



Cornwall Local Plan

Affordable Housing Trajectory – Methodology

**Cornwall Council
May 2016**

1. Introduction

- 1.1 The Cornwall Local Plan: Strategic Policies document provides the framework within which the overall housing target is described, and sets out the proportion of affordable housing required in the five different value zones across Cornwall.
- 1.2 Cornwall Council has a proposed housing target of 52,500 homes for the period 2010 to 2030. Housing, and affordable housing trajectories have been produced for Cornwall as a whole and for each Community Network Area (CNA) and where identified, the town within that CNA.
- 1.3 The following report provides an explanation behind the assumptions made for each source in the affordable housing trajectory. The affordable housing anticipated to be delivered over this time frame will significantly meet the need for affordable housing identified and will contribute to delivering the local plan housing target.
- 1.4 It should be noted that government policy changes and changes to affordable housing programmes have an impact on the anticipated delivery of affordable housing and that changes to published figures will constantly arise.
- 1.5 The first five years of the plan period have passed and the delivery achieved within this period is made up of actual completions. Up to the 31st March 2015 a total of **4,088** affordable homes have been delivered in Cornwall (made up of 3,752 delivered through the planning system and 336 affordable homes through alternative routes).
- 1.6 It is anticipated that some **8,485** new affordable homes (4,773 commitments and 3,712 from the remainder) will be delivered through the planning system between 2015 and 2030 and an additional **5,170** affordable units will be negotiated through alternative routes as described below.
- 1.7 In total, it is conservatively anticipated that some 17,785 new affordable homes will be delivered between 2010 and 2030, which will meet about 58% of need or 68% of need excluding the backlog.

2. Sources for the Trajectory – Planning

- 2.1 The affordable housing trajectory identifies the various sources that will provide the affordable homes that will go towards meeting the identified need.

Planning Permissions

- 2.2 These are planning permissions granted as at 31st March 2015 that include an element of affordable housing and are considered to be under construction, i.e. a start has been made on site. It should be noted that not all sites in Cornwall will include the delivery of affordable housing and this

can be for a number of reasons. For example, sites may not be of a sufficient size, they may have been granted planning permission before affordable housing was a requirement or they could be sites that are not viable if an element of affordable housing is required.

- 2.3 The full methodology used to identify when homes with permission are likely to be delivered is set out in the Cornwall Local Plan Housing Implementation Strategyⁱ. In summary, for site under 10 dwellings, it is assumed that the majority of permissions will be completed within 5 years. For the larger sites of 10 or more an analysis of past trends was undertaken to establish the average lead in times and delivery rates that were then applied to housing sites with permission. This resulted in the average lead in times from the date of permission to the completion of the first house and delivery rates for different sized sites. The lead in time increases for outline permissions to take into account the time taken for the submission and approval of reserved matters.
- 2.4 As an example, on a site of 160 dwellings in Zone 5 (25% affordable) with outline planning permission the calculation used to indicate when the first completion is likely to occur is: decision date + 730 days from outline to full/RM + 567 days to first completion. Delivery from this date would be at 35 dwellings p.a. so applying an affordable housing rate of 25% which would equate to 8.5 (rounded to 9) affordable units delivered p.a.
- 2.5 As at 31st March 2015 there were **4,773** affordable homes on sites that are considered to be under construction or to have not started.

Allocations

- 2.6 The Cornwall Local Plan: Strategic Policies does not allocate sites to meet the local plan housing requirement as this will be achieved for those towns that are not currently allocating sites through Neighbourhood Plans in the Site Allocations Development Plan Document (DPD). A considerable amount of work has been undertaken in assessing options for sites and preferred sites have been identified. The intention is that this element of the Local Plan will be published in the autumn of 2016 and submitted in the spring of 2017.
- 2.7 Some of these sites are progressing in advance of this element of the local plan and this is reflected in the housing trajectory using average delivery rates. The amount of affordable housing likely to be delivered on these sites is based on the value zone that the site is situated in – and in reality a higher or lower figure may be realised at the permission stage. The number of affordable units that are likely to arise (**2,285** as at 31st March 2015) is then divided equally over the last 10 years of the plan period.

