

Bromsgrove District Council

Overview & Scrutiny Board

Affordable Housing

23 July 2024

1 Introduction

- 1.1 This briefing note has been prepared for the Overview & Scrutiny Board on the delivery of affordable housing in the district. It covers the definition of affordable housing, number and size of the affordable housing delivered, housing register information and affordable housing need and future delivery.

2 Definition of affordable housing

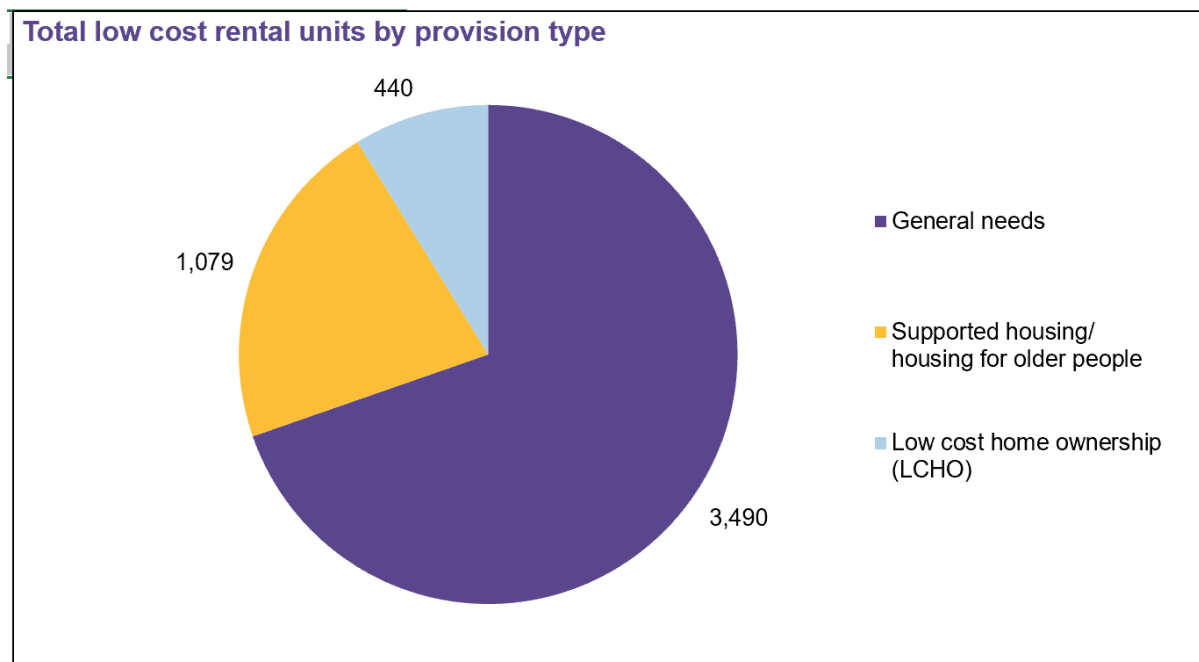
- 2.1 There is no statutory definition of affordable housing in England. The Government's National Planning Policy Framework (NPPF) defines for planning purposes the types of affordable housing as Affordable Housing for Rent and Affordable Housing for Sale. Affordable housing includes homes for sale or rent and is for people whose needs are not met by the private market. While the NPPF defines the types of affordable housing it does provide a definition of what is affordable.

Type or tenure	Description
Social rent	These properties are provided registered providers. The rent for these properties will be set at a level dictated by the national rent regime. Social rented properties are the most affordable being approximately 45/50 % of open market private rents.
Affordable rent	These properties are provided by registered providers and are subject to a control that requires the level to be no more than 80% of local market rent inclusive of any service charges.
Affordable home ownership	This is a term covering different affordable purchase products, it is also sometimes referred to as low-cost home ownership and can be included under an intermediate affordable housing definition. This includes First Homes and low-cost discounted sale.

Shared ownership	Households purchase a share of the property (10% upwards) usually from a Registered Provider and the remaining share is rented. Future shares can be purchased and the property could be brought outright, however this option is restricted if the property is part of a rural exception site or area identified in the Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009 maps which is restricted to 80% or where the leaseholder is permitted to acquire more than 80% up to full ownership, then there is an obligation on the landlord specified in the lease that commits them to repurchase the home when the leaseholder wishes to sell.
Shared equity	In Bromsgrove the Council owns 30% equity in 109 Low-Cost Housing units. The owner can either purchase the 30% off the Council or sell on the open market at 100% of open market value and repay the Council the 30% share.
Build to Rent and Rent to Buy	These properties are usually built as blocks of flats. The property is rented for a set period during which time the tenant saves enough for a deposit to purchase the property at the end of the rental term.

