

# APPENDIX D

## WAVERLEY BOROUGH COUNCIL

### OVERVIEW AND SCRUTINY COMMITTEE - 9 NOVEMBER 2009

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**Title:**

**AFFORDABLE HOUSING PROGRAMME IN WAVERLEY**

**[Portfolio Holder: Cllr Keith Webster]**

**[Wards Affected: All]**

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**Summary and purpose:**

This report is provided to the Committee as part of its overview and monitoring role and is for comment and noting.

This report provides:

- the context about how affordable housing is delivered in the Borough;
  - a breakdown of the delivery of affordable housing over the past four years;
  - an overview of the current affordable housing programme in the context of changes in the local housing market and the economic conditions;
  - details of future planned affordable housing schemes; and
  - challenges and opportunities for affordable housing.
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**How this report relates to the Council's Corporate Priorities:**

This report relates to four of the Council's Corporate Priorities namely: to work for more **affordable housing** to be built and managing council housing well, whilst **protecting and enhancing Waverley's unique mix of rural and urban communities**, to **improve the quality of life** for all, particularly the more vulnerable within our society; and ensuring all our activities provide good **value for money**.

**Equality and Diversity Implications:**

It is well documented that having a decent home in which to live improves quality of life, health, longevity and educational attainment. The provision of affordable homes in Waverley is important because of the high level of housing need and the high cost of homes in the housing market.

**Resource/Value for Money implications:**

The resource implications relate to the way in which Waverley uses its assets and resources (capital grants, land, and planning powers) towards achieving its corporate priorities.

**Legal Implications:**

There are no legal implications arising from this report.

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**What is 'Affordable Housing'?**

1. Waverley's Local Plan defines 'affordable housing' as being:

*“housing provided with a subsidy and made available in perpetuity to local people who cannot afford to rent or buy housing appropriate to their needs in the open housing market” [Paragraph 6.30].*

2. Affordable housing is usually provided by Registered Social Landlords (RSLs) who make available homes for rent, or through part rent/ part buy schemes (formerly known as ‘Shared Ownership’, but recently re-branded by the Government as ‘New Build Homebuy’). Rented housing is provided by the Council or RSLs at below open market rates. New Build Homebuy schemes operate by the purchaser obtaining a mortgage for a share in the equity of a property, whilst paying a Housing Association rent on the remaining equity.
3. There are some 20 Registered Social Landlords (including Almshouses) operating in the Waverley area, which own a total of 1,364 homes. The largest affordable housing provider remains the Council, which owns some 4,900 homes. Most of these homes are occupied with vacancies occurring from time to time when tenants leave for one reason or another.
4. The provision of affordable housing is a key priority for many agencies in the Borough. Affordable homes are needed to maintain the social fabric of the area, and to attract and retain staff in the service and public service arena. Consequently, the number of new affordable homes completed is a National Performance Indicator and this is a Surrey-wide target within the Local Area Agreement. It is not surprising then that securing more affordable housing is a key Corporate Priority for the Council.
5. This report illustrates the work that has been undertaken by the Council, working with its partners and developers to secure affordable housing across the Borough. It is worth noting that the Council as a Planning Authority, Housing Authority, land-owner and grant-maker has a role to play in securing affordable housing. Waverley has a good track record of bringing its different roles and responsibilities together to bear on these matters.

### **Waverley Context**

6. Waverley is highly constrained by planning designation (Green Belt, AONB, SPA, etc) that reduce opportunities for new development. To put this into perspective, the total number of all private market and affordable homes built each year in the Borough is, on average, only 215 dwellings per annum.
7. The South East Plan has a target of 250 new dwellings to be built in Waverley each year from 2006 – 2026. This figure includes dwellings of all tenures. However, the Strategic Housing Market Assessment<sup>1</sup> (2007) estimated an additional 515 affordable homes alone are required each year in order to meet local need. It is not surprising then that there is an acute shortage of affordable housing in Waverley.

### **Meeting Housing Need**

8. There are some 3,464 households registered on the Council’s Housing Needs Register (as at 8/10/09). By contrast, the Council, as a landlord, has some 300 properties become available to re-let each year – 308 in 2006/07; 300 in

2007/08; 282 in 2008/09 and 155 from April – September 2009. Approximately half of these properties are small 1-bedroom accommodation.

