

Wokingham Borough Council

Topic Paper: Affordable Housing

Wokingham Borough Local Plan Update:
Proposed Submission Plan (Regulation 19)

September 2024



WOKINGHAM
BOROUGH COUNCIL

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1. Introduction

- 1.1 The purpose of this topic paper is to provide background to the policies in the Local Plan Update (LPU): Proposed Submission Plan (September 2024).
- 1.2 In doing so, it sets out the national and local policy context, the need for housing and affordable housing in the borough, and the proposed strategy and policy approach to help meet these needs.

2. Background and policy context

National Policy

- 2.1 The National Planning Policy Framework (NPPF) sets out the context in which local plans must be prepared. The NPPF recognises the importance of housing delivery, including the delivery of affordable housing and housing for different groups:

‘To support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. The overall aim should be to meet as much of an area’s identified housing need as possible, including with an appropriate mix of housing types for the local community.’ (Paragraph 60)

- 2.2 Affordable housing is defined in NPPF Annex 2: Glossary as:

‘Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definition.’

- 2.3 The NPPF then defines and explains four types of affordable housing as:

- Affordable housing for rent
- Starter homes
- Discounted market sales housing
- Other affordable routes to home ownership.

- 2.4 In terms of delivering affordable housing, paragraph 65 of the NPPF advises that a threshold of 10 units for requiring the provision of affordable housing:

‘Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.’

2.5 The proposed approach to affordable housing delivery, including the threshold for seeking contributions is set out in subsequent sections.

Local Policy

2.6 The adopted Wokingham Borough Core Strategy (2010) local plan includes Policy CP5: Housing mix, density and affordability, which sets out the minimum percentages of affordable housing sought on site by land type and location. The policy has been effective in delivering affordable housing across the borough, as set out in Section 5, and includes a threshold of 5 net dwellings above which contributions will be sought.

2.7 The Proposed Submission Plan sets out a series of housing policies in Chapter 9: Housing. This includes an updated approach which continues to require affordable housing to be delivered based on the land type and location across the borough.

2.8 The council has recently adopted a new Affordable Housing Strategy (2024-28)¹ and Young People's Housing Strategy (2024-28)², which set out the council's approach to securing and delivering homes for particular groups.

2.9 The Affordable Housing Strategy sets out 4 key priorities:

- 1) Continue to address and understand our housing needs.
- 2) Provide suitable accommodation options to our most vulnerable residents.
- 3) Ensure that homes are healthy, safe, efficient, environmentally sustainable and well designed.
- 4) Create positive social impact which will help promote inclusive growth and develop thriving communities.

2.10 The Young People's Housing Strategy sets out four strategic priorities:

- 1) Expanding housing options
- 2) Developing clear housing pathways
- 3) Supporting tenancy sustainment
- 4) Reducing homelessness and rough sleeping.

Evidence Base

2.11 To support and inform the LPU, including the Proposed Submission Plan, a series of housing documents have been prepared, including:

- Berkshire (including South Bucks) Strategic Housing Market Assessment (2016).
- Strategic Housing Market Assessment Western Berkshire Sensitivity Report (2018).
- Local Housing Need Assessment (October 2023) (which replaces an earlier 2019 iteration).
- Housing and Economic Land Availability Assessment (2024).

¹ [TH3058 Affordable housing Strategy April 2024 \(wokingham.gov.uk\)](https://www.wokingham.gov.uk/th3058)

² [TH3058 Affordable housing Strategy April 2024 \(wokingham.gov.uk\)](https://www.wokingham.gov.uk/th3058)

- Local Plan and Community Infrastructure Levy Viability Study (2024).

2.12 The delivery of affordable housing is also guided by an adopted Affordable Housing Supplementary Planning Document (SPD), and SPDs prepared for each of the allocated Strategic Development Locations (SDLs).³

3. Housing in Wokingham Borough

3.1 This section provides an overview of housing in Wokingham Borough the issues and challenges in delivering affordable housing in the borough, including background on the mechanisms available to deliver additional affordable housing.

3.2 The population of Wokingham Borough was 177,502 at the time of the 2021 census, an increase of 15% over the 10 year period since the 2011 census. Similarly, there has been a rapid rate of household growth over the last decade. The number of households in the borough was 60,300 at the time of the 2011 Census and has increased by 13,380 to 73,680 in 2023.

3.3 This was the third largest of any local authority in south east England (outside London), with only Milton Keynes (15.3%) and Dartford (20%) growing by higher percentages. Given Milton Keynes is a former new town, and now a city, and Dartford includes significant development at Ebbsfleet Garden City, this serves to highlight the level of housing growth in Wokingham Borough in recent years.

3.4 This is further reflected in ONS data that sets out changes in dwelling stock for each local authority.⁴ This shows over the 10 year period 2011-2021 the housing stock in Wokingham Borough increased by 14.5%.

3.5 The Census 2021 shows the following breakdown of dwelling and tenure types. Most homes are owner occupied detached houses and there is a very small private rented sector in the borough accounting for 10% of all dwellings.

