



Walsall Council

**Strategic Environmental Assessment (SEA):
Draft SEA Screening Statement**

for the proposed

**Affordable Housing Supplementary Planning
Document (SPD) (August 2013 Revision)**

In accordance with:

**The Environmental Assessment of Plans and
Programmes Regulations 2004 (SEA Regulations) and
European Directive 2001/42/EC (The SEA Directive)**

August 2013

SEA Screening Consultation – How to Comment

When the Council is proposing to prepare certain types of plans or programmes, it is a legal requirement to consider whether or not a Strategic Environmental Assessment (SEA) is required. This process is called “screening.”

The Council has established that the Affordable Housing SPD needs to be screened. This Draft SEA Screening Statement sets out the Council’s initial views on the need for SEA, and the extent to which the SPD Revisions would have significant environmental effects, taking into account the criteria in the SEA Directive.

The SPD is a revised version of a document that was adopted by the Council in 2008. However, the proposed changes are substantial. Comments may therefore be made about any part of the document, not just the changes.

We have allowed **28 days** for comments, starting on Wednesday 7 August 2013 and ending on Wednesday 4th September 2013. Comments may be sent by email to:

PlanningPolicy@walsall.gov.uk

Comments may also be sent by post to:

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Regeneration Directorate
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Darwall Street
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1. Introduction and Background

Title of Plan: Affordable Housing SPD

Type of Plan: Supplementary Planning Document

Area Covered by the Plan: Whole of Walsall Borough

Background

- 1.1 Walsall adopted an Affordable Housing Supplementary Planning Document (SPD) in 2005 to expand on Policy H4 of Walsall's Unitary Development Plan (UDP). The purpose of the SPD is to explain how the Council will expect developers to provide affordable housing as part of new residential developments.
- 1.2 The SPD was last revised in 2008. Since then, there have been major changes both in national and the Council's own planning and housing policies. The downturn in the economy has severely affected the viability of many housing developments and the ability of developers to provide affordable housing. The Homes and Communities Agency (HCA) has also revised the requirements for schemes that it funds. The SPD therefore needs to be revised to ensure that it reflects current circumstances. The SPD does not contain any new policy but does provide further detail on what type, size, tenure, location and quality of affordable housing is required.
- 1.3 Since 2005, the SPD has been used to negotiate approximately 400 affordable homes on applicable private sector developments. However, due to current market conditions affecting the viability of residential development sites, only 10 homes have been agreed via Section 106 (S106) agreements over the last year. The Council's current Affordable Housing SPD (2008) has a focus on providing affordable housing on site. It also sets out the process for developers to apply for a reduced affordable housing contribution based on financial viability, which includes submission of an independent financial viability appraisal funded by the developer.
- 1.4 The SPD explains how UDP Policies GP3: Planning Obligations and H4: Affordable Housing are applied through the development management process. Although UDP Policy GP3 is still in place and remains relevant, Policy H4 has been partly replaced (paragraphs (a) to (f)) by the Black Country Core Strategy (BCCS) Policy HOU3: Delivering Affordable Housing. Policy H4 subparagraph (g) therefore remains in force and

states that affordable housing should only be provided off site in 'exceptional circumstances'. The phrase "exceptional circumstances" was derived from Circular 6/98, the previous Government guidance on affordable housing. Circular 6/98 has been replaced by the National Planning Policy Framework (NPPF), which no longer uses this term. It can therefore be argued that this part of the sub-paragraph is no longer up to date, and will be reviewed as part of the Site Allocation Document preparation. In the meantime, the SPD will primarily sit under policy HOU3 of the Core Strategy.

- 1.5 National planning policy on affordable housing was formerly contained in Planning Policy Statement 3 (PPS3). This was revised in June 2011, primarily to amend the definition of affordable housing to include Affordable Rent (defined as no more than 80% of the local market rent). PPS3 was replaced by the National Planning Policy Framework (NPPF) in March 2012. However, the NPPF retained the affordable housing definitions previously contained within PPS3. Paragraphs 47 and 50 of the NPPF state that local planning authorities should ensure that their local plan meets the full, objectively assessed, needs for market and affordable housing in the housing market area. Policy 50 of the NPPF states that local planning authorities should, where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.

