



Babergh Local Plan Alteration No. 2

Public Inquiry

Topic Paper: Affordable Housing

October 2004

Babergh District Local Plan Alteration No. 2

Topic Paper:

Affordable Housing

Contents

1. Introduction
2. Key Policy Objectives
3. Wider Policy Context
4. Characteristics of the District
5. Babergh District Housing Needs
6. Evolution of the Plan
7. Key Issues Raised By Objectors
8. The Council's Response to Key Issues
9. Conclusion

Appendices

Appendix A Policies HS08 and HS08a

1. **Introduction**

- 1.1 This Topic Paper sets out the background to and reasons for Babergh District Council's policies on affordable housing. It draws upon the Housing Needs Survey carried out in 2000 and is updated by the 2004 survey. It also addresses the main issues raised by objectors to the Local Plan Review affordable housing policies and supporting text.

2. **Key Policy Objectives**

- 2.1 The affordable housing policies of the Babergh Local Plan Review seek to provide an adequate supply of affordable housing in urban and rural parts of the District.
- 2.2 The key policy objectives relating to affordable housing are set out in paragraph 3.1 of the plan as follows:-
- To meet the housing requirements of the Babergh District, including the provision of significant affordable and special needs housing.
 - To provide for wider housing opportunities, choice and a better mix in the size, tenure, type and location of housing and to create mixed communities.

3. **Wider Policy Context**

Government Policy

- 3.1 Circular 6/98 Planning and Affordable Housing states in paragraph 1 that where there is evidence of need for affordable housing, local plans should include a policy for seeking an element of such housing on suitable sites. The definition of "Affordable Homes" (para 4) used in the Circular encompasses both low-cost market and subsidised housing, irrespective of tenure, or ownership, whether exclusive or shared, or financial arrangements, that will be available to people who cannot afford to rent or buy houses generally available on the open market.
- 3.2 Paragraph 10 of the Circular sets out the criteria for affordable housing sites as housing developments of 25 or more dwellings, or residential sites of 1 hectare or more, irrespective of the number of dwellings.

3.3 Paragraph 10 goes on to state that..... “it may be appropriate for local planning authorities..... who are able to demonstrate exceptional local constraints, to seek to adopt a lower threshold”, but that this should not be below 15 dwellings or 0.5 hectare in settlements over 3,000 population “in settlements in rural areas with a population of 3,000 or fewer, the local planning authority should adopt appropriate thresholds. These should be based on assessments which include local needs and the available supply of land for housing, and should be adopted only through the local plan process”.

3.4 Planning Policy Guidance Note 3 states that:-

- Local planning authorities should plan to meet the housing requirements of the whole community, including those in need of affordable and special needs housing; (para 2).
- Provide wider housing opportunity and choice and a better mix in the size, type and location of housing than is currently available and seek to create mixed communities; (para 2).
- Secure an appropriate mix of dwelling size, type and affordability in both new developments and conversions to meet the changing composition of households in their area in the light of the likely assessed need; (para 11).
- A community’s need for a mix of housing types, including affordable housing, is a material planning consideration, which should be taken into account in formulating development plan policies; (para 14).
- Where there is a demonstrable lack of affordable housing to meet local needs as assessed by up to date surveys and other information, local plans should include a policy for seeking affordable housing in suitable housing developments; (para 14).
- Local plan policies should define what is affordable in the local plan area (para 15), and indicate how many affordable homes need to be provided in the plan area.
- Rural affordable housing provision may be augmented by an “exception” policy (para 18).

Regional Policy

3.5 Regional Planning Guidance for East Anglia (RPG 6) has the following reference to affordable housing:-

- Housing affordability is critical for ensuring access to housing, particularly in areas with high land and house prices (para 4.21).

- To meet identified housing needs, including affordable housing (para 3.5).
 - A range of types of housing will be needed if all sections of the community are to have the opportunity of a decent home (para. 4.20).
 - Much of the additional housing developed in recent years has been larger detached houses, often making inefficient use of land; (para. 4.20).
 - It will be important to target additional housing to wider housing choice, meet the needs of particular groups and reflect demographic changes (para 4.20).
 - Limited affordability will tend to exacerbate social exclusion and increase the demand for and the difficulty in providing social housing; (para 4.21).
- 3.6 Policy 10 states that provision should be made for a range of dwelling types and sizes to meet the assessed needs of all sectors of the community, including the elderly and disabled. Affordable housing should be provided where it is needed in both rural and urban areas and located wherever possible, where there are good public transport services to employment and services.
- 3.7 The supporting text for Policy 10 states.... “in order to facilitate the provision of an adequate supply of affordable housing local authorities should also :-
- Make use of supplementary planning guidance and site specific development briefs to guide developers.
 - Seek to establish mechanisms designed to ensure that affordable housing is kept affordable in perpetuity”.

