. Over the past two years Fylde has seen a growth in affordable housing provision across all tenures. In 2017/18 133 units of affordable housing were enabled (103 affordable rented and 13 shared ownership). In 2018/19 up to the end of Quarter 2 the Council has enabled to date 128 units (100 affordable rented, 13 discount market sale and 15 shared ownership).

There are currently eight registered providers of affordable housing with stock in Fylde; Accent Housing Trust, City West Housing Trust, Community Gateway Association, Great Places Housing Association, Manchester and District Housing Association with affordable and Independent Living Stock, Muir Group, Progress Group with affordable and independent living stock, Places for People, Regenda and YMCA.

The need for affordable housing in Fylde is quantified in the Fylde Coast Strategic Housing Market assessment (SHMA). The provision of affordable housing in order to contribute to meeting the needs identified, is an element of Strategic Objective 1 of the Fylde Local Plan to 2032. The SHMA (including its Addenda) identified a high level of affordable housing need in the Borough, of 249 affordable homes per annum for the remainder of the plan period SHMA Addendum 1, 2014).

The main settlements of St Annes, Lytham, Kirkham, Wesham, Warton and Freckleton are surrounded by rural settlements of Newton, Staining, Wrea Green, Elswick, Singleton, Weeton, Clifton, and Singleton. Within the rural settlements affordable properties require a local connection to the parish which includes priority for current residence in the parish, family residing in the parish, the need to give or receive care in the parish, or other long standing connection. With new build stock in rural

areas enabled under a S106 agreement, where an occupant does not come forward with a local connection to a particular parish the eligibility criteria can open up to a Fylde Borough connection. New build stock delivered under a S106 agreements cannot be let to households outside of Fylde.

It is therefore considered important by the Council that the affordable housing policy H4 of the Local Plan is supported by detailed guidance in order to ensure delivery of the maximum amount of affordable housing for the Borough.

Do you agree that the Council should produce a SPD to provide detailed guidance on affordable housing?

2. Vision, Issues and Objectives

Vision

The supply of affordable housing will be enhanced across the borough, through the provision of high quality affordable homes on development sites, designed and distributed to be tenure-blind. The amount of affordable housing will be maximised whilst providing homes that meet the needs of people in Fylde in affordable housing need, and which will be in line with the requirements of registered affordable housing providers.

Issues

- There are various tenures within the definition of affordable housing, and there is potential for disagreement as to what should be provided.
- There is a need for clarity where occupancy is restricted to a parish or ward, within what timescales the properties can be offered to households without a parish local connection, but a connection to Fylde Borough.
- Some development proposals are made in which the affordable housing proposed would be poor quality, segregated, poorly designed, poorly located or not provided.
- There is the potential for disagreement between the Council and developers as to the circumstances when off-site provision would be acceptable, for instance where affordable housing is “designed out” of a scheme.
- Developers have challenged the requirement on the grounds of viability or other circumstances
- There is a need to ensure engagement by developers with the Council prior to making a planning application, and coming to an understanding of the requirements for affordable housing on the site.
- Negotiation of Section 106 agreements typically becomes prolonged, with draft agreements going backwards and forwards between parties, delaying the grant of planning permission and the bringing forward of development.
- Discounted market sales housing: what should be the level of discount in order for it to be affordable, and how should this be assessed?
- There is a lack of supply of larger affordable homes despite demand for these from registered providers.
- Potential exists to develop innovative affordable housing products e.g. community build schemes

Objectives

Provide clarity as to the requirements for the tenure, size, type, design, and siting of affordable housing within development sites.

Provide clarity as to the circumstances when on-site provision is required, and those where off-site provision would be acceptable.

Provide a framework and methodology for any viability assessment where a developer is putting forward grounds for a reduced contribution.

Set out the requirements for developer engagement with the Council prior to making an application, and the requirements for information to be submitted as part of the planning application.

Provide standard templates for Section 106 agreements that can be submitted at a much earlier stage in the process

To clarify the level of discount and the method of assessment for discounted market sales housing.

