

**North Warwickshire Local Plan**  
**Affordable Housing SPD**  
**Adopted June 2008**



**Affordable Housing**  
**Supplementary Planning Document**



**North Warwickshire**  
**Borough Council**

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\*To be updated annually

**Cover Photos – Colliery Heights, Affordable housing scheme at Baddeseley Ensor, courtesy of Family Housing Association**

## Section 1 Introduction

### What is the Purpose of the Document?

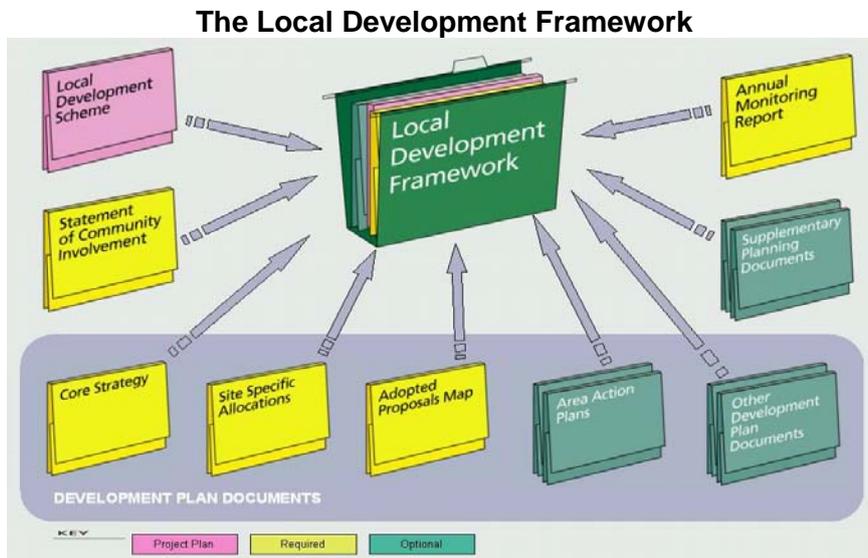
- 1.1 This Supplementary Planning Document (SPD) is designed to provide a practical guide to the implementation of the Borough Council's planning policies on affordable housing. This document provides detailed guidance on how the Borough Council will secure the delivery of affordable housing through Core Policy 8 & Policies HSG1 & HSG2 of the North Warwickshire Local Plan 2011 adopted in July 2006. Core Policy 8, Policies HSG1 & HSG2 are set out in Annexe 1. This document is seen as particularly important in giving landowners, developers and housing associations a clear idea of what is involved when providing affordable housing in the Borough of North Warwickshire. The main purposes of the document are to:
- Set out the practical requirements when applying policy.
  - Set out the process by which proposals will be considered.
- 1.2 This document contains guidance on the following:
- Developments where affordable housing will be sought (qualifying sites/thresholds)
  - The number of affordable homes
  - The size and mix
  - Standards and design
  - Timing of provision
  - Occupancy
  - Tenure
  - Delivery mechanism
  - Viability
  - Section 106 Agreements
- 1.3 The objectives of this guidance are:
- to deliver a better balance between affordable housing needs and the supply of affordable accommodation in North Warwickshire
  - to ensure the availability of a wide choice of housing types
  - to help sustain inclusive and mixed communities in both towns and villages.
- 1.4 The SPD does not contain any new policies but provides detailed guidance to supplement those relevant policies set out in the Borough Council's Adopted Local Plan, which now forms part of the Local Development Framework (LDF). Please note this document does not amend the adopted planning policies of the North Warwickshire Local Plan.
- 1.5 The SPD does not deal directly with Gypsy and Traveller needs and/or accommodation for pitches. This will be dealt with separately through the 2008 Gypsy and Traveller Accommodation Assessment and the emerging LDF Core Strategy Policies. Nevertheless, the SPD does enable the delivery of Affordable Housing that can, where required or necessary, service Gypsy and Traveller needs for settled, affordable built accommodation. The Council's Housing Strategy 2008-2011 will also address the issue of Gypsy and Traveller needs.

### What is the Status of the Document?

- 1.6 This SPD, has been Adopted under Regulation 19 of the Town and Country Planning (Local Development) (England) Regulations 2004. The Council formally approved it for Adoption on 19th February 2008. This SPD should be taken into account as a material consideration when Core Policy 8 and Policies HSG1 & HSG2 of the Local Plan are applied to planning applications for residential development.
- 1.7 This Adopted SPD forms part of the Local Development Framework and will be used as a material consideration in the determination of planning applications and will replace Section 1 of the Borough Council's Adopted Guidance on S106 agreements and any reference to affordable housing requirements contained within adopted Planning Briefs.

**How does it fit into Local Development Framework (LDF)?**

1.8 This SPD is one of a suite of other SPDs supporting the policies of Local Development Framework (see diagram below). The LDF contains a portfolio of planning documents, which provides the local planning authority’s policies and proposals for meeting the community’s economic, environmental and social aims for the future of their area. The main statutory documents are called Development Plan Documents (DPDs). This SPD deals specifically with issues surrounding the delivery and management of affordable housing, which includes homes provided through all forms of development. However, consideration must also be given to more generic policy and guidance, including other SPDs that affect all development. The Borough Council also produces a Housing Strategy that sets out its strategic housing policy and objectives, which is underpinned by the latest assessment of housing need and market conditions. The LDF and this SPD are also informed by the Community Strategy, known as the **North Warwickshire Sustainable Community Plan**, produced by the North Warwickshire Community Partnership comprised of representatives of local government, the police, health, education bodies, businesses, voluntary and community organisations. The Community Plan provides a long-term vision for the area with a shared commitment to carry out an action plan for the District.



The delivery of affordable housing will be monitored in the Council's Annual Monitoring Report and the contents of this SPD will be reviewed and amended as appropriate. The background information and tables in the Annexes will be updated annually.

**Sustainability / Strategic Environmental Assessment**

1.9 This SPD is covered by a Sustainability/Strategic Environmental Assessment (SA/SEA) for the Local Development Framework, which provides a framework for testing the document’s effect upon social, environmental and economic factors. This has been informed by a SA/SEA Scoping Report October 2006, which was prepared and consulted upon during January – March 2007.

## Section 2 Background

2.1 The need for affordable housing has been an issue particularly in the rural areas/settlements in the Borough for many years and led to the inclusion of a policy (Policy HSG4: Affordable Housing in Rural Areas) in the first North Warwickshire Local Plan (adopted in 1995) seeking affordable housing in or adjoining settlements in rural areas (where need had been demonstrated through a Local Housing Needs Survey). However, Borough wide Housing Needs Surveys including a Housing Needs Survey Update in 2003 revealed an increasing disparity between local house prices/rents and incomes and consequently an increase in the number of people unable to afford to buy or rent suitable market housing. Consequently, Core Policy 8 and Policies HSG1 & HSG2 of the North Warwickshire Local Plan 2011 were framed to secure an increase in the number of affordable homes by increasing the number of developments, which should include affordable housing, and increasing the number of affordable homes on those developments. This approach was examined at the 2004 Local Plan Inquiry and endorsed by the Inspector.

### What is our Local Housing Priority Need?

2.2 Fordham Research conducted an independent housing needs survey for the Borough in 1999, which was subsequently updated in 2003. This examined the number of households currently in need and those projected to fall into housing need in the future along with the projected affordable housing supply to estimate the total requirement for additional affordable housing to meet housing need.

2.3 The 2003 Housing Needs Survey Update identified a total annual affordable housing need amounting to 549 units. It estimated an annual supply of affordable housing of 246 units per annum, which results in a minimum estimate shortfall of 303 affordable units per annum. The Housing Needs Survey covered the Local Plan period up to 2011. The Council has also undertaken a Housing Market Assessment (HMA), in partnership with other sub-regional authorities. The HMA has confirmed a continued need for 281 Affordable units (per annum) over the RSS Preferred Option 2006-2026 period.

### The Need for Affordable Housing

2.4 Government guidance states that Local Authorities may ask for an element of affordable housing from housing developments where there is evidence of need. There are three sources of evidence to suggest that there is a need for affordable housing within North Warwickshire including the 2003 Housing Needs Survey.

#### i. **Public Consultation**

In the various consultations the Council undertook prior to placing the Local Plan on First Deposit people from most parts of the Borough described a need for affordable housing in their locality. They highlighted that there is a need to help retain young people as part of the community in which they have grown up and also a need to help the elderly stay in the community but to move to more suitable accommodation.

#### ii. **Housing Need Study 2003**

The second piece of evidence provides quantified numbers of housing need around the Borough. Fordham Research conducted an independent housing needs survey for the Borough in 1999, which was subsequently updated in 2003. This examined the number of households currently in need and those projected to fall into housing need in the future along with the projected affordable housing supply to estimate the total requirement for additional affordable housing to meet housing need. The 2003 Housing Needs Survey demonstrated the exceptional need for affordable housing in identifying a total annual affordable housing need amounting to 549 units (comprising an existing need of 116 units per annum plus a newly arising need of 433 units per annum). It estimated an annual supply of affordable housing of 246

units per annum, which results in a minimum estimate shortfall of 303 affordable units per annum. This figure represents more than 100% of the estimated annual new build in the Borough. Consequently the study has highlighted the need to secure as much affordable housing as possible. The Housing Needs Survey is available to view on the Borough Council's website.

- 2.5 The 2003 Study has also helped inform why there is a need for affordable housing in North Warwickshire by demonstrating the mismatch between wages and the cost of properties. Although the average gross household income in the Borough in 2003 was £23,487, the average income of taxable workers was £19,100, which was less than the national average. In contrast average property prices in 2003 ranged from £76,500 for 1 bedroom properties to £223,750 for 4 bedroom properties. Average rentals (The Cambridge Centre for Housing and Planning Research 2005) range from £350 to £600 per month (little changed from 2003 data). Households were therefore spending more than 30% of their income on accommodation. It is also clear that many households within the Borough, around three-quarters of those in housing need, cannot even afford the minimum price of general market housing. In 2004, at just over 65%, North Warwickshire Borough has the highest proportion of households earning less than the county average, with nearly a fifth of households in Atherstone Central ward earning less than £10,000, whilst 7% of households earn less than £5,000. Updated figures for 2006 now show even greater disparity with North Warwickshire average gross household income levels at £32,900, average individual taxable income at 23,400 (Warwickshire Observatory/CACI/ASHE Data), both below the County average, and average property prices for North Warwickshire (CV9 postcode area) in 2006 ranging from £120,000 for a flat and/or terraced property to £206,000 for a detached property, which is over 6.25 times the average household income.
- 2.6 The Study has also identified a need for the provision of special needs accommodation. 14% of all households in North Warwickshire contain one or more persons with special needs. In particular there are 2,182 households with a physically disabled person and a further 923 with frail elderly members.

iii. **Warwickshire Structure Plan (August 2001)**

The need for affordable housing was also considered in the Structure Plan, which has now been superseded by the RSS apart from five policies "saved" for a further 3 years. One of the superseded policies was Policy H2, which indicated that, based on evidence of local need and site suitability, 1300 affordable housing units should be sought in North Warwickshire between 1996-2011. Since 1996 only a small proportion of that affordable housing target has been met. This was partly due to the lack of appropriate policies in the Council's adopted Local Plan (1995) at that time and because of other priorities within the Council's housing management. In order to meet the indicative figure in the Structure Plan the majority of housing required for the remainder of the plan period would have to be affordable housing.

