

"PLEASE NOTE: Following the Local Plan Inspector's recommendations, the thresholds for affordable housing have changed. Affordable housing will now be required at a rate of 30% of schemes of 15 dwellings or more or on sites of 0.5 of a hectare or more in area".



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Rushcliffe Borough Council

Supplementary Planning Guidance



Affordable Housing

Adopted April 2003



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AFFORDABLE HOUSING - SUPPLEMENTARY PLANNING GUIDANCE

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1. INTRODUCTION

- 1.1. This Supplementary Planning Guidance has been adopted by Rushcliffe Borough Council to assist in negotiations with house builders and others, and in determining planning applications. It is intended to provide additional information in the context of Local Plan policies, Local Needs studies, the Borough Housing Strategy and Government guidance. In particular, it will set out the Council's approach to site thresholds, levels and distribution of affordable housing, and commuted sums.
- 1.2. Consultation was carried out in November – December 2002 with an extensive list of interested parties (listed at Appendix 2). Their comments have been considered and incorporated into revisions to the guidance where appropriate.

2. POLICY CONTEXT

The following paragraphs set out the policy context for this SPG. Key policies on which the SPG is based are marked with **. Other policies are included for background information.

Government Policy

- 2.1 Circular 6/98 - Planning and Affordable Housing states that “a community's need for affordable housing is a material planning consideration, which may properly be taken into account in formulating development plan policies and deciding planning applications.” Planning authorities may seek to negotiate a proportion of affordable housing to be provided on developments of 25 or more dwellings or residential sites of 1 hectare or more, irrespective of the number of dwellings. The level of provision sought should be based on a robust assessment of housing needs in the area and the authority must define what it considers constitutes affordable housing.
- 2.2 PPG 3 (Housing) acknowledges the importance of “mixed and inclusive communities, which offer a choice of housing ...[The Government] ...does not accept that different types of housing and tenures make bad neighbours”.

Regional Planning Guidance for the East Midlands to 2021 **

- 2.3 Policy 26 requires development plans to include policies to seek affordable housing as part of a range of dwelling types. Policies should be based on needs assessments over housing market or journey to work

areas. Provision of affordable housing should be well related to transport, services and employment. Provision should be monitored over the plan period and a regional indicator of 3400 affordable dwellings per annum is set. Policies also set out the need to make more efficient use of housing stock and to ensure that, in rural areas, local housing needs are met locally or in appropriate identified market towns.

Local Planning Policy

2.4 Rushcliffe Borough Adopted Local Plan (1996) **

Policy H 9: “Where evidence of need has been established, the Borough Council will seek to ensure that a proportion of dwellings to be constructed on the allocated sites are in the form of affordable housing. The level of affordable housing provision will be subject to negotiation and will reflect the level of local needs. Where appropriate a section 106 obligation will be sought to ensure that the properties remain available as affordable housing.”

Statement of Intent H / B : “The Borough Council will encourage the provision of low-cost housing on sites permitted under policy H 2. The co-operation of developers and parish councils will be sought to achieve a proportion of housing suitable for persons on low incomes.”

2.5 This policy forms the basis of this SPG and is consistent with subsequent Government advice in Circular 6/98 and PPG 3. Since the Circular was published affordable housing has also been sought on windfall sites over the size threshold where a need has been shown.

2.6 Rushcliffe Borough Replacement Local Plan: First Deposit Draft (2000)

Policy H 9: “Where evidence of need has been established, the Borough Council will seek to ensure that a proportion of dwellings to be constructed on the allocated sites are in the form of affordable housing.

The Borough Council will also require that a suitable proportion of affordable dwellings will be provided on sites of 15 dwellings or more which comply with policy H 5. On all other sites under 15 dwellings permitted under policy H 5 the Borough Council will seek to encourage the provision of suitable levels of affordable housing. The co-operation of developers and parish councils will be sought to achieve a proportion of housing suitable for persons on low incomes.

