

READING BOROUGH LOCAL PLAN

Adopted November 2019



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Reading
Borough Council

Working better with you

of contribution would depend on the scale of the self-build need at the time. The following formula gives an indication of the appropriate level of provision, and is based on an estimate of the expected number of overall houses on sites to which the policy would apply. This is subject to a cap, so that no development would be expected to deliver more than 20% of houses as self-build.

$$N = \frac{(R - P)}{750} \times H$$

*Where N is the indicative number of self-build plots that is appropriate on a given site
 R is the number of entries on the self-build register for the most recent base period
 P is the number of self-build plots permitted since the end of the most recent base period
 H is the number of market houses (not including flats and maisonettes) proposed on a given site*

4.4.16 However, it is possible that the entries on the register will not always translate to firm demand on the ground. Households may not be in a position to make an offer on a plot, their circumstances may have changed, or their needs may be met in another authority. The provision of self-build cannot therefore be allowed to unacceptably delay the delivery of new homes. Therefore, if after 12 months of appropriate marketing, a plot has not sold, it will revert to the developer to build.

Affordable Housing

H3: AFFORDABLE HOUSING

Residential development will make appropriate contribution towards affordable housing to meet the needs of Reading

- ***on sites of 10 or more dwellings, 30% of the total dwellings will be in the form of affordable housing;***
- ***on sites of 5 - 9 dwellings, a financial contribution will be made that will enable the equivalent of 20% of the housing to be provided as affordable housing elsewhere in the Borough; and***
- ***on sites of 1 - 4 dwellings, a financial contribution will be made that will enable the equivalent of 10% of the housing to be provided as affordable housing elsewhere in the Borough.***

For sites of 10 or more dwellings, provision should be made on site in the first instance with a financial contribution being negotiated to make up the full requirement as appropriate.

In all cases where proposals fall short of the policy target as a result of viability considerations, an open-book approach will be taken and the onus will be on the developer/landowner to clearly demonstrate the circumstances justifying a lower affordable housing contribution.

In determining residential applications the Council will assess the site size, suitability and type of units to be delivered in relation to the current evidence of identified needs. The Council will seek an appropriate tenure mix of affordable housing to include social rented, affordable rent, intermediate rent and shared ownership affordable units. The affordable units provided should be integrated into the development.

Priority needs are currently for housing with two or more bedrooms that can house families. The Council will regularly monitor and review the need for, and delivery of, affordable housing.

The following types of residential development will be exempt from the requirement to provide affordable housing:

- ***Replacement of a single dwelling with another single dwelling; and***
- ***Conversion of a dwelling to self-contained flats where there is no new floorspace.***

- 4.4.17 Affordable housing is subsidised housing that enables the asking price or rent to be substantially lower than the prevailing market prices or rents in the locality, and is subject to mechanisms that will ensure that the housing remains affordable for those who cannot afford market housing. It is defined in the National Planning Policy Framework (NPPF) as, “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).” The Government has classified some new tenures as affordable, including starter homes.
- 4.4.18 The NPPF indicates that in order to boost significantly the supply of housing, local authorities should ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area. It goes on to indicate that local planning authorities need to plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community in order to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities.
- 4.4.19 The Berkshire (with South Bucks) Strategic Housing Market Assessment (SHMA, 2016) has once again emphasised the critical need for affordable housing within Reading as well as the remainder of Berkshire. The SHMA identified a need for 406 new affordable homes per year in Reading, which represents the majority of the overall housing required. The consequences of not providing much-needed affordable homes would be severe, and would include homelessness, households in temporary or unsuitable accommodation, overcrowding and younger people having to remain living with parents for increasing periods. Insufficient affordable housing will also act as an impediment to economic growth, as firms will face increasing problems with accommodation for their workforce. Meeting even a substantial proportion of the identified housing need presents significant challenges, and it is therefore critical that new residential development of all sizes makes whatever contribution it can.
- 4.4.20 A Ministerial Statement in November 2014 sought to remove sites of ten or less dwellings from the need to provide affordable housing. Although subsequent challenges in the courts⁷⁷ have upheld this statement, they have also clarified that the statement does not have the effect of overriding local policies where there is evidence of exceptional need for affordable housing. Such a need clearly exists in Reading, and it is therefore appropriate that sites of ten or less dwellings contribute to meeting this need. However, on a practical level, it is more difficult to make such provision from residential conversions and from one-for-one replacement, which means that such developments will be exempted from the provisions of policy H3.
- 4.4.21 Affordable housing contributions will be sought from residential-only developments and mixed-use developments. On-site provision (serviced land or completed units) of affordable housing

⁷⁷ <http://www.bailii.org/ew/cases/EWCA/Civ/2016/441.html>

will always be sought in the first instance on sites of 10 dwellings or more. Where there are exceptional reasons, the provision of surrogate sites (serviced land or completed units) or commuted sums that will enable the provision of a commensurate number and mix of affordable units, will be considered. Examples of exceptional circumstances may include sites where there are existing concentrations of particular types of affordable housing, where there are demonstrable benefits to be gained by providing the new units elsewhere (e.g. to create more socially-balanced communities), or where there is an opportunity to provide a particular type of much needed housing elsewhere (e.g. family housing). In the case of commuted sums, the Council will choose the registered provider to which to direct the funding or may use the contribution for Local Authority New Build. Under this policy it is accepted that affordable housing provision can take place off site or through contributions in the case of sites of less than 10 dwellings.

