

MATTER 12: WILL CORE POLICY 1 FUNCTION PROPERLY AND DELIVER AFFORDABLE HOUSING?

- 12.1 This Matters Statement has been prepared by Tetlow King Planning on behalf of David Sparks of the Minster Veterinary Centre in relation to his land interests to the east of Southwell.
- 12.2 Core Policy 1 requires 30% affordable housing contributions from qualifying development (11 or more dwellings or 1,000 sqm or more floorspace), whilst Spatial Policy 2 identifies an overall housing requirement of 9,080 dwellings in Newark and Sherwood District Council between 2013 and 2033.
- 12.3 In the absence of a defined affordable housing target in the emerging Plan, based upon applying Core Policy 1 affordable housing percentage requirements to the overall housing requirement this would result in an emerging Plan target of 2,724 affordable homes across the Plan period, equivalent to 136 affordable homes per annum.
- 12.4 The evidence base to the emerging Plan includes the Nottingham Outer SHMA (2015) which identifies a need for 177 dwellings per annum in Newark & Sherwood, when backlog needs are addressed across the whole Plan period using the Liverpool Approach. When backlog needs are addressed within the first five years in line with the Sedgfield Approach then this figure increases to 305 per annum for the first five years.
- 12.5 Paragraph 2.5 of the emerging Plan acknowledges that there is a wide variation in the average house price across the district between the Southwell area and parts of Newark and the former mining communities in the north-west with price rises restricting younger households from entering the local housing market resulting in a significant affordable housing need.
- 12.6 Furthermore, at paragraph 5.3 it sets out that a significant element of affordable housing built in the district comes from requiring developers to provide affordable homes through new development.

- 12.7 The NHF Home Truths Report 2016/17 for the East Midlands illustrates that the average house price to average income ratio in Newark & Sherwood is 7.6, meaning that those on an average income require more than seven and a half times their annual income to purchase an average priced home in the district. This is the second highest ratio in the whole of Nottinghamshire.
- 12.8 The picture is no better for those on a lower quartile income seeking a lower quartile property in Newark & Sherwood. The Office of National Statistics Table 6C showing the ratio of house prices to earnings illustrates that the ratio of lower quartile house prices to lower quartile incomes in the district has increased from 3.84 in 2002 to 6.01 in 2016, equivalent to a 64% increase. Those on a lower income in the district need to find some six times their annual income to afford a property at the lower priced end of the property market in Newark & Sherwood.
- 12.9 CLG Live Table 786 illustrates that in the past year alone, Newark & Sherwood Council has seen a 39% increase in homelessness, rising from 94 acceptances in 2015/16 to 131 acceptances in 2016/17.
- 12.10 This level of affordable housing need will detrimentally affect the ability of people to lead the best lives they can. The National Housing Strategy requires urgent action to build new homes, acknowledging the significant social consequences of failure to do so
- 12.11 This all demonstrates an acute need for affordable housing in Newark & Sherwood and one which the District Council and decision makers need to do as much as possible to seek to address. Indeed, they are required to do so, and proactively, by the NPPF.
- 12.12 The NPPF is clear that planning should be a proactive process to deliver the homes the country needs. Paragraph 17 states the importance of making every effort to respond positively to growth which meets identified needs taking account of market signals such as land prices and affordability.

- 12.13 The November 2016 Redfern Review into the decline of home ownership found that falling home ownership is a problem for a number of reasons, including that home ownership brings additional home stability, security, financial strength and the ability to plan ahead in a way that renting cannot.
- 12.14 It reported that there will always be some households unable to access a home in the private market and as a decent society we need to provide a fair and reasonable safety net for them, and so a vibrant affordable housing sector is an important part of a healthy housing market.
- 12.15 The report found that home ownership amongst the under 45s has fallen by over 850,000 people, not to mention the crisis among the homeless and those who are badly housed. It concluded that *“their situation would be improved if more housing was available”*.
- 12.16 In his July 2017 speech to the Local Government Association Conference, Communities Secretary Sajid Javid stated that *“there’s a serious shortage of decent, affordable housing in this country”* and concluded that *“the simple fact is that to put this right we need to build more homes that people want to live in, in places people want to live”*.
- 12.17 In delivering his 2017 Autumn Budget the Chancellor Phillip Hammond specifically addressed the challenges facing the housing market and stated that:
- “There is one area where young people today will, rightly, feel concern about their future prospects and that is in the housing market. House prices are increasingly out of reach for many. It takes too long to save for a deposit. And rents absorb too high a proportion of monthly income.*
- So the number of 25-34 year olds owning their own home has dropped from 59% to just 38% over the last thirteen years.*