3.6 The following tables show the type of properties in the borough, compared to regional and national averages. These show that that the majority of properties in the borough are owned outright or with a mortgage, and similarly the majority are detached or semi detached properties.

³ Available on the council's website: <https://www.wokingham.gov.uk/planning-policy/adopted-planning-guidance>

⁴ Live Table 125 Dwelling stock estimates by local authority district

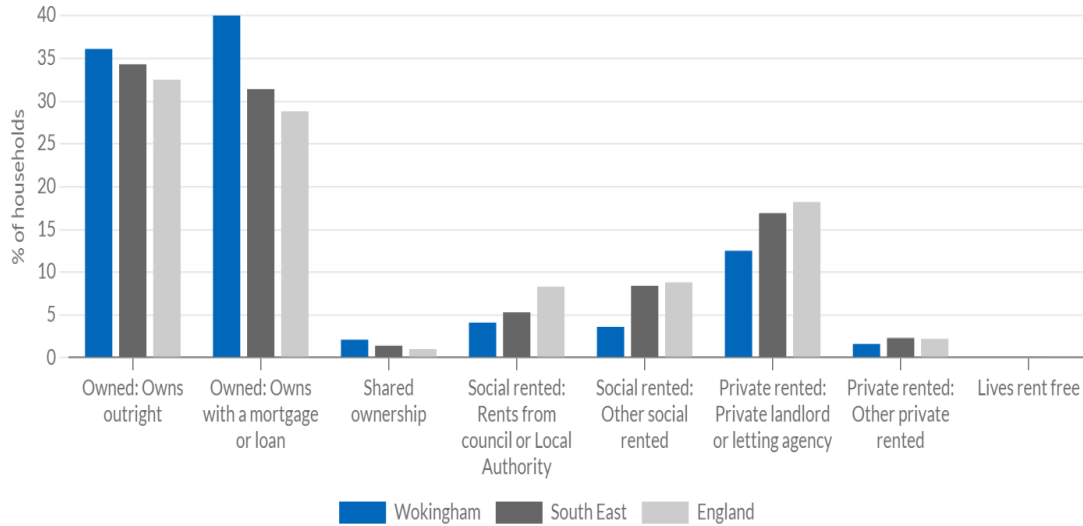


Figure 1 - Wokingham Borough tenure types compared to the regional and national averages

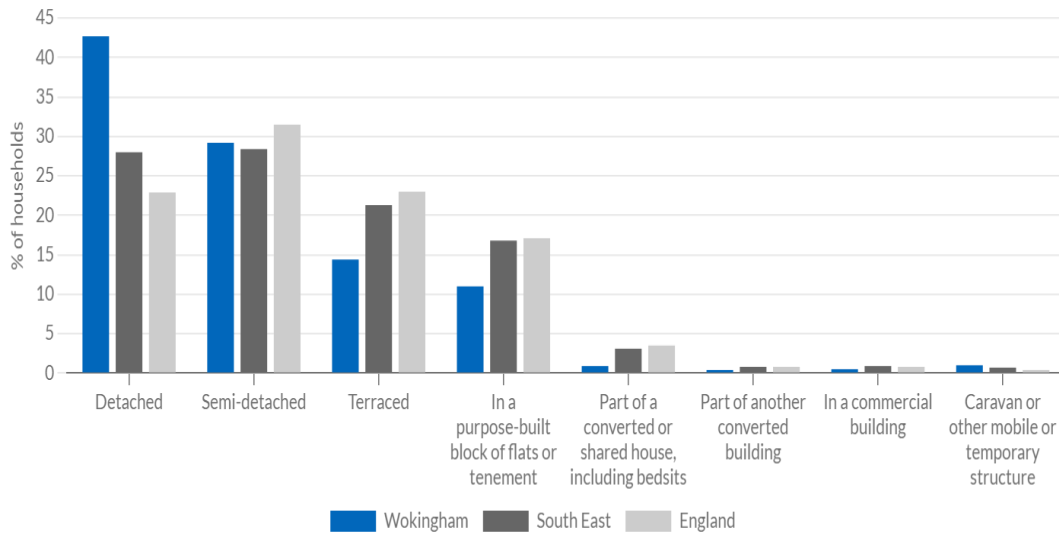


Figure 2 - Wokingham Borough household by accommodation type

Affordability

3.7 ONS data states the median house price in Wokingham Borough is £495,000.⁵ This is higher than the national or regional average, with data showing average prices paid in July 2024 were:⁶

- Detached properties: £733,000
- Semi-detached properties: £468,000

⁵

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

⁶ <https://www.ons.gov.uk/visualisations/housingpriceslocal/E06000041/>

- Terraced properties: £364,000
- Flats and maisonettes: £242,000

3.8 In Wokingham Borough, a family requiring a 3-bed house with a price of £500,000 would therefore require a deposit of over £100,000 and an annual income of over £130,000. This is based on the purchaser obtaining an 80% mortgage (with a 20% deposit), and that 33% of income will be spent on housing.

