

## Affordable Housing

**5.148** The National Planning Policy Framework sets out that local planning authorities can seek the provision of affordable housing through the planning system where there is strong evidence on need. To demonstrate the need for affordable housing within the Peak Sub Region High Peak Borough Council and Derbyshire Dales District Council, along with the Peak District National Park Authority commissioned a Joint Housing Needs Survey, a Strategic Housing Market Assessment (SHMA), and an Affordable Housing Viability Assessment. High Peak Borough Council has commissioned updates to these studies to inform the preparation of this plan.

**5.149** Affordable Housing is a key issue in the Local Plan area due in part to the high cost of houses, and the relative low incomes of resident based employment. Both the Housing Needs Survey and the Housing Market Assessment suggest that there is a significant need to increase the overall level of affordable housing provision. The Housing Needs Survey indicated a need of between 443 and 591 per annum for new affordable dwellings to meet backlog and emerging needs. The 2014 SHMA indicates that there is a net need of 526 per annum for affordable housing across the Borough.

**5.150** Although the private sector remains the largest house builder in the Borough it is recognised that the provision of affordable housing can affect the profitability and, ultimately, the viability of housing development. The Affordable Housing Viability Assessment and the subsequent 2014 Plan & Site Viability Study have sought to demonstrate the levels at which housing development is capable of being delivered profitably and at the same time providing an appropriate level of affordable housing. The 2014 Plan & Site Viability Study confirms that provision up to 30% affordable housing is viable but not on all sites and that the Community Infrastructure Levy (CIL), if introduced, would impact on affordable housing delivery which would mean that there is a balance to be reached between delivering affordable housing and CIL. It should also be borne in mind that the assessment of viability was undertaken when the housing market was at its lowest.

**5.151** Policy H4 therefore includes a financial viability test to justify any reduced provision of affordable housing below the required Policy level. In this respect there is sufficient flexibility in the Local Plan to address the impact on affordable housing delivery that will be created in certain instances by the introduction of CIL at the proposed rates. The Policy also sets a lower affordable housing target of 20% for smaller sites, recognising that these are less likely to be sufficiently viable to deliver the 30% required for larger sites.

**5.152** There are several types of affordable housing, the predominant tenures being social rented, affordable rent or intermediate housing. The Housing Needs Survey indicated that the predominant need was for social rented units rather than shared ownership, and that 80% of all new affordable housing should be social rented and 20% shared ownership. Whilst the delivery of higher proportions of social rented properties can have an impact upon the viability of sites for developers, the availability of funding for shared ownership, both for Registered Providers and potential purchasers has been restricted in the current economic climate. The 80% rented, 20% intermediate housing is still relevant according to the updated SHMA however to better reflect the type of affordable homes available it is suggested that the split between tenure types is 30% social rented, 50% affordable rented and 20% intermediate. Consequently the local planning authority will seek to ensure that the mix of affordable housing brought forward on each site is appropriate to meet local needs, and does not have an adverse effect upon the viability of sites.

## 5 Development management policies

**5.153** Detailed guidance on the affordable housing policies set out below will be included within an Affordable Housing Supplementary Planning Document.

### Policy H 4

#### Affordable Housing

The Council will seek to maximise the delivery of affordable housing across the plan area by working in partnership with the Homes and Community Agency, Registered Providers, Developers and Local Communities.

In order to address the need for affordable housing, residential developments should seek to achieve the following proportions of residential units as affordable housing :

30% affordable housing on sites of 25 units or more

20% affordable housing on sites of 5-24 units (0.16ha or larger)

Where the provision of affordable houses proposed is below the requirements set out above, the Council will require applicants to provide evidence by way of a financial appraisal to justify a reduced provision.

The affordable housing provision should seek to achieve a target of 80% rented accommodation with the balance being provided as intermediate housing. These proportions may be varied where justified and with agreement with the local planning authority.

Where appropriate for specific sites, criteria setting out variations in the form the contribution should take, including tenure, will be provided in the Site Allocations Strategic Development Sites policies. Additional guidance will be provided in the Affordable Housing SPD.

Affordable housing provision should normally be provided within the development site itself and in perpetuity. In exceptional cases, the Council may allow provision off-site or a financial contribution of broadly equivalent value.

In determining applications for residential development below the above thresholds, that would increase the net overall stock of unrestricted market housing, the local planning authority will want to negotiate a financial contribution towards the provision of affordable housing on suitable sites elsewhere within the plan area.

#### Supporting guidance

- National Planning Policy Framework: 2012
- Strategic Housing Market Assessment: 2014
- Affordable Housing Viability Assessment