

Affordable Housing Statement

In respect of:

**Land at North West
Bicester**

Prepared by:

Pioneer Property Services Ltd

On behalf of:

**Firethorn Developments
Limited**

Date:

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1 Introduction

- 1.1 This Affordable Housing Statement is submitted in support of the outline planning application with all matters reserved with the exception of access, for the proposed development of land at North West Bicester (the “application site”) for residential development (within Use Class C3), open space provision, access, internal estate roads, vehicle and cycle parking, drainage and all associated works and operations including but not limited to demolition, earthworks, and engineering operations, with the details of appearance, landscaping, layout and scale reserved for later determination. The application site forms part of a larger allocation of land known as the ‘North West Bicester Urban Extension’.
- 1.2 Lying within the Cherwell local authority area the North West Bicester Urban Extension also lies relatively close to the M40 motorway and the City of Oxford is accessible via the A34 travelling south.
- 1.3 The application site will enable the delivery of both market and affordable housing which will be able to assist with addressing the housing needs of Cherwell District and the wider Housing Market Area. The quantum of affordable housing provision is to be informed by a viability assessment prepared in support of the application. The energy strategy for the proposed development (which includes fabric enhancements and technology solutions) together with policy requirements in respect of open space, strategic infrastructure and section 106 obligations make delivering Affordable Housing at 30% challenging.
- 1.4 Section 2 of this Statement provides an overview of national and local policy relevant to affordable housing, section 3 sets out the affordable housing proposals in more detail and section 4 draws conclusions.

2 Policy Context

2.1 National Policy and Guidance

- 2.1.1 The National Planning Policy Framework (“NPPF”) was updated in July 2018 and further amended with ‘minor clarifications’ in February 2019.¹ The established Government objective of ‘significantly boosting the supply of homes’ is maintained within the NPPF in conjunction with the recognition that, to support this, ensuring that ‘a sufficient amount and variety of land can come forward where it is needed’ will be ‘important’.²
- 2.1.2 In continuation of the 2012 NPPF a presumption in favour of sustainable development remains central to the NPPF.³ Development plan policies should be ‘sufficiently flexible to adapt to rapid change’ and ‘as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas’ in so far as this accords with other policies in the NPPF.⁴ Plan policies (strategic and non-strategic) are to be ‘underpinned by relevant and up-to-date evidence’ that is ‘adequate and proportionate’ and takes ‘relevant market signals’ into account.⁵
- 2.1.3 Paragraph 34 of the NPPF confirms that policies setting out the level of developer contributions sought (including Affordable Housing) should not undermine the deliverability of the plan. In terms of deliverability at a site specific level the NPPF sets out the approach towards viability within paragraph 57:

“... It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case....”

This confirms that site level viability assessment remains justified under certain circumstances.

- 2.1.4 The NPPF sets out that the ‘size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies...’.⁶ This applies to both market and affordable housing and confirms that inflexible mix requirements should not be

¹ Footnote ‘1’, page 4 NPPF

² paragraph 59

³ Paragraphs 10 and 11, pages 5 and 6, NPPF

⁴ paragraph 11, NPPF

⁵ paragraph 31, NPPF

⁶ Paragraph 61, page 17, NPPF

applied to any tenure, but instead the assessed mix of homes needed should be 'reflected' in policy. This is within the wider context of establishing a local housing need ("LHN") figure based on a local housing need assessment and considering any housing needs within neighbouring areas that cannot be met within those areas.⁷

2.1.5 In respect of affordable housing the NPPF sets out that Plan policies should specify the type of affordable housing sought on suitable sites (or through commuted sum / off site provision if robustly justified⁸ & ⁹) where a need for affordable housing has been established. The tenures of affordable housing sought through Plan policy should be based on the application of the affordable housing definition in the NPPF Annex 2. The overarching NPPF Annex 2 affordable housing definition confirms that affordable housing is that 'for sale or rent, for those whose needs are not met by the market' – this includes 'affordable housing for rent' and 'other affordable routes to home ownership' as well as 'starter homes' and 'discounted market sales housing'.

2.1.6 Based on overarching NPPF Affordable Housing policy the online National Planning Policy Guidance ("NPPG") states that estimates of current and projected households lacking their own homes or unable to meet their housing needs in the market (i.e. in affordable housing need) should include estimates of:

"the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration."

(Housing Needs of Different Groups Paragraph 006)

The inclusion of these households within Affordable Housing needs assessments is critical to the assessment of affordable housing tenure split requirements – where the current NPPF definition is not reflected in SHMA tenure split analysis outputs are likely to place an incorrect emphasis on rented affordable housing provision.

2.1.7 The importance of Affordable Home Ownership is further highlighted within paragraph 64 of the NPPF - this states that 'at least 10%' of all housing on 'major development' sites (i.e. defined as developments of 10 or more dwellings / 0.5 hectares or more) is to be made available for affordable home ownership unless this exceeds affordable housing need in the

⁷ Paragraph 60, page 17, NPPF

⁸ Paragraph 62, page 17, NPPF

⁹ Other than in 'designated rural areas' affordable housing should not be sought from sites that are not 'Major Development as defined in the NPPF, reductions in affordable housing may also be applicable where vacant buildings are re-used / redeveloped

area or 'significantly' prejudices the ability to meet identified affordable housing needs 'of specific groups'. This is a precise test requiring local authorities to provide clear evidence of how 'specific groups' within the local area will be precluded from having their housing needs met if this national planning policy requirement is applied.