To encourage the supply of a wider range of affordable housing products and mix of dwellings, including some larger units and innovative products, by providing guidance on acceptable types and how it would be achieved.

Do you agree with that the SPD should consider the issues above?

Do you agree with the objectives as stated? Are there any that should not be included or should be amended?

Are there any issues missing from the list, or additional objectives that the SPD should have?

3. Policy and Guidance Review

The **Fylde Local Plan to 2032**, adopted October 2018, together with the Joint Lancashire Minerals and Waste Core Strategy DPD 2009 and the Joint Lancashire Minerals and Waste Local Plan Site Allocations and Development Management Policies DPD form the statutory Development Plan for Fylde.

Policies H4 of the Local Plan requires all market housing schemes of 10 or more homes to provide 30% affordable housing. In the rural settlements this will be primarily to meet local needs. The presumption is that affordable housing will be provided on the application site. The tenure of affordable homes will be negotiated on a case-by-case basis, having regard to the viability of individual sites, local need and other Local Plan policies. Stipulations are made about the size and type of affordable housing, and requirements for supporting evidence in the event that the applicant wishes to justify reduced provision of affordable housing on the grounds of viability.

Policy INF2 states that the Council will require contributions from development to mitigate impact on infrastructure, services and environment, and that this may include affordable housing.

The Fylde Local Plan to 2032 was published and submitted for Examination in Public before the production of the new National Planning Policy Framework (2018) (the Framework) (see also the section below). It has been examined under the transitional arrangement set out in paragraph 214 of the Framework, whereby it is considered, for the tests of soundness, against the 2012 Framework. The glossary of the Local Plan includes a definition of affordable housing which derives from the 2012 Framework. However, paragraph 213 of the 2018 Framework states that due weight should be given to Local Plan policies dependent on their consistency with the 2018 Framework. The glossary definition of affordable housing contained within the Local Plan is out-of-date, but this does not undermine policies H4 and INF2, as reference to affordable housing in these will henceforth need to be interpreted according to the definition in the Framework (2018).

Although these policies are being highlighted as being particularly relevant to affordable housing, the plan should be read as a whole and other policies and supporting text will be relevant.

Supplementary Planning Documents may not make policy, but must reflect policy that exists, then provide further explanatory detail. The Affordable Housing SPD will therefore primarily reflect the Local Plan Policies H4 and INF2, as they are the relevant statutory development plan policies for Fylde.

The **National Planning Policy Framework** (July 2018) (the Framework) was published on 24th July 2018. It supersedes the previous version of the Framework, published in 2012.

Paragraph 20 of the Framework requires that strategic policies make sufficient provision for housing including affordable housing. Paragraphs 39-42 encourage pre-application discussion including in relation to affordable housing. Paragraphs 43-44 recommend that applicants discuss the information requirements for the application in advance and states that local planning authorities should publish a list of their information requirements, which should be the minimum needed to make decisions. Paragraph 56 allows planning obligations to only be sought where they are necessary to make the development acceptable, directly related to the development and fairly and reasonably related in scale and kind to the development. Section 5 of the Framework concerns the specific issue of the supply of homes. Paragraph 61 requires that the size, type and tenure of housing needed for different groups in the community be assessed and reflected in planning policies (including, but not limited to,

those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes). Paragraph 62 requires that the type of affordable housing prescribed be identified in planning policies and that it normally be met on site. Paragraph 63 states that affordable housing should only be required for major developments apart from designated rural areas, and that the amount required should be reduced where vacant buildings are to be reused or redeveloped. Paragraph 64 states that 10% of major developments should be available for affordable home ownership. Exceptions to the requirement would be for 100% build-to-rent schemes, specialist accommodation e.g. for the elderly or students, for custom- and self-build homes or where the scheme is a 100% affordable housing exception site. Paragraph 204 states that planning obligations should only be sought where they meet all of the following tests: necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development. Paragraph 205 states that obligations should take account of changes in market conditions over time and, wherever appropriate, be sufficiently flexible to prevent planned development being stalled.

Annex 2 of the Framework is the Glossary, and this provides the Government's definition of affordable housing. This is significantly altered from the previous Framework. The definition is considered further elsewhere in this document.

