



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Scrutiny Commission      12 December 2024

Wards affected:              All wards

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### AFFORDABLE HOUSING DELIVERY

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Report of Director (Community Services)

#### 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 That the Scrutiny Commission the contents of this report.

2.2 Note the positive delivery of completions and permissions of affordable housing in the Borough which has exceeded the Core Strategy targets.

#### 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3.3 However, local policy has been superseded by national policy, and several amendments to the National Planning Policy Framework (NPPF) affect the delivery of affordable housing in the Borough. These comprise:

- Affordable housing should only be sought on major developments. This means that in rural areas, affordable housing is only requested on sites of 10 dwellings or more.
- On sites that require affordable housing, 10% of all housing should be for Affordable Home Ownership. This means that in urban areas, the tenure split reduces the affordable housing for rent to 10% of the total affordable housing delivery.
- The introduction of First Homes requires 25% of affordable housing on qualifying sites to be delivered as First Homes. This runs alongside the above requirement for 10% of all dwellings to be for affordable home ownership.

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 2024

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 attached at Appendix 1. This table has been updated from the Residential Land Availability monitoring statement for 2023/2024.

4.2 Members are asked to note the following in respect of the table:

- Figures provided for the year 2022 to 2023 cover an 18 month period, from 1 April 2022 to 30 September 2023.
- Figures for 2023 to 2024 correct this anomaly and cover the 6 month period from 1 October 2023 to 31 March 2024.
- As requested at last year’s Scrutiny Committee, the final columns have been added to show the split of affordable housing in urban and rural settlements as a % of the overall housing delivery.

4.3 This table shows that since the beginning of the plan period (2006) a total of 1,898 affordable dwellings have been completed against the 2,090 affordable dwellings requirement set out in the Core Strategy Policy 15.

4.4 In addition, there are dwellings for affordable housing in the pipeline, as they have received planning permission but have either not been completed or the build has not yet started. The full picture of affordable housing is therefore as below:

Completed properties over the plan period to 31.3.24	1,898
Planning permission where the build hasn't started	940
Planning permission where building is under way	10
Total number of properties	2,848

4.5 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of 2,848 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, 1,327 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
2,090	2,848	136.6	480	1,208	251.66

4.6 As in previous years, work is still ongoing to maximise the delivery of affordable homes in the borough. Core Strategy targets strike a balance between the levels of need in the borough and the amount that was realistically deliverable on planning gain (section 106) sites. Need for affordable housing in the borough continues to grow across all tenure types but is most acute for rented properties.

#### 4.7 Key Challenges

The key challenge for delivery of affordable housing in the Borough is the lack of capacity of Registered Providers (RPs) to acquire homes on section 106 sites. This is a national issue and is receiving coverage through various sources including BBC News:

[How 'perfect storm' blew away planned social homes England needs - BBC News](#) .

The main issues relate to the rising costs of development, and the new obligations on social landlords around the standards required in their existing stock. This has reduced the development programme for most RPs, and they are tending to concentrate on delivery of their own build programmes, where they have more control over the specification of the homes and can use grant to help with the viability of delivery.

- 4.8 Negotiations with developers continue to try to find an acceptable way forward to ensure there is a delivery of some affordable housing on sites, but alternatives such as acceptance of commuted sums or gifted units do not deliver the same number of properties than sale to RPs which give developers a capital receipt. Priority is being given to delivery of affordable housing for rent in preference to higher numbers of dwellings which are all for affordable home ownership.
- 4.9 The Autumn Statement announced an increase in Affordable Homes Grant of £500 million to be accessed via Homes England's continuous market engagement. This will help RPs' delivery of homes on 100% affordable housing sites, but as grant cannot be used for planning gain properties, will not help to resolve the issues on section 106 sites.

Proposed changes to National Planning Policy Framework.

- 4.10 Consultation on proposed changes to NPPF closed on 24 September 2024. The revised NPPF draft includes removal of both the requirement for 10% affordable home ownership, and the 25% First Homes delivery. It also strongly supports social rent as a tenure type, and Homes England will now support use of grant for delivery of social rented homes. The revisions also acknowledge the part single tenure sites play in delivering affordable housing, particularly supporting delivery of social rented properties.

## **5 Exemptions in accordance with the Access to Information procedure rules**

- 5.1 Not exempt.

## **6. Financial implications [IB]**

- 6.1 The current scheme has been phased out and is due to end by 2025/26 and now exclude legacy payments. The Government plans to reform the scheme. Future grant, if forthcoming, is expected to be lower than the current scheme and will probably not include any legacy payments. Historically, the current scheme gave £1,272 per new 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 £154.87 (including special expenses).

## **7. Legal implications [SN]**

- 7.1 None, the legal implications are covered in the report.

## 8. Corporate Plan implications

This report meets the aims of the Corporate Plan 2021 – 25. In particular objective 4 of Places:  
Improve the quality of existing homes and enable the delivery of affordable housing.

## 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	Continue to support the delivery of 100% affordable housing sites by RPs.  Work with developers to maximise what can be delivered on section 106 sites and to find solutions to enable site delivery to proceed.  Where possible, for the Council to take up affordable housing opportunities on section 106 sites by acquisition or gifted units.	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

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Background papers: Appendix 1: Table of affordable housing delivery

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