



Allerdale Borough Council

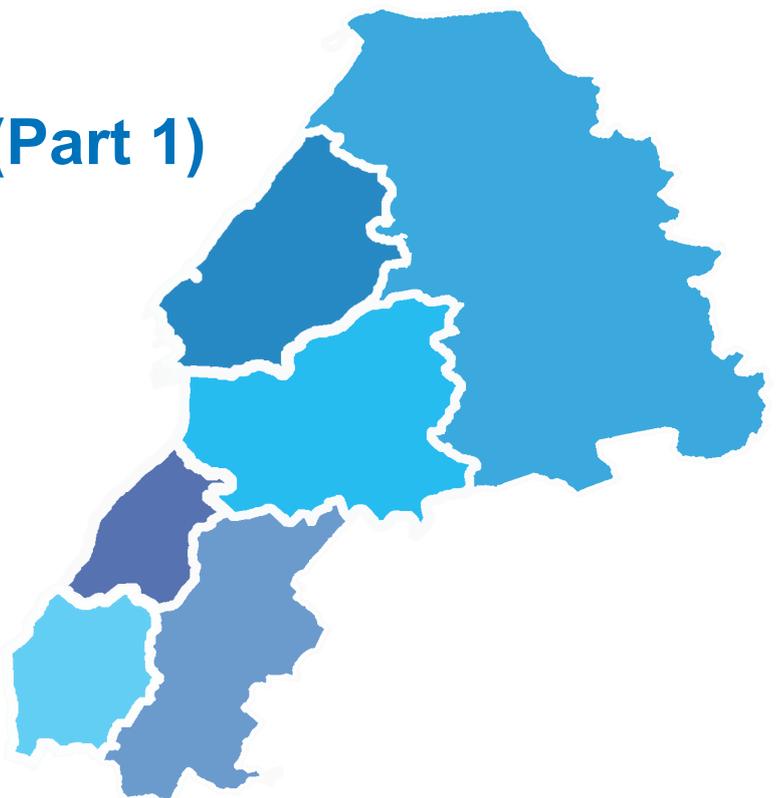


Allerdale Local Plan (Part 1)

Position Statement Main Matter 7:

The provision of Affordable Housing

January 2014



Allerdale Local Plan (Part 1) Examination – Allerdale Borough Council Position Statement January 2014

Main Matter 7: The Provision of Affordable Housing

Introduction

1. This Statement has been produced by Allerdale Borough Council to outline its response to the matters raised by the Inspector for the Hearings [ED3] into the Submitted Allerdale Local Plan (Part 1) Development Plan Document (DPD) [CD1].
2. These Statements form the main basis for the Council's submission to the Hearings. They relate to the elements of the DPD that have been raised by the Inspector as matters to be discussed. Where appropriate the Statements draw upon and cross-refer to the main sources of information used in the preparation of the DPD such as the outcomes of public consultation, the Sustainability Appraisal, the evidence base and the supporting Topic Papers. Core Document numbers are given where appropriate.

Position of the Council regarding Matter 7

3. The approach to the provision of affordable housing is soundly based. It is justified on the basis of up to date and robust evidence and is effective on the basis that the Council is confident that the approach is deliverable. The mechanisms for delivering affordable housing follow national policy and reflect local need and the Council's priority to deliver affordable housing.

Evidence of Affordable Need

4. The level of the provision of affordable housing is based upon the level of need identified in the Strategic Housing Market Assessment (SHMA) [EB2], the level of growth outlined in Policy S3 'Spatial Strategy and Growth', as well as the viability of delivery [EB3]. The Allerdale SHMAs [EB2] confirm that they were produced in

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accordance with Communities and Local Government Guidance and based on primary research and secondary research carried out by the Council and Partners. The Council considers that taken in context the evidence provides a sound basis to develop policy.

5. The evidence clearly demonstrates a high level of affordable need. It suggests that there is a need for approximately 181 affordable dwellings per annum to meet backlog and emerging needs **[EB2e]**. This must be placed in the context of the housing requirement identified in Policy S3 which plans for 304 homes (both open market and affordable) each year over the plan period. This equates to nearly 60% of the annual housing requirements.
6. The provision of affordable homes is one of the Council's key priorities **[SD35]**. The majority of affordable housing that is built across the Plan Area is delivered as part of new development. Therefore, planning policies have a central role in helping to deliver low cost homes through quotas of affordable dwellings being negotiated and delivered on open market housing sites.