- 2.1.8 The NPPF approach to affordable housing provision is confirmed within the accompanying National Planning Policy Guidance ("NPPG") which is published online by the Government and updated from time to time. It is within the above wider national planning policy context that the application site affordable housing proposals should be considered.

Emerging National Planning Policy

- 2.1.9 The Government has consulted (ending in October 2020) on significant proposed changes to the planning system ('White Paper: Planning for the Future, August 2020'); the proposals within this are set out in conjunction with alternative potential approaches with feedback requested through the consultation process for consideration by the Government.
- 2.1.10 The Government has also set out plans (within the 'Changes to the current planning system' consultation also published in August 2020) to introduce shorter term measures ahead of the changes proposed through the August 2020 Planning for the Future White Paper including in respect of 'First Homes'.
- 2.1.11 A draft NPPF published in February 2021 is currently subject to consultation (until the 27th of March 2021) with the text having been revised in response to the Building Better Building Beautiful Commission "Living with Beauty" report (30th January 2020). The draft NPPF is published alongside a proposed National Model Design Code and associated guidance notes. Paragraph 64 is subject to amendment to clarify that 10% of all homes on a site (not just the Affordable Housing element) should be made available for Affordable Home Ownership.
- 2.1.12 This sits alongside an April 1st 2021 Government response to the First Homes element of the 'Changes to the current planning system' consultation which, subject to some exceptions and potential local criteria, will seek a minimum of 25% of Affordable Housing through Section 106 sites as First Homes.
- 2.1.13 The Affordable Housing definition in Annex 2 and the approach to Affordable Housing provision in paragraph 62 is not altered in the draft NPPF (beyond the paragraph numbering becoming '65' and '63' respectively). There is no change to the ability to viability test development proposals where this is necessary.

2.1.14 The final changes to national policy (and any necessary legislation) are not yet known. As such, the current February 2019 NPPF provides the context that the application site housing proposals and affordable housing policies adopted under earlier national planning policy frameworks should be considered.

2.2 Local Policy

2.2.1 The Council's Development Plan is comprised of the Cherwell Local Plan 2011-2031 Part 1 ("CLP") adopted in July 2015 and the November 1996 Local Plan. The affordable housing policies within the latter have been replaced by the CLP Policy BSC 3 'Affordable Housing'.

2.2.2 Policy BSC 3 expects all sites within Bicester 'to provide at least 30%' affordable housing on site. Where this generates the need for a part dwelling this will be sought as a financial contribution of 'equivalent value'. The policy wording also includes a tenure split target expecting sites to provide 70% rented affordable housing (including Affordable Rent) and '30% as other forms of intermediate¹⁰ affordable homes'.

2.2.3 The CLP approach to affordable housing tenure split was adopted prior to the current NPPF affordable housing definition. The tenure split target within Policy BSC 3 should be applied having regard to the impacts of the current affordable housing definition, and thus should be applied flexibly not only in response to viability but also where evidence suggests an alternative tenure split to be necessary to meet affordable housing need.

2.2.4 In terms of viability Policy BSC 3 wording sets out that:

"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

¹⁰ As set out in Section 2.1 above 'Intermediate' is no longer a specifically defined affordable housing tenure within the NPPF Annex 2. However, in the context of the NPPF affordable housing definition, and given the Government emphasis on increasing the opportunities for affordable home ownership, the Policy BSC 3 reference to 'Intermediate' can reasonably be concluded to refer to affordable housing for sale for the purposes of planning application proposals.

availability of social housing grant/funding and the percentage of affordable housing to be provided.”

(Policy BSC 3, CLP)

This confirms that the Affordable Housing quantum and tenure split sought in Policy BSC 3 is subject to viability.

2.2.5 Policy BSC 4 ‘Housing Mix’ refers to all tenures of housing and sets out that housing mix will be negotiated:

“...having regard to the Council’s most up to date evidence on housing need and available evidence from developers on local market conditions.”

(Policy BSC 4, CLP)

A separate approach is not proposed for affordable housing and specific dwelling mix proportions are not specified in BSC 4 Policy wording.

2.2.6 In supporting text broad affordable housing mix proportions are set out in Table 67 although these are not split out by affordable housing tenure and are based on 2014 SHMA ‘conclusions’ for the whole of Oxfordshire:

Figure 2.2.1 – Affordable Housing Mix for Oxfordshire

Dwelling Size	%
1 bed	25-30%
2 bed	30-35%
3 bed	30-35%
4 bed	5-10%

Source: page 66, CLP based on Table 67 of the Oxfordshire SHMA 2014

2.2.7 The CLP sets out the vision for the development of the North West Bicester Eco-Town under ‘Policy Bicester 1: North West Bicester Eco-Town’¹¹ to provide a zero carbon mixed use development including 6,000 homes, of which 3,293 are to be provided by 2031.¹² Affordable housing is specified at 30% in line with Policy BSC 3 (and therefore also subject to viability), and there is no additional policy in respect of affordable housing tenure or mix.

