

Appendix 1 - Affordable Housing Delivery – Briefing for Performance and Contract Management (PCM) Committee

1. Introduction

At the PCM Committee on 5 January 2017, it was agreed that an update report be provided to the Committee setting out the affordable housing target, the methodology used and the performance against it. This report provides details on:

- The Council's adopted planning policy for the delivery of affordable housing and how it is applied.
- The methodology used for calculating the amount of affordable housing delivered.
- The number of affordable homes completed in recent years.
- Affordable Housing as % of new homes delivered
- Total sum of money secured for affordable housing through s106 agreements for off-site delivery.

2. Adopted Planning Policy – Delivering Affordable Housing

Within Barnet the % of new homes delivered that are affordable is measured against the Council's Local Plan (adopted in 2012) target that 40% of new homes that are delivered are affordable. Within this, there is an expectation that 60% of affordable homes delivered are for rent, with the remaining 40% for low cost home ownership. Delivery is subject to viability. The 40% target in the Local Plan is supported by an affordability viability study carried out by the Council in 2010 as well as the approach taken in the London Plan.

According to Local Plan Policy DM10 new affordable housing will be sought via the planning system on schemes providing 10 or more homes or on sites larger than 0.4 hectares. In May 2016 the Government updated National Planning Practice Guidance (NPPG) which states that affordable housing contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floor space of no more than 1000m²

Since May 2016 in order to be consistent with the NPPG our approach on thresholds has been to seek affordable housing from sites capable of providing 11 units or more gross, and replacing the 0.4 ha area threshold with the maximum combined gross floor space threshold of 1,000m²

The actual proportion of affordable homes delivered on each scheme will depend on an assessment of the financial viability of the scheme, and a process of negotiation between the Council's planning officers and developers. These viability assessments are subject to independent review.

3. Methodology for Calculating the Amount of Affordable Housing Delivered

The Re Regeneration Team is responsible for monitoring and progressing the delivering of affordable housing by Registered Providers (RP). KPI05 measures the number of affordable homes completed per annum from all of the following sources:

- Affordable homes delivered through S106 Agreements
- Affordable homes built or acquired by RP and used as affordable housing in addition to any S106 requirements

As outlined above, KPI05 includes (but not exclusively) affordable units secured through planning consent.

The percentage of affordable housing delivered through the planning process is calculated as part of a wider performance indicator to measure the total number of new homes completed in a year. This is reported by the Greater London Authority using data provided by the Re Strategic Planning Policy Team, and uses a different methodology which is described in section 5 below.

The number of new affordable homes completed is measured via a contractual performance indicator (Regeneration KPI05) with Re. This measures the total number of affordable homes completed during each financial year, and does not take account of any loss of affordable housing that may have occurred. An indication of the net gain achieved can be arrived at by looking at information about council properties that have been demolished each year.

The number of new homes completed is measured via a contractual performance indicator (Regeneration KPI01) with Re.

The implementation of Local Plan policy (DM10) on Affordable Housing is set out in the Authorities Monitoring Report (AMR). The indicator is based on affordable homes delivered (gross). Off-site contributions to affordable housing are also set out in the AMR. The Annual Regeneration and Growth Programme Report provides greater context on the delivery of affordable new homes on Priority Estates and regeneration schemes such as Brent Cross Cricklewood, Colindale and Mill Hill East.

4. Number of Affordable Homes Completed in Recent Years

Performance is set out in the table below:

	2014/15	2015/16	2016/17	Total 2014-2017	2017/18 (projected)
Target	308	256	375	939	211
Affordable rent	316	168	333	817	123
Low Cost Home Ownership (LCHO)	67	89	137	293	88
Total	383	257	470	1,110	-

Appendix A provides details of where these homes were delivered or are due to be delivered.

An indication of the loss of affordable housing stock can be derived by looking at changes in the amount of council stock demolished as set out in the following table and compared to the affordable housing completions to provide a net figure as follows:

	2014/15	2015/16	2016/17	Total
Total Affordable	383	257	470	1,110
Demolitions	62	239	104	405
Net gain	321	18	366	705

5. Affordable Housing as % of new homes delivered

The % of new homes that are delivered is a planning target which is derived using a methodology in common with the Greater London Authority (GLA), which compiles figures for boroughs across London through their monitoring system the London Development Database (LDD). Barnet submits data to the LDD which is verified by the GLA prior to publication in their AMR.

The GLA methodology is to take net conventional completions overall and compare these with net conventional affordable housing completions. In this instance, the term conventional means new build, conversions (e.g. conversion of house into flats) and changes of use (e.g. office to residential). The net figures are derived by comparing the number of homes originally on development sites and the number once the development has been completed. This means that homes demolished as part of a redevelopment or regeneration will not feature in the calculation until the homes on that site have been completed.

The GLA usually publishes figures in March¹ of each year in their Annual Monitoring Report (AMR), which can be accessed on their website². The GLA figures for Barnet's performance are set out in the table below:

GLA TABLE HPM 3: NET CONVENTIONAL AFFORDABLE HOUSING COMPLETIONS BY TENURE			
	2014/15	2015/16*	2016/17#
Rented	305	130	260
LCHO	63	60	90
Total Affordable	368	190	350
All Completions (Net)	1327	1645	1798
% Affordable	28%	12%	19%

*Provisional figure based on Barnet data within GLA's LDD pending publication of London Plan AMR

#Provisional LBB figure to be validated over the summer

¹ Publication of 2015/16 London Plan AMR has been delayed

² <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/monitoring-london-plan>

The GLA AMR is a useful barometer of performance on delivery enabling comparisons with other Boroughs. We are able through updates to the London Development Database to revise the number of completions for previous years. **Appendix B** shows performance on delivery of affordable housing for 2014/15 and % of affordable housing targets across London, as compiled by the GLA in their latest AMR. This shows that for 2014/15, Barnet delivered the 7th highest number of new homes amongst London Boroughs

Performance is reported via the Greater London Authority which usually publishes the information in the final quarter of the following financial year. In view of this, it is recommended that this information is provided for monitoring purposes only.

