



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION

28 MARCH 2018

WARDS AFFECTED: ALL WARDS

AFFORDABLE HOUSING DELIVERY – ANNUAL UPDATE

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 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- 3.3 However since November 2014 national guidance has superseded the local target in rural areas, and no sites of 10 dwellings or less, or 1000 square metres of floorspace or less need to provide affordable housing contributions. This has impacted on affordable housing delivery in rural areas where smaller sites tend to come forward.
- 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 2017

- 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
Totals:	272	697	969	4006	4975	19.48	5.48	14.0

- 4.1 This table shows that since the beginning of the plan period (2006) a total of **969** 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 19.48% affordable provision.
- 4.2 In addition to the completions of affordable housing, there is planning permission for schemes yet to be completed, which includes 158 affordable dwellings in urban areas and 133 affordable dwellings in the rural areas. This equates to 291 affordable dwellings with planning permission within the borough at 1 April 2017.
- 4.3 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of 1260 against the adopted Core Strategy target of 2,090 for the period 2006 – 2026. Delivery has increased against the Core Strategy target despite continued challenges in delivering affordable housing within the borough.

5. SUMMARY OF DELIVERY

5.1 The position of delivery of affordable housing within the borough has improved somewhat since the last report to Scrutiny, although this will take a little time to show on delivery figures it is generally a much more positive perspective than last year. This is due to a number of factors:

- The difficulty in identifying Registered Providers (RPs) who will bid for affordable housing on section 106 sites has eased, although the RPs are being more selective over sites, property types and numbers of units that they are prepared to bid for
- As well as our long standing RP partners, there are some RPs extending their area of operation who are looking for opportunities in Hinckley and Bosworth, and some RPs that dropped out of working in the Borough are now again seeking opportunities in our area
- Grant regulations are now allowing RPs to draw down Affordable Housing Grant for rented properties, which has eased the RPs Business Plans allowing them to deliver more units
- There is a significant underspend of Homes England's Affordable Housing Programme and they are actively encouraging bids for new sites
- As a result of this, the Housing Strategy and Enabling Officer is taking a proactive approach in identifying sites that may be suitable for affordable housing and contacting affordable housing developers with details of the sites
- Viability on sites is being challenged much more robustly to ensure the maximum amount of affordable housing is being delivered. New consultants have been appointed to take this work forward on behalf of the Borough council.

5.2 On 5 March 2018 Government issued a draft revised National Planning Policy Framework, which incorporates policy proposals previously consulted on in the Housing White Paper and the Planning for the right homes in the right places consultation. The consultation closes on 10 May 2018 and officers are currently considering the consultation documents and the best way to involve members in the response.

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

6.1 None.

7. FINANCIAL IMPLICATIONS [IB]

New Homes Bonus

7.1 Based on the current MHCLG formula for New Homes Bonus is not given on 0.4% of the baseline (around 180 properties for this Borough). Thereafter £1,590 is given per property (based on Band D equivalents) This Council retains £1,272 of this (20% is given to the County Council). New Homes Bonus is currently given for four years.

7.2 For each affordable property built the Council will also receive £280 (80% of £350).

The table below summaries a worked example for 2016/17 completions

Non Affordable Completions	415
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Affordable Completions	141
Total Completions	556
Amount that Attracts NHB	376
	£
Value of NHB	478,272
Affordable Housing NHB	39,480
Total NHB	517,752

Council Tax

- 7.3 Additionally for the worked example above this will result in an approximate increase in the Council Tax base of 428. Based on an average band D equivalent council tax of £122.09 (including special expenses) the estimated additional council tax income is £52,255.

8. LEGAL IMPLICATIONS [AR]

- 8.1 None arising directly from this report.

9. CORPORATE PLAN IMPLICATIONS

- 9.1 The delivery of new council housing supports the following aims of the Corporate Plan 2017 – 2020:
- Places: 4) Improve the quality of existing homes and enable the delivery of affordable housing

10. CONSULTATION

- 10.1 None required as this report is for information only.

11. RISK IMPLICATIONS

- 11.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 11.2 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.
- 11.3 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	Completion of an independent viability assessment before agreement to reduce the numbers of affordable	Valerie Bunting

market	housing on qualifying sites	
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12. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 12.1 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.

13. CORPORATE IMPLICATIONS

- 13.1 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

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