



**Newark & Sherwood District Council**

**Matter 4:  
Affordable Housing**

**October 2024**

## Contents

<b>Issue 1 – Whether the Plan makes Adequate Provision for Affordable Housing .....</b>	<b>2</b>
Q4.1 How has national policy been taken into account in the formulation of the policy? .....	2
Q4.2 Is there evidence to indicate that the First Homes model is the appropriate mechanism to meet affordable housing needs in the District? How will First Homes be delivered as part of the mix of affordable housing? .....	2
Q4.3 How will the First Homes model assist in meeting the need for shared ownership dwellings? .....	3
Q4.4 For brownfield land schemes, what factors will determine the proportion of affordable housing to be provided? .....	3
Q4.5 Is the viability evidence sufficiently up to date to support the percentages of affordable housing sought and the threshold of 10 or more dwellings at which they will be required? .....	4
Q4.6 Overall, are the policy requirements clear, positively prepared and justified by evidence? Will the policy provide for sufficient affordable housing where it is needed in the District? Are any main modifications necessary for soundness? .....	6
<b>Issue 2 – Whether the Plan Makes Adequate Provision for Rural Affordable Housing .....</b>	<b>8</b>
Q4.7 Should the policy be clear on which document contains Spatial Policy 4 Green Belt? Is a main modification necessary for soundness? .....	8
<b>Issue 3 – Whether the Plan makes Adequate Provision for Entry-Level Exception Housing. 9</b>	
Q4.8 How has national policy and PPG been taken into account in the formulation of the policy? .....	9
<b>Issue 4 – Whether the Plan Makes Adequate Provision for Housing Mix, Type and Density</b>	<b>10</b>
Q4.9 Will the policy provide for a mix and choice of housing to meet the needs of different groups in the community and is it consistent with national policy in that regard? .....	10
Q4.10 Is the policy based on up-to-date evidence? .....	10
Q4.11 Is the policy sufficiently flexible to take account of changing conditions to the housing market? .....	10
Q4.12 Are the requirements for M4(2) and M4(3) standard homes justified having regard to the factors listed in the PPG4 and the evidence in the Housing Needs Assessment (Evidence Base H1)? .....	11
Q4.13 What evidence is available to demonstrate the level of interest in self and custom build dwellings? .....	12

## **Issue 1 – Whether the Plan makes Adequate Provision for Affordable Housing**

### **Core Policy 1 – Affordable Housing Provision**

#### **Q4.1 How has national policy been taken into account in the formulation of the policy?**

A: The affordable housing policies in the [Amended Core Strategy](#) ('ACS') were developed and examined before the provisions of the 2019 National Planning Policy Framework ('NPPF') relating to affordable housing were amended in July 2018. The Council first considered this matter in the 2019 Issues Report ([IP1](#)) with set that the main differences between the two approaches are:

- that previously Affordable Housing could not be secured on sites of 10 or less (i.e. 11 or more) and now they can be secured on sites of 10 or more.
- that alongside the dwelling number trigger a combined gross floor space of more than 1000sqm was also included however now this has been replaced with a 0.5 hectares trigger.
- that at least 10% of new dwellings to be available for affordable home ownership (with a range of exemptions to this)
- that 'entry-level exceptions sites' should be supported by Local Planning Authorities.

The Council promoted the idea of the replacement Core Policy 1 in the 2019 Issues Report ([IP1](#)) and in the subsequent 2021 Options Report ([OR1](#)). The Options Report draft policy integrated the various changes to national policy by amending the Amended Core Strategy policy. Several consultee responses criticised the clarity of the content and the decision was taken to redraft the policy to enhance clarity.

Part B and Part C of Core Policy 1 in the ACS clearly articulates the requirements contained within Paragraph 62 of the NPPF, by setting out the types of new affordable housing required and the circumstances where off site contribution will be acceptable.

Part A of Core Policy 1 addresses Paragraph 63 of the NPPF regarding appropriate threshold for provision of affordable housing on major development sites.

Part D of Core Policy 1 addresses the requirements for 10% affordable home ownership products in Paragraph 64 of the NPPF.

#### **Q4.2 Is there evidence to indicate that the First Homes model is the appropriate mechanism to meet affordable housing needs in the District? How will First Homes be delivered as part of the mix of affordable housing?**

A: Yes. Whilst homes for Social or Affordable Rent continue to be the greater proportion in housing need terms, and policy approach for the Council, the District Wide Housing Needs Assessment 2020 ([H1](#)) and the Housing Register identifies a demand for intermediate tenures and supports shared ownership/discount for sale affordable tenures, including around 20% for First Homes.