Planning Practice Guidance (PPG) is produced by government in support of the policy provided in the Framework. The majority of the current PPG dates from 2014, and is likely to be subject to updates in the near future to reflect the new Framework.

Housing Needs Assessment PPG

Identifying the Needs for Different Types of Housing, Paragraph 020 Reference ID 2a-020-20180913, states that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is on the basis that the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. When producing policies to address the need of specific groups strategic policy-making authorities will need to consider how the needs of individual groups can be addressed within the constraint of the overall need established.

Affordable Housing, Paragraphs 021 Reference ID 2a-021-20180913 to 027 Reference ID: 2a-027-20180913, state that all households whose needs are not met by the market can be considered in affordable housing need. The considerations involved in calculating affordable housing need are detailed, involving assessments of the current number whose needs are unmet, together with projections of the likely number of newly forming households whose needs are likely to be unmet. This section then sets out how the current affordable housing supply should be assessed. The total needs, having subtracted stock, then should be converted into an annual flow based on the plan period. The affordable housing need can then be considered in the context of the likely delivery through new development sites, taking account of the probable proportion of affordable housing to be delivered by market housing-led developments.

Before submitting an application PPG

Paragraph: 005 Reference ID: 20-005-20150326 states that the level of information necessary for effective pre-application engagement will vary depending on the scale and nature of the proposed development; in all cases the level of information requested by the LPA needs to be proportionate to the development proposed.

Planning Obligations PPG

Planning obligations policy should be set out in development plans. The relevant tests must be met: necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind. Planning obligations should not normally be a requirement for validation on a local list; if they are, the local planning authority should be able to justify their inclusion in relation to any particular development.

Local planning authorities are encouraged to use and publish standard forms and templates to assist with the process of agreeing planning obligations. These could include model agreements and clauses (including those already published by other bodies), that could be made publically available to help with the planning application process. Any further information required by the local planning authority, or issues raised by the applicant regarding planning obligations, should be addressed at an early stage of the planning application process. Use of model agreements does not remove the requirement for local planning authorities to consider on a case by case basis whether a planning obligation is necessary to make the development acceptable in planning terms.

Viability PPG

The viability PPG sets out a methodology that should be adopted for viability assessments. Viability assessments should be undertaken at plan-level; development in accordance with the plan should then be assumed to be viable.

The inputs and findings of any viability assessment should be set out in a way that aids clear interpretation and interrogation by decision makers. Reports and findings should clearly state what assumptions have been made about costs and values (including gross development value, benchmark land value including the landowner premium, developer's return and costs). At the decision making stage, any deviation from the figures used in the viability assessment of the plan should be explained and supported by evidence.

Do you agree that the SPD should have regard to all of the above documents? Are there other documents to which the SPD should refer or which should inform the content of the SPD?

4. Tenures of Affordable Housing for Fylde

Affordable housing is defined in the Framework, within Annex 2 (Glossary). The Framework definition is as follows

Affordable housing: *housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

a) Affordable housing for rent: *meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes, affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

b) Starter homes: *is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*

c) Discounted market sales housing: *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

d) Other affordable routes to home ownership: *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.*

The SPD will specify a range of tenures, more specific than the long list within the Framework, which will be the tenures sought within Fylde. These will reflect the particular circumstances of Fylde, including the strategic level of affordable needs for different types of accommodation and tenure and the tenures that are considered suitable by Registered Providers operating in Fylde.

In respect of Discount Market Sales Housing, it is intended that the level of discount applicable will be set out within the SPD. A standard method of calculating this discount will be included, reflecting affordability; i.e. to ensure that this type of home is suitable for those in affordable housing need.

The Local Plan policy H4 states that the tenure mix will be negotiated on a case-by-case basis, having regard to the viability of individual sites, local need and compliance with other policies of the plan. The tenure mix will need to be discussed with the Council in advance of the submission of the planning application, considered below under the section Pre-application Engagement and the Affordable Housing Statement.

