

VALE OF AYLESBURY LOCAL PLAN EXAMINATION

RESPONSE OF THE NORTH BUCKS PARISHES PLANNING CONSORTIUM TO OPINION RESEARCH SERVICES' DOCUMENT 30th OCT 2018 – ED 177

1. The North Bucks Parishes Planning Consortium (NBPPC), had previously been somewhat swayed by Opinion Research Services (ORS) apparently positive and authoritative dismissal of the various points raised in July 2018 by our organisation regarding the perceived failure of the proposed delivery of 25% affordable housing on qualifying sites in VALP to meet the true future needs for rented and shared ownership affordable homes within Aylesbury Vale. However, in light of the recently published proposed main modifications for the Wycombe District Local Plan (WDLP), our organisation has revisited this matter.

A) Affordable Housing Delivery

2. In the Proposed Main Modifications to the WDLP (February 2019) document, there is the following in relation to the delivery of affordable housing. The modifications are in bold.

POLICY DM24 – AFFORDABLE HOUSING

The Council will require all developments for **10 or more** dwellings or more than 1000 sqm of residential floorspace to provide on-site affordable housing of at least:

- a) **48% of the total number of units** on sites that are greenfield land or were last used for Class B business use or a similar sui generis employment-generating use, or;
- b) **35% of the total number of units** on all other sites.

3. These figures equate to a rate of affordable housing delivery to 2033 which is roughly 70% greater than that which is being proposed in Aylesbury Vale, where both districts are located within the same Housing Market Area. Wycombe District Council makes it clear that this level of affordable housing delivery *will also meet the housing mix detailed in Figure 123 of the Bucks HEDNA* and meet economic viability assessments.

4. In Paragraph 14 of the ORS response, it advises - *However, the Wycombe Local Plan proposes to meet all of the identified affordable housing need, which explains why Wycombe are seeking a significantly higher target than the 21.5% found in the HEDNA.* Later in the same section, in Paragraph 16 we find - *As a result of this strong commitment to meet affordable housing need locally, any affordable housing built as part of the unmet need commitment can be considered as extra affordable housing contribution in excess of the minimum enumerated in the HEDNA. NBPPC believes this is an erroneous statement.* In the WDLP support documents, the Topic Paper 2: Housing, Paragraph 5.14 states – *The Buckinghamshire wide Memorandum of Understanding (MOU) will also address some of the unmet need for affordable housing as this will allow an element to be provided in Aylesbury Vale District. This will contribute to meeting the need occurring in Wycombe as with the wider housing supply.* Also, in the last sentence of VALP 5.5: it is stated - *"Allowing for 25% affordable homes to be provided on the entire housing figure (i.e.*

including the unmet need element referenced above) a total of 6,850 additional affordable homes must be provided in the district in the Plan period."

5. What the evidence in Paragraphs 2 to 4 prove, together with the details of affordable housing delivery in nearby LPAs provided by Buckingham Town Council, all of which are significantly more than what is proposed in VALP, is that the proposed figure of delivering 25% of dwellings on qualifying sites, together with relets, to meet the future total affordable housing needs in VALP is insufficient, unsubstantiated and unsound.

B) The Exclusion of Part Ownership Affordable Housing Need from Total AH Need

6. In the Opinion Research Services ▪ Atkins | Buckinghamshire HEDNA Update 2016 – Addendum Report September 2017 document, under Affordable Home Ownership, in Paragraph 3.11 it is stated in bold that ***only households unable to afford market rent were assessed to need affordable housing***. In Paragraph 4 of the ORS response this point is reiterated as follows -

It is clear that there would be the potential to provide affordable homeownership products in Buckinghamshire; however, this would be for households able to afford market rent and this need is therefore not counted within the identified need for affordable housing.

7. In the Opinion Research Services ▪ Atkins | Buckinghamshire HEDNA Update 2016 – Addendum Report September 2017 document, Paragraph 3.15 states - *Figure 53 illustrates the breakdown of overall housing need and shows that the overall need for affordable housing (9,600 dwellings over the 20-year period 2013-33) is fundamentally based on those households unable to afford market rent and who therefore are likely to need a rented affordable product.* This further evidences NBPPC's contention that VALP, based as it is on these various Bucks HEDNA documents, in its assessment of the total affordable housing need to 2033 for Aylesbury Vale, **has excluded part ownership affordable homes from its calculations and admits to this being the case.**

8. In Paragraph 11 of the Opinion Research Services' response we are advised - *Figure 123 identifies that of the households unable to afford market housing to rent or to buy, 17% could afford intermediate affordable housing products with the remaining 83% unable to afford any more than affordable rent.* To suggest that 'households unable to afford market rent' could afford shared ownership (the usual form of intermediate affordable housing) does not appear rational and is not satisfactorily addressed with supporting evidence in any of the relevant VALP documents and runs counter to the other extracts referred to in Paragraphs 6 and 7. This issue is covered in more detail later in the Consortium's response.

