

5.4 CS7: Affordable Housing

5.4.1 House prices in the district have increased considerably since 1991. This has had implications for the district's economy, particularly in terms of people living in the district and working outside it and providing for people with local links. It is a Council priority to provide affordable homes. PPS3: Housing states that "Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market."

5.4.2 Need for Affordable Housing

The Council's approach to affordable housing is based on the Housing Requirements Study 2003 undertaken by consultants (Opinion Research Services) on behalf of the Council. The Study concluded that there will be an annual overall need for 916 units of all types and tenures, of which 260 are affordable and 656 are open market dwellings – 28% affordable and 72% open market. This study pre-dated PPS3, and some low cost market housing was included which PPS3 no longer defines as affordable housing. However, provision of new affordable dwellings since 2003 has been below planned targets and the price of an average home in Bedfordshire has increased faster than average earnings. There is currently no evidence to suggest that the need for affordable housing has reduced since 2003.

5.4.3 The Council is currently working with other local authorities in Bedfordshire and Luton to produce a Strategic Housing Market Assessment (SHMA) in line with Government guidance. This will update the results of the 2003 Housing Requirements Study. The SHMA will not be finalised in time to influence the content of this Core Strategy but the Council will respond to the findings through future SPD and the review of the Core Strategy.

5.4.4 The Council is confident that the conclusions of the Housing Requirements Study will still be valid in the initial part of the Plan period and this Core Strategy is based on those findings. 28%, as a proportion of all housing completions, will therefore be the Council's affordable housing target.

5.4.5 Delivery of Affordable Housing

At the Regional level, the East of England Plan states that delivery should be monitored against the target for some 35% of housing coming forward through planning permissions to be affordable.

5.4.6 A small proportion of affordable homes comes from rural exceptions schemes (see Policy CS8). Around 10 new affordable homes have come from such sources each year for the past 4 years.

5.4.7 The amount of affordable housing delivered as part of new development is influenced by two issues: the threshold for qualifying sites and the proportion sought. Since a proportion of homes will come forward on nonqualifying sites, the proportion sought must be higher than 28% in order to deliver 28% in total. The higher the threshold, the higher the proportion needs to be on qualifying sites.

5.4.8 The Government has recently published PPS3 which gives guidance on the

definition and provision of affordable homes. It requires the LDF to identify the overall target for providing affordable homes. Most importantly for rural authorities such as Mid Bedfordshire, it allows for the local authority to set lower minimum thresholds than the national indicative minimum site size of 15 dwellings. In Mid Bedfordshire around half of all new homes come forward on sites below the national indicative minimum threshold in PPS3. A lower threshold is therefore justified and required to help meet the established level of affordable housing need locally.

5.4.9 A threshold of four dwellings is considered to be appropriate in order to meet the affordable housing requirement. A Viability Study has assessed the impact of such a threshold and reported that for the sites investigated, there were no viability reasons that should prevent the Council adopting a new threshold at this lower level.

5.4.10 In adopting this threshold, around 75% of all new homes would be on qualifying sites. A proportion of 35% affordable housing on qualifying sites, making a small allowance made for rural exceptions schemes, would result in the delivery of 28% overall.

5.4.11 The delivery of sufficient new affordable housing is a Council priority and the Council will continue to monitor the delivery of affordable homes closely. Should there be a continuing shortfall of affordable housing in the context of updated housing needs assessments, the Council will, in the future, increase the target for affordable housing on qualifying sites through subsequent SPD if it is demonstrated that this would be economically viable and would deliver more affordable homes.

5.4.12 The purpose of the LDF is to provide developers with information on the affordable housing requirements likely to be required in association with new development at the earliest stage, so that the associated costs may be factored into negotiations on land acquisition. Where a developer considers that the requirements of the Council would significantly harm the viability of a proposal, the onus will be on them to demonstrate this. Proven impact on the viability of the scheme will be a material consideration in the assessment of the planning application.

