

Maidstone Borough Council



Affordable and Local Needs Housing
Supplementary Planning Document
Consultation Statement

21st August 2019

- 1.1 Maidstone Borough Council (MBC) has recently adopted its Local Plan (October 2017) and this includes a commitment to produce an Affordable and Local Needs Housing Supplementary Planning Document (the SPD).
- 1.2 Adams Integra have been instructed to compile an SPD which is intended to facilitate negotiations and provide certainty for landowners, lenders, housebuilders and Registered Providers regarding MBC's expectations for affordable and local needs housing provision in specific schemes.
- 1.3 The purpose of this Supplementary Planning Document (SPD) is to provide advice on how the Council's Local Plan housing policies are to be implemented.
- 1.4 In order to facilitate the preparation of the SPD we (Adams Integra) consulted with the following persons and organisations:

David Banfield	Redrow Homes
Barry Chamberlain	Wealden Homes
Tim Daniels	Millwood Designer Homes
Paul Dawson	Fernham Homes
Rosa Etherington	Countryside Properties PLC
Chris Lilley	Redrow Homes
Chris Loughhead	Crest Nicholson
Iain McPherson	Countryside Properties PLC
Stuart Mitchell	Chartway Group
Chris Moore	Bellway
Guy Osborne	Country House Developments
Kathy Putnam	Chartway Group
James Stevens	Home Builders Federation
Julian Wilkinson	BDW Homes
Kerry Kyriacou	Optivo
Adetokunbo Adeyeloja	Golding Homes
Sarah Paxton	Maidstone Housing Trust
Joe Scullion	Gravesend Churches Housing Association
Gareth Crawford	Homes Group
Mike Finch	Hyde HA
Russell Drury	Moat HA
Keiran O'Leary	Orbit HA
Chris Cheesman	Clarion Housing
Micheal Neeh	Sanctuary HA
Colin Lissenden	Town and Country
	West Kent HA
Guy Osbourne	Country House Homes
Katherine Putnam	Chartway Group
Annabel McKie	Golding Homes
Councillors at Maidstone Borough Council	Maidstone Borough Council

- 1.5 We sent out separate questionnaires to Housing Associations and Developers which have been appended to this statement.
- 1.6 We received a number of responses from both Housing associations and developers.
- 1.7 We assured the contributors that their responses would be kept confidential.
- 1.8 We have listed the various responses below and explained how these comments have been addressed by the SPD:

<u>Comment from consultee</u>	<u>How the issues raised have been addressed in the SPD</u>
-	-
On small sites, it would be conducive for contributions to be paid in relation to sites of below 10 homes in lieu of affordable housing units as these have a higher level of development management intensity both pre and post contract.	Maidstone Borough Council have chosen not to apply a lower threshold of 5-units or less but are requiring affordable housing in accordance with the threshold contained in the current NPPF and NPPG
NDSS size standards – on occasions we have been invited to bid for affordable units that fall short of the NDSS, without strategic control of this issue, via planning policy for example, it has been very difficult to compel developers to deliver units in accordance with NDSS. By way of an example, in London s106 developments must comply with the London Housing Design Guide of which size standards are included thereby resulting in all affordable units achieving the relevant standards.	The SPD says the following: 10.2-The ideal occupancy requirements and minimum floor areas for each affordable unit type are set out in the table below and it should be noted that affordable units are likely to be fully occupied. The Council are investigating the potential for minimum space standards to be adopted in the Local Plan review. The Spd is unable to change or add Policy that differs from the Local Plan.
As an experienced and leading developer of affordable housing, we have delivered affordable housing through a variety of mediums, working in partnership with major/volume housebuilders who understand what is required, but don't often deliver it. Usually we are involved in a competitive bidding war against other RP's to maximise the developers' offers. We have little choice or say in how or what is being provided, notwithstanding our enthusiasm to become involved in the curating of the affordable housing offer within the early stages of the development process, for example at feasibility and outline design stages. To this end, we either compromise or don't bid where we think there are longevity issues. Whilst RPs are similar in nature in their remit to provide genuinely affordable housing, we do however work differently in some cases and therefore	The SPD says the following: 11.9-In cases where developers are experiencing difficulties securing a housing partner, they will be required to provide a copy of their brief inviting offers from Registered Providers and the names of the Registered Providers invited to offer. Registered Providers who choose not to submit an offer in such cases will also be asked for their reasons, in order for the District Council to establish what obstacles may prevent a developer securing an affordable housing provider and to assist them in overcoming them. 11.10-The initial consultation period revealed that many developers find it difficult to obtain realistic offers from RPs for smaller sites where the affordable housing requirement is less than 15 units.