Rental Market

3.9 Nationally, there is an increasing demand for rental properties with demand often exceeding supply. However, the private rental market in the borough is comparatively small (accounting for 12.5% of all housing tenures compared with 18.2% nationally) with high rental prices compared to the UK average.

3.10 The table above provides a breakdown of the private rented property prices as of July 2024 together with the applicable Local Housing Allowance and Social Rent figures.

Table 1: Rent comparison

Property Size	Average Monthly Rent	Social Rent	Local Housing Allowance/Affordable Rent (July 2024)
1 bed	£924	£517	£850
2 bed	£1,192	£579	£1,096
3 bed	£1,462	£647	£1,301
4 bed	£2,092	£717	£1,655

3.11 The following tables show the income levels required for different tenures, which demonstrates the difficulties for those on low incomes in the private rental sector. Supporting those on low incomes in the private rental sector is a key priority within the Housing Strategy. Affordable rents are becoming increasingly unaffordable, particularly for larger properties.

Table 2: Gross income levels required at 33% income spend on rent/mortgage⁷

	1 Bed	2 Bed	3 Bed	4 Bed
Social Rent	£22,000-£25,000	£25,750 - £28,750	£29,500 - £31,750	£32,500 - £80,000

⁷ Please note that N/A applies where income level required grossly exceeds the income range examined as part of this exercise (up to £80,000). Data based on market figures for 2024/25

Shared Ownership (WBC Model)	£26,500 - £39,250	£40,000 - £50,000	£52,500 - £80,000	N/A
Affordable Rent	£40,000 - £50,000	£52,500 - £55,000	£57,500 - £77,500	£77,500 - £80,000
Private Rental	£45,000 - £50,000	£45,000 - £50,00	£65,000 - £80,000	N/A
Home Ownership	£57,500 - £77,500	£65,000 - £80,000	N/A	N/A
First Homes (30% Discount)	£52,500 - £65,000	£67,500 - £80,000	N/A	N/A
First Homes (50% Discount)	£37,750 – £47,500	£50,000 - £65,000	£67,500 - £80,000	N/A

- 3.12 The council's current affordable housing policy mix is for Social Rent (70%), First Homes (25%) and Shared Ownership (30%) with up to 12% of affordable dwelling permitted to be at affordable rents, subject to agreement by the council's Strategic Housing team.

Council managed properties

- 3.13 As of July 2024, the council owns and manages 2,529 rented properties. The majority of these (956) are 2-bedroom properties, followed by 3-bedroom properties (813). There are 2,487 rented housing association properties in the Borough. There are 1,426 Shared Ownership properties in the Borough owned by the Council and Registered Providers.

Table 3: Properties in the Housing Revenue Account

Beds	Number
Studio	99
1-bed	596
2-bed	956
3-bed	813
4-bed	60
5-bed	6
6-bed	1

Houses in Multiple Occupation

- 3.14 Nationally there has been an increase in the number of Houses in Multiple Occupation (HMO) as more landlords convert properties to maximise rental income. In Wokingham Borough, the number of HMOs is steadily increasing. At February 2024 there were 118 HMOs licensed according to the

HMO register.⁸ However, there will likely be a much larger number of HMOs, including smaller properties of 3-4 persons.

Homelessness

- 3.15 Similar to the situation nationally, more residents are struggling to sustain their homes in the borough. For example, the number of households applying as homeless due to their landlord ending their assured shorthold tenancy has increased and when comparing data over recent years there has been a substantial increase in those presenting and being accepted as homeless. Homelessness presentations have increased by 70% from 2020/21 to 2023/24, significantly higher than the south east or England average. The table below shows the number of those from presenting as homeless, are assessed and under housing legislation, the council has a legal duty to find accommodation for the household.

Table 4 - Comparison of Duties Owed from 2020/21 - 2023/24

Local Authority/Area	Duty Owed 2020 Q3 2020/21	Duty Owed Q3 2023/24	Difference
England	63,990	78,980	23%
South East	9,020	10,510	17%
Wokingham	82	139	70%
Bracknell Forest	179	134	-25%
RBWM	124	119	-4%
Slough	258	254	-2%
Reading	217	405	87%
West Berkshire	104	159	53%

- 3.16 Wokingham Borough does however have one of the lowest numbers of homelessness duties granted in the Berkshire. A homelessness duty is a responsibility owed to a person by a local authority. It can include a prevention or a relief duty depending on whether the resident is either at risk of homelessness or rough sleeping or is already in that position. However, there have been increases since 2021, which could be attributed to the close proximity to Reading Borough who have experienced the highest increase.
- 3.17 Wokingham Borough is viewed as an attractive area to live, but there is a 5 year local connection test requirement to qualify for a social housing offer. This means that an applicant must have been resident in the borough for five consecutive years or more, immediately prior to the date of application and that they are still resident in the borough at the point they receive an offer of accommodation.
- 3.18 The main reason for homelessness in “accepted cases” (i.e., where the council has decided a full duty to rehouse) is the end of an assured shorthold tenancy. This is indicative of the economic climate nationally, where landlords can choose to charge higher rents than, for example, Housing Benefit will pay.
- 3.19 There has been shrinkage in the private rented sector in terms of affordability and lack of security of tenure which has affected the council’s ability to respond to homelessness.

