

Examination of the Tunbridge Wells
Borough Local Plan

Tunbridge Wells Borough Council
Hearing Statement

**Matter 2: Housing and
Employment Needs (Policy
STR1)**
**Issue 2: Affordable Housing
Needs**

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Matter 2 – Housing and Employment Needs (Policy STR1)

Issue 2 – Affordable Housing Needs

Inspector’s Question 1: [re. affordable housing need]

What is the annual net need for affordable housing? For clarity to decision-makers, developers and local communities, should the need for affordable housing be clearly set out in the Plan?

TWBC response to Question 1

Annual affordable housing need

1. The Council published a Housing Needs Assessment Topic Paper [[CD 3.73](#)] to support the Pre-Submission Local Plan, which identifies the overall housing need and the need for affordable housing. Paragraphs 3.3-3.26 specifically review the need for affordable housing. As identified in the Topic Paper, the Council has a recent assessment specifically in relation to affordable housing in the form of a report ‘Review of affordable housing needs in the context of First Homes’ (February 2021) [[CD 3.76](#)].
2. Section 3 of [CD 3.76](#) specifically reviews the need for affordable housing – taken in this section to be housing needed for households who are unable to either buy or rent in the open market without the need to claim housing related benefits (or for whom housing costs would exceed a reasonable proportion of income – taken to be around a third (32%) of income).
3. [CD 3.76](#) concludes “Overall, the analysis suggests an annual need for around 323 affordable homes, this is made up of a gross need for 503 homes with a relet supply (of 180 homes per annum) being netted off” (see paragraph 11 of the report). The report also notes a possible need for affordable home ownership products (for households who are able to rent in the market but not buy), but that this need is “not as great as the need for rented forms of affordable housing” (paragraph 18) and indeed that the need is ‘difficult to fully quantify’ (paragraph 4.26).

4. Of note, paragraph 12 advises:

“12. Despite the level of need being high, it is not considered that this would point to any requirement for the Council to increase the Local Plan housing requirement above that suggested by the Standard Method. The link between affordable need and overall need (of all tenures) is complex and in trying to make a link it must be remembered that many of those picked up as having an affordable need are already in housing (and therefore do not generate a net additional need for a home). Additionally, most of the affordable need is already part of the demographic projections which are used to drive the Standard Method and so any additional provision would be double counting.”

Local Plan coverage

5. The need for affordable housing in the borough is already set out in the submission version of the Local Plan (SLP), both in ‘Setting the Scene’ (paragraphs 2.17-2.20), the Vision and Objectives (notably Strategic Objective 2), and as the context for relevant policies (Policies H3 and H4) in Section 6. Cross-reference is also made to the supporting evidence documents, notably the ‘Review of affordable housing needs in the context of First Homes’ (February 2021) [[CD 3.76](#)], at paragraph 6.317.
6. Although it does not do so, the SLP could include reference to the estimate of actual numbers; however, while the broad quantum of need clearly justifies the Local Plan’s Affordable Housing policies, the Council is conscious that the estimate of 323 dwellings is a ‘snap-shot’ in time.
7. Also, in practice, the Council will monitor relevant statistics and studies in relation to housing need (including Housing Register details and parish-based local housing needs surveys) and will report on these and delivery of affordable housing through its regular Monitoring Reports.
8. Therefore, while the evidence base is up to date and robust, the Council recognises that the best estimate of affordable housing need will vary over time. Furthermore, for development management, the consideration of applications should be against the policies of the Local Plan rather than against a particular estimate of affordable housing need; including a figure within the Plan may lead to confusion in this regard.

Inspector’s Question 2: [re. the basis of affordable housing need]

Has the need for affordable housing been accurately established and is it based on robust, up-to-date information?

TWBC response to Question 2

9. The latest assessment of the need for affordable housing can be found in [CD 3.76](#) ('Review of Housing Needs in the Context of First Homes' – February 2021). This is only around a year old, so is considered to be reasonably up to date. The report uses the most up-to-date information available at the time, including Land Registry house price data, ONS private rental data, ONS income estimates and data about the supply of affordable housing through re-lets.
10. The methodology used follows Planning Practice Guidance (PPG) on Housing and Economic Needs Assessment ([PPG 2a](#) – latest version December 2020) and specifically paragraphs 18 to 24. This includes drawing on many of the data sources suggested in guidance.
11. Given the methodology and datasets employed, it is considered that the need for affordable housing is based on robust, up-to-date information.