¹¹ Page 140, CLP

¹² Accompanied by an Inset Map at page 324 of the CLP

2.2.8 The 'Partial Review of Cherwell Local Plan 2011-2031 – Oxford's Unmet Housing Need ("PRCLP") was adopted in September 2020. The executive summary to the PRCLP states that the proposed Partial Review:

"...avoids undermining the strategy of the existing Cherwell Local Plan (2015) and the delivery of planned growth at Bicester, Banbury and Former RAF Upper Heyford"

(paragraph xvii, page 8, PRCLP)

As such, the application site is not expected through PRCLP policies to address Oxford affordable housing needs; by default it should instead, therefore, provide affordable housing to address the affordable housing needs arising across Cherwell District.

Emerging Local Policy

2.2.9 The 'Cherwell Local Plan Review 2040: Planning for Cherwell to 2040' remains at a very early stage of development and so is of extremely limited relevance to the consideration of current planning applications.

2.2.10 The Oxfordshire Plan 2050 Regulation 18 Part 1 ("OP") has now been consulted upon, but this does not provide any specific proposed policies and instead introduces broad points for 'discussion'.

2.2.11 Responses to the OP, summarised within the Consultation Report ("OPCR") (published in June 2019), are expected to feed into a Part 2 Regulation 18 consultation¹³ (although this is likely to depend upon any impacts resulting from the Government's proposed changes to the National Planning Policy Framework). The OPCR states that:

"...respondents raised concerns that the existing Oxfordshire Strategic Housing Market Assessment (SHMA) is outdated and is not compliant with the National Planning Policy Framework (NPPF) because it does not use the latest data."

(paragraph 4.9.3, OPCR)

¹³ Paragraph 5.1.3, page 43, OPCR

The OP is not timetabled to see consultation on the Regulation 18 Part 2 'spatial options' draft until Summer 2021 and so does not provide any additional policy of any weight to be taken into consideration when determining current planning applications.

Supplementary Planning Documents

- 2.2.12 There are two adopted Supplementary Planning Documents of relevance to the application site in terms of affordable housing delivery: A Developer Contributions SPD ("DC SPD") adopted in February 2018 and the North West Bicester SPD ("NWB SPD") adopted in February 2016.
- 2.2.13 The DC SPD essentially re-iterates the approach set out within the CLP and was similarly adopted prior to the implementation of the current NPPF affordable housing definition and as such draws on out of date affordable housing definitions.¹⁴
- 2.2.14 The DC SPD acknowledges that detailed policies on affordable housing standards are not set out within the adopted CLP but goes on to seek a non-Plan policy based provision of 50% of affordable housing for rent being constructed to M4(2) Category 2 Accessible and Adaptable Dwelling standards and 1% of affordable housing being constructed to M4(2) Category 3 Wheelchair User Dwelling standards subject to discussion on a site by site basis.¹⁵
- 2.2.15 The DC SPD also seeks, outside of Plan policy, for rented affordable housing to meet Nationally Described Space Standards, with affordable housing for home ownership being subject to the same if not better standards and having gardens the same size as the equivalent market housing on the site.¹⁶
- 2.2.16 Affordable housing is sought in the DC SPD to be provided in clusters of 10 units of the same tenure and up to 15 units of mixed affordable housing tenures, although 'the Council will be flexible and pragmatic on this clustering approach' having regard to site constraints and scheme densities.¹⁷ These are similarly preferences expressed outside of an underpinning Plan policy and which should be applied in the context of any Registered Provider housing management preferences as well as site specific constraints.

¹⁴ Pages 16 – 17, DC SPD

¹⁵ Paragraph 4.16, DC SPD

¹⁶ Paragraph 4.17, DC SPD

¹⁷ paragraph 4.18, DC SPD

2.2.17 In respect of Affordable Housing the NWB SPD includes reference to delivery in the application site locality (i.e. across the North West Bicester Urban extension as a whole) in ‘Development Requirement 4 – Homes’ as follows:

“Proposals will include details of 30% affordable housing of a type and tenure to meet local housing needs.”

(paragraph 4.59, page 22, NWB SPD)

2.2.18 Further reference is made to affordable housing under ‘Development Principle 13 – Community and Governance’. To ‘promote integration with the existing community’ the NWB SPD sets out that planning applications should include:

“Sensitive allocation and management policies for affordable housing which enable extended families and friendship networks (co-housing) to move together and help create a more diversified tenure mix;”

(paragraph 4.264, page 46, NWB SPD)

2.2.19 The NWB SPD seeks the submission of an Affordable Housing Statement in support of applications, that draft Heads of Terms for affordable housing will be agreed with the Council and County Council, and that affordable housing contributions will be secured by way of legal agreements.¹⁸ Appendix II to the NWB SPD sets out a list of ‘Eco Town Standards’ which, with regards to Affordable Housing, seek that development will:

“(d) provide for at least 30 per cent affordable housing (which includes social rented and intermediate housing)”

(ET 9 Homes, ET 9.1, (d), page 64, NWB SPD)

However, this is footnoted to refer to the superseded ‘PPS3’ affordable housing definition.¹⁹ Any affordable housing tenure split within current proposals should be considered in the context of the current NPPF which increases the emphasis upon affordable home ownership (see Section 2.1 above).