<p>not all RPs are concerned about the level of participation in shaping the affordable housing proposals. Against this backdrop, aligning a uniform response to working with developers is a challenge and we would welcome new policy and strategy in overcoming this.</p>	<p>11.11-In some cases, the Borough Council may take on the brokerage role itself or look at alternative delivery methods including providing the affordable units themselves. This could be in the form of a Housing Delivery Partnership (HDP) with a Registered Provider.</p>
<p>In contrast, smaller developers who bring opportunities are more willing to engage at earlier stages where we can influence the best outcome for all parties (landowner, developer and end customer (all via LA and RP expectations)</p>	<p>Noted and see above</p>
<p><i>What could be improved?</i> - Better engagement with RPs to refine the design of the affordable housing offering at an early stage –i.e. a collaborative approach that goes beyond consultative to active participation. A protocol or process for working with RPs could be considered. We are working within a competitive environment for the provision of affordable housing, a return to site registrations could mitigate bidding wars.</p>	<p>Maidstone Council do not have an “approved list” of Registered Providers but the SPD lists those working in the Borough. The SPD says the following: 11.8-With both approaches the Borough Council will require the developer to have agreed a suitable affordable housing partner and to have entered into a contract with them to deliver the affordable housing units prior to work beginning on site, on any development or phase of a development. Early engagement with an RP is vital. An information summary has been provided in the SPD at Chapter 17. The Spd says the following: 16.2-It is the intention that an Enabling Fee (subject to annual review) will be incurred on each affordable housing unit delivered in Maidstone Borough Council area. These fees are designed to help with the provision of an affordable housing enabling service, assisting with the financial, legal, social, economic and environmental objectives required to secure and maximise affordable housing delivery and additional services. 16.11-These proposed enabling fees are designed to maximise affordable housing delivery in the Borough by assisting registered providers with support.</p>
<p>Provision of an affordable housing cost formula to homogenise bids from RPs for new AH, again to mitigate bidding wars. Historically the value of new affordable housing development was based on total cost indicators which levelled the playing field.</p>	<p>This is dealt with in Chapter 13 of the SPD entitled "Transfer values"</p>

<p>The SHMA provides a good foundation and enables a strong influence, we believe it is imperative to ensure there is a sufficient link that creates a community that can thrive and has place making qualities that there will always be a demand for. SHMA's do shift a bit over time, so there is some flexibility. As for market/sub-market housing we will be more market led as SHMA's are not always accurate enough to rely on. We have, as a solution, developed mitigation plans that can cope with a rapid change in market conditions, but this would be only for unusual circumstances.</p>	<p>The SPD says the following at chapter 17 - The mix of open market units and affordable units provided on site should comply with the mix outlined in the SHMA (January 2014). Where affordable housing is to be provided, developers should also take into consideration the needs of households on the council's housing register and discuss affordable housing requirements with the council's housing team at the pre-submission stage of the planning process.</p>
<p>We believe there is a particular challenge with 2 bed- 3 person homes for affordable rent – it is the new bedsit problem of the future in our opinion.</p>	<p>The SPD says the following: 10.4-The Council will normally only accept 2 bed 4-person units 3 bed 5/6-person units and 4 bed 6/7/8-person units.</p> <p>10.5-2 bed 3-person or 3 bed 4-person units will not normally be accepted.</p>
<p>As place shapers sustainability is at the heart of our schemes and building developments that foster social cohesion is an imperative. To illustrate, we avoid clustering 1 and 2 bed needs together, thereby balancing unit locations to avoid clashes of lifestyles, that is, avoiding concentrations of family housing immediately adjacent to single person households etc. We also seek to balance the tenure choices within the realms of local policy which we believe is sufficiently clear.</p>	<p>The SPD deals with this issue at Chapter 9- Incorporating the Affordable Housing Requirement on Site</p>

