

Central Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ

**This meeting
will be filmed.***



**Central
Bedfordshire**

please ask for Sandra Hobbs
direct line 0300 300 5257
date 3 September 2018

NOTICE OF MEETING

SPECIAL EXECUTIVE

Date & Time

Tuesday, 11 September 2018 at 2.30 p.m.

Venue at

Council Chamber, Priory House, Monks Walk, Shefford

Richard Carr
Chief Executive

To: The Chairman and Members of the EXECUTIVE:

Cllrs	J Jamieson	– Chairman and Leader of the Council
	R Wenham	– Deputy Leader and Executive Member for Corporate Resources
	I Dalgarno	– Executive Member for Community Services
	S Dixon	– Executive Member for Families, Education and Children and Lead Member for Children's Services
	E Ghent	– Executive Member for Assets and Housing Delivery
	Ms C Hegley	– Executive Member for Adults, Social Care and Housing Operations (HRA)
	B Spurr	– Executive Member for Health
	N Young	– Executive Member for Regeneration

All other Members of the Council - on request

MEMBERS OF THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THIS MEETING

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AGENDA

1. **Apologies for Absence**

To receive apologies for absence.

2. **Members' Interests**

To receive from Members any declarations of interest.

3. **Public Participation**

To respond to general questions and statements from members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.

Decisions

Item Subject

4. **Independent Living Scheme at Houghton Regis Central**

To award the contract for the construction of an Independent Living Scheme at Houghton Regis Central.

5. **Affordable Housing Guidance Note (South Central Bedfordshire)**

To endorse the Affordable Housing Guidance Note as planning guidance.

6. **Exclusion of the Press and Public**

To consider whether to pass a resolution under section 100A of the Local Government Act 1972 to exclude the Press and Public from the meeting for the following items of business on the grounds that the consideration of the items is likely to involve the disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Act.

Exempt Reports

Item Subject

Exempt Para.

7. **Independent Living Scheme at Houghton Regis Central** 3

To receive the exempt Appendix.

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Central Bedfordshire Council

Executive

11 September 2018

Houghton Regis Central: Award of Contract

Report of: Cllr Eugene Ghent, Executive Member for Assets and Housing Delivery
(Eugene.Ghent@centralbedfordshire.gov.uk)

Responsible Director(s): Marcel Coiffait, Director of Community Services
(Marcel.Coiffait@centralbedfordshire.gov.uk)

This report relates to a decision that is Key

Purpose of this report

1. The report seeks to secure agreement from Executive to award the contract for the design and build of the Houghton Regis Central Extra Care Housing Scheme.

RECOMMENDATIONS

The Executive is asked to:

1. **approve in principle the award of the contract to design and build the Houghton Regis Central Extra Care Housing Development to Contractor A. and grant delegated authority to the Director for Community Services in consultation with the Executive Member for Assets to make the final award subject to Homes England funding being clarified; and**
2. **approve the maximum budget specified in the exempt Appendix A.**

Recommendations

2. There has been insufficient time for this matter to be considered by Overview and Scrutiny because there is a need to award the contract and start on site as soon as possible to protect grant funding secured from Homes England.

Background

3. The Council has a strategic vision to meet the accommodation needs of older people. Part of this is the delivery of six affordable extra care housing schemes. The proposed scheme at Houghton Regis, currently referred to as Houghton Regis Central, will be the third scheme in Central Bedfordshire. Two affordable extra care schemes have been delivered to date: Priory View in Dunstable and Greenfields in Leighton Buzzard. The Council and its partners are currently working on proposals for schemes in West Mid Beds and Biggleswade.

4. Houghton Regis Central will comprise of 168 apartments with support facilities, a restaurant and bar, retail units, café, reablement suites, associated landscaping and parking. It will be located on the former co-op site in the centre of Houghton Regis and will include the area currently occupied by the Red House Court, a Council-owned older extra care scheme. The construction will therefore be phased in order to move residents from Red House Court into new apartments delivered as part of phase one of Houghton Regis Central and to demolish the Red House Court.
5. The scheme requirements have been prepared by the Housing service, supported by Summers-Inman (Employers Agent) and accompanying drawings have been produced by Kyle Smart Associates (architectural consultant), Consertus (mechanical and electrical consultant) and Pick Everard (structural consultant). The design incorporates lessons learned from the design construction and operation of Priory View and Greenfields.
6. Full Planning Permission was granted on 11 November 2016. Development of the design has led to minor variations to the planning permission and further minor amendments may be required during the final design phase.
7. The scheme will be funded primarily by the Council's Housing Revenue Account (HRA) with grant funding from Homes England.

The Contract

8. The contract is to undertake the detailed design and build of Houghton Regis Central extra care scheme, according to the approved detailed specification.
9. The contract uses the documents developed by the Joint Contracts Tribunal (JCT) which are standard within the construction industry.

Procurement

10. The Council's Procurement Processes, Templates and Procedures were used on this procurement and the procurement exercise was administered by the Council's procurement team.
11. The Homes England Developer Partner Panel 3 Framework was selected for the procurement. This framework has a large number of prequalified contractors, many of which are experienced in delivering extra care developments. The contractors have to meet specific quality standards and pass a full appraisal of their financial status to gain a place on the framework. Using a framework enabled the procurement timescales to be reduced whilst maintaining a robust and transparent procurement process that complies with national and European procurement regulations and the Council's procurement policy.
12. The framework process started with an 'Expression of Interest' which was sent to all contractors on the framework. Five contractors responded to advise that they intended to submit a tender.

