

AFFORDABLE HOUSING SUPPLEMENTARY PLANNING GUIDANCE

Summary of Representations	Observations and Recommendations of the Deputy Director (Planning & Community Strategy) and the Assistant Director (Housing)
<p>General</p> <p>Bellway Homes welcome the SPG as it shows awareness of the issues and provides flexible guidance. This will mean the Vale will have greater success than many of its neighbours in delivering affordable housing.</p> <p>McCarthy & Stone and Persimmon Homes can support the intentions of the SPG subject to the revisions proposed. However the preparation of SPG rather than SPD is inappropriate and premature pending adoption of the emerging local plan.</p> <p>The Context (Section 2)</p> <p>George Wimpey and Taylor Woodrow Developments Para 2.1 should refer to the emerging PPS3, C05/2005 Planning Obligations and Planning for Mixed Communities (Jan 2005). Emerging PPS3 refers to the betterment levy. PPS1, para 26 iv refers to resources for implementation, costs and realistic implementation. The Council's business plan should be public as the revised SPG is likely to stifle development rather than encourage it. The revised SPG should reflect genuine engagement with developers as set out in PPS12 para 4.4 where mediation between parties is encouraged.</p> <p>Bellway Homes. There is a danger that references to PPG3 and C6/98 will become obsolete when PPS3 issued. If there is conflict between the SPG and PPS3 presumably PPS3 will be given greater weight.</p> <p>Types of Social Housing to be Provided (Section 3)</p>	<p>Noted</p> <p>Noted</p> <p>PPG12 makes provision for SPG to be prepared to give further guidance to policies in a local plan. The local plan is being prepared in accordance with PPG12 and as the first draft of the SPG was published in June 2004, before the commencement date of the Planning and Compulsory Purchase Act 2004, the preparation of SPG rather than SPD is appropriate. The SPG is being prepared in tandem with the local plan and is programmed for adoption the week after the local plan is adopted. The start date for commencing the preparation of SPG does not have to wait until the local plan is adopted.</p> <p>Recommendation: No change</p> <p>The second sentence of para 2.1 refers to documents that have been of particular importance to the preparation of the SPG. It does not mean that other guidance has been ignored. The SPG is unlikely to stifle development if applicants are prepared to either deliver the Council's objectives in full or demonstrate that public subsidy is not available and the affordable housing being sought would make the development unviable. The SPG establishes the Council's objectives for affordable housing and it is accepted that public subsidy may be necessary to deliver them in full. The time when mediation will be particularly useful is assessing what level and type of affordable housing is appropriate on individual sites at the planning application stage in the absence of public funding.</p> <p>Recommendation: No change</p> <p>It is unfortunate that PPS3 has not yet been issued. If there is conflict between PPS3 and the SPG it is likely that PPS3 would be given greater weight. However, this will be assessed on the merits of the individual case.</p> <p>Recommendation: No change</p> <p>There is no inconsistency between the SPG and the local plan. Both refer to intermediate housing being particularly appropriate for key workers (para 8.70 of the local plan and 3.7 of the SPG).</p>

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<p>Bellway Homes considers that para 3.1 should refer to the inclusion of key worker housing within the scope of intermediate housing to be consistent with para 8.70 of the local plan and para 3.7 of the SPG.</p> <p>McCarthy & Stone and Persimmon Homes consider the separations for intermediate, shared ownership and key worker housing are inconsistent with the overall definition of affordable housing and take no account of deliverability or affordability. This section should identify the extent of the affordability gap between tenures and identify the true level of need to be met. This will require a full housing market assessment across all tenures.</p> <p>George Wimpey and Taylor Woodrow consider the SPG should promote a tenure blind approach where all forms are considered to be equally valid solutions. C6/98, para 2, refers to a mix and balance of house types to cater for a range of housing needs. A high proportion of social housing should be avoided as covered in C6/98.</p> <p>Social housing for rent (para 3.3)</p> <p>Bellway Homes note that the expectation that rents and service charges being below open market rates (para 3.3) will be difficult to achieve within peppercotting (where service charges higher) and if provided within converted listed buildings.</p> <p>Shared ownership housing (para 3.4)</p> <p>George Wimpey and Taylor Woodrow. Paragraph 3.4 notes that the initial equity on shared ownership housing can be as low as 25%. People on low incomes may not be able to upkeep their payments. 