- 1.6 This Draft SPD has been amended to reflect a requirement for:

- commuted sums in lieu of on site affordable housing,
- affordable rent tenure (still allowing for social rent and shared ownership)
- HCA Design and Quality Standards (DQS)
- Overage clauses

- 1.7 A summary of the revisions to the consultation draft of the Affordable Housing SPD is appended to this Statement for reference (see Appendix A).

Policy Context

1.8 The Affordable Housing SPD Revisions will support the following national plans and programmes:

- National Planning Policy Framework (DCLG, 2012)
- Laying the foundations: a housing strategy for England (DCLG 2011)
- Investing in Britain's Future (HM Treasury 2013)
- Planning and Access for Disabled People: A Good Practice Guide (ODPM, 2003)
- Design and Quality Standards (Housing Corporation, 2007)
- Standards and Quality in Development: A Good Practice Guide (NHF, 2008)
- Lifetime Homes (2008)
- Code for Sustainable Homes (DCLG, 2009)

1.9 Affordable Housing SPD is a Supplementary Planning Document that supports the provision of housing policies in Walsall's development plan. The development plan currently comprises the Black Country Core Strategy (BCCS) 2011 and the "saved" policies of the Walsall Unitary Development Plan (UDP) 2005.

1.10 The policies in the statutory development plan guide decisions on the use and development of land for residential purposes in Walsall, and are the main benchmarks against which development proposals are judged when planning applications are determined by the Council. The role of SPDs is to provide further information to developers and the general public, on how the Council will apply specific development plan policies, and where appropriate, on examples of "good practice." The Council has a number of other SPDs, which offer guidance on other policies within the development plan.

1.11 The revised version of the Affordable Housing SPD will support the following Local Plan policies (see Appendix C of the draft SPD Revisions document):

Black Country Core Strategy (BCCS):

- HOU1 Delivering Sustainable Housing Growth
- HOU2 Housing Density, Type and Accessibility
- HOU3 Delivering Affordable Housing
- CSP4: Place-making
- ENV2: Historic Character and Local Distinctiveness

- ENV3: Design Quality

Walsall Unitary Development Plan (UDP) “saved” policies:

- GP3: Planning Obligations
- H4: Affordable Housing (paragraphs (g) to (j) only)
- ENV32: Design and Development Proposals
- ENV33: Landscape Design
- ENV34: Public Art

2. Requirement for Strategic Environmental Assessment

- 2.1 The requirements for Strategic Environmental Assessment (SEA) are set out in Directive 2001/42/EC (SEA Directive).¹ This has been transposed into UK legislation through the Environmental Assessment of Plans and Programmes Regulations 2004 (SEA Regulations (SI 2004 No. 1633)).²
- 2.2 The process for deciding whether or not a plan or programme requires a SEA is called “screening.” This statement sets out the results of the Council’s screening assessment of the Affordable Housing SPD Revisions.

Types of Plans and Programmes Affected

- 2.3 Not all plans require a SEA. For example, it is not required for a financial or budgetary plan or programme, or for a plan or programme relating to a civil emergency.
- 2.4 However, plans and programmes prepared for the following purposes may require a SEA:
- ❖ Agriculture
 - ❖ Forestry
 - ❖ Fisheries
 - ❖ Energy
 - ❖ Industry
 - ❖ Transport
 - ❖ Waste Management
 - ❖ Water Management
 - ❖ Telecommunications
 - ❖ Tourism
 - ❖ Town and Country Planning/ Land Use

(SEA Directive, Article 3 (2), SEA Regulations, Regulation 5 (2) (a))

- 2.5 A SEA is required for the above types of plans and programmes where they:
- a) Set the framework for future development consent of projects listed in the EIA Directive (85/337/EEC as amended), and/ or
 - b) Require an “appropriate assessment” of European Sites in accordance with the Habitats Directive (92/43/EEC).

¹ The SEA Directive is available at: <http://ec.europa.eu/environment/eia/sea-legalcontext.htm>.

