

# Waverley Housing Strategy 2019-20 Update

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## What is affordable housing?

Affordable housing is defined in Annex 2 of the [National Planning Policy Framework](#).

Based on an assessment of housing needs, the Local Plan states that 30% of the homes on larger ‘market-led’ sites should be affordable and that the *overall* affordable housing tenure split should be based on the latest evidence of need. The yield of new build affordable homes as a percentage of *all* new housing on *all* sites (609) for the period 2019-20 is 25%<sup>1</sup>. The SHMA recommends 70% of new homes should be for rent and 30% for affordable home ownership. Further analysis of affordability suggests 50% of rented homes should be set at Waverley rents, which is set at no more than 60% of open market rent or Local Housing Allowance; whichever is lower; for all property sizes. Post COVID-19, the need for social rents is likely to increase. The Council also actively encourages the development of rural exception schemes and community-led housing schemes.

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<sup>1</sup> Some sites do not meet the thresholds for requiring affordable housing

## Why do we need affordable housing?

Waverley is the local housing and planning authority. As such, we have a vital role to play in helping to meet the housing needs of our residents. The high priority the Council gives to enabling the provision of new affordable homes is reflected in its:

[Corporate Strategy](#) 2019 – 2023

[Housing Strategy](#) 2018 – 2023

[Local Plan Part 1](#) 2018 – 2032.

New affordable homes are required because many residents on low and even middle incomes cannot afford to rent or buy market housing. Data from Office of National Statistics (ONS) 2019 shows that the income of those working in the borough is significantly lower than those who live inside but work outside the borough. The median gross income of people working in Waverley is approximately £29,000 and is around £10,000 lower than the median income of Waverley “residents”.

The overall average rent for a property in Waverley is £1,257 per month which is close to the Surrey average. A household with an ‘average’ Waverley workplace income renting a 2 bedroom property privately can expect to spend 44% of their income on renting in the private rented sector. This rises to 57% where all property sizes are taken into account. Where households are having difficulty in paying their rent, they can apply for Local Housing Allowance (LHA) which will pay up to the maximum amount based on their housing need and the size of accommodation and the area they live in, known as the Broad Market Rental Area (BRMA).

The difference between the open market rent and the maximum allowance for each property varies according to the size of the property and its location. 28% of housing benefit claimants in Waverley are in work, which would suggest that household incomes are insufficient to cover their housing costs. Data released by the Department of Work and Pensions breaks down claimants by tenure type. In the period up to May 2018 there were 1,346 households in receipt of housing benefit living in private rented accommodation.

