

Appendix 2: 'Planning and Affordable Housing for Build to Rent' Consultation Response

Questions 1 – 4 are excluded as they are questions about the organisation and not about proposals within the consultation.

Q 5: Do you consider there are market and regulatory failures impeding the rapid development of the Build to Rent market that merit national policy intervention? Please add comments.

There is not currently a significant Build to Rent market in Tamworth. The majority of new developments in the borough are built for sale and this could be keeping Build to Rent developments out of the local market. Anecdotal evidence suggests that there is a negative public perception of private rented provision (poor standards, short term, unaffordable, unscrupulous landlords, poor image etc.).

Q 6: Do you agree with the proposal to refer explicitly to Build to Rent in the National Planning Policy Framework?

Build to Rent should not be specifically supported through policy at the expense of other models of residential development, but it would be helpful if the differences between the different models could be made clear along with how the different models can operate together to meet local need.

Q 7: Do you think that Government should set a policy expectation on Affordable Private Rent in the National Planning Policy Framework, or not? (Please state your reasons).

No – Affordable Private Rent should form part of the broader policy expectations for affordable housing. The proposed minimum of 20% Affordable Private Rent is significantly higher than the proposed 10% minimum expectation for affordable housing outlined in the Housing White Paper. The expected provision of all forms of affordable housing should allow sufficient flexibility to allow for an appropriate level of delivery based on market conditions and individual development characteristics.

Q 8: Will a policy expectation in the National Planning Policy Framework send a sufficiently strong signal to support Affordable Private Rent as the main vehicle for affordable housing in Build to Rent? (Please state your reasons).

Yes – however as noted in response to the previous question, the proposed expectation of 20% Affordable Private Rent is significantly higher than the proposed 10% minimum expectation for affordable housing outlined in the Housing White Paper. This could lead to applicants exploring other options to reduce their affordable units obligation. A more flexible, needs based approach may be required locally and so any policy should encourage Affordable Private Rent as a first option, but allow sufficient flexibility to meet local needs where appropriate.

Q 9: Do you consider that Affordable Private Rent could play a useful role in the delivery of affordable housing in the area(s) where you live or operate?

Yes – as part of a range of affordable options that fit local need.

Q 10: Do you consider that the efficiencies arising through on-site provision of Affordable Private Rent can materially improve the viability of Build to Rent, compared to other affordable housing tenures?

The consultation document offers examples of a number of possible advantages to on-site provision of Affordable Private Rent but no evidence to support the claims. There are likely to be examples of different delivery methods for affordable housing in this type of scheme being successful. Without any evidence or previous experience of different affordable housing delivery methods in Build to Rent schemes, it would be difficult to come to any conclusion in response to this question.

Q 11: Do you consider that there could be unintended consequences of Affordable Private Rent if it is accepted as a form of affordable housing?

Yes – if it is used inappropriately where other forms of affordable housing would be better suited to meet the local need, it could lead to an increase in pressure on existing social housing stock.

Q 12: If your answer to Q11 is yes, would these consequences be mitigated by limiting Affordable Private Rent only to Build to Rent schemes?

Yes – but even then it would be important to ensure that the Affordable Private Rent units were meeting an identified local need and not being delivered at the expense of other, more appropriate, solutions.

Q 13: Do you think it is reasonable for Planning Authorities to specify minimum tenancy lengths in Build to Rent schemes? Please add your reasons, and give examples of such agreements where appropriate.

We would support the principle of longer tenancies where they would provide greater stability for tenants, especially families, and support sustainable communities. However, we would question whether this is within the remit of the planning system or whether it should be delivered by another mechanism. If the intention is to ask the developer to enter into an obligation under s106 of the Town and Country Planning Act 1990 (as amended); then this type of obligation is unlikely to meet the requirements of the statutory tests.

Q 14: Do you agree that Build to Rent tenancies should be for at least three years (with a one month break option for the tenant after the first six months), for all customers in the development who want one?

Yes – this could provide a number of benefits as outlined in our response to question 13.

Q 15: Does the definition of Build to Rent set out on page 20 capture all of the appropriate elements? (If not, please state why, and what criteria should apply).

Yes – there are no other elements that we would consider to be missing at this time.