9. Affordable homes owned by the Council and Registered Social Landlords that become vacant and are available to rent are advertised through the Council's Choice Based Lettings system.
10. In addition to normal relets, the Council works with partners to secure more affordable housing to add to the stock. Over the years the Council has adopted a number of approaches to increasing supply and these include:
  - making Council owned land available for new developments;
  - making capital grant available to Registered Social Landlords;
  - working with Parish Councils on 'exception sites' to deliver affordable housing for local people;
  - working with landowners to promote the case for affordable housing;
  - making exceptional cases for Local Plan policies to be set aside to enable the delivery of affordable housing at Northbourne, Godalming (permission granted for 131 homes in 1993); and Wyphurst Road, Cranleigh (permission granted for 79 homes in 2004);
  - putting in policies to maximise affordable housing opportunities as part of market schemes
  - securing affordable housing through Section 106 Agreements as part of planning policy; and
  - supporting RSLs making applications to the Homes and Communities Agency (formerly the Housing Corporation) to obtain grant funding for affordable housing.

### **What have we delivered?**

11. The Table 1 (attached) provides details of the affordable housing schemes that have been secured in the Borough over the past 4 years.
12. In common with many Surrey boroughs, delivering affordable housing in Waverley is challenging. Nevertheless, in the period 2005/06 – 2009/10 a yearly average of some 58.6 new affordable homes have been delivered (or in the case of this financial year are due to complete) viz: 2009/10 - 21; 2008/09 - 52; 2007/08 - 66; 2006/07 - 92; and 2005/06 - 62.
13. The Council has a solid track record on developing small-scale rural exception schemes, on which all homes are affordable housing in perpetuity for local people in housing need. These homes have been developed through close joint working with our rural specialist Registered Social Landlord partners and the local Parish Council (see Table 6).
14. Developments which represent a departure from the Local Plan can only be made in exceptional circumstances, where there is a strong, demonstrable need for affordable housing that cannot be met in any other way. The Council has seen fit to make two major exceptions to planning policy. The first at Northbourne, Farncombe in Godalming in 1993, when planning permission was granted for 131 affordable homes; and more recently in Cranleigh in 2004, where 79 affordable homes have been delivered (see Table 1).

### **Affordable Housing Schemes Currently On-Site**

15. Table 2 provides information about the three schemes, comprising 21 new homes, which currently on site and expected to complete in November/December 2009. This includes former Council land at Bardsley Drive, Farnham, which will provide two homes for people with a learning difficulty leaving supported housing and a ground floor wheelchair accessible property. Eleven homes at Dunsfold; and seven homes at Hindhead.

### **Housing Schemes with Planning Permission**

16. The slow down in the economy has had a significant impact on the housing market and developments. This has had a knock-on effect on the potential supply of affordable housing coming through Section 106 Agreements. Developers are also not bringing forward planning applications until there is more stability in the housing market. They are choosing to wait for market conditions to improve before starting development on open market sites, however pre-application discussion includes a number of sites in the pipeline.
17. Nevertheless, there are a number of sites with planning permission that have an element of affordable totalling 157 affordable homes (see Table 3 attached). When these sites will be brought forward to start is in the hands of the owner/developer. However, Sentinel Housing Association has acquired the Wrecclisham Road site, Farnham. This has outline planning permission for 60 homes in total. Sentinel HA has secured grant funding from the Homes and Communities Agency to support 32 affordable homes and is therefore intending to bring this site forward for development in the next few months. Discussions are being held with the developer of the Langham Park, Godalming site (which is 100% affordable = 38 homes).

### **Affordable Housing Schemes in the Pipeline**

18. There are also a number of potential schemes with an element of affordable housing being worked-up by the Council with its RSL partners or on land in private ownership, which require an element of affordable housing under the Planning Policy. See Table 4 for details of these potential schemes.
19. A word of caution: it should be noted that the list includes sites where officers are aware of developments that might be brought forward. It does not mean that these sites will receive planning permission.
20. Table 4 includes sites owned by the Council, which it has resolved to use for additional affordable housing in pursuance of its Corporate Objective – to build more affordable housing. These sites include: Rowland House, Cranleigh; Station Road, Godalming; and Warren/Perrior Road, Farncombe. It also includes a number of small former underused garage sites owned by the Council that might have potential for some small-scale development.
21. The Council has put in place in March 2007 an Avoidance Strategy to deal with this issue. It is currently being reviewed until such time as a new strategy has been adopted by the Council. No further housing is being permitted in

Farnham, this has impacted on proposed affordable housing developments at Marshalls, Farnham.

