

Briefing Paper Affordable Housing – 12th October 2007**Key facts:**

- Our District Wide Housing Needs Survey identified the need for **780** affordable homes per year.
- Average house prices are 16% higher than the national average.
- 1060 properties in the District have been identified as unfit for human habitation, with a further 4028 assessed as seriously defective.
- In 2004/2005 a total of 581 households presented as homeless to the District council, of these, 251 were accepted as statutorily homeless.
- An additional 780 affordable dwellings are required per annum (2005 - 2010)
- Overall, the need for affordable housing represents over 100% of the likely future developments in the district.
- The areas of greatest need are Chippenham and Wootton Bassett.

Assessment of whether the Affordable Housing Policy is working.

It is always going to be a very difficult assessment to make at this time, the policy is relatively new and there is the argument that the market needs time to adjust to our approach.

However the information in the tables below provides a clear assessment.

RURAL AREASTen year dwelling construction figures in rural areas.

Completed Dwellings 1996/2007	Dwellings Lost	Net Gain
1647	191	1466*

* This represents a **quarter** of all construction in the District.

Affordable Housing Completions

Year	AH Completions	Total Construction – All Housing.
2004/05	6	191 (167 Net Gain)
2005/06	9	163 (138 Net Gain)
2006/07	0	154 (134 Net Gain)
TOTAL	15	508 (439 Net Gain)

The percentage of affordable housing construction in the rural areas of North Wiltshire in the period 2004 - 2007 is **2.9%** of the total number of dwellings constructed in the rural areas.

- It is worth noting that during this period (2004 – 2007) the number of dwellings that **lost** in the rural area = **69 dwellings**.
- More than 4 times the number of AHs built.

The regional planning framework allows for 500 new homes per year in the District. Applying the rule of approximately 500 dwellings per year in the District highlights an important issue regarding the location of housing construction in the District.

Construction Figures in Rural Areas

Year	Total Number of Units Constructed	% of the 500 outlined in guidance.
2003/04	167	33.5%
2004/05	191	38%
2005/06	161	32%
2006/07	134	26.8%

These figures show that if rural construction rates continue at such a high level (i.e. one third of the suggested 500 dwellings per year), there is a real danger that North Wiltshire District Council will not comply with the principles and objectives of the Draft RSS; these being to focus development in the main urban areas.

Is AH Policy Working?

Our District Wide Housing Needs Survey identified the need for **780** affordable homes per year.

The figures on this briefing paper show that we have failed to meet this figure by a considerable margin.

The current policy in respect to Affordable Housing is as follows:

Affordable housing in rural areas

*The Council will seek to negotiate an element of affordable housing to meet local needs on **all housing developments**, within the Framework boundaries of the villages not the subject of Policy H5. The Council will negotiate about 50% of the dwellings to be affordable subject to local needs and site characteristics. As the sites will generally be small in size the affordable housing should be provided on site in clusters of no more than 5 dwellings, to contribute toward mixed and inclusive communities¹.*

- Policy H6 will be applied to the net development (i.e. excluding any existing dwellings demolished)
- It will be applied on developments of 1 or more dwellings (net gain).
- Affordable housing will usually be sought on-site.
- Where a single market dwelling is proposed a financial contribution equal to ½ of the off-site affordable housing contribution will be sought.

¹ North Wiltshire Local Plan 2011. Policy H6

The most recent data on the level of affordable housing provision provided in the rural areas of the District are of interest. Of the **14** planning applications for residential development in rural areas that have been determined, **13** were withdrawn or refused (the majority withdrawn).

In every case AH provision/contribution was either the main issue or part of the main reason for withdrawing or refusing the application. (See case studies)

- This data is from March 07 – present.
- Records prior to this are not as comprehensive.

These figures do not include some of the most recent applications received. Discussions with Planning Officers indicate that the affordable housing requirement is likely to have an impact on outcome of a number of these applications.

