



**Hinckley & Bosworth
Borough Council**

Forward timetable of consultation and decision making

Scrutiny Commission 31 March 2022

Wards affected: All wards

Affordable housing delivery

Report of Director (Environment & 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 in response to a Scrutiny Commission request that Members receive an annual report on affordable housing delivery.

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3.3 However, local policy has been superseded by national policy, and as set out in the 2019 revised version of the National Planning Policy Framework (NPPF), the provisions are as follows;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.

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 2021

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. This table has been updated from the Residential Land Availability monitoring statement for 2020/2021.

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	208	225	7.55	2.66	4.88
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	70	97	498	595	16.30	4.53	11.76
2016/17	59	82	141	428	569	24.78	10.36	14.41
2017/18	21	81	102	321	423	24.11	4.96	19.15
2018/19	59	40	99	365	464	21.33	12.71	8.62
2019/20	53	63	116	169	285	40.7	18.6	22.1
2020/21	40	62	102	146	248	41.12	16.12	25
Totals:	445	945	1390	4914	6304	22.05	7.05	15

This table shows that since the beginning of the plan period (2006) a total of 1,390 affordable dwellings have been completed against the 2,090 affordable dwelling requirement set out in the Core Strategy Policy 15.

- 4.2 In addition to the completions of affordable housing, at 31.03.21 there was planning permission for 675 affordable homes which have not yet been started, and 83 under construction. This equates to 758 affordable dwellings with planning permission within the borough at 1 April 2021, of which 588 are in the rural settlements.
- 4.3 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of 2148 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, 1033 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	2148	102.8	480	1033	215.2

Core Strategy policy on targets for affordable housing was set out based on the maximum contribution developers could provide whilst still being able to deliver a viable site. These targets were considerably less than the identified need for affordable housing. The Housing Needs Study which was carried out to inform the new Local Plan, indicates a requirement of 271 affordable homes per annum to meet the need. The targets for the Local Plan are again set to achieve a balance between ensuring sites are viable and meeting as much need as possible. Although therefore the table above shows that we have met the targets, the total need has never been met.

- 4.4 The increasingly important part that sites for 100% affordable housing are playing in the Borough is demonstrated by the number of affordable homes with planning permission. Of the 758 dwellings, 293 are on 3 sites for 100% affordable housing. Improved viability has also increased affordable housing numbers where larger rural section 106 sites are delivering the policy position of 40% affordable homes on site.
- 4.5 In 2021 Homes England announced the second round of Strategic Partners to deliver the Affordable Homes Programme for 2021 – 26. The majority of active Registered Providers (RPs) within the Borough are now strategic partners with Homes England with an agreement to deliver a specified number of homes as part of their contract. As confidence grows in the partnerships, RPs are increasingly wanting to bring forward larger, multi phased sites for 100% affordable housing. This inevitably means that RPs are concentrating much less on section 106 sites, where save for exceptional circumstances, they cannot use grant to finance the acquisitions.

- 4.6 For the majority of cases, section 106 sites have found RP partners willing to take on the stock. The issues seem to be where there are small numbers of affordable housing, with many RPs only interested where there are more than 10 units on site. There is also hesitancy where a large number of one bedroom properties are delivered, so negotiations with developers usually reflect this preference and provide no more than 10% of the affordable housing as 1 bedroomed properties.

Affordable Home Ownership

- 4.7 The National Planning Policy Framework (NPPF) and the Ministerial Statement issued on 24 May 2021 has changed the tenure emphasis for the delivery of affordable housing, focussing on affordable home ownership products. NPPF requires 10% of all housing on qualifying sites to be for affordable home ownership. This can include shared ownership, shared equity, or form part of the First Homes delivery. In practice, this means that on qualifying sites in the urban settlements, where a 20% affordable housing provision is required, the tenure split has changed from 75% affordable rent and 25% shared ownership, to 50% affordable rent and 50% shared ownership. Rural areas have in the last year continued to deliver 40% affordable housing split between 75% affordable rent and 25% affordable home ownership.
- 4.8 So far in the Borough there has been no interest from developers in delivering First Homes on their sites. However, on 28 December 2021 the transitional arrangements around First Home delivery came to an end, and the majority of sites which do not have full or outline planning permissions already in place or determined now have to provide 25% of all affordable housing delivery as First Homes. The exception is where significant pre application engagement has taken place and the application is determined before 31 March 2022. After the First Homes requirement has been applied, the remaining affordable housing is split following the policy position for affordable homes. So the tenure breakdown will be as follows:

Affordable housing requirement	First Homes	Affordable rent	Shared ownership
Before First Homes requirement		75%	25%
After First Homes requirement	25%	56%	19%

- 4.9 Sites which deliver 100% affordable housing have no obligation to deliver First Homes for sale. It is anticipated that delivery on these sites will focus on providing affordable rent and shared ownership tenures.

5. Exemptions in accordance with the Access to Information procedure rules

5.1 Not exempt

6. Financial implications [IB]

New Homes Bonus

6.1 The current scheme has been phased out and is due to end in 2022/23. We are still awaiting details of any future scheme. The income is expected to be significantly lower than the current scheme which historically gave £1,272 per band D property for up to 5 years plus £280 for affordable housing.

Council Tax

6.2 Based on an average band D equivalent for each property added to the Council Tax Base, the additional income will be £144.87 (including special expenses).

7. Legal implications [MR]

7.1 Set out in the report.

8. Corporate Plan implications

8.1 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
- Prosperity: 4) Work with partners to raise aspirations of residents and provide opportunities for training, employment and home ownership

9. Consultation

9.1 None required as this report is for information only.

10. Risk implications

10.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

10.2 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.

10.3 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	<p>Completion of an independent viability assessment before agreement to reduce the numbers of affordable housing on qualifying sites</p> <p>Work with our RP partners to bring forward suitable sites for affordable housing</p> <p>Negotiation with developers to ensure the dwelling types meet the identified need</p>	Strategic Housing and Enabling Officer

11. Knowing your community – equality and rural implications

- 11.1 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.

12. Climate implications

- 12.1 This report is for information only on delivery numbers so there are no climate implications.

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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