13. Tenders were invited on the basis of a single stage competitive tender for a Design and Build Contract. The tender pack issued by the Council to the contractors contained detailed requirements and technical drawings for the scheme. The weighting of the tender evaluation was 70% on cost and 30% on quality.
14. Tenders were originally due to be returned by Friday 20 July 2018 but following representations from three contractors an extension was granted and the revised return date was noon Friday 3 August 2018. Four tenders were received.
15. The evaluation of the tender returns was separated into two parts: the quality assessment undertaken by the technical evaluation team and the financial assessment that was carried out by Summers-Inman.
16. The quality assessment considered method statements, resources, implementation and transition plans, monitoring, social value, innovation and value engineering ideas and contractor processes.
17. The technical evaluation team consisted of technical experts from the Council's Capital Construction Service and Housing Teams, a representative from Kyle Smarts Associates and a representative from Summers-Inman. Concertus and Pick Everard were technical advisors that reviewed the submissions and provided their comments to the evaluation panel to inform their scoring. The Council's Head of Procurement advised on the evaluation and led the moderation of the quality scores.
18. The financial assessment was conducted by requesting prices and cost breakdowns from each bidder to enable a comparison to be made.
19. The tender with the lowest cost (that has met all the quality thresholds) gained the full marks available for the price element of the evaluation. All other tenders over and above the lowest price tender scored a proportion of the marks available on a pro-rata basis. This was calculated using the percentage their cost would need to reduce to match the lowest price and reducing their score by the same percentage. This was calculated using the following formula:

(Lowest cost offered / Price offered by a particular tenderer) x 70
20. Contractors were invited to submit a tender based on a stipulated construction period of 112 calendar weeks, to comply with the funding condition from Homes England to complete the scheme by 31st March 2021. Contractors were also asked to submit a preferred construction period based on their optimum method of working.
21. No contractors submitted a tender sum to deliver the construction within 112 weeks.

The table below shows the alternative construction periods submitted.

Contractor	Period for alternative construction period (weeks)
Contractor A	196
Contractor B	206
Contractor C	196
Contractor D	139

22. Only one contractor submitted a tender sum that is within the £34M budget that was specified in the invitation to tender.
23. Two contractors were removed from consideration following the initial financial assessment as the tender sums they had submitted were so much higher than the lowest tender that it would not be possible for them to overturn the points deficit caused by the financial scoring.
24. The table below provides an anonymized summary of the tender evaluation.

Contractor	Quality evaluation score	Financial evaluation score	Total score
Contractor A	18.38	70	88.38
Contractor B	20.63	58	78.63
Contractor C	Discounted		
Contractor D	Discounted		

25. This report is recommending award of the design and build contract for Houghton Regis Central to Contractor A as they are the highest scoring tender and therefore demonstrate best value for money.

Council Priorities

26. The award of a Design and Build contract for Houghton Regis Central will enable the delivery of affordable extra care housing for Council residents. Houghton Regis Central supports the Council's priorities of enhancing Central Bedfordshire, delivering great resident services, protecting the vulnerable; improving wellbeing, creating stronger communities and being more efficient and responsive. The scheme will make a positive contribution to Houghton Regis town centre by redeveloping a brownfield site and creating an attractive building that provides facilities and retail opportunities to the community. The scheme will provide high quality housing that supports older people to retain their independence and live healthy, active lives.

Corporate Implications

Legal Implications

27. The Council has complied with the EU procurement regime and The Public Contracts Regulations 2015.
28. The proposed contract uses the documents developed by the Joint Contracts Tribunal (JCT) which are standard within the construction industry.
29. The Contract award is subject to observing the usual 10-day standstill period. The contract award may be delayed if any objections are received during this period and at any time before the contract is awarded.

Financial and Risk Implications

30. The development of Houghton Regis Central Extra Care Scheme is identified in the Housing Revenue Account (HRA) Capital Programme. The Council has secured grant funding of £4.26M from Homes England towards the affordable housing element of the scheme, comprising 142 units. Expenditure net of this grant amount will be funded by the HRA.
31. The funding from Homes England is conditional on the completion of the apartments by 31st March 2021. As all tenders were outside this timeframe clarification of the funding position is being sought from Homes England. A significant number of homes will have been delivered by the end of March 2021 and as part of finalizing the contract the Council intends to work with the preferred contractor to investigate opportunities to make improvements to the programme. The Council will ensure the risk is fully understood and mitigated before award of the contract.
32. Details of the budget requirements and risk implications are outlined in detail in exempt Appendix A.

Equalities Implications

33. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Council's procurement processes ensure that due regard is given to the requirements of equality legislation when contracts are being drawn up and awarded.

34. No EIA was required to be completed specifically for the contract award decision. However, it should be noted that there is a need to ensure that the detailed design of the building acknowledges the needs of groups with protected characteristics who may use this building and does not discriminate unnecessarily against one or more of them. We will comply with relevant British Standards codes of practice such as: “*Design of an accessible and inclusive built environment. External environment. Code of practice*” and “*Design of an accessible and inclusive built environment. Buildings. Code of practice*”.

Public Health

35. There is evidence that older people who live in extra care schemes enjoy a better quality of life and have better health outcomes to similar people in other types of accommodation, such as residential care. There is also evidence that residents of extra care schemes have fewer hospital admissions than people with similar needs living in other types of accommodation.

Community Safety

36. The design of the development will aim to maximise the safety of those living in the scheme whilst also encouraging use of the building by community groups and individuals from the surrounding area.

Sustainability

37. The contract has within it requirements that seek to maximise sustainability in the design and construction of the scheme.

Conclusion and next Steps

38. Contractor A has demonstrated best value through the procurement process. It is recommended that preferred contractor status is granted to Contractor A with a view to entering into a short period of risk mitigation prior to entering into a Design and Build Contract to deliver Houghton Regis Central.
39. The anticipated start on site is the end of February 2019.