3 Number of affordable homes

3.1 In 2023 the number of affordable homes in the district was 5,009. The diagram below shows the provision type.



3.2 Affordable Homes in Bromsgrove

Number of social stock owning providers in area 2023		Total Social Stock	% of RPs total Social Stock	General needs self-contained units	% of RPs total general needs self-contained stock	Supported housing/ housing for older people units	% of RPs total supported housing/ housing for older people stock	Low cost home ownership
All units:		5,009		3,490		1,079		440
1	Bromford Housing Association Limited	355	1.2%	284	1.1%	14	0.9%	57
2	Bromsgrove District Housing Trust Limited	3,725	93.3%	2,623	92.6%	916	100.0%	186
3	Bromsgrove United Charities	42	100.0%	-	-	42	100.0%	-
4	Citizen Housing Group Limited	262	0.9%	170	0.6%	26	2.2%	66
5	Clarion Housing Association Limited	2	0.0%	1	0.0%	-	-	1
6	GreenSquareAccord Limited	43	0.2%	-	-	18	0.6%	25
7	Halo Housing Association Limited	1	0.1%	-	-	1	0.1%	-
8	Housing 21	51	0.3%	-	-	51	0.3%	-
9	Inclusion Housing Community Interest Company	2	0.1%	-	-	2	0.1%	-
10	Longhurst Group Limited	6	0.0%	-	-	6	0.3%	-
11	Midland Heart Limited	129	0.4%	119	0.5%	-	-	10
12	Platform Housing Limited	269	0.6%	185	0.5%	-	-	84
13	Rooftop Housing Association Limited	17	0.3%	14	0.3%	3	0.4%	-
14	Southern Housing	51	0.1%	51	0.1%	-	-	-
15	Stonewater Limited	33	0.1%	22	0.1%	-	-	11
16	Walsall Housing Group Limited	21	0.1%	21	0.1%	-	-	-

4 Affordable Housing Need

4.1 The Housing and Economic Development Needs Assessment 2021 identifies that the total annual net affordable housing need in Bromsgrove is 92 per year. The tables below show the numbers of affordable housing delivered including the tenure and size of the properties.

4.2 Net completions from 2018/19 to 2023/24 by tenure

Year	Private (Net)	Affordable (Net)	Total (Net)	Affordable Housing percentage
2018/19	166	36	202	17.82%
2019/20	204	90	294	30.61%
2020/21	144	0	144	0%
2021/22	154	8	162	4.94%
2022/23	138	55	193	28.50%
2023/24	70	51	121	42.15%
Total	876	240	1116	21.51%

4.3 Affordable Housing Completions by tenure

Year	Affordable Rent	Intermediate Housing	Social Rent	Rent to Buy	Total Affordable
2018/19	12	7	17	-	36
2019/20	3	25	62	-	90
2020/21	0	0	0	-	0
2021/22	0	2	6	-	8
2022/23	10	12	29	4	55
2023/24	8	20	21	2	51
Total	33	66	135	6	240

4.4 Affordable Housing Completions by size

Year	1 bed	2 bed	3 bed	4 bed	5+ bed	Total
2018/19	12	13	7	4	0	36
2019/20	37	37	15	1	0	90
2020/21	0	0	0	0	0	0
2021/22	3	3	1	1	0	8
2022/23	18	22	14	1	0	55
2023/24	13	12	24	2	0	51
Total	83	87	61	9	0	240

4.5 The majority of affordable homes are delivered through contributions from developers secured through s.106 Town and Country Planning Act 1990 agreements. The Bromsgrove District Plan 2011-2030 policy BDP8.1 states that contributions will not be sought from developments of 10 units or less, and which have a maximum combined gross floorspace of no more than 1000 sq m. Where there is a net increase of 11 or more dwellings affordable housing provision will be expected on-site and will be calculated against the net number of new dwellings as follows:

- Up to 40% affordable housing (or a higher % if proposed) on greenfield sites or any site accommodating 200 or more dwellings.
- Up to 30% affordable housing (or a higher % if proposed) on brownfield sites accommodating less than 200 dwellings.

4.6 Number of applications on the Housing Register

Bromsgrove	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
One bed	1,599	1,001	1,426	1,758	1,590	1,563
Two bed	821	572	771	868	650	524
Three bed	357	249	355	404	322	250
Four + bed	85	13	87	95	74	38
Total	2,862	1,835	2,639	3,125	2,636	2,375

5 Future Affordable Housing Delivery

5.1 The Planning Policy Team have advised there are 601 affordable housing commitments as of 1 April 2024.

5.2 The delivery of affordable housing is facing several challenges which have impacted on the delivery of affordable housing especially wholly affordable housing sites. These are detailed below:

- **Funding constraints** – One of the key constraints facing RP's is the lack of funding available for development and the maintenance of social housing homes. Many social landlords are struggling to meet the loan covenants on their debt, they are required to maintain interest cover on their loans and this has become more difficult with inflation and interest rates remaining high. This is also exacerbated by build cost inflation, rising labour costs, material availability, building remediation issues and the duty to support tenants through a cost-of-living crisis.
- **Stock Refurbishment** – RP's have higher spending on existing housing stock. This has been because of damp and mould repairs,

investment in energy efficiency to meet government targets, building safety works following Grenfell and inflationary costs.

- **Access to affordable** – RP's have already utilised their own land holdings and they are often outbid by private developers.

5.3 BDHT pipeline of affordable housing

Local Authority	Tenure	24/25	25/26	26/27	27/28
Bromsgrove	Social Rent	51	55	12	13
Bromsgrove	Shared Ownership	14	13	42	15
Totals:		65	68	54	28