40% should be the minimum equity share. It is also essential that rent is charged on the unsold equity otherwise there are tax implications that can mitigate cost savings. The SPG should refer to rent being charged on the unsold equity.</p> <p>Intermediate market housing (para 3.6)</p> <p>George Wimpey and Taylor Woodrow. Para 3.6 lacks clarity. If houses are sold at 60% of their value they will benefit a lucky few; if it is through equity share rent is payable on the unsold equity. The 60% limit is arbitrary and should be removed. The limit should refer to an income</p>	<p>Recommendation: No change</p> <p>Section 3 of the SPG contains a description of the main tenures of affordable housing that are currently available. There is no need in this general description to refer to deliverability, affordability or the level of need.</p> <p>Recommendation: No change</p> <p>Policy H16 of the local plan requires the affordable housing provided to be of a size and type to meet local housing needs. An approach which simply left the tenure of affordable housing to be determined by individual developers on a case by case basis would be unlikely to result in affordable housing that met the needs of the district. Most need is for social houses for rent and 30% of all dwellings on a site in this category is not considered to be an unduly high proportion.</p> <p>Recommendation: No change</p> <p>No evidence has been presented to the Council to demonstrate that pepper potting in small clusters is more expensive to provide than in larger groups. Affordable housing within converted listed buildings will be a small proportion of the overall provision and affordable housing in such schemes can be considered on the basis of the merits of the individual case. It does not merit altering the guidance.</p> <p>Recommendation: No change</p> <p>The SPG is describing what can happen. The percentage share that a person can purchase is a matter for the RSL or housing provider. It is not appropriate for the SPG to try and determine the operational policies of those organisations. The SPG says that rent is often, but not always, payable on the unsold equity. This is correct.</p> <p>Recommendation: No change</p> <p>The SPG states that intermediate market housing will be subject to a legal agreement to ensure that the dwellings are always sold at a fixed percentage of their full market value. The properties will be affordable in the long term and no rent is payable on the 'unsold' equity. The 60% reflects the provision of free serviced land and the SPG refers to "about 60%" so there is flexibility.</p>

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<p>threshold.</p> <p>McCarthy & Stone and Persimmon Homes. The land value element for intermediate market housing may be 40% but will vary depending on the type, size and location of the unit being provided. Transferring the land at zero value may not be appropriate with an intermediate product and will depend on the affordability level that needs to be achieved.</p> <p>Key worker housing (para 3.7)</p> <p>George Wimpey and Taylor Woodrow. A broad definition of key workers would be welcomed. A cascade mechanism for nominations linked to funding should form part of the SPG possibly in place of para 7.3.</p> <p>McCarthy & Stone and Persimmon Homes consider that to define a key worker's affordability needs by reference to an income not exceeding 40% of the average house price commensurate with the size of household is a higher affordability threshold than in para 8.69 of the local plan which says that households should not have to spend more than 30% of their net income on housing costs. The higher threshold is supported, but it should apply to all intermediate products. If the Council means that different affordability thresholds will be applied to different income groups, this should be clarified.</p> <p>Special housing needs (para 3.8)</p> <p>Bloor Homes and Pinecrest Land consider that while a small percentage of affordable housing may be for special housing needs, large scale provision may affect the general characteristics of the development as a whole (para 3.8).</p> <p>Sites Suitable for Affordable Housing (Section 4)</p> <p>Bellway Homes. Para 4.1 should list which settlements have more than 3000 people.</p>	<p>Recommendation: No change</p> <p>The SPG refers to properties being sold at “about 60%” of their open market value and so is flexible to take account of the value of the land. If intermediate housing is being provided and if the overall affordable housing element is not viable without public subsidy this is one of the elements of the Council's affordable housing objectives that will need to be reconsidered in negotiations on individual applications.</p> <p>Recommendation: No change</p> <p>The Council's definition of key workers is contained in the first sentence of para 3.7 of the SPG. Nominations are subject to the choice based lettings scheme and subject to the rules of that scheme. It is not appropriate to try and change that scheme through the SPG.