⁸ This is based on those Mandatory Licensed HMOs where licenses have been granted for 5 or more occupiers.

Temporary Accommodation

- 3.20 A further factor to consider is the number of households in temporary accommodation.
- 3.21 Similar to the national trend, Wokingham Borough has experienced a rise in the number of households placed in temporary accommodation. The reasons for this include: social housing delivery not meeting demand, losing social housing to Right to Buy, impending rent reforms which are causing more landlords to sell up rather than face increased costs associated with regulation, cost of living crisis pushing more households to present as homeless and a lack of government intervention in early prevention and truly affordable housing delivery.
- 3.22 The below table sets out the changes in households in temporary accommodation.

Table 5 - Number of Households in Temporary Accommodation

Local Authority/Area	Q3 2020/21	Q3 2021/22	Q3 2022/23	Q3 2023/24	Difference from 2020/21 to 2023/24
England	95,110	96,280	100,510	112,660	18%
South-East	10,340	10,800	11,930	13,510	31%
Wokingham	60	45	60	71	18%
Bracknell Forest	159	185	154	154	-3%
RBWM	229	No data	213	235	3%
Slough	368	440	409	843	129%
Reading	195	172	206	323	66%
West Berks	43	48	73	104	142%

Summary

- 3.23 In light of these challenges the delivery of high quality, sustainable, affordable housing therefore forms a key component of the Proposed Submission Plan, and forms one of the plan's objectives:

'Housing

9. Contribute our fair share towards meeting the need for more housing, ensuring that a range of suitable housing options are available across both towns and villages which cater for and adapt to a variety of needs including affordable housing and the growing ageing and those with additional care and support needs.'

3.24 The following section considers the need for affordable housing and the different types and tenures available.

4. Affordable Housing Need

4.1 There is an ongoing need for affordable housing in Wokingham Borough, and there are various ways to identify and calculate this need. Firstly, the Local Housing Need Assessment (LHNA) (2023) considered the needs of different groups, including the needs for affordable housing.

4.2 To calculate the need for affordable housing, the report looks at two categories of households – those that cannot afford to rent or buy, and those who can afford to rent but are unable to buy.

4.3 The first category, those households which are unable to afford to rent or buy, constitute those households with the most acute housing needs. Over the period to 2040 the study calculates there are 1,530 households in this category, or 81 households per years over the assessment period.

4.4 The second category are those households who are able to afford to pay market rent and therefore suitably housed, but who are aspiring to home ownership. Over the plan period this is calculated as 5,159 households, which therefore make up the majority of affordable housing needs. Of these households who aspire to home ownership 816 households would be able to afford market home ownership but choose not to. A further 1,900 households would have insufficient income to have a realistic prospect of being able to afford a property at 50% open market value. Of the remaining households with incomes above the minimum threshold, there would be 2,091 households with savings of less than £5,000, and therefore unable to afford the assumed deposit needed to purchase a home.

4.5 This results in 352 dwellings needed for households that aspire to homeownership but cannot afford it, who also have at least £5,000 in savings and incomes above the relevant threshold. This means 352 households may be assisted by First Homes.

4.6 When combining the households unable to afford to rent or buy, and those that may be assisted by First Homes, there is a minimum affordable housing need over the plan period of 1,881 dwellings, or 99 affordable homes per year.

4.7 At a local level data from the council’s Housing Needs Register, which is open to all people who wish to live in Wokingham Borough, shows the number of people seeking housing.

4.8 Data from July 2024 shows there were 1,160 people registered on the council’s housing register. The register can be broken down into the following housing need categories:

Table 6 - Housing Register Banding System

Banding	Number
1 – Most urgent and exceptional need for housing	39
2 – Urgent need for housing	156
3 – Significant need for housing	387
4 – Adequately housed	432

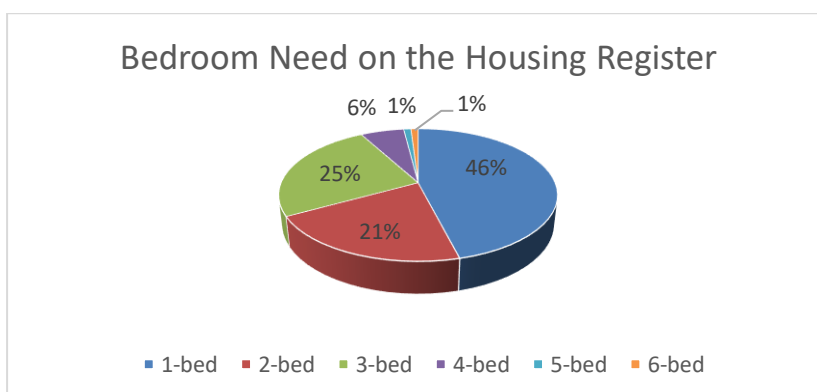
4.9 An explanation of the bands is provided below:

- Band 1 is reserved for the most urgent and exceptional need which includes residents fleeing domestic abuse, those with an urgent medical or social welfare need or if their current property poses a serious risk to life.
- Band 2 is for urgent need including homelessness applicants the council owe a housing duty to, care leavers and significant overcrowding.
- Band 3 is for significant need for housing, including key-workers, those living in a property in poor condition and overcrowding.
- Band 4 is for residents that are adequately housed including in the private rented sector or currently in social housing already.
- Band 5 is for residents that are owner occupiers, have sufficient financial resources or who have deliberately worsened their circumstances in order to qualify for social housing.

4.10 Of these bands, those in categories 1-3 are considered to be in the most urgent and exceptional need for housing, which totals 582 individuals.

4.11 The size of property is also a factor when considering the availability of suitable housing for those on the register. The majority of residents on Housing Register are in need of 1-bedroom properties (46%), followed by 2-bedroom properties (21%). However, there is also a significant need for larger family sized accommodation which represents 33% of need (3-bed+).

Figure 3 - Housing Register: Need by bedroom



Affordable Home Ownership

Shared ownership

4.12 An important aspect of affordable housing is providing access to affordable home ownership products, which includes shared ownership and the more recent First Homes.

- 4.13 Local information suggests affordable homeownership products remain popular, but following the change from data being held via the Help to Buy website, to residents applying directly to housing associations there is no longer any accessible data on local shared ownership. Nationally, 103,000 shared ownership homes have been sold in the last decade with around 5,000 shared owners staircasing up to 100% ownership per year.⁹ According to the English Housing Survey 2021-2022 there were 19,386 shared ownership properties delivered, the highest number since records began in 2014-15 and a 14% increase on the previous year.
- 4.14 Traditionally, shared ownership is a product designed to best benefit young first time buyers (25-35), however, recently demand from older first time buyers (65+) has increased. The increase in demand can partly be attributed to the ending of the government's Help to Buy scheme and with First Homes yet to be truly tested in the market, shared ownership has been the only affordable home ownership product available.
- 4.15 In 2021, the standard shared ownership model was changed from an initial 25% minimum stake with a maximum 3% rent on the unsold equity to a minimum 10% initial stake and the ability to staircase in smaller increments. In Wokingham Borough, due to high affordability ratios, the model is a minimum 35% initial stake and a maximum rent on the unsold equity of 1.5%.
- 4.16 The average income of a shared owner is £32,200 compared with £64,000 for a first-time buyer and with the average deposit for shared ownership being £22,000 compared to £71,000 for a first time buyer. This affordability combined with the loss of 37,000 buyers per year assisted by the defunct Help to Buy scheme means that the demand for shared ownership appears to remain strong.

First Homes

- 4.17 First Homes are a specific kind of discounted market sale housing, which are the previous government's preferred discounted market tenure and remain in national planning policy, and which should account for at least 25% of all affordable housing units delivered by developers through planning obligations. The Affordable Housing Update Written Ministerial Statement (2021) and PPG sets out further guidance on First Homes, including that after the discount has been applied, the sale price must be no higher than £250,000 (outside London), and that the purchaser must meet specified eligibility criteria.
- 4.18 The council published a First Homes Interim Policy Statement (2022)¹⁰ setting out the approach to first homes as part of delivering affordable housing.
- 4.19 The LHNA considers First Homes in the context of Wokingham Borough, including the implications of different levels of discount that can be applied to First Homes, and the number of aspiring homeowners with a sufficient deposit. The LHNA concludes in paragraph 5.76:

'Considering the discounted home ownership market as a whole, 3-bedroom and 4-bedroom properties are only affordable to this group of potential buyers at a 50% discount. While a large proportion of First Homes buyers will be younger households with many not yet having children, it is likely that at least some of these will be looking for properties with three or

⁹ <https://www.housing.org.uk/our-work/affordable-home-ownership/shared-ownership/>

¹⁰ <https://www.wokingham.gov.uk/sites/wokingham/files/2023-06/First%20Homes%20Interim%20Policy%20Statement%20Accessible.pdf>

more bedrooms. There is strong evidence that a 50% discount is required to make First Homes a viable policy in Wokingham.'

