

# **Executive Committee**

## **25 April 2017**

### **Affordable Housing Petition**

#### **For Decision**

#### **Portfolio Holder(s)**

Cllr T Yarker - Housing

#### **Senior Leadership Team Contact:**

S Hill, Strategic Director

#### **Report Author:**

H Jordan, Corporate Manager, Planning (Community & Policy Development)

#### **Statutory Authority**

Housing & Planning Act 2016, Section 106 under the Growth and Infrastructure Act 2013.

#### **Purpose of Report**

- 1 To consider the petition on affordable housing, referred to this Committee by full Council on 28 February.

#### **Recommendations**

- 2 That members note the views expressed in the petition prior to their deliberations on the separate report considering once-off funding to support projects and schemes, including the potential use of reserves to support the provision of additional affordable housing.

#### **Reason for Decision**

- 3 To respond to the petition and reiterate that affordable housing is an important priority when making decisions about the potential spending of council reserves

#### **Background and Reason Decision Needed**

- 4 In February 2017 the council received a petition with over 400 signatures, *'calling on West Dorset District Council to spend the same amount of money that it spent on the new council offices in Dorchester (£9.7 million) on building homes that are genuinely affordable for local people'*. The petition was presented to the full council meeting on 28 February where it was referred to this committee for consideration.
- 5 The presentation of the petition included reference to the numbers on the council's housing waiting list, the cost of private rented housing and the relationship between local earnings and house prices, demonstrating the

need for affordable housing in the area. It also specifically asked that the council should enforce the local plan policy for 35% affordable housing on new development sites in all cases, and that the council should invest its own land and assets as well as financial reserves in the provision of housing.

- 6 Starting with the evidence of affordable housing need, it is not disputed that there is significant need in the District. In December 2016 there were 1,383 on the housing register, and the house price to earnings ratio is 11.9. The Strategic Housing Market Assessment carried out in 2014 indicated an affordable housing need of 104 new homes in West Dorset each year, and a combined total affordable housing need of 207 each year across the joint local plan area of West Dorset, Weymouth & Portland – out of the total housing need of 775 a year across the joint local plan area. The Housing Strategy set a target of between 70 and 100 new affordable homes a year in West Dorset.
- 7 The average annual delivery of affordable housing over the last five years has been within this target range, at 88 per annum, though the rate each year has varied, with 120 in 2011-12; 76 in 2012-13; 48 in 2013-14; 110 in 2014-15 and 88 in 2015-16. The anticipated number of affordable housing completions over the 2016-17 monitoring year is 87.
- 8 Planning is one of the key means of securing affordable housing: as referred to in the petition speech, there is a local plan policy seeking 35% affordable housing on new housing development sites. The policy however makes it quite clear that this is subject to negotiation on each site and is dependent on development viability. If the development is not viable with this level of affordable housing included, then it will not happen and no housing will be provided. It is clearly important that viability evidence is properly tested, and the council takes independent viability advice from the District Valuation office in order to do this. Both the developers' viability assessments and the District Valuer's response on behalf of the Council are published online, but in redacted form because of the commercial sensitivities involved. This is the approach taken by most councils.
- 9 The written ministerial statement that affordable housing proportions should not be sought on sites of ten or fewer homes (or six or fewer within designated rural areas including the Area of Outstanding Natural Beauty) has reduced the number of sites on which affordable housing can be sought, but is intended to ensure that small developments including those on brownfield and windfall sites are encouraged to come forward.
- 10 The review of the local plan will enable further sites to be allocated for housing development, one of the benefits of which will be the potential for further affordable housing.
- 11 The council already has capital funding committed towards affordable housing development in its Housing Initiatives capital budget:
  - £278,488 has been spent on affordable housing schemes and projects over the last three years.
  - £1,183,128 remains in this budget
  - £435,744 of the remaining funds is committed.

The Council also collects contributions towards off site affordable housing through S106 agreements. In the last three years:

- £778,115 has been spent
- £307,565 collected
- £913,461 remain in S106 funds of which £383,960 has been committed.

- 12 External funding is also critical to the achievement of affordable housing. The district has been successful in attracting £3,794,157 of Homes and Communities Agency (HCA) funding over the five years from 2011/12 to 2015/16, and over £3,000,000 has been allocated from the HCA in the current programme including the Extra Care scheme under construction at Poundbury. West Dorset has also recently been awarded £1,365,432 towards community-led housing development, in recognition of the challenges faced by the high proportion of second homes in the area. The area has a strong record of community-led affordable housing developments, with eight Community Land Trusts currently active, 2 Neighbourhood Plans adopted and 16 in preparation.
- 13 The petition asks that the council invests £9.7 million in building affordable housing in the local area. This committee at the same meeting will be considering proposals for once-off funding from reserves to support projects and schemes. This is covered in a separate report but is due to include options for the allocation of funding towards the provision of affordable housing, and committee members will be aware of the strength of local feeling when making decisions on that report. The council has also agreed (in December 2016) an 'Accelerating Home Building' programme of actions to increase home building in the area. An action plan has subsequently been developed and is being implemented, with progress reported to members through the Western Growth Area Board and through member working groups for each council. The first West Dorset District Council member group took place on 3 April 2017.
- 14 Members are therefore asked to note the considerable activity that is currently taking place in order to enhance the provision of new homes, including affordable homes, in West Dorset, and the views expressed in the petition when coming to their decision on the separate report on the consideration of once-off funding to support projects and schemes.

## Implications

### 15. Corporate Plan

Increasing the number of new homes built within the district is one of the key aims of the Corporate Plan, under the priority of contributing to a stronger local economy.

### 16. Financial

See separate report on proposals for spending of council reserves

**17. Economic Development**

Provision of affordable housing helps to support economic development by providing additional homes for those working locally

**18. Risk Management (including Health & Safety)**

There are risks associated with the spending of reserves on affordable housing provision, particularly the priority of spending within the next two years. Options for this spending are currently being assessed.

**19. Human Resources**

Additional resources are being brought in to support implementation of the Accelerating Home Building programme.

**20. Consultation and Engagement**

A communications strategy around the Accelerating Home Building programme will be developed, with the aim of involving and informing the local community. Consultation on options for future development has started as part of the local plan review.

**21. Appendices**

There are none

**22. Background Papers**

Petition and supporting statement presented to full Council on 28 February 2017

Report to 15 December Executive Committee on the Accelerating Home Building programme

**Footnote**

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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