

Local Development Framework for Bradford

Bradford City Centre Affordable Housing Supplementary Planning Document

October 2008



City of Bradford MDC

www.bradford.gov.uk

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यह दस्तावेज़ उन बहुत से दस्तावेज़ों में से एक है जिनसे मिलकर ब्रैडफोर्ड डिस्ट्रिक्ट का लोकल डिवेलपमेंट फ्रेमवर्क बनता है। यदि आप इस दस्तावेज़ की जानकारी का हिन्दी अनुवाद या इसे ब्रेल, बड़े अक्षरों या टेप पर प्राप्त करना चाहते हैं, तो कृपया लोकल डिवेलपमेंट फ्रेमवर्क ग्रुप से (01274) 434050, (01274) 434544 या (01274) 434606 पर सम्पर्क करें।

(01274) 434050, (01274) 434544 वा (01274) 434606 नांवाले स्थान पर।

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આ દસ્તાવેજ ઘણાંમાં નો એક છે કે જે બ્રેડફોર્ડ ડિસ્ટ્રિક્ટ નાં સ્થાનિક વિકાસ ની રૂપરેખા બનાવે છે. જો તમને આ દસ્તાવેજનાં લખાણનું પ્રાદેશિક ભાષાઓમાં ભાષંતર કરાવવાની અથવા તેનો અર્થ સમજવાની જરૂર જણાય, અથવા તમને તેની જરૂર બ્રેઇલ, લાજ પ્રિન્ટ કે પછી ટેપ ઉપર હોય, તો મહેરબાની કરી લોકલ ડિવેલપમેન્ટ ફ્રેમવર્ક ગ્રુપનો (01274) 434050, (01274) 434544 અથવા (01274) 434606 પર સંપર્ક કરો.

یہ دستاویز بریڈفورڈ سٹرکٹ کے مقامی ترقیاتی لائحہ عمل سے متعلقہ دستاویزات میں سے ایک ہے۔ اگر آپ کو اس دستاویز کا زبانی یا تحریری ترجمہ کسی بھی کمیونٹی زبان میں درکار ہو یا آپ اسے بریل، لارج پرنٹ یا ٹیپ میں چاہتے ہیں تو براہ مہربانی لوکل ڈیولپمنٹ فریم ورک گروپ سے ٹیلی فون نمبر: 01274 434050 یا 01274 434606 پر رابطہ کریں۔

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Contact

For all enquiries about this draft document please contact the CBMDC Planning Service on 01274 434606.

EXECUTIVE SUMMARY

This Supplementary Planning Document (SPD) sets out the City of Bradford Metropolitan District Council's affordable housing policy for the City Centre. The SPD and its policy provisions apply until such time as the policy is superseded by the provisions of the Bradford City Centre Area Action Plan (AAP). The AAP underwent Issues and Options stage consultation in the Autumn of 2007 and is scheduled for adoption by 2011.

The SPD elaborates on the replacement UDP adopted in October 2005 in relation to all developments in the city centre which require an affordable housing contribution.

The following requirements for affordable housing delivery on development schemes within the URC area will be sought by CBMDC.

- **Schemes of less than 15 units = 0%**
- **Schemes of 15 – 49 units = 10%**
- **Schemes 50 units or more = 15%**

The above figures do not waive any other Section 106 requirements as required by CBMDC.

In line with Policy H9 of the RUDP, where there are material and reasons for doing so backed up by robust evidence, the scale and form of the negotiated affordable housing contribution may vary from that outlined above. In particular given the ongoing need to encourage regeneration in the City Centre, the Council will continue to take account of the economics of provision and site viability and deliverability issues.

There will be an overall presumption against the use of commuted sums except where proposed provision adjoins existing areas of concentration of affordable / social housing at certain city centre locations. These are shown on the map at Appendix 2 and centre around Chain Street, Baptist Place, Fairfax and Newcastle House.

