

Gladman Affordable Housing Note Response (EXAM6)

1. Introduction

- 1.1 This note has been prepared by Gladman to respond to Mansfield District Council's (the Council) Affordable Housing Note (EXAM6).
- 1.2 The Council's note follows discussions which took place during the Matter 4 hearing session and responds to points made during the hearings about the absence of recent robust evidence regarding affordable housing need and the lack of any consideration by the Council of affordable housing need in determining the submitted housing requirement.
- 1.3 The Council's note includes evidence prepared on the Council's behalf by Justin Gardener Consulting (JGC). This evidence assesses the level of affordable housing need based on most recent data aligning to that used by the Council to determine its housing requirement. The Council's note also considers whether there is a need to uplift the housing requirement in response to this updated position.
- 1.4 In the sections below Gladman provide comments on the findings of the Affordable Housing Needs Update (section 2) and the response made by the Council to this evidence of need (section 3).

2. JGC Affordable Housing Needs Update

- 2.1 Gladman has reviewed and reflected on the content and approach of the JGC Affordable Housing Note. Gladman is concerned that several steps taken through the Affordable Housing Need artificially serve to skew the affordable housing needs of the District downwards, and thus soften the issue of affordable housing need in District and the potential need to apply a response through the Mansfield Local Plan.
- 2.2 Firstly, the JGC Affordable Housing Note only assesses affordable housing need over the period 2018 to 2033. This is at odds with the plan period which extends from 2013 to 2033 and thus excludes the period from 2013 to 2018.
- 2.3 As explored during the hearing sessions, the proposed housing requirement for the District has been derived utilising the standard methodology, apply the 2014 household projections from 2018/19, with upward adjustments made to the resulting level of housing to need respond to affordability indicators and support economic growth. This evidence has been backdated by the Council to determine the housing requirement from 2013 as well as projecting the housing requirement forwards for the remaining plan period.

- 2.4 The failure of the JGC Affordable Housing Note to align the calculation of affordable housing needs with the full plan period, means that any shortfall or overprovision of affordable housing made during the first five years of the plan period is not taken into account, therefore affecting the overall level of affordable housing needs assessed for the plan period.
- 2.5 The assessment of affordable housing need made by JGC Affordable Housing Note is not therefore consistent with the parameters of the Local Plan. Gladman consider that the actual level of affordable housing need for the plan period is generated over the period 2013-2033 with any affordable housing completions delivered since the start of the plan period deducted from the overall level of housing need.
- 2.6 Secondly, Gladman is concerned by the conclusion made within the JGC Affordable Housing Note that the access to housing problem in the District is probably caused by access to capital i.e. mortgage availability, saving for deposit etc rather than the cost of housing itself. Whilst broadly correct, Gladman consider that the reasoning applied hides the real problem that lower income levels experienced within the District affect the ability of a significant proportion of the District's population to access the housing market because of lower earnings.
- 2.7 Figure 2.3 of the JGC Affordable Housing Note sets out the distribution of household income levels as a proportion of population across the District. The figure illustrates that in 2018 nearly one third of households in the District have an income of less than £20,000. This reflects the nature of the economy in Mansfield whereby a larger proportion of jobs are lower paid than in surrounding areas – an issue which is unlikely to change significantly over the plan period. Gladman consider that this finding adds further weight for the need to deliver greater levels of affordable housing in the District providing a housing product which reflects the financial capacity of many households within the District.
- 2.8 Thirdly, the lower household income experienced by those households in most need would add further weight to applying a 25% threshold in the use of household income to fund housing cost. The households requiring affordable housing and are amongst the bottom third of household income are the households which are most exposed to changes in the costs of living and are likely to experience greater pressures on income than other households in the District. A 25% income threshold for housing cost therefore provides for a more sustainable position for these households in the longer term noting the potential for change in living costs over the plan period and serves to increase the potential for these households to save sufficient money to allow full home ownership in alignment with Government objectives. A 30% threshold in Mansfield should not be considered sound for this reason.

