

planning for affordable housing

guidance for councils





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- To secure a decent, well designed home for everyone, in a human-scale environment, combining the best features of town and country.
- To empower people and communities to influence decisions that affect them.
- To improve the planning system in accordance with the principles of sustainable development.



The **Nationwide Foundation** is a charitable funder which aims to improve the lives of people who are in housing need by increasing the availability of decent affordable homes. Funding for the project that has produced this guidance document is part of the Nationwide Foundation's strategic programme, 'Nurturing Ideas to Change the Housing System'. A key part of this work is directed at understanding, through robust testing and analysis, which ideas have the potential to create systemic change.

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Planning for Affordable Housing: Guidance for Councils

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1 Introduction



1.1 The need for more affordable housing in England

Good housing is key to ensuring that people have decent life chances. A home is where we ought to feel at our most safe and secure, and most able to plan for our future. Securing good homes for everyone also helps to build strong communities and boost the economy.

However, in the words of the government, 'our broken housing market is one of the greatest barriers to progress' in England.¹ It is estimated that we need to build 3.1 million more social homes in England in the next 20 years,² yet in 2017/18 less than 6,500 were built, and more than 165,000 social homes have been lost to the private market, conversion to 'affordable rent' or demolition in the last six years.³ The figures are heading in the wrong direction, and a co-ordinated, cross-sector effort is required to turn things around. There is a growing consensus that it is a false economy for the country to be relying on the private rented sector, propped up by Housing Benefit rather than investing in good-quality social homes.

This guidance document explains how councils can play a leading role in solving the housing crisis by using their planning powers to secure more social and affordable homes.

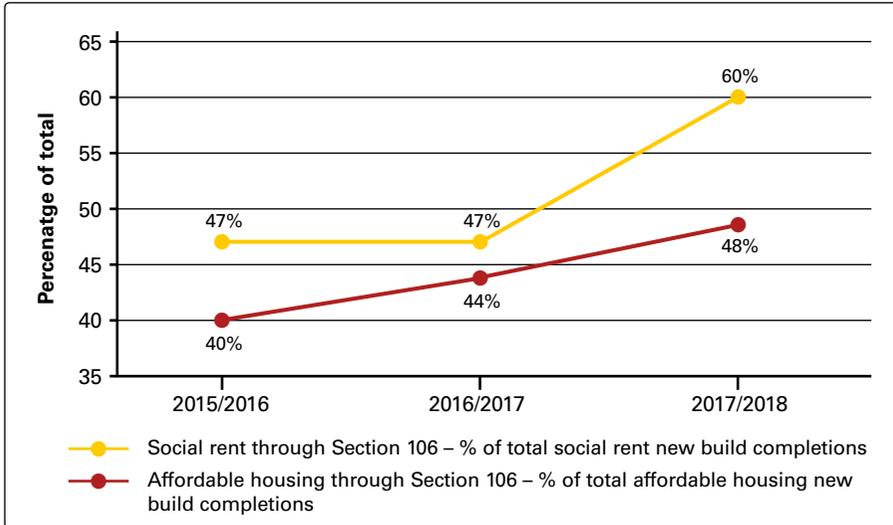


Fig. 1 Social rent and affordable housing completions through Section 106 agreements in England, 2015-2018 - reliance on the planning system is increasing

Source: Live Tables on Affordable Housing Supply 1006-1009. Ministry of Housing, Communities and Local Government, Nov. 2018

1.2 The role of councils in delivering more affordable housing

Councils are at the forefront of the solution to the housing crisis in England. Below the level of national government they are the only democratically elected bodies with statutory planning powers. Councils understand local housing pressures, and they have the knowledge and the powers to tackle them and to create a better future for people in their areas.

There are several ways that councils can improve the opportunities for local people to secure a home that they can afford. More councils are building directly in a way not seen since the 1970s – including through local housing companies and using their Housing Revenue Accounts (HRAs). Government has provided a boost to the latter through announcing a lifting of the borrowing cap on councils' HRAs in October 2018. Councils are also entering into joint ventures on public sector land and supporting community-led housing.⁴

However, a shortage of investment has meant that councils are relying on the planning system more than ever to build social and affordable homes (see Fig. 1): 60% of all the social homes built in England were secured through the planning system in 2017/18. However, some councils are securing much greater numbers of affordable homes than others through this process.⁵

1.3 The purpose of this guidance document

The purpose of this guidance document is to help councils secure more affordable homes through the planning system. The guidance set out here outlines the latest developments in national policy and the opportunities they offer to councils – particularly through the updated National Planning Policy Framework (NPPF) and Planning Practice Guidance published in 2018/2019. It is designed as a practical tool to help councils to discover new approaches that can be taken within their areas, including working in partnership with developers to unlock housing for those in need.

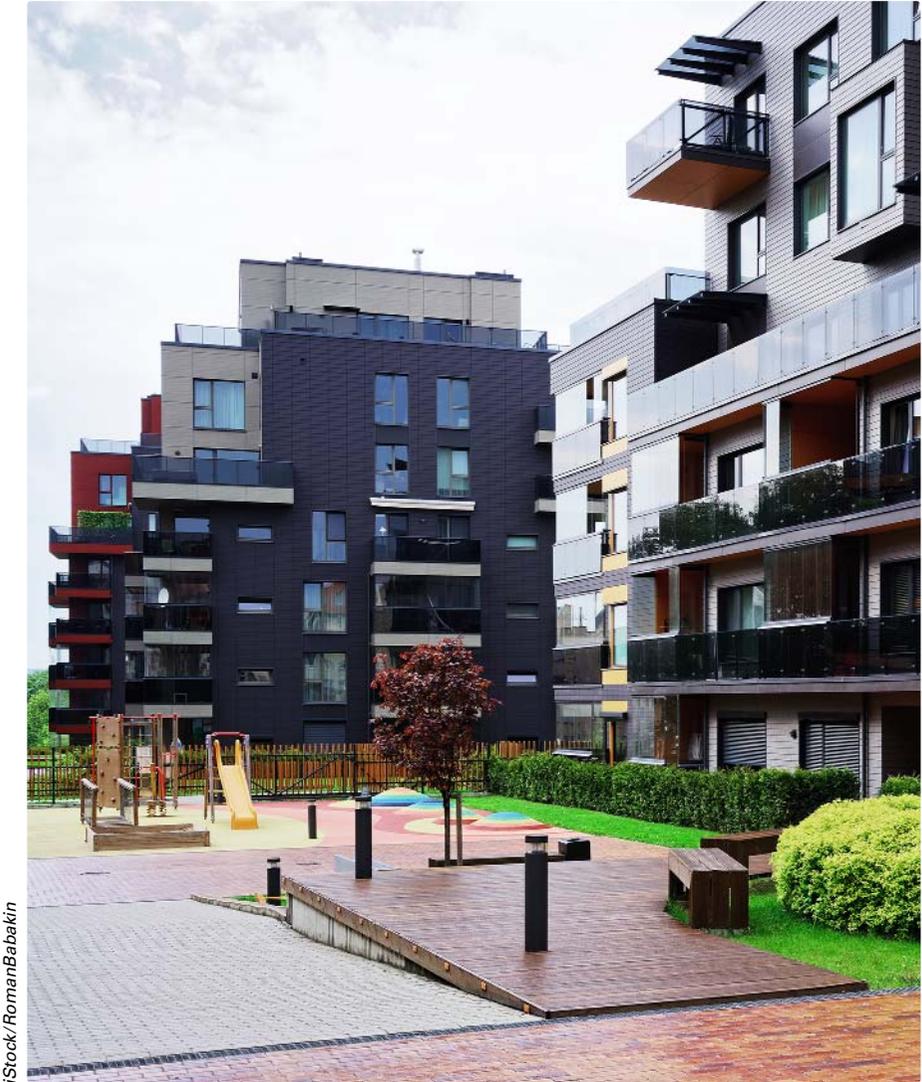
The guidance set out here is primarily targeted at local authority officers and councillors working to secure more affordable housing in their areas. It is written in a style for people with limited prior knowledge of the planning system. A glossary of key terms is included in Appendix 1.

