Barwood Development Securities Ltd & The North West Thornbury Landowners Consortium

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Affordable Housing Statement

Land to the West of Park Farm, Thornbury

Savills on behalf of Barwood Development Securities & the North West Thornbury Landowner Consortium

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1. Introduction

Introduction

1.1 This Affordable Housing Statement has been prepared by Savills on behalf of Barwood Development Securities Ltd and the North West Thornbury Landowner Consortium ('the Applicants') in support of an outline planning application, with all matters except access reserved, for a residential-led development at Pickedmoor, Thornbury.

1.2 The Application Site is 35.97 ha in size and is located to the north west of Thornbury, south of Oldbury Lane. The development at Pickedmoor represents an opportunity to deliver a high quality new development as part of the sustainable expansion of Thornbury; providing new homes including significant affordable housing, alongside a retail/community hub and new open space.

1.3 The application proposals are for outline planning permission with all matters except vehicular access reserved, for:

- Erection of up to 630 dwellings (Use Classes C3);
- Up to 700m2 for a Retail and Community Hub (Use Classes A1, A2, D1);
- A network of open spaces including parkland, footpaths, allotments, landscaping and areas for informal recreation;
- New roads, a sustainable transport corridor (including a bus link), parking areas, accesses and paths; and
- the installation of services and drainage infrastructure.

2. Planning Context

Planning Context

National Planning Policy

1.4 The National Planning Policy Framework (NPPF) (July 2018) defines affordable housing as housing for sale or rent, for those whose needs are not met by the market, including housing that provides a subsidised route to home ownership or is for essential local workers. It should comply with one or more of the following definitions:

a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Local Planning Policy

South Gloucestershire Core Strategy

1.5 The South Gloucestershire Core Strategy (adopted 2013) sets out the Council's commitment to improving affordable housing provision to meet the housing needs in South Gloucestershire. This will be achieved through the delivery of 35% affordable housing on-site for development proposals above 10 units (Policy CS18).

1.6 The delivery of affordable housing will be required to respond to the range of housing needs within the locality, and to deliver the typologies set out in the West of England Strategic Housing Market Assessment (2009) or as updated by future housing market assessments.

South Gloucestershire Policies, Sites and Places Plan

1.7 The Policies, Sites and Plan (adopted 2017) includes Policy PSP37 which sets out internal space and accessibility standards for affordable dwellings. This includes the requirement for affordable dwellings to be built to the minimum national space standards and Part M(2) of the accessibility standards; alongside 8% of affordable housing delivered to wheelchair standards (Part M(3)) for dwellings which are allocated/nominated by SGC. It is noted that Part M(2) and (3) are only achievable where step free access can be achieved.

South Gloucestershire Affordable and Extra Care Housing Supplemental Planning Document

1.8 This SPD, adopted in 2014, sets out the approach to delivering Policy CS18. The SPD has been amended following the change in national space standards, the introduction of the Building Regulations Part M, and the revised national planning policy guidance.

West of England Joint Spatial Plan

1.9 The emerging West of England Joint Spatial Plan (JSP), publication draft, sets out at draft Policy 3 that the target for affordable housing delivery within the plan area is 24,500 net affordable dwellings.

3. Affordable Housing Need

Affordable Housing Need

West of England SHMA (2009)

3.1 The adopted Core Strategy is based upon the SHMA 2009; which set out an estimated average annual need for 903 new affordable housing units over the period 2009-2021 (CS, paragraph 10.28). The total annual net need (903 units) comprises 727 social rented units and 176 intermediate units (SHMA Table 7.18).

3.2 The SHMA notes that Housing Registers do not provide a complete measure of need as '*households with a housing need may choose not to register for a variety of reasons.'* Table 7.14 of the SHMA indicates that 81% of new supply would have to be affordable in order to meet the identified affordable housing need.

West of England SHMA (2015; 2018)

3.3 The emerging West of England JSP is based upon the West of England SHMAs; with the Wider Bristol HMA Volumes 1 and 2 (2015), and the Wider Bristol HMA Update (2018). The Wider Bristol area includes the City of Bristol, South Gloucestershire and North Somerset; with Bath and North East Somerset subject to its own housing needs assessment. These SHMAs have yet to be tested through the Examination process; and are subject to substantial objection from the business and development communities.

3.4 The 2015 Volume 2 SHMA states at paragraph 2.39 that the affordable housing need, from the ORS housing mix model, in South Gloucestershire over the plan period 2016-2036 is 5,500 dwellings; and 29,100 over the Wider Bristol area. The SHMA Update 2018 indicates that the affordable housing need for Wider Bristol varies to 26,900 dwellings but doesn't provide a breakdown to each local authority.