² The SEA Regulations are available at: <http://www.legislation.gov.uk/ukSI/2004/1633/contents/made>

(SEA Directive, Article 3 (2) (a) and (b), SEA Regulations, Regulation 5 (2) (b), (3) and (4))

2.6 The following types of plan or programme also require a SEA, if the Council determines that they will have significant environmental effects:

- ❖ A plan that determines the use of a small area at local level;
- ❖ A minor modification to an existing plan;
- ❖ Any plan or programme which sets the framework for future development consent of projects (whether or not they require EIA).

(SEA Directive, Articles 3 (3) and (4), SEA Regulations, Regulation 5 (6))

SEA Screening Procedure

2.7 The first stage of the screening assessment involves considering whether the plan or programme falls within the scope of Article 3 (2) (Regulation 5 (2) (a)). If it is one of the types of plan or programme referred to, and will set the framework for future development consent of EIA projects and/ or require “appropriate assessment,” a SEA is automatically required so no further screening is necessary.

2.8 If there is no automatic requirement for a SEA, the Council must next apply further “tests” to establish whether it is one of the types of plans and programmes referred to in Article 3 (3) or (4) (Regulation 5 (6)). If it is one of these types, the Council must determine whether it is likely to have significant environmental effects.

2.9 In coming to a view on whether a plan or programme referred to in the legislation is likely to have significant environmental effects, the Council must assess them against the criteria in Annex II of the SEA Directive (Schedule 1 of the SEA Regulations). These relate to the characteristics of the plan or programme, the characteristics of the effects it is likely to have on the environment and the area likely to be affected.

2.10 Before it decides whether plans and programmes are likely to have significant environmental effects, the Council must also consult the following bodies:

- ❖ English Heritage;
- ❖ Environment Agency; and
- ❖ Natural England.

(SEA Directive, Article 3 (6), SEA Regulations, Regulations 4 and 9)

- 2.11 Once the Council has made its determination, this must be publicised. If the Council determines that a SEA is not required for a particular plan or programme, it must also prepare a statement of its reasons. Within 28 days of the determination being made, the Council must publish the SEA determination (and statement of reasons if required), and send copies to the statutory SEA bodies (SEA Regulations, Regulation 11, SEA Directive, Article 3 (7)).

3. SEA Screening Consultation

- 3.1 The Council has carried out a preliminary screening assessment of the Affordable Housing SPD Revisions and the results are set out in this draft Screening Statement. The statement has been circulated to the three statutory SEA consultation bodies (English Heritage, the Environment Agency and Natural England) for comment. A period of four weeks has been allowed for response.
- 3.2 Once the consultation period has ended, the Council will produce a revised version of this Statement, reflecting the comments received from consultees. The Council will then issue its formal determination on the need for a SEA in accordance with Regulations 9 and 11 of the SEA Regulations and Article 3 of the SEA Directive.
- 3.3 Within 28 days of the determination being made, a copy of the Council's determination will be sent to each consultation body. If the Council determines that no SEA is required, the consultation bodies will also receive a copy of the final SEA Screening Statement, which will include the Council's statement of reasons.
- 3.4 Copies of these documents will also be made available to the public for inspection at the First Stop Shop at the Civic Centre in Darwall Street in Walsall Town Centre, and will be published on the Council's website.

4. SEA Screening – Stage One Assessment

- 4.1 The first part of the screening involves considering whether the plan or programme falls within the scope of Article 3 (2) of the SEA Directive (Regulation 5 (2) and (3)). A SEA is automatically required for any plan or programme of the types referred to in this paragraph, if one or both of the conditions referred to is met (see paragraph 2.5 above).

Type of Plan or Programme

- 4.2 The plan being assessed is a land use plan forming part of the Walsall Local Plan and is therefore one of the types of plans and programmes referred to in Article 3 (2). The Council has therefore considered whether one or both of the conditions (a) and (b) in the same paragraph are applicable to the Affordable Housing SPD Revisions.

Is it an Article 3 (2) (a) Plan or Programme?