The level of affordable housing provision will be subject to negotiation and will reflect the identified level of local needs. Where appropriate a planning obligation will be sought to ensure that the properties remain available as affordable housing.”

- 2.7 At the time of deposit of the Draft Plan, needs studies were ongoing and had not produced a target figure or proportion of affordable housing which should be sought on sites.

Rushcliffe Borough Council: Interim Position Statement (November 2001)

- 2.8 This position statement sets out the Council's position in placing local plan progress on hold pending Structure Plan progress. It recognised that a number of planning applications for residential development would come forward before the planning policy was developed further. It was considered that a further update and guidance on the Council's position would be useful in that situation, for developers and affordable housing providers. This set 15% as the target figure for affordable housing provision on appropriate sites, and set out the criteria which would be considered in site by site negotiations. Prior to the replacement local plan policy being adopted though, the Council will apply the threshold of sites of 25 dwellings or 1 hectare or more, which is set out in Circular 6/98.

Rural Exceptions Policy

- 2.9 The Borough Local Plan rural exceptions policy (H 8; H 10 in the Draft Replacement Plan) allows for exceptional site releases to meet a clearly identified local need. The implementation of this policy is not affected by this supplementary planning guidance, and applies only to developments entirely of affordable dwellings which meet specific criteria.

3. LEVEL OF NEED

- 3.1 The Borough has been involved in two studies to assess the requirement for affordable housing – the South Nottinghamshire Affordable Housing Study (1998) (updated in 2001), and the Rushcliffe Borough Council Housing Needs Assessment (2000).

South Nottinghamshire Affordable Housing Study

- 3.2 The study involved housing and planning officers representing the South Notts area, namely Rushcliffe, Gedling, Broxtowe, Nottingham City, and Ashfield (Hucknall area only).

- 3.3 Affordable housing was defined as “dwellings developed specifically for those whose incomes generally deny them the opportunity to purchase or rent houses on the open market.” This is the definition used for the purpose of this SPG and it may include housing of any tenure.
- 3.4 It was considered that the need for affordable housing was made up of 2 components – (a) base need (existing), and (b) future need (arising from the projected new household formations identified in the Structure Plan).
- a) was calculated from concealed households, those in mortgage arrears and those homeless living in temporary accommodation.
 - b) was calculated from the Structure Plan household projections of new households between 1996 and 2011. A proportion was estimated who would not be able to afford the average costs associated with first time home buying (assuming an upper limit of 27.5% of income to be spent on housing costs). This number of households is then balanced against the level of social and private rented housing which is expected to be available to let, and affordable, in the period to 2011. The imbalance between these two elements is the level of future need.
- 3.5 The study concluded that, to meet base and future need, 24% of new dwellings built before 2011 would need to be ‘affordable’. The study did not identify how this need would be distributed between the authorities. However, Rushcliffe considers that the distribution of base need gives a good indication of where housing need may arise; this indicates 16.5% of new housing in the Borough should be affordable.

Rushcliffe Borough Council Housing Needs Assessment (2000).

- 3.6 This study was carried out for the Borough by B Line Housing Information & Policy Services and was based on assessments of income, house price and household movement data.
- 3.7 Housing need is assessed by applying comparisons of income and house prices at very localised levels to the number of households known to have moved house within the study year (1999) to calculate the number of households who are unable to afford to purchase or rent in the area. This figure (550 per year) is then balanced against the estimated annually available stock of affordable housing (450 per year) to arrive at the final figure for affordable housing need of 100 dwellings per year, which equated to 13% of the Structure Plan housing requirement for Rushcliffe to 2011.

