



**Report To:** Cabinet  
**Lead Officers:** Joint Director of Planning and Economic Development  
Director of Housing

20 April 2017

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## **Consultation Response on the Government's paper Planning and Affordable Housing for Build to Rent**

### **Purpose**

1. To agree a response to the Government's consultation on its paper relating to Planning and Affordable Housing for Build to Rent.
2. This not a key decision because it relates to a Government consultation and it was first published in the March 2017 Forward Plan.

### **Recommendations**

It is recommended that Cabinet agree:

- the consultation response set out in Appendix A;

### **Reasons for Recommendations**

3. The introduction of Affordable Private Rent as a new model for affordable housing is being proposed as part of the Government's white paper. The intention is that this will become part of the Affordable Housing definition through the National Planning Policy Framework. The white paper also sets out the Government's intention to encourage institutional investors into housing through the private rented sector, known as Build to Rent, with Affordable Private Rent being the affordable element of such schemes.
4. The response to these proposals is set out within the consultation response on the Housing White Paper which is also being considered at Cabinet on 20<sup>th</sup> April 2017. The response attached at Appendix A relating to the Planning and Affordable Housing for Build to Rent is therefore considered a subset of the white paper which goes into the detail of Build to Rent and the Affordable Private Rent.

### **Executive Summary**

5. This report summarises the main content of the Planning and Affordable Housing for Build to Rent and proposes a response to the 26 questions included in the consultation.

### **Background**

6. On 7 February 2017, the Government published the consultation paper on Planning and Affordable Housing for Build to Rent. This was published alongside the housing white paper *Fixing our broken housing market*. The consultation paper seeks views on planning measures intended to support Build to Rent through the planning system and make the benefits of Build to Rent more widespread.

7. The consultation seeks views on several measures which should help to improve the financial viability and the predictability of planning outcomes for the sector. The main proposed measures are:
- Placing further emphasis on Build to Rent through planning policy;
  - Encouraging an alternative approach to affordable housing for Build to Rent called Affordable Private Rent (sometimes referred to as Discounted Market Rent);
  - Strengthening the expectation on Build to Rent schemes to offer a Family Friendly Tenancy of three years or more, to those tenants who want one.
8. In summary, a Build to Rent Scheme is
- 100% rented, possibly as part of a mixed tenure development
  - 3+ year length family friendly tenancies
  - Professionally managed in single ownership
  - Affordable Private Rent as the only form of affordable housing on the scheme
  - Attractive to private investors, looking for long term investment
  - Promoting accelerated delivery, potential for modular constructed schemes
9. The proposals for Affordable Private Rent include:
- No registered provider role – all under one single management
  - Rents at least 20 per cent below market value
  - Proposals for a minimum of 20% Affordable Private Rent Provision
  - Potential to flex rents to increase the discount – subject to overall viability
  - Minimum covenant period of 15 years+
  - Clawback – commuted sum provision, linked to average percent discount level

### **Options**

10. With reference to the proposed consultation response Cabinet could:
- (i) Approve it;
  - (ii) Reject it;
  - (iii) Amend parts of it;

### **Implications**

11. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

#### ***Financial***

12. There are no direct financial implications arising from this report.

#### ***Legal***

13. There are no direct legal implications arising from this report.

#### ***Staffing***

14. There are no direct staffing implications arising from this report.

### ***Risk Management***

15. There are no direct risk management implications arising from this report.

### ***Equality and Diversity***

16. There are no direct equality and diversity implications arising from this report.

### ***Climate Change***

17. There are no direct climate change implications arising from this report.

### **Consultation responses (including from the Youth Council)**

18. This report has been prepared jointly by South Cambridgeshire Planning and Housing Officers.

### **Effect on Strategic Objectives**

#### **Objective1 – Living Well**

19. Access to good housing is important to good health. The Local Plan seeks to meet housing needs whilst protecting the natural and built environment.

#### **Objective 2 – Homes for our Future**

20. The Planning and Affordable Housing for Built to Rent is intended to help secure the delivery of a wide range of housing to meet the needs of existing and future communities across England.

#### **Objective 3 – Connected Communities**

21. There are no direct implications for this strategic objective.

#### **Objective 4 – An innovative and dynamic organisation**

22. The Planning and Affordable Housing for Build to Rent offers the Council opportunities for working jointly with investment partners and expanding the private rented sector through its Housing Company, Ermine Street Housing. This will require innovation and dynamism in order to support the delivery of the private rented sector.

### **Appendices**

Appendix A: Proposed Consultation Response to the Planning and Affordable Housing for Built to Rent

Appendix B: Consultation Paper – Planning and Affordable Housing for Build to Rent

### **Background Papers**

The following background papers were used in the preparation of this report:

**Report Authors:** Julie Fletcher – Head of Housing Strategy  
Telephone: (01954) 713352  
Caroline Hunt – Planning Policy manager  
Telephone: (01954) 713196



**South  
Cambridgeshire**  
District Council

Insert Appendix here