<u>The Role of the Private Rented Sector</u>

3.5 The SHMAs have assumed that housing benefits will continue to help some households within the private rented sector (PRS) meet their housing costs, and, as such, these households will not require affordable housing. Para. 3.100 (SHMA Update, 2018) states that *'the model assumes that the level of housing benefit support provided to households living in the private rented sector will remain constant'* but acknowledges that this is not in the control of the Council. If either the stock of private rented homes was not available and/or housing benefit was no longer provided, then this would clearly increase the need for affordable housing.

3.6 Without reliance on housing benefit supported PRS, the affordable housing need of the Wider Bristol HMA increases substantially, to 46,963 affordable homes over the 20 year plan period (para. 3.104): an increase of 20,000 new affordable dwellings.

3.7 The adjustment of affordable housing need through assuming a continued reliance on housing benefits over the plan period to assist those living with the PRS has not been supported by development plan inspectors. The Inspector's Report on the examination of Eastleigh Borough's Local Plan 2011-29 (para. 34), states that *'there is no justification…for reducing the identified need for affordable housing by the assumed continued role of the PRS with LHA. This category of housing does not come within the definition of affordable housing in the Framework.'*

3.8 Further, as many PRS landlords will refuse applicants with any reliance on LHA, thereby creating a financial barrier to entry, it is unreasonable to state that these households' needs can be met by the PRS. The PRS is not a suitable substitute for affordable housing because it fails to meet the needs of certain groups. In particular, it does not meet the needs of many low income families who require larger properties, primarily because local housing allowance will not cover the full private sector rental costs in South Gloucestershire, owing to rising rental costs. The Government's White Paper (February 2017) states that *'for the average couple in the private rented sector, rent now takes up roughly half their gross income…Around half of all households in the private rented sector have no savings.'* It is generally agreed that the affordability threshold lies at one third of gross household income, confirming that the PRS is genuinely unaffordable for many renters.

3.9 In addition to issues of chronic unaffordability, the PRS does not provide security of tenure, as most occupiers are on assured shorthold tenancies (ASTs) of 6-12 months and can be asked to leave for any or no reason. Many properties provide a low standard of accommodation, particularly at the lower price point.

Intermediate Housing Need

3.10 The SHMA Vol 2 (2015) confirms that there are a further 51,400 households currently within PRS in the Wider Bristol HMA who do not rely on housing benefit.

3.11 Figure 17 of the SHMA confirms that 27,200 of these households would be owner occupiers, as whilst able to afford market housing to rent they cannot afford to buy. It is generally understood that these households are unable to purchase a home because they struggle to save for a deposit, mainly resulting from the high proportion of their gross income spent on rent. This is borne out by the notable decrease in the percentage of 25-34 year olds owning their own homes from 59% to 37% over the 13 years[1] to 2014-15.

3.12 In accordance with the changes to the definition of affordable housing within the NPPF (2018), this group of households would now qualify for the range of affordable housing defined in national planning policy, namely 'other affordable routes to home ownership'. On this basis, the current identified need significantly underestimates the requirement for intermediate homes.

Affordable Housing Delivery

3.13 The JSP Topic Paper confirms that between 2009 – 2017, South Gloucestershire delivered 2,360 affordable housing units. The Core Strategy sets out an annual need of 903 affordable dwellings between 2009-2021 (based upon the 2009 SHMA); this results in a shortfall of 4,864 dwellings over the eight year period.

Year	Affordable Housing Delivery
2009/10	281
2010/11	340
2011/12	269
2012/13	223
2013/14	298
2014/15	326
2015/16	263
2016/17	360

[1] English Housing Survey 2014/15

3.14 These completions, which are also identified within the Council's AMR, are gross completions and do not take account of any loss of affordable housing, for example through right to buy, or 'staircasing'. It is therefore likely that the shortfall is greater than that identified above.

3.15 The JSP Topic Paper (2018) confirms that the emerging JSP will fail to meet the West of England's affordable housing needs. The affordable housing need is 30,065 dwellings (Wider Bristol and Bath HMAs); however the JSP's affordable housing target is 24,500 affordable housing units (see draft Policy 3). As such, the JSP is planning for a shortfall in affordable housing need over the West of England of 5,515 dwellings at the outset. This shortfall doesn't account for the fact that the affordable housing need figure under-estimates the need for intermediate housing, and the continued reliance on the PRS with housing benefit; as discussed above.

