

Affordable Housing

REVISED DRAFT SUPPLEMENTARY PLANNING GUIDANCE

1.0 INTRODUCTION

- 1.1 The Government intends that everyone should have the opportunity of a decent home. Local planning authorities are advised to plan to meet the needs of the whole community, including those in need of affordable housing, in a way which does not reinforce social distinctions. This revised draft supplementary guidance explains in more detail how the affordable housing policy in the ~~deposit-draft~~ Local Plan to 2011 (~~referred to in this guidance as the draft Local Plan~~) will be implemented. The guidance is given at a general level and the Council accepts there will need to be a degree of flexibility when assessing individual schemes to take account of local and site specific circumstances and to ensure that the housing provided best contributes towards satisfying local housing needs.
- 1.2 The policies in the draft Local Plan have been taken into account as a material consideration by the Council when deciding on planning applications since 1 January 2003. The first draft of the Supplementary Planning Guidance for affordable housing was published in June 2004. Both these documents sought 50% affordable housing on sites of ten or more dwellings in settlements of more than 3000 people and sites of four or more dwellings elsewhere. The Inspector in his report of the local plan inquiry concluded that a 40% target was more reasonable and realistic, and that a threshold of 15 dwellings in settlements of 3000 people or more was consistent with Government guidance. This has been accepted by the Council and the Local Plan and the Supplementary Planning Guidance have been amended accordingly. This revised draft supplementary guidance will be subject to extensive consultation with the public, businesses and other interested parties, and their views will be considered. The guidance will be amended in the light of this consultation and will be approved once the Local Plan is adopted when it will be given substantial weight in determining planning applications. ~~In the meantime it will be kept under review and amended if there are any~~ This guidance does not apply to the major housing development west of Didcot (which is also in South Oxfordshire) or to the provision of affordable housing on sites in rural areas granted as an exception to normal planning policies under below the size thresholds in policy H16 or rural exception schemes brought forward in accordance with policy H17 of the ~~second deposit-draft~~ Local Plan.
- 1.3 The affordable housing policy is part of a wider suite of policies in the ~~draft~~ Local Plan to widen housing opportunity and choice. These include policies requiring a variety of dwelling types and sizes to meet the needs of existing and future people especially for smaller properties and accommodation suited to people with impaired mobility and other special needs. Additional measures for meeting local housing needs are contained in the Council's annual Housing Strategy Statement. The Council recognises that partnership working involving its housing and planning functions, registered social landlords, the Housing Corporation, the local strategic partnerships, developers and landowners is essential if its aspirations for providing affordable housing in the Vale are to be realised.

2.0 BACKGROUND THE CONTEXT

- 2.1 The context for the Council's approach on affordable housing is provided at the national, regional and county levels, and its policies and this guidance are influenced by the level of housing need within the district. Of particular importance has been Planning Policy Guidance note 3: *Housing* and Circular 6/98: *Planning and Affordable Housing* both issued by the Office of the Deputy Prime Minister and available on their web site. Regional Planning Guidance for the South East (RPG9) and the emerging work on the draft South East Plan which is being prepared by the South East England Regional Planning Assembly (SEERA) have also been taken into account. The Oxfordshire Structure Plan 2016, produced by Oxfordshire County Council and which is available on their web site, has an aspirational target that 50% of the housing built in the county should be affordable but that the precise amount will be established by the district councils in the context of need in their areas. The Oxfordshire Community Partnership and the Vale Strategic Partnership, which are responsible for preparing community strategies, both acknowledge that the need for affordable housing is one of the top priorities facing the area, and the top priority for Oxfordshire.
- 2.2 The District Council commissioned Fordham Associates to undertake a district-wide housing needs survey, which was published in April 2001 and this was updated in April 2005. The housing need update demonstrates that the relationship between household incomes and house prices means that 26% of households in the Vale are unable to afford market housing and that some 3400 households are in unsuitable accommodation. To clear the backlog of people in need and provide for newly arising households, it states that 845 affordable homes should be built each year in the district for the next five years. This is in excess of the total number of dwellings to be built each year in the district according to the Oxfordshire Structure Plan and Fordham Associates considered it justified a significant provision of affordable homes through the planning system. They also concluded that the largest shortfalls of both affordable and market housing were for one and two bedroom units.
- 2.3 The issues surrounding the provision of affordable housing were debated extensively at the public inquiry on the Local Plan in 2005. In his report of the local plan inquiry the Inspector stated at paragraph 8.23.3

"It is acknowledged by all concerned that, in a district with some of the highest house prices in the region outside London, there is a considerable need for new affordable housing over the plan period."

However, the Inspector did not accept all of the ambitions set out for affordable housing in the draft Local Plan and the Council is proposing to modify it in accordance with his recommendations. Policy H16 as proposed to be modified states

POLICY H16

40% OF THE DWELLINGS PROVIDED ON THE FOLLOWING SITES WILL BE EXPECTED TO BE AFFORDABLE TO LOCAL PEOPLE WHO ARE UNABLE TO RENT OR BUY A HOUSE APPROPRIATE TO THEIR NEEDS ON THE OPEN MARKET:

- i) IN SETTLEMENTS OF MORE THAN 3,000 PEOPLE, ON ALL SITES WHICH ARE CAPABLE OF ACCOMMODATING 15 OR MORE DWELLINGS OR WHICH ARE 0.5 HECTARES OR MORE;**
- ii) IN SETTLEMENTS OF 3,000 PEOPLE OR LESS, ON ALL SITES WHICH ARE CAPABLE OF ACCOMMODATING FIVE OR MORE DWELLINGS.**

THE AFFORDABLE HOUSING PROVIDED:

- a) WILL BE OF A SIZE AND TYPE TO MEET LOCAL HOUSING NEEDS;
- b) WILL HAVE ARRANGEMENTS PUT IN PLACE TO ENSURE THE HOUSING REMAINS AFFORDABLE FOR LOCAL PEOPLE IN THE LONG TERM; AND
- c) WILL BE DISTRIBUTED EVENLY ACROSS THE SITE AND WILL BE INDISTINGUISHABLE IN APPEARANCE FROM THE MARKET HOUSING.

