

‘Affordable’ Housing¹

The Council is committed to planning for high quality affordable housing for people who are unable to access or afford market housing. The policy intention is to ensure that a choice of housing is available to all in mixed tenure, balanced and sustainable communities.

The 2015 Joint SHMA update identified a need for 12,000 additional affordable homes within Coventry between 2011 and 2031 (600 per annum). This is considered to be the city’s objectively assessed need for affordable housing. Set within the context of the city’s total housing need of 42,400 homes, this represents approximately 28% of total housing growth.

If a pro-rata approach is taken, linked to the city’s identified capacity (24,600), this would require the Council to identify sufficient supply for around 348 affordable homes per annum or 6,960 in total over the plan period.

The remaining affordable housing need will be managed as part of developments within Warwickshire which will be brought forward to support the city’s remaining housing need (in full). The majority of Warwickshire authorities have higher proportions of affordable housing need as part of their respective policies therefore this approach will not only ensure the city’s remaining need is supported, but also that wider need across Warwickshire and the needs of the HMA as a whole can be accommodated in a sustainable and viable way. The Council will work with its Warwickshire neighbours to ensure appropriate allocation policies are implemented.

An Affordable Housing Economic Viability Assessment (AHEVA) has also been undertaken, which assessed viability at differing value points across Coventry.

Together the AHEVA and the Joint SHMA have supported the preparation of the Council’s ‘affordable’ housing policy and will also guide future reviews of its Housing Strategy.

In order to meet the affordable housing need identified in the SHMA, the Council will seek a developer contribution of 25% towards the provision of affordable housing on developments of 25 dwellings or more, or over 1ha in area, taking into consideration specific site circumstances and economic viability.

During the first 4 years of the plan period a total of 1,239 affordable homes have already been completed, whilst as of April 1st 2015 1,285 affordable dwellings had planning consent or were under construction. The sites shortlisted in the SHLAA and those proposed for allocation in Policy H2 have capacity to deliver nearly 3,300 further affordable homes across the city based on this policy.

This leaves a shortfall of approximately 1,150 homes. It is expected that this shortfall will be met through a range of approaches, including:

- Windfall sites in addition to those sites identified in the SHLAA and Policy H2

- the Private Rented Sector - This reflects the evidence in the Joint SHMA around the level of support the Private Rented Sector (supported by housing benefits) gives to those seeking affordable housing. The Council considers that high quality provision within this sector could offer a clear choice within the city's housing pathways and may help to meet the city's housing needs.
- Further redevelopment within the existing affordable housing stock – This primarily involves on-going regeneration projects, such as those at Canley and Wood End, where clearance of hard to let or low demand properties will help to make way for higher demand homes, helping meet housing need in a more robust and appropriate way.
- The city also has a proven track record of delivering affordable homes on sites with direct provision by Registered Providers and currently averages in excess of 180 homes a year through this mechanism. Although a limited allowance is made for this in the above calculations it is substantially below established trends and offers significant flexibility over the course of the plan period.
- The re-use of long-term empty homes as part of the council's empty homes policy. The use of compulsory purchase powers or enforced sale may be utilised by the Council, especially where existing owners cannot be determined.