Affordability tests in the [District Wide Housing Needs Assessment 2020](#) (table C.14 extracted below) suggest that 32% of existing households and 11.2% of newly forming

households can afford a discounted home ownership product. Whereas a shared ownership option (25% discount) increases affordability to 47.8% and 23.3%, respectively. This indicates an imbalance in the First Homes and Shared Ownership tenures.

**Table 4.1 – Table C.14 from District Wide Housing Needs Assessment (2020)**

Table C.14 - Intermediate tenure options – Affordability tests			
Intermediate Product	Newark and Sherwood price*	% existing households can afford	% newly forming households can afford
Discounted home ownership	£140,743	32.0	11.2
Help to Buy	£127,225	37.0	18.6
50% shared ownership	£81,788	38.9	22.2
25% shared ownership	£43,166	47.8	23.3

Based on the evidence in the District Wide Housing Needs Assessment ([H1](#)), there is clearly a need for a discounted product including First Homes, but the demand for this tenure is modest compared to rented and shared ownership products, based on affordability issues in the District. The 25% First Homes national target exceeds the current requirement identified in the Housing Needs Assessment ([H1](#)). If the policy was led by local need, rather than national policy, then this figure would be reduced proportionately.

Current policy delivers First Homes as 25% of the overall affordable provision; forming part of the intermediate requirement (40% overall). This policy allows for the preservation of rented delivery.

**Q4.3 How will the First Homes model assist in meeting the need for shared ownership dwellings?**

A: The Council recognises that First Homes will meet a local housing need, but it does not believe it meets the same need as shared ownership (as set out in table C.14 above) as higher earnings and deposit will be required in order to access and afford a First Home compared to a shared ownership home of the same value.

The First Homes element of the affordable housing provision reduces the availability of a traditional shared ownership product which accounts for the greater need due to affordability concerns.

**Q4.4 For brownfield land schemes, what factors will determine the proportion of affordable housing to be provided?**

A: Part C of Core Policy 1 sets out the various conditions that the District will consider as part of any development scheme when seeking affordable housing. These are considerations for both greenfield and brownfield schemes but are particularly pertinent for schemes on previously developed land as the developer may need to factor in less favourable land conditions and could be bringing back into use existing buildings. These can all have an impact on deliverability, and these will be considered as part of any planning application.

Representor [037/CP1/T1T2T3T4/0086](#) believes that elements of paragraph 8.13 should be included within Core Policy 1, however the Council contents that as the information is an explanation of national policy this is not necessary.

**Q4.5 Is the viability evidence sufficiently up to date to support the percentages of affordable housing sought and the threshold of 10 or more dwellings at which they will be required?**

A: Yes, the plan was subject to a Whole Plan Viability Assessment undertaken in 2021 ([WP1](#)). There have been inflationary increases in both construction costs and sales values over the last 3 years and, in anticipation of this issue being raised, an update of the viability assessment was undertaken in February 2024 (submitted alongside this matter).

The following tables illustrate comparable residential sale values, construction costs and viability results from the submission documents and 2024 update. The land value benchmarks are derived directly from these assumptions and therefore are automatically updated.

**Table 4.2 - Sale Values - 2021**

Residential Sales Values					
Sub-Market Area	Sales Value £sqm				
	Apartment	2 Bed	3 Bed	4 Bed	5 Bed
<b>Low</b>	2100	2300	2200	2200	2100
<b>Medium</b>	2250	2500	2400	2400	2300
<b>High</b>	2400	2700	2600	2600	2500
<b>Very High</b>	2950	3400	3300	3300	3150

**Table 4.3 - Sales Values - 2024**

Residential Sales Values					
Sub-Market Area	Sales Value £sqm				
	Apartment	2 Bed	3 Bed	4 Bed	5 Bed
<b>Low</b>	2400	2750	2700	2700	2600
<b>Medium</b>	2450	2950	2900	2900	2800
<b>High</b>	2500	3050	3000	3000	2900
<b>Very High</b>	3100	3550	3500	3500	3400

Construction Costs

Residential Construction Cost Sqm		
Apartments	1601	sqm
2 bed houses	1092	sqm
3 Bed houses	1092	sqm
4 bed houses	1092	sqm
5 bed houses	1092	sqm

**Table 4.4 - 2021 Costs**

Residential Construction Cost Sqm		
Apartments	1862	sqm
2 bed houses	1269	sqm
3 Bed houses	1269	sqm
4 bed houses	1269	sqm
5 bed house	1269	sqm

**Table 4.5 - 2022 Costs**

## Community Infrastructure Levy

In addition, the 2024 viability results also take into account the indexed CIL charges in Table 4.6 below.