</p> <p>Recommendation: No change</p> <p>The reference to households not spending more than 30% of their net incomes on housing is a general figure for establishing the approximate rent levels for affordable housing in the district. This is quite different to an income not exceeding 40% of the average house price commensurate with the size of households for key worker housing. The latter is about the Council's policy for allocating key worker housing meant to address the excess of demand over supply. The two are not related and do not need to be consistent.</p> <p>Recommendation: No change</p> <p>Noted. However, some sites are appropriate for development mainly special needs – for elderly persons accommodation for example. The effect of such provision on the characteristics of the development as a whole and its surroundings will be taken into account at the planning application stage.</p> <p>Recommendation: No change</p> <p>Agreed, there should be a foot note to this effect which should also be included in para 2.3 which reproduces policy H16 of the local plan.</p> <p>Recommendation: Policy H16 in para 2.3 and the first sentence of para 4.1 should have a foot note against 3000</p>

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<p>Bellway Homes and Fairview New Homes. More guidance is needed in para 4.2 to set out more clearly how the Council will decide if a site has been subdivided to create separate schemes below the threshold. If any additional land becomes available it would not be viable to develop it if it had to take the affordable housing burden for the whole site. It would be unjustified if the later application was for a different developer/owner and could hinder achieving development on urban brownfield sites.</p> <p><u>Determining the Type, Mix and Design of Affordable Housing (Section 5)</u></p> <p>Bellway Homes. The reference to pre-application discussions in para 5.1 should be linked to a commitment by the Council to enter into the process in a meaningful and timely way in accordance with PPS1 para 12. The SPG should set out who the developer should contact and a timetable for a response.</p> <p>McCarthy & Stone and Persimmon Homes. Support the aims and objectives in paras 5.2 and 5.3.</p> <p>Bellway Homes. The tenure mix is too rigid and weighted towards housing for rent. 'Normally expect' could be replaced with 'has an aspirational target' in para 5.2.</p> <p>George Wimpey and Taylor Woodrow want para 5.3 revised to refer to "the precise <u>level and</u> mix will be considered"</p> <p>Sizes and types of residential mix (para 5.4)</p> <p>George Wimpey and Taylor Woodrow. The Council should not be prescriptive in para 5.4, it should encourage flexibility of sizes and types of affordable housing related to the provision of balanced communities, site suitability and economic viability.</p>	<p>people to state "Those settlements with more than 3000 people are Abingdon, Botley, Faringdon, Grove, Wantage and Kennington".</p> <p>It is accepted that land in a different ownership should not automatically be covered by this statement.</p> <p>Recommendation: Paragraph 4.2, third sentence, after "and an application is made on adjacent land" add "that was owned or controlled by the developer at the time planning permission was originally sought".</p> <p>The Council accepts that pre-application discussions are critically important and it takes a positive attitude to early engagement. It publishes a development team protocol and negotiations protocol. In relation to major planning applications, the Council is looking to introduce a procedure where the milestones of processing applications are agreed by the applicant and the Council at the outset.</p> <p>Recommendation: No change</p> <p>Noted</p> <p>The phrase "normally expect" is not rigid and para 5.3 refers to a range of factors that will be taken into account when determining the precise mix at the planning application stage.</p> <p>Recommendation: No change</p> <p>Para 6.9 of the SPG refers to the factors that will be taken into account where the Council accepts that the development cannot fund all the affordable housing requirements and the Housing Corporation is not in a position to allocate social housing grant when permission is granted. This refers to the level of affordable housing to be provided by number, type, size and tenure. No reference to the level of affordable housing is required in para 5.3.</p> <p>Recommendation: No change</p> <p>The table in para 5.4 is not prescriptive, the SPG states that it is a <u>general guide</u> to the sizes and types of affordable housing that will <u>normally be sought</u>. The table is an appropriate balance between building mixed communities and providing for local housing needs.</p>