Affordable homeownership Summary

- 4.20 This evidence highlighted above and set out in the LHNA therefore supports seeking a 50% discount on First Homes. This has been reflected Proposed Submission Plan Policy H3: Affordable housing, which recognises the importance of delivering home ownership products, and states in Part 5 of the policy:

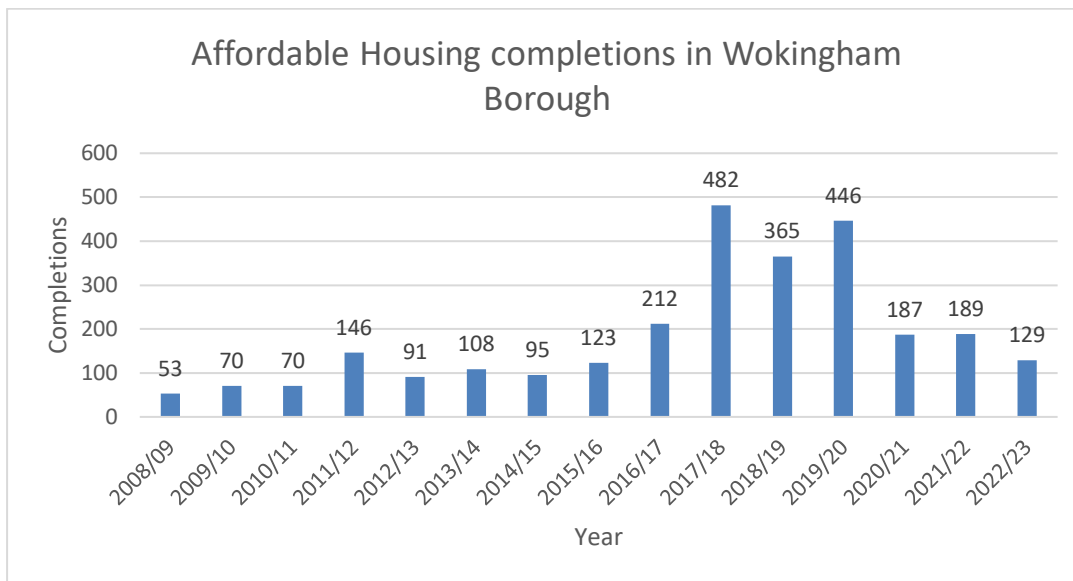
'An affordable home ownership product should be delivered as part of all applicable development proposals. First Homes should provide 25% of the affordable housing proposed where it is demonstrated that a discount of 50% makes the homes affordable. Where this level of discount does not make First Homes affordable, another form of affordable ownership product should be delivered.'

- 4.21 To illustrate the differences between First Homes and shared ownership further, it would only be possible to afford a 1 bedroom apartment (£275,000) as a First Home in Wokingham Borough if earning £52,000 per annum. This is significantly above the average annual salary. Shared Ownership, as part of the council's model, would enable residents to be able to afford a 1-bed property earning significantly less at £26,500 and a 2-bed at £40,000.

5. Affordable Housing Completions

- 5.1 The council seeks contributions towards the delivery of affordable housing on all applicable sites. Figure 4 below shows the affordable housing completions in the borough since 2009/10. This shows that affordable housing delivery has been higher when total housing completions have increased to around 1,500. This is unsurprising given the on site delivery of affordable housing, particular as part of the Strategic Development Locations, which delivered a large amount of housing during these years.
- 5.2 Even at the high level of completions, affordable housing delivery has not met need. This demonstrates the need to considered how to increase the delivery of affordable housing as part of a plan led, sustainable approach to new development, as set out in the following sections.

Figure 4: Affordable Housing completions in Wokingham Borough



Affordable Housing contributions on smaller sites

- 5.3 The policy context section recognises that the NPPF advises that affordable housing should only be sought from major development of 10 or more dwellings or on housing sites of 0.5 ha or more. This is further acknowledged in the supporting text to Proposed Submission Plan Policy H3: Affordable Housing.
- 5.4 The approach in Policy H3 proposes a lower threshold of 5 units of accommodation (gross) or 5 bedspaces (gross), or covering a site area of at least 0.16 ha.
- 5.5 Although this approach does not fully align with the NPPF, the council's position is that there is compelling evidence to justify the continued application of such an approach.
- 5.6 As background, other local planning authorities have adopted local plans which similarly pursue a lower threshold for affordable housing contributions. For example, the neighbouring local authority Reading Borough Council's Local Plan (2019), Policy H3: Affordable Housing, states¹¹:

'Residential development will make appropriate contribution towards affordable housing to meet the needs of Reading

- *on sites of 10 or more dwellings, 30% of the total dwellings will be in the form of affordable housing;*
- *on sites of 5 – 9 dwellings, a financial contribution will be made that will enable the equivalent of 20% of the housing to be provided as affordable housing elsewhere in the Borough; and*

¹¹ https://images.reading.gov.uk/2019/12/Local_Plan_Adopted_November_2019.pdf

- *on sites of 1 – 4 dwellings, a financial contribution will be made that will enable the equivalent of 10% of the housing to be provided as affordable housing elsewhere in the Borough.'*