It is proposed that, for developments of 50 or more homes, a basket of affordable housing tenures would be required. It is intended that the SPD will set out some of the key principles to be considered for the mix of affordable housing tenures on larger development sites. This could, for instance, include properties with varying levels of discount to rents.

Innovative affordable housing tenures will be developed where there is the opportunity and where it is in accordance with the objectives of the Council's Housing Strategy. It is intended to provide some examples of some innovative tenures but it is not intended that these should form an exclusive list of such tenures.

Do you agree that the SPD should set out the specific tenures of affordable housing required in Fylde? Do you agree with those tenures of affordable housing listed above? Should a wider or narrower range of tenures be acceptable?

Do you have any views as to how the level of discount applicable to Discounted Market Sales Housing should be calculated? Do you agree that the SPD should set out a standard method of calculation?

Should the affordable housing on individual sites include a basket of tenures? What are your views on the mix of tenures that should be required?

5. The Amount of Affordable Housing Required

The Requirement

The requirement for affordable housing provision in Fylde is set out in the Local Plan. Policy H4 requires:

All market housing schemes of 10 or more homes will be required to provide 30% affordable housing, unless robust viability testing has demonstrated that the cost of the affordable housing provision would prevent the development from being delivered.

The threshold used in the Local Plan requirement accords broadly with the minimum standard threshold incorporated in the PPG, which states that affordable housing should not be sought on sites that are not major development.

In respect of changes of use, the same requirement will apply, i.e. where the development is for 10 or more homes, 30% affordable housing will be required, except as considered below.

Circumstances where the Council agrees that the affordable housing should be provided off-site are considered in section 8.

Exceptions to the Requirement

Where the development is a change of use that is permitted development under the General Permitted Development Order, PPG states that affordable housing cannot be sought.

Policy H2 states that where a development provides 100% specialist accommodation for the elderly, affordable housing will not be sought.

Affordable housing will not be sought on development sites (including conversions) for between 1 and 9 homes.

Requirement for Legal Agreement

It is proposed that applicants be required to commit to the affordable housing provision they intend to provide, through a legal agreement. The purpose of this is to ensure that a planning permission could not be built out without the affordable housing being provided. The amount of affordable housing, and any other details relating to it that are agreed by the applicant in their Affordable Housing Statement, including type, tenure, registered provider and management arrangements etc. should be contained within the legal agreement. See also section 11 of this document.

Reduced Proportion on Viability Grounds

Matters relating to situations where an applicant claims that a reduced amount of affordable housing should be provided on viability grounds are considered in section 10.

Effect of Vacant Building Credit

Paragraph 63 of the Framework states that where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount. Footnote 28 clarifies that this is “equivalent to the existing gross floorspace of the existing buildings. This does not apply to vacant buildings which have been abandoned.” Therefore, the number of affordable homes required will be reduced accordingly on such schemes. It is proposed that developers will be required

by the SPD to set out how this will affect their development within the Affordable Housing Statement, and to have discussed the matter where applicable with the Council prior to submitting the application.

Do you agree that the SPD should set out the requirements for applicants to justify the number of affordable homes included within the Affordable Housing Statement?

Do you agree that there should be a template Viability Appraisal set out within the SPD, for those applicants proposing a reduced amount of affordable housing?

6. Pre-application Engagement and the Affordable Housing Statement

The Council intends that engagement by developers with the Council prior to making an application will be an essential element in bringing forward a development proposal of an acceptable form. Elements that will need to be discussed centre around the amount of housing and affordable housing proposed, the tenure mix of the affordable units, and where the proposal is for a full or reserved matters application, the size, design and distribution of the affordable units within the development. Other matters may also require discussion at that stage.

The outcomes of the discussion will feed into the Affordable Housing Statement, to be provided by the applicant. It is intended that the Affordable Housing Statement will be a document that applicants will provide with the application when submitted. In providing this at submission, it will demonstrate and reflect the outcomes of the pre-application engagement that has taken place. The Affordable Housing Statement will be part of the Local List of Local Information Requirements which will be required in support of a planning application for 10 or more dwellings or where the site area is greater than 0.5 hectares, in order to be considered valid at receipt by the Council.