<p>Evidencing the demand for shared ownership is not simple and requires a triangulation. The Homebuy Agent does not support sufficiently what that demand is, and we don't expect the guidance to be any clearer. To address this demand intelligence, we have to research other sources of evidence for example assessing local demography and income levels compared to local markets and attainability of homeownership. So maybe an aspirational split of tenure indicating percentage of homes shared ownership can only be the approach.</p>	<p>The SPD says the following: 11.11-In some cases, the Borough Council may take on the brokerage role itself or look at alternative delivery methods including providing the affordable units themselves. This could be in the form of a Housing Delivery Partnership (HDP) with a Registered Provider and 1.10-This SPD will look to address this through the encouragement of the inclusion of social rent and discounted open market units. Social rents are set at more affordable rates than "affordable rent" and discounted market sale can include larger discounts than normal making them more affordable than shared ownership products. With regard to affordability the SPD says the following: 8.18-It is the intention of the Council that in order to be eligible for a shared ownership home the annual household income of applicants should be less than £60,000 rather than £80,000. it also says the following: 9.7-The local Plan refers to potential flexibility to change from shared ownership homes to 'intermediate rented' if market conditions change. Some RPs have experienced a downturn in demand for shared ownership in rural locations where there is a lot of shared ownership coming on to the market at the same time.</p>
<p>We make an offer based on the tenure and housing mix, usually using the LHA rate as rental stream if these are lower than 80% of market rent levels, and model this in our appraisal against annual appraisal criteria set by our Board.</p>	<p>This is dealt with in the SPD: 8.8-It is the Council's requirement that RPs cap their affordable rents to LHA levels if the 80% of the gross market rents exceeds the LHA level.</p>
<p>You will know that the price being paid by RPs is more than that to cover the build cost. It won't be the full cost of land they pay, so some subsidy is being provided by the developer. But on mixed tenure schemes transfer values that are around 80% of market value are not uncommon.</p>	<p>This is dealt with in the SPD at Chapter 13 - Transfer Values</p>

<p>For S106 schemes of under 20 homes we believe there needs to be a change of approach. For schemes under 10 homes MBC should look at a sliding scale of contributions. SDC are also now considering the developer provides land with planning to be transferred for £1 to an RP to procure the construction. This could work on very high value sites, although we are conscious that the works costs, we can develop at will leave a funding gap – can this be grant funded, or a dowry provided by the developer? This could be complex if there are a lot of small sites to deliver.</p>	<p>Maidstone Borough Council have chosen not to apply a lower threshold of 5-units or less but are requiring affordable housing in accordance with the threshold contained in the current NPPF and NPPG. The SPD also says the following: 9.8-The wording of new Section 106 Agreements should incorporate this flexibility so that there is scope for tenure changes to be agreed without the need for Section 106 Agreements to be amended and also says the following: 13.7-Furthermore, there is still the flexibility allowed through the 'viability appraisal' route as set out in Policy SP20 of the Local Plan.</p>
<p>Do you consider the affordable housing provided to be "tenure blind"? - Not in all cases, but it is getting better. But that's once you get to the back of the site next to the motorway, rail lines, the communal bins and sub-stations! In general, new schemes are tenure blind from an external elevational and fenestration perspective, internally the specifications somewhat differ between the affordable rent, shared ownership and market housing. In the case of the latter, market housing purchasers seek to customise their accommodation according to their needs. In terms of shared ownership, there is usually an enhanced specification above the affordable rent owing to commercial sensitivities and the need to adopt a more consumerist approach. In terms of the clustering and juxta positioning of the tenures, this is usually driven by the developer to optimise the market value of the units by capitalising on the best aspects following a comprehensive assessment of the site's opportunities and constraints during the concept design stages.</p>	<p>The SPD deals with this issue at Chapter 9- Incorporating the Affordable Housing Requirement on Site</p>
<p>Tenures are often separated, that is not pepper potted, to respond to commercial sensitivities around selling private and shared ownership and to simplify the service charge and asset management over the long term.</p>	<p>The SPD deals with this issue at Chapter 9- Incorporating the Affordable Housing Requirement on Site</p>
<p>During occupation we seek to homogenise estate and block management with the private elements by working in partnership to ensure all tenures benefit from the same levels of estate management thus avoid a distinction.</p>	<p>The SPD deals with this issue at Chapter 9- Incorporating the Affordable Housing Requirement on Site</p>