The TCPA surveyed councils following an event in December 2018 as part of the 'Planning for Affordable Housing' project. They highlighted that guidance on viability and case studies were particularly required to assist them in securing more affordable housing. The TCPA hosted a roundtable event in February 2019 with council officers, councillors, delivery partners and academics to discuss the draft version of the guidance and invite comments based on their experiences. Their comments fed into the final version of this guidance.

This guidance is intended to help councils to secure more of the uplift in land value generated through the planning process for affordable housing. However, areas of low land value where such uplift is not available will struggle to secure such outcomes.

The TCPA has published separate guidance for councils about the opportunities available for councils in lower-value areas to take a more proactive approach to delivering affordable housing, such as establishing housing companies and supporting community-led housing.⁶ The TCPA is also campaigning for a national strategy for the redistribution of land values to help fund regeneration and secure better outcomes for people from the planning process, and is calling for changes to legislation to enable councils to compulsorily purchase land at a fair price, where appropriate, to secure more affordable homes.⁷

The TCPA also acknowledges that the changes in national policy in the revised NPPF will not apply to those councils who are undergoing examinations of plans prepared under 'transitional arrangements' as outlined in Annex 1 of the NPPF.



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Finally, while the planning system has a vital role to play in securing mixed and thriving communities, it is important to note that the current scale of housing need across England means that the planning system cannot be a substitute for a more comprehensive programme of investment in genuinely affordable housing undertaken by central government. This is a key recommendation which the TCPA made in its response to the Social Housing Green Paper.

1.4 The 'Planning for Affordable Housing' project

This guidance is an outcome from the 'Planning for Affordable Housing' project being undertaken by the TCPA, supported by the Nationwide Foundation. The 18-month project aims to help boost the supply of more affordable housing through the planning system. There are three distinct phases of the project:

- **Phase 1: Influencing national policy:** Phase 1 used conversations with over 120 different councils across the country to gather evidence on their experience of attempting to secure affordable housing through the current system. This evidence was submitted as part of a response to the consultation on the draft revised NPPF. In October 2018, a report set out recommendations to government about how the system can be improved in order to build more homes for those in greatest need. The TCPA used the evidence gathered to brief Members of Parliament on changes required to legislation on affordable housing. During Phase 1, councils also raised the issue of changes to permitted development rights introduced in May 2013 which have significantly reduced the number of affordable homes secured through planning in their area. The TCPA undertook further interviews with councils as part of the project, and submitted evidence in response to a government consultation in January 2019 on the further expansion of permitted development.⁸
- **Phase 2: Providing guidance to councils:** During Phase 2, the TCPA has identified case studies on models being adopted to create more affordable homes, and has prepared advice to councils about how to operate effectively within the existing planning system. This guidance document is the output of Phase 2.
- **Phase 3: Advocacy and training:** In Phase 3, the TCPA will use the guidance to undertake a series of training events with councils to help them to identify opportunities to secure more affordable homes through the planning system and replicate models adopted elsewhere.

1.5 The structure of this guidance document

Section 2 of this guidance document provides a policy update on planning for affordable housing. Section 3 addresses a series of key themes, and sets out case studies of approaches taken. Section 4 outlines the next steps for the project. Appendix 1 contains a glossary of key terms, and Appendix 2 signposts further information on the topic available from the TCPA.

2

Policy context

This Section sets out the current policy framework relating to planning for affordable housing, and is intended to help councils to understand how changes to the planning system and housing policy affect their ability to secure more affordable homes. The TCPA's *Planning for Affordable Housing* report⁹ details changes in policy on planning for affordable housing made during 2018. The box below summarises these changes and provides an update on policy changes since the report's publication.

Major political announcements, policies and legislation on affordable housing and planning, October 2018 - March 2019

29 October 2018	Publication of the Letwin Review on the significant gap between housing completions and the amount of land allocated or permitted on large sites in areas of high housing demand.
29 October 2018	The government issues the <i>Planning Reform: Supporting the High Street and Increasing the Delivery of New Homes</i> consultation, which includes a proposal to further extend permitted development rights – a route not requiring affordable housing contributions.
30 October 2018	Homes England publishes its new five-year strategic plan.
3 November 2018	The government announces a new 'Building Better, Building Beautiful' commission, to help ensure that new developments meet the needs and expectations of communities.
15 November 2018	The latest housing statistics show a total of 222,190 net additional dwellings in 2017-18 – 13,526 of them through extended permitted development rights.
22 November 2018	Affordable housing statistics for 2017-18 reveal that 47,355 affordable homes were delivered in 2017-18, nearly half (47%) through Section 106 agreements.
30 January 2019	The government announces a further £497 million to be spent on over 11,000 affordable homes, including properties for social rent, through a new set of partnerships with housing associations.
19 February 2019	Updated NPPF published with further minor changes
13 March 2019	The Spring Statement announces a further expansion of permitted development to allow upwards extension of properties without full planning permission.

2.1 Funding for social and affordable housing

There have been calls from across the housing sector for a comprehensive investment programme in social and affordable housing. In September 2018 the Prime Minister announced that an extra £2 billion would be made available for housing associations from 2022. In January 2019, a government announcement pledged nearly £500 million for affordable housing. Nevertheless, there is a lack of certainty about the long-term nature of some of this funding. There is also a lack of clarity on how much of this funding is available for social rent, as opposed to more intermediate ‘affordable housing’ products.

2.2 The National Planning Policy Framework

The policy landscape for affordable housing changed significantly in 2018 with the publication of the revised National Planning Policy Framework (NPPF) in July, with accompanying updates to Planning Practice Guidance. A further version of the NPPF was published in February 2019, with more minor changes to the methodology for housing and economic needs assessments.

The following key changes relating to affordable housing were made in the revised NPPF:

- The **viability test** in the NPPF has been updated, with an attempt to increase transparency and clarity on this topic. These changes – and why they are important to councils – are explained in Section 3.
- The **definition of affordable housing** has been updated – see the box on the next page.
- The revised NPPF states (in paragraph 63) that ‘provision of affordable housing should not be sought for residential developments that are **not major developments**’ (emphasis added) – defined as less than ten units. It also states (again in paragraph 63) that ‘where vacant buildings are being reused or redeveloped, any affordable housing contribution should be reduced by a proportionate amount’.
- Paragraph 64 sets out a requirement (with a list of exemptions) that ‘where major development involving the provision of housing is proposed, planning policies and decisions should expect **at least 10% of the homes to be available for affordable home ownership**’ (emphasis added).