It is considered that the Affordable Housing Statement should cover the following aspects of provision:

- Registered Provider appointed to take the housing stock and provisions for transfer to them;
- Number of dwellings and number of affordable dwellings within the development;
- Tenure including mix of tenures where appropriate;
- Affordable dwelling size;
- Distribution of affordable housing within the development;
- Management arrangements for the completed affordable dwellings;
- Allocation arrangements;
- Provision for the recycling of subsidy in the event of the exercise of right-to-buy or the resale of discounted property;
- A draft S106 legal agreement or a completed and signed Unilateral Undertaking should be submitted as an Addendum to the Affordable Housing Statement, reflecting the above and using the template that will be provided within the SPD.

Do you agree that the SPD should specify matters that applicants must discuss with the Council at pre-application stage?

Do you agree that the SPD should require the above aspects of affordable housing provision to be set out by applicants within an Affordable Housing Statement?

Do you agree that an Affordable Housing Statement should be required to accompany all applications for major housing development?

7. Size, Type, Design and Distribution of Affordable Housing

It is essential, if the affordable homes delivered are to meet the needs of those requiring affordable housing in Fylde, that they are of a size and type which provides suitable accommodation, considering the circumstances of those in need.

The Local Plan makes reference to the affordable housing need as detailed in the Fylde Coast Strategic Housing Market Assessment (SHMA). It makes some prescriptions of the types of homes required, based on the SHMA, but then refers to the SHMA or any subsequent housing needs surveys undertaken on behalf of the Council.

It is intended that the SPD will set out the requirement for engagement with the Council before submitting an application, to ensure that the affordable homes produced will be what is needed. The SPD will also give guidance on acceptable design and distribution of affordable housing within development sites.

The Local Plan provides policy on the design of development generally, and the Council is producing a separate Good Design SPD to provide further detail on design for all types of development. It is therefore not intended to repeat those elements of guidance contained within the Good Design SPD, but rather to highlight design requirements which apply specifically to affordable housing.

Do you agree with the inclusion of requirements regarding size, type, design and distribution (within the development) of affordable housing to be set out within the SPD? Are there any additional elements of design that should be included?

What specific requirements do you believe should be made for the size, type, design and distribution (within the development) of affordable housing?

8. Off-site Provision

When will off-site provision be acceptable?

The Local Plan states that there will be a presumption that affordable housing will be delivered on site, in the interests of creating a mix of housing and promotes the creation of sustainable communities. Off-site provision will be acceptable only in such circumstances where the Council considers it to be so. There will be the assumption that such circumstances will be exceptional.

Calculation of Off-Site Contributions

The Local Plan sets out the requirement for off-site provision of affordable housing, where it is considered acceptable. Policy H4 states:

“the Council will require contributions for off-site provision of affordable housing equivalent in value to the provision of 43% of the number of market homes to be built on site, this being the equivalent of providing 30% affordable housing on-site”

It is intended that the SPD will set out how this will be calculated and specifically how the “equivalent in value” aspect will be assessed. This will reflect the sale price of the homes on-site. Sale prices of homes vary significantly across the borough for similar properties, being typically higher in the villages than most of the urban areas, and higher in Lytham than for instance Kirkham. Off-site contributions would therefore be a greater amount per home in the higher-price areas.

It is considered useful for the SPD to include as an appendix examples of calculations for off-site contributions. This will aid applicants by providing worked-through examples to provide understanding of the steps that need to be followed. The examples of calculations would appear as an appendix to the SPD.

Do you agree that the SPD should restrict the circumstances when affordable housing should be provided off-site?

**Do you agree that the SPD should provide a standard method for calculating off site contributions?
Do you agree that this should reflect the sale price of the homes on the development site?**

9. Allocation Policy

Affordable Rent

People who wish to express an interest in taking up affordable housing in Fylde, register their interest through the MyHomeChoiceFyldeCoast service, a choice-based lettings scheme operated on behalf of affordable housing providers (including Progress Housing who took over Fylde Council's former housing stock) and Fylde, Blackpool and Wyre Councils.