5.4.13 PPS3 states that there is a presumption that affordable housing will be provided on site. However, off-site provision or a financial contribution in lieu may be acceptable where it can be robustly justified. Such occasions will be rare. Commuted sums will be calculated on the basis of 50% of the open market units provided in order to maintain parity with on-site provision and retain the 35% affordable/65% open market split.

5.4.14 In terms of tenure split, the Council will require both social rented and intermediate tenure housing. Specific requirements will be set out in SPD. The location of units in larger developments will be expected to be 'clustered'. All units will be designed and constructed to the same high standards as market housing. Policy DM10 details the main considerations for determining the appropriate mix of all housing.

5.4.15 The Council will consider allocating sites solely for affordable housing where a need has been clearly identified that will not be met through conventional housing allocations in the Site Allocations DPD.

Policy CS7: Affordable Housing

New housing development for 4 or more dwellings should provide an element of affordable housing. Sites of 4 dwellings should include one affordable dwelling. On all other qualifying sites, 35% or more units should be affordable.

The Council's preference is for developers to provide fully serviced land on site, at no cost to the affordable housing provider. Use of alternative mechanisms should be fully justified with evidence that this would not prejudice the level of delivery of affordable homes. A mix of tenures will be required, in accordance with figures set out in a Supplementary Planning Document. Affordable housing should be constructed and designed to the same standard as market housing and should be fully integrated into the development. Within large housing developments, the affordable housing will be scattered through the development, or in small clusters. Where a site has been divided and brought forward in phases, the Council will consider the site as a whole for the purposes of calculating the appropriate level of affordable housing provision.

In exceptional circumstances and where robustly justified, commuted sums may be considered to achieve off-site provision of affordable housing.

Provision of fewer affordable homes may exceptionally be considered on sites only if the applicant produces evidence to demonstrate that to provide the full amount would make the scheme unviable.

5.5 CS8: Exceptions Schemes

5.5.1 Mid Bedfordshire is a rural area and it is important to provide for local housing needs in smaller settlements where it is unlikely that affordable housing would come forward as a proportion of a larger allocated housing scheme. In addition to Policy CS7, the Council considers that there is a need to continue with the approach of allowing rural 'exceptions' housing as set out in the Local Plan.

5.5.2 Exceptions schemes are constructed on sites beyond the Settlement Envelope and provide 100% affordable housing. Sites can be developed at a relatively low cost as the land value will be low. This saving can be passed on as affordable housing, either for rent or for part-purchase. The number, size and tenure of the houses built through local exceptions schemes will reflect the specific local housing need identified by a local survey in that settlement or parish (or in some cases adjacent settlements or parishes which cannot support their own scheme).

5.5.3 Where exceptions schemes are allowed, development will be expected to relate well to the structure and form of the village and in most instances will not exceed 10 dwellings. To be considered favourably, any proposal must demonstrate local need; be shown to be viable; be capable of continuing management; and remain available to meet local needs in the longer term.

5.5.4 It is expected that settlements with an existing range of services will provide

suitable locations, allowing potential residents to have access to a range of services without being reliant on the car as transport. Exceptions schemes will mainly be focused in smaller settlements where substantial allocations of housing are unlikely to be provided. Exceptions schemes may also be appropriate in larger settlements (Minor Service Centres and, occasionally, Major Service Centres) where there is a significant need for affordable housing which cannot be met through housing allocations or known windfall sites in that settlement.

5.5.5 The Council will work in partnership with Registered Social Landlords, bodies representing the interests of local people and developers to bring forward proposals under this policy.

Policy CS8: Exceptions Schemes

The Council will support proposals for 100% affordable housing designed to meet local housing needs adjacent to the defined Settlement Envelopes provided that:

- the local need is demonstrated;
- the scheme is viable;
- the scheme will remain available in perpetuity to local people who demonstrate a need for affordable accommodation;
- the design and location of the scheme relates well to the built up area of the settlement;
- the mix of size and tenure will relate to the needs identified in that area.