While changes to the viability test have been welcomed, there are concerns among councils about the shift of emphasis away from social rent in the new definition of affordable housing.¹⁰ Especially in high-value areas, councils have flagged up problems with ‘affordable rent’ homes at 80% of market rents not

The NPPF definition of affordable housing

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.

being affordable to people in housing need. Case studies within this guidance document provide examples of instances where local authorities are working to secure social rented homes – available at a lower rate of approximately 50% of market rent – through the planning system.

Councils are also concerned that the requirement for 10% of new development to be affordable home ownership will reduce the number of genuinely affordable homes available for local people. These concerns are reflected in the TCPA's recommendations to government about changes required to national policy to help councils meet their specific housing needs.¹¹

2.3 The Social Housing Green Paper

The Social Housing Green Paper, *A New Deal for Housing*, was published in August 2018 for a consultation period which ran until early November. Subsequent to its launch, the Prime Minister confirmed in September that an extra £2 billion will be made available for housing associations to build affordable homes between 2022 and 2028/29.

Importantly, the Social Housing Green Paper does not reflect on the reliance on the planning system for the supply social housing. In its response to the Green Paper, the TCPA made the case that a business-as-usual approach to delivering affordable housing will not meet need, and that the planning system cannot be relied upon as a substitute for a comprehensive investment programme in genuinely affordable housing.

It is also noteworthy that social housing is defined in the Green Paper in broad terms akin to affordable housing, as 'housing to rent below market level rents or to buy through schemes such as shared ownership'.¹² This is a marked diversion from the traditionally understood definition of social housing as housing to rent at below market rates.¹³ This broad definition of social housing to include low-cost home ownership is in accordance with that set out in the Housing and Regeneration Act 2008.¹⁴

3

Key themes and case studies



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3.1 The approach to planning

Being clear on the purpose of planning

Research undertaken by the 'Planning for Affordable Housing' project has shown that 70% of councils in England rely substantially on the planning system to deliver the affordable homes needed in their area. However, the planning system is about much more than just delivering a quantity of homes. Good planning involves ensuring that all the components needed to create successful communities are secured in the development process. This includes creating the mix of tenures and types of homes required to enable people to remain in an area in the longer term. It means building strong communities with social infrastructure that help people to thrive, including hospitals, schools and community hubs.

Planning must take a holistic, strategic approach to the future of an area. The planning system is unique in its capacity to do this. While maximising the number of homes available to those people in need, it also needs to deliver sustainable development for future generations.

What does national policy say about affordable housing?

The recently revised National Planning Policy Framework (NPPF)¹⁵ states that:

- As well as setting out an overall strategy for the pattern, scale and quality of development, strategic policies within development plans should make sufficient provision for affordable housing (in line with the presumption in favour of sustainable development).¹⁶
- Plans should set out the contributions expected from development, including the levels and types of affordable housing provision required, along with other infrastructure.¹⁷
- In setting out the type of affordable housing required, planning policies should apply the definition of affordable housing given in Annex 2 of the NPPF.¹⁸
- Planning policies should expect affordable housing requirements to be met on site unless otherwise justified.¹⁹

How should councils calculate their need for affordable housing?

The revised NPPF states that strategic policies in plans should be informed by a local housing needs assessment. The updated Planning Practice Guidance on housing and economic needs assessment sets out the government's expectations on how councils should assess their housing needs (unless exceptional circumstances justify an alternative approach).²⁰

The updated guidance includes methodologies for calculating affordable housing need for an area and suggested data sources. The total affordable housing need is then to be 'considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market led housing developments'.²¹

Evidence gathering

Councils therefore face a complex and demanding challenge in calculating their affordable housing need and working up a robust evidence base.

Developing this evidence base requires strong cross-departmental working to share information within councils. Combining housing and forward planning teams is one approach, as is being taken by East Riding of Yorkshire Council (see Case Study 1). The council has also invested resources into collaborating with developers and enabling housing in rural areas, and is increasingly involved in the direct delivery of housing.

Case Study 1

East Riding of Yorkshire Council



Direct delivery of housing by East Riding of Yorkshire Council in Bridlington

Context

East Riding of Yorkshire Council faces a different set of challenges in delivering affordable homes to those encountered in London or the Wider South East. The council is one of the largest local authorities in terms of population and area, with a population of 335,900 spread over 300 settlements, of which around half live in rural communities.²²

The adopted Local Plan (in Policy S5: 'Delivering housing development') makes provision for 1,400 net additional dwellings between 2012 and 2029 (including around 350 affordable homes per year).²³ The council largely relies on the planning system to provide for affordable housing, through developer contributions of between 5% and 25% of the development. The Local Plan also encourages delivery on rural exception sites.

One of the key challenges for the council is the viability issue (particularly in remote coastal areas) and the consequent lack of delivery of affordable housing. The view is that the new definition of affordable housing in the revised NPPF impedes delivery of homes for those in greatest need, and the

need for social rented properties outweighs the demand for other affordable products. Another issue is that most affordable housing in the East Riding comes from small sites (often the most viable), but the new definition includes a threshold which prevents affordable housing being secured on them.²⁴

Building capacity to secure affordable homes

The council has invested in its ability to plan and deliver the types of homes needed in the East Riding. First, it has combined its housing strategy and forward planning teams. This team has built up the capacity and expertise to develop the Strategic Housing Market Assessment – the evidence base for housing policies – within the council rather than commissioning it externally.

Secondly, the council has invested in a staff resource dedicated to housing delivery, collaborating with landowners, developers and agents to bring forward stalled sites. The team also works proactively with development management officers throughout the planning application process, and leads communication between local partners, Homes England (and other funding bodies), and Local Enterprise Partnerships.

Finally, the council has also prioritised housing enabling in more challenging rural areas by appointing a ‘rural housing enabler’, to raise awareness on the need for affordable homes and explore ways of delivery beyond the provision of council housing. The enabler also seeks to increase interest among parish councils in affordable housing, contribute to the delivery of community-led housing schemes, and work with Registered Providers.

Direct delivery of affordable housing

As well as building its enabling role, the council has taken a proactive approach to direct delivery of more affordable housing, working closely with Homes England. The council has added to the supply of affordable housing through Section 106 acquisitions, off-the-shelf market purchases, the re-use of empty homes, and the purchase and repair of private properties.²⁵

Conclusion

The East Riding of Yorkshire Council experience highlights approaches being taken by a council in a largely rural part of the North of England, under challenging market conditions, to stimulate the housing market and secure more affordable homes. The council has worked proactively to boost housing growth by building in-house skills and capacity, and has sought a greater role in direct delivery of affordable housing.

3.2 Policy-making

Delivering homes for those in greatest need

During the course of the 'Planning for Affordable Housing' project councils across England have indicated that there is a need for a wide range of sub-market housing in their areas. This includes discounted homes to rent and housing available for low-cost home ownership to help people to get onto the housing ladder. However, the greatest need set out by councils is for social rented homes – typically at approximately 50% of market rent.²⁶



Over 50% of the councils surveyed said that they have a policy requiring social rented homes, but that it is not being delivered upon in the majority of cases. This means that the homes most needed are not being secured through planning. However some councils are showing that they can set and deliver on an expectation for social rented homes, as the Islington Council case study shows (see Case Study 2).