Local connection test

All affordable units are to be rented or sold to people with a local connection as set out in Fylde Borough Council's Area Lettings Plan 2015-16. This will mean that priority will be given to those applicants with a local connection to the borough of Fylde, either through residence or work. Applicants must therefore be able to demonstrate they meet one or more of the following criteria:

- Local residency – they have lived in the local authority of Fylde consecutively for the last three years;
- Permanent employment in the area of Fylde or offer of permanent employment that is intended to last for at least 12 months;
- Close family association – has a parent, adult child, adult brother or sister who is living in the area of Fylde and has done for the last 5 years;
- Applicants who are serving in the Armed Forces and who are either employed or are resident in the area of Fylde; and
- Former armed forces personnel who had a previous residence in the area of Fylde as a result of a former posting in the area of Fylde within the last 5 years.

The priority for allocation of affordable housing, unless written into the S106 agreement on a site-by-site basis, is not within the control of the Local Planning Authority, which is also the Local Housing Authority. The consequence can be that although the homes have been provided in order to meet local affordable housing need, the homes will actually house people who do not have an affordable housing need specifically in Fylde, and in some cases who may not be in affordable housing need at all. Therefore, it is intended that the SPD will set out the format by which the Council's housing allocation policy, including the local connection test, will be reflected within the S106 agreement.

Shared Ownership

Under the Shared Ownership Affordable Housing Programme (SOAHP) 2016-21 operated by the Homes and Communities Agency (HCA) no shared ownership properties funded under this scheme can be subject to local occupancy restrictions.

Discounted Market Sale

The Council's policy, to be repeated in the SPD, is as follows:

- Must be a qualifying buyer unable to afford a home in their local market. Applicants must not be able to buy a home suitable for their needs within a reasonable travelling distance of their work place, without assistance:-
 - Qualifying purchasers must live, work or have a family connection to Fylde, specifically one of the following must apply but in no particular order:-
 - They are permanently employed in the Borough of Fylde

- They have been offered permanent employment in the Borough of Fylde
 - Or in the opinion of the Council has some other sufficiently long-standing connection with the Borough of Fylde
 - They have lived in the Borough of Fylde consecutively for the last 3 years
 - Have a close family association (a parent, adult child, brother or sister) who has lived in the Borough of Fylde consecutively for the last five years
- Must be able to demonstrate access to savings or sufficient funds to pay, if require, a deposit (which may be 5% or more of the purchase price), legal fees, stamp duty and other costs of moving.
 - Must be able to sustain home ownership in the longer term. Typically applicants will be employed on a permanent contract of employment (there are exceptions for key workers). If self employed, the applicant must be able to provide accounts for the last 3 years.
 - Must occupy the property as their only and principal home.
 - Must have a good credit history – if applicants have rent arrears during the last 12 months, are in breach of their current tenancy agreement or have an adverse credit history, which means they are unlikely to be able to sustain ownership, they will not be eligible for the scheme.
 - Must take out a first mortgage with a qualifying lender.
 - Must be approved by the local authority as being eligible under the scheme for discounted market sale

Whichever tenure is adopted, it will be necessary to ensure that the allocation policy is specified within the Affordable Housing Statement and secured within the Draft Legal Agreement.

Should how the affordable homes will be allocated be included within the SPD? Should the SPD require the allocation of homes to be included within the Section 106 agreement?

10. Viability Appraisal

Where a developer proposes a lower number of affordable homes than the 30% requirement, Local Plan policy H4 requires “robust financially-based justification to be provided by the applicant, demonstrating that the development would be unviable with a higher level of affordable housing than proposed.” PPG states that there is a presumption that development on development plan allocations will be viable, as the principle will have been tested through the Local Plan examination.

The SPD will therefore set out that any application for housing that includes a viability-based reduction in the amount of affordable housing must include such an assessment with the planning application when initially submitted, and the issue must have been discussed prior to the application, with justification provided in the Affordable Housing Statement. The form of any viability assessment will need to be standardised: it is proposed that a standard format for these assessments should be set out within the SPD. It is intended that the standardised form will reflect the guidance within PPG and good practice from elsewhere.

