

► Affordable Housing

- 4.45 The District Council considers the provision of affordable housing to meet the needs of local people to be one of the most important issues facing it. We are committed to ensuring that local people have the opportunity of a decent home. Some people cannot access the general housing market because their incomes are insufficient, so we will seek the provision of affordable housing to try and address these housing needs.
- 4.46 House prices in the District have risen significantly over recent years. They are simply not affordable to many local people. The substantial increase in house prices has not been matched by a similar increase in wage levels. The Council therefore defines 'Affordable Housing' as being homes provided to meet the needs of people who cannot afford to buy or rent suitable property on the open market and which are therefore homes made available at a rent or price below the normal market level, irrespective of size or type of dwelling, which are affordable (having regard to detailed formulae and other advice in its approved Supplementary Planning Guidance September 2005, which may be reviewed when necessary) and which are made available to meet demonstrated needs in the area (including needs evidenced in its Housing Needs Survey 2003 and updated figures based on the survey).
- 4.47 Affordable housing can be provided through 3 main routes:
- Direct provision by the District Council;
 - Provision by Registered Social Landlords (RSLs) or Charities; or
 - Provision by Private Developers.
- 4.48 The Council is pursuing all of these routes to ensure maximum delivery. We need to be innovative and look at different ways of delivering affordable housing, including through a range of tenures. One of the ways we will address the shortfall is to seek provision through the planning process as part of development. In addressing the community's need for a mix of housing types, the Council will require affordable housing provision on the basis of evidence. A major contribution to meeting need can, and must, be made through the planning process, although clearly not all of the need will be met that way. The sites allocated for housing development by Policy HS3, together with developments brought forward under Policies HS4 and HS6 where they are of a size requiring affordable housing, will together provide the main contribution towards affordable housing provision in the District over the Plan period.
- 4.49 Our Housing Needs Survey Update 2004 identified 530 affordable housing units are needed annually. Re-lets in the existing stock are insufficient to meet this need and there remains a projected requirement for an extra 269 affordable homes annually from 2004, for at least 5 years in order to meet all the backlog of unmet need and address newly arising need over that period. However, we anticipate that it will take longer than five years to clear the backlog and hence that the annual requirement thereafter will be in excess of the 155 homes required to meet newly arising need. We will regularly monitor progress towards meeting need and when necessary we will reassess the amount of unmet need.
- 4.50 There is a shortfall in affordable housing in each and every sub-area of the District as shown in the Housing Needs Survey report.

- 4.51 Affordable housing can be provided in urban and rural areas and be for discounted sale, for shared ownership or for rent (or a combination of these) wherever a demonstrable need exists. This is irrespective of tenure, ownership or financial arrangements. There are a number of types of provision and each will have a role to play and may be suited to meeting a particular group of needs or income levels. Properties must meet local housing need, which may require a range of affordable homes with costs that suit households of different income levels. The number of properties in any development is also likely to affect the mix needed. The homes must be suitable for the prospective occupants. Evidence suggests that in particular there is a requirement for significant proportions of both affordable rent and shared equity sectors to be provided overall in the District. We are particularly mindful of the need to increase the stock of low rent properties given that they may well be the only type of property ever affordable to some households. The Housing Needs Survey shows that new low cost market housing, unless in some way made available at a rent or price below the normal market level through the private or public sectors, will not contribute to meeting the need for 269 homes per annum referred to previously. Low cost market housing has a role to play in adding to the overall range of housing types in the stock but can only be seen as additional to the identified affordable housing need. The Council's priority is to rigorously pursue contributions of subsidised housing through Policy HS8.
- 4.52 The adopted Local Plan (1998) did not contain any policies specifically relating to affordable housing. However the First Deposit Draft Local Plan (2001) contained policies which reflected the guidance given in PPG3 (2000) and Circular 6/98. The Government also consulted on a draft revision to PPG3 during 2003, which it was proposed would replace Circular 6/98. It proposed a general reduction of thresholds to 15 dwellings or 0.5 hectares with the potential to adopt lower thresholds, to address the housing needs of our communities. In particular, it emphasised the potential contribution of sites below the main threshold to help meet the needs in small rural settlements. Some parts of PPG3 were subsequently changed in January 2005. The Government has now consulted on further draft revisions in a paper "Planning For Mixed Communities" (and on a Draft PPS3). This picks up on some of the earlier consultation issues. In the interim, Circular 6/98, including its thresholds, remains in force. The policy set out below therefore continues to reflect guidance in PPG3 (2000) (as revised in January 2005) and Circular 6/98 but adopts a lower threshold than those that were set out in the First Deposit Draft given the evidence of need across the District set out in our Housing Needs Survey (2003) and updated figures based on the survey. In particular, the threshold is justified by the exceptionally high level of housing need in all areas and the limited number of larger sites that are likely to come forward in the District as a whole.
- 4.53 The First Deposit Draft Local Plan recognised that a disproportionately large amount of housing land was located within the smaller rural settlements. Very little of this large bank of planning permissions relates to affordable housing. The Council's aim is to achieve a more sustainable distribution of housing and therefore expects to see the majority of new permissions, and hence the majority of affordable housing provision, in the urban areas together with a reasonable number of affordable dwellings in the rural areas, particularly to meet local needs. For monitoring purposes, the minimum target for affordable housing provision through Policy HS8 (and preceding emerging policy) for the period 2004-2021 is to achieve completion of at least 1160 homes (on average at least 69 homes per annum) which has been calculated as follows:

Table: Affordable Housing Minimum Target (Policy HS8 provision)

Source	Estimated Number of Affordable Homes
Existing Planning Permissions	280
Allocated Sites	620
Urban Capacity Sites	260
Total:	1160

Note: Estimates are based on affordable housing provision of one third on qualifying sites. In turn these figures are based on assumptions, for example density. Sites developed solely for affordable housing will generate additional affordable homes not included in the above target. Rural exceptions housing is not included in this target and will be additional. We will refine this target if necessary through our Annual Monitoring Report. This is a minimum target for monitoring purposes and is not a maximum. If this target is exceeded, affordable housing will still be required where there is evidence of unmet need remaining.

- 4.54 Minimum targets for affordable housing provision have been set for individual major housing sites allocated in Policy HS3 and they are given in the table in that policy.
- 4.55 The additional affordable homes provided by schemes comprising solely affordable housing will be additional to these numbers and not count towards the minimum target.
- 4.56 We will monitor affordable housing commitments and completions as part of a Plan-Monitor-Manage approach. As well as monitoring progress towards the overall numerical target, it will be necessary to look at the types of affordable housing provided in order to assess whether the specific social needs of South Holland are being met.
- 4.57 Where the application is for just 1 or 2 dwellings, but clearly forms part of a site for development of 3 or more dwellings, then the Council will seek the provision of affordable housing in accordance with this Policy. The minimum density of development across the site will be expected to be in the range 30 – 50 dwellings per hectare in urban locations, to accord with PPG3, and should reflect our Urban Capacity Study. The policies apply to all new planning applications for residential development, including applications for renewal of previous permissions.
- 4.58 Our normal requirement is for at least one third of the housing to be affordable housing and for it to be provided on site, within the development. However, in a particular case there may be good planning reasons why, as an exception to this normal requirement, it would be preferable either for the affordable homes to be provided by the developer on another site or for the Council to accept a financial contribution to an affordable housing scheme on another site. Also, if the proposed development consists of less than 9 dwellings the Council may accept a financial contribution to an affordable housing scheme on another site. We will only accept off-site provision or financial contributions where they are linked to a specific, planned affordable housing programme. The onus will be on the applicant to identify the affordable housing scheme where appropriate, or to discuss with the Council contributing to the Council's own scheme for funding of affordable housing programmes. Neither off site provision nor financial

contributions will be a less expensive option than on-site provision, but will be equitable. In calculating requirements for off-site provision or for financial contributions, regard will be had to the number of general market homes that the developer will achieve, the total number of dwellings (general market plus affordable) to be delivered across all sites which are part of the consideration and the site area(s) involved. The 'one third' affordable housing contribution refers to the provision of land at nil cost and in addition a capital contribution to the cost of the dwellings. Where applicants are seeking a reduction in the amount of affordable housing normally required it will be necessary for them to provide a robust financial appraisal of the development as part of the planning application to demonstrate why that reduction is justified. The Council will closely scrutinise such proposals. The Council will only seek less than one third of a residential development as affordable housing in exceptional circumstances.

