



Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION

13 DECEMBER 2018

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 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- 3.3 However since November 2014 national guidance has superseded the local target in rural areas, and no sites of 10 dwellings or less, or 1000 square metres of floorspace or less need to provide affordable housing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 2018

- 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
Totals:	293	778	1071	4327	5398	19.84	5.42	14.41

- 4.1 This table shows that since the beginning of the plan period (2006) a total of 1071 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 19.84% affordable provision.
- 4.2 In addition to the completions of affordable housing, at 31.03.18 there was planning permission for 240 affordable homes which have not yet been started, and 64 under construction. This equates to 304 affordable dwellings with planning permission within the borough at 1 April 2018, of which 64 are in the rural settlements.
- 4.3 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of 1375 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

dwelling to be delivered in the rural areas, and with completions and permissions 357 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	1375	65.78%	480	357	74.37%

This shows the council is on target to meet the minimum number of affordable homes set out in the Core Strategy. Work will continue to increase the supply of affordable housing since the numbers set out in the Core Strategy will not meet the whole of the identified need.

5.0 SUMMARY OF DELIVERY

- 5.1 The delivery of new affordable housing within the borough has remained steady, despite continued challenges with engaging Registered Providers (RPs) in acquiring properties on section 106 sites. This is largely due to the availability of Affordable Homes grant from Homes England, which cannot be used towards the delivery of affordable housing through planning obligations. RPs are therefore directing their delivery towards their own build programmes where grant can be used, and the Borough is seeing more interest in schemes coming forward for 100% affordable housing than has happened in the early years of the Local Plan.
- 5.2 Funding from Homes England for affordable housing is changing with the introduction of strategic partnerships with RPs going forward. This gives RPs more certainty on the amount of grant they can draw down and therefore allows them to plan their new build programmes more effectively. Homes England announced the first partnerships in July 2018, with a second tranche released in October 2018. EMH, Orbit and Platform Housing Group (formerly Waterloo Housing) are all strategic partners and are active in delivering affordable housing in the Borough.
- 5.3 Government are considering extending the Right to Buy to tenants of Registered Providers. At present, a pilot is taking place in the Midlands, which several of our RP partners are participating in. As it is still in the early days of the pilot, it is not possible to evaluate the effect this will have on the supply of affordable housing for rent in the Borough. However, first indications seem to show that the scheme is very popular and will be oversubscribed. The council will therefore take a watching brief on the impact the initiative will have on the overall supply.

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

- 6.1 None.

5. FINANCIAL IMPLICATIONS [CS]

New Homes Bonus

- 5.1 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.

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

The table below summaries a worked example for 2017/18 completions

Non Affordable Completions	321
Affordable Completions	102
Total Completions	423
Amount that Attracts NHB	243
	£
Value of NHB	309,096
Affordable Housing NHB	28,560
Total NHB	337,656

Council Tax

- 5.3 Additionally for the worked example above this will result in an approximate increase in the Council Tax base of 213. Based on an average band D equivalent council tax of £127.09 (including special expenses) the estimated additional council tax income is £27,070.

6. LEGAL IMPLICATIONS []

- 6.1 None arising directly from this 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

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