

West Berkshire Local Plan Review 2023-2041 (adopted June 2025)

Affordable Housing

Policy SP16

Affordable Housing

Affordable homes will be sought from residential development. The Council's priority and starting expectation will be for affordable housing to be provided on-site.

The following levels of affordable housing provision will be required:

- a. On development sites of 10 dwellings or more (or 0.5 hectares or more), 30% provision on previously developed land and 40% on greenfield land; or
- b. In areas designated as rural under Section 157(1) of the Housing Act 1985⁽⁸⁷⁾ on development sites of between five and nine dwellings, 20% provision.

The levels set out above represent the default position and a lower provision of affordable housing should not be sought, other than in exceptional circumstances and where fully justified by the applicant through clear evidence set out in a publicly available viability assessment.

If a lower provision of affordable housing is sought in exceptional circumstances, a review mechanism may be required to ensure that if viability improves during the lifetime of the development project, additional affordable housing, up to the levels specified in this policy, is provided.

In exceptional circumstances where site specific issues inhibit the provision of on-site affordable housing, or where provision can be better met on an alternative site in the District, off-site contributions may be accepted as an alternative, where it would result in mixed and balanced communities.

In determining residential applications the Council will assess the site size, suitability and type of units to be delivered. The Council will seek a tenure split of 70% social rented and 30% affordable home ownership. The priority is for social rent, but the Council will consider the potential for affordable rent as an alternative, only when necessitated by site specifics, viability of delivery and identified local need.

First Homes must be delivered, sold and let in accordance with the Council's First Homes policy.

For schemes that consist of 100% build to rent units, the affordable housing provision will be in the form of affordable private rent, discounted by a minimum of 20% from local market rents.

In relation to specialist housing for older and disabled people it is recognised that the provision of affordable housing may be particularly difficult to achieve. Proposals will therefore be considered having regard to whether it falls within Class C2 or Class C3 depending on the level of care and scale of communal facilities provided. In such circumstances the policy will be implemented on a case-by-case basis, and the individual viability assessment will be used to demonstrate an appropriate affordable housing contribution.

Affordable homes will be built to net zero carbon standards to help meet objectives on sustainability and climate change. The affordable units will be appropriately integrated within the development.

The Council will expect First Homes and other forms of affordable home ownership dwellings to remain affordable in perpetuity so as to meet the needs of both current and future occupiers. It is expected that all other affordable homes provided will remain at an affordable price for future generations of eligible households for as long as it is needed. Where this is not possible, the subsidy will be recycled within the District for the provision of future affordable housing.

Supporting Text

6.71 West Berkshire is an area of high property prices and many local people have difficulty gaining access to suitable housing on the open market. Provision of affordable housing is seen as a priority as housing has wide implications on health, education and employment opportunities.

87 Section 157(1) of the Housing Act 1985: <https://www.legislation.gov.uk/ukpga/1985/68/section/157>

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6.72 The NPPF and the Planning Practice Guidance (PPG) state that affordable housing should only be sought from major development of 10 or more dwellings or on housing sites of 0.5ha or more across the District, other than in designated rural areas. In designated rural areas local planning authorities may instead choose to set their own lower threshold in plans and seek affordable housing contributions from developments above that threshold. Designated rural areas apply to rural areas described under Section 157(1) of the Housing Act 1985⁽⁸⁸⁾ and include AONBs. Approximately 74% of West Berkshire is within the North Wessex Downs National Landscape which is designated as an AONB. Most of the remaining parishes in the District are designated rural areas, either whole or in part, by order of the Secretary of State. It is considered justified and reasonable for the Council to secure 20% affordable housing on sites of between five and nine dwellings in the parishes designated as rural, as shown on the Policies Map and this is reflected in policy SP16.

6.73 The Whole Plan Viability Assessment (2022)⁽⁸⁹⁾ examines the impact of various levels of affordable housing on the viability of housing development across the District and demonstrates that the requirements identified within policy SP16 are viable.

6.74 The affordable housing need was assessed in the Berkshire (including South Bucks) Strategic Housing Market Assessment (2016)⁽⁹⁰⁾ and reviewed in the Updated Housing Needs Evidence⁽⁹¹⁾ in May 2020 and July 2022. The definition of 'affordable housing' is set out in the NPPF, and covers affordable housing for rent, first homes, discounted market sales housing and other affordable routes to home ownership for those whose needs are not met by the market.

6.75 The latest evidence shows a high need for affordable housing across the District with a net affordable and social rented housing need equivalent to 330 dpa (2021 base date). This is a significant need for the District and a clear justification for the Council to seek affordable dwellings through new development schemes. Whilst the level of need will be kept under review the policy therefore seeks to maximise opportunities for increased affordable housing delivery with social rented dwellings being the priority affordable housing tenure.

6.76 The issue of affordable housing need is complex and should not be directly linked to the overall District housing need of 515 calculated under the Standard Method.