Housing Need Conclusions

- 3.8 In the light of these two studies, Rushcliffe considers that the provision of approximately 15% affordable housing should be sought. This figure is incorporated into the Borough Housing Strategy. The levels of need and provision will continue to be assessed and monitored throughout the plan period to ensure that the aims of providing a balanced housing supply to meet the community's housing needs are being achieved, and to ensure that the studies remain robust throughout changing economic circumstances. Reviews of the studies will be carried out not less than every 5 years and will inform reviews of the Housing Strategy, Local Plan and other policy as relevant. Supplementary information may also arise from Rural Housing Needs Studies and Village Appraisals carried out in conjunction with parish councils, the Rural Community Council and rural housing providers, and from ongoing research into the needs of specific client groups. Further information will be available from the Borough's Housing Enabling and Policy Officer on such studies.
- 3.9 Where monitoring indicates that the requirement for affordable housing has changed, this will feed into reviews of this SPG and the Local Plan policy, and will be reviewed through updates to the Borough Housing Strategy.

4. NATURE OF NEED

- 4.1 The Rushcliffe Borough Housing Needs Assessment (2000) showed that the nature of housing need, in terms of type, size and tenure of dwellings will vary according to location and site characteristics, and it set out some of the key areas of need. Developers should, therefore, refer to this and to the Borough Housing Strategy and seek advice from the Housing Enabling and Policy Officer with regard to waiting list information on dwelling size and type required, and household type in need.
- 4.2 However, indications from current waiting lists and from the Rushcliffe BC Housing Needs Assessment (2000), are that :
- i) Predominant needs are for 2 bedroom flats/maisonettes, 2 and 3 bedroom houses and 2 bedroom bungalows. Where a particular dwelling type is not initially specified by the Borough Council, affordable housing should be expected to reflect the perceived local needs and context of the surrounding housing.
 - ii) The predominant need in the Borough is for housing for rent.

There is some scope for shared ownership properties although these are useful for those in only a relatively narrow income band and do not form a major proportion of the need.

- 4.3 High house prices throughout the Borough (particularly in relation to the rest of the South Notts housing market area) mean that low cost market housing is not expected to make a significant contribution to meeting affordable housing needs. Market housing will not meet longterm affordable need unless it is strictly controlled to remain affordable in perpetuity. The Council will consider proposals for low cost market housing which can be shown to meet long-term local needs. However, it is not acceptable to provide predominantly small units which are not otherwise discounted from the market price, or which offer only an initial discount.

Specialist Housing Need

- 4.4 From the South Notts Housing Study, a sub-study has emerged to look at the need for older person's accommodation and related issues including sheltered accommodation, and health and social services care. The study looked specifically at the number of homes and the different types of housing required between 2000 and 2011. Care issues and costs of housing relating to care provision were only dealt with to a very limited extent. The study predicted a rise in the numbers of older people requiring rehousing but also recognized the likelihood of the aspiration to remain in general needs housing with the assistance of adaptations, Community Care programmes etc. The study emphasizes the need for a Lifetime Homes standard, and changing aspirations away from traditional sheltered housing schemes towards two bedroom bungalows.
- 4.5 A further study is being undertaken by South Nottinghamshire Housing Officers to look at housing and related needs amongst black and minority ethnic communities; this is likely to report in 2003.

5. DISTRIBUTION OF AFFORDABLE HOUSING

- 5.1 Needs studies have shown that house prices relative to incomes are high throughout the borough. For this reason, and in order to help create mixed communities and overcome social exclusion, in the vast majority of cases, affordable housing should be provided on the site. Rushcliffe BC's Housing Needs Assessment showed strong waiting list demand and concentration of need in West Bridgford and the six major villages (Bingham, Cotgrave, East Leake, Keyworth, Radcliffe on Trent and Ruddington). Provision of affordable housing in these areas will therefore have potential to meet a wide range of need, and will accord with the

Government's, and the Borough Council's objectives of delivering housing in sustainable locations with access to employment and services with less dependency on car-based travel.

- 5.2 In smaller settlements with a lesser range of services and accessibility to public transport, there may be occasions where less than 15% affordable provision is appropriate. However, much of the Borough is covered by Green Belt or Countryside planning policies which restrict the opportunities for new residential development. Therefore, such cases are likely to be exceptional, given the need to sustain rural communities and the rural economy, and will only be identified through discussions with parish councils, the Rural Community Council and Registered Social Landlords (RSLs).