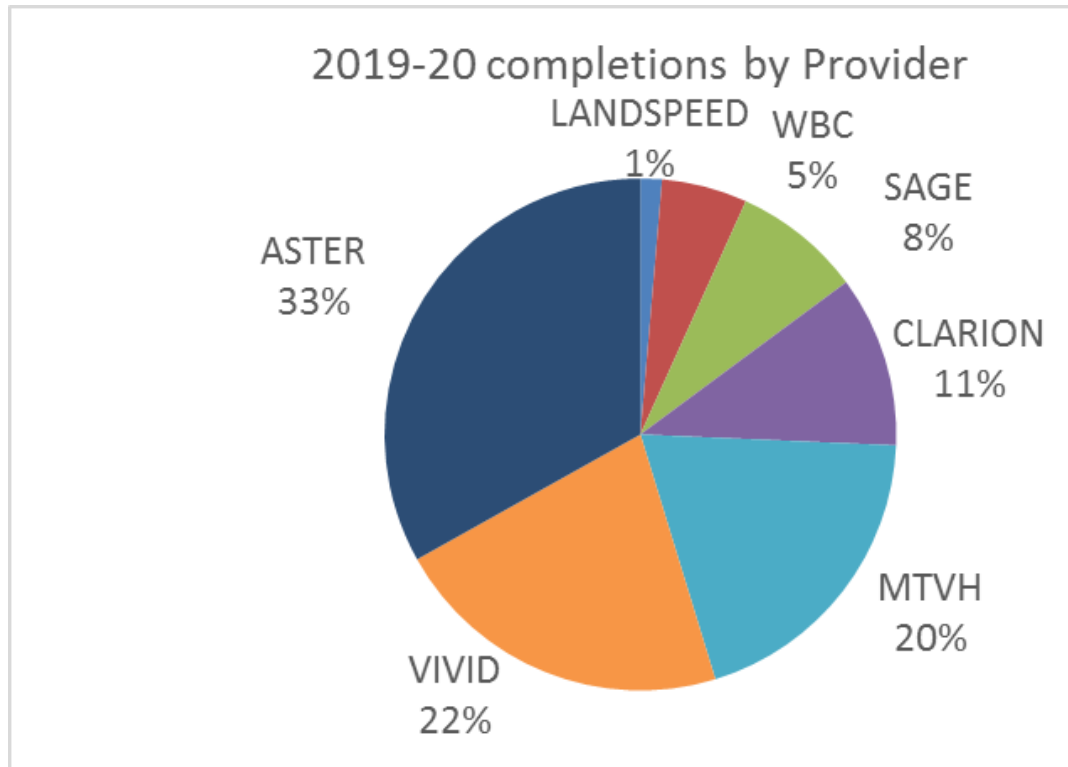
Affordable homes are also required because the market does not provide the right type of accommodation for some residents – especially people who are older or vulnerable. As at April 2020, there were approximately 985 *households* on the Council’s housing waiting list<sup>2</sup>.

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<sup>2</sup> Housing Needs Register

## How are affordable homes delivered?

The Council mainly works with six partners who account for 96% of supply 2019-20: Aster, Clarion<sup>3</sup>, Landspeed, Metropolitan Thames Valley<sup>4</sup>, Sage and VIVID<sup>5</sup>. The Council's Housing Delivery Board facilitates the delivery of new build Council affordable homes. We support rural affordable housing via grant aid for the Surrey Rural Housing Enabler Project. We also support the development of community-led housing schemes by awarding part of our Community Led Housing Allocation to the Surrey Community Housing Partnership. Both these groups are operated by Surrey Community Action. The map overleaf shows the wards of 2019-20 housing association new build<sup>6</sup>.