- 4.3 A SEA is required for plans and programmes referred to in paragraph 2 (a) which “set the framework for future development consent” of infrastructure and development projects listed in Annexes I and II to Directive 85/337/EEC (as amended).³ These are projects likely to require an Environmental Impact Assessment (EIA) when they reach the detailed planning stage – often referred to as EIA developments.
- 4.4 This means that a SEA is required if the plan or programme will be used by the Council to make decisions on the location of such projects, and whether or not they should proceed, such as the determination of planning applications. The Council has considered whether the revised Affordable Housing SPD will set the framework for decision-making on EIA developments, and has concluded that it would not, for the following reasons:
- The new plan will be a revised version of the Affordable Housing SPD already adopted by the Council in 2008, supporting “saved” policies contained in Walsall’s UDP, and relevant policies in the BCCS, which forms part of the Development Plan for Walsall Borough;
 - The role of the revised SPD will be to provide supplementary guidance on some of the key considerations that the Council will take into account when assessing the affordable housing requirements of development proposals, but the relevant Development Plan policies in the UDP and

³ Transposed into UK legislation through the Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999, SI 1999 No. 293.

Core Strategy will be the most important considerations for the Council when making decisions,

Is it an Article 3 (2) (b) Plan or Programme?

- 4.5 A SEA is required for Article 3 (2) plans and programmes which have been determined to require an assessment pursuant to Article 6 or 7 of Directive 92/43/EEC (the Habitats Directive).⁴ This means that a SEA is required where the Council has decided that a plan or programme requires an “appropriate assessment” of the implications for the conservation objectives of “European Sites,”⁵ under the Habitats Directive. The Council does not consider that there is any need for “appropriate assessment” of the SPD Revisions for the following reasons:
- The revised Affordable Housing SPD contains only general guidance on affordable housing provision, and is extremely unlikely to have any material impacts on “European Sites” that would not already be effectively controlled through other land use policy and legislation. Decisions about whether particular sites should be developed for housing (regardless of whether it is to be affordable or market housing) will continue to be taken through the production of the development plan (in particular the Site Allocation Document) and individual planning applications.
 - The SPD is not expected to result in the total amount of housing developed in the Borough exceeding that proposed in the BCCS. The BCCS was itself subject to an assessment under the Habitats Directive/Habitats Regulations.

Conclusions

- 4.6 The Council has concluded from the above assessment that there is no automatic requirement for SEA of the SPD Revisions. It is therefore necessary to undertake a further stage of screening to determine whether the SPD Revisions are likely to have significant environmental effects. The results of this assessment are summarised in the following section.

⁴ This has been transposed into UK legislation through the Conservation of Habitats and Species Regulations 2010 (SI 2010 No. 490) as amended – see Regulations 61 (general requirements) and 102 (requirements for land use plans): <http://www.legislation.gov.uk/ukxi/2010/490/contents/made>

⁵ A “European Site” (or Natura 2000 Site) is a site of international importance that contributes towards a network of biodiversity sites across the Community. They include Special Areas of Conservation (SACs), Special Protection Areas (SPAs) and Ramsar sites.

5. SEA Screening – Stage Two Assessment

- 5.1 As explained above, the Affordable Housing SPD is not caught by the requirements of Article 3, paragraph 2 of the Directive. However, the following types of plan or programme will require a SEA if the Council determines they are likely to have significant environmental effects:
- Plans and programmes referred to in paragraph 2 which determine the use of small areas at a local level (Article 3(3));
 - Minor modifications to plans or programmes referred to in paragraph 2 (Article 3(3));
- 5.2 The revised Affordable Housing SPD is considered to constitute supporting guidance to higher level planning policy and in this sense the SPD can be described as providing ‘minor modifications’ to a plan or programme prepared for land-use planning that sets the framework for future development consents (Article 3(2)(a)). A screening assessment of the potential significant effects of the SPD Revisions is therefore required.