<p>There is a concern at the growing interest in non-RP's taking on the S106 homes and having them managed by RP's. This is an investment game and the social and economic factors of social housing shouldn't be mixed like this in our view. To exemplify the point, investors are less likely to be concerned to address issues that are raised in the above points as we suspect that 2-5 years into their ownership, they will trade that portfolio as a going concern to another investor. How does MBC ensure that standards of development aren't being compromised, and the life expectancy of the homes is being maintained? Where would the landlord commitment be? This short term-ism is not compatible in providing and managing affordable homes over the long haul; we believe that a policy response to this potentially intractable issue is compelling.</p>	<p>The SPD says the following: 11.11-In some cases, the Borough Council may take on the brokerage role itself or look at alternative delivery methods including providing the affordable units themselves. This could be in the form of a Housing Delivery Partnership (HDP) with a Registered Provider. The SPD also addresses this comment in Chapter 10- DEVELOPMENT SITE STANDARDS AND CHARACTERISTICS</p>
<p>There needs to be recognition of local circumstances that may affect demand for particular unit types in any given location. For example, level sites with good access to facilities may be particularly suitable for wheelchair standard homes; other locations may attract high demand for affordable family housing but less demand for people with a 1 bed flat need, for example.</p>	<p>This is an issue that the SPD is not best placed to address. It is more of a planning consideration.</p>
<p>The SPD should give flexibility for the total number of affordable units to be varied in return for a number of truly wheelchair standard home being provided, on suitable sites.</p>	<p>The SPD has the flexibility to deal with this issue. The SPD says the following: 9.8-The wording of new Section 106 Agreements should incorporate this flexibility so that there is scope for tenure changes to be agreed without the need for Section 106 Agreements to be amended</p>
<p>To support the new SPD, robust and up to date evidence must be maintained that includes consideration of benefit entitlements alongside the stated housing need of different household types.</p>	<p>The SHMA is updated regularly.</p>
<p>Ideally the SPD should define 2-bedroom units such that they will be 2-bedroom 4 person units, i.e. with a double and a twin bedroom; and 3-bedroom units should be defined so that they will be 5 person units not 4 person units.</p>	<p>The SPD says the following: 10.4-The Council will normally only accept 2 bed 4-person units 3 bed 5/6-person units and 4 bed 6/7/8-person units.</p> <p>10.5-2 bed 3-person or 3 bed 4-person units will not normally be accepted.</p>

<p>To ensure homes will be affordable, the SPD should preferably state that the title to affordable housing units must be freehold or if leasehold, then long lease, at nil ground rent.</p>	<p>Ground rents are normally only charged on private units. New Government legislation is looking to outlaw ground rents.</p>
<p>Whilst we are keen for all development to be 'tenure blind' we do sometimes want to make changes to the specification proposed by developers especially as some only offer a very basic specification for affordable units. Developers can be reluctant to make internal specification changes or seek to charge a premium. We recognise that this can be because proposed alternative components are difficult to source through their existing supply chains and add complication to their build. However, we always have to balance this with ensuring suitable quality of the finished homes and the cost effectiveness of future maintenance.</p>	<p>This comment is noted but it is not possible to deal with this issue in the SPD</p>
<p>Developers may try to transfer any flats on a Leasehold basis to enable them to profit from/sell on ground rents and well as making profits from management companies. We look to secure freehold title wherever possible. Where the affordable 'quotas' includes a number of flats within a larger private block this tends to be particularly problematic, and service charge and ground rent may make these properties unaffordable.</p>	<p>New Government legislation is dealing with this issue. The SPD also says the following: 9.3-Following consultation with registered providers (RPs) it is accepted that there are inherent problems with blocks of flats that have shared tenures of open market and rent with regard to ground rents and service charges.</p> <p>9.4-Where flats are provided on site as part of the affordable housing package then these should be in separate blocks with the freehold transferred to the RP. This will enable the RPs to set service charges which are affordable to their tenants/purchasers.</p>
<p>Leasehold terms and estate wide management company conditions normally include a prohibition on parking commercial vehicles, which we always seek to negotiate out as otherwise people who drive for example a small commercial vehicle for work will be unable to park near their homes.</p>	<p>Note - but this is not something that the SPD can look to address.</p>
<p>We value the relationship with Andrew Connors and others in the housing team.</p>	<p>Noted</p>

