

MATTERS ARISING UPDATE SHEET

FROM SCRUTINY COMMITTEE MEETING ON

16 NOVEMBER 2023

Updates		
Minute Item Number	Member Query Raised	Cabinet Member/Officer Response (no more than a paragraph required)
4	How many properties had been purchased by the Council since 2019 and how many remained empty?	<p>The Housing Revenue Account has purchased 59 properties since 2018/19, of which 52 are tenanted and 7 are vacant.</p> <p>Of the 7 that are vacant, 5 are part of the development programme, 1 is currently having adaptations completed, and the other 1 is due to be allocated shortly.</p>
Briefing Note		
<p>4. The options, challenges and risks for providing 100% affordable housing developments in the district? (please provide as much information as necessary to answer the question)</p> <p>Definition of affordable housing –</p> <ul style="list-style-type: none"> • There are different types of affordable housing broadly split into two groups – affordable housing for rent and affordable housing to buy. • Types of affordable housing include affordable rent (which should be provided by a Registered Provider), Shared Ownership, Shared Equity, Discounted ownership, Rent to Buy, and First Homes. Detailed definitions are provided in the East Suffolk Affordable Housing Supplementary Planning Document. • The Suffolk Coastal Local Plan policy SCLP5.10 ‘Affordable Housing on Residential Developments’ sets out the required tenures where affordable housing is required on sites of 10 or more dwellings or of 0.5ha or more. • The Waveney Local Plan policy WLP8.2 ‘Affordable Housing’ sets out the required tenures where affordable housing is required on for sites of 11 or more dwellings. <p>Options for delivering 100% affordable housing –</p> <ul style="list-style-type: none"> • The Suffolk Coastal Local Plan policy SCLP5.3 ‘Housing in the Countryside’ permits “affordable housing to meet identified local needs on exception sites adjacent to, or well related to, Settlement Boundaries or clusters of housing in the countryside.” Exception sites policies allow affordable housing development where market housing development would 		

not be support by policy, and therefore where the land does not have market housing value.

- The Suffolk Coastal Local Plan policy [SCLP5.11](#) 'Affordable Housing on Exception Sites' which provides detailed policy in relation to SCLP5.3 permits proposals for affordable housing in the countryside subject to conditions including "it is demonstrated there is an identified local need for affordable housing and this cannot be met through existing housing allocations in the Local Plan or relevant Neighbourhood Plan, or through development within the Settlement Boundary".
- The Waveney Local Plan policy [WLP8.6](#) 'Affordable Housing in the Countryside' permits affordable housing in the countryside subject to conditions including "it is demonstrated there is an identified local need for affordable housing and this cannot be met through existing housing allocations in the Local Plan or relevant Neighbourhood Plan".
- Development of 100% affordable housing could in theory come forward on any site allocated for residential development in the two local plans, the [Suffolk Coastal Local Plan](#) and [Waveney Local Plan](#), or in a 'made' Neighbourhood Plan, subject to relevant policies in those plans, however see 'challenges' below.
- Development could come forward on sites located within settlement boundaries around town and villages where housing development is supported in principle, subject to relevant policies in the local plans. However similar challenges to those associated with allocated sites would exist as the principle of market housing is accepted.
- Neighbourhood plans may also set their own policies and for example the Reydon Neighbourhood Plan includes a policy under which affordable housing can take place where otherwise it would not be able to.
- The [East Suffolk Affordable Housing Supplementary Planning Document](#) provides detailed guidance including recommended processes for those wanting to bring forward exceptions sites for affordable housing.
- Housing developments in East Suffolk are required to pay a Community Infrastructure Levy (CIL). Developments for affordable housing can apply for a 100% relief from CIL.
- The Council's Housing Enabling Team offers support to Community Led Housing groups such as Community Land Trust, Cohousing or Cooperative Housing Societies in bringing forward local affordable housing.
- The Council's Planning Team provides support to Neighbourhood Plan Groups that want to allocate land for affordable housing.