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<p>McCarthy & Stone and Persimmon Homes. Not all sites will be able to accommodate the mix in para 5.4, especially, in high density flatted developments. The need for, and deliverability of, larger intermediate units is questioned bearing in mind local incomes and house prices. It is unduly restrictive and is not backed up by a sufficiently robust evidence base. The affordability gap is so wide there should be a much greater role for a range of intermediate housing products.</p> <p>Bellway Homes. The table of sizes and types of affordable housing is too rigid and should be deleted (para 5.4). It will not be appropriate if the site contains buildings that are to be converted or if the context of the site suggests that smaller dwellings will not be appropriate. If it is to be retained it should only apply to sites of over 100 dwellings which can define their own context in urban design terms.</p> <p>Bloor Homes and Pinecrest Land note that para 5.4 shows 67% of the affordable units to be two bedroom units or smaller. This is higher than the proportion suggested for Folly Farm at Faringdon.</p> <p>George Wimpey and Taylor Woodrow consider the 40% target and the tenure split to be a district target rather than specific for every site. C6/98 refers to flexibility when deciding tenures (para 15) and PPG3 says local authorities should avoid prescribing tenure (paras 6 and 9). Viability must also be considered so as to allow development to take place (C05/05 para B10). Planning for Mixed Communities seeks a different split if public subsidy is not forthcoming</p> <p>(para 16). Paras 6.4, 6.5 and 6.9 of the draft SPG are not consistent with this. The level, tenure and size and mix of affordable housing should be negotiated on a site by site basis taking account of public subsidy, viability and the need for mixed communities. This should be reflected in a single section of the SPG.</p> <p>Fairview New Homes object to the maximum of 40% flats on any development (para 5.5). It goes beyond the normal responsibilities of the Town and Country Planning Act and is an unreasonable imposition. It takes away the ability of the private sector to respond to market demands at any one time, establish an appropriate mix to make a scheme viable and respond innovatively in the context of environmental considerations.</p> <p>Design (para 5.6)</p> <p>George Wimpey and Taylor Woodrow. The draft SPG should</p>	<p>Recommendation: No change</p> <p>It is accepted that, for a variety of reasons, not all sites will be able to accommodate the preferred mix: this is why it is a <u>general guide</u> which will <u>normally be sought</u>. It is based on need and the provision of mixed and balanced communities.</p> <p>Recommendation: No change</p> <p>The SPG clearly states it is a general guide which can be varied if there are clear reasons why. There is no case to justify why the distribution proposed should only be applied to sites over 100 dwellings on urban design terms.</p> <p>Recommendation: No change</p> <p>The SPG is general guidance providing a basis for negotiation. The fact that one site may depart slightly from the general guide does not disprove its usefulness.</p> <p>Recommendation: No change</p> <p>The local plan and the SPG provide a common starting point for all negotiations. It is for developers to demonstrate why the 40% target is not feasible or desirable. The SPG is flexible in terms of tenure if there are sound reasons for departing from the Council's objectives and allows for a cascade mechanism in appropriate cases. This is clearly set out in paras 6.6-6.9 of the SPG.</p> <p>Recommendation: No change</p> <p>The SPG should clarify that the 40% refers to affordable dwellings, not the site as a whole. As flats are generally cheaper to provide developers are often keener for them to be used for affordable housing, so keeping the houses, which command a higher price, to be sold on the open market. However, as the majority of applicants eligible for properties with two or more bedrooms have children, it is appropriate to limit the number of flats provided for affordable housing wherever possible. The second sentence of para 5.5 states that on high density schemes in urban areas the Council is likely to accept a higher proportion of flats. The Council's approach does not restrict innovative design solutions.</p> <p>Recommendation: Paragraph 5.5, first sentence, after "a maximum of 40%" insert "affordable".</p>

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<p>differentiate between micro and macro pepperpotting, the latter, appropriate on larger sites would be in tranches of 35-40 units. This would be attractive to the affordable housing provider in terms of management and maintenance (C6/98, para 10 ii).</p> <p>Bellway Homes. Pepperpotting raises management problems for the RSLs and increases costs. Mixed communities can be secured if the affordable and open market housing share the same access road.</p> <p>Bloor Homes and Pinecrest Land object to meeting the standards of the RSL to which the housing is transferred (paras 5.6 and 7.4, fourth point). RSL standards vary considerably: the Housing Corporation essential standards should be sufficient.</p> <p>Financial Considerations (Section 6)</p> <p>Affordable rents</p> <p>Bellway Homes. Para 6.1 should be deleted. Rents are not a matter for the planning system. Where land values are higher than the norm then rents could be higher.