9. Figure 123 of the Bucks HEDNA indicates a need in Aylesbury Vale for intermediate affordable housing from 2013 to 2033 of 700 dwellings, 17% of the total. However, there does not appear to be any substantive data to support how this figure was arrived at. Historical data would indicate that it is in fact a very significant underestimate, with well over 25% of all affordable homes delivered in the Vale over the past 10 years being shared

ownership properties. In the first 5 years of the Plan period – 2013 to 2018, 464 intermediate affordable homes were completed in the Vale, an average of 93 per annum, which represented 29.9% of all the completed affordable homes. In the period 2011 to 2018, 739 intermediate affordable homes were delivered (source - AVDC). The HEDNA/ORS/AVDC are therefore indicating that for the last 15 years of VALP, 236 intermediate affordable homes are required – ie an average delivery of only 16 new intermediate affordable homes per annum 2018 to 2033. Common sense tells us this is obviously not rational and very badly flawed indeed. The delivery of such homes in the Vale during the first 11 months of 2018/19 and those committed in approved planning applications with Section 106s will already far exceed the figure of 236. There can therefore be no doubt that the figure of 700 (17% of the total) intermediate affordable homes, as expressing the need over the 20 years of VALP requires a substantial uplift and that the proposed delivery figure of 25% for affordable housing on qualifying sites as meeting total affordable housing need is therefore simply wrong.

10. The stringent approach adopted by Opinion Research Services in determining affordable housing need based solely upon those ‘households unable to afford market rent,’ was challenged at the EiP as unsound by our organisation. In light of new information, it is incontrovertibly evident that such a basis for calculating affordable housing need cannot include provision for part ownership affordable housing because, if a household is unable to afford market rent, it most certainly will not be able to afford the monthly outgoings of mortgage and rental payments demanded by a shared ownership affordable housing tenure in the long term. Therefore, the figure of 25% affordable housing delivery on qualifying sites in VALP, as being able to meet Aylesbury Vale’s total affordable housing need to 2033, is again demonstrably unsound. Our detailed evidence for making this statement is as follows for affordable dwellings in the north of the district.

11. The table below details the various monthly outgoings for theoretical architype 2 and 3 bed properties, dependent upon the tenure type (Source – Vale of Aylesbury Housing Trust). The various figures are current (March 2019) and the repayment mortgages are based on a 25 year term.

	<u>2 Bed House</u>	<u>3 Bed House</u>
Open Market Value	£270,000	£325,000
Mortgage pcm*	£1,135	£1,354
Market Rent pcm	£900	£1,050
Affordable Rent pcm	£678	£806
<u>Shared Ownership Purchase 40% Equity</u>		
Equity Rent (on 60%) pcm	£371	£447
Mortgage pcm*	£466	£556
Total Monthly Outgoings	<u>£837</u>	<u>£1,003</u>

*Estimated Mortgages based on 10% deposit

The 40% equity share is the normal minimum that Housing Associations operating in Aylesbury Vale consider as practical.

12. Though the total monthly outgoings for shared ownership are currently marginally less than corresponding market rents, the perceived wisdom is that during the life of the Plan, the current record low mortgage interest rates will increase and that therefore households without an income which would be sufficient to afford a market rent, would not be advised to pursue the shared ownership affordable homes route. A doubling of the interest rate from 2% to 4% for the shared equity mortgage would result in increased repayments amounting to £559 for the 2 bed house, resulting in a total of £930 total monthly outgoings and for the 3 bed house the mortgage pcm would be £667 and a total monthly outgoings figure of £1,114. Of course, those households with a sufficient monthly income to afford shared ownership affordable housing in the long term would, in accordance with VALP, be excluded from being eligible for such homes!

13. The North Bucks Parishes Planning Consortium therefore considers the evidence it has presented in this submission substantively demonstrates that, because the shared ownership element of total affordable housing need for the Vale to 2033 has effectively been excluded from consideration in arriving at the 25% figure for delivery on qualifying sites in VALP and has in reality only considered households needing rented affordable accommodation, the figure needs to be substantially increased to deliver sufficient affordable homes to meet the true total need, including shared ownership homes, which are an integral part of affordable homes delivery.

14. If VALP specifies that 25% of affordable homes should be of intermediate tenure to meet need, then the delivery of affordable housing should be a minimum of 33.3%, if it were to be 20% then the minimum delivery would be 31.3%.

14. It should be recognised that, if VALP goes forward with only 25% total affordable housing delivery and, as seems almost certain, stipulates that a proportion of these homes are allocated for shared ownership, then obviously the need for rented affordable housing in Aylesbury Vale will be significantly underprovided for to 2033.