2.2.20 The NWB SPD also sets out a vision for all of the homes, market and affordable, to be “‘true’ zero carbon homes’ in conjunction with a number of other headline requirements (including

¹⁸ Paragraphs 6.8, 6.17, and 6.19 pages 54 to 56, NWB SPD

¹⁹ Footnote 12, page 69, NWB SPD

30% Affordable Housing as stated above). The requirements within the NWB SPD, particularly in respect of achieving 'true zero carbon' status, has significant viability implications which will make delivering Affordable Housing at 30% extremely challenging. Whilst the NWB SPD does not comment on scheme viability / viability assessment the underpinning CLP Policy BSC 3 confirms that the provision of Affordable Housing provision at 30% is subject to viability.

3 AFFORDABLE HOUSING PROPOSALS

3.1 This section sets out the baseline affordable housing position in line with adopted policy, with the final proposals to be established having regard to the supporting evidence base, viability constraints and discussion with the Council.

3.2 Affordable Housing Quantum

3.2.1 Adopted CLP Policy BCS 3 seeks affordable housing provision at 30% subject to viability – in accordance with adopted Plan policy the level of Affordable Housing to be provided will be informed by a viability assessment prepared in support of the application. The Affordable Housing will be delivered in accordance with the Affordable Housing definition in Annex 2 of the NPPF.

3.2.2 The Oxfordshire Strategic Housing Market Assessment published in April 2014 (“SHMA”) suggests a net need per annum for 264 homes in Cherwell District (Table 54, page 116) when a planned supply of affordable housing with planning permission is deducted. Considered in the context of the SHMA overall projected requirement for 1,142 homes (market and affordable) per annum this 264 annual affordable housing need is suggested to be c.23% of the overall housing need projection.

3.2.3 Achieving ‘true zero carbon’ status across the homes provided together with policy requirements in respect of open space, strategic infrastructure and section 106 obligations, has significant viability implications which will make delivering Affordable Housing at 30% extremely challenging.

3.3 Affordable Housing Tenure

3.3.1 The Affordable Housing tenure split proposed is being informed by the viability testing process accompanying this application in accordance with Plan policy (which enables the 70% Affordable Rent / 30% ‘intermediate’ tenure split sought to flex in response to viability).

3.3.2 However, the tenure split should also reflect the requirements of BSC 4 which confirms that housing mix, regardless of whether it is Market or Affordable Housing, should be negotiated and have regard to up to date evidence of housing need.

3.3.3 In this regard, the 2014 SHMA is not up to date as it fails to include households able to afford to rent privately but who aspire to purchase and cannot afford to do so (in accordance with the

NPPF Affordable Housing definition) within its affordable housing tenure split calculations. This will have the impact of skewing the tenure split outputs in favour of the provision of rented affordable housing. However, it is possible to review the SHMA data in the context of the current NPPF affordable housing definition.

- 3.3.4 The SHMA provides banded income data for Cherwell within Table 45 (page 109) and states in paragraph 6.33 (page 111) that to calculate backlog affordable housing need households in unsuitable housing are assumed to have incomes at 69% of the overall household income figure. The SHMA also states that newly forming households are assumed to have incomes at 84% of the overall household income figure²⁰ and that existing households falling into need are assumed to have incomes at 42% of the overall household income figure.²¹
- 3.3.5 The SHMA applies these downward adjustments to the banded income data when assessing affordable housing need against the household income threshold at which households will be able to afford to rent or buy – these household income thresholds are set out within SHMA Table 43.²²
- 3.3.6 Households able to afford to rent privately are not assumed to be in affordable housing need and on this basis the SHMA estimates that 793 (52.4%) of unsuitably housed households are in need of affordable housing in Cherwell (i.e. gross backlog affordable housing need before any supply deductions). A total of 491 (42.7%) households out of 1,148 newly forming households per annum are estimated to need affordable housing in Cherwell on the same basis.
- 3.3.7 The SHMA also suggests that there are a further 153 existing households falling into affordable housing need when its affordability test is applied, but does not explain how many such households there were prior to the affordability test. Therefore, the proportion that cannot afford private rented housing is unclear, with the SHMA only stating that ‘relatively few’ can afford market housing.²³
- 3.3.8 Using the banded Cherwell household income data provided within the SHMA, adjusting it downwards in line with the SHMA assumptions for unsuitably housed and newly forming household incomes, and applying the open market entry level purchase income threshold within the SHMA Table 43 (i.e. £52,900) suggests a total of 84% of unsuitably housed

²⁰ Paragraph 6.39, page 112, SHMA

²¹ Paragraph 6.42, page 113, SHMA

²² Page 105

²³ Table 49, page 114 and paragraph 6.42, page 113, SHMA

households (1,276²⁴) and 79% of newly forming households (903²⁵) cannot afford to buy on the open market in Cherwell.