</p> <p>McCarthy & Stone and Persimmon Homes. It is not clear what Government advice is being used to justify 30% net household income in para 6.1. The draft practice guidance for housing market assessments recommends 25% gross income as a measure to assess whether a household can afford a rented home. A household can afford a home that costs 3.5 times the gross income of a single earner or 2.9 times the income of dual income households. It would be helpful if the Housing Corporation target rent levels were included as in the first draft SPG.</p> <p>Bloor Homes and Pinecrest Land. Para 6.1 should give figures for household income levels or sources from which they will be obtained.</p> <p>George Wimpey and Taylor Woodrow. The Landlord and Tenant Act 1985 makes it clear that subsidisation of service charges is not possible. Developers should not cross subsidise affordable housing residents. Where they cannot pay the service charge agreement will have to be reached about the services that can be delivered for a particular price. As the SPG cuts across other legislation it should be changed (PPS1, para 30).</p> <p>McCarthy & Stone and Persimmon Homes. The reference to</p>	<p>Providing affordable housing in tranches of 35-40 units would not meet the requirements of local plan policy H16 to distribute the affordable housing evenly across the site.</p> <p>Recommendation: No change</p> <p>No evidence has been provided to show that pepper potting increases costs. Pepper potting is good practice. Mixed communities are not created by simply sharing the same access road.</p> <p>Recommendation: No change</p> <p>The minimum standards of the Housing Corporation are not necessarily those the Council considers desirable for affordable housing. For example some RSLs have higher energy efficiency standards than the Corporation which is particularly beneficial for people on low incomes.</p> <p>Recommendation: No change</p> <p>The social housing provided through the planning system must be affordable to local people as established by policy H16 of the local plan.</p> <p>Recommendation: No change</p> <p>The 30% comes from well established research by the National Housing Federation. The 25% is based on draft guidance that could change. The Housing Corporation's target rent levels are regularly updated and can be seen on the Corporation's web site as referred to in para 9.3 of the SPG.</p> <p>Recommendation: No change</p> <p>The SPG could refer to income levels being given in the Housing Strategy.</p> <p>Recommendation: At the end of para 6.1 add "Information on income levels will be given in the Council's annual housing strategy."</p> <p>The SPG refers to keeping service charges to an affordable minimum. It does not refer to cross-subsidy and does not contravene legislation.</p> <p>Recommendation: No change</p>

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<p>intermediate housing being no more than 150% of target rent levels is not related to affordability. The discounts on open market rents range from 11% for a one bedroom property to 35% on four bedroom properties which suggests inconsistency. Account should be taken of the affordability gap and which income groups would be helped or hindered by the restriction.</p> <p>Subsidies</p> <p>Bellway Homes. The reference to 'developers subsidy' should be deleted from para 6.3. The logical name for what is being described is 'vendor subsidy'.</p> <p>McCarthy & Stone and Persimmon Homes consider the maximum developer subsidy to optimise affordable housing delivery is zero land price as the land could not be brought forward with a negative value.</p> <p>Fairview New Homes object to the statement in para 6.5 that built dwellings should be transferred at a price that would enable target rent levels to be charged without public subsidy. The transfer price should at least reflect the partial cost of developing these units.</p> <p>McCarthy & Stone and Persimmon Homes. It is clear from the last two bidding rounds that the Housing Corporation's letter of 2003 means looking at what can be delivered without grant and what 'additionally' can be achieved with grant. The letter does not form part of their funding policy. The land value alone will not enable the Council's preferred tenure mix to be achieved. Funding is both necessary and available for affordable housing on S106 sites where 'additionality' can be demonstrated. The cascade approach is necessary so that if at the time of the affordable housing delivery, public finance is not available a baseline position is established ensuring that affordable housing will always be delivered. The approach has been supported by the Secretary of State at appeal (RAF Cardington and West of Stevenage).</p> <p>George Wimpey and Taylor Woodrow. C05/2005 states that planning permission should not be bought or sold or sold as a means of securing a betterment levy (B6 and B7). Para 6.5 of the SPG by seeking fully serviced land and possibly a cash subsidy appears to be seeking betterment. This is contrary to national planning guidance the paragraph and should be removed in its entirety. Local authorities seeking free serviced land has not been supported at appeal (e.g. Tewksbury and Elmbridge).