- 2.7 The Council aims to increase the number of affordable dwellings, addressing evidenced housing needs, meeting people and property needs across all tenures and redress imbalances in the housing market. These aims underlie the Council's Housing Strategy that is revised as necessary to reflect monitoring of the provision and need for affordable housing. The Borough Housing Needs Surveys and the Council's Housing Strategy are available at the Council Offices and on the Council's website ([www.northwarks.gov.uk](http://www.northwarks.gov.uk))

**Definition of Affordable Housing**

- 2.8. For the purposes of Local Plan Core Policy 8, Policy HSG1 & 2 and this SPD, "local affordable housing" in North Warwickshire is defined as:  
***"housing that relates to socially rented housing provided by a Registered Social Landlord (RSL), or housing of a similar standard that is available at an equivalent or lower cost (in terms of weekly or monthly repayments or rent)".***

It does not include 'low priced' or low cost housing, which is market priced housing at the bottom end of the price range. It does include social rented housing and intermediate housing i.e. shared ownership (New Build Homebuy) and discounted market housing for sale to first and subsequent purchasers in housing need at an agreed discount below full market value as long as the method of housing affordability is maintained in perpetuity. In appropriate circumstances, discounted private sector rented accommodation may also fall within the definition of intermediate housing provided the discount is preserved in perpetuity at an affordable level and arrangements are in place for properties to be let to local people in housing need. The definition could/can also accommodate the needs of Gypsy and Travellers for Affordable Accommodation when identified as part of the affordable need, whether through settled, built housing or land/sites for affordable pitches. The provision of pitches would, however, need careful control to ensure their availability and retention in terms of affordability and perpetuity. Provision and management through an RSL would be the preferred route as with social rented housing. The Gypsy and Travellers Accommodation Assessment 2008 deals with general accommodation needs.

- 2.9 The definition is effectively "tenure blind", the most critical issue being the comparability of the cost of the affordable housing with similar RSL provided housing. Comparable rental costs of RSL properties is included for guidance in Annexe 3. This data is updated annually and available on the Housing Corporation website and the Cambridge Centre for Housing and Planning Research (CCHPR) based within Cambridge University as follows;  
 Housing Corp - <http://www.rsrsurvey.co.uk/index.cfm?task=news&id=71&startrow=1#>  
 CCHPR - <http://www.dataspring.org.uk/projects/detail.asp?ProjectID=78>  
 The data in the Annexe will be updated annually to reflect inflation and increases/decreases in comparable RSL rental levels.

#### **Further Guidance**

- 2.10 More detailed advice on affordable housing in connection with a particular development proposal can be obtained from the Borough Council's planning and housing services and prospective developers are recommended to contact the Council at an early stage before submitting a planning application.
- 2.11 Where affordable housing is to be transferred to a Registered Social Landlord, (which is the preferred option) detailed discussions should be held with the RSL on housing layouts and specifications prior to the submission of a detailed planning application. Further information on design and space standards can be found in Annexe 4



Work commencing on the [Colliery Heights, Affordable Housing development at Baddesley Ensor, North Warwickshire.](#)

From left: Simon Liverage, Mansell Construction Services Ltd and Tony Cooke, Family Housing Board Member (photo courtesy of Family Housing association)

Work started on site (Aug 2006) to build 12 affordable properties, a mix of predominately semi-detached properties for low cost home ownership and rent on the site of the Maypole Pub in Baddesley Ensor. The Scheme has now been completed (September 2007) and substantially occupied (See Photo front cover).

Tim Sewell, Chief Executive for Family Housing said 'This development is quite unique for Family, in that all the homes have a restricted tenancy agreement. Anyone moving into the properties will need to have had direct association with the village for a period of time. Rural areas often find it difficult to attract funding for affordable housing, but by working with North Warwickshire Borough Council and our partners, we are extremely pleased that we will be able to provide the local community with much needed high quality, well designed and affordable homes.'

The scheme has been made possible with Housing Corporation funding via the West Mercia Housing Group and by using private finance. The properties were built in partnership with Mansell Construction Services Ltd, BM3 Architects and Walker Cotter Ltd.

### Section 3 Affordable Housing Requirements

#### Qualifying Sites (Thresholds)

- 3.1. In accordance with Core Policy 8 & Policy HSG1 (detailed in Annexe 1), affordable housing will be sought on allocated housing sites in the Local Plan. These are detailed and listed in Fig 1.
- 3.2. Policy HSG2 also seeks Affordable housing on all windfall sites that come forward on developments of 15 or more dwellings (or sites with a net developable area of 0.5 ha) in Atherstone/Mancetter, Polesworth/Dordon, and Coleshill and on developments of five or more dwellings (or sites with a net developable area of 0.2 ha) elsewhere in the Local Service Centres (See fig. 1). Where redevelopment is involved, the threshold will relate to the net increase in dwellings on the site. In other settlements with development boundaries defined on the Proposals Map (See fig. 1), housing development will be limited **only** to that for which a local affordable housing need has been identified (i.e. 100% affordable housing provision only will be acceptable on such sites).
- 3.3. The policy will be applied to all types of development where dwellings are proposed including retirement homes, Extra Care housing and sheltered housing but will not apply to institutions providing residential accommodation with care to people in need of such care such as nursing homes.
- 3.4. Where a housing proposal artificially minimizes the number of dwellings or the site area, through inappropriately reducing densities or subdividing sites into smaller areas below thresholds, to circumvent Core Policy 8 & Policy HSG2, planning permission may be refused on the basis that no provision is made for affordable housing. Similarly, where it is clear that the site could form part of a larger above threshold site, by including adjoining land not necessarily within the same ownership, but if combined would have clear potential for development, then affordable housing may be sought/justified on the basis of ensuring adequate community infrastructure and services are provided as part of a comprehensive, integrated development. In addition, the proposal will be scrutinised for its acceptability against other Local Plan Policies and considerations to ensure in particular that it makes the most effective use of land and deals with development in a comprehensive manner.

#### Number of Affordable Homes

- 3.5. In response to the high level of local housing need and subject to development viability, the Council will seek 40% affordable housing on all qualifying sites in the Main Towns, Market Town and Local Service Centres, in accordance with Policy HSG2 (See fig 1). Lower levels of provision on any site will only be accepted where it is clearly demonstrated that full provision would render a development unviable. The need to assess constraints on a site by site basis is recognised in the Local Plan Policy HSG2 through the use of the phrase '**but the precise amount will be determined having regard to site size, suitability, the economics of provision and the need to achieve a successful development**'. Outside of the Main Towns and Local Service Centres, in smaller settlements with development boundaries only 100% affordable housing is acceptable. Development within these settlements must be small in nature, reflecting the need, size and character of the settlement and in all cases be no more than 10 units.

Figure 1 Affordable Housing Provision expected:

<b>Main Town</b>		<b>Net Site Area</b>	<b>Total Numerical Monitoring target</b>	<b>Number Expected to be Affordable</b>
<b>Atherstone</b>				
Site 1	<b>Britannia Mill, Coleshill Road</b>	<b>0.4</b>	<b>56 units</b>	<b>22 units - 40%</b>
Site 2	<b>Phoenix Yard</b>	<b>0.64</b>	<b>55 units</b>	<b>22 units - 40%</b>
<b>Green Belt Market Town</b>				
<b>Coleshill</b>				
Site 3	<b>Father Hudson's, Coventry Road</b>	<b>2.48</b>	<b>150 units</b>	<b>60 units - 40%</b>
Site 4	<b>Land to the north of Birmingham Road</b>	<b>0.46</b>	<b>20 units</b>	<b>8 units - 40%</b>
<b>Main Town</b>				
<b>Polesworth</b>				
Site 5	<b>The Lynch (site now completed)</b>	<b>0.3</b>	<b>15 units</b>	<b>15 units - 100%</b>

Net Site Area Calculations based upon:

**Sites under 0.2 hectares = gross area**

**Sites between 0.2 and 1 hectare = gross area x 90%**

**Sites over 1 hectare = gross area x 75%**

#### **Site/Development Thresholds triggering an Affordable Housing requirement**

<b>Main Towns, Green Belt Market Town &amp; Local Service Centres</b> <i>All Housing Developments above the qualifying threshold</i>	<b>Local Plan Policy site qualifying threshold</b>	<b>Percentage Expected to be Affordable</b>
<i>Atherstone &amp; Mancetter, Polesworth &amp; Dordon and Coleshill</i>	<i>15 dwellings or 0.5ha site area and above</i>	<b>40%</b>
<i>Old and New Arley - (together, as a single network of villages)</i>	<i>5 dwellings or 0.2ha site area and above</i>	<b>40%</b>
<i>Grendon/Baddesley Ensor - (together, as a single network of villages)</i>		<b>40%</b>
<i>Hartshill with Ansley Common</i>		<b>40%</b>
<i>Kingsbury</i>		<b>40%</b>
<i>Water Orton</i>		<b>40%</b>

<b>Other settlements with a development boundary</b> <i>All Developments qualify including windfalls, infill, redevelopment (involving increased unit Nos.) and conversions subject to ECON9</i>	<b>Percentage Expected to be Affordable</b>
<i>Ansley, Austrey, Curdworth, Fillongley, Hurley, Newton Regis, Piccadilly, Shuttington, Shustoke, Warton, Whitacre Heath, Wood End</i>	<b>100%</b>

<b>Rural Area and Other settlements without development boundaries</b>	<b>Percentage Expected to be Affordable</b>
<i>Redevelopment (involving increased unit Nos.) and conversions involving housing subject to ECON9, excluding Agricultural Workers Dwellings</i>	<b>100%</b>

#### **Size and Mix of Affordable Homes**

- 3.6. The size and mix of affordable homes in terms of the number of bedrooms and flats/family houses should reflect the local need, unless physical or locational site constraints preclude

this from being applied, such as in town centre building conversions. The most up-to-date information on local need can be found in the latest Housing Needs Surveys and in the Council's Housing Register, included in Annexe 2, which records applications for both rented and intermediate affordable homes. Annexe 2 will be updated annually and gives a guide to the need by type of applicant and number of bedrooms for the Borough as a whole. Applicants should note, therefore, that a general emphasis only upon provision of one-bedroom flats when offering affordable homes is unlikely to meet the full range of local need and may not be considered to be a sustainable form of housing in the North Warwickshire context. Liaison with the Councils Housing Service is encouraged at an early date to establish the mix and type of local housing need. Affordable homes should be at least as large as market homes on the site with the same number of bedrooms. Minimum floor space requirements noted for RSL properties, identified in Annexe 3, should apply to affordable homes in **all** circumstances, regardless of method of delivery and management. In both rural and urban settlements conversions as well as new build can also make a valuable contribution to affordable housing.

- 3.7. The form of housing will also need to respect the character of the area and developments will need to satisfy the requirements in Policies ENV12, ENV13 and ENV14 of the Local Plan and any approved planning brief for the site. To minimize any potential for creating enclaves or ghettos of "Social Housing" to which stigma may be applied developments should include an overall mix of dwelling sizes and types, reflecting the need and 'peppercotted' throughout the estate development, where appropriate, rather than concentrated in a single location. This can be via individual units or cluster groups throughout an estate. On sites where there is 100% affordable housing different types and tenures should be mixed throughout the development.

#### **Standards and Design**

- 3.8. Design standards for affordable housing should be no lower than for market housing and the affordable housing should not be distinguishable by its external appearance. Homes that are to be transferred to the ownership of RSLs and/or part funded by Housing Corp Grants will need to satisfy any specific requirements for that form of affordable housing. This will normally require the housing to comply with the 'Code for Sustainable Homes' (Eco-Housing) minimum level 3 and/or similar BREEAM standards, "Lifetime Homes" standards and/or CABE 'Building For Life' criteria at agreed RSL accepted levels. Further details are available from the Housing Corporation Design & Quality Strategy and Standards documents at the following websites;  
[http://www.housingcorp.gov.uk/upload/pdf/Design\\_and\\_quality\\_strategy.pdf](http://www.housingcorp.gov.uk/upload/pdf/Design_and_quality_strategy.pdf)  
[http://www.housingcorp.gov.uk/upload/pdf/Design\\_quality\\_standards.pdf](http://www.housingcorp.gov.uk/upload/pdf/Design_quality_standards.pdf)  
 and are included in Annexe 4, outlining design requirements for RSL funded housing and Annexe 6, outlining standard terms for S106 legal Planning Agreements/Obligations. Future changes and improvements to design standards will be reflected in any review to the SPD and website updates will be reviewed annually.

