

North Somerset Council

REPORT TO THE ADULT SERVICES AND HOUSING POLICY SCRUTINY PANEL

DATE OF MEETING: 17 NOVEMBER 2016

**SUBJECT OF REPORT: AFFORDABLE HOUSING DELIVERY THROUGH THE
JOINT SPATIAL PLAN**

TOWN OR PARISH: DISTRICT WIDE

**OFFICER/MEMBER PRESENTING: MARK HUGHES, HEAD OF HOUSING AND
DIRECTORATE GOVERNANCE**

KEY DECISION: NO

RECOMMENDATIONS

That the Panel consider and discuss the content of this report.

1. SUMMARY OF REPORT

1.1 This paper sets out the detail behind the affordable housing (AH) projections included as part of the Joint Spatial Plan (JSP) consultation papers.

2. POLICY

2.1 The JSP, which is being prepared by the four West of England (WoE) Local Authorities, provides the joint framework to ensure development requirements come forward across the WoE area up to 2036 in a co-ordinated manner.

2.2 The Council's Housing Strategy 2016-21 and associated Core Strategy policies set out the framework for AH delivery within the district.

DETAILS

3. AFFORDABLE HOUSING PROJECTIONS

3.1 'Towards the emerging Spatial Strategy' is being consulted on from 7th November to 19th December 2016 and presents a potential set of strategic locations for development up until 2036.

3.2 Across the WoE area, the JSP proposes a target of up to 105,000 dwellings of which 66,800 are already committed through existing planning consents and local plan allocations. The plan indicates an identified need for 32,200 affordable homes across the WoE (or 30%) which equates to around 1,610 affordable units per year.

- 3.3 Actual AH delivery across the WoE between 2006/7 and 2014/5 averaged 898 units a year, which represents 22.5% of total housing delivery. For the same period across North Somerset there have been 1,473 affordable homes delivered; an average of 164 affordable homes per year; approximately 21% of housing completions within the district.
- 3.4 The consultation document sets out the scale of this challenge such that it is unrealistic to fully meet the AH need of 32,200 identified over the plan period through the planning system alone.
- 3.5 Using current assumptions such as historic affordable housing delivery and the likely impact of Starter Homes on new strategic development locations it is estimated that a total of **17,100** traditional affordable homes can be delivered across the WoE district against the identified need of 32,200 (53%).

4. KEY ISSUES

- 4.1 Challenges in delivering AH to meet identified need are not unique to the WoE; the nature and scale of issues and policy landscape is national. The projections presented above are a snapshot in time based on current assumptions and it should be recognised that these projections are very likely to change going forward.
- 4.2 There are a number of key considerations that will influence delivery;
 - **Allocations:** While a set of potential strategic locations for residential development have been proposed, the JSP does not, at this stage, identify specific sites. It is not possible to establish what levels of AH will be viable and deliverable on individual sites until such time they come forward for development. In line with national guidance, a lower level of AH can be negotiated if contributions at full policy position make a development economically unviable. The Council have for example had to agree reduced AH contributions due to viability constraints on a number of development sites within the district.
 - The proposed introduction of **Starter Homes** as an AH tenure (new homes for first time buyers under 40 years of age, sold at a 20% discount below the market level) is expected to have significant implications for traditional AH delivery.

Firstly it is assumed in the AH projections above that in the absence of detailed technical guidance a requirement for 20% Starter Homes will apply on all reasonably sized development sites. In these circumstances traditional AH would then only make up the balance of the policy requirement (i.e.10%). Until such time secondary legislation is released setting out the technical detail on Starter Homes it is not possible to model the viability of this new tenure or to determine the precise impact on the delivery of traditional AH. However, it is clear that the introduction of Starter Homes will reduce the level of traditional AH and in particular rented affordable accommodation available to those on the Councils HomeChoice Register. Furthermore, it is currently unknown whether existing AH commitments could be impacted by the introduction of Starter Homes.

Secondly, it is important to note that those in *need* of Starter Homes are not included within the overall assessed AH need. Many households who aspire to own their own home but who cannot afford to purchase on the private market *can afford to rent market housing* therefore would not be regarded as having an AH need. Inclusion of those who can afford Starter Homes in the assessment of AH need would greatly increase the overall AH requirement as a proportion of the homes built.