</p> <p>Viability</p> <p>McCarthy & Stone and Persimmon Homes support the</p>	<p>There is no reference to 150% of target rent levels in the SPG.</p> <p>Recommendation: No change</p> <p>This refers to the developer selling the dwellings well below open market value. 'Developer' subsidy is a clearer term than 'vendor' subsidy.</p> <p>Recommendation: No change</p> <p>When assessing viability the Council looks at the site as a whole, not just the affordable housing element.</p> <p>Recommendation: No change</p> <p>The social housing provider will pay at least the capitalised rental stream which reflects the partial build costs.</p> <p>Recommendation: No change</p> <p>Words could be added to para 6.4 to clarify the position of 'additionally'. Para 6.9 of the SPG sets out the cascade approach.</p> <p>Recommendation: add to the last sentence of para 6.4 "and establishes in effect that the Housing Corporation through the social housing grant will purchase additional affordable units or a greater proportion of social rented units."</p> <p>C6/98 states that a community's need for affordable housing is a material planning consideration that can be taken into account when formulating development plan policies and determining planning applications. C05/2005 para B12 refers to planning obligations being used to secure the implementation of a planning policy. Paras B13 and B14 refer specifically to planning obligations to secure an element of affordable housing in residential and mixed use developments. The SPG is consistent with this advice.</p> <p>Recommendation: No change</p>

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<p>Council's approach to assessing viability and recommend that it is used in a positive way to inform what can be delivered on a site by site basis: a model is included to show how this could be done. The emphasis of para 6.6 should be changed to enable viability to be assessed at the site assessment stage and in the negotiation of a cascade mechanism if the level of funding is not achieved at any stage. Using developer profit from the open market element to cross subsidise the delivery of affordable housing would be directly contrary to the principles in Circular 05/2005 which at para B7 states that "planning obligations should never be used purely as a means of securing for the local community a share in the profits of development i.e. as a means of securing a betterment levy".</p> <p>Fairview New Homes consider that if independent advice is sought on viability the Council should pay from the standard application fee (para 6.6).</p> <p>Bellway Homes. The mechanism for assessing viability in para 6.6 is not realistic as developers will not put the price they have paid for the land in the public domain as this could be obtained by third parties through the Freedom of Information Act or the Environmental Information Regulations. Confidentiality of commercial information cannot be relied on given the public interest test.</p> <p>George Wimpey and Bellway Homes consider that paras 6.6 – 6.9 of the SPG should cover all aspects of the financial appraisal comprehensively including acquisitions, S106 costs, abnormal costs and the availability of grant. The SPG should be clear on this. The independent verification should be paid for by the Council, and the Council should not seek to influence developers overheads or profits or the price paid for land. A cascade mechanism is essential on large schemes where the Housing Corporation will not give a long term commitment to funding.</p> <p>Fairview New Homes consider that remediation of contaminated sites should not be classed as a standard development cost as this could discourage the redevelopment of certain brownfield sites (para 6.7).</p> <p>Commutated payments for off-site provision</p> <p>McCarthy & Stone and Persimmon Homes consider that para 6.11 contains contradictory statements. The formula for calculating commuted payments bears no relation to the provision of affordable housing on site through free or discounted land, does not allow the availability of public funding</p>	<p>Noted.</p> <p>Para 6.9 of the SPG refers to the cascade mechanism that will be used once it has been established that it would not be viable to provide the full affordable housing package without public subsidy. The second sentence of para 6.6 refers to applicants discussing viability well before a planning application is submitted. Paras B13 and B14 of C05/2005 refer to planning obligations being used to secure affordable housing.</p> <p>Recommendation: No change</p> <p>The SPG only requires the developer to pay when the independent advice shows the full provision of affordable housing to be viable.</p> <p>Recommendation: No change</p> <p>Under the Freedom of Information Act confidentiality of commercial information can be maintained and it would not be in the public interest in the long term to release it.