

Balancing the need for affordable housing and infrastructure provision

February 2015

1. Affordable housing and CIL charges proposed within the Local Plan Review and CIL Draft Charging Schedule

1.1 The Local Plan Review 2013-33 (proposed submission) and the CIL Draft Charging Schedule released for consultation between 9th February-30th March 2015 set out a range of affordable housing targets and CIL charges for residential development. These stipulate the requirement for 28% affordable housing within urban areas, and 30% elsewhere applying from a threshold of 11 dwellings in the former and 6 in the latter. A range of CIL charges are proposed for residential development, from £40 per square metre in urban areas, £60 in rural and £100 on sites which fall below the affordable housing thresholds. No CIL charge is proposed on the strategic sites.

1.2 The targets and charges proposed have some differences between those put out for consultation during the CIL Preliminary Draft Charging Schedule (PDCS), which proposed a range of CIL charges set against respective urban/rural targets of 25%/30%. This document seeks to set out why the targets and charges proposed have been adjusted.

2. Setting targets and levy charges

2.1 Mid Devon's Corporate Plan 2012-15 sets out the local priority attached to the delivery of affordable housing. 'Better Homes' is one of four key priorities for the Council, which it seeks to achieve through the delivery of 100 affordable dwellings per year. The Mid Devon Community Housing Strategy 2010-2015 furthermore sets out in more detail a range of actions to deliver the corporate goal, including increasing the delivery of intermediate housing. The Council also has various statutory duties in regards to housing and homelessness, and the provision of affordable housing plays a significant part of ensuring the

organisation is able to carry out such functions. Accordingly, ensuring the delivery of sufficient affordable housing is a key concern for the authority.

2.2 The Council received some criticism during the CIL PDCS consultation in regards to the potential for setting a lower affordable housing target than the 35% in adopted policy. The proposal as set out in the Draft Charging Schedule, to set a target of 28% in urban areas, reflects the concern Mid Devon has about the importance of providing sufficient affordable housing to meet the need over the plan period.

2.3 In proposing a target of 28%, the Council is seeking achieve a balance between the need for affordable housing and the need for infrastructure. Both are delivered through the planning system, but are effectively costs on development which have an impact on development viability. The Council is mindful that there is a limit on the amount which can be extracted from development to fund local priorities and infrastructure. In considering the impact on viability the Council is also aware of the inter-relationship between the two factors, and that changes to one, have a corresponding impact on the other. The decision to opt for a 28% target reflects a small adjustment in favour of affordable housing delivery from what can be extracted from the 'pot'. In doing so, it is accepted that there will be some loss of infrastructure funding resulting from levying a lower CIL charge of £40, rather than £60 for urban areas.

2.4 The adjustment remains within the Viability Assessment parameters provided by the Council's consultants Dixon Searle Partnership, but looks to strike a slightly different, locally determined balance between priorities. The new target of 28% still represents a reduction on that set out in the adopted plan, which was set out 35%. Though the targets on all sites can be subject to viability evidence, specific reference has been made to viability in the policy text for the three strategic sites to reflect the fact that those sites have higher infrastructure costs which could affect the quantity of affordable housing which could be provided.

2.5 Furthermore, the Council faces further challenges to the delivery of affordable housing following changes to national planning guidance. The new changes preclude sites for 10 or fewer from making provision, with a lower threshold of 5 or fewer outside of the towns of Tiverton, Cullompton and Crediton. The Council's adjustment in emphasis towards affordable housing reflects concerns about the potentially negative impact of the national guidance on the scope for delivering homes for those in need across the district, and provides one means by which the Council can continue to deliver towards the its corporate targets.