

Affordable housing

POLICY CS18 - AFFORDABLE HOUSING

The Council is committed to improving affordable housing provision to meet housing need in South Gloucestershire. This will be achieved through:

1. requiring developers to achieve 35% on-site affordable housing on all new housing developments, normally without public subsidy, in urban areas of 10 or more dwellings, or 0.33 hectares irrespective of the number of dwellings (except in rural areas where the threshold will be 5 or more dwellings or 0.20 hectares) unless the developer demonstrates that the economic viability of a particular site is affected by specific factors and as a result that a lower percentage should be provided without public subsidy, in which case other financial contributions should be sought to achieve the 35% requirement
2. delivery of direct provision on sites by registered providers
3. the delivery of Rural Housing Exception sites in accordance with Policy CS19
4. providing affordable housing in suitable mixed use schemes, where this would form a viable element of a commercial development, and through existing properties in need of investment brought back into use as permanent affordable housing by registered providers
5. seeking off-site provision, or a broadly equivalent financial contribution in lieu of on-site provision, but only in exceptional circumstances where it can be robustly justified, for the provision of affordable housing elsewhere in South Gloucestershire; and
6. empowering local communities through opportunities presented by Neighbourhood Planning.

In implementing this policy the Council will negotiate the maximum level of affordable housing on each site that is feasible up to the 35% figure and will aim to ensure that:

7. developments contribute to a range of housing provision in local areas, with the aim of achieving mixed and balanced communities, and refer to the findings of the Strategic Housing Market Assessment, (and in rural areas, where appropriate, to local housing needs surveys), in providing the specific housing mix required to meet housing needs; and that
8. the different types of defined affordable housing are used effectively to maximise appropriate provision in line with the West of England Strategic Housing Market Assessment 2009 or as updated by future housing market assessments.

The Council will further develop policy guidance on affordable housing through updating and replacing the current SPD including its approach to the calculation of financial contributions and to the provision of affordable housing in Extra Care housing schemes.

Evidence of housing need

- 10.28 The findings of the West of England (WoE) Strategic Housing Market Assessment (SHMA), May 2009, which was undertaken in line with good practice advice published by the government, provide the background to this policy. The study shows that there is a high need for affordable housing in the West of England that is not being met through existing policies.
- 10.29 In South Gloucestershire there is an estimated average annual need for 903 new affordable housing units over the period 2009 to 2021 compared to a potential average annual housing supply (both market and affordable) of around 1,550 units. The proportion of younger households able to buy or rent in the market had fallen from 52.3% in 2002 to 45.3% in 2007. Other key features are the large backlog of need for affordable housing, the projected annual increase of newly forming households continuing to need social rented accommodation, and the relatively small existing stock of affordable housing limiting the ability to meet needs through re-lets.

Percentage of affordable housing

- 10.30 The main source of new affordable housing is expected to arise through Section 106 agreements on sites for market housing. The Council requires 35% of affordable housing on such sites given that a range of market conditions need to be taken into account, a position supported by the SHMA; para.10.34 sets out how the impact of current market conditions will be considered. The expectation is that such affordable provision would normally take place without public subsidy. However, the economic viability of individual site developments would be considered where the developer raised a site viability issue and a site appraisal was undertaken.
- 10.31 The definition of affordable housing is as set out in national policy, and includes social rented housing, affordable rented and intermediate affordable housing. Where affordable rent is provided, flexibility will be sought to provide such affordable rent housing at rent levels best suited to prevailing local levels of income whilst achieving a policy compliant percentage of affordable housing.
- 10.32 Delivery will comply with the provisions of national policy and other published national guidance. All provision will therefore include the expectation that affordable homes provided remain at an affordable price for future generations of eligible households and for the subsidy to be recycled for alternative affordable housing provision within South Gloucestershire where this is not so.
- 10.33 On sites allocated solely for affordable housing, or where only affordable housing is proposed, there will be no requirement to deliver a percentage without public subsidy where the threshold is exceeded, as set out in this policy, providing that the proposed affordable housing meets identified need and complies with the requirements of the Affordable Housing Supplementary Planning Document.
- 10.34 The expectation is that affordable housing will be provided on the application site. However, where it can be robustly justified, off-site provision, or a financial contribution

in lieu of on-site provision of broadly equivalent value may be accepted, providing the agreed approach contributes to the creation of mixed communities in South Gloucestershire.

Threshold (size of site)

10.35 The size site threshold at which on-site affordable housing should be provided will be set at 10 dwellings or above in urban areas, or 0.33 hectares irrespective of the number of dwellings, and 5 dwellings or above in rural areas, or 0.20 hectares, in order to maximise the provision of affordable housing whilst acknowledging viability issues. Some flexibility will need to be maintained to take account of site specific issues which may have a particular impact on smaller sites. The approach to seeking off-site contributions towards affordable housing will be set out in the Policies, Sites and Places DPD.

10.36 In accordance with Policy CS16 Housing Density all housing development will also be expected to make efficient use of land, maximising the amount of housing supplied. Therefore, where a planning application for residential development is made on a site, and the dwelling numbers proposed fall below the thresholds for affordable housing provision set out in Policy CS18, then an assessment of the housing density appropriate to the site will be made with a view to determining whether affordable housing should be required.