</p> <p>Recommendation: No change</p> <p>The list of factors to be taken into account in para 6.6 when assessing viability is comprehensive. It does not include grants that may be available as they are only given to secure additionally above what can be provided on the site. The developers will only pay for independent advice when it shows the provision of affordable housing expected by the Council is viable without grant. The cascade mechanism is referred to in para 6.9 but it could refer to repeat applications to the Housing Corporation on larger sites.</p> <p>Recommendation: Para 6.9, add to the end of ii) "on every bidding round when there are dwellings remaining to be built or sold."</p> <p>Para 6.7 of the SPG states that reasonable remediation costs should have been reflected in the price of the land, but it is accepted that additional costs can arise that could not have been taken into account. The Council will not use the SPG in such a way as to discourage the redevelopment of brownfield sites.</p> <p>Recommendation: No change</p> <p>The Council's objective is to secure on-site provision of</p>

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<p>to be taken into account and is not deliverable. To achieve the Council's preference on a 30 unit scheme the commuted payment would be £3.2 million which is more than double the actual land value and is 61% of the gross development value of the site. The model supplied shows the figure to be £1.4 million. Setting the formula for shared ownership at 50% of the difference between the open market value and the capitalised rental stream is arbitrary integrate into the line above and bears no resemblance to the actualities of developing affordable housing products. The formula must be revised to reflect the over arching</p> <p>principles of the SPG.</p> <p>Ensuring the Affordable Housing Remains Affordable in the Future (Section 7)</p> <p>Social housing for rent or shared ownership (paras 7.1 – 7.2)</p> <p>George Wimpey and Taylor Woodrow, McCarthy & Stone and Persimmon Homes, Bloor Homes and Pinecrest Land. There are several references to affordable housing being delivered by RSLs including para 7.2. This conflicts with C6/98 (para 17) which says that local authorities should not specify which partners developers should use to deliver affordable housing and with changes to the grant funding regime where social housing grant (SHG) can be given to developers. The housing partner should be able to achieve best value for money and provide efficient management and maintenance. Where this is the case the Council should support applications for grant funding. The SPG should be amended to reflect diversity in the management and maintenance of affordable housing and the allocation of SHG. It should refer to the Council's objectives rather than the means by which to secure them.</p> <p>McCarthy & Stone and Persimmon Homes. Section 7 should be revised in the light of comments on earlier sections and the unrealistic expectations of legal agreements.</p> <p>Intermediate housing for rent or sale</p> <p>McCarthy & Stone and Persimmon Homes. Intermediate housing can usually be staircased out to 100%: this is a requirement of Housing Corporation funding unless the units are specifically in a rural area. If the Council intends to reap these receipts from RSLs this will affect the deliverability of the product. This needs clarification. What is the value of the property secured through the planning system: surely this should be the value of the subsidy?</p> <p>Legal agreements</p>	<p>affordable housing. The formula is based on the Council obtaining sufficient funds to enable the equivalent affordable housing to be provided on another site.</p> <p>Recommendation: No change</p> <p>Para 7.2 refers to the Housing Corporation's approved development partner when allocating social housing grant: it does not refer to RSLs. The SPG refers to the Council promoting partners that "have a good track record of high quality development and management of stock within the locality". This recognises the diversity of development partners and is not at odds with what the developers are seeking. Any inappropriate reference to RSLs will be changed.</p> <p>Recommendation: No change to para 7.2 but any inappropriate references to RSLs will be changed.</p> <p>Legal agreements will not be unrealistic if the proposals have been subject to viability assessments.</p> <p>Recommendation: No change</p> <p>The SPG is clear that the District Council will only seek to have the financial benefit secured through the planning system returned to it if a need no longer exists for a particular type of property and it cannot therefore be let. Intermediate properties which have been bought by the occupier ("stair casing") do not come into this category. If the property is owned by a registered social landlord they have to use the receipts from any sales for reinvestment in the housing stock. This could be clarified.</p> <p>Recommendation: Para 7.3, last sentence, after "property being offered" insert "either": at the end of the sentence add "or an alternative affordable unit should be provided in the</p>