Robust policy

A robust policy position puts councils in a better position to deliver housing tailored to their specific needs, and makes councils more resilient to challenges by developers.

Certain councils have shown what can be achieved by developing effective policies, including securing high levels of social rent. Islington Council has tested its ambitious 50% affordable housing policy in a range of development scenarios (see Case Study 2). The purpose of the exercise was to prove to developers that the policy is viable and to set a firm starting position for any negotiations. The council also requires developers to submit viability information and methodologies early on, which helps support transparency and gives the council an initial opportunity to review such information (guidance on viability is provided in Section 3.3).

Some councils prepare their policies through developer forums to boost partnership working. This can help to test affordable housing requirements and build stronger relationships with Registered Providers and developers. Investment in these approaches by councils can help to reduce time-consuming negotiations later on in the process.

Affordable housing on small sites

National policy requires that only 'major' residential developments – where ten or more homes are provided – need to contribute affordable housing. Councils have voiced concerns over this, especially those that rely on smaller sites for affordable housing delivery. There are examples in which councils have successfully secured exemptions from this national policy position, using arguments based on evidence prepared by these councils which sets out justifications for lower thresholds (such as the nature of the land supply and the importance of small sites in their area). A Court of Appeal decision in May 2016 on this topic – although finding in favour of the government on the specific case – held that national policy does not rule out the possibility that Local Plan policies can depart from the general national policy if justified by local evidence and circumstances.

Case Study 2

Islington Council

Context

The borders of the London borough of Islington stretch from the City of London and the West End to the broader North London sub-region. Its inner-city location has made the borough an attractive place for investment, but also restricts the supply of land available for development.

Islington is a small and diverse borough – the area is home to a high proportion of residents living in social housing (42% in comparison with 24% for all of London²⁷) and contains some of the country's most deprived neighbourhoods, which sit adjacent to very wealthy areas.²⁸ The disparities in wealth are fundamental to many of the challenges facing the borough: inequalities, poverty, and a lack of affordable housing.

The borough has an urgent need for decent affordable homes: Islington is one of the ten English local authority areas with the fewest available social rented homes relative to the households waiting list (18,033 households on the waiting list in 2017 compared with 884 social rent lettings available in 2016/17).²⁹

To resolve the shortfall in social homes, Islington Council has drawn up a Housing Strategy directed at building 2,000 affordable homes between 2014 and 2019.³⁰

Ambitions for social rent

Delivering social rented homes is one of the council's key priorities: its target has been to secure 1,500 affordable homes for social rent between 2014 and 2019, including 500 new council homes.³¹ This translates into the council's approach to the planning system, in which its ambition is 'securing a supply of housing which encourages mixed communities, where the main priority will be maximising provision of social rented housing'.³²

Not only has the council set the affordable housing target for new development at 50% (15% above the Greater London Authority's London-wide strategic target of 35%), but 70% of these affordable homes are required to be social rented homes.³³ Islington Council secured the completion of 117 social rented homes through the planning process in 2016/2017.³⁴

Transparency and early engagement with developers

Islington Council has shown leadership in its approach to securing affordable housing through the planning system. In order to provide maximum clarity and certainty to developers on what is expected of them, and to make council policies robust, the council has produced several Supplementary Planning Documents (SPDs).³⁵ These SPDs aim to reduce the time required for negotiations on planning applications, which speeds up the planning process.³⁶ The documents include the following:

- testing of various scenarios to examine the impact of the council's 50% affordable housing target on the economics of residential development;
- assessment of the potential for development sites to deliver affordable housing at varying percentages and mixes, setting the financial contributions towards affordable housing that are expected on this basis;³⁷
- definitions of formulas used to calculate the affordable housing contribution for on-site provision; and
- a set of standard Section 106 planning obligations.

The SPDs have been consulted on with key stakeholders and are reviewed regularly.

The council also has a robust approach to ensuring that the viability process is transparent, aiming to provide certainty to communities about the planning system. It makes clear that the developer should provide appraisal methods and assessments at the pre-application stage, which gives the council the opportunity to respond early to applications. This puts the onus on developers to make their approach to viability clear and transparent.

The SPDs also explain the procedures for consultation, the assessment of viability, enforcement and monitoring of development, and the allocation and expenditure of Section 106 contributions in detail. The council makes all information considered as part of viability assessments publicly available.

Conclusion

Islington Council has shown ambition in using its planning role to deliver the maximum numbers of affordable homes possible for those in greatest need.

By developing a robust evidence base and drawing up a number of SPDs, the council has made itself resilient to challenges by developers. By communicating its ambitions for the borough and setting clear standards for new developments to deliver affordable housing, the council has made its expectations clear to developers at the earliest stages of the process.

3.3 Viability

What is viability?

Planning Practice Guidance states that:

'In plan making and decision-making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk, and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.'³⁸

The revised NPPF and Planning Practice Guidance make significant changes to viability testing in the planning system. However, if these changes are to result in more affordable homes, councils will need to understand the changes and act upon them. The TCPA is campaigning for further reform to fully close the viability loophole. This Section explains what changes have already been made and how councils can maximise the opportunities available.

Background to viability

Evidence shows that since the introduction of the NPPF in 2012 viability testing has substantially reduced the number of affordable homes secured through the planning system.³⁹ In response to this, recent changes in updated national policy are intended to give greater transparency and clarity on the way that viability is assessed, and ultimately to boost the number of affordable homes secured.

National policy changes to viability

The changes to viability made in the revised NPPF and Planning Practice Guidance can be broadly categorised as follows

A Setting land values that reflect policy requirements:

- The updated Planning Practice Guidance aims to prevent developers using the argument that they have paid too much for land as a way to avoid building affordable homes.
- In several paragraphs (006, 011, 014 and 018) in the 'Viability' section, Planning Practice Guidance states that ***'under no circumstances will the price paid for land be a relevant justification for failing to accord with relevant policies in the plan'***.
- Guidance on how benchmark land values should be calculated has also been amended, to include the principle that they should be based upon ***'existing use value plus' (EUV+)***, with the 'plus' described as a premium which 'should provide a reasonable incentive for a land owner to bring

forward land for development while allowing a sufficient contribution to comply with policy requirements’ (paragraph 016).

- Planning Practice Guidance also confirms that this EUV+ approach should disregard **hope value**.

What does this mean for councils?

These policy changes could potentially make a major contribution to the fairer distribution of land value uplift arising from the grant of planning permission, and could ultimately help councils to secure more affordable homes.

In practical terms, councils have a stronger position to take into negotiations with developers on affordable housing. However, for this to be meaningful, councils will need to undertake robust viability testing of their policies at Local Plan stage in order to be able to resist challenges.

B Preventing the use of viability assessments:

- The updated Planning Practice Guidance also seeks to prevent developers from using viability assessments to avoid building affordable homes
- It does this by making it clear that the role for viability assessment is primarily at the plan-making stage.
- On the question of reviews of viability, the updated Planning Practice Guidance also says (in paragraph 009) that ‘review mechanisms are not a tool to protect a return to the developer, but to strengthen local authorities’ ability to seek compliance with relevant policies over the lifetime of a project’.