<p>Viability tends to be more problematic when developing small sites, and flexibility on planning requirements can make the difference between a project proceeding or being unviable. Greater flexibility on the tenure mix would assist with viability – for example allowing the affordable ‘quota’ to be 100% AR or possibly 100% SO – having just 1 or 2 SO units can mean disproportionate marketing costs for the RP- giving developers flexibility may make it easier for them to interest RPs in offering for very small numbers of affordable units.</p>	<p>There is flexibility built into the draft SPD. Chapter 15 deals with viability.</p>
<p>We have experienced difficulties where MBC S106 Agreement has contained a requirement for Lifetime Homes standard to be achieved on all affordable homes (but not on any of the private units.) In particular, this requirement has occasionally been included in the terms of the S106 even when the planning approved layouts for those units did not enable Lifetime Homes compliance.</p>	<p>The SPD also addresses this comment in Chapter 10-DEVELOPMENT SITE STANDARDS AND CHARACTERISTICS</p>
<p>Good practice examples include :access to informal pre application advice for affordable projects; regular affordable housing meeting with planning officers and highways rep; sharing draft planning conditions before decision issued so that any potentially problematic conditions can be discussed and potentially amended; Council providing feedback on draft Unilateral Undertaking in lieu of Section 106 Agreement, to speed up planning process; Council agreeing principles of local lettings plan at outset of project where mix included high proportion of smaller flats</p>	<p>The SPD says the following: 11.8-With both approaches the Borough Council will require the developer to have agreed a suitable affordable housing partner and to have entered into a contract with them to deliver the affordable housing units prior to work beginning on site, on any development or phase of a development. Early engagement with an RP is vital. An information summary has been provided in the SPD at Chapter 17. The Spd says the following: 16.2-It is the intention that an Enabling Fee (subject to annual review) will be incurred on each affordable housing unit delivered in Maidstone Borough Council area. These fees are designed to help with the provision of an affordable housing enabling service, assisting with the financial, legal, social, economic and environmental objectives required to secure and maximise affordable housing delivery and additional services. 16.11- These proposed enabling fees are designed to maximise affordable housing delivery in the Borough by assisting registered providers with support.</p>

<p>The local Plan refers to potential flexibility to change from shared ownership homes to 'intermediate rented' if market conditions change and it is particularly timely for the Council to consider this. We have already experienced some downturn in demand for shared ownership in rural locations where there is a lot of shared ownership coming on to the market at the same time, and coupled with this are mindful of the risk of a wider market downturn, possibly combined with reduction in mortgage availability. The wording of the new SPD and subsequent new Section 106 Agreements should embed this flexibility so that their scope for tenure changes to be agreed without the need for Section 106 Agreements to be amended.</p>	<p>The SPD says the following: 9.7-The local Plan refers to potential flexibility to change from shared ownership homes to 'intermediate rented' if market conditions change. Some RPs have experienced a downturn in demand for shared ownership in rural locations where there is a lot of shared ownership coming on to the market at the same time.</p> <p>9.8-The wording of new Section 106 Agreements should incorporate this flexibility so that there is scope for tenure changes to be agreed without the need for Section 106 Agreements to be amended</p>
<p>Rather than seeking the same approach, same mix provision in all locations, planning policy needs to give flexibility for site specific factors to be considered, and for this assessment to include consideration of both supply and demand factors.</p>	<p>The SPD does allow for flexibility</p>
<p>I would like to see the Council producing LNH Need Surveys in every parish, setting out the needs of the Borough and reviewing the position every 7 years (min)</p>	<p>The SPD says the following: 7.15-The Council will endeavour to ensure that Local Needs Housing Surveys are carried out by every Parish where the Local Parish Council supports this approach</p>

<p>On small sites the delivery to the required standards can be very difficult as the Register Housing Associations pay such a little sum for the finished product, this could be augmented by the inclusion of Open Market Housing, offsetting the very low figure paid by the HA.....carrying out a LNH Need Survey in every parish will determine where such allowances within the policy should be permitted, for example one parish may have a LNH need of say 25 units, which would not need open market housing support, another may only need 5 units, in which case open market housing would definitely enable the delivery.</p>	<p>The SPD says the following: 7.18-However, on rare occasions proposals may include an element of market housing to cross subsidise delivery. This may be to provide financial viability in order to deliver local needs homes and/or be a requirement of the landowner. Where market homes are suggested, the applicant will need to demonstrate to the satisfaction of the Council that a 100% affordable housing scheme has been fully considered and the reasons why it has been discounted.</p> <p>7.19-If the Council is satisfied that an element of cross subsidy is required to secure a local needs housing scheme, the amount of market housing will need to be at the minimum level required. It is envisaged that the amount of market housing should not exceed 30% of the total number of homes to be provided within the overall scheme or 3 homes, whichever is the lesser amount.</p> <p>7.20-A fully costed viability appraisal will need to be carried out to justify the inclusion of market housing for cross subsidy purposes.</p> <p>7.21-It is expected that any market homes provide for cross subsidy purposes will only comprise housing which is three bedrooms or less. Two- and three-bedroom homes are the primary size of new market homes required in the District, as evidenced in the SHMA. Executive style homes will not be permitted.</p> <p>7.22-Unless otherwise agreed by the Council, it is expected all of the market housing units will be sold to people with a local connection to the parish at first sale only.</p>
<p>RP's have generally been ok to work with over the past ten years. We are finding that they are being far more difficult over the past two years as the quantum of delivery to large national housebuilder sites is taking their focus much more than smaller schemes, additionally the RP's are offering lower prices for the finished product, particularly where the delivery numbers are low as they do not really want just four or five homes on a site that is not closely associated to their existing housing stock. I appreciate that this can be off-site to an off-site contribution although this is not always the right answer to the issue and the off-site</p>	<p>The SPD says the following: 11.11-In some cases, the Borough Council may take on the brokerage role itself or look at alternative delivery methods including providing the affordable units themselves. This could be in the form of a Housing Delivery Partnership (HDP) with a Registered Provider</p>