3.3.9 Given the lack of clarity on the overall number of existing households falling into need prior to an affordability test being applied it is assumed for the purposes of this Statement that all require rented affordable housing.

3.3.10 If the SHMA estimates for the proportions of such households unable to afford to rent privately in Cherwell are deducted from the proportions suggested by the wider NPPF aligned affordability test it suggests that a further c.483²⁶ of unsuitably housed households and c.412²⁷ (per annum) of newly forming households able to afford to rent privately but not to purchase would be eligible for affordable housing if they aspire to home ownership.

3.3.11 Whilst not all such households will aspire to purchase the English Housing Survey suggests that 60% of private renters expect to buy their own home. If this proportion is applied to these additional households in Cherwell it suggests a further c.290 households in backlog affordable housing need requiring affordable housing for sale plus a further c.248 newly forming households per annum in affordable housing need requiring affordable housing for sale.

3.3.12 This is in addition to the proportion of households assessed by the SHMA as able to afford affordable housing for sale – Table 60²⁸ suggests that in Cherwell 13.7% of all households the SHMA assesses to be in need of affordable housing could afford an equity based affordable housing solution. This suggests that 109 of the SHMA assessed 793 gross backlog (i.e. current) affordable housing need and 67 of the SHMA assessed 491 gross newly forming affordable housing need can be met by affordable housing for sale. The 153 existing households falling into need are assumed to require rented affordable housing (suggesting a total gross annual newly arising (i.e. future) need for 577 rented affordable homes²⁹).

3.3.13 As already noted, in terms of current affordable housing supply the SHMA takes committed / planned supply into account based on data summarised in Table 55.³⁰ This suggests a 2,602 planned supply of affordable housing in Cherwell which is then deducted from the backlog affordable housing need. Unfortunately, this is not split out into rented affordable housing /

²⁴ 1513 * 84%

²⁵ 1148 * 79%

²⁶ 1276 minus 793 (total)

²⁷ 903 minus 491 per annum

²⁸ Page 124, SHMA

²⁹ 153 + 424 (491 net of 67 able to meet needs in affordable housing for sale)

³⁰ Page 117, SHMA

affordable housing for sale, but in the absence of this based on the 2020 Cherwell Annual Monitoring Report it can be assumed that 65% (1,691) are rented and 35% (911) are affordable housing for sale.³¹ The backlog of affordable housing need net of pipeline supply is then annualised over 18 years.

3.3.14 Future supply is summarised by the SHMA to comprise of 263 re-lets and 17 re-sales of affordable housing per annum.³²

3.3.15 The following table brings the above analysis of the SHMA together and suggests that, when the current NPPF affordable housing definition is taken into account within the modelling, the affordable housing tenure split should be c.50% affordable housing for sale and c.50% affordable housing for rent.

Figure 3.3.1 – NPPF Adjusted SHMA Analysis Summary - Cherwell

	Gross Current Need			Planned Affordable Housing Supply		Net Current Need Per Annum		Total Net Current Affordable Housing Need
	SHMA (Unable to Afford PRS)	NPPF Adjustment (Able to Afford PRS but not to Buy)		Rent	Sale	Rent	Sale	
Required Tenure:	Rent	Sale	Sale	Rent	Sale	Rent	Sale	
	684	109	290	1691	911	-56	-28	-84

	Gross Annual Future Need			Annual Future Affordable Housing Supply (re-lets / re-sales)		Net Annual Future Need		Total Net Annual Future Affordable Housing Need
	SHMA (Unable to Afford PRS)	NPPF Adjustment (Able to Afford PRS but not to Buy)		Rent	Sale	Rent	Sale	
Required Tenure:	Rent	Sale	Sale	Rent	Sale	Rent	Sale	
	577	67	248	263	17	314	298	612

	Rented Affordable Housing	Affordable Housing for Sale	Total Net Annual Affordable Housing Need
Net Current Need Per Annum	-56	-28	-84
Net Annual Future Need	314	298	612
Total Net Annual Need	258	270	528
Tenure Split %	49%	51%	100%

Source: Pioneer 2020 based on analysis of the 2014 Oxfordshire SHMA and the current NPPF Affordable Housing Definition

³¹ Paragraph 5.78 – 446 net completions of which 289 are Affordable Rented and 157 are for sale

³² Table 52, page 115, SHMA

3.3.16 2011 Census data suggests the following distribution of affordable housing across Cherwell and within the Wards which the application site lies closest to. Within Caversfield Ward (which the application site falls within) there were just four Shared Ownership homes recorded in the 2011 Census:

Figure 3.3.2 – 2011 Census - Tenure

	Ambrosden and Chesterton Ward	Caversfield Ward	Cherwell
Owned	844	744	39,303
Shared ownership	8	4	443
Social rented	97	52	6,872
Private rented	345	152	9,206
Living rent free	32	112	904

Source: ONS Crown Copyright Reserved [from Nomis on 25 August 2020]

Whilst additional affordable housing may have been provided since 2011, the Census data suggests an imbalance in the availability of affordable housing for sale within the environs of the application site and across Cherwell as a whole.