Appendices

Appendix A: Budget Requirement and Risk Implications (exempt)

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Central Bedfordshire Council

EXECUTIVE

11 September 2018

Affordable Housing Guidance Note (South Central Bedfordshire)

Report of Cllr Nigel Young, Executive Member for Regeneration
(nigel.young@centralbedfordshire.gov.uk)

Advising Officers: Jason Longhurst, Director of Regeneration and Business
jason.longhurst@centralbedfordshire.gov.uk and Connie Frost-Bryant, Head
of Strategic Growth connie.frost-bryant@centralbedfordshire.gov.uk

This report relates to a Key Issue

1. This report asks Executive to endorse the revised Affordable Housing Guidance Note as planning guidance. The note provides guidance on the affordable housing target in the South of Central Bedfordshire.

RECOMMENDATIONS

The Executive is asked to:

1. **endorse the Affordable Housing Guidance Note (South Central Bedfordshire) as planning guidance for Development Management purposes; and**
2. **to authorise the Director of Regeneration and Business, in consultation with the Executive Member for Regeneration, to make any minor amendments to the Affordable Housing Guidance Note.**

Overview and Scrutiny Comments/Recommendations

2. The Note was considered at Overview and Scrutiny committee in March 2016 prior to the original note being endorsed at Executive. All recommendations were incorporated at that time and all subsequent revisions relate to current evidence and extant national planning policy.

Overview

3. The Affordable Housing Guidance Note provides guidance to support the determination of planning applications for those parishes that formerly made up South Bedfordshire District Council. The South Bedfordshire Local Plan 2004 remains adopted development plan for this area and Policy H4 Affordable Housing remains the extant policy.
4. This guidance note does not apply to the parishes that formerly made up the legacy authority of Mid Bedfordshire District Council. The adopted development plan for this area is the North Core Strategy 2009. Under Policy CS7 Affordable Housing, 35% of homes on sites of 4 or more dwellings are required to be affordable, and as such no guidance in relation to this policy is required at this time.
5. This is an updated note and has been revised as a result of the new National Planning Policy Framework (July 2018) which has altered national policy in relation to affordable housing thresholds. This note is still interim guidance, and shall apply until such time as the Central Bedfordshire Local Plan is adopted and its emerging affordable housing policy carries full weight.
6. The guidance note is concerned with the percentage of affordable housing required and is not intended to provide detailed advice around the procedures related to the implementation of affordable housing policy.

Proposed Target in Guidance

7. The guidance note would make the target for affordable housing provision in the South of Central Bedfordshire **30%** on all qualifying sites of **10 dwellings** and above.
8. This guidance has been produced because policy H4 of the South Bedfordshire Local Plan is now out of date in relation to current evidence and national planning policy (The National Planning Policy Framework, July 2018) that has been subsequently introduced.
9. Having reviewed national planning policy and current evidence produced in support of the Local Plan, this guidance reflects the current position and is consistent with the emerging affordable housing policy in the Central Bedfordshire Local Plan.

Current Policy Requirement

10. The South Bedfordshire Local Plan Policy H4 seeks a lesser percentage of affordable housing (at least 20%) at a higher threshold (on sites of 25 dwellings or more or sites of over 1 hectare) and therefore would not allow the Council to seek affordable housing in line with the need identified by the Strategic Housing Market Assessment 2017.
11. This would conflict with national planning policy which outlines as a key objective, the need to significantly boost the supply of housing (National Planning Policy Framework, 2018, Paragraph 59).

Background

12. There are currently two adopted development plans in operation in Central Bedfordshire covering the respective legacy district council areas that previously administered the geographical extent of the current unitary authority. These plans will remain in place as the relevant development plan for the determination of planning applications until the new Central Bedfordshire Local Plan is adopted by the Council next year.

Evidence for Approach

13. The approach taken in this guidance is informed by:
 - National planning policy which stresses the need for local planning policy which meets identified need for affordable housing (National Planning Policy Framework, 2018, Paragraph 61).
 - The Strategic Housing Market Assessment (SHMA) 2017 which identifies the objectively assessed need for market and affordable housing in Central Bedfordshire.

Reason/s for decision

14. If the revised guidance note is not endorsed to be used in the determination of planning applications, there is a risk that the Council could be challenged if it seeks to secure affordable housing in line with the identified need but with no endorsed up to date guidance to support decisions.
15. Indeed, a current planning appeal (Tyler House, Creasey Park, Dunstable) is based on the assertion that no weight can be applied to either the extant development plan (South Bedfordshire Local Plan 2004) or to the Affordable Housing Guidance Note 2016 and as such there is a grave risk that much needed affordable housing will not be secured.

16. By introducing this revised guidance, it also provides clarity to agents and developers on the Council's expected affordable housing target.
17. Furthermore, the guidance allows the Council to comply with national planning policy which requires local policy that boosts the supply of market and affordable housing. Without this guidance in place the Council will not be delivering a level of affordable housing on development sites in the south to meet the objectively assessed need for housing as identified by the SHMA 2017.

Council Priorities

This supports the Council's priority of 'creating stronger communities'.

18. This guidance will enable the Council to secure a higher percentage of affordable housing. This will help to create stronger communities by ensuring greater diversity, choice and the ability to access a decent home for all residents.
19. A better mixed social composition in our communities can create a new dynamic which leads to increased land values, a better-functioning housing market, increased social sustainability and a reduction in overall concentrations of social deprivation. Neighbourhoods are thus less likely to be reliant on repeated 'regeneration' and or local authority intervention.

