



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION

22 AUGUST 2019

WARDS AFFECTED: ALL WARDS

AFFORDABLE HOUSING DELIVERY

Report of Director (Environment and Planning)

1. PURPOSE OF REPORT

- 1.1 To inform Members of the delivery of affordable housing in the Borough, as requested by the Scrutiny Commission as an annual position update.

2. RECOMMENDATION

- 2.1 For Scrutiny to note the contents of this report.

3. BACKGROUND TO THE REPORT

- 3.1 This report is the latest report presented annually in response to a request at the Scrutiny Commission meeting of 20 December 2012, which requested that Members are informed on an annual basis on the delivery of affordable housing in the Borough.
- 3.2 The targets and thresholds for affordable housing in the Borough are set out in Policy 15 of the Core Strategy. These differ for the urban and rural settlements and are as follows:

Location	Site size threshold	Target
Urban (Hinckley, Barwell, Burbage and Earl Shilton but not the SUEs)	15 dwellings or more, or sites of 0.5 ha or more	20% affordable housing
Sustainable Urban Extensions – Barwell and Earl Shilton	15 dwellings or more, or sites of 0.5 ha or more	20% affordable housing
Rural areas (all sites not in the above categories)	4 dwellings or more, or sites of 0.13 ha or more.	40% affordable housing

3.3 A decision by the Court of Appeal in May 2016 gave legal effect to the government's policy restricting the application of certain obligations in certain circumstances, which were;

- Contributions should not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1,000 square metres
- In designated rural area, LPAs might choose to apply a lower threshold of 5 units or less. No affordable housing ----should then be sought from these developments. In addition, in a rural area where the lower 5 unit or less threshold is applied, affordable housing and----should be sought from developments of between 6 and 10 units in the form of cash payments which are commuted until after completion of the units within the development
- Affordable housing and ----should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home

The Planning Policy Guidance has been further revised to complement the 2019 revised version of the NPPF, and the provisions from March 2019 read as follows;

- Provision of affordable housing should only be sought for residential developments that are major developments which are defined in the NPPF as developments where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more
- In designated rural areas LPAs may instead choose to set their own lower threshold in plans and seek affordable housing contributions from developments above that threshold

Affordable housing contributions should not be sought from any development consisting only of the construction of a residential annex or extension of an existing home

3.4 The Core Strategy also sets out the minimum numbers of affordable housing to be delivered in the Core Strategy period 2006 – 2026. This sets out a target of 2,090 affordable dwellings to be delivered over the policy period, 480 of which should be in rural areas.

4. AFFORDABLE HOUSING COMPLETIONS AND PERMISSIONS TO 31 MARCH 2019

4.1 The total number of affordable housing completions and the percentage of affordable housing delivered since the start of the Local Plan period (2006 – 2026) is shown in the table below.

Year	Affordable Completions (net)		Total Affordable Housing Completions (net)	Total Open Market Housing Completions (net)	Total Housing Completions (net)	Percentage of housing delivery that is affordable (%)	Percentage of affordable housing delivery by location (%)	
	Rural	Urban					Rural	Urban
2006/07	15	65	80	358	438	18.26	3.42	14.84
2007/08	3	41	44	354	398	11.06	0.75	10.31
2008/09	9	80	89	385	474	18.78	1.9	16.88
2009/10	0	107	107	246	353	30.31	0	30.31

2010/11	0	5	5	222	227	2.20	0	2.2
2011/12	0	134	134	239	373	35.92	0	35.92
2012/13	6	11	17	210	227	7.49	2.64	4.85
2013/14	60	43	103	377	480	21.46	12.5	8.96
2014/15	93	61	154	598	752	20.48	12.36	8.12
2015/16	27	68	95	602	697	13.62	3.87	9.75
2016/17	59	82	141	415	556	25.36	10.61	14.75
2017/18	21	81	102	321	423	24.11	4.96	19.15
2018/19	59	40	99	465	564	17.55	10.46	7.09
Totals:	352	818	1170	4792	5962	19.62	5.9	13.72

- 4.1 This table shows that since the beginning of the plan period (2006) a total of 1170 affordable dwellings have been completed against the 2,090 affordable dwelling requirement set out in the Core Strategy Policy 15 (see point 3.3) which equates to 19.62% affordable provision.
- 4.2 In addition to the completions of affordable housing, at 31.03.19 there was planning permission for 325 affordable homes which have not yet been started, and 88 under construction. This equates to 413 affordable dwellings with planning permission within the borough at 1 April 2019, of which 111 are in the rural settlements.
- 4.3 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of 1,583 against the adopted Core Strategy target of 2,090 for the period 2006 – 2026. The Core Strategy also sets a target of 480 of the affordable dwellings to be delivered in the rural areas, and with completions and permissions, 463 affordable homes have been delivered in the rural areas. Delivery against target is therefore as follows:

Core Strategy AH target - all	AH completions + planning permissions – all	% delivered against Core Strategy target – all	Core Strategy AH target – rural	AH completions + planning permissions - rural	% delivered against Core Strategy target - rural
2090	1583	75.74	480	463	96.46

This shows that if the current trend continues the council is still on target to meet the minimum number of affordable homes set out in the Core Strategy. However since demand for affordable housing is still much higher than can realistically be delivered, work continues with our developer and Registered Provider partners to maximise the affordable housing provided on section 106 and 100% affordable housing sites.

5.0 SUMMARY OF DELIVERY

- 5.1 The delivery of new affordable housing within the borough has remained positive, although the trend for Registered Providers (RPs) seeking to deliver affordable housing through their own development plans continues. This is largely due to the availability of Affordable Homes Grant from Homes England for both affordable rented and intermediate tenures. Affordable Homes Grant can't be used towards affordable homes that are delivered as part of the planning obligation on section 106 sites. In particular, numbers over the previous years have been boosted by 2 large sites for 100% affordable housing using grant – 68 homes in Southfield Road

Hinckley and 61 homes in Bagworth. As these sites have been built out, overall numbers of affordable housing have decreased slightly over the last 2 years.

- 5.2 Included in the affordable housing delivery figures for this year is a development of new council housing on Bennion Close, Groby. The scheme consists of 9 bungalows for rent and all of the properties have been let.
- 5.3 The Right to Buy pilot taking place in the Midlands for tenants of Registered Providers has not had the take up that was expected, and there is evidence that many tenants who have expressed an interest in the scheme have not followed through to buying a property. Government is considering opening a second round of bids in the future to give further opportunities to households to buy.

6. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

- 6.1 None.

5. FINANCIAL IMPLICATIONS [AW]

New Homes Bonus

- 5.1 Based on the current MHCLG formula for New Homes Bonus is not given on 0.4% of the baseline (177 properties for this Borough). Thereafter £1,670 is given per property (based on Band D equivalents) This Council retains 80% of this (20% is given to the County Council). New Homes Bonus is currently given for four years.
- 5.2 For each affordable property built the Council will also receive £280 (80% of £350).

The table below summaries a worked example for 2018/19 completions

Non Affordable Completions	415
Affordable Completions	141
Total Completions	556
Completed by NHB deadline of 1 Oct (7/12 th) and adjusted to Band D equivalent. The units after this date will fall into the 2019/20 calculation.	366
Units attracting NHB, due to 0.04% baseline disregard (177 units)	189

	£	HBBC	LCC
Value of NHB	315,904	252,723	63,181
Affordable Housing NHB	36,050	28,840	7,210
Total NHB	351,954	281,563	70,391

Council Tax

- 5.3 Additionally for the worked example above this will result in an approximate increase in the Council Tax base of 450 when changed to Band D equivalents. Based on an average band D equivalent council tax of £130.09 (including special expenses) the estimated additional council tax income is £58,540.50

6. LEGAL IMPLICATIONS [MR]

6.1 Set out in the report

7. CORPORATE PLAN IMPLICATIONS

- 7.1 The delivery of new council housing supports the following aims of the Corporate Plan 2017 – 2021:
- Places: 4) Improve the quality of existing homes and enable the delivery of affordable housing

8. CONSULTATION

8.1 None required as this report is for information only.

9. RISK IMPLICATIONS

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Failure to deliver affordable housing increases the pressure on the Council's waiting lists and impedes its desire to assist residents in the Borough who cannot meet their needs on the open market	Completion of an independent viability assessment before agreement to reduce the numbers of affordable housing on qualifying sites	Valerie Bunting
	Work with our RP partners to bring forward suitable sites for affordable housing	Valerie Bunting

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 10.1 This report is concerned with ensuring that a supply of affordable housing is available in the Borough for people in the greatest need. This includes consideration of people from vulnerable groups, and those living in rural areas.

11. CORPORATE IMPLICATIONS

- 11.1 By submitting this report, the report author has taken the following into account:
- Community Safety implications
 - Environmental implications
 - ICT implications
 - Asset Management implications

- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications
- Voluntary Sector

Background papers: None

Contact Officer: Valerie Bunting x 5612
Executive Member: Councillor D Bill