

Title: Affordable Housing Practice Note (AHPN) 2018	
Ward(s):	<i>Citywide</i>
Author: Tim Southall	Job title: Housing Delivery Manager
Cabinet lead: Councillor Paul Smith	Director lead: Colin Molton
Proposal origin: <i>Councillor</i>	
Decision maker: Mayor Decision forum: <i>Cabinet</i>	
Purpose of Report: To seek Cabinet approval to a revised Affordable Housing Practice Note (AHPN) that will provide updated guidance to developers when submitting eligible residential planning applications and incentivise developers to increase affordable housing supply in advance of a new Bristol Local Plan.	
Evidence Base: The Housing Delivery Plan, approved in March 2017, recognised that urgent action was needed to help address the falling proportion of completed affordable homes delivered through the planning system. The proportion of gross affordable homes to market homes had fallen from the highest levels of 25% in 2009/10 to only 12% in 2015/16. The Council commissioned Tetlow King, housing and planning consultants in September to research and market test potential adoption of an affordable housing threshold of 20% in the central areas of the city where the greatest affordable housing undersupply. Tetlow King's research and market investigations have confirmed that a threshold approach, as recently adopted by the Greater London Authority, would be appropriate specifically in the central areas of Bristol. They further confirmed that threshold approach has the ability to deliver more affordable homes if the Council is able to offer adequate incentives to housebuilders and developers.	
Cabinet Member / Officer Recommendations: To adopt the Affordable Housing Practice Note 2018, recognising that it is only an interim measure that does not introduce new policy and supports the implementation of the existing Bristol Local Plan. Further to note the responses to the engagement process in Appendix B.	
Revenue Cost: £ None	Source of Revenue Funding: N/A
Capital Cost: £ None	Source of Capital Funding: N/A
One off cost <input type="checkbox"/> Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/> Income generation proposal
Finance Advice: Finance Business Partner: There are no direct financial implications for Bristol City Council arising from the proposed changes to the Affordable Housing Practice Note. There will be wider economic and social benefits for Bristol where the supply of affordable homes increased – Neil Sinclair Finance Business Partner – 16 th January 2018	
Corporate Strategy alignment: Bristol's Corporate Plan 2018-23 confirms the Mayors commitment to delivering 2000 market homes of which 800 are affordable homes each year by 2020 the provision of affordable homes through the planning system is a major element of the overall affordable homes delivery.	
Legal Advice: The AHPN will constitute guidance and not formal adopted policy therefore it is not considered that there are any specific legal implications or risks arising in relation to this proposal.	
Legal Team Leader: Joanne Mansfield 17 th January 2018	
Implications on ICT: There are no identifiable IT implication in this initiative	
ICT Team Leader: Ian Gale, Service Manager Delivery & Integration 30 th January 2018	
City Benefits: The delivery of affordable housing through the planning system is a key component of the creation of mixed and balanced communities and improving the economic and social wellbeing of the city. By improving the supply of suitable and affordable homes helps counter social inequalities and improves citizens ability to access social, educational, health and economic opportunities in the city	
Consultation Details: Engagement with stakeholders took place – September and October 2017. Further engagement with Housebuilders, Registered Providers and Community Led Housing organisations during December through to 11th January 2018. The results of this process is included in Appendix B.	

DLT Sign-off	Alison Comley	27 th December
SLT Sign-off	Nicky Beardmore/Colin Molton	16 th January
Cabinet Member sign-off	Councillor Paul Smith	22 nd January
For Key Decisions - Mayor's Office sign-off	Mayor	30 th January

Appendix A – Summary of Affordable Housing Practice Note 2018 See below in Appendix A. (Final version will be published in March if approval given)	YES
Appendix B – Details of consultation carried out - internal and external See below in Appendix B	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment: See below in Appendix D	YES
Appendix E – Equalities screening / impact assessment of proposal See below in Appendix E	YES
Appendix F – Eco-impact screening/ impact assessment See below in Appendix F	YES
Appendix G – Financial Advice – See text above	YES
Appendix H – Legal Advice See text above	YES
Appendix J – Exempt Information - None	NO

Summary of Affordable Housing Practice Note 2018

1. Overview of key changes

The Affordable Housing Practice Note was first published in 2009 with a revision in 2014. It provides guidance on the implementation of the council's affordable housing policies, as set out in the Bristol Local Plan.

Since publication of AHPN 2014, a number of changes have been made to national planning practice guidance regarding affordable housing. These include:

- A new site size threshold for affordable housing contributions;
- Exemption from affordable housing contributions where vacant buildings have been brought back into use (vacant building credit);

Developments at the local level have also prompted a review of the council's procedures for securing and delivering affordable housing, in particular:

- Publication of Bristol City Council's draft Corporate Strategy (2018-23) with mayoral objective to build 800 affordable homes a year by 2020.
- Increasing public scrutiny of the level of affordable housing being offered and achieved as part of major planning applications.
- Full council resolution on affordable housing in December 2016 to instruct planning officers to make information on the viability process publicly available and in good time and to look for ways to encourage and incentivise developers to include a mix of affordable homes in their plans.