contribution calculations as set out by the council are flawed.	
<p>We send out the details and await the offers.....this is a major problem as the RP's do not have to take your stock & they will only offer what they want to offer....when a PLC national housing builder has 150 affordable units coming online in a similar location to one of our small sites we are being royally shafted by the RP's....they do not want small numbers pepper potted on small sites, they want large areas of PLC sites where all of their product is in one location.</p>	<p>The SPD says the following: 11.9-In cases where developers are experiencing difficulties securing a housing partner, they will be required to provide a copy of their brief inviting offers from Registered Providers and the names of the Registered Providers invited to offer. Registered Providers who choose not to submit an offer in such cases will also be asked for their reasons, in order for the District Council to establish what obstacles may prevent a developer securing an affordable housing provider and to assist them in overcoming them.</p> <p>11.10-The initial consultation period revealed that many developers find it difficult to obtain realistic offers from RPs for smaller sites where the affordable housing requirement is less than 15 units.</p> <p>11.11-In some cases, the Borough Council may take on the brokerage role itself or look at alternative delivery methods including providing the affordable units themselves. This could be in the form of a Housing Delivery Partnership (HDP) with a Registered Provider.</p>
<p>RP's pay no land value at all, they pay the lowest price possible for the product and the inclusion of affordable on the site takes 20% off the sale price of open market homes and means that it will take you much longer to sell the open market homes.</p>	<p>These comments are noted - see above.</p>
<p>The whole affordable housing system needs a complete overhaul-RP's need to pay for the land, they need to pay the right price for the product, private business should not be losing money to provide housing stock to a trust that then makes money from it.</p>	<p>These comments are noted - see above.</p>

<p>Council Housing team need to engage with us – we are providing the houses they need but we are not considered as a party in the process.</p>	<p>Maidstone Council do not have an “approved list” of Registered Providers but the SPD lists those working in the Borough. The SPD says the following: 11.8-With both approaches the Borough Council will require the developer to have agreed a suitable affordable housing partner and to have entered into a contract with them to deliver the affordable housing units prior to work beginning on site, on any development or phase of a development. Early engagement with an RP is vital. An information summary has been provided in the SPD at Chapter 17. The Spd says the following: 16.2-It is the intention that an Enabling Fee (subject to annual review) will be incurred on each affordable housing unit delivered in Maidstone Borough Council area. These fees are designed to help with the provision of an affordable housing enabling service, assisting with the financial, legal, social, economic and environmental objectives required to secure and maximise affordable housing delivery and additional services. 16.11-These proposed enabling fees are designed to maximise affordable housing delivery in the Borough by assisting registered providers with support.</p>
<p>Delivery of S106 affordable dwellings. Several RP will not take small amount of units</p>	<p>The SPD says the following: 11.9-In cases where developers are experiencing difficulties securing a housing partner, they will be required to provide a copy of their brief inviting offers from Registered Providers and the names of the Registered Providers invited to offer. Registered Providers who choose not to submit an offer in such cases will also be asked for their reasons, in order for the District Council to establish what obstacles may prevent a developer securing an affordable housing provider and to assist them in overcoming them.</p> <p>11.10-The initial consultation period revealed that many developers find it difficult to obtain realistic offers from RPs for smaller sites where the affordable housing requirement is less than 15 units.</p> <p>11.11-In some cases, the Borough Council may take on the brokerage role itself or look at alternative delivery methods including providing the affordable units themselves. This could be in the form of a Housing Delivery Partnership (HDP) with a Registered Provider.</p>