Off site provision and Commuted Sums

- 5.3 The need to provide balanced mixed communities and promote social cohesion will mean that only in exceptional circumstances will off site provision or commuted sums be appropriate in place of on site provision. Exceptions may include:

- sheltered or specialist housing where warden or care services are provided on site, or
- sites where a particular dwelling type is being provided (e.g, conversion of a building to flats) but housing need in the locality would be better met by an alternative type of provision nearby, or
- for management reasons of the RSL (e.g, undue expense or impracticality).

- 5.4 In these circumstances, the Council and developer may agree to negotiate a commuted sum toward off site affordable housing provision. Alternatively, the developer may, subject to the Council's agreement, propose an alternative site on which the affordable housing is to be accommodated.

6. DELIVERY OF AFFORDABLE HOUSING

- 6.1 On all sites providing affordable housing delivery will be secured through a planning condition or planning obligation which will include as a basis: level & type of provision, phasing, safeguarding of affordability to meet longterm needs, and the means by which the viable provision of affordable housing for those identified as in need is ensured.

Thresholds

- 6.2 Currently, affordable housing will be sought on developments of 25 or more dwellings or residential sites of 1 hectare or more, irrespective of the number of dwellings. These thresholds may be reviewed through the local plan process. The 1 hectare threshold refers to the gross area for development and applications will not be accepted which sub-divide or reduce the area. Similarly, lowering densities on smaller sites to deliver less than 25 dwellings will generally not be acceptable.

Longterm Affordability

- 6.3 Regional Planning Guidance and both needs studies have indicated that the need for affordable housing is likely to remain and increase for the foreseeable future. For this reason it should be assumed that any affordable housing provided will remain affordable in perpetuity unless, exceptionally, it is agreed with the Council that a need no longer exists that it could satisfy. It is recognised that other legislation (such as Right to Buy / Acquire) may override this guidance in some instances.

Site Costs

- 6.4 Negotiation over the level of affordable housing required will take account of the economics of site development and any abnormal costs and other planning objectives which affect the viability of the proposal. However, the Council considers that costs incurred in delivering a workable, high quality development are to be expected, should be reflected in the price paid for the land, and will not normally reduce the ability of the site to contribute towards affordable housing provision. Such expected costs include site clearance, good quality design measures, landscaping, noise and other environmental attenuation, and appropriate infrastructure provision which may include highway and public transport measures. Developers will need to demonstrate any abnormal costs at the earliest stage in order that their impact on viability may be assessed.
- 6.5 It may be acceptable for developers to contribute a proportion of the site by transferring land (usually to an RSL) for another to build the affordable housing, rather than a proportion of the finished dwellings. If this occurs, the site area should be sufficient to provide 15% of total dwellings in agreed housing types, or in a similar mix to the rest of the site. However, this will not be acceptable where it would lead to the concentration of affordable housing in an isolated section of the site without proper integration to the rest of the development.

Phasing

- 6.6 Construction and occupation of the affordable housing units will normally be controlled in relation to the construction and release of the rest of the site. Normally, construction of the affordable units must be commenced before 40% of the market housing is commenced, and should be available for occupation before 60% of the market housing is completed. Where a commuted sum is accepted in place of on-site provision, this will normally be payable before development commences.