Put simply, successive governments over decades, have failed to build enough homes to deliver the home-owning dream that this country has always been proud of. Or, indeed, to meet the needs of those who rent.”

12.18 Furthermore, Mr Hammond set out that:

“By choosing to build. We send a message to the next generation that getting on the housing ladder is not just a dream of your parent’s past. But a reality of your future...

...We need to do better still if we are to see affordability improve...If we don’t increase supply of land for new homes, more money will inflate prices, and make matters worse.”

12.19 In November 2017 Prime Minister Theresa May delivered a speech in which she made it her mission to speed up the delivery of more homes. Mrs May announced that *“for decades we simply have not been building enough homes, nor have we been building them quickly enough, and we have seen prices rise”*.

12.20 She went on to make clear that *“we must get back into the business of building the good quality new homes for people who need them most”* and *“that is why I have made it my mission to build the homes the country needs.”*

12.21 Also in November 2017 the Communities Secretary, Sajid Javid, in delivering his speech on boosting housing provision acknowledged that *“it is painfully obvious that there remains much, much more to be done”*, and that *“even today, I still hear from those who say that there isn’t a problem with housing in this country. That we don’t need to build more. That affordability is only a problem for Millennials that spend too much on nights out and smashed avocados. It’s nonsense.”*

12.22 Paragraph 47 of the NPPF sets out the Government’s clear target *“to boost significantly the supply of housing”*, requiring local planning authorities to *“use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing”* as far as is consistent with the wider policies set out in the Framework.

12.23 It is important to examine past delivery of affordable housing in Newark & Sherwood in the context of the above. Data taken from the Council's own AMRs and set out in figure 12.1 below illustrates that over the course of the past decade the Council has delivered an average of 401 overall dwellings of annum, of which just 70 per annum have been delivered as affordable homes.

Figure 12.1: Overall Housing and Affordable Housing Delivery

Monitoring Period	Overall Housing Completions	Affordable Housing Completions
2007/08	330	32
2008/09	346	22
2009/10	403	83
2010/11	431	92
2011/12	293	76
2012/13	366	32
2013/14	274	58
2014/15	447	89
2015/16	396	67
2016/17	571	147
Total	4,008	698

Source: NSDC AMRs

12.24 What is particularly notable from figure 12.1 is that that the only time in the past decade that the Council has even come close to meeting identified affordable housing needs was the most recent monitoring period (2016/17) where overall housing completions

stood at 571 dwellings, the highest level of overall housing completions in the district for more than 10 years.

- 12.25 The emerging Plan sets out at paragraph 5.7 that the Whole Plan & CIL Viability Assessment (**INF.06**) concluded that in broad terms delivering 30% affordable housing across the district is viable. We do not seek to dispute that 30% is an appropriate level at which to seek to secure affordable housing contributions from qualifying development.
- 12.26 However, what is clear from the Council's historic record of affordable housing delivery is that the overall housing target should be increased in order to boost significantly the supply of housing in line with paragraph 47 of the NPPF. Evidence from the 2016/17 monitoring period illustrates the positive impact that increasing overall housing delivery has upon affordable housing delivery within the district.
- 12.27 To conclude, there is a clear and pressing need for an increase in the overall housing target in Newark and Sherwood District. In doing so this would boost significantly the delivery of housing in line with the provisions of the NPPF and simultaneously provide cross-subsidy for increased rates of delivery of affordable homes to help meet the acute affordable housing needs in Newark & Sherwood District.

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