Affordable housing in urban areas

The Council will seek to negotiate an element of affordable housing to meet local needs on all housing developments of either 15 or more dwellings or 0.5 hectare or more in size, within the framework boundaries of Calne, Chippenham, Corsham, Cricklade, Malmesbury, Purton and Wootton Bassett. The Council will negotiate about 30% of the dwellings to be affordable subject to local needs and site characteristics. The affordable housing should be provided on site in clusters of no more than 15 dwellings, to contribute toward mixed and inclusive communities.²

Year	AH Completions	Total Construction Figures – All Types
2004/05	71	610 (596 Net Gain)
2005/06	151	696 (676 Net Gain)
2006/07	137	477 (463 Net Gain)
Total	359	1783 (1749 Net Gain)

The percentage of affordable housing construction in the urban areas of North Wiltshire in the period 2004 - 2007 is **20%** of the total number of dwellings constructed.

- Compare this with the 2.9% in rural areas.

How many AH are likely to be delivered?

It is extremely difficult to accurately predict the number of AH that will be provided through s.106 agreements, it almost impossible to predict more than 12 months in advance. It is common for AH negotiated through s.106 agreements to take 18 months or more to be achieved.

However it may well be the case that Affordable housing policy in rural areas has provided a successful method of implementing the intention of the RSS which seeks to focus development in the main urban areas. The result will be a reduction in the number of Affordable Homes in the rural areas.

² North Wiltshire Local Plan 2011. Policy H5

How do we modify AH policy accordingly?

In order to adapt AH policy to meet its objectives it is first vital that one understands what the objectives are. There are 2 possible objectives.

- 1) Use AH policy to meet the needs of the local residents who cannot afford a home without support of some sort.
- 2) Use AH policy to manipulate housing supply in rural areas to ensure that NWDC satisfies its obligations in the RSS.

The two options are not compatible.

Considerations:

There are currently two planning applications which are due to go to appeal as a result of the districts AH policy. These will provide a good test case of our AH policy.

West Wiltshire District Council has already gone through this process with significant results.

Case Study - West Wiltshire District Council

West Wiltshire lost an appeal with the Inspector stating that *“since it is impossible to provide for half an affordable dwelling on site, it seems to me that this policy could only apply to sites for two or more dwellings.”*

The result was in early September this year West Wiltshire Cabinet made the decision not to seek a commuted sum towards the provision of affordable housing where developments of one dwelling within villages are proposed.

- This runs counter to the previous policy position for the Council to seek to achieve up to 50% affordable housing provision from all sites with village policy limits.

Concerns raised by development control officers

- Land availability is a bigger issue than funding
- Price of land also a problem, particularly in villages where land values are very high and can make schemes unviable.
- The threshold in urban areas could be lowered to achieve more affordable housing through planning gain.
- Lack of clarity (although this has been dealt with by some extent by the SPD)
- Confusion amongst planners.
- Non-universal support as to the merits of asking for contributions even when only one new dwelling is being proposed. Other authorities locally are moving away from this position because of the effect this has had on small scale in-fill type development in villages. However, perhaps this is the only way to provide the above clarity. No exceptions. No excuses. Would be nice to have an appeal decision on this matter.
- More prescriptive list of the things that can and cannot be legitimately used e.g. negotiating a lower 30% contribution.

Planning Application Case Studies.

APPLICATIONS THAT DID NOT PROCEED BECAUSE OF THE AH REQUIREMENTS

07/02174/FUL - Erection of 1 Three Bed Dwelling, access and parking space.

APPLICATION WITHDRAWN

“I can confirm that the amount of the affordable housing contribution required makes the proposal unviable. So we therefore ask that this application is withdrawn.”

Contribution required **£106,150**

07/01991/FUL - Demolition of Existing Dwelling and Erection of 2 Dwellings and Erection of New Vehicular Access and Associated Works.

APPLICATION REFUSED

The proposed development does not make any provision for affordable housing and the application is therefore contrary to Policy H6 of the North Wiltshire Local Plan 2011.

“I can confirm that my client is prepared to accept a condition requiring a contribution of £9202.40 towards public open space.

*My client is not however prepared to make the required contribution of **£206,500** towards affordable housing as this requirement will make the proposed development unviable.”*