What does this mean for councils?

By shifting the emphasis to plan-making for viability, local authorities can make the case for the economic viability of affordable housing policies on the sites in their plan. This can help embed policies into the price that developers pay for land, because there is no room for argument at a later stage.

Planning Practice Guidance accepts that there needs to be certain room for manoeuvre later in the development process. It is up to local authorities to take control of this process, by setting out clear policies in their plans for how viability review will take place in a way that benefits public interest outcomes.

However, some councils have flagged up problems with this new approach. In particular, they say that developers can still make a case later on as to



why particular schemes should require a viability review, thereby potentially reducing affordable housing.⁴⁰

To avoid this, the TCPA has recommended to government that national guidance be amended further to put more weight on affordable housing policies in Local Plans – closing the door on the use of viability assessments that prevent affordable homes being delivered. Furthermore, examples such as the Mayor of London’s approach offer models for how councils can incentivise developers to meet their policies through a threshold approach (see Case Study 3).

C Increasing transparency in viability:

- Changes in the updated Planning Practice Guidance aim to introduce greater transparency in viability, with an expectation that ‘any viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances’ (paragraph 018).

What does this mean for councils?

Communities should be able to understand the background to the decisions made about land in their area. Planning Practice Guidance states (in paragraph 010) that ‘improving transparency of data associated with viability assessment will, over time, improve the data available for future assessment as well as provide more accountability regarding how viability informs decision making’.

Viability issues are highly technical and challenging to communicate to communities. However, by making the principles of agreements accessible, councils can boost trust in the development process and help communities

to understand the benefits of development through contributions to affordable housing.

Further changes to viability and compensation

Progress has been made on the issue of viability and the delivery of affordable housing. However, more needs to be done. Greater clarity is required on what landowners can expect from the planning system – there needs to be a definition of what ‘a reasonable incentive’ for a landowner to bring forward a site is. Otherwise, the additional costs of buying land at inflated prices will be passed on and affordable housing will be lost.

There is also a need for changes to the process by which councils buy land for development at a fair price. Councils are taking a more proactive role in land assembly and masterplanning, and are able to pass on the financial benefits of development to communities through investment in infrastructure and affordable housing. However, currently this process favours landowner interests. To fix this, changes are required to the Compensation Code instituted by the 1961 Land Compensation Act to remove ‘hope value’ and thereby provide councils with an opportunity to compulsory purchase land – where appropriate – at a fair value for use in funding affordable housing.⁴¹

Where does all this leave councils?

As a result of these changes to national policy councils are in a stronger position to demand that developers meet their requirements on affordable housing. It is important that this opportunity is seized upon and that councils invest resources into setting strong Local Plan policies with robust evidence on the viability of sites included in the plan. This requires greater capacity building and upskilling of planning staff on viability and development finance – particularly relevant in areas with high land values. This investment can be repaid through securing greater contributions from developers in these areas. In lower-value areas, councils have options available to them to adopt proactive approaches to secure more affordable homes, such as entering into new partnerships on public sector land – covered in separate TCPA guidance.⁴²

Innovative approaches to viability

Opportunities also exist for councils to incentivise developers to meet their policy requirements. The approach taken by the Greater London Authority (see Case Study 3) sets a viability threshold approach – whereby developers who meet the Mayor of London’s affordable housing policy are fast-tracked through the planning process and are not required to show viability data.

Case Study 3

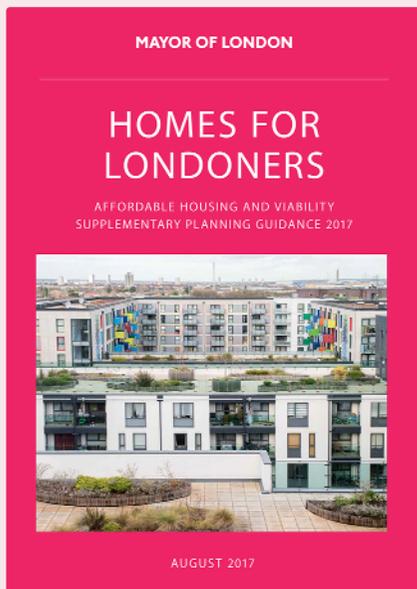
Mayor of London's approach to affordable housing and viability



Context

Although buying or renting housing has always been more expensive in the capital than in the rest of the country, the scale of unaffordability in London has reached crisis level. The severe housing shortage has resulted in rising prices and rents: 2016 saw the widest ever recorded gap between average house prices in London and in the rest of England.⁴³ Evidence set out in the 2017 London Strategic Housing Market Assessment indicates that London needs 66,000 new homes a year, of which 65% should be affordable.⁴⁴ A great disparity between housing need and delivery remains, as only 13% of new homes granted planning permission in 2014/15 were affordable.⁴⁵

To resolve London's affordability crisis, the Mayor of London is taking a multi-faceted approach to deliver half of all new homes at an affordable level and



The Mayor of London's Affordable Housing and Viability Supplementary Planning Guidance introduced the threshold approach to viability

build new homes for social rent. The Greater London Authority (GLA) will invest more in 'genuinely affordable housing', release public land for affordable homes, and increase the delivery of affordable housing through the planning system.

Threshold approach to viability

The GLA's approach to the planning system includes a new 'threshold approach' to viability. This aims to tackle the fact that in recent years developers have submitted viability assessments for most major residential planning applications, often to justify lower levels of affordable housing delivery in new development.⁴⁶ The threshold approach aims to change the negative influence of the viability assessment process on affordable housing delivery.

The Mayor's new approach exempts all development applications that meet the GLA 35% minimum requirement for affordable housing from viability testing.⁴⁷ It sets a higher target for public sector and industrial land at 50%. The draft New London Plan has adopted these thresholds for planning applications, which applies to all development capable of delivering more than ten units (or combined floorspace greater than 1,000 square metres).⁴⁸

The threshold approach consists of two routes for viability testing. The 'fast-track route' is available on applications that meet the relevant threshold level of affordable housing without public subsidy and are consistent with the GLA's

strategic tenure split (at least 30% of affordable housing should be social rent/London affordable rent). Boroughs retain the freedom to require a higher minimum percentage of low-cost rent housing from developers. Through this route, applicants are not required to provide a viability assessment at application stage. Fast-track schemes are, however, subject to an early viability review if an agreed level of progress has not been achieved within two years of the grant of planning consent – which encourages delivery.

If the developer does not meet the threshold requirements, the planning application will have to go through the second ‘viability-tested route’. This second route requires the developer to submit detailed viability information, opening it up to scrutiny and resulting in delays. For developers following this route, a second, late-stage viability review applies to determine an extra financial contribution for additional affordable housing provision: the expectation is that 60% of any surplus profit should be used for affordable housing.