2.4 This Supplementary Planning Guidance has been written in accordance with the above policy. If significant changes are made to the policy before the Local Plan is adopted the guidance will be reviewed.

Government Policy

~~2.2 The Government accepts that a community's need for affordable housing is a material consideration, which the planning system should take into account. **Planning Policy Guidance Note 3** (PPG3) states that where there is a demonstrable lack of affordable housing to meet local needs based on an up-to-date survey, local plans should include a policy seeking affordable housing on suitable housing developments. The plan should define what the authority regards as affordable in terms of local incomes and their relationship to house prices or rents, and should identify suitable sites and the amount of provision sought. The PPG advises that the amount and type of affordable housing provided should reflect local needs and individual site suitability and be a matter for agreement between the parties. There should be flexibility in deciding the types of affordable housing most appropriate to a particular site. There is a presumption that affordable housing should be provided as part of the development site and the guidance makes it clear that failure to apply the policy could justify refusal of planning permission. Local authorities are required to keep accurate and up-to-date information on the amount of affordable housing secured through the planning process.~~

~~2.3 More detailed guidance is set out in **Circular 6/98 Planning and Affordable Housing**. This advises that in settlements of more than 3000 people it will be appropriate to seek affordable housing in developments of 25 or more dwellings (or residential sites of 1 hectare or more irrespective of the number of dwellings), that a lower size threshold may be justified where there are exceptional local constraints, but the threshold should not fall below 15 dwellings (or 0.5 of a hectare). In settlements of 3000 people or less, authorities should adopt appropriate thresholds based on assessments of local housing need and the available supply of land for housing. The Circular also indicates that, in assessing the suitability of a site for affordable housing, account should be taken of the proximity of local services and access to public transport, the particular costs associated with the development and the need to realise other planning objectives.~~

~~2.4 The Government issued a proposed change to PPG3 *Influencing the size, type and affordability of housing* in July 2003 for consultation. This proposed that affordable housing should not normally be sought on sites of less than 0.5 hectares or developments of less than 15 dwellings unless this can be justified by the size and type of sites likely to come forward and the contribution to be made from smaller sites to meeting the target for affordable housing. The Council considers it justified to seek affordable housing on smaller sites as set out in the draft Local Plan and paragraphs 3.5-3.6 below.~~

Regional Planning Guidance

~~2.5 Regional Planning Guidance for the South East (RPG 9) emphasises the strong demand for affordable housing in the region. This results in employers finding it difficult to recruit and retain key workers, and people travelling unsustainably long distances to work. Of the 39,000 dwellings to be provided each year in the South East outside~~

London, the RPG indicates that 18,000 – 19,000 should be affordable. To help achieve this, local authorities are encouraged to have appropriate policies in their development plans, and make use of supplementary planning guidance to guide developers. They should consider how community strategies can achieve consensus on delivery and work closely with the Housing Corporation, housing providers, developers and new businesses to secure affordable housing.

- 2.6 The South East England Regional Assembly (SEERA) is currently preparing new regional guidance – the **South East Plan** – and has issued discussion papers for debate in Spring 2004. The housing paper states ‘there is without doubt a crisis in the supply of affordable housing in the South East’ with new house completions in the social sector having fallen dramatically since the mid 1990s. SEERA notes that the shortfall in provision has been compounded by the right to buy and the recent changes to the financial regime, including the abolition of Local Authority Social Housing Grant which ‘have had a serious dislocating effect on the provision of affordable housing in the South East’. This description is true of the Vale of White Horse.

The Oxfordshire Structure Plan

- 2.7 Policy H4 of the approved Oxfordshire Structure Plan to 2011 (prepared by the County Council) states that provision will be made for affordable housing where this meets a specific local need as identified through a local survey. Any provision should be subject to permanent and enforceable arrangements to ensure the social benefits will be passed onto subsequent occupants. The draft Oxfordshire Structure Plan 2016, published in September 2003, proposes that at least 50% of all new housing in Oxfordshire should be affordable and should include housing for key workers.

The Oxfordshire Community Partnership

- 2.8 The need for affordable housing is one of the most important issues facing Oxfordshire and is the top priority of the Oxfordshire Community Partnership. A key worker and housing ambition group has been established which seeks to identify the need for affordable housing in the county (including for locally identified key workers) and maximise affordable housing. This could be achieved for example through common supplementary planning guidance and Section 106 agreements and closer liaison with developers.

The Vale Strategic Partnership

- 2.9 The Vale Local Strategic Partnership has agreed a Community Strategy with nine key themes, one of which is affordable housing. The Council will be working with its local strategic partners to ensure that plans are mutually supportive and with Community Forums on specific issues.

The Vale of White Horse Housing Needs Survey April 2001

- 2.10 Fordham Research undertook a Housing Needs Survey for the district which is fully compliant with government guidance on how such surveys should be undertaken. The survey concluded that taking into account the need to provide for the backlog of affordable housing over a five year period, the newly arising households in need of affordable housing and the supply of affordable housing that would become available for re-letting, some 1167 affordable dwellings should be provided within the district each year for the next five years. This is substantially above the annual dwelling requirement for the Vale in the Oxfordshire Structure Plan for all types of dwellings which serves to illustrate the acute nature of the affordable housing problems in the district.