3.3.17 Local Authority Housing Statistics (“LAHS”) published by the Government suggest the majority of the affordable housing stock in Cherwell has been transferred to Private Registered Providers (with just 525 units in the LAHS 201/20 listed as being owned by the local authority / other public sector bodies).

3.3.18 Additional data on Private Registered Provider owned affordable housing is available within the 2020 Statistical Data Return Geographic Look Up Tool. This suggests that there are 8,596 rented units and 935 ‘low cost home ownership’ units in Cherwell – therefore less than 10% of the existing affordable housing stock is suggested to be ‘low cost home ownership’. The supply through turnover of existing stock of affordable housing for sale will therefore be extremely low.

3.4 Mix

3.4.1 The affordable housing mix, along with the quantum and tenure to be provided will be informed through the viability assessment submitted in support of this application. The following indicative Affordable Housing mix provides a baseline starting position for testing within the viability assessment:

Figure 3.4.1a – Indicative Affordable Housing Mix

Dwelling Type	Affordable Rent	Shared Ownership
1-bed flat	27%	0%
1-bed FOG	4%	0%
2-bed flat	16%	0%
2-bed house	4%	9%
2-bed house	25%	53%
3-bed house	15%	33%
4-bed house	7%	0%
4-bed bungalow	2%	0%
4-bed bungalow	0%	5%

This can be summarised in simpler terms as follows:

Figure 3.4.1b

Dwelling Size	Affordable Rent	Shared Ownership	Overall
1 bed	31%	0%	22%
2 bed	45%	63%	50%
3 bed	15%	33%	20%
4 bed	9%	5%	8%

3.4.2 As set out in Section 2.2 above adopted CLP policy does not prescribe affordable housing mix, but supporting text sets out broad affordable dwelling size proportions from Table 67 at page 137 of the Oxfordshire SHMA. However, the table provided within the CLP supporting text reflects housing mix conclusions for the whole of Oxfordshire.

3.4.3 Table 66 of the Oxfordshire SHMA provides local authority level housing mix outputs as follows and these are set alongside the broad overall mix sought by the Council’s Housing Strategy and Development Team in a pre-application response dated the 30th December 2020:

Figure 3.4.2 – Affordable Housing Mix for Cherwell – SHMA / Council Preferences

Dwelling Size	SHMA Table 66 %	Council Preferences %
1 bed	28.3%	30%
2 bed	31.0%	45%
3 bed	36.9%	20%
4 bed	3.7%	5%

Source: Table 66, page 137, Oxfordshire SHMA 2014

Emerging Plan policy suggests that the Council is allocating additional land to address the additional housing needs of Oxford, with already allocated locations such as the North West Bicester Urban Extension being available to address housing needs within Cherwell – as such Table 66 of the Oxfordshire SHMA represents the relevant starting point when considering mix proposals for the application site.

3.4.4 In respect of the outputs the SHMA cautions:

“In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and up to date evidence of need as well as the existing mix and turnover of properties at a local level.”

(paragraph 7.40, page 137, SHMA)

There is also no break down between tenures, although anecdotally Registered Providers prefer not to have 4 bedroom or larger or flatted affordable sale units (having regard to affordability and end purchaser preferences).

3.4.5 The SHMA approach utilises information from the 2011 Census on how households occupy homes (i.e. in terms of what size dwelling different household types are recorded as occupying broken down by tenure) in conjunction with 20 year projections. Assuming households continue to occupy homes in the same way that they have in the past this provides an indication on the likely housing mix requirements over the 20 year period. This approach does have shortcomings: households may begin to consume housing differently to how they have done in the past, and, in terms of affordable housing, it will carry forwards inefficiencies in how stock has been occupied in the past (i.e. perpetuating under occupation patterns). It is a reasonable approach to establish a broad mix position, but as the SHMA acknowledges, outputs should be applied flexibly having regard to wider issues at a site level.

3.4.6 In terms of existing stock within Cherwell the 2019/20 LAHS suggests that just 525 units are owned by the local authority / other public sector bodies and this is not broken down by dwelling size. The Statistical Data Return 2020 suggests the following breakdown by dwelling size of rented affordable housing (including Affordable Rent) owned by Private Registered Providers in Cherwell (data is unavailable at a sub-area level or for low cost home ownership stock):

Figure 3.4.3 – Social Rented Housing Mix – 2020 Statistical Data Return

	Cherwell
1 bedroom	25% (2075 units)
2 bedrooms	34% (2827 units)
3 bedrooms	38% (3173 units)
4 bedrooms +	3% (280 units)

Source: Statistical Data Return 2019 Geographical Look Up Tool

This suggests a reasonable distribution of existing affordable housing stock in terms of dwelling sizes.

3.4.7 The above can be compared to the 2019/20 LAHS affordable housing Waiting List to ascertain a ratio of the existing affordable housing stock compared to households waiting for rented affordable housing. This is pertinent as the lower the levels of affordable housing stock the lower the opportunity for re-lets becoming available to meet affordable housing need.

