

Cherwell Local Development Framework

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Draft core strategy

February 2010

Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Policy H 5

Affordable Housing Requirements

At Banbury and Bicester, all proposed developments that include 10 or more dwellings (gross), or which would be provided on sites suitable for 10 or more dwellings (gross), will be expected to provide at least 30% as affordable homes on site.

At Kidlington, all proposed developments that include 10 or more dwellings (gross), or which would be provided on sites suitable for 10 or more dwellings (gross), will be expected to provide at least 35% as affordable homes on site.

Elsewhere, all proposed developments that include 3 or more dwellings (gross), or which would be provided on sites suitable for 3 or more dwellings (gross), will be expected to provide at least 35% as affordable homes on site.

Explanation of whether or not sites are suitable for accommodating 10 or more dwellings in urban areas, or 3 or more in rural areas, will be expected to be included in applications for planning permission.

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 social rented dwellings and 30% as other forms of intermediate affordable homes.

It is expected that these requirements will be met without the use of social housing 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 economic viability assessment can be undertaken.

Where development is proven to be unviable with the above requirements, negotiations with the promoters of development 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 and the percentage of affordable housing to be provided.

- A.142** Cherwell has a huge need for affordable housing - housing for social rent or 'intermediate' housing such as shared ownership. Local housing needs estimates (2009) suggest a need for some 390 affordable homes per year (288 on top of the current average supply of 102 per year). Using modelling work undertaken for the Oxfordshire Housing Market Assessment (2007), it is estimated that the shortfall in the provision of affordable housing would be 270 homes per year on the assumption of delivery at current rates (an average of 102 dwellings per year or about 15% of South East Plan requirements (670 per year). Delivery at 25% of total South East Plan requirements would reduce the shortfall to about 170 per year, 30% to about 123 per year, and 40% to about 25 per year (based on SHMA modelling assumptions).
- A.143** An Affordable Housing Viability Study (2009) has been produced to assess what levels of affordable housing could reasonably be required from new housing developments having regard to the costs of development and the need to ensure a flexible, responsive supply of housing land. 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. Indeed, the Affordable Housing Viability Study concludes that in some rural areas, a higher percentage of affordable housing would be viable than we are proposing. The policies proposed are informed by the level of need in Cherwell, viability considerations, the need to maintain housing delivery generally, and the need to establish a clear workable policy framework.

- A.144** The Affordable Housing Viability Study provides viable options for the delivery of affordable housing without social housing grant. However, following this consultation the Council will review whether the proposed requirements should be adjusted to take account of a grant assumption. It will also review whether a financial contribution should be made where the policy would result in a part of an affordable home to be provided or whether the affordable housing requirement should be rounded.

Mix of Housing

Policy H 6

Housing Mix

New residential development will be expected to provide a mix of homes to meet current and expected future requirements in the interests of meeting housing need and creating socially mixed and inclusive communities. The following mix will be used to guide decision making:

Size & Type of Dwelling	Percentage of Housing Stock Required
1 bed flats	4%
2 bed upsizing flats	8%
2 bed houses	19%
3 bed houses & larger	35%
3 bed flats / cluster homes	2%
2 bed retirement / downsizing homes	23%
1 / 2 bed extra care homes	9%

- A.145** There is also a need to provide a mix of housing in Cherwell that reflects the needs of an ageing population and a growth in smaller households. At the same time, the mix of housing needs to enable movement through the market from one house type to another as the needs of households changes. This movement frees up housing which might otherwise be unavailable.

- A.146** Although the mix of housing required changes as population projections change, modelling work was commissioned to examine the likely current housing circumstances and bargaining power of the different ages and types of household, and from this to predict what type and size of housing they might not just need, but want, accept and can afford. The model is referred to as the *Household Projections and Current Market Position Model (HPCMP)*. It considers the housing market as a system, in which there are different types, sizes and locations of housing, and into which different types and sizes of household typically move and live, for varying periods, at different stages in their 'housing careers' or 'pathways'. Although the model does have to make generalisations about the circumstances of households and their likely position within the housing system, it does enable more understanding of the local housing market system than would otherwise be the case.