Planning Policy

7. The National Planning Policy Framework (NPPF) states that planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area (NPPF 47). And should set flexible policies for meeting this need preferably on site, and reflect local needs, particularly for affordable housing, including through rural exception sites where appropriate (NPPF 50 and 54).
8. Policy S8 'Affordable Housing' and Policy S9 'Rural Exception Sites' of the Allerdale Local Plan provide the framework for delivering much needed affordable

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housing for the communities of Allerdale. Consistent with national policy the approach sets out the circumstances for securing affordable housing through open market development, and provides the framework to help meet needs in rural areas.

9. The Plan seeks affordable housing contributions from housing development of over 10 dwellings in Principal and Key Service Centres, and from housing sites of 5 dwellings and above elsewhere. The approach is justified in the context of the scale of affordable housing need in the district, past delivery, coupled with the fact that small housing sites have been and will continue to be an important source of housing land supply. The Council consider that this context provides a strong justification for seeking contributions from small housing sites.
10. The proportion of affordable housing sought in Policy S8 has been developed using the available evidence of need identified in **EB2** together with the viability and market evidence provided by **EB3**, **EB3b**, **TP2a** and **TP2b**. Policy states that within Principal and Key Service Centres qualifying proposals should make provision for 20% affordable housing, with the exception of Cockermouth where the level of provision is 40% given the high level of need, and the evidence of a more viable housing market. For the rest of Allerdale Local Plan Area the Council seeks to secure an affordable provision of 25%.
11. According with national policy and evidence [**EB3b**] Policy S8 makes provision for flexibility in provision to ensure that where development viability is compromised by the policy requirements there is room for negotiation. This is an important facet of the policy given the economic conditions and the site specific viability that can be pronounced even across parish areas in Allerdale.

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Viability of Affordable Housing Provision

12. Affordable housing targets, thresholds and proportions are supported by assessment of economic viability which takes into account economic viability studies as well as local evidence such as delivery of housing and recent planning applications.
13. In line with the National Planning Policy Framework (Paragraph 173) the Council has carefully considered the impact of policy requirements on the economic viability of sites and scale of development identified within the local plan. The Council has produced a Housing Viability Study July 2010 **[EB3a]** and Housing Viability Study Update January 2012 **[EB3b]**. These 'strategic level' studies focused on the influence that different policy standards would have on the policy target and considered the ability to deliver affordable housing target within the context of strategic growth options.
14. **EB3b** confirms that under current economic conditions modeling a 20% affordable housing contribution on all SHLAA sites (no size threshold) would result in an estimated potential yield of 1,444 dwellings, or 4.75 years of supply when viewed against the Local Plan Requirement (304 units) when both 'viable' and 'marginal' sites are taken into account. When the cumulative impact of Local Plan policies was tested in the Cumulative Viability Assessment Topic Paper **[TP2]**, the model yielded a potential 1,624 dwellings (5.3 years supply) under 'moderate' conditions (10% uplift), while 2,437 and over 8 years supply under 'good' conditions (20% uplift).
15. The assessment also looked at the impact of varying site size thresholds, and demonstrated that modeling using a threshold of below 15 (10 and 5) units has a

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very limited negative impact on site viability across the Borough's 'low' and 'moderate' value locations as evidenced in table 4.7, 4.12 and 4.13 within current and improved market conditions. This indicates that introducing a reduced site size threshold has a very limited, albeit negative impact on viability at a strategic level.