- 5.7 Reading's policy approach sets an even lower threshold of 1 dwelling, where financial contributions are sought that will enable the delivery of off site affordable housing.
- 5.8 Wokingham Borough Council's preference is for on-site delivery of affordable housing where possible and if the location is suitable, but there may be some circumstances where a commuted sum is more appropriate to enable the delivery of affordable housing elsewhere.
- 5.9 On smaller sites, below 10 additional dwellings, it is often more appropriate to request a commuted sum. Table 7 below sets out commuted sums received from sites proposing below 10 dwellings, which is then used to deliver affordable housing off site. Since 2017, the council has successfully secured almost £1.5 million in affordable housing commuted sums from these sites.
- 5.10 This shows that although the policy approach in Core Strategy local plan Policy CP5, and the proposed policy approach in the Proposed Submission Plan seeks to deviate from the NPPF, smaller scale residential schemes remain viable, and have been consistently delivered, including the payment of a commuted sum. This is particularly important given the need for affordable housing across the borough, and the challenges of affordability.

Table 7 - Total Sums Received for Affordable Housing on Smaller Sites

Date Received	Planning Application	Number of Dwellings	Affordable Housing contribution	Size
08/09/2017	152163	4	£220,171.77	0.23ha
17/01/2018	171072	2	£10,100.33	0.08ha
21/06/2018	162212	4	£342,334.25	0.2ha
28/10/2019	161508	4	£90,489.70	0.2ha
18/11/2019	190783	2	£39,105.53	0.2ha
26/11/2019	190693	1	£41,229.07	0.91ha
24/09/2020	163533	9	£307,771.88	0.47ha
24/12/2020	172704	5	£201,156.47	0.31ha
15/02/2021	173034	4	£232,165.31	0.38ha
13/08/2021	191011	3	£8,643.85	0.34ha
19/07/2022	190111	5	£121,551.85	0.16ha

25/10/2022	213380	5	£216,103.54	2.3ha
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- 5.11 To better understand the implications of policy approaches on the viability of development, the Local Plan and Community Infrastructure Levy Viability Study (2024) was commissioned. The study assessed a series of typologies, including smaller scale schemes, alongside different sales values and types of site and benchmark land values, including higher and lower greenfield sites, and secondary office and industrial, which together provides outputs across different percentages of affordable housing.
- 5.12 Three site typologies of 5 dwellings were assessed, based on low density, medium density and higher density (flats). Inevitably the viability of each typology varies, but in multiple scenarios of different benchmark land values and sales values, the delivery of affordable housing was viable for schemes of 5 units. As expected, the main differences are between the benchmark land values, with greenfield sites more able to deliver higher levels of affordable housing. This has been reflected in Proposed Submission Plan Policy H3 which seeks a higher percentage of affordable housing from greenfield sites than on previously developed land.
- 5.13 The assessment does not however show that every development site that comes forward within one of these typologies will mirror the assessment, because there will be site specific issues that affect development viability. However, it does identify the likely implications of certain policy approaches on development viability and shows that affordable housing can be viable in Wokingham Borough on schemes of 5 units.
- 5.14 Policy H3 also recognises that there may be circumstances where development proposals may not be able to meet the policy requirements for affordable housing in full. This is set out in the supporting text of Policy H3 under the ‘Viability Assessment’ heading.
- 5.15 In summary, local data shows that development schemes are being delivered where affordable housing contributions are sought on schemes below 10 units. In addition, the viability assessment shows that site typologies of 5 units are broadly viable when making contributions towards affordable housing, which could be on or off site. This shows that continuing to implement the policy approach set out in the Core Strategy local plan remains appropriate and will not unduly impact on the viability of development sites.

6. Affordable Housing Supply

- 6.1 Housing commitments and development proposed as part of the Proposed Submission Plan will form a pipeline of affordable housing across the borough.
- 6.2 The 4 SDLs allocated as part of the Core Strategy local plan are at varying stages, but all have delivered new affordable housing. The continued delivery of the SDLs and the delivery of a new garden village will be an important part of the development strategy and will continue to play an important role in delivering affordable housing as part of a plan led approach to growth.
- 6.3 The Local Plan and Community Infrastructure Levy Viability Study (2024) assessed a series of typologies for larger scale development schemes, including up to 4,000 homes, to help understand and set a policy requirement for affordable housing. The assessment showed the delivery of 40% affordable housing was viable for these larger greenfield sites.

As a result, the policy approach for the additional development enabled by the Proposed Submission Plan at the South Wokingham SDL, Arborfield Green SDL, and the new Loddon Valley Garden Village is to seek 40% affordable housing. This is an increase from the 35% sought in the Core Strategy local plan policy.