6. Total Sum Secured as Contribution for Affordable Housing Off-site Provision

The Council may in exceptional circumstances (subject to a robust justification of on-site affordable housing being inappropriate) accept the provision of affordable housing off-site, or through a cash in lieu contribution ring fenced to secure efficient delivery of new affordable housing on sites identified elsewhere. Exceptional circumstances for cash-in-lieu contributions may include:

- securing a higher level of affordable housing;
- better addressing priority needs, especially for affordable family housing;
- securing a more balanced community;
- better strategically sustaining important clusters of economic activity.

In the limited cases where financial payments are considered appropriate, the commuted sum will be based on the difference between what a Registered Provider would pay for the affordable homes and what the developer could sell the homes for on the open market if these were not provided as affordable housing.

Since April 2014, commuted sums to the value of £5,289,824 have been agreed through the planning process in lieu of affordable homes being provided on site. The focus for applying commuted sums has been the Council's own development programme, for example a new extra care scheme at Moreton Close and new council homes for rent built by Barnet Homes.

Appendix A – Affordable Housing Completions by Scheme – Regeneration KPI05

Site	Rented	LCHO	Total
2014/15			
Greenpoint	48	31	79
West Hendon	71		71
Grahame Park	55		55
Colindale Phase 2	37		37
Merrivale	31		31
Burnt Oak (1A Deansbrook Rd)	19	8	27
765 Finchley Road	16	4	20
Chandos Lodge	15		15
Kingsgate House	8	6	14
713 Finchley Road	5	6	11
Brent Court	9		9
Stonegrove		9	9
Beaufort Park		3	3
Hallywick Court	2		2
Total	319	64	383
2015/16			
Stonegrove	73	66	139
Dollis Valley	33	5	38
Colindale	27		27
Watling Boys Club	24		24
West Hendon	3	12	15
Barnet Homes	8		8
931 High Road		6	6
Total	168	89	257
2016/17			
Beaufort Park block F	177	0	177
Millbrook Phase 3 (FM)	16	17	33
Millbrook Phase 3a (Cala)	10	4	14
Northway House	0	11	11
931 High Road	0	6	6
Barnet Homes	32	0	32
Dollis Valley	16	5	21
Grahame Park	25	12	37
Stonegrove	0	26	26
Chandos Ave	0	10	10
British Library	57	33	90
Hendon Football Club	0	9	9
West Hendon		4	4
Total	333	137	470
2017/18 (projections)			
Grahame Park	8	7	15
Chandos Ave	8	2	10
1230 High Road	15	24	39
Barnet & Southgate College	14	10	24
Millbrook Phase 4a	7	4	11

Site	Rented	LCHO	Total
Stonegrove	8	0	8
Barnet Homes	4		4
West Hendon	0	0	0
Dollis Valley	6		0
Stonegrove	1	0	1
Millbrooke Park Phase 1 NHHG	12		
British Newspaper Library	1		
Hendon Football Club	20		
Furnitureland	19	41	
Total	123	88	211

**Appendix B – Net affordable housing Completions by London Borough 2014-15 – Table
HPM4 – GLA Annual Monitoring Report 12**

Rank ³	Borough	Number	% Affordable	Affordable target	Difference vs target
1	Brent	706	44%	50%	-6%
2	Croydon	638	42%	50%	-8%
3	Newham	568	29%	50%	-21%
4	Hackney	498	31%	50%	-19%
5	Lewisham	418	29%	50%	-21%
6	Haringey	405	64%	40%	24%
7	Barnet	368	28%	40%	-12%
8	Lambeth	358	25%	50% + subsidy, 40% without subsidy	-25%/-15%
9	Greenwich	286	25%	35%	-10%
10	Waltham Forest	281	42%	50%	-8%
11	Hounslow	279	31%	40%	-9%
12	Havering	276	43%	50%	-7%
13	Tower Hamlets	251	27%	50%	-23%
14	Islington	220	26%	40%	-14%
15	Kensington & Chelsea	196	20%	50%	-30%
16	Hammersmith & Fulham	172	21%	50%	-29%
17	Bexley	170	21%	50% (Min 35%)	-29%(-14%)
18	Wandsworth	144	15%	33%	-18%
19	Sutton	121	28%	50%	-22%
20	Harrow	96	23%	40%	-17%
21	Merton	94	22%	40%	-18%
22	Enfield	85	21%	40%	-19%
23	Hillingdon	78	8%	35%	-27%
24	Southwark	69	6%	35%	-29%
25	Camden	61	13%	50% >50 units, 10-50% for <50 units	-37%/+3%- - 37%
26	Ealing	59	7%	50%	-43%
27	Kingston	59	11%	50%	-39%
28	Westminster	48	7%	30%	-23%
29	Redbridge	16	6%	50%	-44%
30	Barking and Dagenham	14	3%	40%	-37%
31	Richmond	5	2%	50%	-48%
32	City	0	0%	30% on site, 60% off site	-30%,-60%
33	Bromley	-54	-13%	35%	-48%
	Total	6985	25%		

³ Ranked by number of affordable homes provided.