6.77 Methods for securing affordable housing as an element of market housing proposals are well established. A study of economic viability⁽⁹²⁾ has been carried out on behalf of the Council which sets out the evidence for affordable housing thresholds and this was updated through the Whole Plan Viability Assessment 2022. The Council recognises that in some circumstances there may be exceptional costs of development which need to be acknowledged, and that the policy may represent the starting point for negotiation.

6.78 The Council acknowledges that there may be exceptional cases where affordable housing cannot be secured as part of a policy compliant scheme. This must be fully justified by the applicant through clear evidence set out in a publicly available Open Book viability assessment. Where an exemption from publication of the viability assessment is sought by the applicant, the Council must be satisfied that the information to be excluded is commercially sensitive. In all cases, as a minimum, an executive summary must be made publicly available.

6.79 In exceptional circumstances where a lower provision of affordable housing is sought, the Council will require a review mechanism to enable the Council to reassess viability over the lifetime of the development to ensure policy compliance. If the viability is found to have improved, additional affordable housing must be provided, up to the levels specified in this policy. The potential risks of development are already accounted for in developers' returns. The realisation of risks will therefore not trigger a review mechanism. In other words, the Council will only consider a review of the level of affordable housing to be provided where viability has improved (for example, where values have increased), and not where viability has worsened (for example where costs have increased).

6.80 The Council will carefully scrutinise proposals which appear to fall artificially below the required thresholds which may indicate a possible attempt to avoid making the appropriate contribution towards the delivery of affordable housing. Such proposals are likely to be refused planning permission where they fail to make efficient use of land.

88 Section 157(1) of the Housing Act 1985: <https://www.legislation.gov.uk/ukpga/1985/68/section/157>

89 Whole Plan Viability Assessment (2022): <https://www.westberks.gov.uk/local-plan-evidence>

90 Berkshire (including South Bucks) Strategic Housing Market Assessment (2016): <https://www.westberks.gov.uk/shma>

91 Updated Housing Needs Evidence (Iceni Projects Ltd July 2022): <https://www.westberks.gov.uk/local-plan-evidence>

92 Affordable Housing Viability Study (October 2019, Dixon Searle Partnership): <https://www.westberks.gov.uk/local-plan-evidence>

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6.81 The viability evidence supports a higher contribution to affordable housing on greenfield sites. The requirement for affordable housing will be applied to the gross number of dwellings on the proposed site, although it is recognised that there are circumstances where national policy allows an exception. Where vacant buildings are being reused or redeveloped the existing gross floorspace will be deducted from the overall affordable housing contribution calculation.

6.82 As a starting point, the Council seeks a tenure split of the affordable housing on each development site of 70% social rented and 30% affordable home ownership. The Housing Need Assessment concludes that the core requirement is for social rented housing. There is, however, still a significant proportion of existing and newly arising households that require access to some form of affordable home ownership, including shared ownership, discounted market sale and First Homes.

6.83 In 2021 the NPPF required that policies should expect at least 10% of the total number of homes on major developments to be available for affordable home ownership with exemptions for schemes which provide solely Build to Rent homes, specialist accommodation for those with specific needs, sites for those who wish to build or commission their own homes or which are exclusively for affordable housing.

6.84 The requirements of the Written Ministerial Statement (May 2021) are now included in the PPG on First Homes and specifies that First Homes should be secured first. These should as a minimum account for at least 25% of all affordable housing units delivered by developers through planning obligations. First Homes must be delivered on-site. Commuted sums or off-site provision will not be accepted in lieu of on-site provision. As the financial, national and local policy context is subject to change, the Council may, subject to site specific circumstances, consider an alternative negotiated mix of tenure. The objective will be to ensure that where affordable housing is being delivered it is affordable to those in need at the time the planning application is determined.

6.85 On smaller schemes where the expected tenure split is impractical the tenure would be based on local need. Given the nature of the policy there will be instances where the proportion of affordable housing sought will result in the provision of a part unit. In these cases the part unit will be rounded up or down to provide the nearest whole unit.

6.86 A First Home is a home sold at a discounted price of no more than 70% of the market value of the property. The market value must be determined by an independent registered valuer and based on the assumption that the home is sold as an open market dwelling without restrictions. The first time a First Home is sold, it must not cost more than £250,000, after the discount has been applied. Future re-sales of the home must also be at a discounted price of no more than 70% of the market value of the property. First Homes can only be purchased or rented by buyers or tenants who meet the eligibility criteria sets out in the Council's First Homes policy.

6.87 For schemes that consist of 100% build to rent units, the affordable housing provision will be in the form of affordable private rent, discounted by a minimum of 20% from local market rents.

6.88 Affordable housing should be provided as built units on the application site as part of well-designed mixed tenure schemes, helping to create mixed inclusive communities.

6.89 The Council will be supportive of community-led affordable housing schemes such as community land trusts and cooperatives and would encourage neighbourhood plans to consider such initiatives. Any scheme should, however, accord with other policies of the LPR in terms of siting, scale, design and external appearance. No significant harm should be caused to the character or setting of the settlement and the surrounding countryside.