

Bradford Local Plan

Core Strategy Examination

Matter 4F: Affordable Housing

**Further Statement on Affordable Housing
Thresholds in Wharfedale and Rural Villages**

Date: 12th March 2015

Venue: Victoria Hall, Saltaire

- 1.1 This statement sets out the Council's position in response to the Inspector's question raised in relation to Matter 4F Affordable Housing in regards to thresholds for seeking affordable housing contributions and consistency with the latest Nation Planning Policy.

Background

- 1.2. Core Strategy Policy HO11 sets out the Council's approach to delivering affordable housing in the District. Part C of Policy HO11 sets out the thresholds for seeking affordable housing contributions. The thresholds in Policy HO11 require affordable housing contributions on developments of 15 dwellings or more, with a lower threshold of 5 dwellings or more in Wharfedale and the villages listed in Part C.
- 1.3 On 28 November 2014 the Government introduced changes to the National Planning Practice Guidance (NPPG) aimed at boosting development on small sites. These changes introduced a threshold under which contributions for affordable housing and tariff style planning obligations should not be sought. The NPPG was further amended on the 27th of February 2015 as set out below:

National Planning Practice Guidance: Planning obligations

Paragraph: 012 Reference ID: 23b-012-20150227

Are there any circumstances where infrastructure contributions through planning obligations should not be sought from developers?

National planning policy defines specific circumstances where contributions for affordable housing and tariff style planning obligations (section 106 planning obligations) should not be sought from small scale and self-build development, as set out in the Written Ministerial Statement on small-scale developers.

- contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm
- in designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty
- affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home

Revision date: 27 02 2015

- 1.4 These changes do not apply to Rural Exception Sites which, subject to the local area demonstrating sufficient need, remain available to support the delivery of affordable homes for local people. However, affordable housing and tariff style contributions should not be sought in relation to residential annexes and extensions.

Meeting the Need for Affordable Housing

- 2.1 National Planning Policy Framework (NPPF) paragraph 47 states planning authorities should ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.
- 2.2 The latest evidence in the Strategic housing Market Assessment (SHMA) Update 2013 indicates an annual net shortfall of approximately 587 affordable dwellings. To meet the identified need for affordable housing the Council will aim to ensure that 20 to 25% of the total housing delivery is affordable housing.
- 2.3 To help meet the overall need for affordable housing the Council will seek to secure affordable housing contributions from residential developments of new dwellings. This approach is in accordance with NPPF paragraph 50. Policy HO11 Part B sets out the targets for the percentage of affordable housing required on residential developments across the District and the site size thresholds for affordable housing contributions are set out in Part C.
- 2.4 The Council will aim to help meet the overall need for affordable housing and affordable housing in rural areas (NPPF Paragraph 54) through setting a lower threshold of 5 dwellings or more in Policy HO11 Part C for Wharfedale and the villages and by setting out the Council's approach to Rural Exception Sites in Parts F and G of Policy HO11.
- 2.5 The Council considers that the high level of need as indicated in the SHMA, issues of affordability in the higher value areas of the District and more limited supply of larger sites within the smaller settlements justify a lower threshold being set in Wharfedale and the villages listed in Part C. The lower threshold is also considered to be justified in relation to viability. The Affordable Housing Economic Viability Assessment (AHEVA) 2010 tested site size thresholds for affordable housing and found that a threshold of 5 units on sites in higher value areas can produce developable, deliverable sites. The Council therefore considers the thresholds for affordable housing in Criteria C are justified in regards to evidence of housing need, affordability and viability

New national threshold for seeking affordable housing contributions

- 3.1 The Council recognise the site threshold of 5 units in Criteria C is not consistent with the change to the NPPG that states affordable housing contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm (NPPG Paragraph: 012 Reference ID: 23b-012-20150227). The areas including Wharfedale and the villages identified in Criteria C in relation to the 5 dwelling threshold do not classify as designated rural areas described under section 157(1) of the Housing

Act 1985, where local planning authorities may choose to apply a lower threshold of 5-units.

- 3.2 To be consistent with the NPPG the 5 unit threshold in Criteria C would need to be modified to reflect the new minimum threshold. This would have implications for delivery of affordable housing in Wharfedale and rural villages of the district. However, a higher threshold is likely to improve the viability of delivering smaller sites within these areas.
- 3.2 Based on a density of 30 dwellings per hectare a change to the minimum site threshold from 5 to 11 dwellings would only impact sites below 0.4 hectares. As the majority of sites in the SHLAA are above 0.4 hectares only a limited number of sites would be impacted by this change.
- 3.3 Also it is considered that the number of homes delivered through smaller sites below 11 dwellings will be relatively small compared to the overall delivery of affordable housing through developer contributions and other measures.
- 3.4 Given the small number of sites which would be impacted by this change and the relatively small decrease in overall affordable delivered through developer contributions, it is not considered that raising the minimum site threshold from 5 to 11 dwellings in Wharfedale and the villages will significantly impact on meeting the full overall need for affordable housing. In addition the Council's approach to Rural Exception Sites in Parts F and G of Policy HO11 will also help meet local affordable housing need in rural areas.