To reflect these national and local developments the council's Affordable Housing Practice Note has been updated but does not seek to introduce new policy. The key changes are summarised as follows:

New application validation requirements

The council's Planning Application Requirements Local List will require the submission of an Affordable Housing Statement. To validate the application the submitted statement must:

- clearly set out the affordable housing offer; and
- include a full, un-redacted viability appraisal of the submitted proposal where neither policy targets nor the new threshold (see below) have been met.

Public availability of viability appraisals

Developers' viability appraisals submitted with planning applications in accordance with the Planning Application Requirements Local List are made available on the Bristol City Council public website.

New 'threshold' approach to viability assessments

Applications that meet a threshold of at least 20% affordable housing within the city's Inner West and Inner East zones under policy BCS17 (normally a 40% policy target) will not be subject to viability testing. The applicant must agree to commence the scheme within 18 months of the permission being granted. If no confirmation of the start date of the scheme is received within this period applicants must agree to viability testing.

Revised definition for affordable homes to rent

Greater flexibility in applying the council's tenure requirements for affordable housing provided certain conditions are met. In such circumstances the council will accept 100% affordable rent, as defined below, as an alternative to 77% Social Rented and 23% Intermediate affordable housing:

Affordable Rent (up to 100% of the affordable housing requirement): Homes to rent let by local authorities or private registered providers of social housing at an agreed percentage of open market rent (inclusive of service charges) which is below the prevailing Local Housing Allowance limits for different property types in the Bristol Area.

'Additional' affordable homes

Where the applicant meets the 20% threshold (see above) and this has been agreed with the council and secured through a S106 agreement the applicant will be encouraged to enter into a dialogue with Bristol City Council and the Homes and Communities Agency to secure funds for additional affordable homes. The 'additional' affordable homes will be secured through a separate funding agreement.

The purpose of these changes is to:

- Ensure the affordable housing offer is clear and justified at the start of the statutory period for deciding applications to enable early and effective negotiations with the applicant where this is necessary and to better manage responses from interested parties;
- Make the viability appraisal process more transparent;
- Incentivise the provision of a more meaningful proportion of affordable housing to deliver affordable homes at a level that (alongside other council initiatives) that achieves the Corporate Strategy objective of 800 affordable homes by 2020.
- Speed up the planning process for developers that commit to a minimum delivery of affordable homes;
- Provide developers with greater flexibility in the type of affordable homes delivered.

The overall aim is to increase the number and accelerate the delivery of affordable homes through the planning system.

2. Local Plan Policy

The council's affordable housing policies, set out in the Bristol Local Plan, are consistent with National Planning Policy. The policies identify when affordable housing provision will be required and indicate the proportions that will be sought. This includes either 30% or 40% based on location for schemes of 15 dwellings and over; and 10% or 20% based on location for schemes of 10 to 14 dwellings. The relevant policies are set out below. The locations where differing percentages are sought are shown in Fig. 1 below.

Local Plan - Core Strategy (Adopted June 2011)

Policy BCS 17: Affordable Housing Provision

Affordable housing will be required in residential developments of 15 dwellings or more. The following percentage targets will be sought: through negotiation:

- 40% in North West, Inner West and Inner East Bristol;
- 30% in all other locations.

In residential developments below 15 dwellings an appropriate contribution towards the provision of affordable housing may be sought (either as a financial contribution or as on site provision) in accordance with any relevant policy in the Site Allocations and Development Management Development Plan Document.

Residential developments should provide a mix of affordable housing units and contribute to the creation of mixed, balanced and inclusive communities. The tenure, size and type of affordable units will reflect identified needs, site suitability and economic viability.

Local Plan - Site Allocations and Development Management Policies (Adopted July 2014)

Policy DM3: Affordable Housing Provision: Smaller Sites

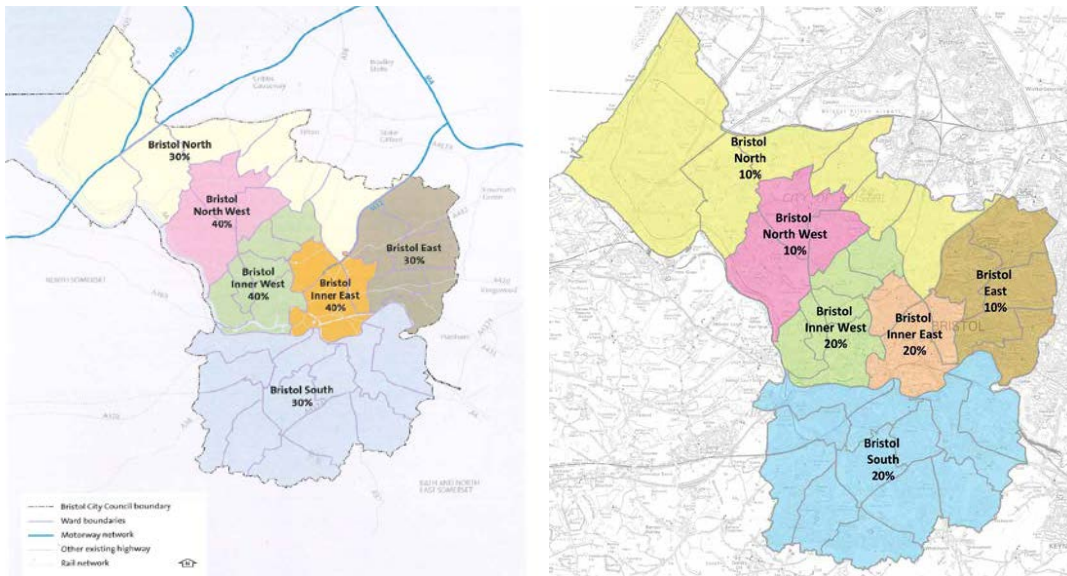
Residential developments comprising 10 to 14 dwellings should make an appropriate contribution towards the provision of affordable housing on-site or, where on-site provision cannot be practicably achieved, as an equivalent financial contribution. The following percentage targets will be sought through negotiation:

20% in Inner West, Inner East and South Bristol
10% in North West, East and North Bristol

Where units are provided on-site these should remain at an affordable price for future eligible households or, if this restriction is lifted, for the subsidy to be recycled for alternative affordable housing provision.

Where scheme viability may be affected, developers will be expected to provide full development appraisals to demonstrate an alternative affordable housing provision.

Fig. 1: Affordable Housing Zones



Policy BCS17

Policy DM3

The AHPN has been prepared to provide guidance on the implementation of these policies but does not introduce new policy. It explains the mechanism for the delivery of affordable homes in Bristol setting out the key **principles** and **processes**.

The AHPN will be of interest to applicants and their agents, landowners, developers, the Homes and Communities Agency, Registered Providers and Bristol City Council's Development Management Officers (DMO's) and Housing Delivery Team (HDT).

The AHPN supersedes Affordable Housing Practice Note 2014.

3. Principles for delivering affordable housing in Bristol

Understanding affordable housing need

West of England Strategic Housing Market Assessment 2009

In accordance with national policy Bristol City Council and other West of England authorities commissioned a Strategic Housing Market Assessment (SHMA) in 2007 to understand the workings of housing markets both at the West of England and local level. The West of England SHMA, published in 2009, demonstrated a high level of need for affordable housing within Bristol estimating a net annual requirement for the city of approximately 1,500 new affordable homes up to 2021. The West of England SHMA also provided estimated tenure requirements. For Bristol this was a 77% requirement for social rented affordable housing and a 23% requirement for intermediate affordable housing. The 2009 assessment provides the needs based evidence to support the council's affordable housing policies. A summary of outputs is set out at Appendix 2.

Wider Bristol Strategic Housing Market Assessment 2015

A new SHMA was commissioned by Bristol City Council and other West of England authorities in 2014 to establish the 'Objectively Assessed Need' for housing across the wider Bristol housing market area. The Wider Bristol SHMA published in 2015, continues to demonstrate a high level of need for affordable housing across the region and within Bristol estimating a requirement for the city of some 18,800 new affordable homes between 2016 and 2036. This equates to 940 affordable homes per annum. The Wider Bristol SHMA also provides estimated tenure requirements. For Bristol this is an 80% requirement for social rented affordable housing and a 20% requirement for affordable rent and shared ownership affordable housing. The 2015 assessment will provide the needs based evidence to support policies in the emerging West of England Joint Spatial Plan. Based on the findings of the 2009 and 2015 SHMA's the council expects all eligible residential development to contribute towards an evidenced city-wide need for affordable housing.

Approach to affordable housing proportions

On submission of the application the applicant will be expected to meet the affordable housing target proportions set out in relevant Local Plan policies without public subsidy.

It is accepted that, in some circumstances, due to financial viability, it may not be possible to meet the full policy requirement. In such cases the proportion offered must either meet a threshold level (see below) or else be justified by a full un-redacted viability appraisal to be submitted with the planning application. The appraisal will be subject to a validation process where agreement will be sought between the applicant and the council on the maximum level of affordable housing that can be delivered without affecting scheme viability. Further viability testing will also be carried out over the period of the development.

'Threshold approach' to viability

Since adoption of the council's affordable housing policies monitoring of proportions of affordable housing secured through section 106 agreements and subsequent completions has shown that the council's higher policy targets have not been consistently met.

To encourage the provision of a more meaningful proportion of affordable housing, above the level currently being delivered, the council has introduced a 'threshold approach' to policy BCS17 that will apply in Bristol Inner West and Inner East zones. In these zones applications meeting or exceeding 20% affordable housing can follow a 'Fast Track' route.

The following general terms will apply to these applications.

The applicant will agree to:

- commence the scheme within 18 months of the permission being granted;
- a viability testing process if no confirmation of the start date of the scheme has been received within 18 months of the date of planning permission

The council will:

- waive the requirement for a viability appraisal to be submitted with the application;
- consider greater flexibility with tenure requirements;
- provide an effective application process by encouraging the use of:
 - o enhanced Planning Performance Agreements (PPAs) - Premium service through dedicated staffing resource;
 - o Planning Performance Agreements (PPAs) to accelerate the discharge of planning conditions;
 - o model Section 106 agreements with standard affordable housing clauses to speed up the completion of s106 agreements.

