

SCRUTINY – 3 JULY 2014

AFFORDABLE HOUSING DELIVERY

REPORT OF DEPUTY CHIEF EXECUTIVE (COMMUNITY DIRECTION)



WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 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

The Scrutiny 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 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 2014

- 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.

ANNUAL AFFORDABLE HOUSING COMPLETIONS

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 (%)
	Rural	Urban				
2006/07	15	65	80	358	438	18.26
2007/08	3	41	44	354	398	11.06
2008/09	9	80	89	385	474	18.78
2009/10	0	107	107	246	353	30.31
2010/11	0	5	5	222	227	2.20
2011/12	0	134	134	239	373	35.92
2012/13	6	11	17	210	227	7.49
2013/14	60	43	103	377	480	21.46
Totals:	93	486	579	2391	2970	19.49

- 4.2 This table shows that since the beginning of the plan period (2006) a total of **579** affordable dwellings have been completed against the 2,090 affordable dwelling requirement set out in the Core Strategy Policy 15 which equates to c.20% affordable provision.
- 4.3 In addition to the completions of affordable housing, there is planning permission for schemes yet to be implemented, which includes 204 affordable dwellings in urban areas and 230 affordable dwellings in the rural areas. This equates to **434** affordable dwellings with planning permission within the borough at 1 April 2014.
- 4.4 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of **1,013** against the adopted Core Strategy target of 2,090 for the period 2006 – 2026. The delivery has been reasonable against the Core Strategy target but the Council recognise that there continues to be challenges in delivering affordable housing within the borough. The methods being adopted by the council to address these challenges are set out below.

5.0 SUMMARY OF PAST DELIVERY

- 5.1 The delivery of affordable housing within the borough has been affected by many factors, these include the following;
- Not every site which comes forward for development crosses the minimum size threshold to require the provision of affordable housing
 - A developer can seek to negotiate a reduced level of affordable housing, or type of affordable housing, where the site is not financially viable
 - The economic downturn has meant that the total number of dwellings being built has been below the expected levels. This has resulted in the number of affordable dwellings not being constructed as a result.
 - The delay in the delivery of the Sustainable Urban Extensions at Barwell and Earl Shilton has had implications on the delivery of affordable housing.

6.0 FUTURE AFFORDABLE HOUSING DELIVERY METHODS

6.1 The council is addressing the challenges in the following ways:

- The council has committed to using money from the new HRA freedoms, and the collection of commuted sums to enable more affordable housing to be delivered. The council anticipates that between 25 to 35 new council homes per year could be delivered through this programme.
- The HRA Investment Plan 2013 – 2018 sets out a number of affordable housing delivery options which will increase the amount of affordable housing in the Borough including new development of council housing. A procurement exercise is currently under way to appoint a development partner who will develop housing, initially on HRA owned land, which will be owned and managed by the council. The delivery plan also includes, but is not restricted to, purchase of affordable housing on section 106 sites and buy back of ex council housing.
- Where developers approach the council to reduce the amount of affordable housing on a site, a robust appraisal of the developers' viability assessment is carried out to assess the quantity of affordable housing the site can deliver. The recommendations are subject to independent validation on a sample of assessments to ensure the council achieves the maximum affordable housing and other planning obligations possible.
- The Leicestershire Rural Housing Partnership jointly funds Midlands Rural Housing Association to carry out a rural housing enabling function. There is a rolling programme of housing needs surveys to assess the needs of local residents for affordable housing in rural settlements. If a need is identified and no section 106 sites are likely to be delivered in the settlement, the rural housing enabler also identifies suitable rural exception sites and works with the local authority to deliver affordable housing through that route.

7.0 FINANCIAL IMPLICATIONS (SJE)

7.1 The purpose of this report is to inform Scrutiny about the affordable housing situation in the Borough, and as such, there are no financial implications arising directly from this report.

8.0 LEGAL IMPLICATIONS (MR)

8.1 The NPPF requires local planning authorities to use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing as far as is consistent with the policies set out in the Framework

8.2 The government is currently considering responses to its recent consultation paper "Planning performance and planning contributions" One proposal is to restrict the use of affordable housing contributions where sites contain 10 units or less. The council have sent a response to the consultation outlining

the negative impact this would have on affordable housing delivery in rural areas, where few sites cross the 10 unit threshold.

8. CORPORATE PLAN IMPLICATIONS

8.1 The delivery of affordable housing supports the following aims of the Corporate Plan 2009 – 2014:

- Strong and distinctive communities
- Decent, well managed & affordable housing

9. CONSULTATION

None required

10 RISK IMPLICATIONS

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

11. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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.

10. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications – None identified
- Environmental implications – None identified
- ICT implications – None identified
- Asset Management implications – None identified
- Human Resources implications – None identified
- Planning Implications – Contained within the body of the report.
- Voluntary Sector – None identified

Contact Officer: Valerie Bunting x5612

Executive Member: Councillor Stuart Bray.