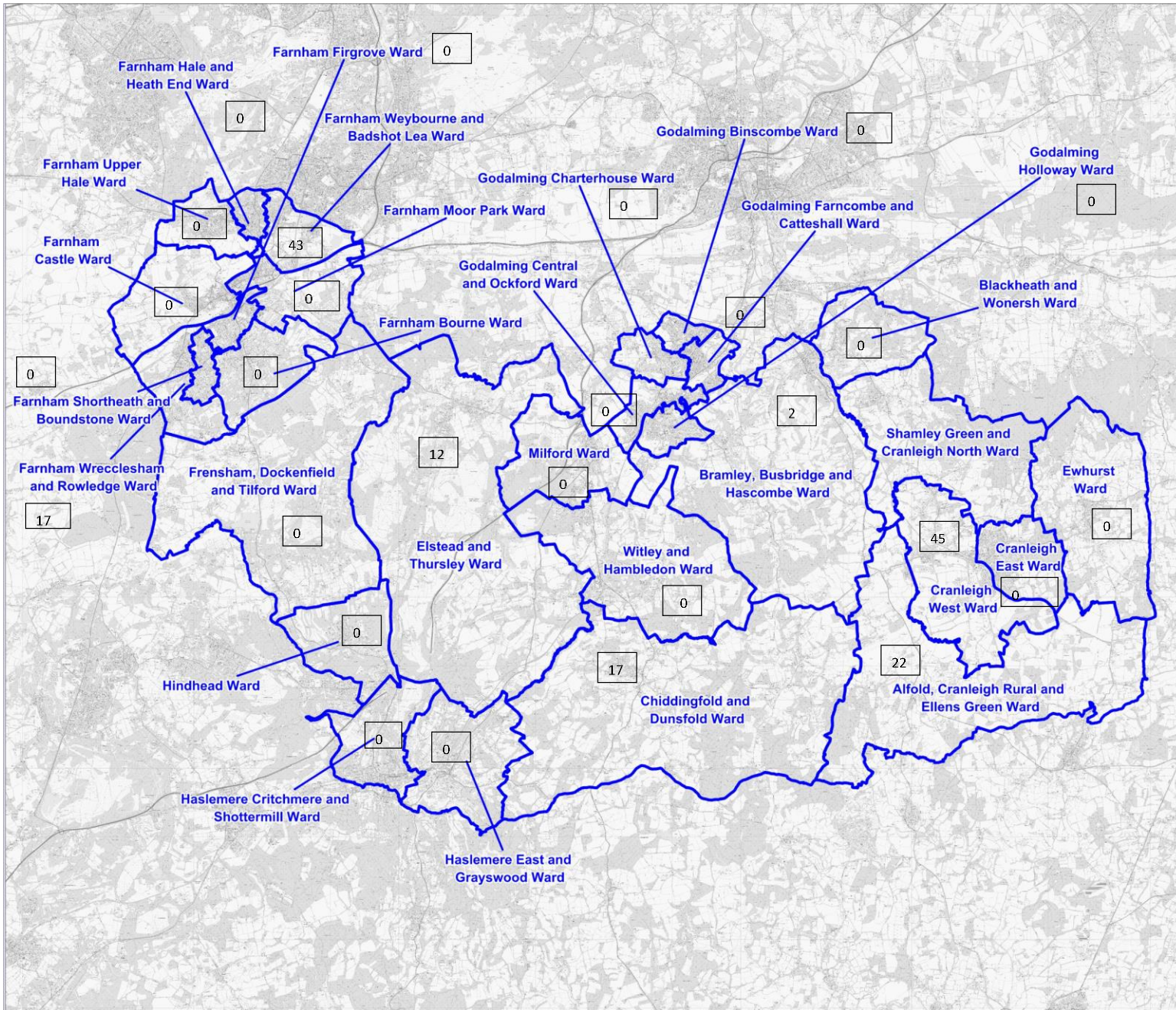


<sup>3</sup> Former through merger of Circle and Affinity Sutton

<sup>4</sup> Formed through merger of Metropolitan and Thames Valley Housing Association

<sup>5</sup> Former through merger of First Wessex and Sentinel

<sup>6</sup> Does not include WBC new builds



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### Ward Map












Registered Provider  
affordable housing stock by  
Ward. Total stock count is  
2061.  
unable to identify the Ward  
for one property)

Waverley Borough Council  
The Buryes  
Godalming  
Surrey  
GU7 1HR  
Telephone: 01483 523333  
Fax No: 01483 426337



1:160,000

## 2019-20 Highlights


 <p>Completion of <b>150</b> new affordable homes, including <b>8 new Council homes</b><sup>7</sup></p>	<p><b>75 grants for major adaptations</b> and <b>20 grants for home energy/safety works</b> completed</p> 	<p><b>Ockford Ridge</b> phase 2 and 3 refurbishment work complete</p> 	 <p>Affordable Housing <b>Supplementary Planning Document</b> ready for Committee</p>	<p>Allocating Community Led Housing money, to support to 2 <b>Community Land Trusts</b> to develop local needs housing</p> 
<p>All new licensable HMOs<sup>8</sup> have been <b>inspected and licensed.</b></p>	<p>Using Better Care Fund over <b>£97k spent on energy efficiency works and removal of housing hazards</b></p>	<p>Building work starts on <b>112</b> new affordable homes</p> 	<p>Providing commuted sums to enable <b>social rents</b></p> 	<p>First new Council <b>shared ownership</b> homes</p> 
<p><b>£68k in savings</b><sup>9</sup> delivered by Business Transformation Programme</p> 	<p>Do You Like Where You Live, shared ownership, housing needs register and affordability reports <b>completed</b></p> 	 <p>560<sup>10</sup> clients assisted by Handyperson Scheme</p>	<p><b>Home Improvement Grant spend of £497k</b> - an increase of £150k from the average annual spend before new Home Improvement Policy introduced</p>	<p>Planning permission for <b>139</b> new affordable homes, including Waverley homes in Chiddingfold and rural exception site in Hambledon</p>