**Table 4.6 – CIL Rates**

<b>CIL Rates</b>		
Charging Zone/ Sub-Market Area	Base CIL Rate	
	Apartment	Indexed to 2024
<b>Low</b>	0	0
<b>Medium</b>	45	52
<b>High</b>	70	82
<b>Very High</b>	100	117

**Table 4.7 - Other Costs and Policy Impact Allowances in 2024 Update**


Accessibility Standards	Houses: 24% of Dwellings Cat 2 £4sqm 1% Cat 3 £1sqm  Apartments: 24% of Dwellings Cat 2 £5sqm 1% Cat 3 £2sqm
Planning Obligations	S106 Infrastructure Contribution Allowance: £3000 per dwelling
Sustainable Construction	Part L Building Regulation Cost Increase: £49sqm Houses £63sqm Apartments LPD Water Conservation Allowance: £110
Biodiversity Net Gain	BNG Allowance: £600 per dwelling

Viability Results (illustrating the level of positive viability margin in £ per sqm)

**Table 4.8 - 2021 Maximum Residential CIL Rates per SQM**

<b>NCS</b>					
<b>Maximum Residential CIL Rates per sqm</b>					
Charging Zone/Base Land Value	Mixed Residential Estate	Apartments	Starter Housing	Family Housing	Executive Housing
<b>1 Low</b>					
Greenfield	£3	-£724	£3	£20	£51
Brownfield	-£110	-£810	-£126	-£101	-£54
<b>2 Medium</b>					
Greenfield	£80	-£563	£80	£97	£128
Brownfield	-£34	-£649	-£44	-£22	£16
<b>3 High</b>					
Greenfield	£156	-£403	£163	£176	£199
Brownfield	£43	-£488	£38	£57	£92
<b>4 Highest</b>					
Greenfield	£423	£222	£443	£453	£452
Brownfield	£309	£136	£318	£334	£344

**Table 4.9 – 2024 Residential Viability Margin per SQM**

 Sub Market/ Existing Land Use		Residential Viability Margin per sqm				
		Mixed Residential Estate	Apartments	Starter Housing	Family Housing	Executive Housing
<b>1 Low</b>						
Greenfield		£3	-£940	-£4	£20	£71
Brownfield		-£112	-£1,026	-£136	-£101	-£43
<b>2 Medium</b>						
Greenfield		£24	-£859	£68	£41	£83
Brownfield		-£91	-£945	-£57	-£80	-£25
<b>3 High</b>						
Greenfield		£31	-£808	£53	£47	£88
Brownfield		-£84	-£894	-£73	-£74	-£20
<b>4 Highest</b>						
Greenfield		£183	-£212	£218	£200	£228
Brownfield		£68	-£298	£85	£79	£119

There have been similar increases in sale values and construction costs in the region of 20% in the three years since the original study in 2021. The viability position, taking account of current policy impacts including Affordable Housing, remains positive and deliverability of the Plan’s overall development strategy, which relies primarily on greenfield delivery, remains robust.

**Q4.6 Overall, are the policy requirements clear, positively prepared and justified by evidence? Will the policy provide for sufficient affordable housing where it is needed in the District? Are any main modifications necessary for soundness?**

A: The requirements of the policy clearly articulate the local affordable housing requirements and how we intend to implement national planning policy on affordable housing. Representator 054 ([Ref 054/CP1/T4/0137](#)) has suggested that Core Policy 1 in relation to First Homes is not correctly worded. Planning Practice guidance on First Homes states that “A minimum of 25% of all affordable housing units secured through developer contributions should be First Homes” Paragraph: 012 Reference ID: 70-012-20210524. This is what has been proposed in draft policy and has been demonstrated in the pie chart above Paragraph 8.12 of the DPD. The table below demonstrates how the different targets interact:

**Table 4.10 – Affordable Housing**

Tenure Split		Tenure Split showing First Homes	
Social Rent/ Affordable Rent	60%	60%	Social Rent/Affordable Rent
Home ownership product	40%	25%	First Homes
		15%	Other Affordable Home Ownership Products
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>

However as with the Amended Core Strategy there is a danger that when the proposed new NPPF is published the proposed Core Policy 1 could well be out of date again. However, whilst the direction of travel may at this point be clear it has not yet been decided. It is not therefore as straightforward as proposing a Main Modification to reflect the government approach. The Council has considered how this matter could be addressed and would welcome a discussion at the Examination. One option the Council have considered is that the current mention of First Homes in Part B of the policy is deleted and Part D, which refers to the 10% home ownership (also proposed

for removal from the NPPF) is deleted; and replaced with a paragraph in Part B which states:

*“In considering planning applications which meet the thresholds in part A it will be necessary to ensure that any national planning policy requirements for affordable housing area appropriately addressed.”*



## **Issue 2 – Whether the Plan Makes Adequate Provision for Rural Affordable Housing**

### **Core Policy 2 – Rural Affordable Housing**

**Q4.7 Should the policy be clear on which document contains Spatial Policy 4 Green Belt? Is a main modification necessary for soundness?**

A: The Policy has been included within the AADMDPD to ensure that all affordable housing policies can be read together in one place. It was not intended to amend the policy in any way. However, it is noted that in isolation it is not immediately apparent about the location of Spatial Policy 3 and 4. It is proposed that a modification is made at paragraph 8.14 to make clear that Spatial Policy 4 and 5 are in the Amended Core Strategy.

Proposed Modification (Shown as underlined): Para 8.14

*“Core Policy 2 Rural Affordable Housing as adopted in the Amended Core Strategy continues to be the policy that should be used to determine proposals for rural affordable exceptions sites. The Policy is recreated below so that all of the Affordable Housing Policies can easily be read together. Spatial Policy 3 Rural Areas and Spatial Policy 4 Green Belt are within the Amended Core Strategy. No changes to the adopted policy are proposed.”*

### **Issue 3 – Whether the Plan makes Adequate Provision for Entry-Level Exception Housing**

#### **Core Policy 2a – Entry-Level Exception Housing**

**Q4.8 How has national policy and PPG been taken into account in the formulation of the policy?**

A: Changes to the 2023 NPPF removed reference to entry level exceptions housing. To that end the Council has determined that there is no longer a need to have Core Policy 2a within the Amended DPD, it is proposing that the policy and accompanying text is removed through proposed Main Modifications 13 and 14.

## **Issue 4 – Whether the Plan Makes Adequate Provision for Housing Mix, Type and Density**

### **Core Policy 3 – Housing Mix, Type and Tenure**

#### **Q4.9 Will the policy provide for a mix and choice of housing to meet the needs of different groups in the community and is it consistent with national policy in that regard?**

A: Paragraph 61 of the 2019 NPPF requires LPAs to establish the need, the size, type, and tenure of housing needed for different groups in the community and then reflect it in planning policies. Core Policy 3 aims to address the need, size, and type requirements of the NPPF and PPG. The basis for the assessment is the results of the District Wide Housing Needs Assessment 2020 ([H1](#)). It indicates that there is an increase in the elderly population and that the District's housing will need to be adaptable to meet the needs of elderly and disabled residents. The Assessment also indicates that need is focused towards 2 and 3 bedroom properties for family housing. In general terms, the indicated split in the study is that circa 50% of all new market and intermediate dwellings should be 3 bedroom dwellings and 50% of affordable rent properties should be of 2 bedrooms. This translates into the overarching priority needs in Core Policy 3.

The Needs Assessment is based on an analysis of primary and secondary data and identifies the particular priority groups in Newark & Sherwood against the various groups identified in the NPPF. These conclusions have fed into Core Policy 3 which identifies the need for 2 and 3 bedroom family homes, greater provision for bungalows on appropriate large sites and support for specialist housing such as extra care and retirement housing as priorities. The policy sets out the need to provide appropriate levels of M4(2) and M4(3) accessible housing.

#### **Q4.10 Is the policy based on up-to-date evidence?**

A: Yes, the District Wide Housing Needs Assessment ([H1](#)) is the Council's most up to date evidence base on housing mix and type for the District and was published in December 2020. The Council undertakes Housing Needs Assessments on a regular basis and an updated version will be commissioned in the near future.