The 'threshold approach' reduces the need for protracted and uncertain viability negotiations and offers far greater certainty to developers. This will help to deliver more affordable housing through the planning system whilst also ensuring development comes forward at a faster rate. The 'threshold approach' does not set a new target for affordable housing, instead it identifies the point at which the approach to the submission of viability information changes.

The developer is expected to provide affordable homes on site **without any public subsidy** in line with the council's affordable housing policy. Where the homes are to be transferred to a registered provider the developer subsidy will be equivalent to the funding gap between the total cost of providing the home and the amount paid by a registered provider to secure the unit.

Approach to public subsidy

The council and Homes and Communities Agency require that all affordable housing secured from private development through Section 106 agreements be delivered without public subsidy. Where affordable housing has been maximised through private development the council will consider the use of public subsidy as follows:

- Where the applicant has offered either the fully compliant policy level or the threshold level of at least 20% affordable housing within relevant zones under policy BCS17 and this has been agreed by the council and secured through a Section 106 agreement the applicant's selected registered provider will be eligible to seek funds for additional affordable rent homes from Bristol City Council and the Homes and Communities Agency. Such additional affordable homes will be secured through a separate funding

agreement.

- In all other cases where the applicant has offered a level of affordable housing below the policy target proportions and this has been validated, agreed by the council and secured through a Section 106 agreement the use of public subsidy will be considered to address the shortfall against policy targets.

Approach to affordable housing tenure

The council's approach to seeking particular affordable housing tenure types is determined by local housing needs evidence (see section 3.1) and guided by the national planning policy definition of affordable housing (see Appendix 1). The indicative citywide tenure requirements for Bristol are 77% social rented affordable housing and 23% intermediate affordable housing. The council will therefore seek the following affordable housing products as prioritised:

1. **Social Rent:** Affordable homes as defined in Annex 2 of the NPPF with guideline target rents.
2. **Shared ownership:** Affordable homes as defined in Annex 2 of the NPPF as 'intermediate' affordable housing. Homes to be sold at 40% equity sale and up to 1% rental on retained equity.

The council may consider adjusting the balance between tenures to meet the particular local needs or other housing requirements of a locality or neighbourhood in order to promote balanced and sustainable communities. For example, where a scheme is being developed in a neighbourhood where local residents are specifically seeking shared ownership or shared equity options, or neighbourhoods with existing high concentrations of social rented homes or low income households, it may be appropriate to change the balance in favour of a higher proportion of shared ownership or shared equity affordable homes.

Flexibility on tenure requirements

Where the applicant has agreed to meet the threshold proportion of 20% affordable housing under policy BCS17 within Bristol Inner West and Inner East zones the council may consider alternative forms of affordable housing tenure to those normally prioritised above. Such tenures must be demonstrated as affordable. Acceptable alternative tenures can include the following:

As an alternative to 77% Social Rented and 23% Intermediate affordable housing:

Affordable Rent (up to 100% of the affordable housing requirement): Homes to rent let by local authorities or private registered providers of social housing at an agreed percentage of open market rent (inclusive of service charges) which is below the prevailing Local Housing Allowance limits¹ for different property types in the Bristol Area.

Approach to service charges

The service charge is the amount payable on an affordable home in addition to rent/mortgage which includes all estate management charges, ground rents, services, repairs, maintenance and improvements of a communal nature and the insurance of the building. The level of service charge can be a material planning consideration as this affects the relative affordability of the unit. The council will seek to ensure via the s106 agreement that the total occupation costs to affordable housing occupiers remain affordable in the long term. The council would not expect a service charge to exceed £250 per annum in respect of a house and £650 per annum in respect of a flat. Early consultation is recommended, as good design can overcome the need for high service charges.

¹ The limit on benefit paid to tenants who rent from private landlords based on property type. Determined by the Valuation Office for the Bristol area

APPENDIX B

Issue	Respondents comments	BCC response	Suggested change to AHPN text
Consultation/ Engagement with stakeholders	Concern raised at BRISTOL HOMES BOARD that initial consultation was limited to focus groups with housebuilders and RPs.	AHPN is guidance rather policy document does not require a formal consultation. Nonetheless two further focus groups held including Community led housing groups. Followed by an 'engagement' process of over four weeks	None
	ACORN recognises that this latest proposal is a step in the right direction (noting it is guidance), however it does not go far enough in addressing the needs of building more affordable housing in the city of Bristol.	Noted. As a guidance document the AHPN is unable to change policy to the Local Plan. The Local Plan will allow the Council to introduce major policy changes	None
	ACORN consider the proposal needs to be more radical, so that we can show the rest of the country that Bristol is leading the way in setting an agenda where affordable housing is a top priority in reality and not just in rhetoric.	Noted. As a guidance document the AHPN is unable to change policy to the Local Plan. The Local Plan will allow the Council to introduce major policy changes	None
	ACORN is keen to see more good quality affordable housing being built at an accelerated pace and we are confident that developers can manage this whilst also meeting required thresholds.	Noted.	None
	ACORN consider a review of the local plan should begin at the earliest opportunity to ensure this is fully embedded into policy.	Noted	None
General comments	HBF and Housebuilders welcome the city's forward thinking document however consider it should be clearer throughout that it is only an interim measure. Housebuilders require certainty about how long the interim measure will be in place.	Noted - however the AHPN will only be operational before the adoption of the Local Plan	Clarification to text to reinforce that it is only an interim measure and explain only operational until the Local Plan is adopted.