- 6.4 As an example, this means that within the plan period, Loddon Valley Garden Village is anticipated to deliver 1,080 affordable homes, and 1,572 affordable homes in total. Similarly, a further 360 affordable homes are anticipated at Arborfield Green SDL, and 440 at the South Wokingham SDL extension (south of Waterloo Road), of which 392 are anticipated to be delivered within the plan period.
- 6.5 Within the plan period the proposed new and extended SDLs are anticipated to deliver 1,832 new affordable homes.
- 6.6 There is also committed development being delivered as part of the existing SDLs at Arborfield Green and South Wokingham SDL. For example, the land south of the railway line in South Wokingham is anticipated to deliver 576 affordable homes, and Arborfield Green is anticipated to deliver around a further 700 affordable homes as the SDL is built out.¹²
- 6.7 Additional affordable housing will be delivered on other sites, including those proposed for allocation, in accordance with the proposed policy approach.
- 6.8 Local Housing Need using the standard method is calculated as 795 dwellings per annum (dpa) for the year 2023/4, and 748 from 1st April 2024. As set out in Section 3, the LHNA (2023) identifies an affordable housing need of 352 additional dwellings per annum. Total affordable housing delivery over the plan period would therefore need to be in excess of 45% in order to meet this affordable housing need.
- 6.9 Some development proposals may seek to deliver affordable housing in excess of the policy requirements, including as part of 100% affordable housing schemes. However, smaller schemes, especially those below 5 units will not make a contribution to affordable housing. As a result, despite the above policy approach and proposed allocations, delivering the 352 additional affordable homes per year identified by the LHNA is unlikely to be achievable.
- 6.10 There is no requirement in national planning policy or guidance to meet identified affordable housing needs, but as set out in paragraph 9.42 of the Proposed Submission Plan:

'The council will seek the maximum provision of affordable housing on all qualifying sites with vigour. Attempts to undermine or circumnavigate the provision of affordable housing or the payment of commuted sums will not be tolerated.'

Right to Buy

- 6.11 A further factor is the number of affordable homes that have been purchased through the Right to Buy scheme. Between 2014/15 and 2023/24, there were 83 homes comprising 57 houses and 26 flats that were bought via this scheme, which therefore reduced the council's housing stock. It is outside the council's control to prevent properties from being purchased via this scheme, but clearly it has implications for the council's ability to secure suitable affordable housing for those individuals on the housing register discussed previously.

¹² Based at 31st March 2023.

Housing Companies

- 6.12 The council also seeks to deliver new affordable housing through its housing company, Loddon Homes, which was established in 2014 to enhance affordable housing delivery in Borough. Since 2018/18, 193 affordable homes have been delivered.

Affordable bedspaces

- 6.13 Proposed Submission Plan Policy H3: Affordable housing also seeks affordable bedspaces on relevant schemes.
- 6.14 The NPPF recognises the housing needs of difference groups, including older people, which includes those who require retirement housing, housing with care and care homes.¹³ To deliver mixed and sustainable new communities a variety of housing type, sizes and tenures will be delivered, including a proportionate amount of housing for older people.
- 6.15 There are several methods to calculate the future need for older person's accommodation, which is recognised in the LHNA (2023), but will not be discussed in detail here. Local evidence shows that Wokingham Borough residents are more likely to be able to adapt their homes, which are predominantly larger semi detached and detached properties, to their needs as they age. This acts to delay when residents move into specialist accommodation, and also the time spent living in such accommodation following a move.
- 6.16 Nevertheless, housing for older people will be delivered during the local plan period and it is important to consider the implications and affordability of this accommodation. The cost and affordability of bedspaces within specialist accommodation can be challenging. The council's Adult Social Care Market Position Statement (2022-25)¹⁴ recognises the importance of delivering affordable provision locally, and the lack of a policy requirement in the adopted local plan:

'Discussions with providers will continue to discuss our requirements to increase the level of suitable and affordable provision available locally. This may inevitably include securing block bed contracts with providers to be used in future at critical times to secure capacity in the market. Whilst there is no policy requirements for affordable beds/ contributions from these developments we welcome discussions with providers to see how we can ensure these can be negotiated in case applications are recommended for approval'. (Page 81)

- 6.17 The council therefore seeks on site affordable bedspaces on relevant schemes as part of delivering mixed and sustainable communities that benefit all residents.

7. Conclusion

- 7.1 This topic paper provides further background and information on housing in Wokingham Borough, and seeks to explain and justify the council's approach to housing and affordable housing policy in the Proposed Submission Plan.

¹³ NPPF Paragraph 63

¹⁴ [ASC MPS 2022 - 25 November 2022.pdf \(wokingham.gov.uk\)](#)

- 7.2 The evidence presented shows that there are high levels of affordable housing need in Wokingham Borough. Despite consistent affordable housing delivery, and a pipeline of future affordable housing both on committed sites and those identified in the Proposed Submission Plan, affordable housing needs are unlikely to be achievable.
- 7.3 In this context and given the council's objective of delivering additional affordable housing it remains appropriate to continue to seek contributions towards affordable housing from a lower threshold of 5 units. Consistent housing delivery has shown that this approach does not prevent smaller scale sites from being delivered, which is reinforced by the recent viability assessment, which shows schemes of 5 units remain viable when making contributions towards affordable housing. The policy approach set out in the Proposed Submission Plan is therefore evidenced based and justified.