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<p>Bloor Homes and Pinecrest Land presume that para 7.4 (second part) will not specifically state the price the RSL must pay for the properties for rent.</p> <p>Bloor Homes and Pinecrest Land, Fairview New Homes and Bellway Homes object to para 7.4 (third point) which states that the shared ownership dwellings should be transferred at 40% of the open market value as this will depend on the percentage of the initial equity share. It is unjustifiably low, is not consistent with the 60% for intermediate market housing and will affect viability.</p> <p>Fairview New Homes object to para 7.4 (fourth part) which requires eco-homes rating ‘very good’. This will affect viability. Eco homes rating of good is sufficient.</p> <p>McCarthy & Stone and Persimmon Homes accept that the aspirations for Housing Corporation scheme development standards and life time homes are desirable, but consider it is not appropriate to make them compulsory through planning agreements. They are unnecessary as the Housing Corporation insists on them as a precondition for funding. Where affordable housing is being achieved without public subsidy such requirements may not be appropriate. Aspiration should be tempered with practical and viability considerations on individual sites.</p>	<p>Legal agreements do not set a price, they give a general guide or formula to be used.</p> <p>Recommendation: No change</p> <p>The SPG does not say shared ownership dwellings should be transferred at 40% of their open market value, it says “at a cost that will enable the occupier to make an initial purchase of no more than 40% of the equity”. It is reasonable that intermediate market housing is transferred at a higher price as it will be available to people on higher incomes than shared ownership housing.</p> <p>Recommendation: No change</p> <p>Currently the Housing Corporation only gives social housing grant where the eco-homes rating is very good. A rating of ‘good’ would preclude grant funding. In the SPG it is not an absolute requirement as it is followed by the phrase ‘unless agreed otherwise by the Council’ which gives flexibility. In the future the Housing Corporation may change its requirements to the “excellent” rating. This should be reflected in the SPG.</p> <p>Recommendation: Para 7.4, fourth point, delete “eco homes rating very good” and insert “including the eco homes rating which at the current time is “very good” but may be increased to “excellent” in the future”.</p> <p>Homes that are not built to the appropriate standards will not be eligible for funding, so the area could miss out on public subsidy which would otherwise have been available. The SPG refers to “unless otherwise agreed by the Council” which gives the option to consider viability matters on individual sites.</p> <p>Recommendation: No change</p>
<p>Monitoring (Section 8)</p> <p>Bellway Homes. The commitment to monitoring is welcomed and should include delivery in settlements of less than 3000.</p> <p>McCarthy & Stone and Persimmon Homes to simply monitor the level, location and type of affordable housing achieved through the planning process will be insufficient to establish the effectiveness of the policy. The Council should monitor all affordable housing supplied and should record: the total size/density of the development; the number/percentage of affordable units achieved; size, type and tenure of the market units; the percentage equity sold and rent levels of the intermediate units; amount of public subsidy; reasons for deviation from policy; level of commuted sum payments and the</p>	<p>Noted.</p> <p>Most of the information referred to by McCarthy & Stone and Persimmon is collected by the Council. However, information on the percentage equity sold and rent levels of the intermediate units and the tenure of the market units is not. The Council should reflect further on the costs and benefits of collecting this information. The information that is collected falls into the general headings of the level, type and location of affordable housing and information to assess the effectiveness of the</p>

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<p>equivalent affordable housing represented; how the commuted payments have been spent; all other contributions to the affordable housing supply. This information should be kept up to date in real time rather than annually so that if the policy has an unacceptable impact on development volumes or does not achieve full provision the policy can be amended accordingly.</p>	<p>planning policies already referred to in the SPG. Most of the information is available at least every six months and does not need to be available on a “real time basis” as any changes to policy or practice will need to be based on an understanding of trends over a period of time.</p> <p>Recommendation: No change to the SPG, but keep the scope of information collected for monitoring purposes under review.</p>