Assessments Previously Carried Out

- 5.3 The SEA Directive does not require the Council to duplicate assessments already carried out, or assessments that will be carried out, in relation to other plans and programmes in a “hierarchy” (see Article 5 (2)). In this case, assessment about the impact of the overall quantity of housing to be developed in the Borough has been taken in the preparation of the BCCS, whilst decisions about the impact of housing development in particular locations have been taken in the preparation of the UDP, or will be taken in the preparation of the emerging Site Allocation Document (SAD), as well as through decisions about individual planning applications. The BCCS, UDP and SAD either have been or will be subject to a Sustainability Appraisal and SEA Screening Statement.
- 5.4 The current SPD is also a revision to a document that was adopted in 2008. The 2008 document was the subject of a screening assessment.
- 5.5 The Black Country Core Strategy was also subjected to an integrated SA/ SEA, because it was clearly a plan or programme that would set the framework for decision-making on EIA projects, falling within the scope of Article 3 (2) (a). The Core Strategy was also subject to an “appropriate assessment” under the Habitats Directive, as it is a strategic plan with potential for trans-boundary effects on “European Sites.” The integrated sustainability appraisal was carried out by UE Associates on behalf of the

Black Country Authorities. Copies of the sustainability appraisal reports have been published on the Core Strategy website.⁶

- 5.6 The SEA Screening Statement of the Affordable Housing SPD compares the potential effects of applying the UDP affordable housing policies alone (the “do nothing” option) with the potential effects of applying the UDP affordable housing policies in combination with the SPD policies, and concludes that sustainable affordable housing development would be achieved more easily with an Affordable Housing SPD used in combination with the UDP and BCCS housing policies than without it. The SA/ SEA of the Black Country Core Strategy also predicted that the effects of Core Strategy Policies CSP4, ENV2, ENV3 and ENV4 would be generally positive. The policies performed well when assessed against all of the sustainability objectives and no negative effects were identified.

Potential Impacts on Other Plans and Programmes

- 5.7 There is some potential for the revised SPD to have effects on other plans and programmes, such as development briefs and masterplans that may be prepared for sites already allocated in the development plan, and new plans currently in preparation which will form part of the development plan on adoption, such as the Walsall Site Allocation Development Plan Document (DPD) and Town Centre Area Action Plan (AAP). However, any new plans that form part of the Local Plan will themselves be subject to SA/ SEA. It is more appropriate to evaluate the potential environmental effects of applying the SPD policy to individual site or policy options at that stage, rather than trying to anticipate the potential effects of the revised SPD at this stage. This will also remove the need to assess housing impacts on individual sites again, should it be necessary to prepare a development brief for an allocated site.

Assessment of Significant Environmental Effects

- 5.8 The Council's SEA determination must take into account the criteria in Annex II of the Directive relating to the likely significance of environmental effects (Article 2, paragraph 5– see paragraph 2.9 above). These criteria are also reproduced at Schedule 1 of the SEA Regulations 2004 (as amended). The Council has therefore carried out a preliminary screening assessment against the Schedule 1 criteria. The results of this are set out in Appendix B.
- 5.9 It should be noted that the screening assessment has taken into account assessments already undertaken and assessments that will be carried out in the future (see above). It has therefore only considered the potential

⁶ See: <http://blackcountrycorestrategy.dudley.gov.uk/evidencesa/>

effects of the SPD Revisions over and above the effects of the existing SPD, in combination with the relevant UDP and BCCS policies.

Conclusions

- 5.10 The Council has concluded from its preliminary screening assessment that the revised Affordable Housing SPD, on its own or in combination with the existing SPD policies and UDP and Core Strategy policies, is not likely to have significant environmental effects over and above those already identified in previous assessments as outlined above. The Council has therefore concluded that the revised SPD does not require further assessment.

6. SEA Screening – The Council's Proposed Determination

- 6.1 Having carried out a screening assessment of the Revised Affordable Housing SPD, the Council's provisional view on the SPD Revisions is as follows:


	It is a plan or programme that determines the use of a small area at local level. It therefore falls within the scope of Article 3, paragraph 3 of the SEA Directive. The Council has determined that it <u>is likely to have significant environmental effects</u> for the reasons set out in the SEA Screening Statement, and a SEA is required.
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	It represents a minor modification to/ elaboration of a plan or programme/ plans or programmes referred to in Article 3, paragraph 2 of the SEA Directive. It therefore falls within the scope of Article 3, paragraph 3 of the Directive. The Council has determined that it <u>is likely to have significant environmental effects</u> for the reasons set out in the SEA Screening Statement, and a SEA is required.
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	It is not a type of plan or programme referred to in Article 3, paragraph 2 of the SEA Directive, but it sets the framework for future development consent of projects. It therefore falls within the scope of Article 3, paragraph 4 of the Directive. The Council has determined that it <u>is likely to have significant environmental effects</u> for the reasons set out in the SEA Screening Statement, and that a SEA is required.
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	It is a plan or programme that determines the use of a small area at local level. It therefore falls within the scope of Article 3, paragraph 3 of the SEA Directive. The Council has determined that it <u>is not likely to have significant environmental effects</u> for the reasons set out in the SEA Screening Statement, and a SEA is not required.
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X	It represents a minor modification to/ elaboration of a plan or programme/ plans or programmes referred to in Article 3, paragraph 2 of the SEA Directive. It therefore falls within the
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 scope of Article 3, paragraph 3 of the Directive. The Council has determined that it is not likely to have significant environmental effects for the reasons set out in the SEA Screening Statement, and a SEA is not required.