Challenges –

- Land supply is low throughout the district.
- Competition - East Suffolk Councils ability to compete with other developers for the acquisition of land for off and on market sites. As ESC requires Cabinet approval for spends of over £250,000. Most land values exceed this, thus having a detrimental impact on ESC's ability to be competitive in acquiring sites. Once the necessary due diligence, viability carried out and cabinet paper written the subject site is likely to have been sold.
- Land values – Landowners appear to be asking above market values for sites which is having a significant impact on the viability of bringing forward potential sites for affordable housing.
- There is a strong developer preference for delivering open market housing alongside the policy required amount of affordable housing due to the profit margins associated with market housing which are required to make a development viable.

- As much as affordable housing is very important to achieve, so is open market housing. People want and need homes to buy of a mix of sizes and the private rental stock of housing in the District is also important, particularly for renters who may not qualify for affordable housing.
- It is also important to achieve well mixed communities and it is a long established planning design principal that affordable housing should be mixed and tenure blind. There are risks that high concentrations of affordable rent properties can also lead to some social issues in communities.
- If there was an increased focus on 100% affordable developments, there may also be a risk of seeing more 100% open market developments. This would create social division in communities.
- When 100% affordable housing sites are proposed we usually cannot require the additional affordable housing (above policy requirements) to be secured through the legal agreement, as the principle of market housing development is accepted on the site.
- There is no register or database of land available from landowners for the development of 100% affordable housing. Any scheme would need to identify areas where there is a potential need, carry out a local housing need assessment, contact all the local landowners to ascertain the availability of land and submit proposals for planning approval.
- The level of need for affordable housing needs can vary considerably across the district. Not all Parishes have a demonstrable need for affordable housing.
- Most affordable housing to rent is managed by a Registered Provider (RP) or the Council. An RP would need to be willing and able purchase and manage the housing for rent.
- RPs can sometimes struggle to be competitive with developers of market housing and this can make it difficult to secure land for 100% affordable housing. Most RPs seeking to develop land for affordable housing will now also include some open market housing in order to cover the costs of the development.
- Alternatively, during economic downturns in the housing market and land market, RPs may have access to grants and a willing to buy land that developers of market housing don't. During an economic downturn a lack of competition can benefit RPs.
- There are many costly financial requirements involved in development of land which must be addressed. These include flood risk, land contamination, biodiversity net gain, provision on onsite infrastructure (schools, playgrounds, open space etc), provision of roads and cycling and walking infrastructure, and utilities (usually more costly in rural locations) etc. There can be site specific issues such as the discovery of gas or water mains etc. The local plans have been subject to viability testing, and in the Waveney Local Plan area the affordable housing requirements are lower in the lower value areas where it would not be viable to require a higher amount.
- The cost of house building has increased significantly in recent years due to the cost of materials and changes in Building Regulation standards.
- The Council may wish to build to particularly high environmental standards which will add to the build cost and require specialist consultants and contractors.
- East Suffolk Housing Development Team has an existing housing programme and a team with little capacity sizewise. The development team is also under significant budget constraints which are having a detrimental impact on the delivery/acquisition of sites for additional affordable housing over what is already in the current programme The same does apply to a number of RPs.
- Where sites come forward for 100% affordable housing, as CIL relief can be applied, there would be no CIL provided from the development. This can result in some communities

receiving development but also not receiving Neighbourhood CIL. There are risks that if too many 100% affordable developments came forward, the cost to deliver infrastructure such as school expansion and health facilities would not be covered.

Risks –

- Any housing built and rented by the Council, a housing association or RP could be purchased under the Right to Buy. The resulting number of affordable homes to rent therefore may not increase in the long term.
- The cost of borrowing and the general economic situation could make it difficult to sell affordable housing to those who would qualify to buy them. There are financial risks for the developer associated with slow house sales or a drop in the price of housing.