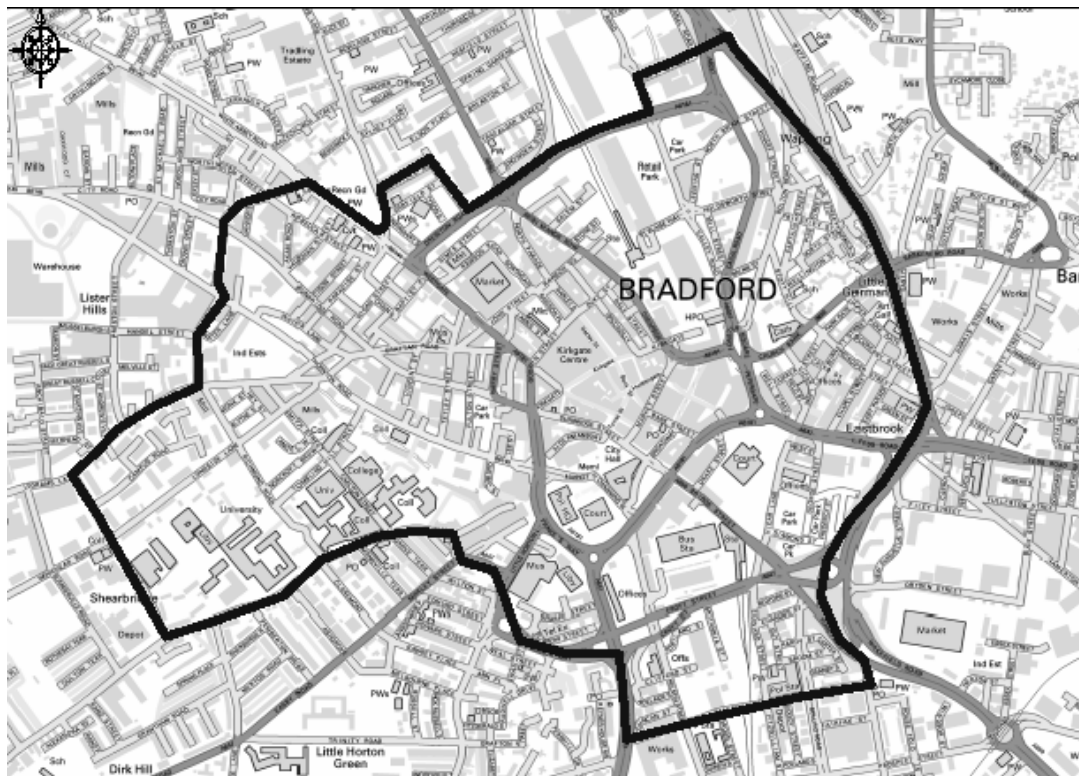
This document sets out the policy context, provision and requirements in more detail. Information and data outlining the scale and nature of affordable housing need can be found in the DTZ Balanced Housing Market Study and in particular in the Council's Local Housing Assessment.

1 INTRODUCTION

- 1.1 This Supplementary Planning Document (SPD) forms part of the Local Development Framework (LDF) for the Bradford District. It sets out the approach that will be taken by Bradford Council with regard to the implementation in Bradford City Centre of Policy H9 of the Replacement Unitary Development Plan (RUDP), adopted in October 2005. The Document will provide clear and accountable guidance for developers in terms of the Council's requirement for affordable housing to be provided in the City Centre.
- 1.2 SPDs are not part of the statutory development plan, but provide supplementary guidance to policies and proposals contained in Development Plan Documents (DPDs), or in this case, the RUDP. When determining planning applications, the Council will treat this Document as a material consideration, therefore developers must ensure that they have read and understood the issues raised in this Document before submitting a planning application.
- 1.3 In line with the Government's definition contained in PPS3, affordable housing is classified as including social rented housing provided by local authorities and Registered Social Landlords and intermediate housing at prices and rents above those of social rent but below market prices or rents. The latter includes a variety of products such as shared equity, shared ownership, and discount for sale. Low cost market housing is not considered for planning purposes as affordable housing. Affordable housing must meet the needs of eligible households including availability at a cost low enough for them to afford determined in relation to local incomes and local house prices. Information and data outlining the scale and nature of affordable housing need in Bradford City Centre can be found in the DTZ Balanced Housing Market Study and in particular in the Council's Local Housing Assessment. For further details on these documents please contact the Council's Housing Service.
- 1.4 Bradford City Centre has experienced an increase in development activity and delivery, particularly in the residential sector while the regeneration of the city continues through the delivery of the Masterplan. In order to ensure that the correct type and level of affordable housing is introduced into the City Centre, the City of Bradford Metropolitan District Council (CBMDC) must ensure that current and future