 It is not a type of plan or programme referred to in Article 3, paragraph 2 of the SEA Directive, but it sets the framework for future development consent of projects. It therefore falls within the scope of Article 3, paragraph 4 of the Directive. The Council has determined that it is not likely to have significant environmental effects for the reasons set out in the SEA Screening Statement, and a SEA is not required.

APPENDIX A

Summary of Revised Affordable Housing SPD:

This Draft SPD has been amended to reflect a requirement for:

- commuted sums in lieu of on site affordable housing,
- affordable rent tenure (still allowing for social rent and shared ownership)
- HCA Design and Quality Standards (DQS)
- Overage clauses

Commuted sums

There are good arguments in favour of commuted sums in the Black Country. The original idea behind requiring on-site provision was to provide a better social mix and avoid concentrating affordable housing in particular locations. The nature of housing sites in Walsall is such that there are lots of fairly small sites that come forward through planning applications but also a heavy concentration of social housing in certain areas. The sites that seek planning permission are not necessarily in areas where there is the greatest need for more affordable housing, or the best access to services such as public transport or schools. By pooling contributions, the Council will be more able to direct affordable housing to more suitable sites, in line with the accessibility criteria in the Core Strategy.

A more mixed and balanced community as encouraged by the NPPF would in fact be provided by adding more “aspirational” housing in certain locations: the need for more aspirational housing is supported by the BCCS. Omitting affordable housing from some sites would increase the overall after-sale value and so increase viability: as long as the affordable housing is still provided elsewhere, this may result in more housing being provided overall.

This Draft SPD therefore proposes that the default position will be for a commuted sum to be sought, unless particular circumstances apply that mean it is preferable to provide affordable housing provision on site as part of the development. These circumstances are set out in the attached Draft SPD. They include very large developments on sites that are allocated in the development plan, and sites where there are no suitable locations for affordable housing nearby.

Tenure

The housing tenure, type and size requirements contained within the SPD are guided by housing needs studies and market intelligence from registered providers (RPs). Walsall's Housing Needs and Demand Study Update (published by Fordham Research November 2010) demonstrated a net need for 1005 new affordable homes per annum, being mainly larger social rented family homes. The 2010 Housing Needs Update suggests a split of 80% of the units to be Social Rent (where the unit is owned entirely by a RP and rents are determined through the national rent regime) and 20% to be shared ownership (where the unit is part owned by the occupier and part owned by the RP, with rent charged to the occupier at the social rent rate). This is similar to the current requirement in the SPD. The rented element is normally purchased by an RP. The Study demonstrates a need for the majority of these affordable homes to be larger family accommodation. However, consultation with RPs has suggested that there is also a need for a proportion of smaller homes as well.

RPs who receive funding from the HCA 2011/15 Affordable Homes Programme (AHP) are contractually obliged by the HCA to purchase homes provided by developers through S106 agreements (known as 'nil grant' units) for Affordable Rent, rather than Social Rent. Affordable Rent is set at up to 80% of the local market rent, and in some other parts of England, notably the South, can be substantially greater than Social Rent. However in Walsall there is little difference between Affordable Rent and Social Rent levels, due to the lower market rents in the area. Therefore it is proposed that the standard requirement for on site affordable housing is Affordable Rent, although the SPD will still allow for the use of Social Rent and Shared Ownership where required.