Corporate Implications

Legal Implications

20. Without this revised guidance in place, there is a greater risk of legal challenge in relation to the provision of affordable housing if the Council seeks a percentage in excess of that specified in the South Bedfordshire Local Plan. There is however a strong case for doing so as the percentage requirement is stated within the preamble to the policy rather than the policy itself. Furthermore, the stipulation is for "at least 20%" allowing for a higher percentage as new evidence becomes available.
21. Affordable housing contributions are secured under Section 106 of the Town and Country Planning Act 1990 (as amended) and like other planning obligations, make a development proposal acceptable in planning terms that would not otherwise be acceptable.
22. Section 106 agreements are formal commitments and legal deeds given between a land owner (and subsequent owners) and the local authority. These agreements are legally enforceable. If the S106 is not complied with, it is enforceable against the person that entered into the obligation and any subsequent owner. The S106 can be enforced by injunction or by direct action, with the recovery of expenses.

23. Counsel opinion has previously been sought in relation to this guidance note.

Financial and Risk Implications

24. The primary risk identified is that the state of the market may on certain larger sites not be sufficiently robust to allow the level of affordable housing to be provided, where there are multiple other constraints on development or exceptional infrastructure costs. The guidance note provides for this to be addressed in those exceptional cases by means of a financial viability appraisal. It also reminds agents and developers that affordable housing is not an abnormal cost and should be factored in to the cost of any land.
25. The final financial/risk related implication is in relation to the New Homes Bonus. The amount paid to local authorities is linked to the number of new build homes and there is also an extra payment for affordable housing which will mean an overall reduction the award if the Council has to seek a lower percentage of affordable housing. Under the New Homes Bonus affordable homes premium mechanism, payments for new build affordable homes are based on matching the average national council tax band of the unit (Band D for CBC) plus an additional £350 per unit per annum.
26. If the policy percentage of affordable housing was reduced from 30%, this would, assuming a static rate of delivery, result in a loss to the Council of much needed revenue.

Equalities Implications

27. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
28. The Council is strongly committed to providing everyone with the opportunity of a decent home and to providing affordable housing which meets demonstrated local needs.
29. Evidence of local need shows a continuing shortfall of affordable housing in Central Bedfordshire. A variety of demographic and social factors, coupled with pressures generated by economic growth and in-migration mean that a substantial number of households are unable to rent or buy in the open market.

30. This affordable housing guidance for the south of Central Bedfordshire will ensure that a higher percentage of affordable homes can be provided on new housing sites to meet identified needs of all residents including those in more vulnerable groups.

Sustainability

31. Providing an appropriate level of affordable housing is part of ensuring social sustainability. Specifically, in relation to social inclusion issues, this guidance addresses the need to ensure that supply and need for affordable housing are related in policy terms and that the policy takes account of the relative ability of people to afford their own housing. It is considered that there are no potential conflicts between the Affordable Housing Guidance Note and overall sustainability.

Conclusion and next Steps

32. If the recommendations are agreed, the revised guidance note will be used as a material planning consideration in the determination of planning applications until the Central Bedfordshire Local Plan is adopted by the Council.

Appendices

The following Appendix is attached:

Appendix A - The Affordable Housing Guidance Note (Revised version September 2018)

Background Papers

33. The following background papers are available on the Council's website:

(i) The South Bedfordshire Local Plan 2004

<http://www.centralbedfordshire.gov.uk/planning/strategic-planning/ldf-south.aspx>

(ii) The Strategic Housing Market Assessment 2017

<http://www.centralbedfordshire.gov.uk/planning/policy/local-plan/submission.aspx>

Affordable Housing

Guidance Note for Central Bedfordshire (South Area)

September 2018

Contents

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Appendix A

Extract from the South Bedfordshire Local Plan 2004

Appendix B

Extract from the Central Bedfordshire and Luton Joint Strategic Housing Market Assessment 2017

1. Purpose of the document

- 1.1 This document is a guidance document which was previously endorsed as interim planning guidance by the Council's Executive on 5th April 2016. It has been updated in the light of the revised National Planning Policy Framework (July 2018) and shall apply until such time as the Central Bedfordshire Local Plan is adopted by the Council as the development plan and the affordable housing policies within it have full weight.
- 1.2 The Affordable Housing Guidance Note provides guidance to support the determination of planning applications for those parishes that formerly made up South Bedfordshire District Council. The South Bedfordshire Local Plan 2004 (Appendix A) remains adopted development plan for this area and 'Policy H4 Affordable Housing' remains the extant policy. *Figure 1* shows the parishes in Central Bedfordshire that this guidance is applicable to.
- 1.3 This guidance is concerned with the percentage of affordable housing required and is not intended to provide detailed advice around the procedures related to the implementation of affordable housing policy.

2. Summary of Policy Update

- 2.1 The requirement for affordable housing provision in the South of Central Bedfordshire is **30%** on all qualifying sites of **10 dwellings** and above.
- 2.2 This guidance has been produced because policy H4 of the South Bedfordshire Local Plan is now out of date in relation to current evidence and national planning policy (The National Planning Policy Framework, July 2018) that has been subsequently introduced.
- 2.3 Having reviewed national planning policy and current evidence this guidance reflects the current position and is consistent with the emerging affordable housing policy in the Central Bedfordshire Local Plan (pre-submission January 2018). The following sections provide context to the approach taken in this guidance.