demand for affordable housing is widely understood and that developments supply the appropriate level and type of accommodation to meet this demand.

- 1.5 As a result of the increase in City Centre development activity, a major consideration is the balance of delivery between open market and affordable accommodation. The unique characteristics of Bradford City Centre lend themselves to a bespoke, targeted and focused affordable housing policy which is considerate to the needs of inner city residents and is aware of the influence the City Centre residential market has on surrounding areas. This policy will put in place an approach which clearly sets out the requirements for the delivery of affordable housing within the City Centre.
- 1.6 This SPD will expand upon the replacement UDP adopted in October 2005 within the City Centre area. The SPD uses the boundary for the City Centre as determined by the Bradford Centre Regeneration boundary, as the SPD needs to align with policy and strategies relating to the delivery of the Masterplan and the associated residential accommodation across the City Centre. A map of the boundary for this SPD is shown below.



2 PLANNING POLICY CONTEXT AND OBJECTIVES

- 2.1 It should be noted that this SPD has been developed following the DTZ Balanced Housing Market Study, and is an interim policy until the Bradford City Centre Area Action Plan (AAP) has been finalised. The AAP underwent Issues and Options stage consultation in the Autumn of 2007 and is scheduled for adoption by 2011. Details of the full work schedule for the completion of the AAP and other LDF documents is contained in the Council's Local Development Scheme which is available on its website at www.bradford.gov.uk/ldf. The following section briefly sets out the context of affordable housing in national, regional, and local planning policy.

2.2 Planning Policy Statement 3 – Housing (November 2006)

The Government's latest guidance on housing issues is contained in PPS3 which came into force in April 2007. As well as defining affordable housing for the purposes of planning policy (see paragraph 1.3 above), the document outlines the Government's goal of providing high quality housing for people who are unable to access or afford market housing. The document says that planning authorities should set out the range of circumstances in which affordable housing will be required and its approach to seeking developer contributions to facilitate the provision of affordable housing. Within PPS3 the minimum site size threshold at which affordable housing contributions should be sought is set at 15 dwellings. The document states that planning authorities may wish to consider setting different proportions of affordable housing to be sought for a series of site size thresholds. PPS3 suggests that in seeking developer contributions, while off site provision or financial payments may be sought where robustly justified, the presumption is that affordable housing will normally be provided on the application site.

2.3 Regional Housing Strategy (2005)

The vision of the RHS is to "provide good quality housing and successful neighbourhoods that meet the aspirations of current and future residents". In order to achieve this vision, the policy context looks towards a better understanding of housing markets, the better use of public interventions to help balance those housing markets, and the increasing role of the sub-regions and 'market' partnerships in

delivery. With regard to affordable housing, this context is elaborated to provide for a good quantity of affordable, attractive, and good quality housing for the region, with housing solutions that meet the needs of people and the economy.

2.4 Regional Spatial Strategy (2008)

The new RSS for the Yorkshire and Humber region was issued by the Secretary of State in May 2008. It states that in view of worsening affordability across the region not only must the overall delivery of new homes be increased but also the supply of affordable houses including through the use of planning obligations.

