

14 December 2015

Report of	Head of Commercial Services	Author	Daniel Cameron
Title	Affordable Housing Delivery Report		☎ 506025
Wards affected	All		

This report sets out the current level of Affordable Housing delivery within Colchester Borough.

1. Decision Required

- 1.1 Members are asked to note the report and the details set out within it.
- 1.2 Members are invited to provide any feedback on the report; including whether these reports should be provided on a more regular basis and what further information they might expect to see in future reports.

2. Reasons for Decisions

- 2.1 Members have recently indicated that they would like to be presented with a clearer understanding of the level of Affordable Housing currently being delivered against adopted Local Plan policy.
- 2.2 The report is presented to ensure that Members are informed of:
 - The current level of Affordable Housing delivery;
 - The rates of historic delivery Affordable Housing; and
 - The future projections for delivery of Affordable Housing.

3. Supporting Information

3.1 Policy Background

The National Planning Policy Framework (NPPF) states at paragraph 50 that Local Planning Authorities are required to:

- Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
- Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and
- Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified...

- 3.2 Within the current Core Strategy document, Policy H4 sets out Colchester Borough Council's approach towards securing affordable housing. It states: "The Council will be seeking to secure 20% of new dwellings (including conversions) to be provided as affordable housing (normally on site)... For sites where an alternative level of affordable

housing is proposed below the target, it will need to be supported by evidence in the form of a viability appraisal.”

3.3 The NPPF also states at paragraph 173 that “Pursuing sustainable development required careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.”

3.4 The above paragraph effectively limits the ability of Colchester Borough Council to extract affordable housing in line with its policy from developments where it can be demonstrated that the cost to the developer of providing affordable housing, whether on site or through a commuted sum, would harm the viability of the project.

3.5 Affordable Housing Delivery

The Council’s current adopted policy requires Affordable Housing to be provided on-site by developers of sites over a certain size (over 10 units in urban parts of the borough and larger villages and over 5 units elsewhere). The housing should be scattered (called ‘pepper potting’) across the site in a tenure-blind manner and the mix of properties to be delivered should be reflective of the overall mix of properties being built.

3.6 Where developers are unable to deliver Affordable Housing on site, commuted sums are sought to enable the delivery of Affordable Housing elsewhere in the borough so that housing need can still be addressed.

3.7 Where viability appraisals show that infrastructure contributions or affordable housing delivery required by policy jeopardises the ability of site to come forward and make a profit for the landowner and developer the local planning authority must react with flexibility, reducing or removing obligations so that projects can be delivered viably.

3.8 Delivery above Threshold

Policy H4 sets a minimum amount of dwellings on site to come forward as Affordable Housing and the Council has seen a number of sites come forward which overprovide on the delivery of Affordable Housing.

3.9 The following schemes, approved between 2013 and 2015 have overprovided their Affordable Housing element:

- Land to the north of Elmstead Road – 18 units total, 4 affordable units – 22%;
- Bourne Court, King George Road – 24 units total, 6 affordable units – 25%; and
- Ilex Close, Colchester - 43 units total, 43 affordable units – 100%.

3.10 2015/16 Delivery

Information on the delivery of Affordable Housing is collected quarterly by Colchester Borough Council from Registered Providers of social housing. The table below shows the level of Affordable Housing delivered from various sites in quarters one and two of 2015/16 and predictions for delivery for the remaining quarters. At the end of quarter 1, over half of the homes expected this year had been delivered.