- 4.4.22 Affordable housing contributions must be secured in perpetuity and thus be available to successive generations of households in recognised housing need. The most effective way of doing this is through the involvement of a registered provider (RP).
- 4.4.23 The target set in the policy has been determined as the result of an assessment of the viability of development of sites of various sizes in the Borough in accordance with the requirements of the NPPF. This will be the expected level of affordable housing provision.
- 4.4.24 However, the Council will be sensitive to exceptional costs of bringing a site to market such as for reasons of expensive reclamation, or infrastructure costs, or high existing use values. Where applicants can demonstrate, to the satisfaction of the Council, exceptional difficulties in bringing a site to market, the Council will be prepared to consider detailed information on the viability of a particular scheme and, where justified through an open book approach, to reduce the affordable housing requirement. The information required will be proportionate to the scale of development, and, where a proposal is for less than 10 dwellings, will be more limited in scope and length. For sites of less than 10 dwellings, a brief schedule of the main elements of the viability calculations, supported by estate agent valuations, will generally suffice. The Affordable Housing SPD, to be revised later in 2019, will contain more detail on information to be submitted. As development costs are usually reflected in the residual land value, the purchase price of a particular site will not, on its own, be a reason for reducing the affordable housing requirement. The Council will generally secure provision of affordable housing through a Section 106 agreement.
- 4.4.25 The tenure, size and type of affordable housing provided as part of any scheme should respond to the identified need for affordable housing taking account of the most up-to-date information, including information in an Affordable Housing Supplementary Planning Document or other Supplementary Planning Document⁷⁸. The SPD may need to be updated to take account of any changes to the affordable housing definition, as well as other matters. Taking account of the 2016 SHMA, housing with two or more bedrooms that can house families is a priority. Paragraph 4.4.9 considers this in more depth. New development should therefore include a range and mix of tenures, sizes and types (e.g. house types, flats) of affordable housing (as appropriate depending on site size) to reflect local needs and to reflect the range and mix of house types in the scheme as a whole (i.e. the mix of dwelling sizes in the provision of affordable housing should reflect the mix proposed for the private housing).

⁷⁸ The most up-to-date Affordable Housing SPD at the time of publication is that adopted in July 2013: <http://www.reading.gov.uk/media/1063/Affordable-Housing-Supplementary-Planning-Documents-Adopted-July-2013/pdf/Affordable-Housing-Supplementary-Planning-DocumentsJul13.pdf>

4.4.26 At the time of producing the Local Plan, the tenure split below reflects the most up to date position on needs within Reading. However, a revised Affordable Housing SPD, to be produced during 2019, will look at this issue in detail. The needs below are therefore subject to change within the SPD.

- Social rented or affordable rent housing of no more than target rent - 70% of affordable housing units; and
- Intermediate and/or shared ownership housing - 30%.

Build to Rent Schemes

H4: BUILD TO RENT SCHEMES

Planning permission will be granted for developments of self-contained, private rented homes which:

- 1. Are secured in single ownership providing solely for the rental market for a minimum 20 year term with provision for clawback of affordable housing contributions should the covenant not be met; and*
- 2. Provide tenancies for private renters for a minimum of three years with a six month break clause in the tenant's favour and structured and limited in-tenancy rent increases agreed in advance; and*
- 3. Provide a high standard of professional on-site management and control of the accommodation; and*
- 4. Provide a commitment to high-quality rental arrangements, through meeting Reading Borough Council's voluntary Rent with Confidence Standards or equivalent measures; and*
- 5. Provide for a mix of unit sizes in accordance with Policy H2 or CR6; and*
- 6. Meet the standards of design set out in Policy H5; and*
- 7. Provide 30% on-site affordable housing, either in accordance with Policy H3 and any relevant Supplementary Planning Document; or in the form of Affordable Private Rent Housing as defined and set out in a relevant Supplementary Planning Document.*

4.4.27 Planning Practice Guidance, under the heading 'The private rented sector', indicates that:

"some privately rented homes can come from purpose built schemes held in single ownership which are intended for long term rental. The economics of such schemes differ from build for sale and should be determined on a case by case basis. To help ensure these schemes remain viable while improving the diversity of housing to meet local needs, local planning authorities should consider the appropriate level of planning obligations, including for affordable housing, and when these payments are required. So these homes remain available to rent only, local planning authorities may choose to explore using planning obligations to secure these schemes for a minimum period of time. Local planning authorities should enforce these planning obligations in the usual way." (reference 10-018-20150326)

4.4.28 A large part of the housing stock in Reading is privately rented although mostly through