

## **SG Affordable Housing 1: Affordable housing**

**We will approve development, subject to other policies, if an appropriate contribution is made towards the provision of affordable housing, in proportion to the scale of the proposal and the level of need in the local area.**

**In order to assist in meeting the need for affordable housing in Aberdeenshire, new housing development must contain at least 25% affordable housing, unless otherwise indicated within the Schedule 4 and the settlement statements. Commercial development will be expected to contribute to affordable housing in proportion with the scale and type of development.**

**The specific contribution required by development will be assessed at the time of the application or pre-application enquiry, having regard to housing information for the relevant settlement, as agreed by the housing authority, Aberdeenshire Council, and to market and site circumstances. In all but exceptional cases this contribution will be in the form of serviced land within the development site, to which public subsidy can be applied, or in the form of houses on the development site that are affordable without public subsidy.**

**Advice on the detailed methods of assessing the contribution required and for the delivery of affordable housing is provided in Appendix 1.**

### **Reasoned Justification**

Affordable housing is defined in SPP as “housing of a reasonable quality that is affordable to people on modest incomes.” The Aberdeen City and Shire Structure Plan (2009) indicated that the likely level of affordable housing would be in the range of 20-30% across the structure plan area. The Local Development Plan’s current Housing Need and Demand Assessment, the Local Housing Strategy and its Affordable Housing Strategic Outcome Statement inform and address the appropriate level and type of affordable housing required to help meet affordable housing need in Aberdeenshire.

The requirement set by this policy, the type of affordable housing and the form of the contribution will vary between locations and between sites. Housing need changes over time. Negotiation at the time of the application or pre-application discussion will determine the actual requirement and the form of provision. These negotiations will consider: the available information on the supply and demand for affordable housing within the settlement and housing market area which the application relates to; any exceptional servicing costs for the development; and the impact of the requirement on the viability of the development.

The requirement for a contribution towards meeting affordable housing needs can be provided by a variety of methods. Where a site falls within an area of strategic priority for development funding, preference will be given to the provision of affordable housing on the site, in association with a Registered Social Landlord or the Council. Where this is not the case, or it is agreed that this is impractical or that it conflicts with development plan policies for the site under consideration, alternative forms of provision such as Low Cost Home Ownership will be possible. There are different costs incurred by different forms of provision and the percentage of affordable housing delivered may differ in form, but in each case the developer will be expected to make the same effective level of contribution. The alternative forms

of provision and the conditions under which they will be sought are detailed within Appendix 1.

The aim of this policy is to ensure that development assists in the provision of affordable housing in perpetuity. For the avoidance of doubt, the policy will apply, where appropriate, for all development not just housing development. This approach is fair to all developers. By avoiding a minimum unit threshold it addresses the problems associated with the provision of affordable housing in smaller settlements, through the cumulative contributions from small-scale developments.

This affordable housing policy focuses on the requirement of the development industry to assist in subsidising housing for those who are unable to afford home ownership and are unlikely to be able to do so without assistance. The Housing Need and Demand Assessment and the Council's Housing Service's evidence-base show that there is a significant need for lower cost home-ownership options across Aberdeenshire. A large proportion of this need could be met through adherence to this plan's layout, siting and design policy. That policy requires that consideration be given to providing a range of house types on all sites, amongst other things to respond to clear market signals and prevent the perpetuity of further housing need over the course of the plan. Masterplans will be expected to identify the scale and location of affordable housing proposed. Adherence to all relevant policies within the Plan will help ensure that development in Aberdeenshire meets the housing needs of the entire community.

## **Appendix 1: Delivery of affordable housing**

### Introduction

Affordable housing contributions may consist of development land contributions or financial contributions towards forms of affordable housing prioritised by the Council. These forms are:

- discounted low cost housing for sale, including plots for self-build;
- mid-market rented accommodation;
- shared equity;
- social rented accommodation; and
- housing without subsidy.