<sup>7</sup> (conversion of 3 underused community rooms and 5 homes on a s.106 site)

<sup>8</sup> identified by 1/4/19

<sup>9</sup> Housing Options and Homechoice Team

<sup>10</sup> Approx

<b>Analysis of 2019-20 completions<sup>11</sup></b>	<b>2019-20 150 homes</b>	
<b>Type of home</b> General needs New build -Conversion of existing building	<b>TOTAL</b> 150 147 3	<b>%</b> 100% <sup>12</sup> 98% 2%
<b>Tenure</b> Social rent Affordable Rent Shared ownership Shared equity	<b>SMHA/ rec mix</b> 35% 35% Part of 30% Part of 30%	<b>Mix Delivered</b> 1% 58% 40% 1%
<b>Property size</b> One-beds Two-beds Three-beds Four-beds	<b>SMHA rec mix</b> 40% 30% 25% 5%	<b>Mix Delivered</b> 42% 33% 24% 1%
<p><b>SPOTLIGHT ON: NEW WBC AFFORDABLE HOMES AT OCKFORD RIDGE</b></p> <p><b>Number of homes</b> 37</p> <p><b>Architect</b> – Sprunt Architects</p> <p><b>Contractor</b> Thakeham Client Limited</p> <p><b>Green initiatives</b> – Tree planting in rear gardens, provision of swift and bat boxes; rain harvesting water butts supplied as standard; fabric first approach, whole house automatic mechanical ventilation with heat recovery fitted which supplies fresh filtered air to the habitable rooms and extracts stale polluted air from the ‘wet’ rooms.</p> <p><b>Build Cost</b> - £7.0m</p> <p><b>Completion</b> – 3 phases – First phase End of May with final handover October 2020.</p>		

<sup>11</sup> Percentages are rounded

<sup>12</sup> 0% special needs, extra care etc.

## Emerging issues

Significant ongoing policy, legislative and funding changes at national level are expected to continue to affect the exact scale and nature of affordable housing delivery in future years. Some examples are:

### Post COVID-19

Although sites have re-opened, concern has been raised about the impact lockdown will have had on the solvency of contractors and sub-contractors. A coordinated approach is needed. Builders are reliant on a range of associated professions to be able to build and sell homes, including material suppliers, utility providers and ancillary traders such as plasterers.

### Quality and design of new build housing including climate change adaptation and mitigation

This is a major concern and affordable housing providers are responding by

- Refusing to bid for and take on what they perceive to be substandard s106 stock.
- Increasingly developing *land led* schemes i.e. whole sites that include both market and affordable homes.
- Adopting their own standards for all homes.

In February 2019, the Committee on Climate<sup>13</sup> change published a report (*UK housing: Fit for the future?*) aimed at assessing the measures needed in the housing sector to both manage climate change impacts and reduce greenhouse gas emissions. That report and its associated recommendations has implications for the Council's development programmes and those of its partners.

In April 2019, the Committee on Climate Change published a further report (*Net Zero – The UK's contribution to stopping global warming*) recommending an ambitious target to reduce greenhouse gas emissions to 'net zero' by 2050. Achieving this target will have significant policy and practical implications, which will filter down across all aspects of our environment, economy and society, including housing delivery.