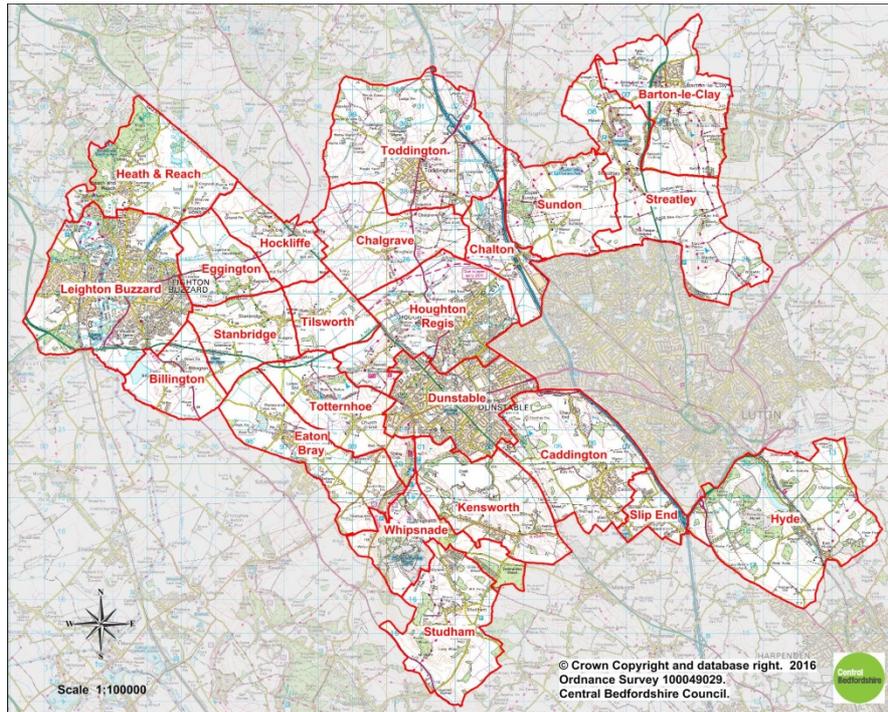


Figure 1

3. National Policy Context

3.1 Paragraph 11d of the NPPF makes it clear that:

“....where there are no relevant development plan policies, or the policies which are most important for determining the application are out of date, [this means] granting planning permission unless;ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this framework taken as a whole”.

It is clear that the affordable housing policy (H4) in the South Bedfordshire Local Plan is out of date and that paragraph 11d of the NPPF is therefore engaged because:

- Policy H4 is not based on up to date evidence on housing need and has not been formulated in accordance with the NPPF and the NPPG
- Policy H4 is inconsistent with the NPPF as it limits housing supply

3.2 Policy H4 therefore carries limited weight as it does not enable the Council to significantly boost the supply of housing as per the requirements of paragraph 59 and is not based on an up to date housing need assessment as required by paragraph 60.

3.3 Similarly it does not allow the Council to meet the stipulations of paragraph 61 of the NPPF.

“....the size, type and tenure of housing needed for different groups within the community should be assessed and reflected in planning

policies (including but not limited to, those who require affordable housing...). Paragraph 62 goes on to say:

“Where a need for affordable housing is identified, planning authorities should specify the type of affordable housing required and expect it to be on-site.”

3.4 National planning policy therefore supports the need of the local authority to provide local guidance on affordable housing based on up to date evidence of housing need.

3.5 The threshold at which affordable housing should be sought is also now made clear in the NPPF (paragraph 63):

“Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer)”.

3.6 Major development is defined as being one or more of the following:

- Ten or more dwellings;
- Where the provision of a building or buildings with a floor space to be created by the development is 1,000 square metres or more;
- Sites of an area of 1 hectare or more.

4 Local Policy Background

4.1 Central Bedfordshire Council is a unitary authority that is comprised of two legacy district councils (Mid Bedfordshire and South Bedfordshire) and functions of the former County Council. Two adopted development plans for the north and south of the authority area therefore remain in place until a plan for the whole of Central Bedfordshire can be adopted.

4.2 This guidance note applies to the south of Central Bedfordshire as illustrated by the map at Figure 1.

4.3 The following table provides a summary of the planning background in the authority area in relation to affordable housing. It demonstrates that 30% or in excess of that has been sought as an affordable housing target since 2005; with the threshold of 4 or more dwellings. This has now been superseded by the revised National Planning Policy Framework (July 2018) which allows affordable housing to be sought on Major Developments (developments of 10 or more dwellings).

Date of Endorsement or Adoption	North of Central Bedfordshire (area formerly known as Mid Bedfordshire District Council)	South of Central Bedfordshire (area formerly known as South Bedfordshire District Council)
2004		South Bedfordshire Local Plan Policy H4 Requirement of 20% of dwellings (in preceding text) on a qualifying threshold of 25+ dwellings or 1ha
2005		South Bedfordshire Affordable Housing Guidance endorsed by SBDC Executive Requirement of 35% affordable on same qualifying threshold
2009	North Core Strategy Adopted Requirement of 35% affordable on sites of 4 and above	
2011		Joint Core Strategy with Luton endorsed by the CBC's Executive Committee for development management purposes following withdrawal of that plan. Requirement of 35% affordable on sites of 15 dwellings or more in the Dunstable/Luton/Houghton Regis conurbation and on 4 or more in all other areas in the south
May 2014		The now withdrawn (2015) Development Strategy was endorsed at Executive for use for Development Management purposes and to supersede the Joint Core Strategy Policies previously in use. Requirement of 30% affordable on sites of more than four. On sites of 4 , one dwelling is required to be affordable.
January 2018	Pre-submission Central Bedfordshire Local Plan (Policy H4) states requirement of 30% on sites of 11 or more subject to future national planning policy changes.	

4.4 Within the preamble to policy H4 of the South Bedfordshire Local Plan, a target of *not less than* 20% affordable housing on all qualifying sites is set. In view of this, it is considered that the Council's approach in now seeking a target in guidance of 30% based on up to date evidence is entirely reasonable.