#### **Timing of Provision**

- 3.9. Affordable housing should generally be provided at the same time as open market housing on a site. On large developments, where the cost of providing infrastructure may be substantial, the Council may permit the sale of a certain percentage of market properties before the sale or transfer of affordable housing with the remainder being sold or transferred in tranches/batches with the market housing. This will be negotiated on a site-by-site basis but will normally be in the region of 30% of open market properties for sites at or over 25 units. However, no development should take place until the affordable housing scheme has been approved and, if a RSL is involved, a contract has been entered into with the RSL and evidence provided to the Council of that contract.

#### **Occupancy**

- 3.10. Affordable housing should always be offered in accordance with the Council's nominations policy, detailed in the Councils Allocation Policy, which prioritises households who are living

in unsuitable or insecure accommodation, and newly forming households who have a local connection with North Warwickshire and who cannot afford to buy or rent housing of a suitable size on the open market in the Borough. The Council will wish to be satisfied that the occupancy criteria will be met and will require a Nominations Agreement to be in place with the RSL or affordable housing provider prior to commencement on site, providing the Council with 100% nomination rights for tenants at the initial letting stage and 75% nomination rights for subsequent re-lets. The Councils Allocation Policy will also apply to intermediate, shared ownership housing, where those on the Register and in identified housing need have indicated a preference for purchase over rental.

### **Eligibility**

- 3.11. In order that the housing caters for local needs the Borough Council will adopt a cascade approach. As such, affordable housing should initially go to those who live or work in the Parish or Ward where the housing development is taking place. Once demand is met from within the Ward those living in adjacent Parishes and Wards will be considered. Any remaining units will be offered to anyone living or working within North Warwickshire Borough who is in housing need, which can include those who have been offered a job in North Warwickshire and need to move into the area but cannot afford a house. As such they will need to provide proof of the job offer. Finally, if there are no eligible individuals from within the Borough the affordable units can be made available to adjoining local authority wards and subsequently the wider region (classed as the **County** under the Right to Acquire legislation). Annexe 6 dealing with standard clauses for S106 legal agreements give greater detail and information on both occupancy and eligibility criteria.

### **Tenure**

- 3.12. Affordable housing can be rented, owned with a discount in perpetuity or shared ownership/equity (New Build Homebuy) but in all cases will require a significant subsidy to make it affordable. The Housing Needs Survey demonstrates that the majority of households in need of affordable housing will only be able to afford to rent. The priority will therefore be the provision of rented housing through involvement of a RSL. However, subject to there being an identified need, private rented (maintained and managed as affordable in perpetuity) shared ownership and discount market housing will all be acceptable where the monthly/weekly cost is comparable to RSL levels in similar properties.

### **The Use and Role of Registered Social Landlords**

- 3.13 Registered Social Landlords (RSLs) are organisations registered with the Housing Corporation. Most are Housing Associations but they also include trusts, cooperatives and companies. Although they are run as a business they are non-profit making organisations and thus reinvest surpluses to maintain existing homes and finance new development. Government supports the use of RSLs in delivering affordable housing. This is because they are seen as ensuring probity and fairness in the allocation of affordable housing and are also an effective means of controlling initial and future occupancy. For these reasons it is the Council's preference that RSLs should be involved in the provision of affordable housing in new housing developments. Developers are encouraged to use the Council's preferred housing association partners. The contact details of these organisations can be found in Annexe 7. Where developers choose not to use these organisations and instead choose an alternative RSL or provide the affordable housing themselves they will need to satisfy the Council that the affordable housing can be satisfactorily provided and secured in perpetuity.
- 3.14 The role of the RSL is primarily to deliver and manage affordable housing but also in the acquisition, transfer and management of affordable housing delivered through planning applications. The RSL should preferably be either a partner or at least involved at the design and negotiation stage of a proposal, prior to application stage, to ensure any affordable housing delivered complies with their own standards. The Local Planning authorities role is to establish Planning Policy for the delivery of affordable housing and, at the preliminary enquiry or application stage to determine the proposal in accordance with the Plan Policy

and, where necessary, negotiate the level and type of affordable housing, in accordance with other strategies such as the Housing Strategy.

### **Developments within Main Towns, Market Towns & Local Service Centres**

- 3.15 Housing proposals within these settlements at or above the Plan Policy's target thresholds are expected to deliver a **minimum** of 40% affordable housing. On larger sites (both allocations and windfalls) the Council will seek the transfer of completed dwellings to an RSL to be made available at affordable rents or for shared ownership.
- 3.16 Social rented housing should form the majority tenure (about 96%) of the affordable housing delivered because most households in need of affordable housing will be unable to afford shared ownership or discount market housing options.
- 3.17 Shared ownership is welcomed in principle by the Council. To be acceptable, provision should be made for initial shares and rents to be affordable to those in housing need. Such housing will only become affordable locally if it compares in terms of standard (size / security of tenure / facilities) and monthly outgoings for rent / mortgage to the rent paid in the socially rented sector. Please see Annexe 3 for further guidance.
- 3.18 Where applicable Housing will need to be transferred to an RSL at a price that the RSL can pay as a capital sum financed by rents paid by tenants and by mortgage payments in the case of shared ownership. The amount payable will depend on the level of rent, which will reflect the size of the property and its location, and whether the property is rented or in shared ownership.

### **Developments in other Rural Settlements with a Development Boundary**

- 3.19 In addition to the above, in other settlements with a Development Boundary, classed as Category 4 settlements in the Local Plan (see Figure 1 above and Local Plan Appendix 2, Policy HSG2) the main issues are that;
- need has to be identified through an appropriate method, normally through a Parish/Ward Housing Needs Survey undertaken by the relevant Parish Council(s) in partnership with the Warwickshire Rural Community Council Housing Enabler, or an alternative, similarly robust evidence base, including assessment of alternative site availability,
  - the monthly outgoings/costings are equivalent to the RSL rental costs (for the type/size of dwelling proposed),
  - the land cost should reflect its existing use, e.g. such as agricultural value not open market housing value, as without the identification of need and policy exemption planning consent would not normally be forthcoming, thereby avoiding any expectation of using the affordable housing route as a method of achieving greatly increased land values, impacting on proposal viability, and
  - properties will be made available at the RSL comparable rental/cost in "perpetuity" i.e. to subsequent occupiers/tenants/purchasers.
  - Developments should be small in scale, of no more than 10 units.

There is no specific provision in the Local Plan for "Rural Exception Sites" as described in PPS3. However, the Policy HSG2 (criteria 5) requirement permitting 100% affordable housing only in proposals for Category 4 settlements, noted above, effectively operates as a Rural Exception Site policy, limited to the identified settlements only.

Creative methods of achieving affordable housing should be considered, which can include transfer of land to an RSL, creation of a Community Land Trust or the Parish Council themselves acting as a landlord or Rural housing manager and provider either on a charitable or private basis, as long as any rental/purchase costs are comparable with RSL costs. Information on some of the methods of delivering affordable housing are detailed in Annexe 5.

### **Method of Delivery/Provision**

- 3.20 The Borough Council will expect to secure affordable housing provision **on site** where open market housing is proposed in order to ensure mixed sustainable communities. National Planning Policy and Guidance notes that there is greater scope for securing affordable housing through off site-provision, developer contributions or “planning obligations”. However the Adopted Local Plan Policy does not specifically provide for alternatives due to the lack of alternative sites and the need to ensure mixed communities. Only in exceptional circumstances will the Borough Council accept that provision can be made on another site or through an alternative method. Alternatives to on-site provision should be discussed prior to the submission of a planning application in order to highlight any problems and allow alternatives to be thoroughly analysed and assessed.

### **Viability**

- 3.21 The provision of affordable housing will affect the value of land for residential development but will not generally render it uneconomic. However there will be some cases, particularly if existing use values are high or substantial remedial or infrastructure works are necessary, where lower provision of affordable housing may be justified.
- 3.22 The Council has no intention of making new development unviable but there will be a presumption that development will include full and appropriate provision for affordable housing unless it is demonstrated that it cannot do so. The onus is therefore on a developer to demonstrate that viability would be jeopardised. This will require a full economic appraisal of the costs of development and of returns from the sale of housing to show what sum (if any) could be made available for affordable housing. The appraisal should be presented on a residual land value basis taking into account all the costs of development including contributions to local infrastructure and services, the provision of affordable housing and the profit margin required by the developer. It should also include a valuation of the site in its existing use, not its purchase price or hope value. The appraisal should accompany the planning application or preferably form part of pre-application negotiations.
- 3.23 The Housing Corporation have developed an “Economic Appraisal Tool” to assist negotiation of S106 planning obligations and potential need for grant, which is available to use and download on the Housing Corp website. The Economic Appraisal Tool details the type of information expected from a developer in assessing the viability of a site proposal. Use of this Economic Appraisal Tool at an early stage in the planning process will assist housing developers to predict the viability of proposed levels of affordable housing and assist the Council in agreeing planning obligations. The tool is too lengthy and detailed to include in this SPD but is available to view at ;  
<http://www.housingcorp.gov.uk/server/show/ConWebDoc.8681> .
- 3.24 Where the Council needs independent advice to validate a viability appraisal the Council will expect reasonable costs to be borne by the developer. The confidentiality of the detailed figures in the appraisal will be respected but the conclusions will need to be reported to the Council and will be made public.
- 3.25 Where the Council is satisfied that viability would be jeopardised by full provision of affordable housing and taking into account any other planning contributions, it will consider supporting external subsidy to allow full provision on the site. Alternatively, consideration will be given to altering the mix of housing including size and tenure of units and to allowing financial contributions where provision of a whole unit could not be made. The number of affordable dwellings sought will be reduced if these measures are insufficient to make the development viable.
- 3.26 Applicants should not assume that public subsidy will be available when assessing viability and purchasing a site. RSL’s should be involved at an early stage of any development proposal requiring or involving affordable housing, preferably prior to site acquisition and submission of a planning application.

### Perpetuity

- 3.27 The issue of “Perpetuity” is problematic for the Local authority due to differences between Local Plan Policy and some areas of Housing legislation. Nevertheless the Council will expect all affordable housing to be controlled and retained as affordable in future use/sales through either Planning Conditions or Legal Section 106 Planning Agreements/Obligations. The supporting text to Core Policy 8 is nevertheless clear in that **all** Affordable Housing, provided via planning applications through the application of the Local Plan Policy, is expected to be maintained as such “in perpetuity” throughout the Borough regardless of location or settlement status.
- 3.28 However, there is a specific difference for rental and shared ownership properties between Rural and Urban sites where the Right to Acquire and Right to Buy legislation covering social rented and RSL affordable shared ownership/equity housing differs.
- 3.29 In brief, within designated “Rural” areas the Right to Acquire is suspended for tenants of previous Housing Associations (HA’s) properties or tenants transferring to HA’s under Council House transfer rules. These areas roughly correspond to rural parishes and settlements with less than 3000 population, but also cover the margins of some urban settlements. Where approval is given to Shared Ownership/equity properties within the rural areas, the amount that purchaser can staircase to is limited to 80%. The areas within North Warwickshire designated Rural for Right to Acquire Purposes are indicated in Statutory Instrument (SI) No. 620, ‘The Housing (Right to Acquire or Enfranchise)(Designated Rural Areas in the West Midlands) Order 1997’ and available to view at the Borough Council Planning Office.
- 3.30 Similarly the amount of equity a new purchaser (not previously a tenant) can staircase up to for a **new build** shared ownership affordable property is also restricted to 80% in these Rural areas. In the Rural Area the Council will expect RSL’s to include such staircasing restrictions within the shared ownership lease agreement in accordance with Housing Corporation guidance on Lease agreements and arrangements for all intermediate housing (shared ownership) and rentals, whether they be provided directly by the RSL or transferred to them from a private developer. Where the affordable housing is not to be transferred to, or managed by, an RSL the Council will seek to include such restrictions within a Section 106 Planning Obligation/Agreement.
- 3.31 The Council will also expect shared ownership schemes built in qualifying rural areas to be subject to “rural repurchase arrangements”. The repurchase arrangements allow a HA/RSL to buy a property back from an existing leaseholder to enable a resale to a local household in housing need. The aim of the programme is to retain low-cost housing in rural communities. The repurchase scheme operates on the basis that when a shared owner wishes to sell the property, the HA is able to repurchase it using Social Housing Grant (SHG), and is then able to re-sell on a shared ownership basis. HA’s must advise the HC that they want the scheme to be included in the rural repurchase arrangements at the time that SHG is confirmed, and by inserting an option to repurchase in the shared ownership lease at the time the lease is first issued and whenever a new lease is issued. Clauses granting the HA the option to repurchase are contained in the HC’s sample rural shared ownership lease. HA’s must include the option to repurchase clause in leases that provide for restricted staircasing. The right to repurchase does not affect the shared owner’s right to staircase and does not apply to shared ownership for the elderly.
- 3.32 Within urban areas these restrictions do not apply and tenants have the right to acquire their properties and shared ownership agreements can staircase up to 100% of the property. The theory is that the finance generated by these purchases will be re-invested into further affordable housing by the RSL/HA.