On 18 September 2019, Waverley Borough Council declared a Climate Emergency and committed itself to being carbon neutral by 2030 to help reduce the risk of temperatures rising in excess of 1.5°C. Although many solutions to climate change need to be tackled at a national or international level, all levels of government, communities, businesses and individuals have a role to play in addressing climate change. The Council has a key role to play in mitigating the effects of climate change – both as a community leader and through the services we provide.

The Council is working with Affordable Housing partners to meet the climate change agenda in terms of incorporating good policy and practice on new affordable housing developments in Waverley.

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<sup>13</sup> The independent statutory body responsible for advising the UK Government and Devolved Administrations on emissions targets and related issues.

Following the declaration of the Climate Change Emergency, an Action Plan is being developed. New build Council housing features in the plan and key actions are as follows:

- Review of Waverley Borough Council Housing Design Standards and Specification: this will be carried out by a sub group of the Housing Overview and Scrutiny Committee and will commence in early 2021
- Use of contractor shortlisting and tender process to support the Council's ambition to be carbon neutral by 2030
- Require contractors to include an explanation of how they plan to minimise their carbon impact when delivering a scheme. Contractors will be required to demonstrate areas of innovation the firm has developed and how it might introduce and develop with the Council, having regard to our current Employers Requirements.

### Funding new affordable homes

Funding affordable homes is complex and subject to rapid and frequent change.

Associations fund new affordable homes on market-led and all other sites via loans, bonds, their capital reserves, receipts arising from the sale of open market homes and shared ownership properties, and rents. To access and raise finance, associations must satisfy the evolving demands and risk appetite of their lenders. Homes England (Government agency) capital grant is not generally available for homes on market-led schemes – except to unlock schemes. Locally, grant has usually only been provided for (a) rural and (b) specialised housing schemes. However, because the amount of grant per unit has been cut, top-up grant funding from the Council via commuted sums has been required to make social rents viable. For many years Homes England would only grant fund rented homes that charged affordable rents. Homes England has recently entered into and funded long term strategic delivery partnerships with housing associations and for-profit providers to increase delivery of homes. Some associations are also entering into partnerships with developers to help bring sites forward. Owing to fixed on-costs, housing associations are generally reluctant to invest in the development of freestanding housing sites smaller than 20 to 30 homes. Associations (and Councils) are investing more in improving existing stock post Grenfell which means less money for the development of new homes. For-profit providers are getting Government grant for shared ownership homes that are over and above s106 requirements. This is an opportunity but also a threat.

In August 2020 the Ministry of Housing, Communities and Local Government published a White Paper (*Planning for the future*) which proposes a new tariff style Infrastructure Levy system. If implemented, the new system would replace existing Section 106 affordable housing requirements. It is not yet clear how such arrangements would ensure the future delivery of genuinely affordable homes for rent on new development sites.

A second consultation in August 2020 (*Changes to the current planning system*) proposes securing 'First Homes' for sale through developer contributions, at the same time raising thresholds so that developments of up to either 40 or 50 dwellings would not be required to deliver any affordable homes.

Both papers raise concerns for the future delivery of affordable housing in Waverley. The Council will have the opportunity to feed back its concerns through the statutory consultations.



### New delivery partners

As a result of recent changes to the market and the funding of affordable homes, for-profit providers and housing associations with whom the Council has not previously worked are seeking to develop in Waverley. For example, Sage is a new partner and has developed affordable homes in Farnham. Legal and General, Rent Plus and Stonewater are all actively looking for sites in the borough.

### The Social Housing Green Paper

The Government's Social Housing Green Paper – '*A new deal for social housing*' – was published in August 2018. One of its main concerns was how best to tackle the stigma around people who live in social housing. The Housing Service has produced a video of a new build tenant talking about their experience and has surveyed residents on new developments. A White Paper is expected to be published by the end of the calendar year for 2020.

### Conclusion

Last year Waverley once again successfully delivered a substantial affordable housing development programme. Although COVID-19 has delayed most schemes on site, it is expected that as building work restarts, the Council will deliver another successful annual affordable programme 2020-21.