Figure 3.4.4 – Cherwell

Ratio of Existing Rented Affordable Stock Compared to Households Waiting

	Private Registered Provider Rented Affordable Housing Stock	Households on the Housing Waiting List	Ratio of Housing Stock to Households
1 bedroom	2075	616	3.4
2 bedrooms	2827	408	6.9
3 bedrooms	3173	175	18.1
4 bedrooms +	280	95	2.9

Source: Statistical Data Return 2020 Geographical Look Up Tool, 2019/20 LAHS

This analysis suggests the greatest pressure is likely to be on the availability of 1, 2 and 4 bedroom affordable housing, but there is a backlog need for all sizes of Affordable Housing based on the Housing Waiting List. The indicative mix of Affordable Housing provides a range of dwelling sizes capable of assisting with meeting Affordable Housing needs within Cherwell.

3.5 Standards

- 3.5.1 The adopted CLP does not prescribe floor area or accessibility / wheelchair standards; this is confirmed in paragraph 4.16 of the DCSPD. As such, proposals can deliver affordable housing in accordance with non-optional Building Regulations in respect of accessibility and Affordable Housing is not required to be provided in accordance with Nationally Described Space Standards to be in compliance with the adopted Development Plan.
- 3.5.2 However, Policy ESD 3 'Sustainable Construction' states that the Council will seek water efficiency levels of 110 litres per person per day. The policy wording also sets out the quality and environmental standards that development proposals will be 'encouraged to reflect'. Policy Bicester 1 (in which the North Bicester Urban Extension is allocated) all homes (market and affordable) are required to achieve a minimum level 5 of the Code for Sustainable Homes (including water consumption at the levels required to meet level 5 of the Code for Sustainable Homes). This is re-iterated within the NWB SPD which confirms a zero carbon requirement as part of the development of the allocation as an Eco Town. These sustainability related policies are not tenure specific and as such apply to both market and Affordable Housing on the application site.
- 3.5.3 The Council suggests a preference in the DCSPD for elements of affordable housing to be provided to be accessible and adaptable (50% of the rented Affordable Housing in accordance with M4 Category 2) or to wheelchair user standards (1% of the Affordable Housing in accordance with M4 Category 3). Additionally, rented affordable housing will be sought to meet Nationally Described Space Standards and affordable housing for sale should be provided to the same or better standards as the market housing on-site. The DCSPD approach is not underpinned by Plan policy and is therefore a matter for negotiation as opposed to imposition.
- 3.5.4 Subject to viability and discussion with the Council affordable housing will be built in accordance with adopted Plan policy in respect of sustainable construction and Policy Bicester 1.
- 3.5.5 The ability to fulfil the Council's preferences for Affordable Housing to be constructed in accordance with minimum sizes required by the Nationally Described Space Standards and for an element of the Affordable Housing to be constructed in accordance with M4(2) and M4(3) optional Building Regulations will also be subject to viability and discussion with the Council.

3.5.6 Achieving ‘true zero carbon’ status across the homes provided together with policy requirements in respect of open space, strategic infrastructure and section 106 obligations, (including 30% Affordable Housing) has significant viability implications which will necessitate a view to be taken through discussion with the Council on the combination of standards, infrastructure and s106 obligations that can be supported.

3.6 Delivery

3.6.1 The proposed Planning Agreement will ensure that the Affordable Rent and any Shared Ownership affordable housing will be transferred to an Affordable Housing Provider registered with Homes England and as provided for in the Housing and Regeneration Act 2008 in accordance with the proposed Planning Agreement requirements.

3.6.2 The affordable dwellings will be managed by organisations that have been accredited for such purposes by Homes England (formerly the Homes and Communities Agency). Many private Registered Providers (“RP”) fulfil these requirements and national policy and Local Plan policy do not enable any restriction on the selection of accredited RPs.

3.7 Nominations

3.7.1 Specific affordable housing nominations requirements are not set out within either Plan or SPD policy although the NWB SPD confirms that ‘sensitive allocations’ of affordable housing will be sought to ‘promote integration’ and create a ‘more diverse tenure mix’.

3.7.2 It is anticipated that the Affordable Rent dwellings will be made available through the Council’s ‘HomeChoice’ website and the Affordable Home Ownership dwellings will be marketed for sale in conjunction with the relevant Help to Buy Agent.

3.7.3 It is anticipated that the preferred Registered Provider will enter into an appropriate nominations agreement with the Council.

3.8 Distribution and Timing

3.8.1 The DCSPD includes preference for affordable housing to be provided in clusters of not more than 10 units of one tenure or in mixed affordable housing tenure clusters of more than 15 units. However, this is not a Plan policy requirement and is a matter for negotiation having regard to site specific circumstances and Registered Provider management concerns.

- 3.8.2 The proposed Planning Agreement will ensure the Affordable Housing is delivered via appropriate delivery mechanisms and distributed within the site having regard to the need to integrate successfully with the market housing whilst also reflecting Registered Provider management preferences; the precise location of the Affordable Housing within the site will be set out in the Affordable Housing location plan to be submitted at the Reserved Matters stage.
- 3.8.3 The Planning Agreement will ensure that the affordable housing will be constructed at a rate that is contemporaneous with the Open Market Units.