This Panel was previously consulted on the pressures facing the delivery of AH (15th July 2016, Item 7) namely, welfare reform, national planning policy changes, a shift in government funding priorities and reductions social housing rents which together it is anticipated will reduce the delivery of AH, particularly rented accommodation. However, the national housing landscape has seen unprecedented change over the past year and there is still a significant level of uncertainty about how some of these changes will impact on delivery as, in many cases, the further, detailed technical guidance is yet to be released. It is therefore very difficult to accurately forecast future AH delivery.

5. BOOSTING AFFORDABLE HOUSING SUPPLY

5.1 Despite the challenges identified, the Council is committed to promoting and supporting the delivery of AH for those in housing need across the district through;

- Continuing to work closely with our delivery partners, such as our HomesWest Registered Providers, to maximise bidding opportunities for public subsidy (including LA grant funding) to support development, particularly rented affordable accommodation. This year approximately £1m of Council grant will be made available to partners to support the development of around 90 affordable homes (largely funded from S106 commuted sums). Additionally, the Homes and Communities Agency is currently assessing bids submitted under their new funding programme, however this funding is primarily directed at shared ownership housing with only a relatively small amount available for supported AH to rent and no funding available for general needs rented AH.
- Identifying and supporting the delivery of alternative and viable affordable tenures, particularly those for rent, within the district for those in housing need.
- Continuing to work closely with planning colleagues to maximise delivery of good quality and sustainable affordable accommodation through planning gain.
- Developing new and innovative ways of delivering AH including through social investment companies and working closely with colleagues in Asset and Property Management to identify any suitable LA land or properties for AH development.
- Maximising the use and availability of private sector rented properties for those on the Councils HomesChoice Register.
- Enabling the delivery of specialist AH for those with particular needs such as Tamar Court, a 64 unit extra care scheme in Worle delivered by Alliance Homes in partnership with the Council.

- Working with local and other community-type groups to promote and support the delivery of AH. This includes the Pill Community Land Trust, a community led project (in its early stages) with the aim of providing affordable homes for local people, and the Community Self Build Agency who are working with Knightstone Housing Association to deliver 14 affordable homes for ex-services personnel in Worle.

6. CONSULTATION

- 6.1 The Affordable Housing Delivery Plan, which sets out the priorities and actions for the development of new AH in the district, is due for revision in the coming months. Consultation with all stakeholders will take place as part of this plan development process.

7. FINANCIAL IMPLICATIONS

- 7.1 Greater pressure may be placed on council financial resources to support the delivery of much needed affordable accommodation for those in housing need across the district, particularly rented homes.
- 7.2 As well as being subject to formal approval, any application(s) for council funding would be subject to a Registered Provider bringing forward a viable and deliverable scheme that meets the aims and ambitions set out within the council's Housing Strategy and proves best use of public subsidy.

8. RISK MANAGEMENT

- 8.1 There is a risk that if not enough rented AH is delivered some households will spend longer on the HomeChoice register and some homeless households may spend longer periods of time living in temporary accommodation.

9. EQUALITY IMPLICATIONS

- 9.1 This report falls under the umbrella of our Housing Strategy for which a comprehensive Equality Impact Assessment was undertaken. A failure to provide enough AH will disproportionately affect such groups as lone parents, large families and people on low incomes who cannot afford to buy or rent privately.

10. CORPORATE IMPLICATIONS

- 10.1 The provision of AH supports the delivery of the Councils Housing Strategy and Corporate Plan.

11. OPTIONS CONSIDERED

11.1 Not Applicable

AUTHOR

James McLoughlin
Housing Development & Strategy Team Manager
01275 884226

BACKGROUND PAPERS

The West of England emerging Joint Spatial Plan and Joint Transport Study
<https://www.jointplanningwofe.org.uk/consult.ti>

Joint Spatial Plan and Transport Study – Draft Strategy for Consultation – report to West of England Planning, Housing and Communities Board and Joint Transport Executive Committee 7 October 2016 (item 5) <http://www.westofenglandlep.co.uk/meetings/planning-housing-and-communities-board>