- 3.33 Similar legislation applies to Council tenants for the Right to Buy, but at present none of North Warwickshire Borough area is designated Rural for Right to Buy purposes.
- 3.34 In addition to any restrictions on Right to Acquire the Council will also seek to include restrictions within S106 Agreements to ensure perpetuity of provision for households in North Warwickshire in affordable housing need. The issue of perpetuity is clearly linked to the continuing need for affordable housing within the Borough. Only where clear, unequivocal evidence that a Borough wide or local need, including in adjoining local authority wards, no longer exists will the removal of any “perpetuity” restrictions on affordable housing be considered.

### **Section 106 Agreements**

- 3.35 The Council will generally expect affordable housing provision to be secured by a Section 106 Agreement. In very limited circumstances, the Council may use a planning condition. Examples of a planning condition and guidance on standard Heads of Terms to cover a range of options are set out in Annexe 6.
- 3.36 A ‘mortgagee-in-possession’ clause will only be acceptable where a RSL is involved and subject to a requirement that the mortgagee actively seeks to dispose of properties to other RSL’s approved by the Council before such a clause would apply.
- 3.37 The Heads of Terms of any Agreement will need to be established before determination of a planning application preferably prior to submission through negotiation and agreement with the Council. The Council will expect the developer to fund the cost of the Agreement and the costs of any transfer of land to the Council as well as to pay a contribution towards the costs of monitoring compliance. The Agreement will need to be completed before any planning permission is issued.

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## **4 Monitoring & Review**

- 4.1 The Council will monitor the provision of affordable housing and the effectiveness of planning policy, in conjunction with the annual review of local housing need and as part the Annual Monitoring Report submitted to Government. Information will be available on the Council’s website [www.northwarks.gov.uk](http://www.northwarks.gov.uk)
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**North Warwickshire Local Plan 2006**

Local Plan Core Policy 8, Policy HSG1, HSG2 &amp; HSG5

**CORE POLICY 8: Affordable Housing**

A minimum of 40% of dwellings completed in the period from 31<sup>st</sup> March 2004 to 31<sup>st</sup> March 2011 is to be in the form of locally affordable housing. Site-specific housing allocation and proposals together with the Plan's other housing policies are formulated to deliver, in combination, this overall proportion.

**Policy HSG1****HOUSING LAND ALLOCATIONS AND PROPOSALS**

- 1 The following site specific allocations and proposals are made to contribute towards meeting the residual housing requirement for the district during the period end March 2004 to end March 2011 expressed in Core Policy 7:

		Net Site Area	Total Numerical Monitoring target	Number Expected to be Affordable
<b>Atherstone</b>				
Site 1	<b>Britannia Mill, Coleshill Road</b>	<b>0.4</b>	<b>56 units</b>	<b>22 units (40%)</b>
Site 2	<b>Phoenix Yard</b>	<b>0.64</b>	<b>55 units</b>	<b>22 units (40%)</b>
<b>Coleshill</b>				
Site 3	<b>Father Hudson's, Coventry Road</b>	<b>2.48</b>	<b>150 units</b>	<b>60 units (40%)</b>
Site 4	<b>Land to the north of Birmingham Road</b>	<b>0.46</b>	<b>20 units</b>	<b>8 units (40%)</b>
<b>Polesworth</b>				
Site 5	<b>The Lynch (site now completed)</b>	<b>0.3</b>	<b>15 units</b>	<b>15 units (100%)</b>

Net Site Area Calculations based upon:

**Sites under 0.2 hectares = gross area**

**Sites between 0.2 and 1 hectare = gross area x 90%**

**Sites over 1 hectare = gross area x 75%**

- 2 An element of special needs accommodation will be sought on sites 1, 2 and 3 in accordance with Policy HSG5.

**Site 1: Britannia Mill, Atherstone**

The proposed mixed-use development of this site will bring back into use one of Atherstone's most important Listed Buildings. There is a requirement for most of the buildings, particularly those on the Coleshill Road frontage to be retained. The design of the development should reflect and respect the buildings Grade II status as well as its canal-side location. The Council would welcome and assist in seeking funding to support the development of a canal related tourist / heritage attraction as part of the development. The site would be suitable for the provision of low car-ownership housing, in particular elderly persons accommodation.

**Site 2: Phoenix Yard, Atherstone**

This is a key central redevelopment site within Atherstone's Conservation Area. The proposed development will be required to include the preservation or enhancement and re-use of the existing Listed Buildings on the site. There is a footpath crossing the site, which the development proposals will need to accommodate.

**Site 3: Father Hudson's, Coleshill**

This is a large, significant site located in the towns Conservation Area with substantial conversion and redevelopment opportunities. Any development will need to be in accordance with the Development Brief for the site, adopted in 2005, which incorporates strict design criteria reflecting the original layout

and building footprints on the estate. A Planning Agreement will seek improvement to the environment and community facilities within the town.

*Site 4: Land to north of Birmingham Road, Coleshill*

The development will involve restoration of the Listed Building on the site. A planning application has been approved for the conversion of this building into offices with housing being provided in the grounds but not directly adjacent to the Listed Building.

*Site 5: The Lynch, Polesworth*

The site is included as a proposal because the intended development had not progressed sufficiently for it to become a firm commitment at the Plan's base date. Work has commenced on the delivery of the site for 15 affordable units by an RSL.

## **Policy HSG2**

### **AFFORDABLE HOUSING**

#### ***Main Towns and the Green Belt Market Town:***

- 1 In Atherstone & Mancetter, Polesworth & Dordon and Coleshill an element of affordable housing will be sought in all developments that provide for 15 or more dwellings or involve sites of 0.5 ha or more irrespective of the number of dwellings.**

#### ***Local Service Centres:***

- 2 In the Local Service Centres of Kingsbury, Hartshill (including Ansley Common), Baddesley Ensor with Grendon, Water Orton, and Arley (Old and New) an element of affordable housing will be sought in all developments that provide for 5 or more dwellings or involve sites of 0.2 ha or more.**
- 3 The element of affordable housing sought in both of these categories of settlement will be expected to amount to 40% of total housing provision on the site concerned, but the precise amount will be determined having regard to site size, suitability, the economics of provision and the need to achieve a successful development.**
- 4 Where it is apparent that the site is a fragmented part of a larger whole, the thresholds and ratios in the foregoing clauses of this policy will be applied as if the proposal is for the larger whole.**

#### ***Other Settlements with a Development Boundary:***

- 5 New housing in other settlements with a Development Boundary will only be permitted where a need has been identified following systematic analysis involving the local community concerned, landowners and housing providers and will be limited to affordable housing that will remain available as such in perpetuity. Such development will be small in scale, of no more than 10 units.**

## **Policy HSG5**

### **SPECIAL NEEDS ACCOMMODATION**

- 1 An element of special needs housing will be sought in all developments (including the allocations and proposals sites in policy HSG1) that provide for 25 or more dwellings or involve sites of 1 ha or more irrespective of the number of dwellings.**
- 2 The amount of special needs housing sought will be expected to amount to 10% of the total housing provision on the site concerned, but the precise quantity will be determined having regard to site size, suitability, the economics of provision and the need to achieve a successful development. All or part of the provision may be absorbed within the 40% affordable housing requirement of policy HSG2.**

## **POLICY FRAMEWORK**

### **National Policy Framework**

Planning Policy Statement 3 – Housing (PPS3) – November 2006 and the companion document Delivery of Affordable Housing sets out guidelines on how to deliver appropriate levels and mixes of housing including a national indicative site size threshold of 15 dwellings for requiring a proportion of affordable dwellings.

### **Regional Policy Framework West Midlands Regional Spatial Strategy (RSS) - Adopted 2004**

The Regional Spatial Strategy for the West Midlands (RSS) was adopted in June 2004. The document was formerly known as the Regional Planning Guidance for the West Midlands (RPG11) and the name change was required by the new planning Act. It forms part of the statutory Development Plan. The purpose of the RSS is to guide the preparation of Local Development Frameworks and Local Plans and these documents must conform with the RSS. Local Authorities have to take into account the policies in the RSS and therefore planning applications are considered against these policies. The RSS is currently under review and will cover the period from to date up until 2026. This review will allocate the number of dwellings to be found in North Warwickshire over the plan period and update policies in relation to the provision of housing including affordable housing.

## **EVIDENCE BASE**

### **a. National Evidence**

#### **The Barker Review of Housing Supply - 2004**

In 2004 the Government commissioned Kate Barker to undertake a Review of Housing Supply in the UK. The findings were published in March 2004 and concluded the following:

- The UK has experienced a long-term upward trend in real house prices, 2.4 per cent per annum over the last 30 years. This has created problems of affordability. In addition, the volatility of the housing market has exacerbated problems of macroeconomic instability and has had an adverse effect on economic growth. To improve macroeconomic stability and deliver greater affordability for individuals a lower trend in house prices is desirable:
- In order to deliver a trend in real house prices of 1.8 per cent an additional 70,000 houses each year in England might be required.
- To bring the real price trend in line with the EU average of 1.1 per cent an extra 120,000 houses each year might be required.

As a result of these findings Barker made a number of recommendations, which included the following points:

- Government should set out a goal for improved market affordability.
- Additional investment building-up to between £1.2 and £1.6 billion per annum will be required to deliver additional social housing to meet projected future needs.
- Introduction of a Planning-gain Supplement to capture some of the development gains that landowners benefit from, to ensure that local communities share in the value of development.