### **Conclusion**

22. There are a number of variables affecting the supply of affordable housing for example: land supply; planning permission and planning conditions; the availability of social housing grant; and the willingness of a developer to start on site and timetabling issues. A number of these factors are outside of the direct control of the Housing Department or Registered Social Landlord (RSL); and so, inevitably, any anticipated timescales for the delivery of affordable housing can only be estimates, until contractual arrangements have been entered into between developer and RSL. The development arena is, by its nature, a dynamic and changing environment and so it is not always possible to be definitive of certain about the future.
23. Notwithstanding the challenges of providing affordable homes in the Borough, Waverley and its partners have made significant progress in enabling more affordable homes for people in housing need.
24. Officers are proposing to draw-up an Affordable Housing Commissioning Strategy in order to provide developers, RSLs and other partners a clear framework explaining the ways in which the Council can support and influence affordable housing initiatives. A draft of this document should be available in the spring of 2010.

### **Recommendation**

It is recommended that the report be noted.

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### **Background Papers**

- <sup>1</sup> Housing Needs and Market Assessment (2007)  
[www.waverley.gov.uk/site/scripts/download\\_info.php?downloadID=623&fileID=1179](http://www.waverley.gov.uk/site/scripts/download_info.php?downloadID=623&fileID=1179)

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**TABLE 1****AFFORDABLE HOUSING COMPLETIONS 2005/06 – 2008/09**

<b>2008/09</b>	<b>AREA</b>	<b>HOUSING ASSOCIATION</b>	<b>NUMBER OF AFFORDABLE HOMES</b>
Queensmead	Chiddingfold	English Rural HA	4
Farnham Hospital	Farnham	Thames Valley HA Bellways AHT	48
<b>Total</b>			<b>52</b>
<b>2007/08</b>			
Sherrydon	Cranleigh	Pavilion HA	9
Grove Road	Hindhead	A2	3
Godalming College	Godalming	Mount Green HA	20
Midhurst Road	Haslemere	Peerless HG	14
Dorlcote, Roke Lane	Witley	Thames Valley HA	20
<b>Total</b>			<b>66</b>
<b>2006/07</b>			
Wyphurst Road	Cranleigh	Downland	56
Croft Nurseries	Elstead	Thames Valley HA	18
Merriewood	Elstead	English Rural HA	3
Wrecclesham Road	Farnham	Pavilion HA	7
Reris Grange	Milford	Mount Green HA	8
<b>Total</b>			<b>92</b>
<b>2005/06</b>			
Wyphurst Road Ph 1	Cranleigh	Downland	23
Kilnfields Ph 2	Haslemere	Thames Valley HA	11
Wood Road	Beacon Hill	Thames Valley HA	7
Franklyn Court	Wormley	Southern HA	21
<b>Total</b>			<b>62</b>

**TABLE 2**

**AFFORDABLE HOUSING SCHEMES CURRENTLY ON SITE (Nov 2009)**

Housing Scheme Address	Location	Predicted Completion Date	Housing Association	Type of Scheme	Total Number of Units
Royal British Legion	Dunsfold	Dec 2009	English Rural	Part Rural exception scheme and part S106	11
Bardsley Drive	Farnham	Nov 2009	Ability HA	Waverley owned land	3
Expedier House	Hindhead	Nov 2009	Pavilion HA	S.106 site	7
Farnham Hospital	Farnham	Spring 2010	Bellways AHT	S. 106 Site	6
<b>TOTAL</b>					<b>27</b>

**TABLE 3**

**DEVELOPMENTS WITH PLANNING PERMISSION WITH AN ELEMENT OF AFFORDABLE HOUSING**

Housing Scheme Address	Location	Registered Social Landlord	Type of Scheme	Total Number of Affordable Homes
Langham Park	Godalming	TBC	100% affordable housing	38
Wharf Street	Godalming	Pavilion HA	100% affordable housing	9
East Street	Farnham	Thames Valley HA	Section 106 site	72
Wrecclesham Road (Phse 1)	Farnham	Sentinel HA	Section 106 site	32
Heath House	Farnham	TBC	Section 106 site	4
Honey Pot Antiques	Elstead	TBC	Section 106 site NB: developer also has another planning permission for same site without an affordable housing element	2
<b>TOTAL</b>				<b>157</b>