Policy H4 sets out the specific guidance to local authorities as follows:

“A The Region needs to increase its provision of affordable housing. Plans, strategies, programmes and investment decisions should ensure the provision of affordable housing to address the needs of local communities.

B LDF's should set targets for the amount of affordable housing to be provided. Provisional estimates of the proportion of new housing that may need to be affordable are as follows:

- Over 40% in North Yorkshire districts and the east Riding of Yorkshire;
- 30-40% in Kirklees, Leeds, Wakefield and Sheffield;
- Up to 30% in other parts of South and West Yorkshire, Hull, North Lincolnshire and North east Lincolnshire.

The RSS also goes on to say that it is important that the delivery of more affordable housing is done in ways that will ensure high quality design, resource efficiency, the right mix of homes and contribute to sustainable, mixed communities.

2.5 Replacement Unitary Development Plan (2005)

This Affordable Housing SPD elaborates on Policy H9 in the RUDP. Policy H9 sets out the principles of providing affordable housing and elaborates on details for developers and residents in the text accompanying Policy H9 - paragraphs 6.23 to 6.32.

Policy H9 states:

“On planning applications for substantial residential development the Council will negotiate for a proportion of affordable housing based on the extent and type of need, the suitability of the site or building in the case of conversions, and the economics of provision.” For the purposes of the Policy ‘substantial’ means sites of 1 hectare and above or developments yielding 25 dwellings or more.”

The approach of the RUDP is to set out the targets for affordable housing contributions in terms of site size and the proportion of units on a site which the Council will expect to be affordable in different parts of the district. These targets are the starting point for negotiation between developers, applicants and officers of the Council. Although the site thresholds and affordable housing proportions for Bradford City Centre have been amended by this SPD in the light of more up to date evidence of both housing need and market trends, the Council will continue to adopt a constructive and negotiation based approach on each planning application in determining the scale and form of affordable housing requirement and will continue to take into account, where justified, of the economics of provision.

2.6 Sustainability Appraisal

Under the Planning and Compulsory Purchase Act 2004, all SPDs must be subject to a Sustainability Appraisal (SA) to ensure that the implementation of guidance in the SPD will not have an adverse effect on the environment and will identify to what extent the social, economic, and environmental principles of sustainable development are achieved. The SA also incorporates guidance from the European Directive 2001/42/EC which requires formal strategic environmental assessment of certain plans and programmes which are likely to have significant effects on the environment. The associated SA for this Affordable Housing SPD is published in a separate document.

3 LOCATION OF AFFORDABLE HOUSING

- 3.1 CBMDC needs to ensure the delivery of varying levels of affordable housing across the City Centre according to scheme size and location. There are two large concentrations of social housing within the City Centre, if further social housing were to be introduced here this would not be conducive to producing a balanced housing market overall. The main concentrations of social housing are currently located at

Chain Street, Baptist Place and Fairfax and Newcastle House. These are shown in Appendix 1.

- 3.2 In the areas surrounding these developments (see Appendix 2 for specific locations) affordable housing will not normally be required to be delivered onsite and the Council will seek to negotiate payment for the development of affordable housing off site, giving a more balanced approach to developing the market. The Council's approach to determining commuted sum payments is set out in paragraph 7.1
- 3.3 Where development proposals consist of student housing, additional affordable housing will not be required. This is because the student population is a recognised end user of affordable housing units. It is therefore acceptable to provide purpose built accommodation for this sector of the population without the requirement for further affordable housing obligations. CBMDC will consider every proposal for purpose built student accommodation on its merits and will seek to negotiate additional affordable housing if it is not satisfied that the proposed scheme reasonably meets the requirements of the local student population.
- 3.4 Whilst the physical location of affordable housing properties needs to be balanced and evenly distributed to be sustainable, the placement of affordable units within large-scale developments is also an important consideration. There are arguments that support both the full integration (i.e. 'pepper potting') of units throughout developments, and the delivery of affordable housing restricted to separate floors or blocks within a development.
- 3.5 Wherever possible the approach to affordable housing provision should be through pepper potting. Whilst it is recognised that this is an obstacle to development, such obstacles can be overcome. The onus is on the developer to manage and negotiate around them in their financial viability analysis and draw up solutions to enable pepper potting wherever possible. CBMDC will evaluate each development proposal on its merits, seek to ensure the highest level of integration of affordable units possible and satisfy themselves that the developer has explored all options for integration before proposing isolated affordable housing units. The integration of affordable housing units will create a sustainable community and a balanced housing market. This requirement will be dependant upon the scale of the development.

