

Policy BSC3: Affordable Housing

B.104 Cherwell has a high level of need for affordable housing which is defined by the Government in the NPPF as comprising social rented, affordable rented and 'intermediate' housing (such as shared ownership) provided to eligible households whose needs are not met by the market.



B.105 The Oxfordshire Strategic Housing Market Assessment (SHMA) 2014 has identified a net need of 407 affordable homes per year. This is calculated by taking into account the backlog need, need from newly forming households, existing households falling into need and the supply of affordable housing. The SHMA points out that its needs model is based on evidence at a point in time and does not, for example, take account of the role which the Private Rented Sector plays in meeting the needs of households which require affordable housing. The Council's previous 'Strategic Housing Market Assessment Review and Update 2012' concluded that the net housing need based on the ability to afford private rents is 186 homes per year or 831 homes per year based on the ability to buy an entry level property. By applying a social/affordable rent split based on affordability, the overall need was identified as being in the region of 300 homes per year. Assessing need is complex and the level of need will fluctuate. However, the need to provide affordable housing at viable levels is clear.

B.106 The Council's Housing Strategy 2012-17 takes into account Government policy on the provision of affordable housing and the Homes and Community Agency's current funding regime. The additional value in the stock of affordable housing can be used by Registered Providers to secure finance for further investment in new housing.

B.107 The Housing Strategy seeks to increase the supply of, and access to, affordable rented housing. It sets a target of delivering 750 affordable homes in total between 2012 and 2017 which include new homes, the acquisition of market homes by Registered Providers and bringing empty homes back into use. The Housing Strategy highlights the importance of developing sustainable communities.

B.108 The Housing Strategy recognises the need for affordable homes, and aims to ensure that Cherwell is well-placed to maximise investment by Registered Providers and to respond to opportunities as they arise. A Delivery Plan will be prepared to implement the strategy, which seeks

to maximise the resources available to support delivery, to maintain a close dialogue with Registered Providers, and to be innovative in the way affordable housing is provided.

B.109 Securing new affordable housing on site as part of larger developments is the most significant way in which homes can be provided. Policy BSC3 therefore seeks to achieve this so that the supply of new homes reflects the high level of need.

B.110 Housing proposals will need to provide affordable housing where they meet the qualifying thresholds. Where the number of dwellings proposed falls below the relevant threshold, or the number of dwellings is not specified, the Council will consider whether or not sites reasonably have capacity to provide the number of dwellings that would trigger the requirement to provide affordable housing. The purpose of this is to ensure that the policy requirement is not being avoided through inappropriate planning such as ineffective or inefficient use of land or a mix of dwellings that does not reflect other housing policies or local needs.

B.111 An Affordable Housing Viability Study has been produced to assess the levels of affordable housing that could reasonably be required from new housing developments. In general, the higher land values in rural areas and at Kidlington allow for higher affordable housing requirements per site than at Banbury and Bicester where land values are lower.

B.112 The Affordable Housing Viability Study demonstrates that in general affordable housing can be delivered in Cherwell without social housing grant or other grants. The Homes and Communities Agency expects that affordable housing requirements will be met without social housing grant and this assumption underpins this policy.

B.113 Where scheme viability is a concern, consideration of the potential availability of grant or other grant, and negotiations on the mix, type and tenure of housing will take place using an 'open-book' economic viability assessment. Unless otherwise agreed it will use the Council's residual value based, appraisal model.

B.114 The starting point for the mix of affordable housing to be secured will be Local Plan 'Policy BSC 4: Housing Mix', the Council's Housing Register and local housing need surveys. Credible information from Registered Providers and developers will also be considered.

B.115 Discussions as to whether it would be appropriate to include a 'cascade' mechanism in legal agreements, potentially enabling the secured form and/or quantum of affordable housing to be varied, will only be entered into with the benefit of an 'open-book' economic viability assessment and having regard to the risks to delivery in each case.

B.116 Financial contributions made under Policy BSC 3 will be secured by legal agreement for the provision of affordable housing.

B.117 The Council will support proposals for community self-build or self-finish affordable housing particularly where it will result in suitable empty properties being brought into residential use.

B.118 The Council has established a community self-build housing programme known as 'Build!®' and has financial commitment (subject to contract) from the Homes and Community Agency (HCA) for new build and for the refurbishment of empty homes. It is a member of a Government-Industry

Self-Build Working Group and has contributed to a National Action Plan to develop community self-build.

B.119 The Council's Housing Strategy 2012-17 includes a target of delivering the first 180 community self-build homes through its 'Build!'® programme by 31 March 2015. The Council is also in the process of establishing a District-wide Community Land Trust which will help create the conditions for, and facilitate, community-led housing more generally. Affordable housing will be expected to reach the HCA standards identified in the Draft Planning Obligations SPD.

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At Banbury and Bicester, all proposed developments that include 11 or more dwellings (gross), or which would be provided on sites suitable for 11 or more dwellings (gross), will be expected to provide at least 30% of new housing as affordable homes on site.

At Kidlington and elsewhere, all proposed developments that include 11 or more dwellings (gross), or which would be provided on sites suitable for 11 or more dwellings (gross), will be expected to provide at least 35% of new housing as affordable homes on site.

Where this policy would result in a requirement that part of an affordable home should be provided, a financial contribution of equivalent value will be required for that part only. Otherwise, financial contributions in lieu of on-site provision will only be acceptable in exceptional circumstances.

All qualifying developments will be expected to provide 70% of the affordable housing as affordable/social rented dwellings and 30% as other forms of intermediate affordable homes. Social rented housing will be particularly supported in the form of extra care or other supported housing. It is expected that these requirements will be met without the use of social housing grant or other grant.

Should the promoters of development consider that individual proposals would be unviable with the above requirements, 'open-book' financial analysis of proposed developments will be expected so that an in house economic viability assessment can be undertaken. Where it is agreed that an external economic viability assessment is required, the cost shall be met by the promoter.

Where development is demonstrated to be unviable with the above requirements, further negotiations will take place. These negotiations will include consideration of: the mix and type of housing, the split between social rented and intermediate housing, the availability of social housing grant/funding and the percentage of affordable housing to be provided.

The Council will require active consideration of proposals for community self-build or self-finish housing in particular where it is to a high design standard and will result in suitable empty properties being brought into residential use. Self-build and Self-finish should contribute towards meeting the need for affordable housing.

Affordable Housing will also be delivered through Policy Villages 3: Rural Exception Sites.