Cornwall Land Initiative Sites

- 2.8 These sites, whilst not having planning permission, are being actively promoted by the Council as available and suitable for development, and include various commitments from developers ensuring development of the

sites within five years. The sites are in the ownership of the Council and a development partner is contracted to deliver them. The expected delivery rate for each site was based upon discussions with the officers directly involved in bringing these sites forward. The amount of affordable housing likely to be delivered on these sites (**103**) is based on the value zone that the site is situated in – and in reality a higher or lower figure may be realised at the permission stage. Three of the sites have been granted planning permission since April 2015.

Strategic Housing Land Availability Assessment Sites (SHLAA)

- 2.9 The main housing trajectory identified that there were a number of sites within settlements that have been identified in the SHLAA and following further assessment were included on the basis that the principle of housing development may be acceptable. The yield from these sites was reduced by some 30% to reflect that in many cases they may not currently have developer interest and may not all come forward. The amount of affordable housing likely to be delivered on these sites is based on the value zone that the site is situated in – and in reality a higher or lower figure may be realised at the permission stage. The number of affordable units expected from these sites (**564**) was anticipated to start in 2020 and assumed to be completed within 5 years.

Windfalls

- 2.10 Small sites have historically formed a significant proportion of all completions. Whilst the development of current permissions will produce completions on such sites over the next five years, it is considered important to recognise that such sites (currently without permission) will continue to contribute to completions over the last 10 years of the plan period. An assumption has been made in the main housing trajectory that there will be a conservative allowance of 800 windfall homes completed per year based on past trends. This figure is reduced by 48% before an affordable housing element is applied to account for the fact that based on past trends this proportion of windfalls are likely to be single dwelling applications. The number of affordable units (**103**) that is likely to arise from the figure is then divided equally over the last 10 years of the plan period.

Remaining Housing Requirement

- 2.11 Taking the housing requirement of 52,500 current completions and commitments and anticipated delivery from above sources have left a 'remainder' figure in some network areas. Applying the relevant affordable housing target to this remainder should deliver around **390** other affordable homes.

Eco Community at West Carclaze and Par Docks

- 2.12 The Local Plan identifies West Carclaze and Par Docks as part of the development of the Eco Community and the sites are to be developed by Eco-Bos working with Cornwall Council and the Homes and Communities Agency. The anticipated annual delivery based on the estimates of the

partnership has been incorporated into the main housing trajectory for the West Carclaze site. A planning application for 1500 homes at West Carclaze has been submitted and is due to be considered by the council's Strategic Planning Committee during 2016. The number of affordable units expected from this site (450) is anticipated to start being delivered in 2019/20 and assumed to be completed beyond the plan period – **270** are likely to be completed within the Local Plan timeframe.

- 2.13 The delivery of some **90** affordable homes from the site at Par Docks has been included in the trajectory within the plan period.

Total Delivery through the Planning System

- 2.14 The total number of affordable units anticipated to be delivered between 2015 and 2030 through the planning system is estimated to be **8,485**.

3. Sources for the Trajectory – Additionality

- 3.1 Cornwall Council has a number of measures in place to delivery significant number of affordable homes in addition to those secured through negotiation based on policy requirements on s106 sites. These include

Open Market Housing Converted to Affordable

- 3.2 This figure has been derived from assessing past delivery rates where Registered Providers have purchased additional affordable units on s106 sites above that required by policy; i.e. covering open market units to affordables. This typically requires funding, for example from negotiated off-site financial contributions provided in lieu of on-site provision.
- 3.3 To give an example, this has worked well in areas such as Newquay where the Council has negotiated several off-site sums from hotel conversions and apartments. There is also a significant amount of housing development under way on the edge of the town. The Council has been able to use some s106 monies to fund RPs converting open market units on such sites, where it is considered to deliver sufficient additionality to be good value for money. Developers benefit from the certainty of sales an RP is able to provide.
- 3.4 The Affordable Housing Team maintains an affordable housing sites pipeline list which has been developed by the Cornwall Housing Partnership (the Council and a group of local housing associations). This is a list of sites in planning or with development potential which are anticipated to provide affordable housing. Analysis of recent additional affordable units converted on sites in this list shows that between 2010 and 2015 20 sites were prioritised with a total affordable housing yield of 835 units of which 402 are additional to those secured through section 106 arrangements.
- 3.5 If this level of delivery is trended forward over the plan period a reasonable assumption is for such sites to yield 80 units annually but has been reduced

to 55 homes annually to provide a more conservative estimate of some **825** additional affordable units by 2030.