Standards

The current SPD only 'encourages' affordable homes to be built to the HCA's Design and Quality Standards (DQS). However, RPs who receive funding from the HCA 2011/15 AHP are contractually obliged to only purchase 'nil grant' units that meet DQS. Therefore it is proposed that this becomes a mandatory requirement for housing that is to be managed by RPs. The DQS require that Code for Sustainable Homes (CSH) level 3 is met, which is above current building regulations requirements. The Council is keen to encourage higher levels of environmental sustainability, but acknowledge the financial viability issues associated with providing an affordable housing contribution in Walsall. Therefore this revised Draft SPD will encourage affordable housing to be constructed to CSH level 4 or above, but it will not be a mandatory requirement. It should be noted that some of these standards, in particular the Code for Sustainable Homes, are currently being reviewed by Government.

Overage requirements

Poor economic conditions in the last few years have led the Council to relax affordable housing requirements on many sites. However, conditions may change in the future. As noted above, paragraph 50 of the NPPF expects affordable housing policies to be flexible. Policy HOU3 of the BCCS also refers to the use of claw back. Overage is the term used where in the present day market a planning permission is granted with reduced affordable housing contribution, based on a financial viability appraisal which clearly takes account of current expected sales values. An overage clause would allow the Council to require a future review of the financial viability based on revised sales figures (which may have risen in a rising market) to judge whether there could /should now be a payment towards affordable housing. It is proposed that this should take place when 50% of sales have been completed.

APPENDIX B
Revised Affordable Housing SPD:
Likely Significance of Environmental Effects –
Consideration of SEA Regulations Schedule 1 Criteria

Schedule 1 Criteria	Council's Assessment
1. Characteristics of the Plan	
(a) The degree to which the plan or programme sets a framework for projects and other activities, either with regard to the location, nature, size and operating conditions or by allocating resources.	The SPD does not set a framework for decision-making on planning applications for the types of projects listed in Annexes I and II of Directive 85/337/EC (as amended), but supplements the existing policy framework provided by the Walsall Unitary Development Plan (UDP) 2005 "saved" policies and the Black Country Core Strategy (BCCS) 2011 and the general planning guidance provided by the National Planning Policy Framework (NPPF) (2012). The main purpose of the revised SPD is to provide more detailed guidance on the role of affordable housing in the development process, in support of the housing policies in adopted "higher tier" plans, in particular, "saved" UDP Policies H4 ((g) to (j)) and BCCS Policies HOU1, HOU2, HOU3, ENV2, ENV3 which have themselves already been subjected to SA/ SEA. The proposed alterations to the SPD will not in themselves have "significant environmental effects." The revised SPD will also support other UDP and BCCS policies that relate to, or have a bearing on housing.
(b) The degree to which the plan or programme influences other plans and programmes including those in a hierarchy.	The revised SPD is only likely to have limited influence over other plans and programmes. As it is required to have regard to other relevant national and regional guidance, and to be in conformity with the relevant housing policies in the UDP and BCCS, the SPD sits at the bottom of the hierarchy of plans, and will have less weight than the

	<p>plans that currently form the statutory development plan for Walsall.</p> <p>Its main influence is likely to be to help deliver the development of sites that are allocated in the forthcoming Walsall Site Allocations development plan document (DPD) and Walsall Town Centre Area Action Plan (AAP). However, both of these new plans will form part of the statutory development plan for Walsall on adoption, and will therefore be subject to SA/ SEA themselves. Any environmental impacts arising from the SPD's influence will be identified and appraised at the appropriate stage in the preparation process for these plans.</p>
(c) The relevance of the plan or programme for the integration of environmental considerations, in particular with a view to promoting sustainable development.	<p>The SPD is a local development document and the Council has a duty to prepare revisions to it with the objective of contributing to the achievement of sustainable development, in accordance with Section 39 of the Planning and Compulsory Purchase Act 2004 (as amended) and the advice in the NPPF (2012). The revised SPD will therefore be expected to encourage housing development and standards that are likely to lead to the creation of sustainable communities, and address issues such as climate change and the ageing population, the sustainable use of resources, but only to the extent that it remains in conformity with the UDP and BCCS.</p>
(d) Environmental problems relevant to the plan or programme.	<p>The main environmental problems that the UDP and BCCS housing policies aim to address are the need to provide housing for those in need to improve poor quality environments and promote high quality design. The revised SPD will expand on these policies, for example by encouraging affordable housing development at Code for Sustainable Homes (CSH) level 4 and beyond.</p>
(e) The relevance of the plan or programme for the implementation of Community (EU) legislation on the	<p>As it is a general housing guide, the SPD is unlikely to have any significant implications for EU legislation.</p>

