



Leicester
City Council

WARDS AFFECTED

All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

1 September 2003

Research into 'Affordable Housing Moratorium'

**Joint report of the Corporate Director of Environment, Development and Regeneration
& Corporate Director of Housing**

1. Report

The attached report on the research into the 'moratorium' for affordable housing in three parts of the City area was presented to Strategic Planning and Regeneration Scrutiny Committee on 7 August 2003. Members noted the recommendations of the report (as listed under paragraph 2 (a)-(c) below, but recommended that the whole topic be taken to full Council for a wider consideration by all elected members.

The view(s) of the Housing Scrutiny Committee from 21 August 2003 will be reported to Cabinet on 1 September 2003.

2. Recommendations

Cabinet is recommended to:

- (a) note the conclusions of the research into the current 'moratorium' on affordable housing within parts of the City centre;
- (b) note the current 'moratorium' arrangements are only in place until 30 September 2003;
- (c) note the recommendation from Strategic Planning and Regeneration Scrutiny Committee that Council be invited to discuss the future provision of 'affordable housing' within the Regeneration Company area;
- (d) endorse the Leicester City Council's commitment to work with the Leicester Regeneration Company, strategic partners, local housing associations and other stakeholders to deliver affordable housing for social rent and low cost / shared ownership, as well as for market sale or rent;

(e) agree a course of action from the following options:

Option 1 that a 'moratorium' on obligations to provide affordable housing within private sector planning applications for **part** of the LRC-area (**see map – areas 3, 4a, and 5**) as proposed by the research consultants, be approved for a period of **five years** until September 2008;

Option2 that a 'moratorium' on obligations to provide affordable housing within private sector planning applications for **all** of the LRC-area (**see map – areas 1 - 5**) as proposed by the LRC, be approved for a period of **five years** until September 2008;

Option 3 that a 'moratorium' on obligations to provide affordable housing within private sector planning applications for **part** of the LRC-area (**see map – areas 3, 4a, and 5**) be approved for a period of **two** years until September 2005;

Option 4 that **no** further 'moratorium' period be agreed, but that alternatives are developed in liaison with key partners to provide the housing targets detailed in the Local Plan;

(f) consider whether or not the matter of how future affordable housing may be delivered is referred to full Council for its view / decision.

3. **Headline legal implications**

The Director of Environment, Regeneration and Development can negotiate with an applicant in relation to a planning application for residential development that on-/off-site affordable housing be provided, and the mechanism used is a planning obligation under the provisions of the Town and Country Planning Act 1990. Justification for a specific affordable housing requirement requires inclusion in the Development Plan (for City Council purposes this means its Local Plan).

Current government advice with regard to planning obligations (updated guidance is expected shortly) requires that the contents of planning obligations must be necessary, relevant to planning, directly related to the proposed development, fairly and reasonably related in scale and kind to the proposed development and reasonable in all other respects. Specific guidance on planning and affordable housing – Circular 6/98 – sets out the government's preferred approach to planning and affordable housing and requires local authorities to encourage the supply of affordable housing through negotiation with developers and also requires local planning authorities:

- to adopt a realistic and consistent approach in the preparation of Development Plan policies and the handling of planning applications involving affordable housing;

- to encourage a co-operative approach in the preparation of affordable housing policies to ensure that the views of all those involved in delivering affordable housing are taken into account;
- to clarify that affordable housing policies should be based on clear and up-to-date assessment of local need for affordable housing;
- to provide guidance on securing and controlling the occupancy of affordable housing;
- to ensure that affordable housing delivered through the planning system is likely to be attractive to lenders of private finance.

The Housing, Planning, Local Government and the Regions' Select Committee's report on Affordable Housing was issued in May and contained a substantial number of recommendations based on the premise that there has been a severe decline in the number of affordable homes built in the last twenty years.

In the government's response in relation to the recommendations covering affordable housing secured through the planning system the government has indicated that revised guidance is to be issued in relation to planning and affordable housing and the use of planning obligations.

The Development Plan i.e. the City of Leicester Local Plan and the Council's Housing Strategy are matters reserved to full Council by the Authority's Constitution. (Peter Nicholls, Head of Legal Services)

4. **Headline Financial Implications**

There are no further Financial Implications outside of those reported to both Scrutiny Committees by the Corporate Director of Housing.

4. **Report Author(s) / Officers to contact:**

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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)