General comments	HCA wish to support AHPN as see it as tool to maximise opportunities for HCA to contribute to increasing affordable housing delivery in Bristol.	Noted	None
General comments	Sovereign consider it to be a well thought out document	Noted	None
General comments	Yarlington welcome changes and the clarity it brings to new application validation but consider the Council will need to be more robust when implementing the new arrangements	Noted	None.
General comments	BCLT would wish to see opportunity for serviced plots being offered to CLTs and Community led housing organisations	Noted - However if this change was to be progressed it will need to be through new Local plan	None
AHPN 3.2 Subsidy free	HCA strongly support the Council's approach to keeping s106 subsidy free AH units separate to additional AH secured with public subsidy. HCA confirm that they fund any additional units unless this can be demonstrated	Endorses BCC approach on need for s106 agreement to be quite separate from additional AH	None
AHPN 3.2 Benefits for Threshold Route	HBF and Housebuilders supportive of the Council employing extra staff to fast track Policy and Threshold compliant applications and requested information on AH levels on BCC land. It should be noted that Retirement housebuilders expressed concern about a two track approach and sought exemption from process.	Noted and confirmed that in future all BCC land will need to provide full planning policy compliant levels of AH - However AHPN does not change policy as only interim guidance document and therefore unable to consider request for exemptions	None.
AHPN 3.4 Threshold Reduction to 20%	Yarlington have questioned whether any developer will offer above 20% affordable housing in Bristol Central Areas through Route One. Acorn although they do not favour the Threshold reduction to 20% do recognise that this level would be a considerable improvement	BCC recognise the issue. However BCC consider that as the AHPN Threshold arrangements are not policy and is only a time limited measure designed to increase AH supply - ahead of new Local Plan being adopted. No change proposed	None

<p>AHPN 3.4 Threshold Reduction to 20%</p>	<p>ACORN consider that the proposed thresholds of 10% (where requirement is 30% affordable housing) and 20% (where requirement is 40%) are too low, particularly if they are then allowed to skip viability testing altogether.</p>	<p>The Consultation draft only included a 20% threshold in 40% areas in the two central areas of the city which had underperformed in AH supply in recent years. There is no intention to include a 10% threshold in 30% areas. The relaxation on developers viability assessment offering 20% AH is hoped will work as an</p>	<p>None</p>
<p>AHPN 3.4 HCA funds for additional affordable homesHCA wish</p>	<p>HCA support providing funds for additional affordable home ownership homes on proviso that all these homes are available for all UK residents and are not restricted by normal s106 requirements</p>	<p>BCC will need to redraft 3.4 to make it clear that HCA is only able to fund additional affordable rent and affordable home ownership (without restrictions on residential qualification/length of tenure)</p>	<p>3.4 Text changed to read: <i>"Where the applicant has offered either the fully compliant policy level or the threshold level of 20% affordable housing within relevant zones under policy BCS17 and this has been agreed by the council and secured through a Section 106 agreement the applicant's selected registered provider will be eligible to seek funds for additional affordable rent homes from either Bristol City Council and the Homes and Communities Agency (subject to HCA restrictions. Further the provider will be eligible to seek funds for additional affordable home ownership (subject to residential qualifications) Such additional affordable homes will be secured through a separate funding agreement.</i></p>

<p>AHPN 3.5 Flexibility on tenure mix</p>	<p>ACORN remain firmly opposed to a reduction in the required 77% built for “social rent” as there is a significant risk that others built badged as “affordable”, may not actually be so. BRISTOL HOMES BOARD sought revisions to initial consultation draft so that proposal for 50% AR and 50% Shared ownership be changed back to 77%/23% Yarlington wish to secure greater flexibility provided tenure split from 77%/23% to 50%/50%</p>	<p>BCC consider that by introducing this flexibility on the tenure as suggested by Yarlington at the same times as the 20% Threshold is introduced will lead to an overall reduction in social rented homes. The Consultation draft (issued in December) was changed to meet this Bristol Homes Board requested change</p>	<p>No change from the Consultation draft issued in December. This version already had been changed back to 77% social rent and 23% shared ownership homes</p>
<p>AHPN 3.6 Service charges</p>	<p>Sovereign consider that the curent Service charge limits for are too low</p>	<p>No change as BCC has recently reviewed and increased from £550 - £650 per annum per flat and up to £250 per annum per house.</p>	<p>None</p>
<p>AHPN 3.5 Flexibility on rent levels</p>	<p>HCA support the Councils approach to all rents being below LHA and prepared to be flexible on % of open market rent. Sovereign has expressed concern that if affordable rent is restricted to Local Housing allowance limits it would not allow them to increase rents by CPI plus 1% annually; as this would breach LHA limits</p>	<p>AHPN is unable to change the Councils AH Planning policy however this issue will need to be considered in new Local Plan</p>	<p>None</p>
<p>AHPN 4.4 Review timescale</p>	<p>ACORN consider any developer bringing forward proposals with less than the required 30 or 40% affordable housing must publish a viability assessment that is subject to public scrutiny and review. This should take place at two further stages – when building on site begins and once a percentage of the properties are built.</p>	<p>BCC has already introduced a new requirement from 1st December that all developers not meeting the AH policy requirements will need to provide a viability assessment. The AHPN would provide a time limited relaxation to developers offering 20%</p>	<p>None</p>

