



Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission 10 November 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3.3 However, local policy has been superseded by national policy, and as set out in paragraphs 64 and 65 of the 2021 revised version of the National Planning Policy Framework (NPPF), the provisions are as follows;

64. Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount³⁰.

65. 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.

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 2022

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 2021/2022.

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

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
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
2021/22	57	16	73	427	500	14.6	11.4	3.2
Totals:	502	961	1463	5341	6804	21.5	7.37	14.12

This table shows that since the beginning of the plan period (2006) a total of 1,463 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 31.03.22 there was planning permission for 673 affordable homes which have not yet been started, and 187 under construction. This equates to **860** affordable dwellings with planning permission within the borough at 1 April 2022, of which 639 are in the rural settlements.
- 4.3 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of 2323 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, 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	2323	111.1	480	1141	237.7

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. Overdelivery of affordable housing against the Core Strategy targets is a positive result for the Borough in helping to meet the affordable housing need, but there are still high levels of unmet need in the Borough, so work continues to maximise the supply of affordable housing

- 4.4 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.

- 4.5 Currently the permissions, under construction and completions figure of 2.323 properties includes 268 homes on 100% affordable housing sites. However, this figure is likely to increase as some of the sites with permissions are being marketed to Registered Providers for 100% affordable housing developments, as well as to market developers.
- 4.6 Concerns expressed in previous reports that delivery of 100% affordable housing schemes would jeopardise the delivery of section 106 units, does not seem to have materialised. Conversations with RP partners indicate that most still include around 35% of their development programme from section 106 acquisitions. In addition, the entry into the social housing sector of “for profit” Registered Providers has supported the section 106 housing as these organisations concentrate on acquisitions rather than development.
- 4.7 The % of affordable housing delivered in the last financial year seems low compared to previous years. This is due to larger sites for 100% affordable housing now having been built out. Market housing delivery numbers are therefore high in comparison to affordable housing, leading to the drop to only 14.6% of all delivery being for affordable housing in the last financial year.

Affordable Home Ownership – First Homes

- 4.8 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. Although pre application advice and outline planning applications have been submitted on sites which would have a requirement for First Homes, so far no planning applications with First Homes have been approved and therefore there has been no on site delivery.
- 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 or relief. If forthcoming, future income is expected to be significantly lower than the current scheme and will probably not include any legacy payments. Historically, the current scheme

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>Where viability is compromised, negotiation to change the type and tenure mix rather than reduce numbers of affordable housing.</p> <p>Work with our RP partners to bring forward suitable sites for 100% affordable housing</p> <p>Negotiation with all 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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