Structure Plan

- 3.8 The Suffolk Structure Plan was adopted in 2001 and Strategic Aim 2 states:-
- To an extent and consistent with Strategic Aim 1 the Structure Plan will:-
- (b) meet identified housing requirements.
 - (c) Integrate provision for development and transport
- 3.9 Subordinate to this aim is the objective:-
- To enable the provision of affordable housing. This includes both social and general market housing (page 13).
- 3.10 Policy CS9 states that affordable housing sites should be allocated if a local need can be demonstrated to the satisfaction of the local planning authority (page 32).

- 3.11 Policy ENV3 seeks to achieve high quality design and densities of development, which are consistent with the efficient use of land.
- 3.12 In new housing a mix of types, sizes and densities of dwelling should be provided consistent with local needs, the characteristics of the area and the principles of good design.

4. **Babergh District Housing Needs**

4.1 The District Housing Needs Survey was carried out on behalf of Babergh District Council by David Couttie Associates in 2000. A new survey has been carried out in 2004. The policies contained in the 2nd Deposit Draft alterations are however based on the 2000 survey. Information given below is from the 2000 survey with 2004 information in brackets. The surveys set out the following facts about the need for affordable housing in the District:-

- The annual rate of house price inflation in the region at 31 March 2000 was 17.9% higher than the UK average of 14.5%, (9.3 for East Anglia and 14.2 UK, 2004).
- Access to home ownership would be very difficult for 43% (95%) of newly forming households.
- The private rented sector makes little contribution to access to affordable housing.
- Access to home ownership is beyond the means of over 50% (between 96% and 100%, 2004) of concealed households identified in the survey.
- 97% (87 %) of concealed households are young people wishing to set up their own household who are the “children” of Babergh residents.
- Just over 78% (75%) of new or concealed households would have an annual income of £20,000 or less.

4.2 The survey estimated that the total affordable housing need annually in Babergh District is for 618 units annually. After allowing for re-lets of the existing social stock (average 300 units), (350 in 2004) this leaves an annual affordable housing shortfall of 318 units. This level of need significantly exceeds the number of units likely to be delivered from new delivery or conversions, resulting in growing levels of unmet need each year.

- 4.3 The model used to calculate the need for affordable housing has been altered in accordance with good practice guidance produced in 2000, this has resulted in different figures being produced which are not directly comparable with those in the 2000 Housing Needs Survey. Using the latest approach set out in the 2004 Housing Needs Survey the total annual affordable housing need is 562 dwellings and the annual shortfall is 212 dwellings. This level of need still significantly exceeds the number of units likely to be delivered from new delivery or conversions, resulting in growing levels of need each year. Despite the apparent change in the requirements it is evident from Council waiting lists, the information set out in the bullet points above and the 2004 Housing Needs Survey that the need for affordable housing has increased since 2000.
- 4.4 The major preference is for owner occupation at 65% (71% in 2004) among new or concealed households, although 43% would find this difficult in 2000 with the situation considerably worse in 2004.
- 4.5 The 2000 survey recommended the following Planning Strategy to the Council (para 1.9.4).
- “Negotiations with prospective developers towards achieving a target of up to 30% subsidised affordable homes from the total of all suitable sites coming forward for planning consent over the six-year period to 2006. Each site will need to be assessed individually, targets being subject to wider planning, economic priority and sustainability considerations;
 - Use site development briefs to promote the additional delivery of 150 unsubsidised low-cost market units in the period to 2006 to meet the needs of new forming households with income levels adequate to access the local market;
 - Each site will need to be assessed individually, targets being subject to wider planning, economic priority and sustainability consideration;
 - Undertake a detailed Stock Supply/Demand analysis in both general market and affordable sectors to provide information on shortfalls or surpluses of stock by type and size at local sub-area level. This will support Development Strategies, site development briefs and negotiations with developers and in addressing the current stock imbalance as required by PPG3”.
- 4.6 David Couttie Associates define affordable housing in paragraph 8.5.3 of their report as: -
- “Affordable housing is that provided, with subsidy for people who are unable to resolve their housing needs in the local private sector market because of the relationship between housing costs and incomes”.