<p>AHPN 4.4 Review timescale</p>	<p>HBF and Housebuilders prepared to shorten 18 months period stated before viability assessment review in draft document to 15 months - from the date of an implementable consent (ie detailed with all planning conditions resolved or an outline where reserved matters approved). In addition HBF have suggested a Gateway process at 9 months where both parties to identify unresolved issues and to prepare an action to resolve them including restarting the clock.</p>	<p>BCC agree changing to 15 months and the principle of a gateway process. We recognise in respect of detailed that key planning conditions need to be resolved before a developer has effectively an implementable consent.</p>	<p>4.4 Change text to read: "Route 2 and 3 applications will be subject to viability testing if a Community Infrastructure Levy (CIL) Commencement Notice has not been submitted to the council with 15 months of the date of planning permission being implementable either on detailed planning applications all planning conditions have been discharged or on outline planning application reserved matters approval has been secured". Further all references to 18 months in table this section to be changed to 15 months</p>
<p>AHPN 4.6 Enabling fees</p>	<p>Sovereign have requested sight of BCC report advising RPs of amount of enabling fees collected and how fees are used.</p>	<p>BCC will provide an annual report at Homes West Bristol meeting in May each year This will be included in revised text</p>	<p>4.6 Change to text to read: A fee of £550 per affordable home will apply from 1 October 2017 and is index linked. The fee is paid to the council on completion of each of the affordable homes and applies to Social Rent, Affordable Rent, Intermediate Rent and other intermediate affordable housing tenures procured through s106 negotiations and delivered without public subsidy or through reprovion/remodelling, extra care housing and 100% affordable housing schemes. The Council will prepare an annual report about the amounts collected and how we have spent in previous year and presented to Homes West Bristol each</p>

May

**AHPN App 3
Summary of AH
Requirements**

HCA have commented that HCA Design and Quality standards is no longer an HCA requirement. Sovereign seek consistency on application of design and space standards from all developers - concern that developers n longer developing 2 bed 4 person or 3bed 6 person accommodation

BCC will need to redraft Affordable Housing Requirements to make it clear which design and space standards still apply

Affordable Housing Requirements to be redrafted to accommodate this change

AHPN 2018 Risk Register

Negative Risks

Risk Description	Key Causes	Key Consequence	Status Open / Closed	Risk Category	Risk Owner	Key Mitigations	Direction of travel	Current Risk Level			Monetary Impact of Risk £k	Risk Tolerance				Actions to be undertaken (Include dates as appropriate)	Resp. Officer	Escalation			Portfolio Flag
								Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating	Date			Escalated to:	Escalated by:	Date	
Reputational risk to Council agreeing to a lower % of AH	Councillors and members might think that introducing a 20% threshold as opposed to the BCS 17 policy target of 40% affordable housing in the central areas of the city's overall affordable housing needs in the central area have reduced .	Adverse press and media stories		Medium	Tim Southall	Widely publicised on website and for a. Key buy-in from Councillors and senior staff so that they can advocate rationale for introduction of threshold to stakeholders and general public		2	3	6	N/a	1	1	1	Jan-18	Publication on website April 2018. Training session for members and stakeholders by Sept 2018,	BW				
WOE JSP and AH SPG and Bristol Local Plan 35% AH requirement may be difficult to introduce to developers if 20% AH in Bristol central areas becomes the accepted norm.	20% AH in central areas without viability assessments may be considered far more attractive than 35% AH with need for viability assessments.	Implementation of Bristol Local Plan is delayed due to challenges on 35% AH		High	Tim Southall & West of England Enabling Managers	Robust analysis of evidence, housing needs assessment and land values; and strong political support for this temporary time limited measure to increase affordable homes in the central area		3	5	15	N/a	2	5	10	Jan-18	Revisions/update to Wider Bristol SHMA - September 2018. JSP policies needed to be supported by Viability testing of land values for sites/ housing in central areas in Bristol and given as evidence at Examination in Public	ML				
Introduction of AHPN may not lead to increase in AH supply	Land Values, and Build Costs and other extenuating cost will still be in existence as most of the sites are brownfield.	Current status quo will still remain.		High	Tim Southall	Local list requiring full and public disclosure of viability assessments. Maintaining dialogue with developers to ensure that they see benefits of 20% AH threshold being used.		3	5	15		2	3	6	Jan-18	HDT implement new fast track approach and Council employ new planning and highways staff	JF				