Policy H6: Affordable Housing

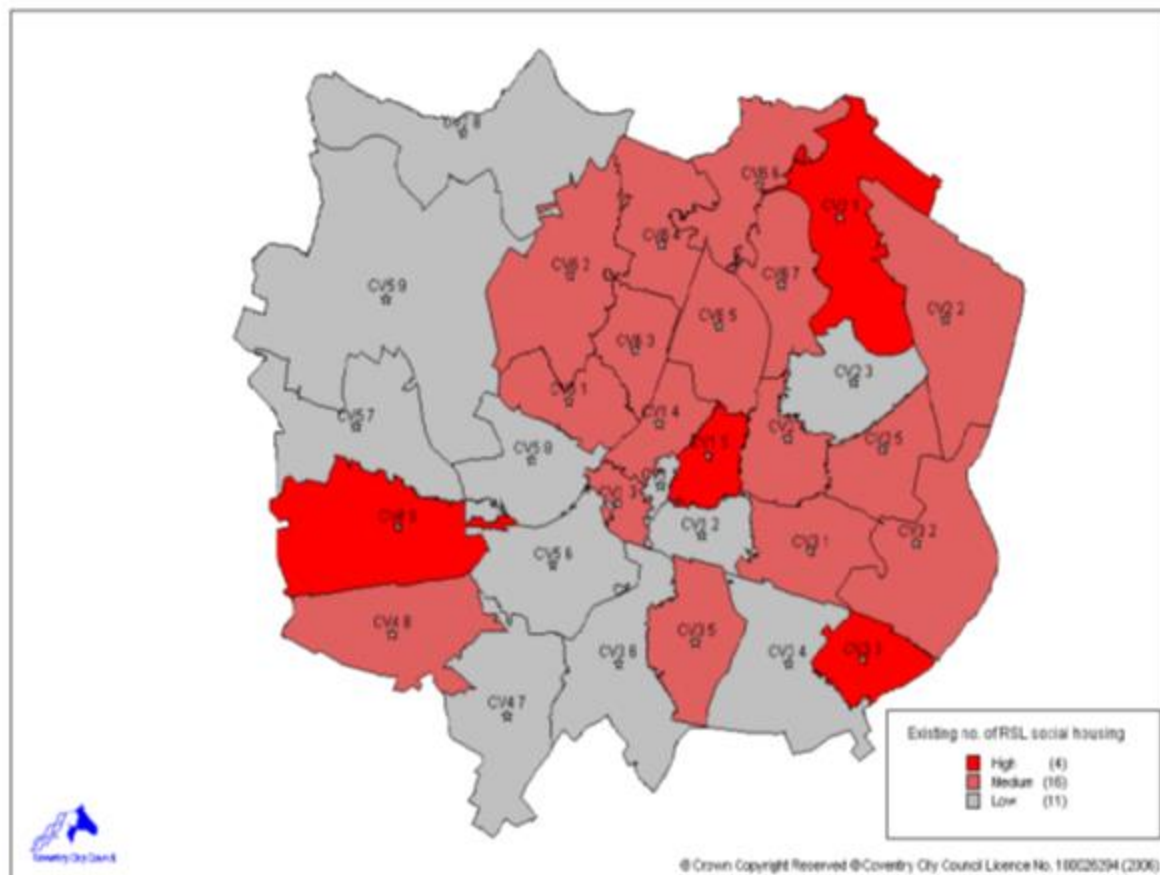
1. New residential schemes of 25 dwellings or more (excluding student accommodation), or more than 1ha, will be expected to provide 25% of all dwellings as affordable homes.
2. Proposals within areas of existing high concentration (shown on Figure 4.1) should make provisions as follows:
 - a) 10% Social/Affordable Rental provision
 - b) 15% Intermediate Provision
3. Proposals within areas of existing medium concentration (shown on Figure 4.1) should make provisions as follows:
 - a) 12.5% Social/Affordable Rental provision
 - b) 12.5% Intermediate Provision
4. Proposals within areas of existing low concentration (shown on Figure 4.1) should make provisions as follows:
 - a) 15% Social/Affordable Rental provision
 - b) 10% Intermediate Provision

5. Where the specified level of affordable housing cannot be provided, including for reasons of viability, robust evidence must be presented to justify a reduced or alternative form of contribution.
6. Through appropriate design standards, new affordable housing units must be appropriately integrated within the development and with other affordable homes adjoining the site.
7. Through engagement with the Council, Registered Providers, and having regard to the recommendations of the SHMA, developers should ensure that affordable housing contributions comprise dwellings of the right size, type, affordability and tenure to meet local needs.

