



Hinckley & Bosworth
Borough Council

A Borough to be proud of

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION

8 DECEMBER 2016

WARDS AFFECTED: ALL WARDS

AFFORDABLE HOUSING – ANNUAL UPDATE

Report of Deputy Chief Executive

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 members note the contents of this report and the initiatives to maximise the supply of affordable housing in the Borough.

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 2015

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
2014/15	93	61	154	598	752	20.48
2015/16	27	68	95	602	697	13.62
Totals:	213	615	828	3591	4419	18.73

4.2 This table shows that since the beginning of the plan period (2006) a total of **828** 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 18.73% affordable provision.

4.3 In addition to the completions of affordable housing, there is planning permission for schemes yet to be implemented, which includes 30 affordable dwellings in urban areas and 26 affordable dwellings in the rural areas. This equates to **56** affordable dwellings with planning permission within the borough at 1 April 2016.

4.4 In conclusion, this equates to a total number of completions and permissions for affordable dwellings of **884** 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 recognises that there continues to be challenges in delivering affordable housing within the borough.

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.
- On 28 November 2014 Government issued a revision to the site thresholds, which meant that affordable housing could not be required on sites of 10 dwellings or less. This affected sites in the rural areas where the policy requirement in the Core Strategy is for sites of 4 dwellings or more to provide affordable housing. Although this decision was challenged, the revision has been confirmed and therefore no sites of 10 dwellings or less, or 1000 square metres of floorspace or less need to provide affordable housing contributions.
- The Homes and Communities Agency latest funding programme, Shared Ownership and Affordable Homes Programme 2016 – 2021, no longer provides grant for general needs rented housing. The majority of the programme is for shared ownership properties although bids will be considered for specialist affordable rented properties.

6.0 FUTURE AFFORDABLE HOUSING DELIVERY METHODS

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

- Where there is no Registered Provider interest in buying properties on section 106 sites, the council will negotiate to take a commuted sum, or as an alternative, if the site is in a high demand area, will consider taking gifted units to the equivalent value of the commuted sum. Gifted units have been accepted on a site on Coventry Road, Hinckley where the developer demonstrated there was no Registered Provider interest and this has given the council 6 x 1 bedroomed flats close to Hinckley town centre.
- Planning permission has been sought by Nottingham Community Housing Association for a Rural Exception Site in Barlestone to increase the supply of affordable housing to meet the identified need in the parish.
- Work has started on site at Southfield Road Hinckley. Working in partnership with Westleigh Homes and Nottingham Community Housing Association the site will deliver 68 new affordable homes, 30 of which will be new council houses for affordable rent.
- Planning permission has been granted for a scheme of 9 bungalows in Martinshaw Lane Groby. This is on land owned by the council and will use land which has been vacant for some time to provide new affordable rented council housing, including 2 bungalows for people with disabilities.

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

7.1 None.

8. FINANCIAL IMPLICATIONS [TF]

8.1 Assuming that the 95 affordable housing completions (as stated in table from

point 4.1) can be included for New Homes Bonus purposes, the table below shows a potential **£125,254 income stream for the General Fund.

Property Category	Number of Affordable Completed Properties	New Homes Bonus	Affordable Rent Element of New Homes Bonus	Total New Homes Bonus Income
		£	£	£
Non Affordable Rent Properties	71	87,333	-	87,333
Affordable Rent Properties*	24	29,521	8,400	37,921
Totals**	95	116,854	8,400	125,254

*Assumed 25% of affordable properties are rented

**The formula for the New Homes bonus is 80% of the Council Tax Banding x Number of Affordable Completed Properties plus £350 per property if this is let as Affordable Rent. The assumption made in the table is that on average the properties are at Council Tax Band D equivalent of £1,537.56.

8.2 Additionally, based on an average band D equivalent council tax of £117.09 (including special expenses) the estimated additional council tax income will be £11,123.55 (£117.09 x 95 Affordable Completed Properties)

9. LEGAL IMPLICATIONS [AR]

9.1 None.

10. CORPORATE PLAN IMPLICATIONS

10.1 The delivery of affordable housing supports the following aims of the Corporate Plan 2013 – 2016:

- Provide decent and affordable homes

11. CONSULTATION

11.1 None required as this report is for information only.

12. RISK IMPLICATIONS

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

12.2 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.

12.3 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

13. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

13.2 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.

14.1 CORPORATE IMPLICATIONS

14.1 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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