## Annexe 2

### HOUSING NEEDS WAITING LIST/REGISTER May 2008 (Location Stated by Preference)

Parish	Settlement	Housing Need			Total Need Expressed	Percentage Need for Site Calculation		
		Family Housing (FH)	Other/Singles & Couples (OH)	Special Housing (Elderly/Disabled) (SH)		Percentage Family Housing (FH)	Percentage Other/Singles & Couples (OH)	Percentage Special Housing (Elderly/Disabled) (SH)
						Percentage of Total Need		
Ansley	Ansley Common	67	68	37	172	39	39.5	21.5
Atherstone	Atherstone	177	222	122	521	34	42.6	23.4
Coleshill	Coleshill	126	159	105	390	32.3	40.7	27
Corley	Corley	25	31	14	70	35.7	44.3	20
Curdworth	Curdworth	59	57	31	147	40.1	38.8	21.1
Dordon	Dordon	108	122	98	328	33	37.2	29.8
Fillongley	Fillongley	45	73	32	150	30	48.7	21.3
Hartshill	Hartshill	87	124	57	268	32.5	46.3	21.2
Hurley	Hurley	55	49	43	147	37.4	33.3	29.3
Kingsbury	Kingsbury (incl Picadilly)	119	110	79	308	38.64	35.71	25.65
Mancetter	Mancetter	99	137	76	312	31.7	44	24.3
Middleton	Middleton	32	29	15	76	42.1	38.2	19.7
Newton Regis	Newton Regis	41	34	17	92	44.5	37	18.5
Arley	Arley (New & Old)	61	65	67	193	31.6	33.7	34.7
Polesworth	Warton	55	59	29	143	38.5	41.2	20.3
Kingsbury	Wood End	97	98	69	264	36.74	37.12	26.14

Singles and Couples Housing will normally be restricted to one or two bedroom properties/units.

Similarly elderly/disabled housing will also normally involve one/two bed properties but can include larger 3+ bed properties in some circumstances, especially where Local/Parish Housing Needs Surveys have identified a specific need/lack or problem.

Family housing will normally be treated as three plus bedrooms, but can include two bed houses (not flats) as part of a larger development.

Nevertheless in such circumstances two bed houses should never make up the majority of the Family housing provision.

Parishes and settlements currently lacking either a Local/Parish Housing Needs Surveys or any identified need on the Housing Waiting Lists include;

**Polesworth (excluding Warton and Dordon Settlements) , Baddeseley Ensor/Grendon, Water Orton, Ansley, Austrey, Shuttington, Shustoke, Whitacre Heath.**

The above figures can be used as broad approximations of the type of housing required by settlement.

For instance in Atherstone a site including 20 affordable houses would have 8 Family houses (40%),

9 Singles/Couples units/houses (44%) and 3 elderly/disabled houses (16%).

## **RSL Payments for Transferred Housing and Discount Market Housing and Comparable Rental Levels**

### **Financial Contributions - Affordable Housing Pricing Policy Rented Housing (RSL)**

The price of housing varies across the Borough but RSLs have assessed the price that they can pay for different affordable house types and sizes in each price band **without the aid** of public subsidy. They are based on local incomes and house prices and are used in housing needs surveys. In addition the Government's regime of 'target rents' are also used and which are considered to be affordable and has been made using a series of detailed assumptions relating to, for example, market values, revenue costs, management costs, borrowing costs, and rents.

The payment for rented units will be equal to the residual amount that RSLs can raise against local target rents for each house type in each price band area. The payments will be increased by Retail Price Index plus 0.5% each year and appended to this SPD at the same time.

### **Intermediate Housing**

In order to address the very real issue regarding affordability in North Warwickshire, different intermediate housing (shared ownership and discount market housing) products should all be provided at the same overall cost to the occupier.

### **Shared Ownership (New Build Homebuy)**

Initial sales of shared ownership property need to be available at the entry level of 25% equity, with shares available for purchase within a range up to 80% to reflect the range of likely household income levels of eligible purchasers. The residual rent should be in the region of 1% of unsold equity. This approach is the only way of ensuring that the housing product remains affordable to those in housing need in North Warwickshire for the foreseeable future.

### **Financial Contributions - Serviced Plots on-site**

Where sites with all services and access to the site boundary are to be provided instead of the transfer of completed units, a commuted sum will also be required towards the cost of constructing affordable housing of the agreed mix. The contribution will be based on the cost of construction less what the RSL can pay for the different tenure types.

### **Off-Site Provision through Financial Contributions in Lieu of On Site Provision**

Off-site contributions will only be considered as **an exception to the Local Plan Policy**. Applications proposing such method will need to provide full financial justification and breakdown of any adverse, excessive on-site costs or design, location and housing reasons/issues that preclude on-site provision. Such applications may be affected by the "Call-In" procedure and at minimum any Approval Recommendation will require ratification by Full Council. The contributions (commuted sums) will be calculated on the basis of the equivalent contribution to on-site provision. For development that would have involved an RSL the commuted sums will be based on the full open market value of the agreed total of units less the payments which would have been made for the agreed tenure mix by the RSL for rented and shared ownership properties.

## Information on Housing Authority Rents in North Warwickshire

The tables below give information on rental values of Housing Associations who have properties within North Warwickshire.

### Comparisons between local RSL rental levels

At 2007 figures the range of Rental Levels in North Warwickshire by RSL are as follows;

Local Authority		One bedroom									
Local Authority	HA	net rent	s. chg	gross rent	n1	target rent	n2				
<b>North Warwickshire</b>											
L0020	Bromford										
L0409	Lha-Asra										
L4466	Midland Heart	64.35	4.28	68.33	43	54.86	38				
L0390	Orbit Ha	58.40	4.71	63.11	13	61.42	13				
LH0172	Servite										
L1666	Waterloo	55.14	4.49	59.43	66	55.37	66				
<b>North Warwickshire average/total</b>		<b>58.73</b>	<b>4.44</b>	<b>62.96</b>	<b>122</b>	<b>55.88</b>	<b>117</b>				
Two bedrooms						Three bedrooms					
net rent	s. chg	gross rent	n1	target rent	n2	net rent	s. chg	gross rent	n1	target rent	n2
						73.58		73.58	10	67.90	10
						71.31	1.70	73.01	60	68.70	60
76.58	2.52	78.22	120	64.53	109	80.33	1.34	80.47	111	70.21	103
67.72	1.98	69.70	11	70.17	11	69.20	1.43	70.63	10	80.26	10
		72.01	9	72.26	9	80.52		80.52	8	80.49	8
64.10	2.89	65.98	120	65.15	120	71.56	2.00	71.94	94	72.89	94
<b>70.29</b>	<b>2.66</b>	<b>71.99</b>	<b>260</b>	<b>65.36</b>	<b>249</b>	<b>75.06</b>	<b>1.68</b>	<b>75.64</b>	<b>293</b>	<b>71.34</b>	<b>285</b>
Four bedrooms						All sizes					
net rent	s. chg	gross rent	n1	target rent	n2	net rent	s. chg	gross rent	n1	target rent	n2
						73.58		73.58	10	67.90	10
						71.31	1.70	73.01	60	68.70	60
86.27		86.27	10	76.83	10	76.54	2.95	77.89	284	65.84	260
						64.59	2.86	67.45	34	69.79	34
						76.01		76.01	17	76.13	17
77.96		77.96	11	80.28	11	65.00	3.42	66.87	291	66.00	291
81.92		81.92	21	78.64	21	70.62	2.94	72.24	696	66.66	672

Source: © 2008 The Cambridge Centre for Housing and Planning Research  
Guide to Local Rents Social Landlord Rents in 2007

Monthly and annual rental values have been calculated using weekly rental values which can be found in the following documents:

- 2006 Values from Table B3 of “Guide to local rents 2006 Part II: Social Landlord Rents”
- 2005 Values from Table B3 of “Guide to local rents 2005 Part II: Social Landlord Rents”

These studies are available at [www.dataspring.org.uk/projects/detail.asp?ProjectID=78](http://www.dataspring.org.uk/projects/detail.asp?ProjectID=78) (accessed on 17 January 2007)

Year	Rental Period	Average Rent	Rental Range	
			Bottom of Range	Top of Range
<b>One Bedroom Properties</b>				
2006	Per Week	£60.67	£57.64	£65.21
	Per Month	£262.90	£249.77	£282.58
	Per Annum	£3,154.84	£2,997.28	£3,390.92
2005	Per Week	£57.20	£54.98	£60.57
	Per Month	£247.87	£238.25	£262.47
	Per Annum	£2,974.40	£2,858.96	£3,149.64
<b>Two Bedroom Properties</b>				
2006	Per Week	£67.96	£62.84	£74.96
	Per Month	£294.49	£272.31	£324.83
	Per Annum	£3,533.92	£3,267.68	£3,897.92
2005	Per Week	£63.57	£58.55	£70.54
	Per Month	£275.47	£253.72	£305.67
	Per Annum	£3,305.64	£3,044.60	£3,668.08
<b>Three Bedroom Properties</b>				
2006	Per Week	£71.29	£63.32	£79.01
	Per Month	£308.92	£274.39	£342.38
	Per Annum	£3,707.08	£3,292.64	£4,108.52
2005	Per Week	£69.80	£63.78	£76.88
	Per Month	£302.47	£276.38	£333.15
	Per Annum	£3,629.60	£3,316.56	£3,997.76
<b>Four + Bedroom Properties</b>				
2006	Per Week	£80.25	£75.11	£85.39
	Per Month	£347.75	£325.48	£370.02
	Per Annum	£4,173.00	£3,905.72	£4,440.28
2005	Per Week	£77.66	£73.33	£81.98
	Per Month	£336.53	£317.76	£355.25
	Per Annum	£4,038.32	£3,813.16	£4,262.96

All values are Gross Rent inclusive of service charge

### Mortgage Outgoings

For monthly mortgage outgoings to be comparable with outgoings associated with RSL rents, they would need to be within the range of:

1 bedroom properties:	£249.77 - £282.58
2 bedroom properties:	£272.31 - £324.83
3 bedroom properties:	£274.39 - £342.38
4+ bedroom properties:	£325.48 - £370.02

Converting these monthly costs to approximate mortgage outgoings gives some indication of house values that could be purchased. The calculations below are based on a first time buyer with a 5% deposit wanting a mortgage with no reservation fee (or added to loan), for 25 years based on 3 yr fixed rate and standard Base Mortgage Rate. Assessed as at 20-05-2008. All information taken from the mortgage calculator on [www.nationwide.co.uk](http://www.nationwide.co.uk).

House Value	Deposit Value	Mortgage Requirement	Monthly Outgoing	Rate	Mortgage
70,000	3500	66,500	£448.95	6.45% fixed	3 year fixed rate
65,000	3250	61,750	£417.02	6.45% fixed	3 year fixed rate
60,000	3000	57,000	£385.10	6.45% fixed	3 year fixed rate
55,000	2750	52,250	£353.17	6.45% fixed	3 year fixed rate
50,000	2500	47,500	£321.25	6.45% fixed	3 year fixed rate
45,000	2250	42,750	£289.33	6.45% fixed	3 year fixed rate
40,000	2000	38,000	£257.40	6.45% fixed	3 year fixed rate

70,000	3500	66,500	£448.60	6.49% variable	Base Mortgage Rate - Repayment
65,000	3250	61,750	£416.55	6.49% variable	Base Mortgage Rate - Repayment
60,000	3000	57,000	£384.51	6.49% variable	Base Mortgage Rate - Repayment
55,000	2750	52,250	£352.47	6.49% variable	Base Mortgage Rate - Repayment
50,000	2500	47,500	£320.43	6.49% variable	Base Mortgage Rate - Repayment
45,000	2250	42,750	£288.38	6.49% variable	Base Mortgage Rate - Repayment
40,000	2000	38,000	£256.34	6.49% variable	Base Mortgage Rate - Repayment

**Bank of England's base lending rate** was 5.00% as at 10/05/2008

The tables in Annexe 3 will be updated annually to reflect changes in incomes, house prices, rents and interest rates.

## RSL Housing Space and Design Standards

Waterloo and Jephson Housing Associations, two of the Housing Associations that the Borough Council work with, have provided information on the size of dwellings their organisations usually deal with.