3.11 Table 1 – Affordable Housing Delivery 2015/16

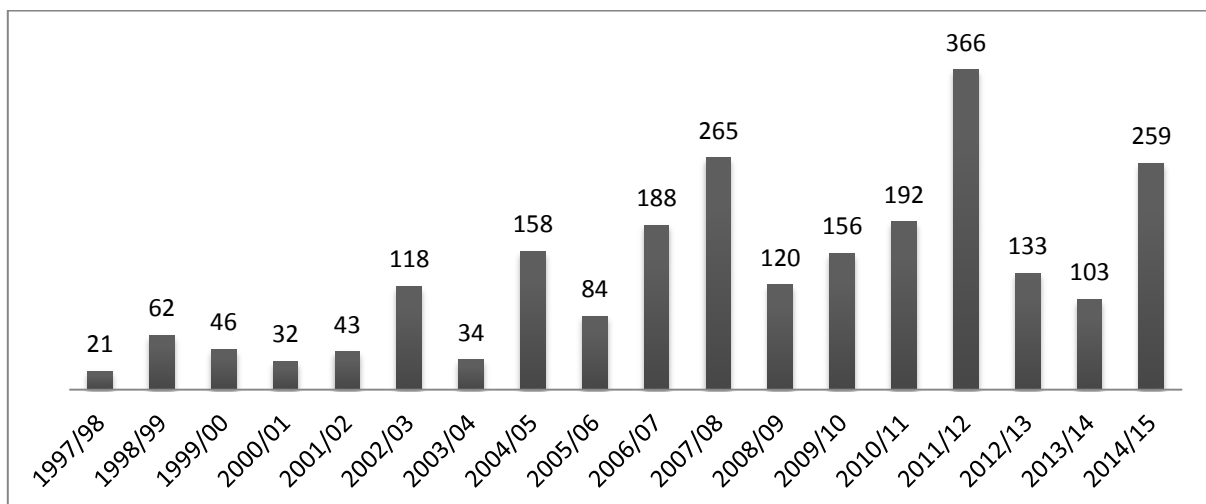
Scheme Name	Delivery & Predictions				
	Q1	Q2	Q3	Q4	Total
The Garrison J2		4		9	13
Avallana Place			25		25
The Garrison S2NW	3				3
The Garrison L & N (handed over)	6				6
Northfields			12		12
Brook Street	2				2
Brook Street - Phase 2	10				10
Severalls Hospital Site			13		13
Monkwick Avenue - Site 2 CBC New Build	4				4
Rosabelle Avenue CBC New Build	5				5
Windsor Close CBC New Build	8				8
Monkwick Avenue -Site 1CBC New Build	14				14
Collingwood Road		1			1
Stirrup Mews				1	1
Lakelands NR 1 & 3	20				20
Totals	72	5	50	10	137

Please note items in italics have not yet been delivered and therefore, while they are expected to come forward cannot be fully relied upon.

3.12 Historic Delivery of Affordable Housing

Figure 1, below, shows the fluctuations in the delivery of Affordable Housing from 1997/98 onwards to 2014/15.

3.13 Figure 1 – Historic Affordable Housing Delivery 1997/98 to 2014/15



3.14 Over the past 18 years a total of 2380 Affordable Homes have been provided within the Borough over the past 18 years. Despite the fluctuations in delivery numbers this equates to an average of 132 units per year.

3.15 Looking in particular at the last 3 years a total of 495 Affordable Homes have been provided at an average of 165 units per year.

3.16 Delivery through Section 106

Of all planning applications determined within both the previous financial year (2014/15) and current financial year to date (2015/16) which proposed the creation of 10 or more residential units a total of 126 Affordable Housing units were secured. Table 2, below, gives details:

3.17 Table 2 – Affordable Housing secured via S106 2014/15 and 2015/16 to date.

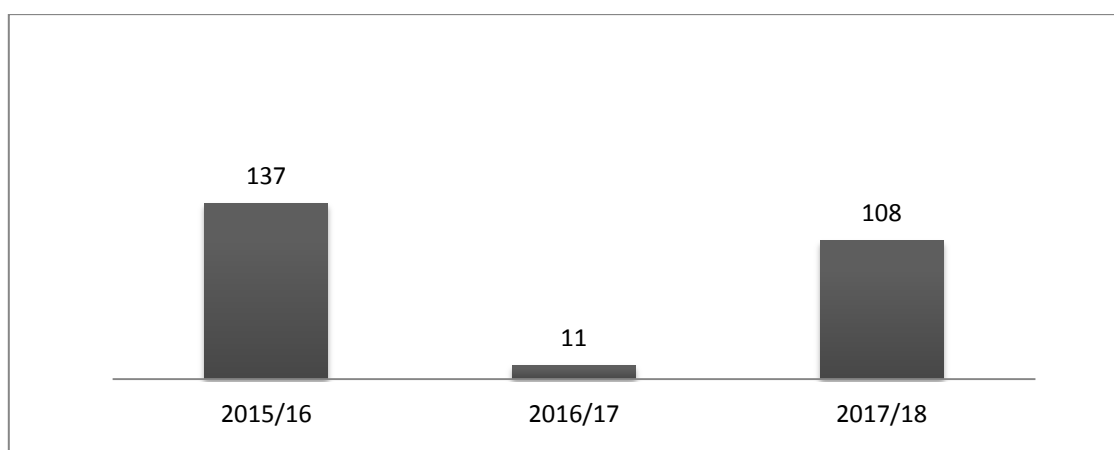
Planning Reference	Site Name	Total Units	Total AH Units	%
122134	Grange Road, Tiptree	103	10	10%
131538	Hunters Rough	16	0	0%
131604	Park Road	31	0	0%
132075	Bourne Court	24	6	25%
143740	Land North of Elmstead Road	18	4	22%
145132	505 Ipswich Road	127	25	20%
145356	Clarendon Way	18	0	0%
145494	Wyvern Farm	358	72	20%
Totals		695	117	17%
Rural Exception Sites				
146334	Hallfields Farm	17	9	53%
146330	Messing CP	3	2	66%
Totals		20	11	55%