- 4.7 In the 2004 Housing Needs survey the Planning Strategy has altered slightly:-
- Enable provision for a mix of types but mainly small units to meet the needs of smaller households.
 - Negotiate with prospective developers towards achieving up to 40% subsidised affordable homes from the total of all suitable sites coming forward for planning consent over the period of the Local Plan. Each site will need to be assessed individually, targets being subject to wider planning, economic priority, regeneration and sustainability considerations and will require a flexible approach to specific site negotiation.
 - House price inflation over the last six years has significantly increased the need for low cost market housing provided with some form of subsidy to be available below general market price / rent levels especially to meet the needs of Key workers and those on above average incomes.
 - A general apportionment of 75% Registered Social Landlord rented units and 25% subsidised low cost market housing should be set for future negotiation in meeting overall targets for affordable housing.
- 4.8 In the 2004 survey the DCA definition of affordable housing has changed slightly :-

“Affordable housing is that provided with subsidy, both for rent and low cost market housing, for people who are unable to resolve their housing requirements in the local private sector housing market because of the relationship between housing costs and incomes”.

5. **Characteristics of Babergh**

- 5.1 There are two main towns – Sudbury and Hadleigh and extensive rural areas comprising 76 parishes. The largest town is Sudbury, which has a population of approximately 20,000 (including Great Cornard). Sudbury has been the main focus of growth in the District and it is identified as a location for substantial housing growth. The second largest town is Hadleigh with a population of around 7,000. The District also covers part of urban fringe edge of Ipswich and with a population of 130,000 is expected to expand further into Babergh.
- 5.2 The District also contains a wealth of attractive villages, historic buildings and countryside, with much of the countryside designated as having high landscape value, with two Areas of Outstanding Natural Beauty and two special landscape areas. There are also 29 conservation areas and approximately 4,000 listed buildings within the District.
- 5.3 Approximately 70% of dwellings are semi-detached, detached or bungalows with over a third of them with four or more bedrooms. New developments in rural areas tend to be small in scale and with few dwellings in each development.

5.4 The character changes from deep countryside in the west to the River Estuaries of the Orwell and the Stour in the east. The area is also serviced by good rail links to London and the north east and is in close proximity to Stansted Airport.

6. Evolution of the Local Plan Review Strategy

Adopted Local Plan

6.1 Babergh Local Plan Alteration No. 1 was adopted on the 2 June 1995.

It contains four policies on affordable housing:-

- Policy LP9 sets out a definition of local need and how it will be interpreted for rural exception housing sites. Strict criteria are set down and the local need will have to be substantiated.
- Policy LP10 gives criteria for the location of affordable and local need housing both within villages and on rural housing exception sites on the edge of villages.
- Policy LP11 sets out requirements to ensure the satisfactory and effective delivery of local need and affordable housing.
- Policy LP12 deals with affordable housing in towns and larger villages setting thresholds and giving an indication of the proportion of affordable housing on the sites listed and new larger sites.

Issues Report

6.2 An issues report was published for consultation in January 1999 and issues 10 and 11 related to Local Needs Housing and Affordable Housing respectively. This report suggested that the relevant policies should be updated to reflect the latest changes as set out in Circular 6/98 and delete any sites which had been built or obtained planning permission and add in new allocations.

First Deposit Draft

6.3 The First Deposit Draft was published for public consultation in Sept 2001. Policy LP9 was reduced to supporting text. Policy LP10 has been amended to take into account Circular 6/98 and re-numbered HS06. Policy LP11 has been re-numbered HS07 and slightly amended. Policy LP12 has been re-numbered HS08 and updated to make the requirements more specific, with new thresholds of more than 0.5 hectare or over 15 dwellings, 20-30% of dwellings should be affordable. Specific sites are listed and the policy also applied to renewal of planning permission.

Second Deposit Draft

- 6.4 Following consideration of objections received concerning the First Deposit Draft Plan the Council published the Second Deposit Draft in May 2003. The supporting text has been extensively modified and updated and a new Policy HS08a relating to small sites of 0.1 hectare or 3 dwellings was introduced. Other policies were updated and slightly amended.
- 6.5 Policy HS08a seeks to provide affordable housing in smaller settlements below 3000 population. In these smaller settlements the threshold is set very low because at 3 dwellings or 0.1 hectare because the majority of residential developments in rural areas are small, often a few dwellings. Within Policy HS08a if affordable housing cannot be provided on site, a commuted sum may be acceptable to provide subsidised affordable housing on an alternative site.
- 6.6 In Policy HS08 the maximum requirement for affordable housing has been increased to 35%. New sites have been added in while older sites have been deleted.

Pre-Inquiry Changes

- 6.7 In order to help clarify how policies HS08 and HS08a will operate it is proposed to delete the following from paragraph 3.41i:-
- “In settlements with a population of 3,000 or more where Local Plan allocations have been made, the threshold for applying Policy HS08 is developments involving 15 or more net new dwellings or sites of 0.5 hectares or larger. In the smaller settlements the threshold for applying Policy HS08a will apply to developments of 3 or more net new dwellings or sites of 0.1 hectares or larger”.
- 6.7 Amend the start of HS08 to read:-
- “On those allocated sites listed below, and others which come forward for residential development in settlements with a population of 3,000 or more and which are 0.5 hectares or more in size....”.
- 6.8 Amend the start of HS08a to read:-
- “In settlements with a population of less than 3,000 proposals for development.....”.
- 6.9 These modifications are also in response to some of the objections to these policies.