~~2.11 Fordham Research recommended that the Council's policy for affordable housing should include:~~

- ~~▪ a definition of affordable housing~~
- ~~▪ a target of 40% affordable housing on allocated and windfall sites above the size threshold;~~
- ~~▪ affordable housing to be sought on sites with a size threshold of 15 or more dwellings, falling to 5 or more dwellings in settlements of 3000 people or less;~~
- ~~▪ affordable housing other than social renting to be considered provided that
 - ~~— the weekly outgoings are appreciably below the maximum affordable to households in housing need;~~
 - ~~— the housing is available, both initially and for subsequent occupancy, only to those with a demonstrable housing need;~~~~
- ~~▪ the percentage and type of affordable housing on any given site to be subject to negotiation at the time of a planning application to allow for issues of viability and mix to be considered; and~~
- ~~▪ reference to the level of weekly outgoings that would permit those in need to pay an appropriate contribution without recourse to housing benefit.~~

~~— The Housing Needs Survey and the recommendations of Fordham Research, together with more up to date information contained in the Council's annual Housing Strategy Statement, have been taken into account when formulating the policy for affordable housing in the Local Plan.~~

~~The Vale of White Horse Housing Strategy~~

~~2.12 One of the key issues which the Council is seeking to address through its Housing Strategy is the disparity between high house prices and rents in the private sector and the incomes of many households which are too low to access market housing. Evidence gathered for the Housing Strategy Statement 2004/5 — 2007/8 shows that since the housing needs survey was undertaken housing needs in the Vale have worsened. The housing register, a useful determinant of current need, shows the number of people actively seeking social housing in the Vale grew by 22% between March 2002 and 2003 and now totals 3716 applicants. Over the same period the Council accepted a full duty to house 151 homeless applicants. There has also been a slow-down in the number of re-lets available from the existing social housing stock and these have declined by 10% over the last two years. This is probably due to the increasing costs of owner occupation and the increasing inability of social housing residents to access this tenure. This is restricting the ability to cope with the pressures caused by the increase in numbers applying for social housing on the register. In January 2003 the Government reduced the discounts available under the right to buy scheme in 42 local authorities in England where there is pressure on the housing market as evidenced by high house prices and high levels of homelessness. The Vale of White Horse was one of the 42 authorities — further evidence of the significant affordable housing problems within the district.~~

~~2.13 Since 1995 some £41 million of social housing grant has been invested in the Vale, this has enabled the provision of an average of just over 140 dwellings a year — about half of which have been new build and half acquisitions from the existing housing stock. The current strategy assumes 100 dwellings a year will be provided until the end of 2005/6.~~

~~The Vale of White Horse Local Plan~~

~~The Adopted Local Plan~~

~~2.14 Policy H3 in the adopted Local Plan for the Vale seeks an element of affordable housing on developments of 25 or more dwellings or 1 hectare. The lower case text explains that in the district as a whole the Council will aim to achieve 25% of dwellings in the affordable category on sites of 25 dwellings or more. In July 2001 following the publication of the Housing Needs Survey the Council resolved to increase this figure to 40%. This was seen as a short term response to the findings of the Housing Needs Survey, pending a full review of the policy as part of the roll forward of the Local Plan to 2011.~~

~~The Draft Local Plan to 2011~~

~~2.15 The first deposit draft Local Plan to 2011 was put on deposit for public comment between 11 November and 23 December. It has been taken into account as a material consideration when determining planning applications since 1 January 2003. The plan has been revised following the comments made and a revised draft will be put on second deposit from 3 June to 15 July 2004. The plan contains a range of policies to widen housing opportunity two of which deal specifically with affordable housing. Policy H16, deals with affordable housing throughout the district and policy H17 covers affordable housing on rural exception sites. This supplementary planning guidance gives detailed advice on the implementation of policy H16 and for ease of reference the policy and lower case text accompanying it are contained in Appendix 1 to this guidance.~~

~~2.16 The policy establishes the overall framework for securing affordable housing through the planning system. The Council expects half the dwellings built to be affordable on sites of ten or more dwellings in settlements of more than 3000 people and four or more dwellings elsewhere. The Council considers this to be justified by the level of housing need in the District. Section 3 below gives more detailed justification and guidance on how the policy will be implemented. Decisions on very detailed matters, such as the viability of particular sites and the precise mix and type of affordable housing to be provided, will be taken in relation to individual planning applications after discussions with all parties involved.~~

~~3.0 IMPLEMENTING THE LOCAL PLAN POLICY ON AFFORDABLE HOUSING~~

~~3.1 The information contained in section two of this Supplementary Planning Guidance shows that there is real need to be met and it supports the robust implementation of the Local Plan policy on affordable housing. The authority will expect half the houses provided to be affordable on all relevant developments. Accordingly the authority will expect developers, when submitting an application, to be in a position to satisfy the requirements of policy H16 of the Local Plan. Where it can be demonstrated that the requirements of the policy cannot be met without public subsidy, developers must work with the local housing authority and appropriate approved partner registered social landlords to access public subsidy. Only where developers can demonstrate that all possible avenues for public subsidy have been exhausted without success will the authority commence discussions about reducing the requirements of policy H16.~~

~~3.0 THE DEFINITION OF AFFORDABLE HOUSING~~

~~3.1 The draft Local Plan defines affordable housing as that which caters for people who are unable to rent or buy a house suitable for their needs on the open market. Affordable housing includes social housing for rent, shared ownership and intermediate housing for rent or sale. (see paragraphs 3.16 and 3.17 below). Irrespective of the tenure it will be provided with a subsidy to enable the asking price or rent to be substantially lower than prevailing market rates, and will remain affordable to local people in the long-term. In the context of this guidance the term~~

“social housing” refers to social housing for rent described in paragraph 3.3 below. Shared ownership and intermediate housing for rent or sale are referred to as “intermediate housing”.

