

# Affordable Housing

## Scrutiny Review 2024

# Local Plan Evidence

- Strategic Housing Market Assessment (November 2016)
  - Modelled need for 3,635 affordable dwellings, approximately 240 per year
  - Affordable need about 40% of the housing need modelled in the SHMA
- Affordable Housing Viability Assessment (October 2016)
  - Schemes able to deliver affordable housing at target levels of up to 20%
- Whole Plan Viability Assessment (August 2017)
  - *Most greenfield sites could bear more affordable housing than the proposed 20% target.*
  - *The Council should be cautious about pursuing a higher target, as it may be difficult to achieve.*

# Local Plan Examination

- Examination Sessions – June 2018
- Inspectors' Report – December 2018
  - The correct level of affordable housing need is identified
  - The plan makes appropriate provision towards meeting the need
  - The affordable housing threshold of 20% is supported by evidence
  - In higher value areas a 25% threshold would still be viable, but may be difficult to achieve.
  - Due to the number of sites which already have planning permission, a 25% threshold would make very little difference in delivering more affordable housing over the plan period.
- Local Plan Adopted 30<sup>th</sup> January 2019

# Local Plan

## Adopted Policy

### Policy H4 – Meeting Housing Needs

1. Sustainable residential communities will be created by requiring developers to provide a mix and balance of good quality housing of appropriate sizes, types and tenures which reflects local needs and demand, having regard to the Strategic Housing Market Assessment, its successor documents or appropriate supporting documents.
3. The Council require 20% of new homes to be affordable on schemes of more than 10 dwellings or with a combined gross floorspace of above 1000sqm.

5.52 The SHMA (see Figure 15) identifies a need for market housing focused heavily towards the provision of 3 bedroom homes followed by the provision of 2 and 4 bedroom homes. With regards to affordable housing, the SHMA 2016 identifies that priority should be towards the delivery of 2 and 3 bedroom homes at a mix of 70% affordable rented and 30% intermediate tenures.

# National Policy

- Local Plan Examined under NPPF (2012)
- Revised NPPFs now state:

*“Where major development involving the provision of housing is proposed, planning policies and decisions should **expect at least 10% of the total number of homes to be available for affordable home ownership**, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.”*

- Written Ministerial Statement – First Homes (June 2021)
  - 25% of affordable contributions should be First Homes
  - Minimum 30% discount below market value / First sale below £250,000

# Guidance

## Supplementary Planning Document: Housing

- Affordable Housing Statement
- On-site delivery of affordable homes:
  - Preferred Affordable Housing Tenures - 70% Affordable Rent / 30% shared ownership (Intermediate)
  - Advice on Discounted Market Sales Homes
  - Securing delivery
- Off-site contributions, only where:
  - On-site options explored and exhausted
  - Executive Housing schemes
  - Large scale conversion
  - Other circumstances

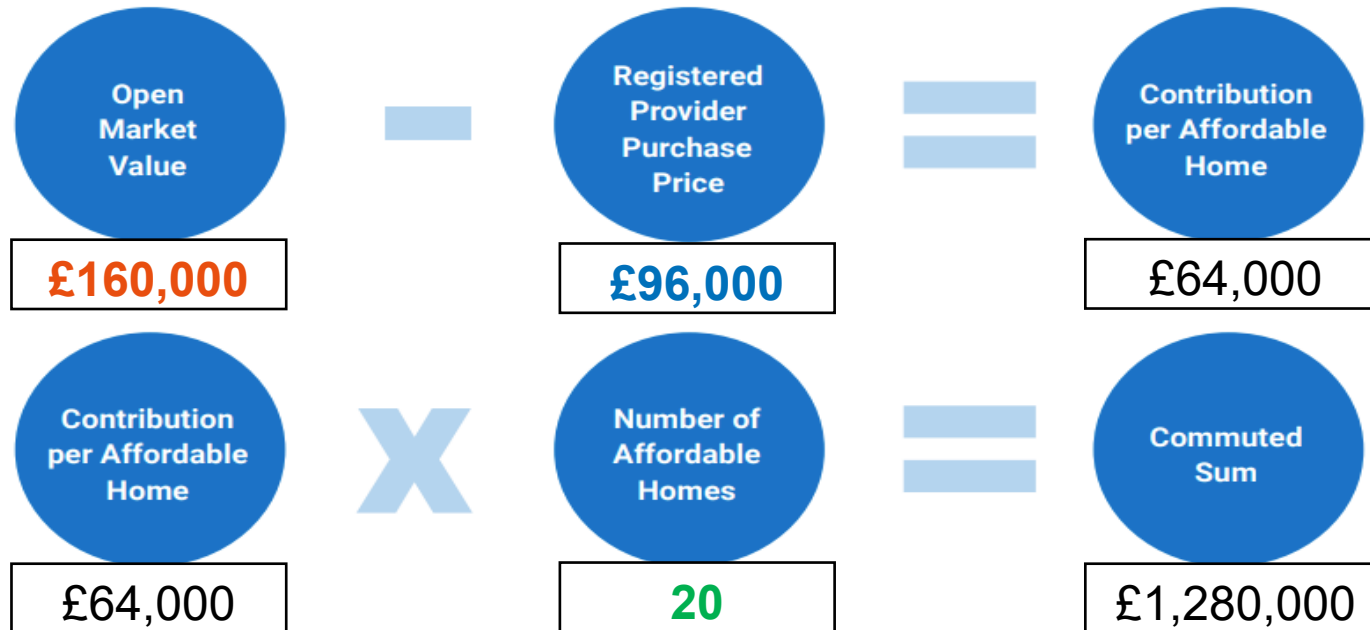
# SPD: Housing

## Calculating Off-site Contribution

- Step 1 – Determining types, tenures and size
- Step 2 – Determining Open Market Value
- Step 3 – Agree Registered Provider Price
- Step 4 – Calculate Cost to Developer

## SPD – Example

- Step 1: Proposal of 100 dwellings requires **20 affordable dwellings** (20%) meeting the Council's preferred tenure mix.
- Step 2: Agreement that the Open Market Value of the 20 dwellings is an average value of **£160,000 per dwelling**.
- Step 3: Evidence that Registered Providers would purchase the dwellings for an average of **£96,000 per dwelling** (60% OMV).
- Step 4: Calculate the Commuted Sum...



*Nb - Indicative figures within this example should be treated cautiously and must not be the basis of any calculation.*