10.37 Similarly, where it is proposed to phase development, sub-divide sites or where recent sub-division has taken place, or where there is a reasonable prospect of adjoining land being developed for residential purposes in tandem, the Council will take the whole site for the purpose of determining whether the scheme falls above or below the site thresholds for the provision of affordable housing.

Site viability

10.38 The 35% figure is considered a robust target, capable of being achieved in an improving housing market in the medium to longer term, where a real increase in housing prices can be anticipated. In some cases, higher percentage targets have been achieved, but these have generally been in areas of higher land value where different viability conditions apply.

10.39 In a less favourable national economic climate, and without a real increase in house prices, then for some sites, total reliance cannot be placed on funding through land values alone to deliver this 35% affordable housing figure. A combination of other financial support measures therefore may be required to achieve the 35% target.

10.40 In finalising targets it will be important not to jeopardise the overall delivery of housing within South Gloucestershire that is required to meet both market and affordable need; a continuing supply of deliverable and developable residential sites being a requirement of national guidance.

10.41 Therefore, in seeking to negotiate the maximum level of affordable housing on each site, the Council will have regard to the economic viability of site development, likely costs,

market conditions, the availability of public subsidy and the aim of achieving a mixed and balanced community. Developers will be expected to demonstrate the validity of such viability factors, providing supporting evidence. This, the Council will seek to verify independently, with the developer being liable for reasonable costs incurred by the Council.

- 10.42 Where developers have clearly demonstrated that scheme viability prohibits the full provision of affordable housing, the Council may support an application for grant funding, or consider alternative financial support measures, to increase affordable housing provision to the 35% target figure. Alternatively it may negotiate a lower level of affordable housing provision and/or a different housing mix. Where public subsidy has been made available, unrelated to viability, the Council will consider seeking additional affordable housing above the targets where viability is not jeopardised.

Rural Areas

- 10.43 Local communities will be empowered to shape the future of their own areas, including the provision of affordable housing, through opportunities presented by Neighbourhood Planning. In the absence of an adopted Neighbourhood Plan Policy CS19 sets out the approach to rural housing exception sites. This policy allows for affordable housing to be developed in locations where market housing would not normally be acceptable, subject to there being an identified local need. Where it can be satisfactorily proved that an element of market housing will facilitate the delivery of the identified local affordable housing need this will be allowed subject to the proposals fulfilling other requirements of the policy. A legal obligation will limit occupancy to those with a local connection. Where there are small rural schemes for market housing, an affordable housing element will be sought on sites of five dwellings, or 0.20ha and over.

- 10.44 The particular shortage of affordable housing supply in rural areas, and the need to maintain and sustain rural communities, is recognised by the Council. Therefore, in planning agreements related to market housing sites where affordable housing is provided, consideration will be given to seeking specific provision for those who have both a housing need and a defined local connection to a settlement, or group of settlements, where evidence is available through local needs assessments that such needs exist. The development of a local connections policy will take place during the preparation of a future supplementary planning document.

Improving affordable housing provision

- 10.45 In order to further expand the provision of affordable housing, and recognising that there will be some residential sites that fall below the proposed size thresholds, it is also proposed that in future (a) consideration is given to seeking mixed use provision in suitably located commercial schemes so that a housing element might be provided, and (b) additional investment might be put into bringing more empty homes back into use by registered providers as permanent affordable housing, where these have fallen into disrepair and/or remained vacant for a long period. The use of commuted sums made in lieu of on-site provision will be considered for this purpose.

- 10.46 The SHMA provides guidance on the tenure split, type and mix of affordable housing the Council will seek in development schemes and developers will be expected to incorporate this guidance into housing proposals to ensure that affordable provision addresses the main housing need.
- 10.47 Within the wider context of Policy CS20 (Extra Care Housing), the Council will seek to deliver an affordable element in Extra Care schemes. These schemes are designed specifically to promote independent living in self-contained flats, predominantly for older people, who are also able to access high quality flexible support and care services on-site to suit their needs, and use a range of on-site communal facilities. In applying the affordable housing policy particular considerations will pertain because of the special nature of this accommodation; it will not normally be appropriate to seek the general size/type mix of housing set out in the SHMA.

Delivery

- 10.48 Affordable housing will be delivered within the framework of this Core Strategy and the Council's Housing Strategy and will also need to reflect Government policy. Delivery will be supported by more detailed guidance on policy requirements and implementation matters in a revised Supplementary Planning Document. The precise details of quantities, type and mix of affordable housing on specific sites will be a matter for negotiation with the Housing Enabling team and Planning Officers. Delivery will support the wider objective of creating sustainable, inclusive and mixed communities. To this end, affordable housing will normally form part of the overall development, well integrated with market housing. The "peppercotting" of affordable housing in small clusters within mixed tenure developments will be sought in accordance with the design guidance in the revised SPD. Affordable housing can also be delivered through the neighbourhood planning process.