Waterloo Housing Association will consider individual dwellings for approval, but generally work from the following minimum floor areas:

1B2P Ground Floor Flat: 45 m <sup>2</sup>	3B5P House: 81 m <sup>2</sup>
1B2P First Floor Flat: 50 m <sup>2</sup>	4B6P House: 105 m <sup>2</sup>
2B3P Ground Floor Flat: 50 m <sup>2</sup>	1B2P Bungalow: 45 m <sup>2</sup>
2B3P First Floor Flat: 55 m <sup>2</sup>	2B3P Bungalow: 55 m <sup>2</sup>
2B4P House: 71 m <sup>2</sup>	2B3P Wheelchair Bungalow: 71 m <sup>2</sup>

Jephson Housing Association work to a floor area of 41m<sup>2</sup> for a 1-bed property and they would have concerns with anything less than this. They have in the past however taken units below this level but not to the degree of 35m<sup>2</sup>, and they note that at 35m<sup>2</sup> and below the usual arrangement would be for key worker / student accommodation in a cluster arrangement. With increasing design standards and “Lifetime” home issues the figures above will need annual updating/reviewing.

The following information outlines the basic standards for RSL housing that is provided wholly or partly through Housing Corporation Grant and/or via transfer to an RSL from a private developer. All affordable housing, regardless of whether it is expected to transfer to RSL management/ownership

### Housing Corporation - Housing Design Strategy & Standards

#### Building For Life

<http://www.cabe.org.uk/buildingforlife.aspx?contentitemid=388&aspectid=15>

Building for Life is committed to the quality of new housing development. It is an initiative which promotes design excellence and celebrates best practice in the house building industry.

#### Housing Corporation Design & Quality Standards

<http://192.168.21.114/server/show/ConWebDoc.10783>

The Design and Quality Standards (D&QS) sets out the Corporation’s requirements and recommendations for all new homes which receive Social Housing Grant.

#### Housing Corporation Design & Quality Strategy

<http://192.168.21.114/server/show/ConWebDoc.10782>

The Corporation’s overarching design and quality strategy sets out the importance of design and quality within the context of delivering the Corporation’s overall corporate objectives and targets.

#### The Code for Sustainable Homes

<http://www.communities.gov.uk/index.asp?id=1506120>

The Code is the national standard for the sustainable design and construction of new homes. It is a voluntary star rating system that shows the sustainability of a new home as a complete package.

The Code for Sustainable Homes (CSH) is based on Ecohomes Standards(now succeeded). Future funding for developments from the Housing Corporation will have to comply with level three of the new Code.

The Code replaced EcoHomes Standards for new homes in England from 1st April 2007 and will run as a fully functional scheme with a network of Licensed Assessors ready to provide Code certification from Spring next year.

The Code identifies new mandatory levels of performance across six key areas - energy efficiency, water efficiency, surface water management, site waste management, household waste management, and use of materials.

Under the Code compliance should be reviewed at the design stage, and final certification carried out upon completion of construction (under EcoHomes most homes were certified at the Design Stage). New points for **Lifetime** Homes, Security and Zero Carbon Technologies have been added and only the EcoHomes transport credits have been omitted. EcoHomes standards will continue to be used to assess refurbished and existing homes in England and new homes in Scotland and Wales where the Code does not apply.

**The Code for Sustainable Homes** provides a comprehensive measure of the sustainability of new homes, ensuring that sustainable homes deliver real improvements in key areas such as carbon dioxide emissions and water use.

The Government's ambition for the Code is that it becomes the single national standard for the design and construction of sustainable homes, and that it drives improvements in home building practice.

The Code is based on EcoHomes© (Yates et al, 2004). It was launched in December 2006 with the publication of *Code for Sustainable Homes: A step-change in sustainable home building practice* (Communities and Local Government, 2006). The Code became operational in April 2007 in England, and having a Code rating for new build homes mandatory, from 1st May 2008. This mandatory requirement comes into effect for all developments where a local authority has received a building notice, initial notice or full plans application after 1st May 2008.

The Code for sustainable homes covers nine categories of sustainable design including:

- Energy and CO2 Emissions
- Water
- Materials
- Surface Water Run-off
- Waste
- Pollution
- Health and Wellbeing
- Management
- Ecology.

The Code for Sustainable Homes is an environmental assessment rating method for new homes which assesses environmental performance in a two stage process (Design stage and Post-construction) using objective criteria and verification. The results of the Code assessment are recorded on a certificate assigned to the dwelling.

The Code differs from EcoHomes© by:

- Rating dwellings on a scale from Level 1 to level 6, where level 6 is the highest
- Assessing individual dwellings instead of groups of dwellings
- Establishing minimum mandatory standards for CO2 emission rates, indoor water use, materials, waste and surface water run-off, for achieving even the lowest level of the Code
- Demanding higher minimum mandatory standards for CO2 emission rates and indoor water use, to achieve Levels 2 to 6 of the Code
- Requiring compliance with the Lifetime Homes criteria to achieve Level 6 of the Code
- Assessing dwellings at both the design (DS) and post construction (PCS) stage
- Awarding final Code certificates after the post construction assessment has been carried out
- For dwellings which do not achieve the minimum Code rating, a certificate is issued which shows a summary of the performance achieved, but does not show a rating from 1 to 6
- For dwellings which are not assessed, a nil-rated certificate is issued.

For more information contact:

**The BREEAM Office**  
**01923 664462**

### **BREEAM Buildings (Building Research Establishment Environmental Assessment Method)**

The BREEAM assessment process was created in 1990 with the first two versions covering offices and homes. Versions are updated regularly in line with UK Building Regulations and different building versions have been created since its launch to assess various building types.

These versions essentially look at the same broad range of environmental impacts:

- Management
- Health and Wellbeing
- Energy
- Transport
- Water
- Material and Waste
- Landuse and Ecology
- Pollution

Credits are awarded in each of the above areas according to performance. A set of environmental weightings then enables the credits to be added together to produce a single overall score. The building is then rated on a scale of PASS, GOOD, VERY GOOD or EXCELLENT and a certificate awarded to the development.

## **Lifetime Homes Standards**

The Lifetime Home Standards are the result of careful study and research. They apply to both the interior and exterior of the home. There are 16 design features that make up the standards. Each of the 16 design features is valuable in itself, but a Lifetime Home is incomplete without all of the standards.

A wheelchair turning circle was chosen as the benchmark for a good space requirement. This is true for parents with small children, people with bikes or bags of shopping. Accessibility is for everyone, not just people who use wheelchairs.

### **The 16 Lifetime Home Standards design features;**

#### **Car Parking**

1. Where car parking is adjacent to the home, it should be capable of enlargement to attain 3.3m width.

#### **Access from Car Parking**

2. The distance from the car parking space to the home should be kept to a minimum and should be level or gently sloping.

#### **Approach**

3. The approach to all entrances should be level or gently sloping.

#### **External Entrances**

4. All entrances should be illuminated, have level access over the threshold and have a covered main entrance.

#### **Communal Stairs**

5. Communal stairs should provide easy access and, where homes are reached by a lift, it should be fully accessible.

#### **Doorways & Hallways**

6. The width of internal doorways and hallways should conform to Part M, except that when the approach is not head on and the hallway width is 900mm, the clear opening width should be 900mm rather than 800mm. There should be 300mm nib or wall space to the side of the leading edge of the doors on entrance level.

#### **Wheelchair Accessibility**

7. There should be space for turning a wheelchair in dining areas and living rooms and adequate circulation space for wheelchairs elsewhere.

#### **Living Room**

8. The living room should be at entrance level.

#### **Two or more storey requirements**

9. In houses of two or more storeys, there should be space on the entrance level that could be used as a convenient bed space.

#### **WC**

10. In houses with three bedrooms or more there should be a wheelchair accessible toilet at entrance level with drainage provision enabling a shower to be fitted in the future. In houses with two bedrooms the downstairs toilet should conform at least to Part M.

#### **Bathroom & WC Walls**

11. Walls in the bathroom and WC should be capable of taking adaptations such as handrails.

#### **Lift Capability**

12. The design should incorporate provision for a future stair lift and a suitably identified space for a through the floor lift from the ground floor to the first floor, for example to a bedroom next to the bathroom.

#### **Main Bedroom**

13. The design and specification should provide a reasonable route for a potential hoist from a main bedroom to the bathroom.

#### **Bathroom Layout**

14. The bathroom should be designed for ease of access to the bath, WC & wash basin.

#### **Window Specification**

15. Living room window glazing should begin no higher than 800mm from the floor level and windows should be easy to open/operate.

#### **Fixtures & Fittings**

16. Switches, sockets, ventilation and service controls should be at a height usable by all (i.e. between 450 and 1200mm from the floor).

By meeting Lifetime Homes standards, developers and builders can ensure all of Part M of the Building Regulations and the Housing Corporation Scheme Development Standards are met.

**For more information you can download a copy of the Lifetime Homes booklet at the following link:**

[http://www.lifetimehomes.org.uk/lifetime\\_docs/LTH%20Booklet.pdf](http://www.lifetimehomes.org.uk/lifetime_docs/LTH%20Booklet.pdf)

## Types of Affordable Housing Schemes

### A guide to the main kinds of affordable housing

**\* Please Note that the Adopted Local Plan Policies still govern whether housing provided via the following schemes and types of housing are actually “Locally Affordable”, as defined in the Plan. To be classed as “Locally Affordable” the housing has to be made available at a monthly cost comparable to the average RSL rental for a similar property, regardless of the type of scheme or method used to provide the Affordable Housing element of any Planning Proposal.**

#### 1. Affordable Rental

##### Housing Association/Registered Social Landlord (RSL) Tenant

Housing associations/RSL's provide housing for many different sectors of the community. They always seek to help the most disadvantaged. These may be people who cannot get local authority housing because there is not enough, or because they do not qualify. Other associations may specialise in providing housing for younger single people, or for those who need special support – for example, people with mental illness or drug problems. Some associations build homes for low cost home ownership. In these schemes, the buyer owns a proportion of the home, and rents the remaining share from the association.

In the GB the rent levels of local authorities and housing associations (RSLs) are regulated. Local authority rents are broadly linked to local variations in both earnings and capital values, while aggregate RSL rents are more strongly linked with regional variations in earnings.

#### 2. Council House Tenant Accommodation

This is public social housing/accommodation provided and operated by Councils for the benefit of the local population at rents set at a level below the market rent (influenced by the housing subsidy and grant systems), which are in the process of “convergence” with RSL rental levels, under recent legislation (2002). (Local authority rents are broadly linked to local variations in both earnings and capital values, while aggregate RSL rents are more strongly linked with regional variations in earnings).

Council housing may be: a house or flat, supported accommodation, or sheltered accommodation.

Anybody aged 16 years or over can apply to be placed on the Council's Housing Register. Each application for Council Housing will be assessed on a needs basis.

There are four bands in which applications will be placed:

- Band A for those with an urgent housing need
- Band B for those with a high need to be re-housed
- Band C for those with a general need but who have a local connection to the Borough
- Band D for all other applicants.

Within each band applications are placed into one of three groups:

- Special housing [bungalows and sheltered schemes]
- Family housing [houses and larger flats or maisonettes]
- Other accommodation [flatlets and flats]

These reflect the type of accommodation best suited to an applicant's needs. Some applicants may request more than one type of accommodation. Their request will be considered in accordance with the Council's duty to make the best use of its stock.

In addition you can be offered accommodation as appropriate by nomination to a Registered Social Landlord (Housing Association).

#### 3. Temporary Social Housing (TSH)

Social housing for rent, provided by RSLs specifically to bring private sector property back into use, property awaiting redevelopment, or space that would otherwise remain empty, eg over shops. TSH grant is made available according to length of Lease (2 and 29 years) and most viable for in excess of 15-year terms. Occupants are Council nominees from the housing register.