- 3.6 The DTZ Balanced Housing Market Study (November 2005) identified the need to deliver a range of property types in the City Centre. The majority of this accommodation will be flats, however, the size and layout of these properties can vary dramatically. CBMDC is seeking to ensure the delivery of a range of conversion and new build accommodation along with 1, 2, and 3 bedroom properties in the affordable housing sector.
- 3.7 The quality of the affordable housing units is also of importance to CBMDC. The local authority will not accept affordable housing units that are low-grade in either quality or space standards. CBMDC will normally seek to secure affordable units which meet the space standards set out in Housing Corporation guidance. The current Housing Corporation standards are set out below:
- **One Bedroom Accommodation – minimum requirement 48 sqm**
 - **Two Bedroom Accommodation – minimum requirement 60 sqm**
 - **Three Bedroom Accommodation – minimum requirement 80 sqm**
- 3.8 CBMDC will not accept crash pads or studio units for affordable housing. Affordable housing is a long-term investment and not a temporary accommodation solution for the end user. On this basis there is little need or demand for affordable housing units of this nature.

4 TYPE AND TENURE OF AFFORDABLE HOUSING

- 4.1 Despite recent developments the City Centre still has relatively high overall levels of social rented units. In order to secure a balanced housing market, in the short term, (i.e. 3 years from the adoption date of this SPD) CBMDC will seek to ensure that the majority of new affordable housing units provided will be via Low Cost Home Ownership models. However this will not rule out the delivery of limited and targeted schemes for social rent where justified by evidence of current or future shortfalls in this sector and where there is an identified and unmet need.
- 4.2 In order to balance the distribution of the social sector stock, CBMDC is seeking to ensure that a mix of Low Cost Home Ownership Models (LCHO) are delivered including shared ownership and shared equity, as well as discount for sale accommodation and leasehold for the elderly. These tenure types have benefits

other than just stabilising the mix of accommodation. They allow occupiers of the current private and social rented stock the opportunity to purchase a home at an affordable level. These tenure types encourage the introduction of different population profiles within the City Centre, particularly encouraging young professionals and graduates to purchase.

- 4.3 The introduction of low cost home ownership (LCHO) tenures will retain the proportion of the City Centre population currently in rented accommodation that would otherwise move outside of the City Centre as their appetite to buy outweighs their desire to live in the City Centre. If current City Centre residents in rented accommodation (both private and social) are priced out of the open sale market, they may compromise on their locational choice by moving out of the City Centre in order to own a property.

5 SUB-DIVISION OF SITES

- 5.1 When submitting phased planning applications CBMDC will not accept the artificial sub-division of buildings/sites to enable two applications for residential accommodation that are below the threshold for the delivery of affordable housing as outlined in section 7. Also the submission of proposals just under the threshold, which could reasonably be expected to have provided larger floor space or more accommodation, will be refused or renegotiated by CBMDC to deliver affordable housing on site.

6 PERIPHERAL AREA AFFORDABLE HOUSING

- 6.1 CBMDC accepts that the majority of new private and affordable units to be developed in the City Centre will be flats, however, there is the possibility that peripheral City Centre land between the inner city and central core, may be given over to the development of town house style units. In these areas the negotiation and provision of affordable housing will more closely focus on the needs of the surrounding inner city population, ensuring the appropriate provision for large families and the elderly.