The Mayor’s threshold approach seeks to embed affordable housing requirements into land values and counter the circularity of land transactions when used to establish benchmark land values in assessments of scheme viability. Significantly, in planning law the recent landmark Parkhurst Road High Court judgement has also helped to strengthen the role of plan policies in the determination of benchmark land values.⁴⁹

Focus on ‘genuinely affordable housing’

The threshold approach to viability – in combination with the Mayor of London’s ‘Homes for Londoners’ affordable housing grant programme – is designed to enable the delivery of more ‘genuinely affordable housing’. This term has been coined by the Mayor of London to make a distinction between the wider definition of affordable housing in national policy, and homes which are available at a low rate for rent and sale. The Mayor’s definition includes low-cost-rent homes available for social rent and ‘London affordable rent’, and intermediate homes for ‘London living rent’ and ‘London shared ownership’.⁵⁰

Conclusion

The threshold approach offers greater certainty and the opportunity to move away from prolonged viability negotiations – which speeds up development, and is helping to increase the level of affordable housing secured through the planning system. London borough councils have recognised the benefits of the GLA’s thresholds on viability and are adopting the approach in their Local Plans.⁵¹

3.4 Policy implementation

Sections 3.2 and 3.3 considered the development of strong affordable housing policies. This Section explores implementation of these policies.

Policy implementation requires leadership from councils and the confidence to turn away developers who do not meet affordable housing policies. Councils are subject to pressures from national government to deliver housing in their areas, including the 'housing delivery test' introduced in the Housing White Paper. This can make it challenging to turn down schemes that are not policy-compliant. Nevertheless, early engagement with developers on schemes, and up-to-date Local Plans with viability-tested policies, will strengthen the position of councils.

Delivering 'genuinely affordable housing'

As shown in Section 2, the wider definition of 'affordable housing' adopted by the government has contributed to fewer social rented homes being delivered. Councils often do include social rent in their policies – over half of councils surveyed in phase 1 of the 'Planning for Affordable Housing' project said that they require social rented homes.⁵² The problem concerns the relative weakness of this policy against other considerations such as viability – and the pressure to deliver the maximum number of homes, regardless of tenure.



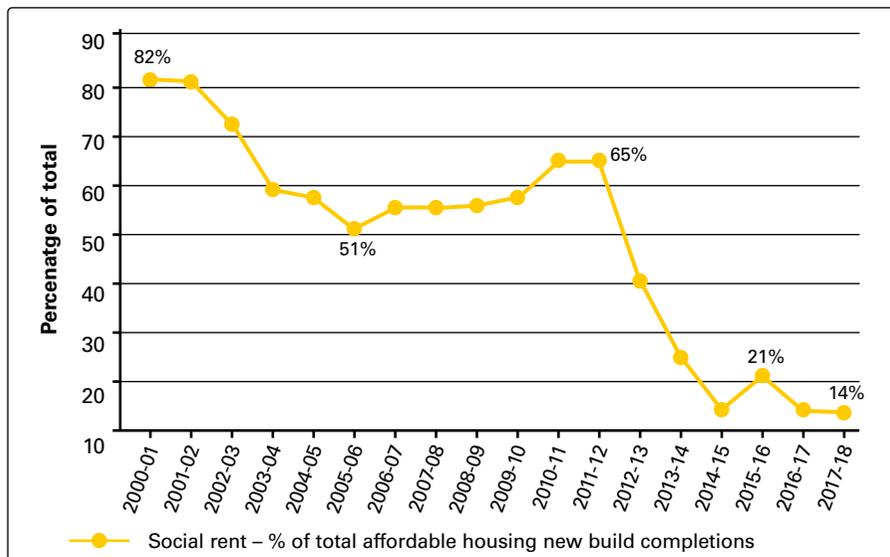


Fig. 2 Completions of social rented homes as a proportion of 'affordable housing' have fallen drastically

Source: Live Tables on Affordable Housing Supply 1006-1009. Ministry of Housing, Communities and Local Government, Nov. 2018

There is a clear need for a comprehensive programme of central government investment in genuinely affordable housing (see Fig. 2). Planning cannot deliver the number of homes required alone. Nevertheless, councils can do much more to secure higher numbers of social rented homes than they are doing at present. To do so, they need to prioritise social rent above and beyond other affordable tenures.

This is challenging as current government policies promote home ownership above the delivery of social and affordable rented homes. Some councils are taking innovative approaches to meet the demand for both. For example, Woking Borough Council, through its arm's-length company Thamesway, is pioneering a new scheme called 'Earn Your Deposit', under which Thamesway will give departing tenants of rented homes money towards a deposit for purchasing a home elsewhere. This is promoted as meeting the government's needs for affordable home ownership, while keeping properties in the rental sector in perpetuity for those in need.⁵³

As well as using these newer approaches, other councils are continuing to prioritise social rented homes and are successfully delivering – as in the case of South Gloucestershire Council (see Case Study 4).

Case Study 4

South Gloucestershire Council

South Gloucestershire Council



Affordable housing scheme in South Gloucestershire

Context

South Gloucestershire is situated to the north-east of Bristol, with 62% of its population living within the suburban outskirts of Bristol, 18% in the towns of Yate, Chipping Sodbury and Thornbury, and 20% within rural areas. Despite the housing market downturn of 2008 and 2009, house prices have risen in South Gloucestershire compared with incomes: houses cost nearly eight times the average salary and rent levels have been increasing.⁵⁴ The resulting affordability gap, with people unable to rent or buy homes on the open market, is particularly large in rural areas, where there is limited supply of affordable housing and high property prices. Unitary authority South Gloucestershire Council has identified the need to build 32,500 new homes, including 5,987 affordable homes, up to 2036 to meet expected demand in the area.⁵⁵ South Gloucestershire benefits from a strong housing market, with market and social housing providers actively competing for sites.

Council commitment to social rent

The council has made a firm commitment to deliver more social rented homes in South Gloucestershire. This commitment has been delivered upon in recent years – 271 social rented homes were secured in 2017/18 out of a total 368 affordable homes. This represented almost 5% of the total number of social rented homes completed in the whole of England – the second year running that the council achieved this percentage of the national total of social rent completions. The affordable housing delivered in South Gloucestershire in 2017/18 had an equivalent subsidy value of £32 million.

This success is evidence that councils can play a major role in securing homes for those in greatest need. The council's approach prioritises delivery of social rent above other affordable tenures, even when a higher number of affordable rent homes – those at a higher rent – could be delivered instead. In doing so, the council seeks to maximise homes available at the lowest rent. One reason for this approach is that while some local authorities set affordable rents in policy to match Local Housing Allowance (LHA) levels this approach would not work in South Gloucestershire as, in practice, rents exceed LHA levels. Delivering large numbers of social rented homes has been the outcome of sustained political focus; upskilling of staff on viability and negotiating Section 106 agreements; and patient long-term relationship building with developers and housing associations which has emphasised that social rent is the expectation in South Gloucestershire.