Q 16: Do you agree that the National Planning Policy Framework should put beyond doubt that Affordable Private Rent qualifies as affordable housing in Build to Rent schemes? (If not, please state why).

Yes – any clarity on the definition of what constitutes affordable housing is to be welcomed.

Q 17: Do you agree with the proposed definition of Affordable Private Rent set out on page 21? (If not, please state why, and what criteria should apply).

Yes.

Q 18: The Government intends to set the parameters of Affordable Private Rent as:

- **a minimum of 20 per cent of the homes to be discounted;**
- **the discount to be set at minimum of 20 per cent relative to the local market;**
- **an offer of longer tenancies of three years or more;**
- **the discount to apply indefinitely (subject to a “claw-back” arrangement if Affordable Private Rent homes are withdrawn).**

Taken as a whole, are these parameters: (i) reasonable; (ii) too onerous; (iii) insufficient? Which, if any of them, would you change and why?

As stated in response to previous questions, the inclusion of a 20% minimum could cause difficulties. Any target should be in line with broader affordable housing requirements. The consultation document states “Where a scheme cannot sustain the level of provision indicated above, then it would be for the local planning authority to determine what type and level of affordable housing provision is warranted – whether Affordable Private Rent or otherwise.” It would be helpful to allow LPAs the freedom to set rates in advance of an application being received (perhaps where sites are allocated in a Local Plan) in line with local market conditions and site specific requirements.

Q 19: Should the parameters for Affordable Private Rent appear on the face of the National Planning Policy Framework or within Planning Practice Guidance?

We feel that the parameters relate more to guidance than policy and so should be included in the Planning Practice Guidance rather than the NPPF.

Q 20: The Government is minded to leave determination of eligibility and nomination criteria for Affordable Private Rent to negotiation between the developer and the local authority. Do you support this position? Will it affect take-up of the policy? Please give your reasons.

We would support this position in order to give flexibility based on local circumstances.

Q 21: The Government considers there is no need for a fixed minimum covenant period, so long as appropriate claw-back arrangements are provided for. Do you agree?

A fixed minimum covenant period could deter potential entrants to the build to rent market and so we would support the position of not having a fixed term covenant period so long as appropriate claw-back arrangements are in place to recover any planning obligations (not just affordable housing) that were not required as a result of the tenure model but would have been required were the scheme to be built for sale.

Q 22: Do you think Government should (a) prescribe the basis for calculating the amount of claw-back, (b) set a possible basis for calculating the amount of claw-back in guidance, or (c) leave the amount of claw-back to be agreed between the local authority and the applicant?

The Government should set the framework for calculating the amount of claw-back in order to ensure the claw-back process proceeds quickly. However, the framework should have sufficient flexibility to allow the LPA to recover all appropriate obligations in relation to the development or any part of it.

Q 23: Should the Government's Build to Rent and Affordable Private Rent policy be identical across the whole of England or does it need to be set differently between London and the rest of England? If it should be set differently, please use the comments box to tell us how and why the policy should vary in London from the rest of England.

The policy should have sufficient flexibility to allow it to be appropriately implemented in any part of the country as market conditions vary across the whole of the country. This would be preferable to a one rule for London and another for everywhere else approach.

The Build to Rent and Affordable Private Rent policies are most likely to be frequently used in larger cities, but the policies should not be constructed in a way that makes them difficult to implement in smaller towns when appropriate.

Q 24: Would it be helpful for Government to produce model clauses (which would not be mandatory) that could be used in Section 106 agreements to give effect to Affordable Private Rent?

Model clauses would be helpful as a basis for more specific clauses to be used to suit local circumstances.

Q 25: Is a transitional period of six months appropriate for the introduction of the policy? (If not, why not?)

It is considered too short a time period. There are a number of new burdens being placed on local planning authorities such as PIPs, Brownfield Registers etc over the next 6 months. This would be a further change to the system which may require changes to processes, policies and evidence bases and as such a longer time period should be considered.

Q 26: Does the summary Equalities Statement in Annex A represent a fair assessment of the equalities impacts of the policy proposals in this consultation? Please provide any further evidence on this issue, including how any negative impacts might be minimised and positive impacts enhanced.

No, we consider it not a fair assessment as the policy may negatively impact on certain sections of the community in terms of the effect this may have on ability to meet their needs as referenced above.

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