#### 4. Shared Ownership (shared equity)

Usually a new property normally made available by RSLs at 50% of the Open Market Price and on a 99-year Lease. A housing association, developer, Trust, or the council holds the Freehold, retaining 50% ownership and charging a subsidised rent for that part of the equity. Most shared owners can “staircase upwards” ~

meaning they can increase the level of their ownership ~ and ultimately buy-out the Freehold. In rural communities with a population of 3,000 or less, 'Staircasing' can be restricted to a maximum 80% ownership. Shared Ownership Schemes include the following;

### **HomeBuy schemes**

The Government has introduced a scheme, branded as HomeBuy, to help people get a foot on the property ladder. This includes the new expanded Open Market HomeBuy, launched by the Government on 2nd October 2006. A grant or equity loan covers 25% of the cost of purchasing a property, which can be a new property but is usually an existing one from the open market. Homebuy is different to standard Shared Ownership schemes in that the occupant owns 100% of the property, but only pays 75% of the cost. A Homebuy purchaser needs a mortgage (together with any savings) to cover 75% of the purchase price. A legal charge on the property protects the 25% subsidy.

Whenever the property is re-sold, the occupant must repay 25% of the (then) sale cost and can keep any profit made on 75% of the sale price. The repaid Homebuy grant can be used again to help another Homebuyer.

There are three parts to the HomeBuy scheme:

**New Build HomeBuy**, where you share ownership of your home with a housing association;

**Social HomeBuy**, where housing association and local authority tenants are helped to buy their current home. Social HomeBuy allows social housing tenants to buy their current home either outright or on shared ownership terms with the benefit of a discount. To do so, their landlord must have decided to take part in the scheme;

**Open Market HomeBuy**, where you part-buy a property and get a loan from the Government for the rest. This latter scheme is classed as a "Shared Equity" scheme;

In addition there is now the **First Time Buyers Initiative**.

The First Time Buyers Initiative aims to give more people the opportunity to own their own homes by increasing the supply of affordable housing for sale. It is being delivered through [English Partnerships](#), the national regeneration agency.

It is a shared equity scheme that aims to help eligible first time buyers to buy a share in a new home. They must buy at least half of the property, and English Partnerships will retain the rest. After living in the home for three years, buyers will pay a charge to English Partnerships based on a percentage of the equity they don't own.

### **5. Fixed Equity ~ also known as Retained Equity**

This is the same as shared ownership except that the initial level of ownership is fixed at a given percentage, usually much higher than 50% and typically 80%, and there is no 'staircasing' to increased ownership.

### **6. Discounted Open Market Sale ~ also known as Resale Covenant Housing**

Typically these are new 'starter homes' on new developments and sold at a price below open market value. The cost is expressed as a discount of up to 30%. A legal covenant requires that whenever the property is sold in the future, it must first be offered to people nominated from the Council's housing register. It is always sold at the future value, less the same percentage of discount that was originally given. This kind of affordable housing relies on it being provided at cost (no profit involved) or where there is subsidy available to cover the discount.

### **7. Keyworker Housing**

Currently, Government classifies Keyworkers as Public sector workers, Police, Fire, Hospital, Ambulance, etc. Keyworkers are normally given priority for Affordable Home Ownership initiatives, usually using the Homebuy mechanism (described above). Keyworker initiatives are not available within North Warwickshire's area.

### **8. Housing Association (RSL) supported housing for people with special needs**

This can be specially adapted existing accommodation, but is normally newly built housing designed to meet the particular needs of less able people. Applicants on the Housing Register or Tenant Transfer List are given priority by the Council's Special Needs Allocations Group. The capital cost of adaptations or of a specially designed new home requires public subsidy. Some people with special needs also require care provided by Social Services, or other support funded by the County Council's Supporting People Team.

### **9. Private Sector Homes for Rent**

Private landlords provide affordable housing when the rent charged is within Housing Benefit *Local Reference Rent*\* levels and/or when the Council provides subsidy to help landlords to bring empty property back into use, to improve existing accommodation, or to convert commercial space (above shops). Regeneration Grant is reserved for property that has been empty for more than 12 months or commercial

space that is no longer needed. In exchange for subsidy, the accommodation is let to people nominated from the Council's Housing Register.

*\* The Local Reference Rent is established by the Rent Officer (not the Council) and reflects the average cost of a range of rents for local properties with the same number of rooms.*

#### **10. Charitable Trust homes (including Almshousing)**

Trusts provide rented housing by using funds that have normally been donated by wealthy or benevolent people through their legacies. It is considered to be a form of social housing. Many Almshouse Trusts have outdated qualification criteria, for example "for the benefit of the poor", or "people in reduced circumstances". The Council is not involved in the allocations process. Trustees decide who is in need of its housing. It is usually available for life, and few vacancies occur.

#### **11. Self-Build**

Self build homes are usually built as part of a small group whose members have different skills. Specialist organisations help with Feasibility, Finance, Planning, Design, Materials, Infrastructure, Training, Project and Contract Management. The cost of the homes is significantly reduced through self-labour ('sweat equity') and successful schemes usually rely on inexpensive land being available. Some Councils make land available, but due to the lack of suitable Council owned land in this district, opportunities for selfbuild are rare.

#### **12. Mutual Ownership – Community Land Trust (CLT)**

Based on a Community Land Trust model, Mutual Ownership involves buying a stake in an affordable home, but not in the land upon which it is built. The CLT retains the Freehold of the land and holds it in trust as a charitable or public asset. Mutual Home Owners purchase a long lease and the cost of their share is calculated using an income linked formula. Future sales ignore the land value, generate equity for Leaseholders, and help sustain the Trust. CLTs generally require donated land and initial pump-prime capital.

#### **13. Affordable homes through Planning Gain**

Where developers propose new homes, the Councils Affordable Housing policies include an obligation to provide a proportion of affordable homes. These should be provided without the need for public subsidy, and on the same site. Sometimes, the Council will agree that the affordable housing can be provided on another site in the district, in which case the developer is required to make a significant payment to the Council which it can use as subsidy to provide the required housing elsewhere.

#### **14. Affordable Homes through the Rural Exceptions planning policy**

To help sustain local communities, affordable housing can be provided immediately adjacent to a village, and specifically for people local to that parish. Homes for rent or shared ownership sale are normally provided by RSLs, but other forms of rural exceptions housing are possible. It is constructed on inexpensive (usually agricultural) land that would not ordinarily receive planning permission. In addition to having a specific local connection, applicants must also be on the Council's housing register or tenant transfer list.

#### **15. Affordable Homes on land specifically allocated for Affordable Housing**

There is a new opportunity in revised *Planning Policy Statement 3 (PPS3)* to allocate land solely for development as Affordable Housing. As described above, settlements with less than 3,000 population already have the opportunity to do this through the Council's Planning Exceptions policy. The new planning guidance covers rural Parishes and Towns with settlements of over 3,000 population. The consideration of such potential 100% allocations should be made as part of the new Local Development Framework process either through a specific Allocations DPD or as a Policy within the Core Strategy. In relation to points [14] and [15] individuals and organizations such as Landowners, Developers, Landlords, and Employers can all become directly involved in providing affordable housing, and the Council is willing to explore new and innovative ways of achieving this, whilst also respecting the Landowners own objectives.

#### **16. New Open Market Low Cost Sale**

Typically, the smallest, least expensive housing provided on new housing developments, i.e. flats and terraced houses. The council is not involved in this form of affordable housing. PPS3 has specifically excluded this type of housing from the definition of affordable housing. In North Warwickshire this type of housing would only be considered "affordable" if the cost of purchase is comparable to RSL rents and future resales will be controlled as such in perpetuity

#### **17. Open Market Low Cost Resale**

The least expensive (older, existing) housing available on the open market. Again, typically these are normally flats and terraced houses. Not defined or identified as "Affordable Housing" in PPS3.

### **18. Right to Buy (RTB) – Right To Acquire (RTA)**

Council tenants of 2 years or more can exercise their RTB, and RSL (housing association) tenants their RTA. When a tenant purchases their existing home, there is a RTB discount of up to £30,000 (or in the case of a RTA a discount of up to £16,000). The discounted purchase makes these homes affordable. Future resales are at full open market value by which time the properties are no longer considered to be “affordable housing”. In “designated” Rural Areas (normally settlements/parishes of less than 3000 people) there are restrictions on both the amount tenants can purchase and who they can sell to (normally the HA/RSL). Designation is through a Statutory Instrument (SI) under the auspices of the relevant Housing Act. The area designated “Rural” in North Warwickshire for **Right to Acquire** purposes is specified in SI 1997 No. 620. No part of North Warwickshire has been designated “Rural” for **Right to Buy** purposes.

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## S106 Agreements Heads of Terms

### Standard clauses for Section 106 Agreements

The Council will normally expect a developer of a residential development site subject to the Council's affordable housing planning policy to deliver the affordable housing on the subject site. Therefore, the Council's standard clauses for Section 106 Agreements governing the provision of affordable housing are sub-divided into those relevant to two forms of transaction between the developer and an appointed Registered Social Landlord (RSL):

- (i) where the developer constructs the affordable homes and transfers the completed homes to the RSL,
- (ii) where the developer transfers serviced affordable housing land to the RSL and pays a commuted sum to the Council.

There can be exceptional circumstances where it is impractical or inappropriate for the affordable housing to be provided on the subject site. In such cases the developer will be required to make a financial contribution. Therefore, this annex also includes the Council's standard clauses for a Section 106 Agreement governing the payment of a financial contribution by a developer in lieu of providing affordable housing. This approach is always treated as an **exception** to the Local plan policy and not normally supported.

#### 1. General Clauses

1.1 Affordable housing should only be used to provide accommodation for households who are **in need of such housing** in the Council's administrative area and whose needs meet the criteria of the appointed RSL.

1.2 In determining whether the person/household is both in need **and** requires accommodation on a site within a particular location/settlement (subject of a planning application) the following should be considered. People who have a need for affordable housing in the Council's administrative area will be people with a local connection, which usually means they:

- comply with and have been identified/included on the Council's Housing Needs Register (indicating a need or preference for housing in that location/settlement),
- or their partners will currently have their only or principal home in the parish where the subject site is situated, or then (if no-one satisfies this initial criteria) in the surrounding ward area or then in the North Warwickshire Borough area for a continuous period of 5 years,
- previously had their only or principal home in the parish, surrounding ward area or then in the North Warwickshire Borough for a continuous period of 5 years, within the last 10 years,
- they or their partners will currently have their principal place of work in the parish, or then in the surrounding ward area or then North Warwickshire Borough,
- have a member of their immediate family living in the parish, or then in the surrounding ward area or then North Warwickshire District and have had for a continuous period of 5 years.
- In the opinion of the Council need to live within the parish or surrounding area in order to perform employment, for which they have been offered a job and which provides a benefit to the economy or social well-being of the community and they cannot afford a house.

Priority is always given to those who currently live or work in the Parish/Ward where the development takes place, secondly to those in adjacent wards and then the wider Borough needs. Those people offered a job in the parish/ward/borough and need to move to the area will need to provide proof of the job offer. In areas and settlements designated as "Rural for Right to Acquire Purposes" as indicated in Statutory Instrument (SI) No. 620, 'The Housing (Right to Acquire or Enfranchise)(Designated Rural Areas in the West Midlands) Order 1997', priority will also be given to those who comply with the above criteria **and** have been specifically identified for first/initial occupancy of the affordable housing units in the planning application.

**Note: the above criteria are locational, related to an immediate, existing "Local Need" of an individual/family and are not affected by race, colour, nationality or ethnic origin.**

**See "Allocation of Accommodation Code of guidance for local housing authorities Nov 2002" ODP/DCLG particularly in terms of establishing 'Habitual Residence' status.**

1.3 Need for affordable housing will be defined in accordance with the application criteria for the Council's Housing Register as well as to the criteria applied by the appointed RSL.

**NOTE: This element relating to design standards has been formally requested for inclusion in any S106 Agreements by the Housing Corporation – they have guide clauses for inclusion, which are recommended to be retained/included. They differ slightly from the following**

1.4 The affordable homes should be designed and constructed to meet, or preferably exceed, the minimum standards specified by The Housing Corporation in its "Design and Quality Standards", and the "Code for Sustainable Homes" which replaces Eco Homes and/or "Lifetime Homes" Standard expectations applying at the date of the Section 106 Agreement, or in force 12 months prior to the development commencing, whichever is the later date.