- 4.59 In order to create and maintain an adequate supply of affordable housing, we will seek reasonable assurances that the dwellings provided will be made available for occupation by those people who are in need in that area. The measures necessary will depend upon the types of partners involved and the type of housing to be provided. For example, if a Registered Social Landlord (RSL) is involved who will manage the letting of dwellings, that provides some assurance. However, sometimes it will be necessary to use planning conditions as a means of control, or possibly planning obligations under Section 106 of the Town and Country Planning Act 1990. In the case of 'rural exceptions sites', it will always be a requirement that the affordable housing remains available as such not just for initial occupiers but for all subsequent occupiers too.

Policy HS8 - Affordable Housing

On residential development sites of three or more dwellings, or sites of 0.1 hectares or more, the Council will require the provision of a minimum of one third of the residential units as affordable housing on the site.

The requirements of this policy will also apply to proposals for conversion of buildings to residential use.

Any planning application which, on the grounds of viability, proposes a lower level of affordable housing provision than is required by this policy must be accompanied by evidence prepared by the applicant demonstrating that affordable housing at the level normally expected would impair the viability of the scheme and that the level proposed is the most that is achievable.

► Rural Exceptions

- 4.60 PPG3 (2000) as revised in 2005 allows limited opportunities for small-scale rural exception sites for affordable housing. Under this Policy the Council, whilst it has not allocated such sites in this Plan, may exceptionally grant planning permission on land that would not normally be released for development. This can provide a valuable opportunity to meet genuine local needs. The sustainability of proposals will be assessed with reference to the spatial strategy of the plan and our Settlement Services and Facilities Survey. Settlements with little or no basic services and facilities, and open countryside locations that are not related to a village, will not normally be favoured for new affordable housing provision, although each planning application will be

considered on its merits. Particular regard will be had to the settlement hierarchy set out in Policy SG3. The size of the application site and the number of units proposed should be commensurate to the settlement to avoid over development. We envisage rural exception sites to provide no more than 10 dwellings. The need for such a site should be clearly demonstrated with reference to the Housing Needs Survey.

- 4.61 The Council will therefore give consideration to proposals on suitable small rural sites outside, but normally adjacent, to the defined settlement limits of villages, as an exception to normal policy. Such locations, adjoining villages are more likely to be within reach of facilities and public transport than if based in the wider countryside, and should not result in sporadic development. The Council will also consider granting proposals which are well related to the built up area of one of the Other Rural Settlements, where there are some services and facilities present in the village and where the housing is essential to meet local need; only very exceptionally will proposals be allowed in other, less sustainable, locations. Some parishes have begun preparing parish plans and village appraisals. Such documents utilise local knowledge and can help to identify what need exists and where sites could be located. We will work closely with local parishes where the opportunity arises.
- 4.62 There is evidence of substantial need for affordable housing in the District, and in particular there is a real challenge in trying to clear a significant amount of the backlog of unmet need. Therefore the Council may also consider as an exception granting permission for small-scale proposals which are outside but adjacent the defined settlement limits of urban areas and well related to the town, which comprise solely affordable housing to meet demonstrated local needs.
- 4.63 High standards of design will be required in order to minimise the impact of exceptions schemes on the countryside and on the settlements themselves. As with any other housing scheme, we will need to consider carefully the sustainability of proposals, including impact on community infrastructure.

Policy HS9 - Rural Exceptions

On rural sites not identified for development in the Local Plan, affordable housing to meet local needs may be exceptionally permitted. Proposed 'exceptions site' development must:

- 1) meet an identified local need and be of an acceptable size, and in particular the occupant of each dwelling should meet the definition of local housing need;**
- 2) be subject to an agreement which ensures that it remains as affordable housing for local people and for second and subsequent owners / occupiers; and**
- 3) be in scale and character with the settlement in which it is to be located.**

The sustainability of proposals will be critically assessed with reference to our settlement services and facilities survey and spatial strategy.