Ownership & Management

- 6.7 It is the strong preference of the Council that developers work with RSLs in the provision of affordable housing; this offers a clear and efficient mechanism for planning, delivery and ongoing management of properties. Developers are encouraged to have early discussions with the Housing Enabling and Policy Officer regarding RSLs operating in the area; a list is provided for information at Appendix 1, though this is neither exhaustive nor to recommend particular RSLs..
- 6.8 Increasing demands on the Housing Corporation's Approved Development Programme and changes to funding mechanisms (including removal of the Local Authority Social Housing Grant (LASHG)) has resulted in reduced funding for the area. Developers are expected to negotiate with the RSL to transfer properties to them at a price which enables affordability for occupiers in perpetuity. RSLs are unlikely to pay more than approximately 70% of the relevant Housing Corporation TCI* rate for rented dwellings, or 80% for shared ownership dwellings.
- 6.9 *The Housing Corporation TCI (Total Cost Indicator) is their calculation for the expected costs of a given type of development; it forms the basis for calculating what level of Social Housing Grant (SHG) may be available to RSLs to enable new development. It is set annually by the Housing Corporation and varies according to area and type of dwelling proposed. Up to date information can be found from the Housing Corporation or the Borough's Housing Enabling and Policy Officer.

Occupancy, nominations etc

- 6.10 Where an RSL is involved, occupancy will normally be controlled through their established criteria which are approved by the Housing Corporation. Where no RSL is involved conditions or obligations will generally be used to ensure that the occupancy of affordable properties is limited to people falling within an agreed cascade of categories. These will normally be based on the Council's allocation scheme and discussions with the Council's Housing Enabling and Policy Officer and will have sufficient

flexibility to ensure that occupants can always be found for the accommodation.

Low Cost Market Housing

- 6.11 Where the Council accepts that low cost market housing will meet needs, this should usually be achieved through an RSL holding the freehold or long leasehold of the properties who will then ensure affordability for occupiers in perpetuity. The property price should be below the average – over the last four full quarters - of the house prices identified as relevant in the South Notts Study as this forms the wider housing market of which Rushcliffe is a part (i.e, all terraced and one third of semi-detached properties across the South Notts study area). The means of ensuring the ongoing affordability of these properties – for example, by applying restrictive covenants - should be set out in the s106 agreement.

Design and Layout

- 6.12 Properties should be designed to meet the Housing Corporation Scheme Design Standards or be capable of meeting them without incurring additional costs to the RSL. Affordable housing should be properly integrated into the overall layout of the site and its surrounding area. The Council considers that this is essential for the creation of balanced, mixed communities. It will not normally accept affordable housing which, either by its design or site layouts, is separated from the general market housing.

Calculations of commuted sum

- 6.13 Where the Council accepts that the most appropriate affordable housing provision would be off-site (see para 5.3 above), it will enter into a planning obligation with the developer to secure a commuted sum which is enough to facilitate equivalent provision elsewhere. This sum will be based upon current Housing Corporation norm grant rates for the negotiated number of properties. This equates to the Social Housing Grant that would be required to fund equivalent development elsewhere.
- 6.14 As with on-site provision, negotiation of the level of commuted sum will take account of any abnormal costs associated with the site development which affect the viability of the proposal (see para 6.3). Developers will need to demonstrate any abnormal costs at the earliest stage in order that their impact on viability may be assessed.
- 6.15 The commuted sum will normally be payable prior to the occupation of the first dwelling on the site unless otherwise agreed and will be held by the Council until it is invested into an appropriate affordable housing scheme within the Borough. The Council will encourage developers to bring

forward a site for the affordable housing provision at the time of the funding development.

- 6.16 The payment will be held by the Council for a maximum of ten years, if it is not used to fund alternative affordable provision within that time which meets the Housing priorities of the Borough Council (normally through either new provision, conversion or refurbishment of existing dwellings) it will be returned to the developer.

7. FURTHER INFORMATION

For further details please contact :

Housing Enabling and Policy Officer : Charlotte Jones - 0115 914 8510

Planning Policy Officer : Ann Rooney - 0115 914 8449

Principal Planning Officers (Development Control) :

Derek Clowes (West) 0115 914 8254;

Norman Jowett (East) 0115 914 8359;

Matthew Marshall (Central), 0115 914 8458

APPENDIX 1

RSLs ACTIVE IN THE RUSHCLIFFE AREA

These organisations have been active in Rushcliffe Borough recently, or have expressed an interest in developing in the area.