Do you agree that a standardised format for viability assessments should be included within the SPD?

11. Requirements for legal agreements and undertakings

It is necessary to ensure that, where affordable housing is proposed as part of a development, that the Local Planning Authority retains safeguards to ensure that it is actually delivered, once planning permission is granted.

The Council considers that it will be beneficial to introduce a standard form for legal agreements used to secure affordable housing provision. In the absence of this, the drafting and negotiation of Section 106 agreements can become prolonged, due to disagreements over clauses included. The consultation process required ahead of the adoption of this SPD will ensure that the form of standard agreement should reflect a position that can be agreed by parties. This will allow draft agreements to be submitted alongside planning applications, leading to more rapid decision-making to the benefit of developers and the Council alike.

It is proposed that templates for a Section 106 agreement and for a Unilateral Undertaking be included as appendices in the SPD, and that the SPD will require their submission with the planning application through inclusion on the Local List of information requirements, for all developments where there is a policy requirement for affordable housing.

Do you agree that the requirement for affordable housing should be secured through planning obligations, or should it be through planning conditions or some other mechanism?

Should the SPD specify a requirement for affordable housing to be secured by legal agreement?

Should the SPD specify standard forms of agreement that must be used? What forms of legal agreement/ undertaking should be provided in standard form? What should the standard templates contain, and what should they not contain?

12. Decision-taking, implementation and monitoring

Supplementary Planning Documents may be given weight in decision-making. Although not part of the Development Plan, they provide detailed guidance on the application of policy that is contained with the Local Plan. Therefore, accordance with the SPD helps an applicant demonstrate compliance with development plan policy. Failure to accord with the SPD may demonstrate failure to comply with the development plan policy, and this may justify the refusal of a planning application.

Therefore, the Council will use the SPDs as guidance for determining planning applications, in support of Local Plan policies. It will similarly be used for helping determine whether enforcement action is justified, where development has taken place that is unauthorised.

In addition, the Council should take account of the guidance within the SPD when bringing forward housing projects it will be undertaking, or are undertaken on its behalf.

The Council intends to include the requirement for an Affordable Housing Statement and draft legal agreement to be on its Local List of information requirements for the validation of a planning application. Where the applicant fails to provide these, or where what is provided does not constitute such documents for the purposes of determining the application, the Council intends that an application will be invalid and will not be processed or determined until this is remedied.

Where the Council considers that a development proposal is in contravention of an aspect of the Affordable Housing SPD, the Council will inform the applicant and seek amendments to the application, including the draft legal agreement and affordable housing statement. It will be necessary for applicants to engage at the pre-application stage in order that the planning application including the affordable housing statement and draft legal agreement that is submitted will have been subject to officers' advice, and any necessary alterations made.

There will be a need to include a mechanism to monitor whether the SPD is having positive effects on the affordable housing provided. How this will be undertaken is not yet determined, but will need to include a consideration of how sites would have been developed without the SPD in place, as well as review of actual completed developments incorporating affordable housing.

Do you agree that relevant applications which fail to provide the necessary details of and commitments to affordable housing, in the form of an Affordable Housing Statement and Draft Legal Agreement, should not be validated?

Do you have views on how the outcomes of the Affordable Housing SPD should be monitored?

13. Glossary

It is proposed that a glossary should be included to clarify the meaning of terms used, particularly where standard language takes on a technical meaning.

Do you agree that a glossary should be included in the SPD?

14. References and further sources of information

Fylde Local Plan to 2032 <http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/adopted-fylde-local-plan-2032/>

National Planning Policy Framework <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

Planning Practice Guidance <https://www.gov.uk/government/collections/planning-practice-guidance>

St Annes on the Sea NDP <http://www.fylde.gov.uk/council/planning-policy--local-plan-/neighbourhood-planning/st-annes-sea-town-council-neighbourhood-plan/>

MyHomeChoiceFyldeCoast <https://www.myhomechoicefyldecoast.co.uk/Data/ASPPages/1/30.aspx>