4.5 The note to policy H4 states:

"The District Council will regularly monitor the need for affordable housing in the District. The level of need and tenure preference is likely to vary over time and from location to location. Working from the basis of the guidelines in this plan, the most up to date data available will be used to determine the precise number of affordable dwellings needed in a particular location or on a particular site".

4.6 In view of these caveats, it is appropriate that the policy framework has been updated based on current circumstances as it was always

envisaged that it would be superseded by up to date information on housing need.

5 Summary of Affordable Housing Need in Central Bedfordshire

Overview

- 5.1 The Council is strongly committed to providing everyone with the opportunity of a decent home and to providing affordable housing which meets demonstrated local needs.
- 5.2 Evidence of local need shows a continuing shortfall of affordable housing in Central Bedfordshire. A variety of demographic and social factors, coupled with pressures generated by economic growth and in-migration mean that a substantial number of households are unable to rent or buy in the open market.

The Strategic Housing Market Assessment 2017

- 5.3 In order to further quantify this need, Opinion Research Services (ORS) completed an update to the Council's Strategic Housing Market Assessment (SHMA) in 2017 (see appendix B). This most recent assessment of housing need and its findings should be considered a material consideration in planning decisions.
- 5.4 The study concluded that there is an overall need for 32,000 homes of all types and tenures up to 2035. ORS recommend that 8100 of these units should be affordable housing, equating to 25% of overall housing need based on demographic growth (see extract at Appendix B).
- 5.5 ORS also considered the need for different tenures of affordable housing and concluded that split based on 72% affordable rent and 28% intermediate tenure would be required.
- 5.6 The higher level of need that the ORS study has demonstrated means that a broadly matched target of 30% is an appropriate policy-on percentage for negotiation on planning application sites. This affordable housing target also applies to conversions to provide units of residential accommodation, as well as new residential developments.

Viability Evidence

- 5.7 In support of the Central Bedfordshire Local Plan, evidence produced by Aspinall Verdi demonstrated that affordable housing at 30% on sites of 11 or more was viable for all typologies when used as a local policy requirement for scenario testing. This evidence predated the revised NPPF and so a slightly different threshold was applied. However, it is clear that 10 or more dwellings would still be viable based on the percentage margin that is applied as a sensitivity test to all scenarios.

6 Overview of Affordable Housing Target

- 6.1 While the status of this is planning guidance, the Council has resolved that the indicative target of 30% of new dwellings on qualifying sites (10 or more dwellings) to be affordable should be sought for the purpose of planning applications. The guidance is based on the following evidence:
- The evidence of housing need set out in the SHMA 2017
 - The NPPF
 - Viability Evidence produced to support the Central Bedfordshire Local Plan
- 6.2 The Council's preference is for developers to provide fully serviced land on site, at no cost to the affordable housing provider. Use of alternative mechanisms should be fully justified with evidence that this would not prejudice the level of delivery of affordable homes.
- 6.3 Provision of fewer affordable homes may exceptionally be considered on sites only if the applicant produces evidence to demonstrate that to provide the full amount would make the scheme unviable.
- 6.4 A developer must however, take affordable housing provision into account when negotiating the purchase of land. It is a principle of this guidance that affordable housing is not an abnormal development cost, even in situations where public subsidy is not available.

Off-Site Contribution

- 6.5 It is anticipated that a site suitable for housing will also be suitable to provide affordable housing on site. The presumption will be that provision of affordable should be made on the development site itself. It would only be in very exceptional circumstances that an alternative to on site provision would be appropriate.
- 6.6 Off-site provision or a financial contribution in lieu of on site provision may be acceptable where it can be robustly justified, but such occasions will be rare. Commuted sums will be calculated on the basis of 50% of the open market units provided in order to maintain parity with on-site provision within the same settlement.
- 6.7 The order of preference of form of affordable housing which the Council will require is as follows:
- On site provision
 - Part on site and part off site/commuted payment
- Off site:
- Provision by applicant, developer or RSL
 - Commuted payment

- Transfer of land
- 6.8 Where a developer/landowner considers that exceptional circumstances exist for affordable housing to be provided off-site, this will need to be demonstrated to the Council. Details of the following will need to be submitted:
- A detailed explanation of why off-site provision is considered more appropriate.
 - Details of the alternative proposed i.e. alternative site within the same settlement and/or financial payment in lieu of on site provision.

Design

- 6.9 In the interest of providing mixed and sustainable communities, the schemes should create tenure blind developments. Affordable housing should therefore be constructed and designed to the same standard as market housing and should be fully integrated into the development.
- 6.10 Within large housing developments, the affordable housing must be scattered through the development, or in small clusters. Modest sized clustering will negotiated with the applicant and is dependent on unit types, scheme design and the size of the site. As a general rule however the affordable housing units should be provided in clusters of no more than 10 -15 units for houses, and 10-20 units for flats.
- 6.11 It is expected that affordable housing will be let in accordance with the Council's allocation scheme and enforced through an agreed nominations agreement with the Council. All units must as a minimum meet any nationally described technical standards.

7 Pre-application Advice

- 7.1 Negotiations with developers to deliver affordable housing will seek to ensure that affordable housing will:
- Meet identified local needs both initially and subsequently
 - Be affordable both initially and subsequently
 - Comply with the design and specification requirements of Registered Providers (RPs).
 - Be integrated with the market housing
- 7.2 The Council encourages developers to meet their affordable housing obligations by forming partnerships with RPs, particularly those who have an existing development role in the district. These RPs have existing local infrastructure, such as housing management, and have established levels of service and unit allocation arrangements with the

Council. It is appropriate that discussions with an RP should start at pre-application stage.