Inspector's Question 3: [re. affordable housing need and provision]

How does the need for affordable housing compare to the housing requirement? Based on the thresholds and requirements in Policy H3, will affordable housing needs be met?

TWBC response to Question 3

Need and supply

12. Applying the PPG's methodology for calculating the need for affordable housing, the need of 323 dwellings per year (dpa) compares to an overall proposed housing requirement of 678 dpa. This is equivalent to 47.6%.
13. It should be noted that in terms of actual delivery, the Housing Supply and Trajectory Topic Paper [\[CD 3.74\]](#) gives an indicative level of provision, based on the policy requirement of 40% affordable housing on greenfield sites and 30% on brownfield sites of 10+ dwellings, of 224 dwellings pa (see Table 10 on page 43).
14. This is based on the local housing need of 678 dwellings pa. Hence, it does not include allowance from permissions above this minimum target, nor does it include the receipt of contributions from smaller sites in the AONB or any Rural Exception Sites under Policy H5. Conversely, no allowance is made for lesser provision on grounds of viability.
15. The Council accepts that the Local Plan's policies almost certainly will not provide the full 323 affordable homes (as defined in the NPPF) over the plan period. The Council's Topic Paper acknowledges this in the following paragraphs:

"3.18 In conclusion, it is clear that there is a relatively high need for affordable housing, as evidenced by high house prices and housing need. While effective demand appears lower than estimated total need, it is evident from the potential need for some 323 affordable homes per annum, relative to an overall need of 678 homes per annum (i.e. almost exactly 50%) that, even with an expanding private rented sector (see below), a significant number of new homes will need to be affordable.

3.19 It follows that planning policies should look at options to maximise delivery, both in terms of the proportion of affordable housing sought, and the thresholds applied, and to

consider the most appropriate tenures to support those in greater housing need, subject to viability and housing mix considerations.”

16. Given this, the Council is seeking to maximise delivery of affordable housing on suitable sites and, also importantly, to ensure as wide an access to affordable housing as possible through its Local Plan by:
- a) Proposing to increase the affordable housing provision on greenfield sites across the borough, from the Core Strategy requirement of 35%, to 40%.
 - b) Lowering the threshold from the current Core Strategy threshold of 10 dwellings to six dwellings in the High Weald AONB.
 - c) Requiring that 60% of affordable housing is social rented, to meet the greatest needs, as discussed in [CD 3.76](#) at paragraphs 3.50-3.57.

Relationship between affordable housing need and supply

17. The report on affordable housing needs [\[CD 3.76\]](#) highlights that “*the relationship between affordable housing need and overall housing need is complex*” and that affordable need and overall need cannot be arithmetically linked (paragraph 3.36).
18. Paragraphs 3.35 to 3.49 of [CD 3.76](#) discuss in more detail the issues with trying to directly relate affordable need with overall need, highlighting issues such as the fact that many households with an affordable need already live in housing (and do not therefore generate a net need for an additional dwelling if moving home). The analysis also highlights that the key group of households in affordable modelling (newly forming households) are already included within housing need figures calculated using demographic projections. Additionally, the report notes the role played by benefit support in the Private Rented Sector to provide accommodation for those unable to afford to buy or rent without any form of subsidy.
19. Therefore, whilst an arithmetic calculation can be made by comparing the estimated affordable need and the housing requirement, it is not considered robust to put too much weight on such a comparison.
20. More generally, the standard method already includes a significant affordability uplift to demographic projections to help address housing affordability. In essence, the need for affordable homes is ‘baked in’ to the standard method.

21. Quite understandably, there is no requirement to meet all affordable housing need in national policy or guidance. Paragraph: 024 Reference ID: 2a-024-20190220 of the [PPG](#) states:

“The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. (An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.)”

22. Also, in relation to housing needs of different groups, [PPG](#) Paragraph: 001 Reference ID: 67-001-20190722 adds: *“This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.”* It goes on to advise that:

“Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- the anticipated deliverability of different forms of provision, having regard to viability”.*

Conclusion

23. There is no current development plan target for affordable housing, and it is not proposed to include one in the Local Plan, notwithstanding that affordable housing is an important issue, with suitably ambitious policies.

24. The Council believes that it has properly taken on board the relevant PPG, highlighted above, in its regard to the acknowledged substantial need for affordable housing, in the context of overall housing need and the environmental qualities of the borough.