Anchor Housing Trust 3 rd Floor, Bridgford House, Pavilion Road, West Bridgford, Nottingham	0115 982 0187
De Montfort Housing Society Eastern Shires House, 80 The Parade, Oadby, Leicestershire	0116 220 5555
Derwent Housing Association 359 Nuthall Road, Aspley, Nottingham	0115 924 4244
East Midlands Housing Association 65 Church Street, Sutton in Ashfield, Notts	01623 556656
fch Housing & Care 68a Leicester Road, Loughborough, Leicestershire	01509 217443
The Guinness Trust, Midlands Area Office 3.1 Clarendon Park, Clumber Ave, Nottingham	0115 962 8200
Leicester Housing Association Ltd 174 Derby Road, Nottingham	0115 970 9600
Metropolitan Housing Trust Ltd Raleigh House, 60 – 84 Alfreton Road, Nottingham	0115 988 7100
Nene Housing Society Ltd Manor House, 57 Lincoln Road, Peterborough	01733 295400
North British Housing Association 12 Vivian Avenue, Sherwood Rise, Nottingham	0845 6044446
Nottingham Community Housing Association 12-14 Pelham Road, Nottingham	0115 910 4444
Riverside (Midlands) Riverside House, 49 Western Boulevard, Leicester	0151 708 1000
Tuntum Housing Association 80 Beech Avenue, Nottingham	0115 979 0686

APPENDIX 2

The following is a list of those parties consulted on the draft of this SPG in November 2002. Those in bold submitted comments in response.

In addition, the SPG was sent to all Parish Councils, members of the Local Strategic Partnership, and 12 members of the public who had commented on affordable housing policies through the Local Plan consultation process.

The draft SPG was also available on the Borough website, and was advertised in the local press. Comments were also received from 2 members of the public:

Anchor Housing Trust

Antony Aspbury Associates

Ashfield District Council

B Line Housing Information

Barton Willmore Planning

Bassetlaw District Council

Beazer Strategic Land

Bellway Estates (Midlands)

Bloor Homes Limited

Borough of Charnwood

Bovis Homes Ltd, Central

Broxtowe Borough Council

Bryant Homes

C G & R D Brooks

C P R E (Rushcliffe Group)

Carter Jonas

Central West Bridgford Community Association

Churches Together in West Bridgford

Cotgrave Town Council

Countryside Agency

Crosby Homes

David Wilson Homes

De Montfort Housing Society

Derwent Housing Association

Development Land & Planning

DPDS Consulting Group

East Leake Parish Council

East Midlands Housing

Elton Parish Council

Entec UK Ltd

Erewash Borough Council

fch Housing and Care

FPD Savills

Freeth Cartwright Hunt Dickens

Gedling Borough Council

Government Office for the East Midlands

Hallam Land Management

Henry Mein Partnership

House Builders Federation

Housing Corporation

J S Bloor (Services) Ltd

Lady Bay Community

Association

Leicester Housing Association

Longhurst Housing Association

Mansfield District Council

Martin Tucker
Mason Richards Planning
McCarthy and Stone
Melton Borough Council
Metropolitan Housing Trust
Midlands Rural Housing Trust
Miller Homes
Nene Housing Society
Newark and Sherwood DC
North British Housing Association
North West Leicestershire DC
Northern Counties Housing
Nottingham City Council
Nottingham Community Housing
Association
Nottinghamshire County Council
Nottinghamshire Wildlife Trust
Notts Rural Community Council

Persimmon Homes
Radcliffe on Trent Parish Council
Raglan Housing Association
Redrow Homes
Riverside (Midlands)
Rushcliffe Homes
Shoosmiths Solicitors
Smith Woolley
The Guinness Trust
Tun Tum Housing Association
Westbury Homes
William Davis Ltd
**Willoughby on the Wolds Parish
Council**
Wimpey Homes
**Wysall and Thorpe in the Glebe
Parish Council**