7.3 Council planning officers can offer the following service at pre-application stage:

- Interpretation and advice of planning policy and guidance, and what this means for an individual site.
- Assist in calculating the required amount and mix of affordable housing.
- Advise on the standard and quality of the proposed housing, design, layout and other development control matters.

Key Contacts

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Appendix A - Extract from the South Bedfordshire Local Plan 2004

The Provision of Affordable Housing

- 6.1 Both PPG3 and Circular 6/98 "Planning and Affordable Housing" state that a community's need for affordable housing is a material planning consideration. The District Council has commissioned Housing Needs Surveys which have demonstrated that many local residents are unable to afford housing at market rates despite the recent provision of smaller units at higher densities in many locations in the District. There is strong evidence that many local residents are unable to compete in the housing market with in-migrants from higher priced housing areas. This has caused problems of accessibility to housing which have been exacerbated by low levels of availability of affordable private rented housing in the District, the absence of new local authority housing and the supply of new social housing falling behind losses of Council housing through the "Right to Buy" provisions.
- 6.2 The results of the Council's District-wide Housing Needs Survey indicated high levels of housing expectation which were not backed up by the ability to buy into the housing market. The most recent District-wide Housing Needs Survey - published in March 2000 - concluded that while there was more than adequate supply to meet the overall housing requirements in South Bedfordshire, there was a large shortfall of affordable accommodation in both the rented and the "for sale" sectors. The Fordham Housing Needs Survey, (March 2000), indicates that an additional 4,300 homes are required to 2011 if the Council is to meet all of the current and projected affordable housing need. In 1999 the survey indicated that 2,151 affordable homes were needed. Average annual household income in South Bedfordshire in 2002 was £24,333 but the average income needed to secure a property was £43,483.
- 6.3 The results of this survey and future similar surveys, together with the Council's Housing Register (which indicates a significant need for affordable rented accommodation throughout the District), have been and will continue to be used to identify the level of affordable housing required in the various parts of the District.
- 6.4 The District Council recognises that the precise level of requirement for affordable housing will change over time and from area to area. The figures set down in this plan are intended to inform land owners and potential developers of the level of provision of affordable housing that they will be expected to meet in South Bedfordshire.
- 6.5 The Fordham Housing Needs Survey indicated that 4,300 affordable homes would be needed in South Bedfordshire District between 1999 and 2011, of that 4,300 the consultants estimated that 2,151 households were in immediate or urgent need of affordable housing, equating to 60% of the housing provision still to be made in the District up to 2011. Analysis of the Council's Housing Register indicates that 655 households are categorised as being in priority need, including those households that are homeless; those that are in overcrowded accommodation or accommodation that lacks facilities, or where facilities such as bathrooms, cooking facilities or internal WCs have to be shared. This figure tends to confirm the Fordham Housing Needs Survey finding that 67.6% of existing households in housing need will not be known to the Council because they do not appear on the Council's Housing Register. The Fordham Housing Needs Survey recommends that the level of housing

need identified in South Bedfordshire warrants seeking 30% contribution on suitable sites. Given the scale of housing need, the capacity of sites allocated for development in the plan, together with the possibility of some larger windfall sites coming forward for development and taking account of the level of contribution likely to be made by low cost market housing, the Council's own housing stock and other sources of housing provision, the District Planning Authority considers that it is justified in seeking the provision of not less than 20% of affordable housing on suitable sites. This indicative target figure is intended to form a basis for negotiation with developers. Suitable sites will normally be over 1 hectare in size or will accommodate 25 or more dwellings, and comply with the criteria set out in the policy.

- 6.6 Sites which are smaller than 1 hectare but which are capable of accommodating 25 or more dwellings are of particular value in terms of affordable housing provision because they tend to be located within existing urban areas rather than on their fringes, and to be well related to public transport routes and have ready access to a wide range of services and facilities without the use of a private vehicle. These are also sites which the District Planning Authority considers are likely to come forward earlier in the plan period than the larger fringe or urban edge sites – where lead times to development may be lengthy – thereby enabling the supply of affordable housing to be maintained throughout the plan period.
- 6.7 Any developer or landowner contemplating the purchase or development of either an allocated housing site (see Policy H1 of this plan and the accompanying schedule), or a site to be used for housing purposes is strongly advised to make early contact with the District Planning Authority to identify the full proportion of affordable housing needed in a particular location and to discuss the appropriate unit mix, tenure, type and acceptable registered social landlords.
- 6.8 For the purposes of this section of the Plan and Policy H4 which follows, the District Planning Authority defines affordable housing as that which meets the need of:
- (a) Households with a gross household income which is less than 1/3 of their mortgage requirement; or
 - (b) Households in, or requiring, privately rented accommodation where this would take up more than 35% of their gross income.

This definition of affordable housing includes low cost market housing that meets the test of affordability.

- 6.9 In this context the relevant mortgage requirement or rent level is for a dwelling of the size needed by the household in question in accordance with the District Housing Authorities occupancy definitions.
- 6.10 Planning obligations will be sought to secure the 20% indicative target level of affordable housing provision on sites of 1 hectare or over or where 25 or more dwellings are proposed.

