



## Committee report

Committee	<b>POLICY AND SCRUTINY COMMITTEE FOR REGENERATION, HOUSING, PLANNING AND THE ENVIRONMENT</b>
Date	<b>7 SEPTEMBER 2017</b>
Title	<b>AFFORDABLE/SPECIALIST HOUSING ON THE ISLAND</b>
Report of	<b>THE HEAD OF PLACE</b>

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### SUMMARY

1. This report is intended to set out the general background to housing following discussions with the chairman of the committee on key topics for inclusion in the work plan. It is suggested that a task and finish group could be established to look in detail at the supply of affordable/specialist housing on the Island. This would need to fit in with the review of the Island Plan.

### BACKGROUND

#### **a) Island Plan Review timeframe**

2. Officers are currently undertaking work to prepare a draft of the reviewed plan and accompanying evidence work, which includes a targeted stakeholder survey. It is anticipated that the finalised draft of the plan and accompanying evidence work, will be published for a statutory six week public consultation by 31 January 2018, following a Cabinet Member delegated decision. There will then be a further statutory six week period for representation, and following this the draft plan, evidence documents and representations received will, subject to a Cabinet decision, be submitted to the Planning Inspectorate for a public examination. Subject to the Inspector's report a full council decision is required to formally adopt the plan, and this is anticipated to occur in the summer of 2019.
3. The timetable of the review will be set out in a document called a Local Development Scheme, which is currently being revised and once finalised will be subject to a Cabinet Member delegated decision. It is anticipated that a decision will be made September.

**b) Affordable Housing - definition**

4. The [National Planning Policy Framework](#) gives a definition of affordable housing, which is:

Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.

5. ‘Low cost market’, whilst outside of the definition used in a planning context, could be shared ownership or shared equity and these can include homes provided by private sector bodies and homes without grant funding provided that they:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

6. A useful definition of [general housing terms](#) is also available on the .gov.uk website, along with information in the council’s [Affordable Housing Contributions Supplementary Planning Document](#).

**c) Strategic Housing Market Assessment**

7. The council is required to identify its objectively assessed housing need (including affordable housing), and it has done this through its 2014 [Strategic Housing Market Assessment](#) (SHMA) and Update Report. This document is an Isle of Wight Council document, commissioned jointly by Planning Services and Housing Services and is an evidence base document, so it informs policy approaches but is not itself policy. At the time of production there was no set methodology for undertaking a SHMA, although government guidance sets out specific information that should be considered. Due to new information being made available nationally following the publication of the SHMA, an [Update Report](#) was commissioned. This identified that the objectively assessed housing need for the island was 525 dwellings per annum, and this figure has subsequently been used (replacing the 520 dwellings per annum set out in Policy SP2 of the [Island Plan Core Strategy](#)).
8. Further statistics that would inform the council's objectively assessed housing need have been published since 2014, but the council has not currently updated its SHMA. The Partnership for Urban South Hampshire undertook an [Objectively Assessed Housing Need Update](#) in 2016, with more up-to-date information, which identified an objectively assessed housing need figure for the island of 600 dwellings per annum. The council has not formally endorsed this document and has maintained the 525 figure.
9. An updated SHMA will be required to inform the review of the Island Plan Core Strategy. A significant change is that the government have stated they will be introducing a set methodology in September 2017, and if this is done we will need to ensure our next SHMA follows the methodology to establish our objectively assessed housing need.

**d) Registered Providers of affordable housing**

10. In the housing association definition in the general housing terms hyperlinked above, it states that "Housing associations has been used as the generic name for all social landlords not covered by local authorities (see below). In previous editions housing associations were referred to as Registered Social Landlords, although the term (private) Registered Provider of social housing is now commonly used".
11. On the island the main registered providers are:
  - Island Cottages
  - Southern Housing Group
  - Sovereign Housing Association
  - Vectis Housing Association

**e) Affordable Housing Completions**

12. Monitoring affordable housing shows that completions (actual units built) of affordable housing have decreased significantly over the last six years. It is considered by officers that this can be attributed to a number of factors, broadly summarised as being all affordable units on Pan Meadows having been

completed; changes in national planning and housing policy and a lack of larger sites delivering affordable housing being completed.

Year	Affordable Housing Comps	Total Comps	% of Comps Affordable Housing	Affordable Housing Need (SHMA)	Comps / Need Diff
16/17*	34	321	10.6%	284	-250
15/16	35	417	8.4%	284	-249
14/15	150	396	37.8%	284	-134
13/14	112	410	28.3%	180	-68
12/13	141	409	34.5%	180	-39
11/12	196	418	46.9%	180	+16

\*The figures for 16/17 have not yet been verified and may change

13. With affordable housing stock on the Isle of Wight owned and managed by Southern Housing, Sovereign (which recently merged with Spectrum and Vectis Housing) it may be appropriate for the committee, or task group, to get a briefing from each regarding their current housing stock, their future plans regarding delivery of new affordable / specialist housing and how performance is monitored. This information can be sought from the providers themselves.

#### RECOMMENDATION

14. Consideration be given to the approach that could be taken by the committee in looking at the supply of affordable/specialist housing on the Island and how this should be reflected within the Island Plan.

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