<p>A number of RPs will not now look at S106 units that are below 15 dwellings. Offers that are made for the lower amount of units are sometimes not viable and as a developer you are forced to accept low offers only so you can get the development started and private units delivered</p>	<p>The SPD says the following: 11.9-In cases where developers are experiencing difficulties securing a housing partner, they will be required to provide a copy of their brief inviting offers from Registered Providers and the names of the Registered Providers invited to offer. Registered Providers who choose not to submit an offer in such cases will also be asked for their reasons, in order for the District Council to establish what obstacles may prevent a developer securing an affordable housing provider and to assist them in overcoming them.</p> <p>11.10-The initial consultation period revealed that many developers find it difficult to obtain realistic offers from RPs for smaller sites where the affordable housing requirement is less than 15 units.</p> <p>11.11-In some cases, the Borough Council may take on the brokerage role itself or look at alternative delivery methods including providing the affordable units themselves. This could be in the form of a Housing Delivery Partnership (HDP) with a Registered Provider.</p>
<p>If you need to get an RP on board you do what they want and say in fear that you may end up with private units you are unable to complete on</p>	<p>Noted - see above</p>
<p><u>Councillors also made comments on the draft SPD at a meeting on 3rd June 2019.</u></p>	
<p>Members' overriding message was for affordable housing to be truly affordable</p>	<p>The SPD has text explaining its limitations in the context of a difficult macro picture around the housing market and affordability</p>

<p>There was some concern regarding shared-ownership products. Particularly how the Council could ensure they remained as affordable housing in perpetuity. It was noted that the unit could be lost as affordable housing. (officers explained that although this could be the case, the finance for the affordable housing would be kept in perpetuity).</p>	<p>The SPD says the following: 8.26-It is possible, therefore, for shared ownership units to become fully owned open market units and the receipts used purely to offset the housing associations borrowings.</p> <p>8.27-Discounted homes for sale are defined as those available to buy at a discount from what would be their open market value, with the discount applied in a manner so that it remains applicable on future re-sales in perpetuity.</p> <p>8.28-It is the Council’s view that, along with the provision of social rented units discounted open market units are the product that would be particularly suited to helping local people get onto the housing ladder. Social rent levels are much more affordable than “affordable rent” and the level of discount applied to the discounted open market units can be adjusted to suit local salary levels.</p>
<p>Members were fairly positive about discounted market sale product in the SPD. Members also referred to co-operatives as something they could support. Members wanted this referred to in the definitions. Rent to buy is popular with the Leader.</p>	<p>The SPD is clear on its benefits and the reasons for its inclusion with particular regard to bringing AH forward (and the type of AH, where possible). AH would need to stay as AH though. The SPD says the following: 11.6-The Council supports the role that Housing Co-operatives can play in providing affordable housing. A housing co-op is a housing organisation which exists as a landlord, managed partly or fully by its tenants. Co-ops are one model of Community-Led Housing. Co-ops which allow people to control their homes and build a supportive community.</p>
<p>There was discussion around elderly people with large housing blocking it from coming forward for families.</p>	<p>This is not something the SPD is able to address.</p>
<p>There seemed to be general agreement that one of the issues was around deposits/lump sums and the barrier they created. Reference to help to buy could be expanded in the SPD. There was a lot of support for finding ways that the Council could help with deposits and asked us to look into this. Members also wanted us to look into reducing the £80k income threshold, to £60k, for example.</p>	<p>The SPD says the following: 8.19-The Council will explore options it may have in providing help to first time buyers with initial deposits. It also says the following: 8.18-It is the intention of the Council that in order to be eligible for a shared ownership home the annual household income of applicants should be less than £60,000 rather than £80,000</p>