- 2.9 Fourthly, the JGC Affordable Housing Note ignores local data of housing need. For example, the Council's Housing Waiting List (Homefinder) is not considered by the JGC Affordable Housing Note despite its role in forming local policy and in decision making by the Council. Instead national data is relied upon within the JGC Affordable Housing Note. This is despite statements made by Officers during the Matter 6 hearings which raised questions over the robustness of this national data in providing an accurate picture for the District.
- 2.10 Referring to Homefinder, it is clear that there is a significant existing local need for affordable and suitable housing within the District with 6,474 applications on the list as of 2018¹. This at odds with the findings of the JGC Affordable Housing Note which suggests that needs for affordable housing in the District are much lower at between 1,680 and 3,035 households (see Figure 2.6) showing a massive discrepancy in needs. Applying the JGC Affordable Housing Note findings to the Local Plan, is likely to mean that the Local Plan will provide an ineffective policy tool in addressing the applications included on Homefinder creating significant tensions in the Council's decision-making process.
- 2.11 Fifthly, Gladman is concerned with the approach taken by the JGC Affordable Housing Note to relets and the role this has in meeting Affordable Housing Need. The JGC Affordable Housing Note outlines that 668 social/affordable rented housing per annum over the period 2015/16 to 2017/18. The data however is not presented on an annual basis, and so it is unclear what level of relets have occurred on an annual basis over this 3-year period and how it has varied.
- 2.12 Whilst Gladman acknowledge and accept the role of existing stock in meeting affordable housing need, it is clear that relets have been insufficient to address the existing affordable housing needs of the District in the past. If this were the case, the affordable housing needs would be near zero, with only the needs of future arising households needing to be planned for. Even based on the evidence of existing need presented by the JGC Affordable Housing Needs Report this is clearly not the case. Gladman is therefore concerned by the assumption made that existing stock will meet nearly 90% of the assessed level of affordable housing need on an annual basis. Gladman do not consider that this assumption is robust or will provide an effective basis on which to plan to meet affordable housing needs. The role of relets should be reduced.
- 2.13 Finally, there is the matter of the potential for overall levels of affordable housing stock in the District to alter over the plan period because of changes in tenure of existing stock. MHCLG Live Table 100 illustrates that since the start of the plan period there has been a reduction in the amount of public sector affordable housing present within the District. This is due to incentives such as Right to Buy leading to a reduced amount of public sector stock as occupiers purchase public held property. It is likely that this trend

¹ As reported in Paragraph 3.1 of Appendix C to EXAM6.

will continue and perhaps increase over the plan period especially should occupants of shared ownership property purchase their existing home through “staircasing” thus lowering the number of dwellings defined as “affordable” in the District and the “churn” available to address assessed affordable housing need.

- 2.14 The JGC Affordable Housing Need Note fails to consider this, focusing only on a fixed period of time to define how the current affordable housing market operates and what role it has in addressing current and newly arising need. The omission of how affordable housing stock might be affected by changes to tenure, means that the overall level of affordable housing in the District at the end of the plan period assumed by the Council is likely to be overestimated. The effect of the Local Plan in addressing affordable housing need is therefore lower than outlined by the Council.

3. Proposed Adjustment the Housing Requirement

- 3.1 The Council propose an increase to the housing requirement of 2.5% rounded upwards to 335 dwellings per year in response to the findings of the JGC Affordable Housing Note. Whilst Gladman is supportive of the Council’s decision to respond to affordable housing need through changes to its Local Plan, Gladman do not consider that the adjustment made will be effective in delivering an increased level of affordable housing provided in the District. The alteration proposed in response to affordable housing needs evidence is therefore misplaced.
- 3.2 The fundamental problem with the Council’s approach is that the uplift proposed applies only on paper and will not actually achieve any additional affordable housing completions. Moving forwards over the remainder of the plan period the Council’s latest housing trajectory² illustrates that an average of 485 dwellings per year will be delivered based on existing commitments and planned supply. This is 150 dwellings per year in excess of the proposed increase to the housing requirement to respond to affordable housing need. It is clear therefore that no further affordable housing will be provided under the Council’s proposals given that the supply planned for through the Local Plan is significantly higher than that proposed through the adjusted housing requirement.
- 3.3 The issue is therefore a supply side one and is caused by the fact that the of the committed and planned supply just 13% are expected to be affordable housing³. The amount of affordable housing to be provided over the remaining plan period yields a notable shortfall against even the level of affordable housing need reported by the JGC Affordable Housing Note (a shortfall of around 300 affordable dwellings).

⁵See Examination Document Ref H7.

³The position on affordable housing delivery provided by completed, committed and allocated developments is also set out in Annex A of the Council’s Matter 4 Hearing Statement.

- 3.4 Gladman consider that the response required of the Council through the Local Plan is clear. This being to identify and/or provide scope for further affordable housing land supply over the plan period. This should be provided through a combination of further allocations of affordable only and market led schemes at sustainable locations (such as Gladman’s land interest Peafield Lane, Mansfield Woodhouse), and the inclusion of a flexible policy in the Local Plan to permit greater opportunity for affordable housing as part of windfall development (for example Policy HOU5 of the adopted Ashford Local Plan⁴).
- 3.5 The application of both is the only effective way in securing a higher level of affordable housing provision in the District in response to needs.

4. Conclusion

- 4.1 Gladman welcome efforts made by the Council to update its affordable housing evidence and to respond to affordable housing pressures through the Local Plan.
- 4.2 Gladman has reviewed the JGC Affordable Housing Note commissioned by the Council and has noted several concerns with its approach to deriving affordable housing need which might serve to lower the level of this need.
- 4.3 Gladman do not consider that a 2.5% increase to the housing requirement will achieve anything in delivering an increase in affordable housing provision across the District in comparison to the submitted Local Plan. This is because the committed and allocated supply identified by the Local Plan is much higher than the adjustment proposed by the Council. Supply side changes are therefore required to address affordable housing delivery. This is recommended in the form of further allocations and the adoption of flexible policy which would increase the opportunity for increase affordable housing delivery in comparison to that already made within the submitted Local Plan.
- 4.4 Gladman wish to thank the Inspector for the opportunity to submit comments on EXAM6.

⁴ See Gladman’s Matter 2 Hearing Statement.