3.16 Previously published evidence papers for the JSP have explained how this affordable housing target figure has been derived. Of the existing plans, commitments and windfall sites, which account for 66,000 dwellings (63% of the overall housing target), it is estimated that only 13,521 will come forward as affordable. This is a consequence of the permissions which are in place and existing policy targets. A further 10,523 affordable homes are expected to be delivered from the 39,000 residual housing requirement being planned for through the JSP.

Affordable Housing Delivery: Urban Capacity

3.17 This level of expected supply from the residual housing requirement appears optimistic and there is minimal evidence to explain how these figures have been derived. There is also a potential over- reliance placed upon urban intensification on brownfield sites, which have historically contributed a lower percentage of affordable housing. A key assumption of the JSP is that the 'urban living component' will deliver an average of 20% affordable housing, despite the general acknowledgement that brownfield sites typically deliver lower levels of affordable housing.

3.18 Topic Paper 7 (Urban Living) states that at least 2,900 homes will be delivered in South Gloucestershire within the areas identified for Urban Living. Based on past completions from windfall sites, it assumes that approximately 65 homes will be delivered per annum over the course of the plan period up to 2036. The Topic Paper does not acknowledge the impact of changes to national policy; including the national 10 unit threshold on the ability of smaller sites to deliver affordable housing and Vacant Building Credit, which will have an impact on windfall sites.

3.19 It is intended that at least 1,200 homes will be delivered through the promotion of urban living within the emerging South Gloucestershire Local Plan; and there will be an uplift of approximately 1,000 homes at Filton Airfield. A number of 'demonstration sites' are also being identified to 'deliver the principles of urban living' which could support approximately 700 additional homes. There appears to be no published evidence to support these projections, particularly relating to the 'demonstration sites'.

Affordable Housing Delivery: Strategic Development Locations

3.20 Topic Paper 4 (November 2017) confirms that historical delivery of affordable housing on similar strategic development sites within South Gloucestershire have failed to achieve the 35% affordable housing target: with Charlton Haynes (2,200 dwellings), Lyde Green (2,550 dwellings) and Harry Stoke (1,200 dwellings) achieving 25% affordable housing delivery.

3.21 The benchmarking assessments of the SDLs set out in Topic Paper 4 SDLs have assumed a split of 75% social / affordable rented and 25% intermediate housing. However, the viability evidence contained in Topic Paper 4 indicates that there are a number of SDLs which will not be able to deliver the target level of affordable housing: including Buckover and Yate – which are anticipated to deliver 5,000 new homes in total in South Gloucestershire (approximately 2,500 of which within the JSP plan period). In addition, five further SDLs within the JSP are shown as unviable at 35% affordable housing at the SHMA's proposed tenure split.

3.22 In light of the above and until the further evidence is produced, it is reasonable to assume that the identified sources of affordable housing supply will represent the absolute maximum scale of delivery during the plan period. It is therefore likely that the shortfall in affordable housing delivery will be greater than the 5,515 dwellings already identified within the draft plan.

4. Affordable Housing Proposals

Affordable Housing Proposals

Affordable Housing

4.1 In line with Policy CS18 and the emerging JSP target, the proposed development will deliver the policy compliant level of affordable housing at 35%. This will deliver up to 220 affordable units on the Application Site.

Tenure Mix

4.2 The tenure split of affordable housing provision will be informed by local need and recent national planning policy changes, and agreed with SGC during the application process. The mix will include a range of types and will be secured via a S106 legal agreement.

Size and Standards

4.3 As layout is a reserved matter, the location of affordable housing will be agreed at reserved matters stage, however, the Applicants are committed to delivering a 'tenure blind' scheme.

4.4 The mix of dwellings sizes will also be determined as part of future reserved matter applications.

4.5 The standards set out in Policy PSP37 will be secured within the S106 legal agreement, and will form the basis for future detailed planning applications.

5. Conclusion

Conclusion

5.1 This Affordable Housing Statement has confirmed that there is an existing shortfall in the delivery of affordable housing in South Gloucestershire, as illustrated in the shortfall against the adopted Core Strategy target.

5.2 It also confirms that the updated assessment of affordable housing need within the West of England under-estimates the need for affordable housing over the period to 2036 though the continued reliance on housing benefit to support households with the PRS, and the failure to consider the need for intermediate housing to meet those households who are renting but not able to afford to buy a property: contrary to the NPPF (2018). Notwithstanding this, against the JSP's own figure of affordable housing need, there will be a shortfall in affordable housing delivery over the plan period.

5.3 The proposed development will deliver up to 220 affordable housing units, which will represent a significant contribution to the shortfall in affordable housing delivery.

5.4 The tenure, size and mix of affordable housing units will be determined through future detailed reserved matter application.