

## **Note for Committee- Affordable Housing Policy update**

### **Background**

The NPPF (updated July 2018) has changed the definition of affordable housing; the thresholds at which affordable housing can be sought; and now seeks to require 10% of housing on eligible sites to be made available for affordable home ownership (unless local circumstances dictate otherwise). This has implications for CCDC's affordable housing policy approach.

### **CCDC updated policy approach**

Affordable housing financial contributions will now be sought from developments of 10-14 dwellings (rather than the previous 11-14 dwellings) due to NPPF threshold changes. There will also be a need to consider financial contributions from sites of less than 10 dwellings where the site size is 0.5 hectares or more (due to NPPF threshold changes). Seeking financial contributions rather than on site provision is primarily due to the fact that Registered Providers generally do not consider on site provision from developments of less than 15 dwellings (i.e. based on the Councils' 20% affordable housing policy this would be less than 3 dwellings on site).

For sites of 15 dwellings or more the Council will continue to seek on-site affordable housing contributions of 20% (from the total number of houses on site). The Council currently seeks 80% of these affordable units to be provided for social rent and 20% for intermediate tenures. If the Council were to apply the NPPF policy for 10% affordable home ownership, this would mean that the split would instead be 50% for social rent and 50% for affordable home ownership (i.e. 10% of the 20% affordable housing requirement).

Based upon the most recent evidence of District housing needs, the Council will not automatically apply the 10% affordable home ownership NPPF requirement as it is considered this may prejudice the meeting of affordable housing needs of specific groups (an exemption from the requirement is allowed under the NPPF in such circumstances). The Council will continue to seek 80% social rented and 20% intermediate tenure as a starting point for discussions with developers. As this tenure mix is a recommendation and starting point for negotiations the Council does already engage with developers where there is a case to be made for an alternative mix of tenures, demonstrating existing and ongoing flexibility to respond to local and national context changes. The 20% intermediate tenure also allows for affordable home ownership products, such as shared ownership. The Council is in the process of updating its housing needs evidence (due March/April 2019) and the policy approach will be reviewed as necessary in light of updated evidence.

It should also be noted that under the changed definition of affordable housing in the NPPF intermediate housing is no longer defined. However, the updated NPPF definition now refers to 'other routes to affordable home ownership' which is broadly equivalent to the previous definition of intermediate housing i.e. including shared ownership and equity loans (along with new tenures such as rent to buy).