**TABLE 4**

**POTENTIAL DEVELOPMENTS WITH AN AFFORDABLE HOUSING ELEMENT BEING WORKED-UP**

<b>Scheme Address</b>	<b>Location</b>	<b>Registered Social Landlord</b>	<b>TYPE OF SCHEME</b>	<b>Planning Application Expected</b>	<b>Potential No. Affordable Homes</b>
Mushroom Farm	Shackleford/Peper Harow	English Rural	Exception to Planning Policy	Oct 2009	7 – divided between GBC and WBC
Rowland House	Cranleigh	Thames Valley HA	Council land	Dec 2009	39
Station Road	Godalming	TBC	Council land	Jan 2010	15
Warren/Perrior Road	Farncombe	TBC	Council land	Jan 2010	2
Marshalls	Farnham	Mount Green	Council land	As soon as SPA/SANGS allows	15
Victoria Road	Godalming	Mount Green	SCC and WBC land	Spring 2010	5
Aarons Hill	Godalming	Pavilion HA	WBC former garage site	Spring 2010	2
Chestnut Way	Bramley	Pavilion HA	WBC former garage site	Spring 2010	2
Hullmead	Shamley Green	Sentinel HA	WBC former garage site	Spring 2010	2
Parkhouse Cottages	Cranleigh	Pavilion HA	WBC former garage site	Spring 2010	c4
Broad Acre	Farncombe	TBC	Council land		2
Woodside	Chiddingfold	English Rural HA	S106 site	In hands of developer	4
Bourne Mill	Farnham	Sentinel HA	S 106 site	In hands of developer	c40
Ridgeley Road	Chiddingfold	English Rural HA	Exception to Planning Policy	In hands of land owner	8
Guardian Court	Elstead	Anchor HA	Redevelopment of sheltered housing scheme	Summer 2010	6
Milford Hospital	Milford (in the Parish of Busbridge)	TBC – land owned by the Homes and Communities Agency	Surplus NHS land which is covered by Supplementary Planning Guidance	2010	TBC
<b>Potential Total</b>					<b>Over 153</b>

**TABLE 5**

## AFFORDABLE HOUSING PROVIDED IN RURAL SETTLEMENTS IN WAVERLEY

Housing Scheme Address	Village	Within settlement boundary?	Year of Completion	Housing Association	Total Number of Units
RBL Site	Dunstable	Yes	2009/10	English Rural	11
Queens Mead	Chiddingfold	Yes	2008/09	English Rural	4
Merriewood	Elstead	Planning gain	2006/07	English Rural	3
Croft Nurseries	Elstead	15 as rural exception, outside the settlement boundary 3 on S.106 site	2006/07	Thames Valley Housing Association	18
Bramley Grange	Bramley	Planning gain – Section 106 Agreement	2004/05	English Villages HA	6
Woodpigdeon site	Wormley	Exception Policy site	2004/05	English Rural HA	5
Canada Copse	Milford	Exception Policy site	2003/04	English Rural HA	15
Hillbrow Motors	Elstead	Planning gain – Section 106 Agreement	2003/04	English Villages HA	2
The Glebe	Ewhurst	Waverley owned land within the village	2003/04	English Rural HA	5
Nugent Close	Dunstable	Exception Policy site	2002/03	English Rural HA	9
Hambledon	Hambledon	Exception Policy site	2001/02	English Rural HA	5
Chiltern Close	Alfold	Exception Policy site	1999/2000	Downland HA	12
Cooper Cottages, Ridgeley Road	Chiddingfold	Waverley owned land within the village	1998/09	English Rural HA	4
Nugent Close	Dunstable	Exception Policy site	1997/08	London & Quadrant and English Rural	12
Shepherds Close	Tilford	Exception Policy site	1996/07	English Rural HA	8
Wheeler Lane	Witley	Waverley owned land within the village	1995/06	Mount Green HA	1
Ewhurst Green	Ewhurst	Planning requirement	1993/04	First Step HA	6
Chiltern Close	Alfold	Exception Policy site	1992/03	Downland HA	12