Types of Social Housing to be Provided

Tenure

- 3.2 To ensure that the dwellings provided are genuinely affordable to local people in housing need and do not only benefit the initial occupier, the following types of provision set out in paragraphs 3.3 – 3.6 below are accepted by the Council as falling within its definition of affordable housing.
- 3.3 **Social housing for rent** where the rents and service charges are significantly below open market rates. ~~and~~ The properties are ~~will usually be~~ managed by a registered social landlord. The Council will expect the rents on properties secured through the planning system to be no higher than the target rents for the area as established by the Housing Corporation.
- 3.4 **Shared ownership housing** is housing partly owned by the occupier and partly owned by another body. Where ~~registered social landlords housing associations~~ are involved the share of ownership can be as low as 25% and the occupier can gradually obtain a greater share in the ownership of the property. Rent is often, but not always, payable on that part of the equity not owned by the occupier. The rental element should not be greater than the appropriate proportion of the Housing Corporation’s target rent levels. Most shared ownership schemes in the Vale are currently run by registered social landlords, but other organisations such as housing trusts set up by local organisations or employers could also be involved.
- 3.5 **Intermediate housing for rent** where the rental levels are significantly below open market rates, but not as low as Housing Corporation target rents. The owner does not have to be a registered social landlord. Such housing will be subject to a legal agreement that will apply to ~~initial and subsequent~~ owners of the property ~~in the long term~~ ~~perpetuity~~.
- 3.6 **Intermediate market housing** is housing for sale at a substantial discount below open market value. To be acceptable to the authority under the affordable housing policies, such housing should not be cheap simply because it has low space, amenity or quality standards, but be of good quality ~~housing~~ provided at a price significantly below its open market value. Fordham Associates in the supplementary report to the Housing Needs Survey (2001) established that because of the premium on new houses, a very substantial discount is necessary to reduce the price to that of the average in the second-hand market. To be acceptable to the Council intermediate market housing should be at a price that is ~~about~~ 60% of open market value. This sum is equivalent to the provision of free serviced land. The Council will expect a legal agreement to be signed that will be binding on the first and all subsequent occupiers of such properties to ensure that the dwellings are always sold at a fixed percentage of their full market value and to people nominated by the Council or failing that approved by the Council as being in need of affordable housing in the area. If a suitable purchaser cannot be found the difference in value between the fixed percentage and the full market value should be paid to the Council for reinvestment in affordable housing if there is a need for such housing at the time of sale.

Key Worker Housing

- 3.7 The Housing Corporation defines key workers as those ‘who work within the public sector providing essential services for the community where there is evidenced

recruitment and retention problems or where there have been Regional Board recommendations or employer contributions'. The District Council's definition of a key worker is 'someone whose household income does not exceed 40% of the average house price commensurate with their size of household where at least one member of the household is an employee working in the public sector or for a non-profit distributing organisation such as a leisure trust, charity or housing association'. Further work on key workers will be carried out through the Council's Housing Strategy Statement and the Oxfordshire Community Partnership. All the tenures of affordable housing will be suitable for key workers depending on their incomes and family circumstances. However, the Local Plan recognises that shared equity housing and intermediate housing for rent or sale are particularly appropriate for key workers who have a reasonable income but are unable to buy a home of their own on the open market.

Special Housing Needs

- 3.8 When assessing the overall provision of affordable housing on a site the need for specialised housing will also be taken into account. This includes accommodation for people who need support to live in the community and has supported people funding. It also includes special accommodation, such as sheltered housing, for the elderly. The provision of such housing will be taken into account when assessing the amount of affordable housing to be provided on individual sites. Schemes which provide specialised owner occupied accommodation on a commercial basis at market prices will not be taken to offset the provision of affordable homes. Where such schemes provide smaller than normal units (for example provision for the elderly) the Council will assess the affordable provision against what the scheme could provide if the scheme were not providing specialised units.

The Proportion of Affordable Housing on Suitable Sites

- ~~3.3 Although Circular 6/98 advises that targets should be set for the amount of affordable housing to be provided on specific suitable sites the Council considers it preferable to give a district-wide percentage figure. This is because the affordable housing sought through policy H16 will be to meet the needs of the district as a whole and it is not possible at this stage to assess fully, on a site by site basis, whether there are any abnormal costs or other planning objectives which may be offset against the provision of affordable housing. In addition not all sites above the threshold that will be built by 2011 are identified for development in the Local Plan and bearing in mind the housing need within the District it is only reasonable that the affordable housing requirement should apply to these 'windfall' sites. Fordham Associates recommended that in setting the overall percentage target account should be taken of custom and practice. At the time of the survey this was 40% in areas of high cost housing. Accordingly the consultants recommended a target of 40% for the Vale. This was accepted for development control purposes in July 2001. Subsequently when the Council considered the figure in the context of the draft Local Plan to 2011 it decided that as the Housing Needs Survey had identified a need for affordable housing that was about three times higher than the building rate for the district established in the Structure Plan and as the evidence since the needs survey was undertaken showed worsening conditions, it would increase the target figure for affordable housing. Evolving custom and practice indicated that authorities were seeking to achieve higher levels of affordable housing through the planning process and the Council felt justified in increasing the target to 50%. This is consistent with the Rural White Paper¹ which indicates that half the houses built in the rural areas should be affordable, with RPG9 (see paragraph 2.5 above) which considered that almost half the houses built in the South East should be affordable and with the draft Oxfordshire Structure Plan to 2016. Even by increasing the target for affordable housing in the draft Local Plan this objective will not be met as some 10% of~~

¹ *Our Countryside the Future: A Fair Deal for Rural England*. DETR and MAFF (2000)

housing in the Vale is likely to be built on sites below the threshold where affordable housing will be sought.