Partnership working

The council has taken a collaborative approach to developing its housing strategy. The strategy was developed with the Strategic Housing Partnership for South Gloucestershire (SHP4SG) and the South Gloucestershire Housing Group – working with private developers and housing associations to increase the delivery of affordable housing. The council's local affordable housing collaboration with the HomesWest South Gloucestershire partnership of housing associations further contributes to meeting the policy targets for housing.⁵⁶

The partnering housing associations have signed up to work together with the council to explore innovative routes to deliver and fund affordable homes and engage in strategic attempts to support housing-related policy development. All the housing associations have committed to recycle grants, Section 106 funding and capital from the sale of shared-ownership property into the provision of new affordable housing. The council in return supports partners in funding bids, promotes the benefits of HomesWest affordable housing delivery to developers and other stakeholders, and engages with partners in policy and

strategy development for housing delivery. The council has also committed to work with private landlords to improve the conditions of private rented homes and to bring derelict or empty properties on the market and so maximise the potential of the existing housing stock.⁵⁷

Innovation in upskilling staff

Local authority capacities vary across the West of England, as some local authority teams have seen resources reduced. Supported by a strong pipeline of housing delivery, South Gloucestershire Council has been able to safeguard its staffing resources and has focused on the upskilling of staff members in viability negotiations. The result has been the negotiation of higher levels of affordable housing than elsewhere, by using the expertise to question assumptions made in new development proposals.

Conclusion

South Gloucestershire Council has explicitly focused on the delivery of social rented homes in its planning policies, and in its negotiations with developers. This sustained emphasis has successfully delivered homes for those on lowest incomes through the planning system. Important factors in success here have been strong political will and staff with skills in viability.

Sovereign Housing Association



South Gloucestershire Council has secured 54 homes for rent through the planning system at Hanham Hall

3.5 Prioritising affordable housing at council level



iStock/SoiStock

Good housing is key to ensuring that people have decent life chances

Pressures on council services are such that planning for affordable housing is often not given the resources or priority it needs. However, delivering high-quality affordable housing through the planning system yields benefits for the entire community – by providing secure accommodation to key workers, giving the security required for people to put down roots and contribute to the community, and reducing the growing incidence of homelessness. Delivering more affordable homes can thus significantly help to reduce pressures on other council services. It can also boost productivity by reducing commuting times and improving job accessibility for people on low incomes.

Local authorities such as Cornwall Council are investing financially in affordable housing and giving housing growth a high profile (see Case Study 5). Cornwall Council is also benefiting by combining available funding from different sources to create new affordable homes, working in partnership with government agencies and Registered Providers.

Case Study 5

Cornwall Council



New affordable housing at Kew Breanek, St Agnes, in Cornwall

Context

Cornwall is characterised by a pattern of dispersed settlements, with 40% of the population living in towns of less than 3,000 people.⁵⁸ To meet predicted growth in the area, Cornwall Council's Local Plan sets out a target to provide at least 52,500 homes over a period of 20 years to 2030. The Plan estimates the total affordable housing need at 30,910 dwellings.⁵⁹

Cornwall Council faces several challenges in supplying affordable housing. A combination of high house prices, further inflated by high second-home and holiday-let ownership, and low average incomes makes it difficult to meet the housing needs of local communities. Another issue is that the delivery of affordable housing has been restricted by the minimum threshold (the delivery of fewer than ten units) for affordable housing contributions from developers. Smaller sites are important in securing affordable housing, and the council has estimated that lowering the threshold to two homes could help deliver between 60 and 100 additional affordable homes annually.

Innovation

Cornwall Council has shown leadership and commitment to achieving housing growth, and its housing delivery and development team has a clear presence within the council. The council is focusing on direct delivery of homes of all tenures on council sites, enabling development through the planning system, and funding additional affordable homes.

Direct delivery of affordable housing

Cornwall Council operates several initiatives to develop public land for housing and increase delivery – with the aim of setting a benchmark for what can be achieved in meeting affordable housing policies and providing high-quality homes.

The council has set an aspiration to directly deliver 1000 new homes (of all tenures) by March 2022 through a dedicated funding package, investing approximately £600 million to deliver a mix of homes and workspaces – including at least 35% affordable housing. Primarily, this is through a housing delivery programme, operating under the ‘Cornish Contemporary Living’ brand. This will provide the policy-specified level of affordable housing on all sites, and at least 50% private rented accommodation (to be retained by the council), with the balance provided as open-market housing to provide cross-subsidy. This programme will deliver in the region of 500 new homes by March 2022.

The council has also committed to a large affordable housing new-build programme through its Housing Revenue Account (HRA), following the lifting of the HRA debt cap by central government in 2018. This programme is set to invest around a further £65 million-£70 million and deliver approximately 350 additional affordable homes by March 2022.

In addition to direct delivery, the council has established a partnership with Galliford Try Partnerships to deliver a package of mixed-tenure sites through the ‘Cornwall Land Initiative’ – an approach that aims to deliver significant growth in housing delivery, jobs, and training.

Enabling development

The council has established a large development programme with its Registered Provider partners to stimulate housing growth. This programme aims to use Section 106 obligations combined with housing grant provided directly by the council to fund the Registered Providers. The council works



New affordable housing in Porthtowan Cornwall

directly with Registered Providers committed to long-term collaboration, as well as seeking to maximise national investment for affordable housing from Homes England.

The council has set up a forum for developers to aid the delivery of market housing and provide certainty on planning policy to the private sector. Together with the strategic relationship established with Registered Providers, the council uses these platforms as communication channels to articulate a strong expectation that development schemes will have to meet affordable housing plan policies. A Supplementary Planning Document on housing is being drafted and is due for adoption in July 2019, and will provide clarity on Local Plan policy, types of tenure, and off-site contributions.⁶⁰

Conclusion

Cornwall Council is taking a proactive and multi-faceted approach to meeting affordable housing need, maximising the finances available and working in partnership with Registered Providers and developers. To increase overall housing supply and secure more affordable homes, the council is also focusing on larger developments, where it acts as a masterdeveloper to retain control and ensure that local housing needs are met.

3.6 Opportunities for joint working

Councils can benefit from working together in planning for affordable housing. The case studies in this Section show how councils are sharing skills and good practice on viability (through the London Authorities Viability Group – see Case Study 6) and collaborating voluntarily on joint strategic plans (in the West of England Joint Spatial Plan – see Case Study 7).

Developing regional groups

Negotiating affordable housing is a challenging and complex matter. Local authorities often struggle with the resources and skill-set required to make the economic case for greater contributions. However, some councils have highly skilled officers on viability, and sharing these different skill-sets and knowledge can help other councils to build their own capacity and maximise the public benefit from development. This type of peer working can also help in sharing other valuable information among councils.

Regional groups can also jointly commission evidence to underpin individual council affordable housing policies, saving costs.



Case Study 6

London Authorities Viability Group



Purpose of the group

The London Borough Viability Group was formed in 2014 to promote joint working between planning, housing and surveying officers from across the London boroughs. As development viability has come to shape outcomes from the planning process, the group was formed to share best practice in the assessment of viability and the evaluation of appraisals. Its aim is ultimately to deliver better outcomes from the planning system in the public interest, including maximising the delivery of affordable housing.