#### **Q4.11 Is the policy sufficiently flexible to take account of changing conditions to the housing market?**

A: Yes, the policy sets out the District Council's overarching housing need based on the results of the District Wide Housing Needs Assessment 2020 (H1). This approach identifies the need for 2 and 3 bedroom family homes, greater provision for bungalows on appropriate large sites and support for specialist housing such as extra care and retirement housing, reflecting the headline findings set out above in Q4.9. These overarching needs are however only the starting point for consideration on individual schemes as the policy states "On individual applications the mix will be dependent on the local circumstances of the site, the viability of the development and any localised housing need information including the sub area analysis in the most up to date

Housing Needs Assessment.” This combination of site and local and market factors will provide the flexibility to reflect changing conditions within the housing market.

**Q4.12 Are the requirements for M4(2) and M4(3) standard homes justified having regard to the factors listed in the PPG4 and the evidence in the Housing Needs Assessment (Evidence Base H1)?**

A: Yes, the requirements for M4(2) and M4(3) in Core Policy 3 of the ACS are justified by evidence that the District Council has prepared. The PPG section on [Housing Optional Technical Standards](#) sets out that there is a wide range of published official statistics and factors which local planning authorities can consider and take into account. Taking the categories in turn:

*The likely future need for housing for older and disabled people (including wheelchair user dwellings).*

The District Wide Housing Needs Assessment ([H1](#)) identifies that older households account for 29.3% of the population of Newark and Sherwood. The district’s older age groups (over 65) are predicted to grow at a rate of 30% and a specific increase of 66.1% in the population aged 85 and over, well in excess of the National Average by 2033 (30%) (Source: Centre for ageing Better). Around 22.9% of residents in households are estimated to have a disability and 19.7% of residents have their activities limited in some way. The survey within the Needs Assessment indicates that 26.3% of households have residents with an illness or disability. An average of these three figures establishes the 23% requirement. By 2033, it is expected that households with a disability will rise to 24.6% and that the number of residents in the 18 – 64 age group living with impaired mobility and general mobility will be 11,352: an increase from 8994 in 2019.

*The size, location, type, and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes).*

The Needs assessment shows that many of these people will require wheelchair adapted dwellings (495) by 2025 and by the end of the Plan period, a further 51 will be required; resulting in an overall need for 545 wheelchair dwellings. This increase will be achieved through the adaptation of existing properties and through newbuild housing.

*The accessibility and adaptability of existing housing stock.*

The study noted that some of the dwellings will not be capable of adaptation or are situated in areas that are unsuitable for people with disabilities i.e. built on a hill, have poor vehicular access, or are located some distance from health care, support, and retail facilities. Newark and Sherwood’s current housing stock comprises a significant number of older housing; 39% were built prior to 1965 and 29% were build prior to 1944. It is likely that 10.3% will fail the minimum standard of decent homes. The nature of this stock is not one that lends itself to adaptations and is not always the most cost-effective solution.

*How needs vary across different housing tenures.*

The needs assessment establishes an appropriate target for new build wheelchair adapted M4(3) dwellings of 1% (5 units) per annum, and a target of 23% of new dwellings built to M4(2) standard based on the current benefit from M4(2) accessible housing. In line with the PPG, it identifies that the M4(3) dwellings should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling. Otherwise, it makes no tenure recommendations.

*The overall impact on viability.*

As set out in the answer to Question 4.5 above, the Plan has been subject to a Viability Assessment in 2021 and a refresh earlier this year, included within the assessment are assumptions of costs including higher accessibility standards.

It is critical that new build housing is provided which suits the future need of residents and the District Council believes there is a clear justification for introducing a policy requirement for adaptable and accessible housing.

**Q4.13 What evidence is available to demonstrate the level of interest in self and custom build dwellings?**

A: The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) places a duty on local authorities to keep a register of individuals and associations of individuals who wish to acquire serviced plots of land in their area for their own self build and custom build housing and to publicise that register. Newark & Sherwood District Council shares a [joint register](#) with Ashfield and Mansfield District Council's as we are within Nottingham Outer Housing Market Area.

The Council produces a report on Self Build and Custom Housing each year. The latest report is shown at Appendix 5b (Self Build to 30 October 2023, page 84) of the 2023 Annual Monitoring Report ([CD11](#)).