Risk Description	Key Causes	Key Consequence	Status Open / Closed	Risk Category	Risk Owner	Key Mitigations	Direction of travel	Current Risk Level			Monetary Impact of Risk £k	Risk Tolerance				Actions to be undertaken (Include dates as appropriate)	Resp. Officer	Escalation			Portfolio Flag
								Likelihood	Impact	Risk Rating		Likelihood	Impact	Risk Rating	Date			Escalated to:	Escalated by:	Date	
Reputation of the Council	Media and housebuilders recognise Council as being exemplar and pioneering authority doing all it can to increase AH supply	Good press and media coverage	Open	Low	Tim Southall	Agree PR and media strategy to show that new measure is only a time limited initiative to increase the very low levels of affordable housing currently and give opportunity to secure a significantly higher level of provision.		3	2	6		1	1	1	Jan-18	Prepare 12 month media and PR strategy ahead of publication - April 2018	TB				
Opportunity risk	Nothing ventured nothing gained - opportunity to increase from current low levels to at least 20% AH	Better opportunity to increase AH than maintaining status quo	Open	Low	Tim Southall	Await the New Local Plan		3	2	6		1	1	1	Jan-18	Maintain good working relationships with housebuilders - April 2018	BW				



APPENDIX E

Bristol City Council Equality Impact Assessment Form

Name of proposal	AHPN 2018
Directorate and Service Area	Regeneration and Growth/ Housing Delivery
Name of Lead Officer	Tim Southall

Step 1: What is the proposal?

Please explain your proposal in Plain English, avoiding acronyms and jargon. This section should explain how the proposal will impact service users, staff and/or the wider community.

1.1 What is the proposal? The Affordable Housing Practice Note 2018 (AHPN) will provide updated guidance to developers when submitting residential planning applications and provide incentives to encourage them to increase the numbers of affordable homes (to current levels being achieved) provided through s106 planning agreements. The AHPN 2018 is an interim measure and does not constitute either a change of policy, a change in budget spend or a change in service. It relates to the EQIA prepared for the Bristol Development Framework

<https://www.bristol.gov.uk/documents/20182/33167/Main%20reportwith%20heading%20s.pdf/dc89de70-0b42-4b02-bf28-62e6f4db162b>

If the overall supply of affordable homes can be increased from current levels of low levels it will help improve the economic and social wellbeing of the city which will improve the life chances of all protected characteristic groups who will have equal access to the new affordable homes.

Step 2: What information do we have?

Decisions must be evidence-based, and involve people with protected characteristics that could be affected. Please use this section to demonstrate understanding of who could be affected by the proposal.

2.1 What data or evidence is there which tells us who is, or could be affected? 500 affordable homes, about 30% of the new homes built in the city between 2016/17-2020/21, will be built in Inner East and Inner West (Central Wards) of Bristol (The Central Wards includes the Inner East wards of Easton, Lawrence Hill and Ashley some of the most deprived wards in the city). The Affordable Housing Funding Policy which is seeking to increase the affordable housing supply is expected to have a positive impact on the housing opportunities of the following equalities groups:

- (i) Age: Households with young children will be offered a larger number of housing opportunities however these may not fully meet their needs as over 75% of the homes provided in the Central Wards will be for flats rather than houses. However it is not expected during this period any Extra Care Homes

schemes will be provided through s106 agreements.

- (ii) Race: Any increase in supply to people already lining in the Central Wards will support the high housing needs in these wards arising from black and minority ethnic groups (BME). 16% of Bristol's households are from (BME) groups a much larger proportion of BME population (31%) within the Inner East wards. 53% of children under 16 in the Inner East are BME, compared with 21% in North & West and 13% in South. Lawrence Hill ward has the highest proportion of people not born in the UK, at 39%.

BCC Corporate Plan 2018-23 and Bristol Housing Strategy 2016-18

<https://www.bristol.gov.uk/documents/20182/361915/Bristol+Housing+Strategy+2016/8612fc26-53db-4061-b5e7-182083e3dbc6>

2.2 Who is missing? Are there any gaps in the data?

The most up to date homelessness returns December 2017 show in addition to those registered on Homes Choice Bristol there are 650 households in temporary accommodation with 125 rough sleepers at latest count. However their combined housing and care needs will be addressed citywide rather than specifically in the Central Wards. The Council will be shortly employing an Affordable Housing Policy Officer who will be tasked to work with Housing Solutions and the Specialist Advisor Homelessness to improve the analysis of affordable housing and homelessness data so that the Council can ensure that the new affordable housing supply best meets the needs of homeless people; the majority of whom have protected characteristics.

2.3 How have we involved, or will we involve, communities and groups that could be affected?

There is no specific requirement for the Council to consult on a document such as the AHPN 2018. However following the Tetlow King's report with its stakeholder research to the Bristol Homes Board in November 2017 it was agreed to conduct a wider engagement process during December and January. This new engagement process included a wider range of stakeholder groups such as Acorn, a tenants union and anti-poverty organising group and a member of Bristol Homes Board.

Step 3: Who might the proposal impact?

Analysis of impacts on people with protected characteristics must be rigorous. Please demonstrate your analysis of any impacts in this section, referring to all of the equalities groups as defined in the Equality Act 2010.