Developers should make provision for at least a 25% affordable housing requirement on housing sites, unless it is stated otherwise within Schedule 4 and the settlement statements. However, a flexible and innovative approach is required to secure access to unconstrained development land for the provision of affordable housing, and developers should discuss the application of the policy to the site in question during pre-application discussions with the Council.

In previous years the loss of affordable housing for rent through the “right to buy” has exacerbated Aberdeenshire’s housing need. Recently the ‘right to buy’ for many tenants in 88 settlements has been temporarily suspended, until 2013, through Aberdeenshire’s Pressured Area Designation. Over the life of the plan it is important that new affordable housing built in Aberdeenshire is “affordable” in perpetuity.

Delivery of affordable housing is the prime objective of the policy, and close liaison will continue between the private sector and the Council’s own Housing Service to ensure that land secured for affordable housing development is implemented timeously. In addition, the current Local Housing Strategy and its Affordable Housing Strategic Outcome Statement commit the Council to look at its own land holdings and to identify strategic sites within its own control, which could be brought forward for affordable housing developments. Other strategic partners are encouraged to act similarly, to help meet Aberdeenshire’s need for affordable housing.

### Need for affordable housing at the site level

The contribution specific to a particular development will be dependent upon many fluctuating factors, such as an assessment of relevant housing information at settlement level, and of open market conditions and site circumstances including site development costs. Therefore, the exact contribution and its form can only be established at the time the planning application is lodged or the pre-application enquiry is made. Expert advice should be sought from the Local Housing Authority on local need at this stage, in addition to any additional information available at the time on the level and turnover of existing affordable housing stock, as well as waiting list information from both the Council and RSLs.

### The development specific contribution

The Council is aware of the need to achieve a successful development. Development should not be rendered unviable by the request of too onerous a level of affordable housing. The applicant should consult with the Council’s Planning Gain Team prior to an application to discuss specific contribution requirements for

residential and commercial developments. Other extraordinary on or off-site costs incurred by the developer will be taken into account and any affordable housing requirement could be reduced, if this would result in the development becoming financially un-viable.

In order for a fair and reasonable amount of affordable housing to be determined, the developer may be required to provide evidence of such costs, in confidence, to the Council. It must be stressed that in many instances costs, such as additional major infrastructure or other site works, will have been evident prior to the purchase of the site, and the developer will have been expected to have taken these into account. Should such additional works appear likely, the developer is urged to consult the Council prior to the submission of a formal planning application, so that guidance may be given where this is possible.

The detailed information gathered to determine the development specific contribution will also be used to confirm the tenure and type of affordable housing as well as the form of contribution. The end result is, therefore, not a blanket provision, but provision which will vary between locations.

### Implementation

Where it has been established that a contribution of affordable housing units on-site is the preferred means of provision, it will normally be expected that serviced land be transferred either at a value relating to its end use, or by agreement between the developer and an RSL or the Council, at a lower value. However, as indicated before, RSL or Council social rented housing development may not always be possible or appropriate.

In design terms the agreed affordable housing element must be considered as an integral part of the development and have good linkages to surrounding services including public transport. The affordable housing should be, as far as possible, visually in character with the market housing and be physically integrated. However, in the case of rented social housing development, it may not always be practical to fully integrate affordable housing due to subsequent housing management issues. These issues should be considered in adherence to the plan's design policy and be addressed at the time of any pre-application consultation.

In exceptional circumstances, the developer may, with the agreement of Aberdeenshire Council, make allocated development land or suitable brownfield sites available off-site, or contribute a commuted sum towards affordable housing provision elsewhere in the local community, such as the catchment of the local academy.

The Council recognises that a requirement to make a contribution to affordable housing needs will result in a cost to the developer. Such a result follows inevitably from government policy. In order to offset this cost, developers will also be expected to take the requirement for affordable housing into account in negotiating a land value with site owners. Similarly, in order to offset the costs of any infrastructure or community facilities that are caused by the development as a whole, developers will be expected to take these into account in negotiating a land value with site owners. The Council's policy on developer contributions applies to all developments, irrespective of the provision of affordable housing.