7 AFFORDABLE HOUSING REQUIREMENTS

7.1 Taking into account the factors discussed in this SPD, the following requirements for affordable housing delivery on development schemes within the City Centre Urban Regeneration Corporation area will be sought by CBMDC:

- Schemes of less than 15 units = 0%
- Schemes of 15 – 49 units = 10%
- Schemes of 50 units or more = 15%

For clarity, once a scheme has reached a certain threshold then the percentage figure will be applied in full to obtain the required number of affordable housing units. Thus a scheme comprising 30 units would lead to a requirement of 3 affordable units while a scheme of 100 units would lead to a requirement of 15 units.

The above figures do not waive any other Section 106 requirements as required by CBMDC.

In line with Policy H9 of the RUDP, the scale and form of the negotiated affordable housing contribution may vary from that outlined above, where justified by material considerations and reasons for doing so and backed up by robust evidence. In particular given the ongoing need to encourage regeneration in the City Centre, the Council will continue to take account of the economics of provision and site viability and deliverability issues.

More details on the Council's approach to negotiating planning obligations can be found in its Planning Obligations SPD, adopted in October 2007. This states that where developers raise the issue that obligations cannot be met without compromising the viability of the development, the Council will require an independently verifiable full development appraisal on an 'open book' principle to provide evidence that this is the case. The onus falls to the developer to show that the development will not be viable if they enter into a planning obligation.

7.2 Commuted Sums

On those occasions where the Council proposes commuted sum payments in lieu of on site provision then the following formula will be used to determine the level of contribution:

$$\text{Developer contribution} = (A-B) \times (C \times D)$$

Where :

A – is the average open market price per unit¹

B – is the average fixed / transfer price per unit

C – Is the affordable housing requirement expressed as a multiplier – i.e. 10% or 15%

D – is the total number of units on the site

Once the total above is calculated a further 5 % will be required on top to cover the costs in identifying suitable alternative sites for the provision of affordable housing.

Notes:

¹ – to be established by an independent valuation paid for by the applicant where agreement cannot be reached between the local authority and the applicant / developer.

The Council currently use the following fixed prices:

- £60K for a 1-bed unit (house or apartment, for sale or rent)
- £70K for a 2-bed unit (house or apartment, for sale or rent)
- £80K for a 3-bed unit (house or apartment, for sale or rent).

Given the volatility of the housing market, these fixed prices may need to be periodically reviewed and changed. If the Council proposes to do so it will consult with stakeholders on those changes and publish the new figures together with the data on which the changes are based on its website.

COMMUTED SUM FORMULA - WORKED EXAMPLE

A development proposal is submitted comprising 45 one bedroom units with an agreed open market value of £90K and 15 2 bedroom units with an agreed open market value of £105K.

The Developer Contribution is therefore calculated as follows:

$$A = (45 \times 90) + (15 \times 105) / 60 = £93,750$$

$$B = (45 \times 60) + (15 \times 70) / 60 = £62,500$$

$$C = 0.15$$

$$D = 60$$

And the calculation is :

$$A-B = £93,750 - £62,500 = £31,250$$

$$C \times D = 0.15 \times 60 = 9$$

Thus the Affordable Housing Commuted Sum Required = $9 \times 31,250 = 281,250$
plus 5% (14,063) = £295,313

7.3 Service Charges

CBMDC requires details of service charges associated with any affordable housing unit at the point of the planning application. The requirement for payment of a service charge may make some affordable units unaffordable when added to the cost of mortgage repayments and household expenses. Where the imposition of service charges at full market rate would undermine the affordability of otherwise affordable properties then the Council will seek to negotiate a discounted charge for the first two years of occupation. Where possible the level of service charge should be agreed with any Registered Social Landlord involved in the management of the affordable units, and the management of the affordable units should be secured under a separate contract than that for the open market units.