3.1 Does the proposal have any potentially adverse impacts on people with protected characteristics?

No – it may positively improve the housing opportunities for all equalities groups as defined in the Equality Act 2010 in the areas of focus of the AHPN 2018.

It is expected that the Council by adopting this interim 'threshold approach will result in the overall numbers of affordable housing in the Central wards being increased from the current low levels.

It is not expected that the AHPN 2018 threshold will have any impact of the type developer progressing schemes in the Central Wards. Due to the high values of

land in the Central Wards the smaller SME builder/developer or Registered Provider already find it difficult to bring forward schemes in these areas; the introduction of the AHPN 2018 will not change that position.

The positive benefits will be that with a greater throughput of schemes there will be more opportunities for Council officers to negotiate with developers that ground floor flats be made available as social rented flats for wheelchair users or one bedroom flats be made available to RPs prepared to make them available to people with learning difficulties or mental health needs.

It is recognised that s106 opportunities to provide specialist extra care rented housing for older people are very rare (The Cold Harbour Lane s106 secured Council access to 40 extra care flats) and none have been progressed through s106s to date in the Central Wards as the housing investment required from the developer makes it unviable.

3.2 Can these impacts be mitigated or justified? If so, how?

The Council is introducing the AHPN 2018 as a time limited measure to try and increase the amounts of affordable housing secured through the planning system above the levels currently being secured. If it is not successful it will be dropped.

The Council will shortly commence engage on the new Bristol Local plan with affordable housing policies (drawn from new policies in the West of England Joint Strategic Plan) that will strengthen the Council's negotiation position in securing affordable homes

To fully mitigate this affordable housing shortfall in the long term would require a change in Government legislation in favour of developers providing Council's full affordable housing requirements through s106 agreements.

3.3 Does the proposal create any benefits for people with protected characteristics?

Yes – this measure may increase the supply of suitable and affordable homes which would help counter social inequalities faced by groups with protected characteristics and generally will improve all citizens ability to access social, educational, health and economic opportunities in the Central wards

3.4 Can they be maximised? If so, how?

By working effectively with developers the Council can address design issues at an early stage and negotiate that all ground floor accommodation are made available for wheelchair users.

Step 4: So what?

The Equality Impact Assessment must be able to influence the proposal and decision. This section asks how your understanding of impacts on people with protected characteristics has influenced your proposal, and how the findings of your Equality Impact Assessment can be measured going forward.

4.1 How has the equality impact assessment informed or changed the proposal?

The Council during the engagement process has reviewed its focus areas and has agreed to target this measure on the Central Wards of the city where there is currently the greatest under provision of affordable homes secured through the planning system

4.2 What actions have been identified going forward?

The Council has designed a threshold approach to try and encourage developers to increase from the current levels of 6%-10% affordable housing in the focus areas to supply at least 20% affordable housing supply in these areas of the city.

4.3 How will the impact of your proposal and actions be measured moving forward?

Council will continue to monitor AH provision through receipt of quarterly returns from all registered providers delivering affordable homes in the city and the impact of the AHPN 2018 will be measurable.

Service Director Sign-Off:

Equalities Officer Sign Off:



Duncan Fleming

Date:

Date:

19 February 2018

Eco Impact Checklist

Title of report: AHPN 2018				
Report author: Tim Southall				
Anticipated date of key decision 6th March 2018				
Summary of proposals: To seek Cabinet approval to a revised Affordable Housing Practice Note (AHPN) that will provide updated guidance to developers when submitting eligible residential planning applications and incentivise developers to increase affordable housing supply in advance of a new Bristol Local Plan.				
Will the proposal impact on...	Yes/ No	+ive or -ive	If Yes...	
			Briefly describe impact	Briefly describe Mitigation measures
Emission of Climate Changing Gases?		+ive	Increased affordable housing will be likely to reduce the number of tenants in private rented housing, moving more people into more energy efficient housing.	
		-ive	AHPN may lead to an increase in housebuilding – Any BCC developments will be subject to separate approvals process and a separate Eco Ia, so environmental considerations can be made at this stage.	A separate Eco IA process for large planned developments. Bristol Local Plan sustainability policies and modification of Local Plan policies.
Bristol's resilience to the effects of climate change?	N/A			
Consumption of non-renewable resources?	Yes	+ive -ive	See above	See above
Production, recycling or disposal of waste	Yes	-ive	See above	
The appearance of the city?	Yes		See above	
Pollution to land, water, or air?	Yes	+ive -ive	See above	
Wildlife and habitats?	Yes		See above	
Consulted with: Homes England, HBF, NHF, Homes West, Acorn, Bristol Homes Board				

Summary of impacts and Mitigation - to go into the main Cabinet/ Council Report

It is anticipated that this proposal will increase the supply of affordable homes within new developments, rather than the total supply of all new homes. It is therefore likely to have a small positive impact as the homes constructed to current planning and building regulations will generally be more energy efficient.

Checklist completed by:

Name:	
Dept.:	
Extension:	
Date:	29/01/2018
Verified by Environmental Performance Team	Nicola Hares