- 3.6 It has been estimated that the Council has negotiated around £26 million of commuted sums in signed section 106 agreements. A conservative assumption is that £20 million of these will be paid over the plan period and a further £20 million will arise and be collected. It is therefore anticipated with a reasonable degree of certainty that the Council will continue to be able to fund open market conversions.

Homes & Community Agency Funded Units

- 3.7 The source for this data is the HCA funding allocations from the Affordable Homes Programme 2015-2018 in Cornwall and projected future funded units from the HCA, based on analysis of past funding and completed HCA funded units.
- 3.8 The AHP 2015-18 programmes runs from April 2015 to March 2018. In the initial bid round, the HCA allocated £20.3m to Cornwall and around half of these units have been identified as deliverable and currently have firm bids in place.
- 3.9 The units as identified in the Affordable Housing Trajectory (i.e. **70 units p.a. between 2015/16 and 2017/18 and 100 units p.a. between 2018/19 and 2024/25**) are the minimum that will be delivered as continuous market engagement means that other sites could come forward and be funded during the funding timeframe. Only half the funding nationally has been allocated and the programme in Cornwall is capable of funding new bids submitted before 2018 through this additional funding.
- 3.10 Going forward, despite the uncertain outlook for public funding, it is considered extremely unlikely that the Government will cease to fund new affordable homes through the HCA.
- 3.11 We have therefore projected a level of delivery of averaging out annually known funded units and anticipated units which will be funded in the future, across 2 funding periods 2015-18 and 2018-25. The estimate is considered to be a conservative assumption. In addition, the HCA fund a wide range of other new affordable housing initiatives from which Cornwall also benefits and these are also not included here.

Rural Exception Sites

- 3.12 A projected figure for delivery on Rural Exception Sites (currently without planning consent) has been included at an average of 180 per year.
- 3.13 This figure is based on the actual past delivery from exception sites trended forward from 2015-2020 at the expected delivery rate. Although this appears to be a significant number over the period, it's approximately 150 homes each year spread across Cornwall's 213 parishes, equating to some **2,700** over the plan period.

- 3.14 Cornwall is a very rural county and traditionally significant numbers of affordable homes have been delivered on exception sites. In some parishes most, if not all, housing delivery is through exception sites. The majority of rural exception sites are for fewer than 30 homes. Assuming each development delivered 20 affordable homes, this would be around 8 developments per annum, split across 213 parishes (many of which have multiple settlements). This is considered to be a realistic number of exception sites to be developed per year, based on past completions.
- 3.15 This is based on an analysis of recent supply from exception sites. In the past 2 years we have currently secured permission for 702 affordable homes on such sites, 686 are under construction and 460 have been completed so current delivery is well ahead of the projected forecast used.
- 3.16 The Council has a proven track record in enabling development on rural exception sites to come forward. We have close working relationships with RPs, Parish Councils and developers which helps to deliver affordable housing on exception sites. A number of measures are in place to facilitate exception site delivery including priority parish work (where the Council works proactively with the community to identify deliverable sites) and the aforementioned Cornwall Housing Partnership with RPs and pipeline sites list.
- 3.17 Exception sites have also been demonstrated as viable and deliverable across Cornwall. The NPPF and Local Plan provisions to enable open market dwellings to cross subsidise affordable delivery means affordable housing delivery is viable without the input of public subsidy.
- 3.18 The Council is therefore confident the projected delivery from rural exception sites is both reasonable and achievable.