POLICY H4

PROVISION OF AFFORDABLE HOUSING WILL BE SOUGHT ON ALL SUITABLE RESIDENTIAL SITES, NAMELY THOSE:

- (i) SITES OF 1 HA OR MORE IN SIZE, OR WHERE ERECTION OF 25 OR MORE DWELLINGS IS PROPOSED; AND**
- (ii) THAT CAN ACCOMMODATE AN APPROPRIATE MIX OF TYPES AND SIZES OF HOUSING; AND**
- (iii) THAT ARE SUITABLE IN TERMS OF LOCATION, ACCESS TO LOCAL FACILITIES, SERVICES AND PUBLIC TRANSPORT; AND**
- (iv) WHERE PROVISION OF AFFORDABLE HOUSING WOULD NOT PREVENT IMPLEMENTATION OF THE PROPOSAL, OR REALISATION OF OTHER PLANNING OBJECTIVES THAT SHOULD BE GIVEN HIGHER PRIORITY.**

THE LEVEL AND TYPE OF AFFORDABLE HOUSING TO BE PROVIDED ON A PARTICULAR SITE WILL BE A MATTER FOR NEGOTIATION BETWEEN THE COUNCIL AND THE DEVELOPER, TAKING INTO ACCOUNT THE INDICATIVE TARGETS SET IN THIS PLAN, AND THE NATURE OF THE PROPOSED DEVELOPMENT. PLANNING OBLIGATIONS WILL BE SOUGHT, OR CONDITIONS APPLIED TO PLANNING PERMISSIONS, TO ENSURE THAT AFFORDABLE HOUSING IS PROVIDED, AND THAT INITIAL AND SUBSEQUENT OCCUPANCY IS RESTRICTED TO PEOPLE IN NEED OF SUCH HOUSING IN SOUTH BEDFORDSHIRE. PROVISION CAN BE SECURED BY THE TRANSFER TO THE DISTRICT COUNCIL, OR SOCIAL HOUSING AGENCY⁽¹⁾ NOMINATED BY THEM, OF DISCOUNTED LAND; OR BY MAKING AVAILABLE COMPLETED DWELLINGS TO OCCUPIERS NOMINATED BY THE DISTRICT COUNCIL. IN EXCEPTIONAL CASES, AS AN ALTERNATIVE IT MAY BE ACCEPTABLE FOR THE DEVELOPER TO MAKE AN EQUIVALENT CONTRIBUTION IN CASH TO THE DISTRICT COUNCIL, TO ENABLE PROVISION OF AFFORDABLE HOUSING ON AN ALTERNATIVE SITE.

Continued...

POLICY H4 (Cont'd...)

FOR THE PURPOSES OF THIS POLICY, AFFORDABLE HOUSING IS DEFINED AS THAT WHICH IS OF THE SIZE AND TYPE REQUIRED TO MEET THE NEEDS OF HOUSEHOLDS WHERE:

- (i) GROSS HOUSEHOLD INCOME IS LESS THAN 1/3 OF MORTGAGE REQUIREMENT; OR**
- (ii) RENTING PRIVATELY WILL TAKE MORE THAN 35% OF GROSS HOUSEHOLD INCOME.**



NOTE:

- (1) Social Housing Agency means a housing association or Registered Social Landlord registered by the Housing Corporation.

- (2) The District Council will regularly monitor the need for affordable housing in the District. The level of need and tenure preference is likely to vary over time and from location to location. Working from the basis of the guidelines in this plan, the most up to date data available will be used to determine the precise number of affordable dwellings needed in a particular location or on a particular site. Landowners and developers are advised to make early contact with the District Planning Authority to discuss the appropriate level of affordable housing provision and mechanism to secure it.

Appendix B – Extract from the Strategic Housing Market Assessment 2017

Affordable Housing Tenure

^{4.104} Within the overall need of 16,700 affordable homes identified by the model, it is possible to consider the mix of different affordable housing products that would be appropriate based on the mix of households needing affordable housing.

^{4.105} In order to profile the affordability of the mix of households needing affordable housing, income data from the English Housing Survey and ONS Survey of Personal Incomes has been combined and modelled to establish the income distribution by household type and age in the two local authority areas. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

^{4.106} Figure 79 sets out the housing mix in terms of property type, size and affordable housing tenure in each of the local authority areas. The analysis is based on two scenarios:

- » Spending up to 25% of gross household income (excluding housing benefit) on housing costs; and
- » Spending up to 35% of gross household income (excluding housing benefit) on housing costs.

Figure 79: Assessing affordable housing mix by local authority (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

		Up to 25% of gross income			Up to 35% of gross income		
		Luton	Central Bedfordshire	TOTAL	Luton	Central Bedfordshire	TOTAL
AFFORDABLE RENT							
Flat	1 bedroom	400	1,020	1,420	340	940	1,290
	2+ bedrooms	1,260	880	2,150	1,040	780	1,820
House	2 bedrooms	1,170	2,160	3,330	1,000	1,900	2,900
	3 bedrooms	3,510	2,160	5,670	2,970	1,850	4,820
	4+ bedrooms	910	440	1,350	800	380	1,170
Sub-total		7,260	6,660	13,920	6,150	5,850	11,990
% of affordable housing		84%	82%	83%	71%	72%	72%
INTERMEDIATE AFFORDABLE HOUSING							
Flat	1 bedroom	80	120	200	140	200	340
	2+ bedrooms	260	210	460	480	310	790
House	2 bedrooms	240	500	740	420	760	1,180
	3 bedrooms	700	540	1,240	1,240	850	2,090
	4+ bedrooms	110	70	180	230	130	360
Sub-total		1,380	1,450	2,820	2,500	2,250	4,750
% of affordable housing		16%	18%	17%	29%	28%	28%
TOTAL DWELLINGS		8,600	8,100	16,700	8,600	8,100	16,700

^{4.107} When considering the need by affordable housing tenure, almost three quarters (72%) of households in need of affordable housing need affordable rent when 35% of their gross income is allocated to housing, and over four-fifths (83%) would need affordable rent if housing costs were limited to up to 25% of income: many of these households will therefore depend on housing benefit. Nevertheless, between 17% and 28% of households in need of affordable housing could afford intermediate affordable housing products, such as shared equity or other forms of low cost home ownership.



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