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environment (for example, plans and programmes linked to waste management or water protection.	
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2. Characteristics of the Effects and the Area Likely to be Affected	
(a) The probability, duration, frequency and reversibility of the effects.	As the SPD revisions will support policies in the relatively recently adopted Black Country Core Strategy (2011), and the existing SPD already supports the “saved” housing policies in the adopted UDP (2005) which were themselves assessed under the relevant legislation, the effects of the SPD revisions and the area likely to be affected by them will not be significantly different to the combined effects of the adopted SPD and UDP and BCCS housing policies as they currently stand. The UDP housing policies will be “saved” until superseded, where appropriate, by other new statutory plans forming part of Walsall’s development plan. The BCCS has a timeframe until 2026 but policies may be subject to review before this date, which could have an impact on policies associated with the SPD. During this time, it is anticipated that the revised SPD in combination with the relevant UDP and BCCS policies will have beneficial effects on the environment, by encouraging developments that are well designed and fit for purpose.
(b) The cumulative nature of the effects.	The proposed revisions to the SPD are unlikely to have significant environmental effects over and above the existing effects of the adopted SPD.
(c) The trans-boundary nature of the effects.	As this is a housing guide for Walsall and will only be applied to development proposals within the Borough, it is unlikely that the revised document will have any significant trans-boundary effects. The Council will consult neighbouring planning authorities on the proposed SPD revisions, allowing any potential effects to be identified and addressed where necessary.
(d) The risks to human health or the environment (e.g. due to accidents).	As the SPD is a general housing guide, the SPD revisions are unlikely to have any significant effects over and above the adopted SPD. As indicated in the

	assessment already carried out, the SPD revisions are only likely to have very indirect effects on human health or the environment.
(e) The magnitude and spatial extent of the effects (geographical area and size of the population likely to be affected).	The revised SPD will apply to the whole of Walsall Borough, which is within the Black Country, and also forms part of the West Midlands conurbation. Walsall covers an area of about 104 square kilometres and has a population of over 250,000 people. The effects on the Borough and its people will relate to the physical form of the built environment. The UDP contains housing policies that aim to increase and improve the overall provision of affordable housing in the Borough. By providing more detailed guidance and advice, the SPD has been designed to be helpful to all those concerned with the affordable housing by explaining the Council's approach in more detail and encouraging good practice. There are unlikely to be any significant effects on the surrounding areas arising from the proposed SPD revisions.
(f) The value and vulnerability of the area likely to be affected due to: <ul style="list-style-type: none"> (i) Special natural characteristics or cultural heritage (ii) Exceeded environmental quality standards or limit values (iii) Intensive land-use. 	Although Walsall is mostly urban in character, it also includes significant areas of countryside, which have been designated as Green Belt. It also has a wide variety of environmental assets, such as sites designated for their importance for biodiversity and geodiversity, other important wildlife habitats / geological resources, other green spaces, waterways such as rivers, streams and canals, trees and woodland, historic buildings, townscapes, landscapes, geological heritage and archaeological remains. These areas may be vulnerable to damage from poor quality, ill-thought out development schemes. Badly designed developments can also have an adverse effect on the quality of the built-up areas of the Borough, particularly residential areas. Conversely, well-designed schemes can make a positive contribution to the

	Borough's townscapes and landscapes. The revised SPD aims to support existing development plan policies requiring an increase in affordable housing development
(g) The effects on areas or landscapes which have a recognised national, Community or International protection status.	Walsall has 7 Sites of Special Scientific Interest (SSSIs), one of which is also a Special Area of Conservation (SAC). It also has many historic designations such as conservation areas, listed buildings and scheduled ancient monuments. The Affordable Housing SPD will have no direct impact on any of these and neither will the proposed revisions.