16. The Cumulative Viability Topic Paper **[TP2]** and Cumulative Viability Assessment Topic Paper Update **[TP2a]** provide the Council with analysis of evidence that further demonstrates that the policy requirements for development set out within the Allerdale Local plan are compatible with the economic viability related to the development land within the plan area. **TP2a** highlights the contrast between the scenario posited by the strategic viability assessment and actual residential development activity. Land registry searches have revealed a range of land values within the low market areas, demonstrating that broad spectrum of submarkets exist. Contrary to the results of the strategic viability modeling, sites have consistently been able to provide affordable housing and other S106 developer contributions.
17. Policies were developed taking a long-term view of economic conditions and as such they take into account future improvement in the conditions of the economy and housing market in mind. Recently published statistics confirm nationwide economic and housing market recovery and therefore, the results of 'uplift' scenarios set out in the Cumulative Viability Topic Paper **[TP2]** must be taken into account.
18. The Allerdale Housing Viability Study (2012) **[EB3b]** concludes that it is important that policy remains flexible to enable Allerdale Council to maximise provision of affordable housing from development whilst allowing for a balance to be struck between remaining within site viability, and ensuring local community and infrastructure requirements are met. Undertaking open book negotiations on a site

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specific basis has the potential to fulfill a role if these competing objectives are to be reconciled. The Council considers that the policy strikes an appropriate balance between the requirement to secure sustainable development and ensuring that the scale and costs of contributions sought do not compromise viability and deliverability.

19. The Allerdale Housing Viability Study (2012) **[EB3b]** and the Allerdale Cumulative Viability Assessment Topic Paper (2013) **[TP2a]** demonstrate that viability in Allerdale can be challenging, especially against a backdrop of a severe economic recession. However, careful consideration of available evidence shows that the Local Plan Strategy is deliverable and policies will not constrain development, given; continued evidence of housing delivery, the proportion of deliverable and greenfield land in the SHLAA, flexible policy approach, together with prospects of economic/housing growth over the Plan Period.

20. Viability is considered in more detail in Main Matter 6: Viability of Housing Provision in Low Market Areas.

Affordable Housing Delivery

21. Despite the severe economic conditions there has continued to be a good delivery of affordable housing, with an average of 17% of net housing completions over the past 5 years. This includes provision from sites of all scales including those of 5 units.

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Reporting year	Housing Completions (Net)	Affordable Housing Completions (Net)
2011/12	192	31
2010/11	67	25
2009/10	222	19
2008/09	148	45
2007/08	210	24

Figure 1: Housing delivery (source: Allerdale AMR and Housing Services)

22. The Council considers that this continued delivery provides further evidence to suggest that Policy S8 is justified and deliverable.

Meeting the full assessed need for Affordable housing

23. The Strategic Housing Market Assessments (SHMA) **[EB2]** identify a need for affordable housing in the Plan Area of approximately 181 dwellings per annum to meet backlog and emerging needs. When placed in the context of the annual requirement of 304 dwellings p.a. this equates to nearly 60% of the annual housing requirements. The Plan could in principle, support the delivery of a planned rate of housing which would meet full affordable housing needs. However, as explained **TP2a** this approach is severely flawed and in reality this would render the spatial strategy unachievable and would move to heighten the housing market imbalance rather than the contrary.
24. Taking into account the viability of providing affordable housing as a proportion of the total units in a market housing development, it is acknowledged that full affordable housing needs will not be met in their entirety through a developer

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contributions mechanism alone. The objective assessment prepared to evidence the housing figure in the Plan explains that the level of market housing needed to do so would undermine wider strategic policy aspirations. An important aspect of delivery in rural areas is presented in Policy S9 'Rural Exception Sites' of the Local Plan. This rural exception policy supports the delivery of affordable housing across the District where need exists and makes provision for cross subsidy from open market dwellings.

25. Furthermore, the Council acknowledges that in order to meet the full needs for affordable housing it needs to develop strategy and other mechanisms for delivery in addition to those outlined in the Local Plan. Provision of Affordable housing is a key priority in the Allerdale Council Plan **[SD35]**, therefore in addition to developing local plan policy the Council is working with external partners to investigate and develop mechanisms to ensure affordable housing can still be developed now and in the future. The Council is committed to keeping up-to-date evidence of need to enable the development of 'priority areas' and is working collaboratively with registered providers, developers, Community Land Trust to target provision of housing.
26. Furthermore, the Council is working on innovative ways of delivery such as investigating boosting affordable housing provision through providing financial support to community land trusts, purchasing of empty homes, discounted sale of Council assets, and looking at ways to utilise New Home Bonus funding to deliver affordable homes.
27. By developing a range of mechanisms, in addition to securing homes through a proportion of market provision, the Council is working towards a more sustainable, affordable and balanced housing market.