

SWDP 15: Meeting Affordable Housing Needs



- A. All new residential development⁽³⁷⁾, including conversions, above the thresholds in SWDP 15 B (and adjacent land, if it is anticipated that it will form part of a larger site) will contribute to the provision of affordable housing⁽³⁸⁾.**
- B. The number, size, type, tenure and distribution of affordable dwellings to be provided will be subject to negotiation, dependent on recognised local housing need, specific site and location factors and development viability and having regard to the sliding scale approach set out below:**
- i. On sites of 15 or more dwellings on greenfield land, 40% of the units should be affordable and provided on site.**
 - ii. On sites of 15 or more dwellings on brownfield land within Worcester City and Malvern Hills, 30% of the units should be affordable and provided on site. On sites of 15 or more dwellings on brownfield land within Wychavon, 40% of the units should be affordable and provided on site.**

37 In this policy, residential development means development within Use Class C3, as defined in the Town and Country Planning (Use Classes) Order 1987, as amended.

38 The definition of what constitutes affordable housing is given in the Glossary.

- iii. On sites of 10 – 14 dwellings, 30% of units should be affordable and be provided on site.
 - iv. On sites of 5 – 9 dwellings, 20% of units should be affordable and be provided on site.
 - v. On sites of less than 5 dwellings a financial contribution towards local affordable housing provision should be made, based on the cost of providing the equivalent in value to 20% of the units as affordable housing on site.
- C. Where a robust justification exists, off-site contributions may be accepted in lieu of on-site provision.
- D. Secure arrangements will need to be put in place to ensure that the affordable housing provided in accordance with this policy will remain affordable (or that the subsidy will be recycled for alternative affordable housing provision)⁽³⁹⁾ and, for sites outside the city or towns, available to meet the needs of local people.
- E. The final tenure mix of affordable housing on individual sites will be subject to negotiation. Generally the preference will be for social rented, unless for example a contribution from an alternative affordable housing tenure is required to achieve scheme viability or local need has been demonstrated for a different affordable housing tenure.
- F. On sites where it has been demonstrated that the proportion of affordable housing sought by SWDP 15 B would not be viable, the maximum proportion of affordable housing will be sought that does not undermine the development's viability. Financial viability assessments conforming to an agreed methodology will be required and, where necessary, the Local Authority will arrange for them to be independently appraised at the expense of the applicant.
- G. Further details of the manner in which the policy will be implemented will be set out in an Affordable Housing Supplementary Planning Document.

Reasoned Justification

1. The delivery of affordable housing is an underlying theme of the Sustainable Community Strategy.
2. The Framework requires local planning authorities to assess objectively the need for market and affordable housing and where there is a need for affordable housing, to set out policies for meeting this need. For the purposes of this policy, affordable housing includes social rented, affordable rented and intermediate housing, such as shared

39 See the definition of affordable housing in the Framework, Annex 2, Glossary

equity and other low-cost homes for sale and intermediate rent. Low-cost market housing is specifically excluded from the definition of affordable housing. The Worcestershire Strategic Housing Market Assessment (February 2012) advises that the waiting list data indicates that the group most frequently requiring affordable housing is family households, followed by single person households. It identifies that current stresses on the housing market include acute affordability issues, particularly in more rural areas, tightening of mortgage finance and rising levels of unemployment and economic inactivity.

3. Evidence in the above report suggested that at 2012 there was an indicative annual requirement of 657 dwellings for south Worcestershire over the next five years, of which approximately 87% would be required for social renting purposes. Grant funding to support social rented housing and indeed other forms of affordable housing has become limited. Therefore, it will be more difficult to deliver an appropriate balance of affordable housing tenures that reflect need, without undermining development viability.
4. The split between social rented, affordable rented and intermediate housing will be dependent upon a number of factors. These will include economic circumstances, site characteristics, development viability, affordability levels prevailing at the time a planning application is made, availability of public subsidy and any other planning objectives that may need to be addressed or funded by the development.
5. Evidence in the Affordable Housing Development Viability Study 2008, and its Property Market Update Report (July 2010) undertaken for the south Worcestershire districts, suggests that affordable housing provision could still be provided at a rate of 40% on larger sites of 15 or more dwellings without undermining development viability. For smaller sites it suggests a simple sliding scale and for sites of less than five units, appropriately judged off-site financial contributions. An overall plan viability study was published in November 2012 (South Worcestershire Development Plan Viability Study) that supported the policy approach but recognised there may be a need for site-specific viability assessment as part of the planning application process. The 2014 Viability Report indicates that the affordable housing provision should be reduced to 30% on brownfield sites in Worcester City and Malvern Hills. Where robustly justified, it may be appropriate for an off-site contribution in lieu of on-site provision, having regard to the significance of the site to the identified local housing need. Whilst it is recognised that market conditions may have an impact upon development viability, it is considered that it should not dictate longer-term strategic policy direction and delivery objectives. Any proposed affordable housing delivery that did not meet policy expectations would therefore need to be assessed on a site-by-site basis and by a fully justified 'open book' development appraisal. Contingent Deferred Obligations may be employed in certain circumstances to allow for changing market conditions. Where a developer has negotiated a lower level of affordable housing for reasons of viability, Contingent Deferred Obligations may be employed to enable more affordable housing to be provided on a site during its construction up to the appropriate maximum requirement in SWDP 15 B.
6. An Affordable Housing Supplementary Planning Document will be produced. It will contain further detailed advice on how the policy will be implemented, including levels

of off-site contributions, the circumstances that may justify an off-site contribution, local connections and the procedures to be followed when a planning application is submitted.

7. The policy identifies a baseline level of affordable housing provision that local communities may choose to supplement on other sites, for example as part of their involvement in the Neighbourhood Planning process, or through the Rural Exception Site process (see SWDP 16).