How the group works

The group adopted the London Borough Development Viability Protocol in 2016, which sets out the principles for a shared approach to development viability in the planning process.⁶¹ The protocol clarifies the requirements of developers and the approaches that local authorities use in the assessment of planning applications. By increasing clarity and certainty on viability assessment in relation to issues such as transparency, land value and developers' returns, the protocol sets clear and consistent expectations for the London development market. The protocol informed the Mayor of London's



The London Borough Development Viability Protocol aims to provide greater clarity to developers and members of the public on viability

Affordable Housing and Viability Supplementary Planning Guidance and is supported by the Mayor. The group also jointly commissioned research and legal advice on affordable housing, viability, and land values in London.⁶²

The group comes together every quarter to exchange information on development viability. Officers discuss emerging policy and guidance, significant cases and appeals and technical viability issues, and gain advice from fellow officers. The group is building a shared evidence base to assess benchmarking in viability reports. Set up initially by the London Borough of Islington, the group is now hosted by the GLA, and the GLA in-house viability team provides training and resources to increase the capacities of the London boroughs. This has helped local authorities in assessing the viability of their Local Plans and accompanying housing policies as well as individual applications, which strengthens their position in negotiations with developers.

Lessons for other regions

The London Borough Viability Group demonstrates how regional collaboration sets clear market expectations, reduces uncertainty in the planning process, and improves the skill-sets of local authorities. It can also be the basis for conducting research and setting an evidence base jointly, pooling together local authority resources. A regional network similar to the group has since been formed in England's South West to replicate this model of collaboration.

Case Study 7

West of England Joint Spatial Plan

Cheyney Capital / United Communities



Computer-generated artist's impression of a new mixed-tenure housing development on a former school site in the Southmead suburb of Bristol

Housing affordability issues can be tackled by taking a more strategic approach. Many councils jointly conduct Strategic Housing Market Assessments to better understand housing pressures across the wider area and inform individual council planning policies.

In the case of the West of England, councils working together have prioritised the need for affordable housing across the region and prepared strategic plan policies accordingly.

Context

The West of England region – which includes Bath and North East Somerset, Bristol, North Somerset, and South Gloucestershire – has a population of

1.1 million people, of which close to 90% live in urban areas. The region is experiencing significant affordability issues, and the average earnings to average house price ratio is well above the national average.⁶³

The West of England requires 30,000 new affordable dwellings to meet existing and future needs between 2016 and 2036.⁶⁴ There are several areas in the West of England that fall within the 10% most-deprived areas of England, in which nearly 84,000 people or 7.8% of the region's population live.⁶⁵

West of England Joint Spatial Plan

The four local authorities have voluntarily collaborated – in the first example of its kind in the country – to develop the draft West of England Joint Spatial Plan (JSP). The JSP is a strategic-level Development Plan Document that provides the overarching framework for growth in housing and jobs to 2036. Consisting of strategic policies on the spatial strategy for growth, housing, employment, place-shaping and strategic infrastructure, the Local Plans of the four local authorities in the JSP area will need to be in conformity with the policies outlined in the JSP.

The JSP has defined an ambitious housing target across the whole of the West of England, based on the Strategic Housing Market Assessments of Bristol and Bath. While setting strategic goals for the area and aligning the future Local Plans of the local authorities, the JSP leaves room for local policies appropriate to meet local needs.

To secure land supply for new housing delivery, the JSP sets out new Strategic Development Locations (SDLs) that will be brought forward through each authority's Local Plan. SDLs can deliver large-scale development (500 dwellings or more) at locations which support the JSP's spatial strategy.

New approaches to securing affordable housing

The JSP includes an ambitious policy on affordable housing. Residential developments that deliver five or more dwellings or sites larger than 0.2 hectares are required to meet the minimum target of 35% affordable housing.

The JSP uses a strategic approach to focus on delivering affordable housing in those areas deemed to be a priority – particularly addressing the severe housing shortage in Bristol. The provision of affordable housing at the SDLs and other strategic locations related to the Bristol urban area will have to contribute to meeting the affordable housing need of Bristol as well that of the 'host' local authority.



Computer-generated artist's impression of a new retirement village at Stoke Gifford in South Gloucestershire, in which 199 of the 261 units are affordable housing

Furthermore, the JSP states that any reduced provision of affordable housing must still contribute to meeting the affordable housing need of Bristol if viability prevents the affordability target being met. To further boost affordable housing delivery, the JSP will introduce 'mechanisms ... to require the [planning] applicant to engage actively with the local authority to identify alternative forms of investment or public subsidy to deliver Affordable Homes above this base provision up to policy compliant target levels'.⁶⁶

Finally, to ensure that affordable housing will remain available in the future, all affordable housing tenures are required to 'include provision to remain at an affordable price in perpetuity for future eligible households (based on local incomes and house prices) or for the subsidy to be recycled for alternative affordable provision'.⁶⁷

Conclusion

The JSP sets out a strong ambition to deliver affordable housing in the West of England. Collaboration between the local authorities allows for a collective formulation of responses to the affordability issues of the wider area to overcome constraints in a joined-up way. This co-ordinated strategic response also allows for flexibility: local authorities can determine the type and tenure of housing based on local needs, and the overall housing target allows for delivery to meet Bristol's housing need, as well as that of the authority area in which an SDL is located.

4 Summary

This guidance document covers key issues relating to affordable housing and the planning system. It aims to support councils in the task of securing mixed communities by improving their understanding of the opportunities available to them. The case studies show examples of where local authorities are successfully creating good outcomes for people in housing need. The TCPA is running a series of training exercises with councils during the summer of 2019 to help officers and councillors apply this learning in their local areas.

The guidance and training form part of the wider support and campaign work undertaken by the TCPA promoting councils' roles at the heart of creating high-quality places and securing genuinely affordable homes. Signposts to further information and guidance from the TCPA are set out in Appendix 2. The TCPA will also continue to campaign at a national level for changes in legislation to empower councils to play a leading role in shaping high-quality outcomes for the future of their areas.



5

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Appendix 1

Glossary

Local Plans

Local Plans set out local planning policies and identify how land is used, determining what will be built where. Adopted Local Plans provide the framework for development across England.

Masterplans

Masterplans comprise maps, images and text describing how an area will develop. They can range in scope from strategic planning at a regional scale to small-scale groupings of buildings.

National Planning Policy Framework (NPPF)

The National Planning Policy Framework was revised in February 2019 and sets out the government's planning policies for England and how they are expected to be applied. The NPPF constitutes guidance for local planning authorities and decision-makers both in drawing up plans and as a material consideration in determining planning applications.

Section 106 agreements

Section 106 agreements (based on that section of the 1990 Town and Country Planning Act), also known as planning obligations, are agreements made between local authorities and developers and can be attached to a planning permission to make acceptable development which would otherwise be unacceptable in planning terms.

Strategic plans

Strategic plans are those that deal at a national or sub-national level with issues transcending administrative boundaries.

Appendix 2

Further information and guidance from the TCPA

- *Building Homes Together: Case Studies of Local Leadership and Innovation*. Feb. 2017 (with the Local Government Association).
<https://www.tcpa.org.uk/Handlers/Download.ashx?IDMF=9b61c3d5-5424-4826-abf8-f6ccacf7975>
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- *Building for the Future: the Role of County Councils in Meeting Housing Need*. Jun. 2018 (with the County Councils Network).
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- *Garden City Standards for the 21st Century: Practical Guides for Creating Successful New Communities*. Guides 1-11 (ongoing series). <https://www.tcpa.org.uk/guidance-for-delivering-new-garden-cities>



Planning for Affordable Housing: Guidance for Councils

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