1.5 The obligations in relation to affordable housing shall not bind a mortgagee of the appointed RSL, or any successor, in the event that it becomes a mortgagee in possession, except in so far as the mortgagee in possession will be expected to use its reasonable endeavours to dispose of or transfer the affordable housing to another RSL.

1.6 Affordable housing will be excluded from any Voluntary Purchase Grant or any right to acquire except in the exceptional circumstance where public subsidy is required to contribute to the funding of the affordable housing.

1.7 The Council will require any RSL appointed to take transfer or to produce affordable housing as the result of an obligation on a landowner or developer under a Section 106 Agreement to reinvest any net capital receipts from future releases of equity in this housing. Reinvestment should be in the provision of other affordable housing in the Parish, Surrounding Area or District. The net receipt will be the amount received after deduction of legal and other costs reasonably incurred in connection with the transaction, which released the equity and any sums to be repaid to a grant or mortgage provider.

## **2. Clauses Relevant Where the Developer Constructs the Affordable Homes and Transfers them to the Appointed RSL**

2.1 Before commencing any element of the development the developer should:

- obtain the Council's approval of the programme, location, type, mix and servicing of the affordable housing, in the context of the programme and servicing of the rest of the development and in the context of the Council's published planning policies on tenure mix and minimum dwelling sizes.
- agree an unconditional contract with the appointed RSL for the transfer of the completed affordable homes.

2.2 The Council will select an RSL from amongst its preferred partner RSLs which will be willing and able to acquire the affordable housing, subject to the affordable homes fulfilling the expectations of the Section 106 Agreement. If the selected RSL does not act reasonably in negotiating a transfer agreement with the developer, the Council will intervene and ultimately may choose to select another of its preferred partner RSLs if it believes the RSL first selected is not able to achieve a reasonable basis or timescale for agreement with the developer.

2.3 The developer will agree not to occupy or permit occupation of any of the homes in the development that are to be sold or let on the open market until the developer has transferred the completed affordable homes to the appointed RSL.

2.4 The completed affordable homes should be transferred to the appointed RSL freehold, in the case of houses, or on a lease for a minimum of 125 years, in the case of individual flats or apartments. Where it is proposed to transfer a complete block of flats or apartments to an RSL then the freehold should be transferred.

2.5 Completion of the affordable homes will not have been achieved unless all services are connected and operating and the homes are accessible by both vehicles and pedestrians.

## **3. Clauses Relevant Where the Developer Transfers Serviced Affordable Housing Land to the Appointed RSL and Pays a Commuted Sum to the Council**

3.1 Before commencing any element of the development the developer should:

- obtain the Council's approval of the programme, location, type, mix and servicing of the affordable housing, in the context of the programme and servicing of the rest of the development, and identify the exact land area to be subject to transfer,
- agree an unconditional contract with the appointed RSL for the freehold transfer, or an interest equivalent to that held by the developer, of all of the land identified for affordable housing provision,
- pay to the Council a sum for the provision of the affordable housing based on an estimate produced by a qualified and experienced quantity surveyor of the amalgamated cost of producing all of the affordable

housing less the aggregated amounts which an RSL is expected to pay for affordable housing, for the mix applying to the site.

3.2 Before completing the transfer of the affordable housing land to the appointed RSL, the developer will have constructed and installed the roads, sewers and other services necessary to permit the affordable housing to be constructed and completed properly, unless otherwise agreed between the developer, Council and RSL.

3.3 The Council will undertake to apply the commuted sum paid by the developer to providing financial assistance to the appointed RSL to enable the provision of the affordable housing on the subject site.

3.4 The Council will select an RSL from amongst its preferred partner RSLs that will be willing and able to acquire the affordable housing land and to provide the agreed affordable housing in accordance with reasonable programme expectations. If the selected RSL does not act reasonably in negotiating a transfer agreement with the developer, the Council will intervene and ultimately may choose to select another of its preferred partner RSL if it believes the RSL first selected is not able to achieve a reasonable basis or timescale for agreements with the developer.

#### **4. Clauses Relevant to Off-Site Contributions by the Developer (exceptional circumstances only)**

4.1 Before commencing development, the developer should pay to the Council a sum to facilitate the provision of affordable housing elsewhere than on the subject site. The sum will be calculated based on a notional quantity and mix of affordable housing reflective of that which would have been expected from the subject site had an on site contribution been practical or appropriate.

4.2 The calculation of the sum will be completed by establishing the cost of acquiring land and then constructing the notional mix of housing in the local housing market or acquiring satisfactory existing dwellings using estimates of prices provided by appropriately qualified advisors. From this amount will be deducted the amounts which can be paid for affordable housing by RSLs as would be expected/calculated were the site to be delivered through Social Housing Grant (based on an average received for other Grant Funded Schemes within the Borough) .

4.3 The Council will use the sum paid by the developer to facilitate the provision of affordable housing in its administrative area. In the event that all or part of the payment has not been spent for this purpose within up to 10 years of its receipt, the Council will repay that amount to the developer, with interest. The exact time period for repayment of developer contributions will be negotiated/agreed on a case by case basis as will the level of interest to be repaid, subject to the prevailing financial market and conditions applying at the time.

**Preferred RSL Partners****North Warwickshire Borough Council Preferred Registered Social Landlord (RSL) Partners****Family Housing Association (Birmingham) Ltd**

Bordesley House  
44-46 Coventry Road  
Bordesley  
Birmingham  
B10 0RX  
Tel: 0121 7661100  
Fax: 0121 7665115

**Warwickshire Rural Housing Association**

5 Huntingdon Court  
Market Street  
Ashby-de-la-Zouch  
Leicestershire  
LE65 1AH  
Tel: 01530 411877  
Fax: 01530 411660

**Bromford Housing Group**

Bromford Carinthia Kenilworth Office  
Holly Farm Business Park  
Honiley  
Kenilworth  
Warwickshire  
CV8 1NP  
Tel: 0845 6050604  
Fax: 01926 485361  
Email: mail@bromford.co.uk

**Warwickshire Rural Housing Enabler\***

Phil Ward  
25 Stoneleigh Deer Park  
Stareton  
Kenilworth  
Warwickshire  
CV8 2LY  
Tel: 024 7621 7391  
(\*Assists rural communities in identifying local housing needs and suitable sites for new homes to meet these needs)

**Midland Heart**

PO Box 160  
Touchstone House  
Whitley Village  
Coventry  
West Midlands  
CV3 4HZ  
Tel: 024 7650 7100  
Fax: 024 7650 2664

**The LHA-ASRA Group**

**Head Office**  
3 Bede Island Road  
Leicester  
LE2 7EA  
Tel: 0116 257 6700  
Fax: 0116 247 0365  
[enquiries@lha-asra.org.uk](mailto:enquiries@lha-asra.org.uk)

**Midland Heart**

**Main Office**  
20, Bath Row  
Birmingham  
B15 1LZ  
Tel: 0870 60 70 300

**Jephson Housing Association Group**

Jephson Court  
Tancred Close  
Leamington Spa  
CV31 3RZ  
Tel: 01926 831177  
Fax: 01926 889768

**Waterloo Housing**

Waterloo House  
76/78 Boldmere Road  
Sutton Coldfield  
Tel: 0121 355 4651  
Fax: 0121 355 7771

**Useful Contacts**

Name	Company	Telephone	E-mail
Ailsa Daykin	East Midlands Housing Association	01623 444004	<a href="mailto:ailsa.daykin@emha.org">ailsa.daykin@emha.org</a>
Roy Mowbray	Waterloo Housing	0121 362 8927	<a href="mailto:roymowbray@waterloo.org.uk">mailto:roymowbray@waterloo.org.uk</a>
Jo Humble	Midland Heart	02476 507270	<a href="mailto:jo.humble@midlandheart.org.uk">jo.humble@midlandheart.org.uk</a>
Paul Hanley	Jephson Housing	01926 831177	<a href="mailto:paul.hanley@jephson.org.uk">paul.hanley@jephson.org.uk</a>
David Stevenson	Family Housing	0121 766 1177	<a href="mailto:dstevenson@family-housing.co.uk">dstevenson@family-housing.co.uk</a>
Alan Boucher	LHA-ASRA	0116 257 6793	<a href="mailto:Alan.boucher@lha.org.uk">mailto:Alan.boucher@lha.org.uk</a>
Janine Maer	Bromford	01926 485378	<a href="mailto:janine.maer@bromford.co.uk">janine.maer@bromford.co.uk</a>

## Glossary

### **Annual Monitoring Report**

Information on the implementation of planning policies in North Warwickshire published and submitted to Central Government at the end of each calendar year.

### **Development Plan Document**

A type of Local Development Document. It is subject to independent testing by the Planning Inspectorate and has the weight of development plan status when adopted.

### **Discount market housing**

Affordable housing which is wholly owned by the occupier but is always sold at a discount on full market price.

### **Housing Association**

A non-profit making organisation run by voluntary committee providing decent, affordable accommodation and homes for people in housing need. Also known as registered social landlords (RSLs).

### **Housing Market Assessment**

Housing Market Assessment is a detailed study of how the housing market operates in a particular area. Assessments are carried out to get a detailed picture of housing need and demand, analysing the past, present and future pattern of demand and supply of housing typically at the sub-regional level.

**Housing Register:** This is effectively a list of all the people who have expressed a desire to move into housing provided by housing associations and/or the Council within North Warwickshire.

### **Intermediate housing**

Affordable housing which is wholly or partly owned by the occupier but acquired at below full market price. Shared ownership (New Build Homebuy) and discount market housing are types of intermediate housing.

### **Local Development Documents**

Documents which collectively set out the spatial planning strategy for a local planning authority's area. They are of two types: Development Plan Documents and Supplementary Planning Documents.

### **Local Development Framework**

A portfolio of local development documents which together provide a framework for delivering the spatial planning strategy for a local planning authority area. The LDF consists of a saved Local Plan, Development Plan Documents, Supplementary Planning Documents, the Statement of Community Involvement, the Local Development Scheme and Annual Monitoring Report.

### **Mortgagee-in-Possession**

Clauses in legal documents which would enable lenders of private finance to dispose of property on the open market as a last resort if a borrower were to get into financial difficulties.

### **New Build Homebuy**

Shared ownership of newly built properties.

### **Nominations agreement**

An agreement between the Council and the provider of affordable housing which allows the Council to nominate occupiers of affordable housing.

### **Partner RSLs**

Housing associations selected by the Council in liaison with the Housing Corporation, for their ability to develop schemes on time and to budget, to work with developers to maximise affordable housing, and which have a track record of securing public subsidy (where required) and have been assessed as good service providers by both the Housing Corporation and the Council.

### **Registered Social Landlord (RSL)**

An organisation, usually a housing association, which is registered by the Housing Corporation to provide affordable housing.

**Rural Housing Enabler:** A person independent of the Council and Housing Associations who works with the local community to identify housing need and provide guidance to communities on the development process.

### **Shared ownership**

Affordable housing which is part owned by the occupier who also pays rent to the owner of the remainder of the property, usually a RSL.

### **Social rented**

Affordable housing in which the occupier rents the property at below market rents usually from a RSL.

### **Supplementary Planning Document (SPD)**

A document that supplements and elaborates policies and proposals in development plan documents.

### **Target rents**

Rents based on a national Government system based on local incomes and house prices.

### **Tenure**

Effectively means the type of land/property ownership. Involves the act or right of holding, as property, buildings land and/or estate e.g. private rented, social rented, freehold home ownership, shared ownership.

**Windfall sites**

Sites not specifically identified or allocated in the Local Plan but which come forward in accordance with the Plan in the form of redevelopment, infilling and rounding off within existing built-up areas or the conversion or sub-division of existing buildings.