<p>A theme that some Members felt quite strongly about was local affordable housing for local people. This seemed to manifest itself in a couple of ways – 1. If there is a product that would be particularly suited to helping local people get onto the housing ladder, then this should be promoted and 2. Can we support exception sites coming forward in the SPD itself</p>	<p>The SPD says the following: 1.7-There is a shortage of affordable housing in the Borough and the Council is under significant pressure to deliver new housing to meet objectively assessed needs.</p> <p>1.8-As such the SPD is intended to maximise delivery of truly affordable homes in the borough.</p> <p>1.9-It should be noted that this intention will have its limitations in the context of a difficult macro picture around the housing market and affordability.</p> <p>1.10-This SPD will look to address this through the encouragement of the inclusion of social rent and discounted open market units. Social rents are set at more affordable rates than “affordable rent” and discounted market sale can include larger discounts than normal making them more affordable than shared ownership products.</p> <p>4.16-The Council is happy to consider the development of Entry Level Exceptions Sites in suitable locations, particularly where these will provide for Local Key Workers</p>
<p>There was a lot of debate around space standards. Ultimately, Members were keen to bring in minimum space standards but want this done in a co-ordinated way and through the Local Plan Review, rather than the SPD itself.</p>	<p>The SPD says the following: 10.2-The ideal occupancy requirements and minimum floor areas for each affordable unit type are set out in the table below and it should be noted that affordable units are likely to be fully occupied. The Council are investigating the potential for minimum space standards to be adopted in the Local Plan review.</p>
	<p>Where possible, due to constraints placed upon the SPD from National and Local Planning Policy, the above comments have been taken into account and are reflected in the draft SPD.</p>

APPENDICIES

1. Questionnaire to Housing Associations
2. Questionnaire to Developers

APPENDIX 1

Maidstone Borough Council (MBC) is seeking to produce an Affordable and Local Needs Housing Supplementary Planning Document (the SPD) to facilitate negotiations and provide certainty for landowners, lenders, housebuilders and Registered Providers regarding MBC's expectations for affordable and local needs housing provision in specific schemes

MBC has now adopted its Local Plan (October 2017) and this includes a commitment to produce an Affordable and Local Needs Housing Supplementary Planning Document.

Adams Integra have been instructed to compile the new SPD and the aim is that it will be the "go-to document" for those with a stake in affordable and local needs housing delivery in the borough and should add clarity and guidance to the framework and approaches presented within Maidstone's Local Plan.

As part of this process we are seeking to engage as much as possible with Key Stakeholders working in Maidstone and the wider Kent area.

Maidstone Borough Council have provided us with contact details of Registered Providers currently working in their area.

We would be grateful if you could respond to the questions below in order to assist in the production of the new Affordable and Local Needs Housing Supplementary Planning Document for Maidstone.

If you have any queries on any of the questions, please contact me.

David Coate

Adams Integra

07920 171014

1. Are there any specific items you would like to see included in the SPD?

2. What experiences - positive or negative - do you have in delivering affordable housing products on Section 106 sites - specifically -
 - Affordable rent

 - Social rent

 - Shared ownership

- other affordable tenures such as fixed equity or low cost home ownership

3. What are your experiences of working with Developers and how could this be improved?

4. When considering Housing Mix how much is this guided by the Accommodation profiles detailed in the Strategic Housing Market assessment 2015?

5. Do you use this to determine which house sizes should be delivered in urban and rural areas to meet the objectively assessed needs of the area?

6. How do you determine the mix for affordable housing - is the guidance clear on this matter?

7. How do you take into account the needs of households on the Council's housing register?

8. Are you able to easily access the Council's Housing team at the pre-submission stage of the planning process?

9. How do you determine the transfer price for the affordable housing with a developer?

10. What are your experiences of delivering affordable housing on smaller sites?

11. What difficulties have you experienced in delivering affordable housing on site?

12. Do you consider the affordable housing provided to be "tenure blind"?

13. What is your experience in regard to the setting of rent levels?

14. Do you have examples of any good practice in your dealings with other Councils?

15. Any other comments you may have.

APPENDIX 2

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- other affordable tenures such as fixed equity or low cost home ownership

3. What are your experiences of working with RPs and how could this be improved?
4. When considering Housing Mix how much is this guided by the Accommodation profiles detailed in the Strategic Housing Market assessment 2015?
5. Do you use this to determine which house sizes should be delivered in urban and rural areas to meet the objectively assessed needs of the area?
6. How do you determine the mix for affordable housing - is the guidance clear on this matter?
7. How do you take into account the needs of households on the Council's housing register?
8. Are you able to easily access the Council's Housing team at the pre-submission stage of the planning process?

9. How do you determine the transfer price for the affordable housing with a RP?

10. What are your experiences of delivering affordable housing on smaller sites?

11. Do you have a preferred method for calculating an equivalent off-site contribution in lieu of providing affordable housing on site?

12. What difficulties have you experienced in delivering affordable housing on site?

13. Have you been able to provide "tenure blind" affordable housing on-site?

14. What is your experience of dealing with RPs in regard to the setting of rent levels?

15. Do you have examples of any good practice in your dealings with other Councils?

16. Any other comments you may have.