3.4 The Council accepts that on some sites it may not be possible to achieve the target of 50% affordable dwellings. This will occur particularly when there are abnormally high development costs including for example serious contamination problems which are very expensive to resolve, abnormally high infrastructure costs in relation to the size of the development, or the Council's wish to achieve other planning objectives in relation to the development of a particular site. However, the starting point will be that 50% should be provided unless the developer can produce compelling evidence to demonstrate that this level of affordable housing together with the other associated costs would make development unviable even with public subsidy or that public subsidy has been applied for and refused. In such cases the evidence supplied must be capable of independent verification. In this case the level of affordable housing to be provided will be worked out in discussion with developers also taking into account the type of affordable housing and the level of public subsidy available. As abnormally high development costs should be reflected in the price the developer has to pay for the land it is most unlikely that the Council will accept that no affordable housing should be provided. Standard development costs such as demolition and site clearance; archaeological and ecological surveys and protection measures; drainage, flood prevention; noise attenuation measures; landscaping and contributions to infrastructure and services will not normally be taken as abnormal site costs.

4.0 SITES SUITABLE FOR AFFORDABLE HOUSING

4.1 The Council expects 40% of the dwellings to be affordable on sites of 15 dwellings or more (or 0.5 hectare or more) in settlements of more than 3,000 people. In settlements of 3,000 people or less the threshold above which affordable housing will be expected is 5 dwellings. This is in accordance with policy H16 of the Local Plan. The policy will apply to all planning applications above the site-size thresholds and not only to sites allocated in the Local Plan.

Size of sites

3.5 In settlements of 3,000 or more people affordable housing will be sought on all sites of 0.3 of a hectare or more, or capable of accommodating 10 or more dwellings provided through new build, conversion or change of use, or a mix of such provision. Although this is below the threshold outlined in Circular 6/98 the Council considers it justified given the serious problems of housing need as evidenced in the Housing Needs Survey and the Housing Strategy Statement (paragraphs 2.10 – 2.13 above).

3.6 The table below shows the number of affordable dwellings that could be provided by 2011 on sites of different sizes in accordance with the policy in the draft Local Plan.

	Number of affordable dwellings likely to be permitted and build 1 April 2003 – 1 April 2011		
	Assuming 50% provision	Assuming 40% provision (Didecot)	Total
Settlements of more than 3000 people			
— sites 10-14 dwellings	44		
— sites 15-24 dwellings	46		
— sites 25 or more dwellings	891	200	

<i>Sub Total</i>	<i>981</i>	<i>200</i>	<i>1181</i>
Settlements of less than 3000 people			
— sites 4-9 dwellings	6		
— sites 10-14 dwellings	5		
— sites 15-24 dwellings	0		
— sites 25 or more dwellings	71		
<i>Sub Total</i>	<i>82</i>		<i>82</i>
Total	1063	200	1263

~~This shows that some 1260 affordable homes could be permitted and built between April 2003 and 2011 of which some 55 will be on sites of less than 15 dwellings. Given the housing need in the District the Council considers this justifies seeking affordable housing on sites below the thresholds outlined in emerging Government guidance. These figures do not include an estimate of the affordable housing that will be provided on sites already permitted at April 2003.~~

~~3.7 The policy seeking affordable housing will be taken into account when determining applications on the sites identified for development in the draft Local Plan. Given the level of housing needs identified, the policy will also apply to all windfall sites which are not identified in the draft Local Plan where these are above the size thresholds outlined in paragraphs 3.2 and 3.3 above.~~

4.2 The number of dwellings a site is capable of accommodating will be assessed having regard to the character of the site as a whole and its surroundings, the need to achieve higher densities of development and the minimum density requirements set out in policy H14 of the draft Local Plan. Where land above the affordable housing threshold is subdivided to create separate schemes below the threshold, the land will be considered as a whole and affordable housing sought on each scheme. If planning permission is granted for development below the threshold and a further application is made on adjacent land, the Council will normally treat the site as a whole and expect the full affordable provision to be made through the second permission. Similarly, if planning permission is granted for a number of dwellings below the threshold and a subsequent application is made which takes the number of dwellings above the threshold, the Council will expect the full amount of affordable housing to be provided on the site. Outline applications which are capable of accommodating more dwellings than specified in the threshold will be permitted subject to a legal agreement requiring an affordable housing scheme to be submitted in accordance with this guidance at the reserved matters stage. The provision of affordable housing on sites below the threshold will be welcomed.

4.3 Circular 6/98 indicates that in deciding whether a site is suitable for affordable housing account should be taken of the proximity to local services and facilities and access to public transport. The general strategy of the draft Local Plan to 2011 is to locate most development at the main settlements and allow development of up to 15 9 dwellings in the villages with a reasonable range of services and facilities. The Council considers that all these locations will be suitable for the provision of affordable housing of all tenures. In rare cases housing may be permitted on sites above the threshold in locations remote from local services, such as through the conversion of existing buildings in the countryside, or the redevelopment of existing buildings in small settlements. In these cases the Council will assess their suitability for social housing and may consider the provision of shared ownership and intermediate housing for rent or sale (as outlined in paragraphs 3.15 – 3.17 below) more appropriate. This is justified

as the people most eligible for social housing are likely to be those who are least able to afford the costs of travelling to jobs and services. The Council does not accept that there is any location in the district that, in principle, is not suitable for the provision of some form of affordable housing.

On-site and off-site provision and commuted payments

- 4.4 The Council will normally require that the affordable housing is provided as an integral part of the development. This is in accordance with PPG3 and is fully justified by local circumstances. Local Plan policy H16. As the Vale of White Horse is an area of planning restraint where the amount of land released for housing development is constrained significantly below market demand, and in order to achieve balanced communities, the Council will only allow off-site provision of affordable housing in exceptional circumstances (see paragraphs 6.10 – 6.11 below).