3.18 The sites at Hunters Rough and Park Road made commuted sums in lieu of delivery on site as Policy H4 allows. Clarendon Road submitted viability information to show that the scheme was not viable making contributions and Grange Road was shown to not be able to support full contributions.

3.19 Predicted Delivery

Figure 2 sets out the predicted levels of Affordable Housing delivery over the next three years. While there can be some degree of certainty over the level of delivery for 2015/16, figures for 2016/17 and 2017/18 should be treated with extreme caution. There may also be some loss even in early periods due to delays such as adverse weather which hampers build out on site, In these instances it is expected that delivery will simply slip into the following year.

3.20 Figure 2 – Predicted Affordable Housing Delivery until 2017/18



- 3.21 Delivery is predicted to be low in 2016/17. The Council is looking at remedial action to boost supply through use of the New Homes Bonus.
- 3.22 Of the 108 affordable homes predicted to be provided in 2017/18, only four have secured planning permission. All other sites are at various stages of the planning process. These figures have been reported using the most reliable data at this present time.
- 3.23 Recent announcements by the Chancellor in the 2015 Summer Budget speech and due to be enacted by the forthcoming Housing and Planning Bill 2015 and Welfare and Work Bill 2015/16 have created uncertainty within the Affordable Housing sector over the ability of Registered Providers of social housing to take on the delivery or management of Affordable Housing. This situation will continue to be monitored by Officers.
- 3.24 It should be noted that the Housing and Planning Bill 2015 contains provision for Starter Homes, properties sold at a discount below market rate, to be provided within the package of Affordable Housing put forward by developers. The implications of this are not yet known but there is concern that even with a discount many people will not be able to afford to buy a new home.

4. Financial Implications

- 4.1 There are no financial implications for Colchester Borough Council to explicitly note within this report.

5. Equality, Diversity and Human Rights Implications

- 5.1 The provision of affordable homes helps to promote equality regardless of economic status and therefore contributes towards promoting diversity through improved access to housing unrelated to the individual's ability to compete in the open market.

6. Consultation and Publicity Considerations

- 6.1 No public consultation is required. The report may generate some publicity for the Council.

7. Risk Consideration

- 7.1 The announcements made by the Chancellor in the Summer Budget speech and as outlined within draft legislation in the Housing and Planning Bill 2015 and Welfare and Work Bill 2015/16 regarding Affordable Housing is creating unprecedented change within the sector. As such the impact of these changes is as yet unknown but is creating significant uncertainty within the wider housing industry specifically with regards towards rented accommodation.

8. Strategic Plan References

- 8.1 The Strategic Plan has four headline themes. Under the 'Prosperous' theme, the plan seeks to:

- Provide opportunities to increase the number of homes available including those that are affordable for local people and to build and refurbish our own Council houses for people in significant need
- The provision of affordable homes through the use of commuted sums is one method of delivering this strategic aim.

9. Community Safety Implications

- 9.1 The proposed changes do not significantly affect community safety.

10. Background Papers

- 10.1 The National Planning Policy Framework is available on the Gov.uk website. Colchester Borough Council's Strategic Plan and Core Strategy are available on the website.