7. **Key Issues Raised by Objectors**

- 7.1 A number of key issues were raised by objectors to the affordable housing policies in the Local Plan Review, during the First and Second Deposit stages. These key issues can be summarised as follows:-

Delivery of Affordable Housing

- 7.2 The Council have expressed a preference for affordable housing being delivered via housing associations or other registered social landlords. This is contrary to Circular 6/98 paragraph 4, which states that “planning policy should not be expressed in favour of any form of tenure” and the private sector can also provide affordable housing.

Site Threshold

- 7.3 Objections have been received in relation to the two thresholds referred to in the local Plan 0.5 hectares or 15 dwellings and for small settlements one in three dwellings or 0.1 hectares.

Housing Need

- 7.4 Some objectors do not consider that there is such an exceptional need for affordable housing that it has to be addressed through a policy. The proportion of affordable housing required is also disputed.

Off-Site Provision

- 7.5 One objector has said that provision should be made on site while another has argued that payment for off-site development may hinder development.

8. **The Council’s Response to Key Issues**

Delivery of Affordable Housing

- 8.1 The preference for delivery via housing associations, or other registered social landlord reflects the Council’s definition, which excludes low-cost market housing provided without subsidy as being affordable in this District.

Site Threshold

- 8.2 The proposed reduction to a threshold of 15 dwellings (in settlements over 3000 population) is due to the character and scale of housing development in the District. If the threshold was solely set at the higher level advocated by objectors or in Circular 6/98 then very few affordable dwellings would be delivered. The housing need within the District would therefore continue to rise. In rural areas most developments are below 15 dwellings and the need for affordable housing is just as great in villages, it is also important to have a mix of housing tenure within villages as well as a social mix, in order to try and achieve sustainable communities. In the South Cambridgeshire Local Plan review the need for affordable housing was accepted as 1 in 2 of new dwellings.

Housing Need

- 8.3 The Housing Needs Survey was carried out in accordance with DTLR Guidance. The Council will be monitoring the Local Plan in respect of the amount of affordable housing projected and coming forward.

Off-site Provision

- 8.4 The Government Office has objected to off-site provision of affordable housing. The Council accept this general argument and would only agree to off-site provision as a last resort as this could lead to a less mixed development and it would be difficult to find and finance an alternative site. Off-site provision would only occur therefore in very exceptional circumstances.

9. Conclusions

- 9.1 The Council's affordable housing policies are based upon an up to date assessment of housing need prepared in line with government guidance by David Couttie Associates.
- 9.2 The policies comply with current and emerging Government guidance on the provision of affordable housing on development sites and rural exception sites. No further changes are proposed to these policies, or to their reasoned justification.

Policies HS 08 and HS 08a

HS08 On those allocated sites listed below, and others which come forward for residential development **in settlements** with a population of 3,000 or more and which are 0.5 hectares or more in size, capable of accommodating at least 15 dwellings, or on sites of similar size and capacity on which a renewal of planning permission is sought, the District Council will require 20-35% of dwellings to be provided in the form of affordable housing to meet identified local needs. Such properties will be required to be owned or managed by a registered social housing landlord, (or other providers compliant with Circular 6/98) in perpetuity.

- Walnuttree Hospital, Sudbury
- Cornard Road, Sudbury
- People's Park, Sudbury
- Head Lane , Great Cornard
- Church Road, Sproughton
- Folly Road, Great Waldingfield
- The Chilton Mixed-Use Development Package
- Grays Close, Hadleigh
- Rotheram Road, Bildeston
- Friends Field, Bures St. Mary
- Church Farm, Whatfield
- Bures Road, Great Cornard
- Goodlands Farm, Boxford
- High Bank, Melford Road, Sudbury; and
- Shawlands Avenue, Great Cornard

The precise number, size and type of affordable housing units and appropriate tenure arrangements to be provided on any site will relate to contemporary demands, as indicated in the most recent Housing Needs Survey, site location and other factors and should be negotiated with the District Council before a planning application is submitted.

HS08a In settlements with a population of less than 3,000 proposals for development either on sites of 0.1 hectares or more in size or which propose three or more dwellings will be required to provide one in three of the new dwellings in the form of affordable housing to meet identified local needs. Such properties will be required to be owned or managed by a registered social landlord, or other providers compliant with Circular 6/98 and held in perpetuity.

If a developer cannot provide the affordable housing on site, a commuted payment will be required in line with the prevailing charges set out by the District Council in order to provide subsidised affordable housing on an alternative site.