5.0 DETERMINING THE TYPE, MIX AND DESIGN OF AFFORDABLE HOUSING

- 5.1 It is important that the type and mix of affordable housing secured through the planning system meets local needs. Developers are strongly encouraged to discuss the type and mix of affordable housing, including the need for specialised accommodation, with the District Council before a planning application is made.

Tenure Mix

- 5.2 Given the incomes of people on the housing register and the fact that the lowest income households are usually the least economically and socially mobile, the Council considers that the majority of affordable housing to be provided across the Vale should be social housing for rent. Within the context set by policy H16 of the Local Plan the Council will normally expect require that at least 30% of the housing provided on a site is in the form of social housing for rent with the remaining 10% 20% comprising either shared ownership housing, intermediate housing for rent or sale or a mix of these tenures. The Council will encourage a higher proportion of social housing for rent if this can be supported through grant payment or if the whole site is being developed by a registered social landlord.
- 5.3 However, The precise mix will be considered at the time of a planning application taking into account the characteristics of the site, the need for particular types of affordable housing in that location at the time the application is made and the availability of public subsidy. Another influencing factor will be the existing tenure and social mix in a neighbourhood. Where there is a significantly above average proportion of social rented housing in the locality it may be appropriate to provide a higher than normal rate of intermediate housing. In some villages, where travel costs are relatively high, it may also be appropriate to have a higher proportion of intermediate housing. The affordable dwellings provided in accordance with the Local Plan policy must be at prices that are genuinely affordable to those in housing need.

Size and Type of Affordable Dwellings

- 5.4 On the basis of the Housing Register, the Housing Needs Survey, the desire to build mixed and balanced communities and provide an affordable housing stock that is likely to meet the long term needs of the Vale, as a general guide the following sizes and types of affordable dwellings will normally be sought.

One bedroom (two person) flats	20% social rent
	9% intermediate
Two bedroom (four person) flats	8% social rent

	3% intermediate
Two bedroom (four person) houses	20% social rent 7% intermediate
Three bedroom (five person) houses	20% social renting 5% intermediate
Four or more bedroom (six or more person) houses	7% social rent 1% intermediate

5.5 To accommodate family homes the Council will normally seek a maximum of 40% flats on any development. However, on high density sites in the main settlements which are developed predominantly for flats, the Council is likely to accept that a higher proportion of flats is appropriate. Generally flats provided to meet the affordable housing policy should have a maximum of two bedrooms.

Design

5.5 The Council will expect high standards of design, layout and landscaping for all developments, which respect the character of the area and reflect local distinctiveness in accordance with policy DC1 of the draft Local Plan. The Council will expect compliance with this and other local plan policies on all housing sites irrespective of whether they are for affordable or open market housing. To ensure the creation of mixed and integrated communities the affordable housing should not be visually distinguishable from the market housing on the site in terms of build quality, materials, details, levels of amenity space and privacy. The affordable housing should be fully integrated with the market housing and should be distributed evenly across the site (pepper-potted) or in the case of flats, in small clusters distributed evenly through the development. This should be considered at an early stage of the detailed design and layout of the site. All social housing and intermediate housing provided with Housing Corporation Social Housing Grant must be built to meet the most up to date Housing Corporation's 'essential items' Scheme Development Standards, including the eco homes 'very good' standard, and those of the Registered Social Landlord to which the housing is to be transferred. At least 10% of the affordable dwellings must be developed to Lifetime Homes Standards in accordance with policy H15 in the local plan; sometimes these may require higher standards than are provided in the dwellings sold on the open market.

5.6 Developers should contact the Council at an early stage to discuss the mix, size and type of affordable dwellings to be provided and the involvement of a registered social landlord. It is very important that the registered social landlord is involved at an early stage in preparing the details of the scheme to ensure the affordable houses transferred to them meet their requirements and the Housing Corporation's standards and guidelines. Ideally the developers should discuss these issues with the Council and the registered social landlord to be involved in the scheme before they enter into contract arrangements with the landowner.

6.0 FINANCIAL CONSIDERATIONS

Affordable rents

6.1 The Local Plan advises Council considers that to be affordable, social rented housing should be let at prevailing Housing Corporation target rent level or less. For 2004 in the Vale, for example, the figures are about £65 a week for a 1 bedroom property, £76 for 2 bedrooms, £103 for 3 bedrooms and £111 for 4. The precise figure will depend on the

~~floor area and capital value of the property. These figures are updated annually. It will also be necessary to keep service charges to an affordable minimum as it is the total cost of occupying a property that determines whether it is affordable. As a general guide for those on the lowest incomes, no more than 30% of a household's net income should be spent on housing costs.~~

- 6.2 For shared ownership housing, the rent charged on the equity not owned by the occupier should be calculated as a proportion of the target rent level set by the Housing Corporation. For other forms of intermediate housing the rents should generally be no more than 150 % of the target rent levels.

Subsidies

- 6.3 Given the high cost of housing in the Vale relative to local incomes it is clear that some form of subsidy will be required to enable the properties to be let or sold at an affordable price. Currently there are two main sources of subsidy:

- developer subsidy where the price paid for land or property by the social housing provider is substantially below its unencumbered market value. In practice the cost of this subsidy should be reflected in the lower price that is paid initially for the land by the developer: and
- public subsidy which is available as social housing grant or key worker funding paid directly by the Housing Corporation to a registered social landlord, or capital funding from the registered social landlord or local authority.

- 6.4 In December 2003 the Housing Corporation confirmed in a letter to local authorities that 'The position in the South East is that there is a presumption against funding, through social housing grant, housing schemes where it should be possible to negotiate a S106 agreement unless it is clear that the development economics of that scheme require it'. This increases the emphasis on securing affordable housing through land values.

