



London Borough of Havering

Draft Planning Guidance Note on Commuted Sum Payments for Affordable Housing

SUMMARY OF PUBLIC CONSULTATION RESPONSES

Public Consultation : Spring – Summer 2016

January 2017

The table below identifies those parties who have submitted responses to the public consultation on the draft planning guidance note.

It provides a recommended officer response to the comments (where necessary) and indicates whether any change to the guidance is recommended.

The final column indicates what the recommended change is if a change is required.

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
<p>One Housing 100 Chalk Farm Road London NW1 8EH</p>	<p>One Housing Association :</p> <ul style="list-style-type: none"> • supports the Council’s assertion that early engagement by developers with registered providers will help to provide the best outcomes • believes that the key to providing affordable housing is high quality homes that create mixed and sustainable communities and where this cannot be achieved it is appropriate to consider alternative options • supports the Council’s starting point for commuted sum payment calculations being a policy compliant position • understands that in some cases the provision of affordable housing on site may not provide the best solution to meet the needs of local people to access housing appropriate to their needs (such as smaller and / or more constrained sites and sites where access to certain services may be difficult) • welcomes the proposals for off-site provision of affordable housing in preference to commuted sum payments since 	<p>The comments from One Housing are noted. Its support for the guidance note is welcomed. Consideration of whether commuted sums offer value for money will be assessed in individual cases. The use of ‘top-up’ funding is possible and will be for the Council to determine in individual cases. The issue of increasing the provision of affordable rent units will depend on the viability of individual schemes and will be a matter for discussion with the developer and interested</p>	<p>None.</p>

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
	<p>it can be challenging to find 'donor' sites and demonstrate best value</p> <ul style="list-style-type: none"> • has concerns about the deliverability of affordable housing through the use of commuted sums • notes that commuted sums have an important purpose but says that many authorities have made little progress in spending commuted sums • urges the Council to be clear and explicit in the parameters to be used when assessing financial issues linked to affordable housing so as to avoid discussions becoming unnecessarily protracted • considers early engagement helps providers and developers consider the design of developments and whether a suitable living environment will be provided for affordable housing residents • wants the Council to consider the use of 'top-up' funding to secure land for new affordable housing and would like to see such funding made available to registered providers who have suitable sites • wants to understand how the use of commuted sums will be assessed against 'value for money' • urges the Council to consider adopting a policy position whereby tenure changes could be combined with commuted sums for affordable rented 	<p>stakeholders. No changes are necessary to the planning guidance note.</p>	

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	<p>properties to negate viability, design and management issues put forward by developers</p> <ul style="list-style-type: none"> • says that shared ownership can more easily be integrated into private developments • considers that the Council will need to review any commuted sum policy once the legislation for 'Starter Homes' is in place 		
<p>Peabody Housing 45 Westminster Bridge Road London SE1 7JB</p>	<p>Peabody Housing Association :</p> <ul style="list-style-type: none"> • welcomes the opportunity to comment on the consultation • agrees that a negotiated approach is the best way forward and says early engagement with developers is vital • endorses the identification of Registered Providers at the pre-application stage and wants them involved to discuss design, size and management issues • concurs that on-site provision should be the default assumption and off-site provision or commuted sums should only be agreed under specific circumstances • agrees with the potential circumstances identified in the draft planning guidance note where commuted sum payments may be appropriate • supports commuted sum payments being combined with other funds (such as Right to Buy receipts) as this will increase the amount of 	<p>The comments from Peabody Housing Association are noted. Its support for the guidance note is welcomed. The suggestion about combining commuted sum payments with other funding is noted. The Council would always, in appropriate cases, look to secure the best affordable housing outcomes but has to recognise that some funding 'combinations' may be precluded by other legislation / requirements.</p>	<p>None.</p>

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	<p>affordable housing that can be delivered on alternative sites</p> <ul style="list-style-type: none"> • says that the commuted sum calculation payment method appears to be sound • considers that it is imperative that all commuted sum payments are securely 'ring fenced' for the provision of affordable housing 	<p>The guidance note makes clear that the commuted sums payment regime will be operated on a 'transparent' basis and will be the subject of regular reporting and auditing. No changes are necessary to the planning guidance note.</p>	
<p>Swan Housing Association Pilgrim House High Street Billericay Essex CM12 9XY</p>	<p>Swan Housing Association :</p> <ul style="list-style-type: none"> • supports the Council's approach to on-site affordable housing provision • welcomes the flexible but practical approach to commuted sums and off-site provision • considers that the financial framework is appropriate and in 	<p>The comments from Swan Housing Association are noted. Its support for the guidance note is welcomed. No changes are necessary to the</p>	<p>None.</p>