4 Conclusion

- 4.1 The application site forms part of a larger allocation of land known as the 'North West Bicester Urban Extension' within the Cherwell District local authority area. If approved the outline planning application (with all matters reserved apart from access) will enable the delivery of new homes, including a viable quantum of affordable housing.
- 4.2 The February 2019 NPPF provides the national planning policy context within which the application site housing proposals and adopted / emerging affordable housing policies should be considered.
- 4.3 The NPPF sets out that Plan policies should specify the type of affordable housing sought on suitable sites where a need for such housing has been established. The NPPF requires developer contributions to be such that these do not undermine the delivery of the Plan and enables viability to be tested at a site level where this is necessary. The affordable housing sought through Plan policy should accord with the affordable housing definition in the NPPF Annex 2; the NPPF does not prescribe the affordable housing quantum, split of tenures or the size/type mix which should be provided. There is an emphasis in national planning policy on widening the opportunities for home ownership with most of the categories of affordable housing defined within Annex 2 of the NPPF (i.e. bullet points 'b' to 'd') relate to affordable home ownership.
- 4.4 The Government focus for affordable housing delivery remains on affordable home ownership as is demonstrated by the White Paper 'Planning for the Future' and the accompanying 'Changes to the current planning system' consultation paper. The draft NPPF also maintains, and clarifies, the emphasis on making a minimum of 10% of all dwellings proposed on 'major developments' available for Affordable Home Ownership. The April 1st 2021 Government response to the First Homes element of the 'Changes to the current planning system' consultation confirms that, subject to some exceptions and potential local criteria, the Government intention to seek a minimum of 25% of Affordable Housing through Section 106 sites as First Homes.
- 4.5 The final changes to national policy proposed through the August 2020 Whitepaper (and any necessary legislation) are not yet known. As such, the February NPPF provides the context that the current application site housing proposals and affordable housing policies adopted under earlier national planning policy frameworks (such as the CLP) should be considered.

- 4.6 Subject to viability adopted Development Plan policy in Cherwell seeks ‘at least 30%’ affordable housing in a 70% rented / 30% ‘intermediate’ affordable housing tenure split. This policy approach, as with the supporting Planning Obligations SPD, was prepared based on 2014 evidence base material and adopted prior to the current NPPF affordable housing definition (the application of which results in an increased proportion of households being eligible for affordable housing for sale) and increased Government emphasis on the provision of affordable housing for home ownership. Development Plan policy wording does not prescribe the dwelling size mix of affordable housing to be provided.
- 4.7 Development Plan policy specific to the North West Bicester Eco-Town does not prescribe an affordable housing mix or tenure split and Development Plan policy, reviewing how an element of Oxford City’s housing needs are to be addressed in Cherwell, confirms that the application site is not expected by emerging Development Plan policies to address Oxford’s affordable housing needs which will be addressed through additional allocations specifically identified to meet Oxford’s housing needs. The primary role of affordable housing provided on the North West Bicester Urban Extension should, therefore, be to address the affordable housing needs arising across Cherwell District.
- 4.8 The baseline position for Affordable Housing is provision at 30% and provides the starting point for consideration through the viability assessment submitted in support of this planning application in accordance with the Development Plan.
- 4.9 Whilst Affordable Housing is sought in Plan Policy in a 70% Affordable Rent / 30% ‘intermediate’ tenure split subject to viability, it is relevant to note that analysis of SHMA data in the context of the NPPF affordable housing definition suggests a 50:50 rented / sale affordable housing tenure split to be appropriate. The lack of existing opportunities for affordable home ownership suggested by the 2011 Census and 2020 Statistical Data Return data highlights the important role that the application site can play in increasing the supply of affordable housing for sale. As such, an increase in the proportion of Affordable Home Ownership is not only likely to assist in viability terms, but it is also more reflective of an up to date assessment of Affordable Housing need having regard to the NPPF Affordable Housing definition.
- 4.10 Taking the available data into consideration the SHMA overall affordable housing mix output for Cherwell provides a reasonable starting point for negotiations and having regard to Registered Provider feedback. With the SHMA, and evidence regarding existing affordable

housing stock, turnover and Housing Waiting List data and Council pre-application preferences in mind, the affordable housing mix proposed (included in the viability modelling as containing mix of 1, 2, 3 and 4 bedroom apartments, houses and bungalows) will meet a range of the Affordable Housing needs arising in the Cherwell local authority area.

- 4.11 Subject to viability and discussion with the Council affordable housing will be built in accordance with adopted Plan policy in respect of sustainable construction and Policy Bicester 1. The ability to fulfil the Council's preferences for Affordable Housing to be constructed in accordance with minimum sizes required by the Nationally Described Space Standards and for an element of the Affordable Housing to be constructed in accordance with M4(2) and M4(3) optional Building Regulations will also be subject to viability and discussion with the Council.
- 4.12 The housing proposed for development on the application site will be of significant benefit in assisting the Council with addressing the assessed housing needs across the local authority area. However, achieving 'true zero carbon' status across the homes provided together with policy requirements in respect of open space, strategic infrastructure and section 106 obligations, (including 30% Affordable Housing) has significant viability implications which will necessitate a view to be taken through discussion with the Council on the combination of standards, infrastructure and s106 obligations (including the level of Affordable Housing) that can be supported thus enabling much needed new homes to be delivered.