- 6.5 In the context of this statement from the Housing Corporation, where social housing for rent or shared ownership is to be provided, the Council will expect either

- built dwellings to be transferred to the Council or a registered social landlord at a price that would enable the Housing Corporation's target rents to be charged without public subsidy. This is the preferred option as it will allow the affordable dwellings to be distributed in small clusters evenly across a site and to be built so they are visually indistinguishable from the market housing; or ~~Where this is not economically viable then the scheme may be eligible for public subsidy. In such cases, developers will be expected to work with the Council and a partner registered social landlord to obtain a subsidy, which may involve submitting a proposal to the Housing Corporation to obtain social housing grant. It is important that these discussions take place before planning permission is applied for.~~
- fully serviced land for all the affordable dwellings to be provided on the site to be transferred to a registered social landlord at nil cost, and where appropriate with a cash subsidy, such as would enable the Housing Corporation's target rents to be charged without public subsidy. ~~;-or- Fully serviced means the supply of all utilities and access roads to the boundary of the site and the payment of all contributions to on and off-site services, facilities and infrastructure.~~

Viability

- 6.6 When a developer submits a planning application, the Council will expect developers to be in a position to satisfy the criteria in policy H16 of the Local Plan and this

supplementary guidance. If a developer considers this will not be possible then they should contact the District Council at an early stage, well before the planning application is submitted, with evidence to demonstrate why the level of provision sought by the Council would make the development not viable. Such information should include:

- the cost of purchasing the site and whether it has been fully acquired
- the value of the site in its existing use or any realistic alternative
- estimated construction costs, including allowances for inflation
- other costs including specific on and off-site works and contributions towards improving off-site infrastructure, services and facilities such as education, transport and community facilities
- fees and other on-costs including for design, planning, surveying, legal, marketing, sales and interest charges
- projected sales prices for the dwellings by dwelling type
- the contribution to the developers overheads and profit.

This will enable the evidence to be assessed and if necessary subject to independent verification. Where the Council pays for independent advice from a qualified professional and the advice is that the affordable housing sought by the Council is viable, the Council will expect to recover the costs of the advice from the developer. All evidence on viability submitted to the Council will be treated in confidence by the Council and their professional advisors should it be necessary to seek external advice.

6.7 It is expected that standard development costs such as demolition and site clearance, archaeological and ecological surveys and mitigation measures, drainage and flood prevention measures, noise attenuation, landscaping and contributions to infrastructure and services to be reflected in the price paid for the site. Similarly any reasonable costs of remediating contamination will not be taken into account. However, it is accepted that costs can arise that could not reasonably have been foreseen when the site was purchased. In some cases it may be accepted that the provision of other planning or housing objectives through a development may reduce the amount of affordable housing that can reasonably be provided.

6.8 Where the Council accepts that the provision of affordable housing in accordance with this guidance would not be viable, the Council will work with the developers and a registered social landlord to access public subsidy. The Council has a limited capital fund which it may use to help provide affordable housing only if it cannot be funded through the development process. Where public funding, either from the Council or the Housing Corporation, is not available, only then will the Council commence discussions about reducing the requirements of this guidance. This may either take the form of an overall reduction of the numbers of affordable housing to be provided or a lower proportion of social housing for rent which is more expensive to provide than other tenures of affordable units.

6.9 Where the Council accepts the development cannot fund all the affordable housing requirements set out in this SPG, and where the Housing Corporation is not in a position to allocate social housing grant at the time the planning permission is granted, the legal agreement will set out:

- i) the maximum amount of affordable dwellings with the tenure mix the Council would expect to see taking into account the local plan and this SPG
- ii) a requirement that the developer seeks additional funding from the Housing Corporation in partnership with the Council and an approved affordable housing provider to achieve i) above

iii) should funding be secured, but not at the level to achieve the expectation set out in i) above, the additional provision of affordable housing enabled by the funding must be agreed with the Council

iv) if no funding is available from the Housing Corporation the level of affordable homes to be provided, by number, size, type and tenure. This will normally be the maximum that the site can provide within the viability assessment.

In this case all the dwellings that could be owned by a Registered Social Landlord, or provide social housing for a rent, must be developed to Housing Corporation Scheme Development Standards as this is a requirement of social housing grant and ownership by an RSL.

Commuted Payments for off-site provision

6.10 The Council is only likely to approve off-site provision where it is satisfied that the management of the affordable housing cannot be secured effectively, or where off-site provision would contribute more to the achievement of mixed and balanced communities or to satisfying the demand in areas of most acute need. The preference will be for alternative land to be provided and a financial contribution may be necessary in accordance with paragraph 6.11 below. The land given in exchange should be in a location which is consistent with the policies and general strategy in the draft Local Plan and which would be suitable for meeting those in most need on the housing register. The provision of alternative land in a location which would be contrary to the local plan strategy and would necessitate high travel costs for those in housing need will not be acceptable. The payment of a commuted sum for off-site provision is the least favoured option and will only be acceptable to the Council if it is satisfied that there is a likelihood of the money being able to be used within a reasonable period to provide a similar number of affordable dwellings as would be achieved with on-site provision. The payment may be used by the Council in a range of ways, for example to acquire land for affordable housing for resale to a housing association registered social landlord, to enable a higher proportion of affordable houses to be provided on sites where there are abnormally high development costs, to assist housing association schemes being developed solely by registered social landlords where the public subsidy is limited or non-existent, to increase the number of social houses for rent, or to enable existing properties to be brought into affordable housing use.

6.11 The level of financial contribution will take into account the cost of providing the equivalent benefit on another site. The contribution in lieu of social housing for rent will generally be calculated on the basis of the market value of the dwellings to be commuted, less the mortgage that could be raised from the rental stream at Housing Corporation target rent levels. Commuted sums for shared ownership dwellings will be half this figure provided that full provision has been made for social rented dwellings (see tenure mix in paragraph 3.18 below).