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	<p>line with the London Plan</p> <ul style="list-style-type: none"> • supports the Council’s commitments to mixed and balanced communities as this is a fundamental design principle of Swan proposals • welcomes the emphasis on early engagement with developers particularly in regard to financial appraisals • is encouraged that the Council’s starting position is to deliver affordable housing and that this always considers the particulars of a scheme and the proposed viability • notes the Council’s position on resisting proposals that do not meet policy because of unreasonably high premiums paid in acquiring sites or including costly design features • wants the Council to be mindful of the current difficulties in acquiring sites and the impact of this on values 	<p>planning guidance note.</p>	
<p>Estuary Housing Association 8th & 9th Floor Maitland House Warrior Square Southend on Sea Essex SS1 2JY</p>	<p>Estuary Housing Association :</p> <ul style="list-style-type: none"> • considers that the draft is very transparent and the formula is clear. • suggests that the issue will be how the developer calculations can be proven • is pleased that the commuted sums will be ‘ring-fenced’ to new developments and this to support any HA’s developments as well in the Borough • suggests that if there are sites or areas that the Council feel should 	<p>The comments from Estuary Housing Association are noted. Its support for the guidance note is welcomed. On balance, it is considered that there would be no advantage in identifying sites</p>	<p>None.</p>

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	<p>already be a commuted sum rather than for development then it may be useful to have strategy plan for these sites to provide planning direction for such sites as this can reduce time in having those early discussions</p>	<p>where a commuted sum payment would be sought. Such an approach may undermine the overall delivery of affordable housing and may encourage developers to actively pursue the commuted sum payments route. It would also fail to recognise that decisions on whether the Council will wish to take a commuted sum payment in lieu of on-site / off-site provision may be influenced to some extent by the delivery of affordable housing elsewhere at that time. No changes are necessary to the planning guidance note.</p>	
<p>Tetlow King Planning 32 High Street West Malling Kent</p>	<p>Tetlow King represent Rentplus who provide discounted rented homes to buy. They say :</p>	<p>The comments from Tetlow King are noted.</p>	<p>None.</p>

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ME19 6QR	<ul style="list-style-type: none"> • the consultation on proposed changes to national planning policy in 2015 indicated that the definition of affordable housing in the National Planning Policy Framework may be changed to incorporate innovative rent to buy housing (as is provided by Rentplus) • a rent to buy model (such as promoted by Rentplus) will enhance affordable housing provision at a time when there is a high local need for affordable housing • the Council should take a flexible approach to affordable housing provision in the light of uncertain Government funding for social rented housing • the Council's proposed local plan policies and guidance (including the planning guidance note) should take into account rent to buy affordable housing • the Council needs to be able to readily adapt to other emerging changes in national policy (such as Starter Homes Policy) and these will need to be reflected in the emerging local plan • in line with the National Planning Policy Framework, the Council should only consider commuted sums for off-site provision when all other form of affordable housing are exhausted (including rent to buy) • the inclusion of affordable housing as part of a development with full planning 	<p>Within the consultation on the National Planning Policy Framework, the Government proposed to widen the scope / definition of affordable housing to include 'rent to buy'. It also highlighted that linked to this initiative, the Housing and Planning Bill introduced a statutory duty for local authorities to promote the delivery of starter homes. If the former is formally adopted, then it would provide a greater range of choice and options for affordable housing (both providers and occupiers). This can be reflected in the local plan and other strategies. Changes in national policy (such as Starter Homes) will be</p>	

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	<p>permission is more cost effective for the Council than finding new plots of land and building homes separately</p> <ul style="list-style-type: none"> • delivering homes through commuted sum payments may not be feasible because there are no time limits for the monies to be spent. Rentplus would offer the scope for early delivery and this may be particularly important on strategic sites where early delivery can provide a boost to viability • the Council's approach to resisting proposals that have not sought to maximise affordable housing is supported • the guidance note should make a firm commitment to adopting a flexible approach to using a wide range of alternative affordable housing options (such as Starter Homes and affordable rent to buy) to ensure that the acceptance of commuted sums is negligible 	<p>reflected as documents / strategies prepared by the Council.</p> <p>The comment about schemes with both market and affordable housing being more 'cost effective' is noted. The guidance note is intended to recognise that this is, in practice very challenging because of viability issues this may raise and also that in some cases it may be better for affordable housing to be provided elsewhere.</p> <p>The Council will endeavour to make best use of commuted sum payments in the most effective manner as it is committed to increasing affordable housing provision. It is proposed that the detail of the</p>	

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		<p>Rentplus offer be investigated to see if it offers advantages for the Council and other stakeholders. The guidance note does not need to be changed to reflect this. No changes are necessary to the planning guidance note.</p>	
Comments from individuals	Comments		
<p>A resident (By e-mail) (May 5 2016)</p>	<p>Please define affordable, as what is affordable for one person, isn't affordable for another.</p> <p>This makes the whole process meaningless.</p> <p>What does the Council intend to do about social housing?</p>	<p>The challenge in defining 'affordable housing' is certainly recognised. Differing household incomes will inevitably influence the 'affordability' of someone having a home. The housing charity Shelter define 'affordable' as being up to around 35% of net household income.</p>	<p>None.</p>

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		<p>Notwithstanding this difficulty, the Council is committed to increasing the provision of homes in Havering including those that can be secured for people with low incomes.</p>	