The Council's initial SHMA for Coventry (2012) is considered to provide a justified and strategic overview of affordable housing need at a local sub-market level within the city. However, to reflect the on-going work on SHMA's across Coventry and Warwickshire the Coventry SHMA is considered to reflect a minimum approach to total need. This more local level study identified sub-markets within the city, each with differing market characteristics and levels of affordable housing need. It highlighted the geographical imbalance in the current distribution of 'affordable' homes throughout the city.

To support this, work the existing affordable housing distribution within the city has been analysed at four-digit postcode level, showing which areas have a high existing stock of social housing (over 1,500 properties) and which have a low existing social housing provision (under 500 properties). The areas that fall between these two figures are classed as having a medium level of existing provision.

Figure 4.1 - Plan of Value Areas for Affordable Housing Provision



Alongside the SHMA work, this information has helped inform the different requirements for the tenure of affordable homes across different parts of the city. These are clearly set out in Policy H6 and represent target levels of provision. These will help to meet local affordable housing needs and create greater tenure diversification, improved housing pathways, and the re-balancing of local housing markets. The Council will however consider these targets in a flexible way where robust evidence is provided to demonstrate viability pressures. Under such circumstances opportunities should be considered to make alternative tenure provisions before reduced contributions are considered. Where the provision of 25% affordable homes cannot be provided on site and a lower or zero provision is proposed, this should be clearly justified through a robust open book Residual Land Valuation exercise.

In exceptional circumstances however, the Council may consider alternative forms of provision. This could include off site provision of affordable homes. Where all options for securing on-site provisions have been explored and exhausted, alternative sites may be proposed (for example, an alternative site in an area of lower existing affordable housing to contribute to the creation of mixed and balanced communities) or a financial contribution may be agreed (for example, where property types such as flats over shops are proposed but are not acceptable to Registered Providers). Any off-site provision must be equivalent to the volume that would be viable if provision was made on-site. In terms of a financial contribution this should be provided as an equivalent commuted sum as part

of a S106 agreement. This should be calculated by subtracting the residual land value of the site with 25% affordable housing from the residual land value with 100% market housing. Such calculation will require costs and values to be kept constant unless otherwise agreed by the Local Authority

This policy approach seeks to strike a balance between development viability and meeting housing needs. This encourages the diversification of the 'affordable' housing stock, by meeting identified needs where they arise and provide choice for those in housing need, with future supply distributed throughout the city rather than concentrated in particular localities.

The greater proportion of intermediate tenure required in areas with high existing rented housing supply will diversify the tenure mix and assist households from those localities who aspire to home ownership (but who cannot otherwise afford market housing), as well as contributing to the city's overall need for affordable housing. There is, however, a need for continued delivery of social and affordable rented properties in these areas to meet changing household needs. Indeed, where the Council's SHMA work and Housing Strategy highlights a specific need for social rented provision this should be provided as a priority within the rental element of affordable need.

It is expected that affordable homes will be delivered on-site and integrated within the proposed development. When locating affordable homes within a scheme consideration should also be given to any existing affordable homes that adjoin the site. This will help to ensure that affordable homes do not become overly concentrated and that new development is well integrated within the wider urban area. This should reflect the management requirements of the Housing Association as well as the need to create balanced and mixed communities.

In addition to providing a range of tenures, it is important to ensure that property types delivered meet affordable housing need. The Council will therefore look to deliver a balanced profile of affordable housing to meet local needs in accordance with the most up to date SHMA. The precise mix of dwellings will however be negotiated on each site, but on sites which are suitable for family housing with 3 or more bedrooms, this should be prioritised. This reflects the recommendations of both the 2012 Coventry SHMA and the 2013 Joint SHMA, which highlight the need for larger family homes (with approximately 60% of new homes being of three or more bedrooms), housing for older people, specialist and supported housing.

¹ Affordable Housing is referenced in line with the definition in the NPPF