7.0 ENSURING THE HOUSING REMAINS AFFORDABLE IN THE FUTURE

Social Housing for Rent or Shared Ownership

7.1 To ensure that the social housing remains available to people in need of affordable housing in the future the Council will normally require the involvement of a registered social landlord. This is an effective way of controlling the occupancy of the affordable dwellings without the need for complex planning agreements and is reasonably effective in ensuring the dwellings remain available in the long-term. However, in general terms, under current Government regulations any property which has the benefit of public

subsidy can be acquired by the tenant. Since 1995 the right to buy has resulted in the sale of 600 social rented dwellings in the Vale (see also paragraph 2.12 above).

7.2 The Council will seek to influence the Housing Corporation in its choice of approved development partner when allocating its social housing grant. The Council will promote those partners that have a good track record of high quality development and management of stock within the locality. ~~is most unlikely to support applications for social housing grant that are not made by a registered social landlord or through an arrangement with a registered social landlord who are development partners of the Council.~~ The Council will normally seek nomination rights on all the affordable properties for a minimum of 10 years and on 75% of vacancies that arise thereafter. This will ensure that nominations are directly relevant to the local needs the affordable housing secured through the planning system best contributes towards satisfying local housing needs.

Intermediate Housing for Rent or Sale

7.3 Intermediate housing for rent or sale will be secured by a legal agreement that will run with the property. The rent or sale price will be agreed with the Council and in the first instance the properties should be offered to people on the Housing Register. If the properties cannot be filled from the register the Council will retain the right to approve the prospective tenants or purchasers to ensure they are unable to rent or buy a home suitable for their needs on the open market. If a need no longer exists for the type of property being offered the value of the property secured through the planning system will be returned to the District Council for investment in a more appropriate form of affordable housing.

Legal agreements

7.4 The affordable housing will normally be secured through legal agreements. The terms of the legal agreement should be seen as an integral part of the pre-application discussions and negotiations on the site as a whole. The legal agreements will normally specify

- the number, size, type and tenure of affordable housing to be provided (if necessary in accordance with the 'cascade' mechanism described in paragraph 6.9)
- the units for social renting to be transferred at a price that enables the housing to be let at the Housing Corporation's target rent levels
- the units for shared ownership properties to be transferred to an approved partner at 40% of the open market value of the dwellings
- all affordable housing to be built to at least the Housing Corporation's 'essential items' scheme development standards, including eco homes rating 'very good', and comply with the RSL's specific development requirements, unless agreed otherwise by the Council
- 10% of the affordable homes to be built to lifetime homes standards and all to achieve "secured by design" wherever practicable
- not to start constructing the affordable housing units until a contract has been agreed with the RSL (where appropriate)
- all affordable housing to be advertised in accordance with the Council's choice based lettings scheme for a minimum of 10 years and 75% of vacancies there after.

The Council will publish a standard legal agreement to give clearer guidance as to what is expected.

Phasing the Delivery of Affordable Dwellings

- 7.5 Where land is being transferred to a registered social landlord the Council will normally require that this occurs before the first open market dwelling is occupied. This will ensure that the provision of affordable homes is not delayed. On large sites which will take a number of years to build the transfer of land will relate to particular phases of development. Similarly where dwellings rather than land are to be transferred this will be phased to reflect the even distribution of affordable dwellings throughout the scheme.
- 7.6 Outline applications will only be permitted if a legal agreement is signed establishing the broad principles for the amount and type of affordable housing to be provided and the arrangements to be put in place to secure it in accordance with this supplementary planning guidance. The detailed matters will be secured when the reserved matters applications are submitted.
- 7.7 The arrangements for securing affordable housing will usually be finalised when full planning applications or reserved matter applications are submitted. Planning permission will normally only be granted if the developer enters into a legal agreement which sets out the precise arrangements.

8.0 MONITORING

- 8.1 The Council will monitor the level, location and type of affordable housing provided through the planning process on an annual basis. The results will be published in the Council's ~~and the County Council's~~ Annual Monitoring Reports. The effectiveness of the planning policies and this Supplementary Planning Guidance will also be monitored and this may lead to the policies and guidance being reviewed in the future. The guidance may have to be reviewed if there are changes to the affordable housing policies in the Local Plan, government policy, housing finance and local need.

9.0 FURTHER INFORMATION

- 9.1 Copies of the ~~draft~~ Local Plan, the Housing Needs Survey and the Housing Strategy Statement are available from the District Council and are available at www.whitehorsedc.gov.uk.
- 9.2 Developers are strongly encouraged to discuss their proposals with the Council's Planning Service (www.whitehorsedc.gov.uk) and Housing Service (www.housing@whitehorsedc.gov.uk) at the earliest possible opportunity (tel no 01235 520202).
- 9.3 The Housing Corporation Scheme Development Standards and target rent levels are available from the Housing Corporation, 149 Tottenham Court Road, London W1P 0BN (www.housingcorp.gov.uk)
- 9.4 Details on lifetime homes are available from the Joseph Rowntree Federation, www.jrf.org.uk (Tel No 01904 629241).
- 9.5 The County Council's development funding team can be contacted via email at developer.funding@oxfordshire.gov.uk (or tel no 01865 815798).

10.0 YOUR VIEWS

- 10.1 This Supplementary Planning Guidance is being published in draft form for consultation. Together with the ~~draft~~ Local Plan to 2011 it seeks to maximise the supply of affordable housing in the District and provide clarity on how the affordable housing will be delivered. The Council would like to receive your views on the draft guidance. Any comments should be submitted in writing by Friday **5 May 2006**. Comments should be sent to:

The Deputy Director (Planning and Community Strategy)
Vale of White Horse District Council
Abbey House
Abingdon
OX14 3JE

By e-mail to: local.plan@whitehorsedc.gov.uk.

By fax to: 01235 540397

- 10.2 All responses will be considered carefully by the District Council before it is adopted as Supplementary Planning Guidance.