Cornwall Council Capital Programme

- 3.19 Cornwall Council has in place a funding (capital) programme to fund affordable housing delivery with RPs. The first tranche of funding under Capital Programme 1 (CCFP1) is complete and delivered a significant number of affordable homes.
- 3.20 The second tranche of secured funding (CCFP2) has committed funding in the Council's budget up to 2018-19 and is to be secured with Registered Providers under contract. The process is that the Council enters a programme agreement with a specified number of homes being commissioned at an average subsidy rate of £20,000. This funding will be allocated to those homes not financed through s106 or other programmes. There are currently 735 units in the 2016-19 Programme, and it is anticipated that all 735 units will be delivered through this route within this period. Delivery has been averaged out over 3 years at 245 units over the 3 years (i.e. **735 units in total**).

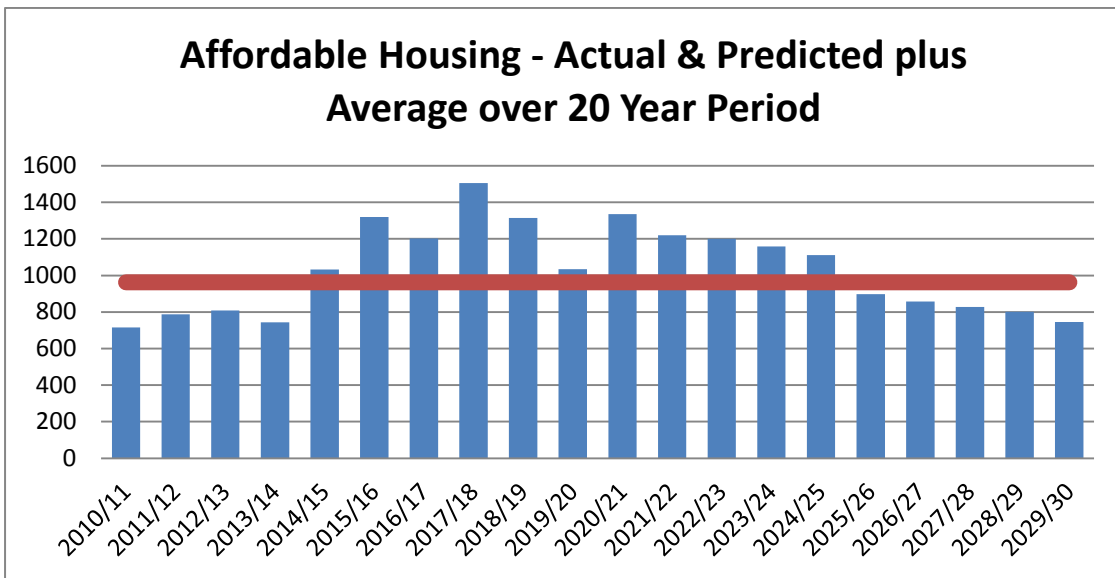
Other sources not quantified

3.21 Affordable housing delivery is also anticipated (although with a lesser degree of certainty, hence excluded from the trajectory) from additional sources. For example the starter homes initiative/funding, and Cornwall Council direct delivery projects which will include the Housing Development Programme (HDP) and Cornwall Land Initiative (phase 2) projects. The CLI involves a joint venture delivering houses on sites in Council ownership, with land receipts ring-fenced for affordable housing delivery. The CDP secures delivery through the Council acting as developer for a programme of housing development.

Total Delivery through Additional Sources

3.22 The total number of affordable units anticipated to be delivered between 2015 and 2030 through sources that are in addition to those delivered through the planning system is estimated to be **5,170**.

Affordable Housing Need	
'Backlog' housing need (annually 926 - cleared in first five years)	4,630
Net Newly Arising Need (annually 1,314)	26,280
Total Affordable Housing Need	30,910
Affordable Housing Delivery (52,500)	
Completions and Commitments ¹	8,530
Uplift Delivered 2010-2015 ²	336
Anticipated delivery of the remainder ³	4,530
Eco Communities ⁴	402
Anticipated Uplift Delivery 2015-2030 ⁵	5,545
Total Affordable Housing Delivery	19,343
Achievement Rate	63%
Achievement Rate (less backlog)	74%



ⁱ [Cornwall Council \(2016\) Cornwall Local Plan Housing Implementation Strategy](#)