7.4 Other Matters

The Council provides guidance to applicants with regards to the information which must be submitted to accompany planning applications. For all developments proposing 15 or more dwellings and also for all proposals specifically providing affordable housing, the Council will require an Affordable Housing Statement to be provided by the applicant. Statements should detail for both the affordable housing and any market housing the number of residential units, mix of units with numbers of habitable rooms and / or bedrooms or the floor space of habitable areas of residential units, plans showing the location of the units and their number of habitable rooms and / or bedrooms and / or the floor space of the units. If different

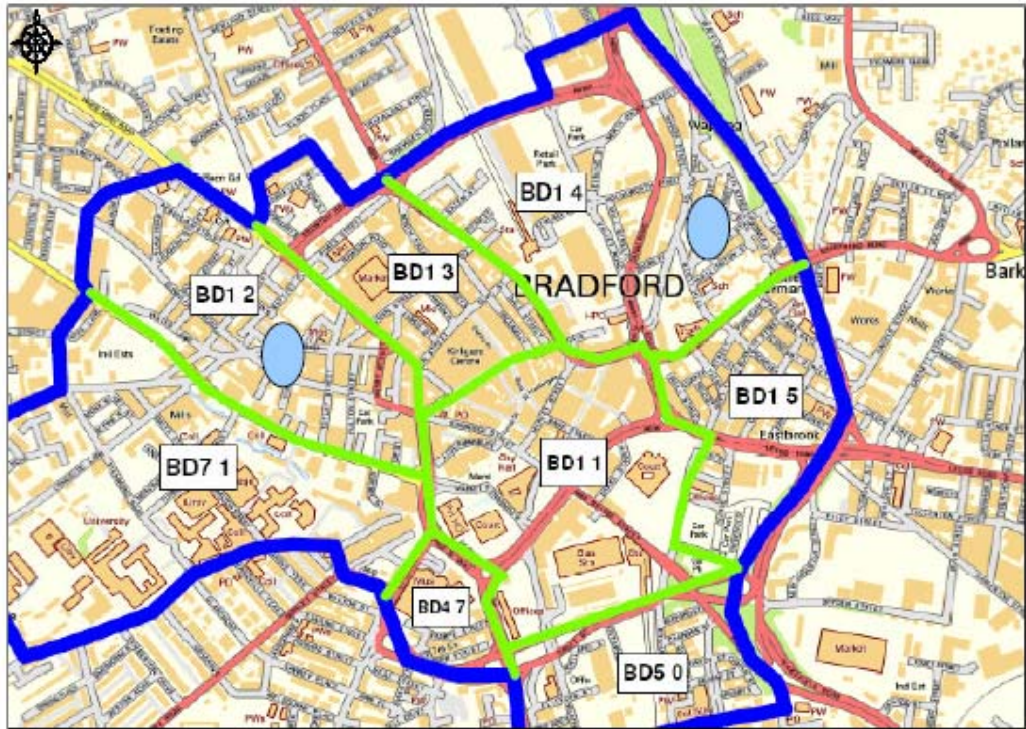
levels of affordability or tenure are proposed for different units this should be clearly and fully explained. The statement should also include details of any registered Social Landlords acting as partners in the development. Where affordable housing is not provided, a justification statement and financial appraisal will be required to explain why it is not possible.

8 MONITORING

- 8.1 The Council is establishing an electronic database for all planning obligations to ensure that all details relating to a particular planning obligation can easily be recalled as recommended in Circular 05/05 and the 2006 Practice Guidance.
- 8.2 The monitoring system will also enable the Council to keep track of Section 106 and 278 obligations and identify where money has been spent.
- 9.3 To increase the transparency of the planning obligations process, quarterly monitoring reports and an annual report will be presented to the Regulatory and Appeals Committee.

APPENDIX 1

AREAS WHERE THERE IS ZERO PERCENT REQUIREMENT FOR AFFORDABLE HOUSING ON SITE.



Please note the blue circles illustrate the current location of social housing in the area.

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