Conclusion

- 4.1 The Council consider that a lower threshold than 15 dwellings is justified in the areas listed in Criteria C in terms of both need and viability evidence. However, it is recognised that the Policy HO11 is not consistent with the latest NPPG in regards to minimum thresholds for affordable housing contributions. The Council therefore propose a main modification to Core Strategy Policy HO11 Part C to change the minimum site size threshold in Wharfedale and the villages to 11 units or more. This change will ensure that the Core Strategy is consistent with the NPPF and NPPG, while still helping to meet the identified need for affordable housing and local need for affordable housing in rural areas and smaller settlements.
- 4.2 Overall it is considered that as the majority of affordable housing in the District delivered through developer contributions will be delivered on larger sites and the number of sites effected by the proposed change will be relatively small, it is considered that this change will not impact on the Council's ability to meet the full identified need for affordable housing in the District through the Core Strategy. In addition to developer contributions the Council will utilise and support a range of other measures to deliver affordable housing to help meet the identified need for affordable housing in the District. These include Registered

Providers' programmes of affordable housing development and the Council's new build programme, developing new models of funding for affordable homes and considering Rural Exception Sites to meet local need in rural areas.

- 4.3 To ensure consistency with latest National Planning Policy the Council propose a main modification to Policy Ho11 and supporting text as set out below. The changes are outlined below (new text is indicated in underlined and **yellow highlight** and deleted text is struck through). It should be noted that the changes within this note relate solely to the issues raised above.

Proposed Modification to Policy HO11: Affordable Housing

Policy HO11: Affordable Housing

A. The council will work with partners to ensure that there is a sufficient supply of good quality affordable housing distributed throughout the district, particularly in the areas of highest need.

B. Subject to viability, the council will negotiate for up to the following proportions of affordable housing on residential developments:

- **Up to 30% in Wharfedale**
- **Up to 20% in towns, suburbs and villages**
- **Up to 15% in inner Bradford and Keighley**

Affordable housing should be provided on-site and be indistinguishable from and well integrated with market housing, unless off-site provision or a financial contribution can be robustly justified and would support the creation of inclusive and mixed communities.

C. Affordable housing will be required on sites developments of 15 dwellings units or more ~~and on sites over 0.4 hectares in size~~. The site size threshold is lowered to 5 ~~11~~ dwellings units or more in Wharfedale, and the villages of Haworth, Oakworth, Oxenhope, Denholme, Cullingworth, Harden, Wilsden, and Cottingley.

D. The council will seek to ensure an appropriate mix of affordable housing in terms of size, type and tenure having regard to robust evidence of local need, site suitability and viability.

E. Where an applicant can provide robust, up to date and verifiable evidence to support the view that a site would be unviable if affordable housing targets are required then the exact amount of affordable housing, or financial contribution to be delivered, will be determined by economic viability having regard to individual site and market conditions.

Rural Affordable Housing

F. Consideration will be given to allocating rural exception sites within specific rural settlements in the Allocations DPD and in Neighbourhood Plans where sufficient affordable sites to meet local need cannot otherwise be delivered.

G. The criteria for assessing speculative proposals for rural exceptions via planning applications will be set out in the Allocations DPD and will give priority to protecting the most sensitive sites and those areas of land where development would significantly undermine the openness of the green belt.

Supporting Text

To meet the identified need for affordable housing in the district the council will aim to ensure that 20 to 25% of the total housing delivery is affordable housing. The council will aim to achieve this target by utilising funding sources to support the delivery of affordable homes, maximising opportunities offered by council owned land and through developer contributions.

Given pressures upon development viability in parts of the main urban areas in order to meet the overall district wide affordable housing target, grant funding and any other forms of subsidy and funding for affordable housing should be directed towards development in the areas of highest need.

The council will seek affordable housing from residential developments in accordance with the stated thresholds and percentages as set out in Policy HO11. Figure HO2 shows the areas that the policy and the thresholds will apply to. This equates the following quotas:

- Wharfedale up to 30%
- Towns, suburbs and villages up to 20%
- Inner Bradford and Keighley up to 15%

Within Wharfedale and the villages listed in Part C of Policy HO11 affordable housing contributions will be required on developments of 11 units or more or which have a maximum combined gross floorspace of more than 1000sqm, in accordance with the minimum threshold for affordable housing contributions as set out in the National Planning Practice Guidance.

~~Irrespective of the thresholds~~, Policy HO11 will be applied to developments which have been manipulated in size (either in area or yield) in an attempt to avoid the provision of affordable housing, or which constitute piecemeal development. On smaller sites a commuted sum may be appropriate where this is justified by viability issues.

The council will seek to ensure an appropriate mix of affordable housing in terms of size, type and tenure. The final mix should have regard to the evidence of the SHMA, site suitability and any other relevant, robust and up to date evidence of local needs and/or economic viability. The council's preferred tenure mix of 70:30 social/affordable rent: intermediate will be the starting point for all affordable housing negotiations

The economic viability and circumstances of individual sites will be taken account of in the determination of the affordable housing contribution being sought. Where an applicant can evidence that a site would be unviable if affordable housing targets are required then the exact amount of affordable housing, or financial contribution, to be delivered will be determined by economic viability having regard to individual site and current market conditions. In such cases the council will expect a full development appraisal to be submitted for validation as set out in Policy ID2.

The evidence of affordable housing need as set out in the SHMA and the likely overall restraint on housing development in the smaller and rural settlements of the district means that the council and /or Neighbourhood Plans will need to consider allocating rural exception sites. The Core Strategy can be no more precise at this stage since the allocation of such sites will be a finely balanced decision based on the need for such housing and the number, type and environmental sensitivity of candidates for rural exception sites. In some cases there may be sufficient land within settlements to meet need without resorting to areas covered by policies which normally protect land from development, in others there might not.

The Allocations DPD will include a policy setting out the framework within which speculative planning applications for rural exceptions sites on non allocated sites will be judged. The priority will be to ensure that those areas which are most sensitive and most crucial to the maintenance of a robust green belt are protected.